Think Gov

Selling to government

Simple and easy to use guidance aimed at speeding up and reducing the risk and cost of selling to the public sector

by

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Purpose and target audience

Selling to government (also known as the public sector) can be a slow and expensive process. However it doesn't need to be if buyers and sellers understand the rules of the game and behave sensibly.

My aim in writing this booklet is to provide some simple and easy to use guidance for large and small suppliers on how to sell to government as quickly as possible and minimise their waste of resources on unnecessary activities or abortive bids. Good selling sets a scene for successful engagement and I'd like to think that suppliers following this guidance will help government achieve positive outcomes economically and quickly.

This booklet draws on experience of Information and Communications Technology in the UK public sector, although the same rules and approaches apply in other areas including, for example, business process outsourcing, travel services, construction and the purchase of products such as pharmaceuticals.

The target audience of this booklet are individuals and organisations with limited knowledge and experience of selling to government; it may also be useful for establishing common processes for teams with varied experience. Public sector buyers might also find it useful for understanding supplier perspectives and processes.

The author

Peter was a civil servant for over 20 years, and during that time was involved in a range of projects, including running what was then one of the Inland Revenues largest procurements. In 1994 he joined EDS, a major supplier to government, where he delivered a range of consulting assignments to government, created and ran their eGovernment consultancy practice, and worked on a range of bids, some major, to government. His main focus is strategy and innovation, expertise in selling was developed to enable him to turn good ideas into deliverable projects.

He has also contributed to initiatives from a range of government and industry bodies including the British Computer Society (BCS), Cabinet Office, the Confederation of British Industry (CBI), the Information Society Alliance (EURIM), and the UK trade association representing the technology industry (Intellect) gaining a wider perspective and deeper involvement in how suppliers sell and the government buys.

With over 30 years varied experience of both buying and selling to government he is ideally placed to write this booklet.

Thanks to

I am very grateful to good friends in my network of contacts, particularly Sheila Beck, Don Brown, James Buchanan, Stephen Darvill, Mel Frewin, Rachel Goldsack, Nick Kalisperas, Ian Morton, Lucie Rostron and Dave Waltho who have helped me improve accuracy and readability.

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1. Introduction

Traditionally government is a good market; it doesn't default, pays its debts on time and tends to buy when the rest of the economy isn't doing so. Unfortunately the level of investment in cost and time to sell to government is usually much higher than for the private sector.

A seismic shift, the 'recession', is exacerbating the situation and government will be driving a harder bargain and cutting back and / or cancelling more projects, reflecting the internal pressures they are under. The aim of this book is to reduce the level of investment whilst improving success rates, particularly relevant in these difficult times.

With government strange things can happen, here are some examples (without names to avoid law suits).

- A government framework for complex systems was cancelled after the short listing phase, as was its replacement. The whole saga took over two years and as approximately 20 suppliers had been short listed each time the cost to the buyer and to potential suppliers was in the millions of pounds. Both cancellations were due to changes in policy for how complex systems should be purchased.
- After more than a year and with each of three suppliers having spent something over a million pounds a government department realised that a competition wasn't necessary and cancelled it.
- At the end of over a years competition a government buyer pressed for large cost reductions on a set of major contracts, some suppliers decided that the contracts couldn't be profitable and withdrew, others signed and subsequently some realised the contracts weren't profitable and paid compensation to escape their contracts.
- A government buyer published a requirement and found that no supplier was prepared to bid for their business. This was probably because each supplier felt that the odds of them winning were too low to justify the cost of competing, possibly because the rules of the competition gave no opportunity to differentiate or the cost to bid seemed unreasonably high.
- A supplier quoted a low price and expected to make up the loss by charging high prices for changes or bid for business where they knew they aren't particularly well qualified to deliver.

So why do buyers, and sellers, behave in this way?

One explanation is that equal access to information is a key part of theories about free markets and competition. This is why competition authorities object to activities that restrict access to information, such as insider trading. In a perfect world the buyer would provide accurate information about what they want to do and are prepared to pay, and sellers would compete on their ability to meet the requirement and on the price they charge, but…..

For reasons discussed in the next chapter, in the real world government buyers don't usually discuss openly what they want to achieve and the constraints on how it can be done with prospective suppliers. Suppliers are also careful not to reveal any more than they have to as they don't want to "give" their ideas / intellectual capital to their competitors. This causes buyers and sellers to act defensively and fail to communicate, and sometimes find out too late that they're on the wrong track. To make the situation even worse, the communication that does take place may well have been designed to influence the competition and gain competitive advantage.

It's not surprising that things do go wrong, and as you are going to be damaged by it almost as much as the buyer it's very much in your interests to **act professionally**[1] [2] by promoting **open communication** and avoiding dealing with buyers who won't cooperate. Because if things go wrong you lose twice, first of all with a wasted bid for business and secondly, as a taxpayer you will be paying your share of governments costs.

The damage from poor communication doesn't even stop when the contract has been won. If it has resulted in a contract that doesn't achieve what the buyer really wants the supplier will inevitably have to agree to change it. Whilst this may gain the supplier extra revenue it's also likely that managing the bad feeling will make it unprofitable.

So whilst **government is** generally **a good market,** government organisations are not necessarily **good customers.** To succeed you need to know the 'rules of the game', behave professionally and keep your eyes open.

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[1] The Intellect guide to organisational professionalism gives some useful guidance, it can be found at http://www.intellectuk.org/opg

[2] The Intellect IT Code of best practice can be found at www.intellectuk.org/suppliercode

2. Government and why it's different

Government is a somewhat imprecise term; I'm applying it to all organisations that feel bound by government purchasing rules which include health, education, local government, government agencies, and organisations that have previously been within government and continue to follow its rules as well as the central government departments. The term, the wider public sector, is also often used, although I prefer the simpler 'government'. It's a big market opportunity; government spends approximately £175 billion a year on procuring the goods and services needed to deliver public services[3].

Before getting into specifics it's worth pondering why **the government and the private sector are different.** I don't see the people as different rather that they are reacting to different pressures:

- **External scrutiny** – In the private sector if the CEO says do something that's usually enough and whilst shareholders may well be interested they will only want to interfere when something goes badly wrong. In government many are interested and nothing much can be hidden from scrutiny, therefore ministers, the opposition, the press and the watchdogs[4] feel they have a duty to interfere. In consequence public servants are always aware that someone is looking over their shoulder and as a result running a compliant, low risk and transparent process can become more important than project success.

- **Best value** – Often confused with lowest cost, which by ignoring the balance of cost and project outcomes is actually unprofessional. In the private sector profitable projects lead to career success. In government policy success allied to not being exposed leads to career success. Although this is changing, even where budgets are set and strictly monitored, there is a strong temptation to push for a larger than necessary budget and not feel that costs should be controlled too tightly, leaving some slack in case anything goes wrong. In consequence value for money in government can sometimes equate to being able to justify decisions rather than achieving policy objectives at minimum cost.

- **Ill considered policies** – The political and press attention span is short and policy initiatives may therefore be devised and communicated 'on the hoof' with little if any thought of how they might be delivered. The fundamental incompatibility between the short term political horizon and long term government project can result in projects that get dramatically changed or cancelled.

- **Continuity** – Although there has been progress in recent years it is quite likely that some of the people involved in a government project will be moved on to develop their careers. In the private sector the team will be rewarded when the project is successfully delivered so will want to stay associated with it. In government there is more emphasis on having created new policy initiatives

[3] The public sector currently spends approximately £175 billion a year on procuring the goods and services needed to deliver public services. Within this £175 billion, £70 billion is spent on common goods and services that is a product or service which is purchased by more than one organisation. From the SME National Procurement Conference 2009 publicity material at http://www.bipsolutions.com/events/sme09/index.php

[4] For example the National Audit Office and the Audit Commission

which naturally encourages staff to move on when projects go beyond policy towards delivery.

Reactions to these pressures will be ‘individual’ and the people you deal with may be anywhere on a spectrum of cautiously bureaucratic to aggressively entrepreneurial. It’s therefore really important to be able to predict how the buyers you are selling to are likely to behave.

A CBI survey into public sector procurement in 2007 found that the rating for procurement skills were good 9%, adequate 41%, poor or very poor 46%. This illustrates that **competence is low**, both individually and within teams in government. Some insight into the capability of central government departments, including spend maps, can be gained from the Office of Government Commerce (OGC) published Procurement Capability Reviews (PCR)[5]. NB responsibility for the OGC has now transferred to the Cabinet Office.

You should expect to see the buyer’s **decision makers** involved. For large projects this would be the **Senior Responsible Owner (SRO)**, i.e. the person responsible for ensuring that a change project or programme meets its objectives and delivers the projected benefits. Procurement professionals should be making sure that everything is legal and that time and money is not being wasted, not taking policy decisions. You should understand the business and policy drivers and the people responsible for them. If the high level business decisions are not being taken by the right people there is a risk that in the later stages of the procurement they will be **changed or the procurement abandoned**. So never be tempted to have a decision that’s in your favour taken by people who haven’t the right level of knowledge and authority (building up a network of contacts to enable you to identify them is discussed later).

P**rocurement documents** are often put together quickly and can present an **incomplete and possibly out of date view** of what the buyer wants. They also tend to specify inputs and outputs rather than the outcomes the buyer wants, so you may correctly answer the questions but completely miss what they are looking for. Also be aware that the writer will possibly **not want to explain** what they really value in a document available for external scrutiny, for example, “we are not answering 60% of the calls received at our call centre and would like help”.

Understand the **buyer’s approach** and what they really want before spending too much, discriminating between:

- Decision makers (who should be focussed on achieving business outcomes)
- Project managers (who manage budgets and deliverables)
- Procurement (who make sure the procurement process is being operated correctly)
- Business users (who can advise on the business context)

It’s also important to understand their **personal and professional drivers**. If you aren’t confident I recommend you talk to the buyers directly, making sure that their responsibilities and interrelationships are understood, or engage consultants to help.

[5] PCR’s can be found at http://83.231.159.113/ogc_-_transforming_government_procurement_procurement_capability_reviews.asp

Although I've emphasised the negatives there are positives to cling to, including that most government employees are bright people trying to make a difference and they need to buy products and services. To maximise the chances that they buy from you it pays to:

- understand what they are trying to achieve, and
- be creative and differentiate yourself from the competition.

And always remember the simple rules of only selling products and services you're good at and **making the effort** to show potential buyers why it's going to generate **benefits for them**.

3. The rules of the game

There are formal rules and informal or local interpretations so make sure you understand **which rules the buyer is following**. This chapter explains the formal rules, gives references where further detail can be found and describes the types of informal or local interpretations that exist and also discusses how best to respond to them.

The purpose of the rules is to achieve Best Value (not lowest cost) for government by having a **fair and open competition** between well qualified suppliers. Suppliers are expected to compete on the basis of the outcomes they can achieve, their capability and on pricing.

The rules fall into two broad categories, those intended to promote fair competition and those governing behaviour.

Competition

In an attempt to minimise the effect of national boundaries on the awarding of government contracts the European Union set out rules which were then translated into national, in this case UK, law. A full copy of the rules applicable in the UK is available on The Office of Government Commerce website[6] (published in 2006).

Where a contract is for more than the EU limit (the limit varies depending on type of contract and type of organisation, 137,000 Euros is most common) government organisations must advertise in the European Journal[7] saying what they want to buy and follow a fairly **rigid and time consuming process** in selecting a supplier. There are exceptions where their requirement falls within the scope of a framework, discussed later, or an existing contract.

Although this limit is fairly low many government organisations set an even lower limit, sometimes as low as five thousand pounds, to show that they welcome open competition. The limit may vary for different products and services as it is generally cheaper and quicker to compete for standard / commodity items than when they are specialised or customised. It's generally worth **checking what limit applies** and if the sale is close in value to the limit asking whether **Best Value** will be achieved by competitive procurement and whether another mechanism can be used.

Although not strictly necessary a buyer may publish a **Prior Information Notice (PIN)** in the European Journal. This has the practical effect of allowing some of the time limits to be reduced and also encourages suppliers to talk to the buyer about potential solutions ahead of the formal competition (when communication is generally limited).

The most commonly used process is the restricted procedure, which has the following stages:

1. the buyer publishes a contract notice in the European Journal,

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[6]European Union rules are on the OGC website at http://www.opsi.gov.uk/si/si2006/uksi_20060005_en.pdf

[7] The full name is the Official Journal of the European Community (OJEC), it is also referred to as the Official Journal of the European Union (OJEU)

2. interested potential suppliers respond providing the information requested, normally on a Pre-Qualification Questionnaire (PQQ)

3. A more detailed questionnaire, a Request for Proposal (RFP) is sent to those short listed in what is known as the Invitation to Tender (ITT) phase

4. Potential suppliers send in tenders, the final version being known as their Best and Final Offer (BAFO)

5. The most economically advantageous supplier is chosen

There are other alternatives, the open procedure where the contract notice has the details necessary and shortlist (and the issue of an RFP) is not used. The negotiated procedure where there is a period of negotiation on the tenders submitted and, the most time consuming of all, the competitive dialogue. Competitive dialogues are designed for complex procurements where the buyer isn't confident they know what solutions are possible and what benefit they may create; they therefore have a phase prior to the submission of tenders where simultaneously the short listed suppliers discuss their approaches.

There are strict rules for timescales, for example the restricted procedure normally has a minimum of 37 days between stages 1 and 2 and 40 days between 3 and 4. Always check the published contract notice as the timescales can vary, for example, there is a new (2009) accelerated restricted procedure where the timescales are reduced to 10 days when electronic means are used to transfer documents.

Whilst one can **challenge** the governments application of the rules it isn't often a good idea. If the buyer's interpretation of the rules appears unfair the most sensible reaction is to discuss them with the buyer and if you can't get agreement **avoid dealing with them**.

Fairness

It's OK to ask questions to get a better understanding of the requirement or constraints on the solution. But bear in mind that normally all questions and answers will be documented and **shared with your competitors**. This is done to protect the buyer from accusations that they are favouring one competitor over another.

Bribery is obviously unacceptable and to prevent it all gifts, except the most trivial, must be declared so be extremely **careful about offering anything.** At best you'll irritate the buyer and show you don't know how government works, and at worst be disqualified from bidding. Even buying something as innocuous as a coffee or snack when you're naturally together is best preceded by a light comment such as "would it be OK with you if I get the coffee". One can relax a bit outside formal competitions (which start with the Contract notice and end with the award of contract) but it still pays to be sensitive.

Using the rules

Understanding your competitor's capability and pricing increases your chances of winning and it's therefore worth making every effort to find out who they are. It's within the rules to ask the buyer who else is in the competition and how you rate against them, although they don't have to tell you.

Ask how responses will be scored and in particular what benefits will be valued. There is a subtle difference in the mindset between government and private sector buyers. When selling to government suppliers are often competing to sell a solution to a requirement whereas in the private sector they will often be selling what the solution achieves, for example an increase in revenue or reduction in costs. The **more sophisticated** government organisations will extend their requirements and evaluation criteria so that they can **reward the achievement of policy outcomes** not specifically included in their requirements.

If the **number of competitors falls** this may feel like a good thing but, as it reduces the feeling that the competition will reduce prices, it can mean that another mechanism gets introduced delaying the purchase. In the worst case, where there is only one competitor, the buyer may, for example, get a **value for money baseline** from a specialist company or **cancel the competition**. If they do decide to press ahead it makes sense to help them obtain evidence they can use with auditors to show that they have achieved best value for money.

4. Becoming a trusted advisor

This chapter becomes increasingly relevant as the potential volume of business with a buyer increases. Becoming a trusted advisor enables you to really **understand and influence** the business plans of potential buyers and consequently to be confident that you understand where you can add most value. As a trusted advisor you will understand what language to use and be able to communicate your ideas effectively to key decision makers.

Some buyers want to be influenced, and will create opportunities for those they trust to talk to them. Others may feel uncomfortable and think that they are being manipulated so be sensitive, particularly where your aim is competitive positioning rather than helping the buyer with policy objectives or cost reduction.

As a trusted advisor you will be better placed to identify and convince people trusted by chief executives to help you. In contrast to the private sector new thinking is best introduced through advisors to chief executives who listen to their recommendation, whereas in the private sector a direct approach to chief executives is often more effective.

Image and relationships

Government buyers are looking for honesty, trust and an understanding of risk, and for strategic projects they will be looking at varying levels of partnership. **They will primarily listen to people** coming from organisations that have a positive reputation and who understand them.

You'll find that the rules of the game make it difficult to promote an image through, for example, sports sponsorship or to use sports events as opportunities to build personal relationships. Whilst a government employee will not like to say they've accepted a ticket to Lords or Twickenham, they will probably feel happy to be seen at a **professional / business event**. You should therefore consider arranging such events with subjects such as "practical innovation" followed by a reception to discuss the talk with the presenter and other attendees.

Most industries have bodies that represent member organisations so that they can lobby and communicate as a group; Intellect does this for the ICT industry in the UK. There is also EURIM[8] bringing together the ICT industry, politicians and civil servants. The events they organise are useful for getting to know individuals and for putting over an industry view.

Meeting regularly, one to one or in small groups is important in building relationships but only works where there is **something worth discussing**. I like to look at image and relationship as a container holding credibility, positive events where the buyer gets something of value add more credibility but pointless meetings and phone calls lose credibility. This captures the dynamic nature and if one adds in a natural decay over time, with some credibility rotting away each month, you have a useful model.

There is a wider discussion on building and maintaining networks later.

[8] EURIM – The Information Society Alliance - brings together politicians, officials and industry to help improve the quality of policy formation, consultation, scrutiny, implementation and monitoring http://www.eurim.org.uk/

Creativity and differentiation

Being different and standing out from the crowd isn't always a good thing, but it usually makes it easier to be heard. If you stand out because of your creativity you will often be invited to talk about how business challenges can be addressed or beneficial changes achieved.

Whenever you meet or communicate with a potential buyer you have the opportunity to demonstrate your creativity. For example, take the effort to step back from the meeting or proposal and see it as contributing to a longer term relationship. Instead of simply answering the questions look creatively at what the buyer is trying to achieve and show how you can not only answer the question but create benefits they haven't considered.

A good test of whether you have achieved creative differentiation is whether you are invited to help buyers understand what they can achieve. Whilst criticised as providing free consultancy, it can be a worthwhile investment in understanding and shaping opportunities.

During tight market conditions investment in creativity and differentiation is particularly important as that's the time when you need to stand out. Investing in people who have the capacity to think, and in creating opportunities for them to research and think creatively about potential clients business is a wise decision.

5. Creating opportunities

Even people experienced in selling to government don't realise that this is possible or accept that they can and should be doing it. It's a pity, as successful companies have been creating opportunities for years and many potential buyers welcome it.

If you **create the need** for your product or service you will have implicitly shaped the way the buyers think about and describe what they want, you will also have gained a much clearer idea of what the buyer values. This is an incredibly strong position to be in as long as you have thought through how the purchase will be financed and how the buyer can contract with you (e.g. using an existing contract or a framework contract as described later). Otherwise both parties are likely to be frustrated and you will threaten your chances of doing business with this buyer in future.

Building the business case

Finding a source of finance usually depends on having a business case to show that the benefits achieved will pay for the costs incurred in a reasonable period of time. Before building a business case identify your audience, someone who will need to be persuaded to invest in it, and build it with them in mind.

To help potential clients, and themselves, some suppliers have had success when providing **benefits calculators** and / or draft business cases to help potential buyers create a case for funding. You should be prepared to coach buyers through the process of developing a business case and getting it approved, bearing in mind that they will often not appreciate all the benefits or understand how to reflect them in financial terms.

Potential buyers are most easily influenced by business cases based on cost reduction that create a **short term return on investment**, and for government this will probably need to be within their three year budgeting cycle. Cost reduction isn't as simple as it sounds; usually the tricky bit is showing how it can be practically achieved rather than showing that it will be made possible by the changes proposed.

If the cost reduction is based on reducing staff it is often relatively easy to show that staff time will be freed but difficult to show how surplus staff will be redeployed or made redundant i.e. **how the cash savings can be realised**. A possible option may be to transfer staff to another organisation, possibly yours.

It's unusual for government buyers to understand the amount of **management of change** effort needed to make effective cost reductions. To present a credible proposition, although it reduces the cost savings, you should explain why management of change is necessary and how it will enable the savings to be realised.

Achieving policy outcomes is attractive to senior civil servants, it's what fascinates them and leads to career progression. The challenge is to retain their interest and build a business case for the achievement of the policy outcomes that will make sense to ministers. Even where influencing policy outcomes doesn't result in new projects it should improve your organisation's reputation and relationships, better positioning you for other projects.

Contracting

Finding a contractual route can be even more important than funding. An open competition lasting 9 months or so is going to create a frustrating delay, and a competitor may come in and win the business. The alternatives are to:

- Add it to a contract you already have (assuming it is within the scope)
- Use a framework contract (covered later)
- Contract through someone else

Such an approach may well offer the buyer 'best value' by reducing cost and risk.

Having a strong selling position is fine if you've created the need but always be alert to the possibility that **someone else got there first**.

6. Finding opportunities

It's easy to find opportunities; **the real challenge** comes in the next chapter when we'll look at **choosing those worth investing in.** Ideally the buyer is genuinely open and hasn't talked to other suppliers. It's not so good where the buyer already knows who they intend to buy off and is conducting a competition because they have to. Even when the decision isn't made your competitor may well be trusted, know what the buyer wants and what they need to say to convince them. The key to finding good 'quality' opportunities is having a good network.

Building up a network

The **best sorts of opportunities** tend to be those with organisations and people you already know. Not only are they are easier to filter (see the next chapter) because there are fewer uncertainties but the processes of bidding and delivering are also more predictable. The closer you are to the buyer the easier it is to see to what extent competitors have prepared the ground. Understanding them also makes it easier to get a full picture of what they really want and how they will judge you and your proposal.

There is no substitute for meeting and listening to people, so get out there at meetings and conferences and '**work the room**'. It's a good idea to have a few one-liners to introduce yourself and some friendly questions to ask. Try exchanging cards, you'll notice that if you give someone a card they will usually feel compelled to give you one in return, and then note what you learned on the card so you can record it later.

As your networks build you'll be able to use your contacts to get introductions to new contacts, the only real danger being that you'll forget why you started to build the network in the first place. But even so, I've never heard anyone criticised for having too large a network, unless what's really meant is that it's a collection of contact details rather than a network of people who would be happy to talk. Nurturing a network needs more work than building it in the first place, so remember to **keep in touch with your contacts**. One approach is to group them by areas of interest and let them know when something relevant happens, another is to review contacts regularly and look for reasons to contact them.

Your network should have a mix of potential customers, people they listen to, peers and depending on the size of your organisation sub contractors or prime contractors. The aim being to **know who to call to**:

- see what opportunities are in the pipeline,
- understand what a buyer really wants,
- assess how the procurement will be run, and
- where appropriate to build consortia.

Sub and prime contractors can be very useful as they are often not directly competing with you and have good industry and customer knowledge.

Industry organisations

Joining an industry organisation, such as Intellect[9] or the CBI[10] can help you in four distinct ways:

- Building and maintaining networks
- Communicating ideas that your organisation finds embarrassing
- Gaining intelligence about opportunities and potential buyers
- Improving your profile with potential buyers and others in the industry

You also gain from its efforts to **improve the reputation of the industry** and its relationships with those influencing buyers, such as, in the UK, the Office of Government Commerce and the Cabinet Office. In the UK, Intellect, representing organisations in the information and communication technology industries cooperates with the Office of Government Commerce to improve procurement by developing model documents to reduce bidding costs and by running Concept Viability workshops.

Concept Viability Workshops[11] provide an opportunity for a government organisation to discuss and get feedback from industry, typically oral followed up by an anonymised report, before committing to procurement. For buyers the advantages are that:

- Concepts that are flawed, high-risk or not technically feasible will be identified at an early stage, and before investment has been made in the concept,
- Early engagement improves supplier relations and raises the profile of procurement to companies which previously may not have considered the opportunity, and
- Gateway Reviewers view the Concept Viability process as a sign of a mature procurement approach

For suppliers the advantages are:

- Flaws in proposals can be highlighted without companies feeling that their position in the procurement is threatened,
- Where innovative solutions are required, emerging technologies can be discussed with a frank dialogue of the risks incurred, and
- You can decide at an early stage whether you intend to bid for this work, thereby saving significant time and financial resources.

Concept Viability also gives an insight to the buyers thinking and personalities as well as an opportunity to shape the eventual project. If, and when, the buyer goes to the market the insights gained by those involved in Concept Viability workshops are invaluable.

For you to gain value from being a member of an industry organisation **costs a lot more than the membership fee**. For example it's necessary to go to meetings and events to build relationships and hear intelligence. The skill is to identify the right meetings and be ruthless in deciding what to attend.

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[9] Intellect represents 800 companies from the technology industry including software and IT services, telecommunications and electronics.

[10] Confederation of British Industry

[11]More information on Concept Viability can be found at www.intellectuk.org/conceptviability

Advanced warning (Prior Information Notices)

If you don't have advanced warning from your network you may get it from a Prior Information Notice (PIN) posted in the European Journal. Having advanced warning gives you time to look into what is most likely to achieve the buyer's objectives and whether it's your type of business.

Advanced warning also gives an opportunity for lobbying, directly or via an industry body, for the buyer to alter what they want to buy or the way they plan to go about buying it. It also gives time to build relationships with the buyer and to be creative about what will maximise outcomes.

Opportunities advertised in the European Journal

If the first thing you hear about an opportunity is finding a Contract Notice in the European Journal (often referred to as an OJEU notice) it means that the buyer is:

- following the spirit as well as the letter of competition law and not giving any potential supplier an inside track,
- very confident they know what they want (rightly or wrongly), or
- has already been talking to other potential suppliers but not you.

In general the more buyers want a commodity the less need for consultation. For complex or bespoke projects gestation starts a long time before the OJEU notice is issued, and it's **probably too late to join**. If you are still interested you should try to talk to the buyer to understand what they are actually looking for and the projects history. Unless you feel that the competition is really open, the buyer is going to be reasonable to deal with and you have products or services that are a very good fit to what is wanted you will probably be **wasting money** by going further.

There are **specialists that will search** the European Journal (OJEU) on your behalf and extract opportunities relevant to your industry or likely to be a good fit to your capabilities. You should expect to get a good feel for what is happening in the market (the journal announces who wins what) as well as a feed of suitable opportunities. The service provided by Kable to their "Direct" clients in the information and communication technology industry (ICT) is a good example of a standard industry service. Clients have access to a web site containing intelligence on what is happening in the market plus short summaries of opportunities linking to the full contract notices, they can also receive regular emails as prompts. Members of Intellect can subscribe to a Business Enquiries service to receive regular emails containing all ICT related tenders in the OJEU.

For the **Do-it-yourself enthusiast**, "Tenders Electronically Daily" can be used for periodic scans of Prior Information Notices or when you've heard a rumour and want to find the Contract Notice. This European Union website[12] isn't particularly easy to use but does have powerful search tools and can be configured to send emails when interesting opportunities appear.

[12] Tenders Electronically Daily is available at http://ted.europa.eu

Although it's not easy to get reliable statistics most successful companies **rarely apply / bid 'cold'**, i.e. unless they have been involved earlier in creating or shaping and consequently have a good understanding of the real needs.

7. Filtering opportunities

With too many opportunities for even the largest company to chase you'll need a system for **filtering out the opportunities** you can expect to lead to good business. You'll find that using a simple scoring system helps in reaching consistent decisions quickly.

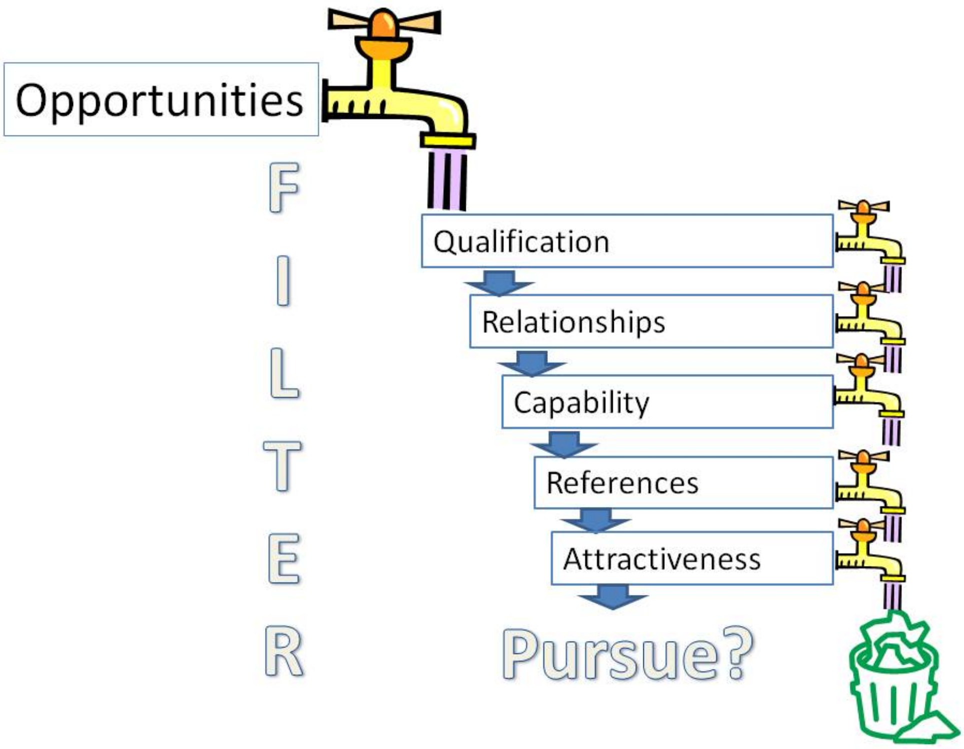
If you haven't got such a filtering system already a useful approach is to score each of the five categories below out of ten, with 10 being best. If any are less than 6 the opportunity is not usually worth pursuing. Total the five scores and pursue those with the highest score.

In scoring each of the five categories (qualification, relationships, capability, references and attractiveness) look at what the Contract Notice or the Request for Proposal is asking for. If, for example, they don't ask for references then don't score that category. Try to **get the criteria they will use to score your response** to help you with your scoring.

The table below gives a simple illustration of how the categories can be scored.

Categories	**Illustrative scores**		
	Low score < 3	**Medium score**	**High score > 8**
Qualification	Narrowly qualify	Comfortably qualify	Stand out as the type of organisation they want to do business with
Relationships	Only seen key people at a distance	Have met key people briefly and discussed this opportunity	Know the decision makers and can expect a positive recommendation
Capability	Can do this but it's not core business	It's core business but competitors are equally good	You have a clear edge on the competition
References	Weak references or not really relevant	Solid references but not directly relevant e.g. private sector not government	Good references with this client or from similar clients who will substantiate when asked
Attractiveness	Needs investment or there is risk to your reputation	Profitable business, the score depending on just how profitable	Profitable business that is likely to lead to more

Some potential opportunities will be discarded as each category is checked. For those that get through the filter the total score enables the survivors to be prioritised.



Qualification

Do you meet the essential (usually called mandatory) requirements?, e.g. Revenue in excess of “y” pounds, more than “x” staff having a specific qualification or able to provide published accounts for the last two years. This is easy to score as it’s less subjective than the other categories and should be done first as if you don’t qualify the rest are irrelevant. If you regularly give yourself a low score for business that would otherwise be attractive **consider investing to correct** the problem (for example two organisations that are both too small might combine or bid as a consortium).

Relationships

Base your confidence that you understand what the buyer really wants and, how they will judge which supplier is most likely to provide it on your **relationship with them**. In scoring you should give a third of the marks each for:

- How well you know the buyers (i.e. your level of understanding what they really want and how they will decide who to buy from),
- The level of influence you have with them, and
- How competent you rate them (and if you don’t know them be cautious about assuming competence).

If you regularly give yourself a low score, consider investing more in building networks and relationships.

Sales people typically overestimate the strength of relationships so if you aren't doing this yourself ask for evidence e.g. when did you last meet and what did you discuss? It's also worth testing the value of the relationship by asking if they will introduce you to a colleague.

Capability

In scoring this category you need a clear idea of **how well you compare** to your competitors in meeting the requirement. For example you could be good at web development (score 8) and average at testing (score 5), so for a development project you would score highly but you wouldn't score so well for a testing job. In this example, if the project is half development and half testing, the score would be 6.5.

References

Without references the buyer is forced to rely on gossip or your prose to assess whether you are likely to do a good job. Accordingly they will usually place a **high importance on references**. You should be really ruthless in deciding if they support what you are offering to do, are from this or a similar client and will be substantiated by your clients.

Providing references is inconvenient for clients but **important for your future** business so find a way to encourage them .This is discussed later as its key to producing successful proposals.

Attractiveness

The first three scoring criteria look outward to the client; this one looks back at you and **what the business is worth.** The score is based on evaluating risk, predicted revenue and margin, positioning and potential use as a reference for future business. For example adding a new client to an existing service can give a high margin at low risk, and so scores highly, compared to developing something from scratch.

Risk is both important and easily ignored, and includes the risk of:

- The procurement being delayed or cancelled
- Bad publicity, particularly with high profile projects
- Project failure due to factors outside your control

Your scoring should be heavily influenced by your perception of client attitude and track record, another reason why having a good network is important.

8. Deciding what to pursue

Having quickly **scored and discarded most opportunities** look at the remaining ones in rather more detail to understand whether the cost to win is justified by the prize.

Cost of bidding

First work out a realistic schedule of events, this is often provided by the buyer but if it isn't ask for it. It's sensible to assume that the schedule will slip; government organisations regularly underestimate the time it takes them to make decisions and the availability of their key people. Knowing the buyer enables you to make confident assessments about the schedule. Good buyers know what they want and understand how to get things done internally; bad buyers don't and are more likely to create slippage and to abandon procurements.

In general the timeslots for you to provide documents will be fixed and by assessing who will need to work on the documents the cost can be calculated. NB The questions you will be asked are usually designed to test if you are:

- Safe to do business with, e.g. registered as a business, that you have a history and accounts and that any consortium you've entered into will hold together

- Are capable of doing what they want, e.g. have qualified staff and professional processes backed up by a history of successful projects (references)

Your costs answering questions will be minimised and the chances of success maximised if you have a library of source material that you can reuse for your proposal.

Your costs are likely to be higher where the buyer isn't sure what they really need, and hasn't engaged in pre-procurement activities (e.g. Issued a PIN and or/ used a Concept Viability Workshop). For example, they might chose to use the "competitive dialogue" process to refine what they need during the competition. Competitive dialogue can be costly, to assess how expensive you should ask the buyer who they will be involving and their expectations for duration and number of meetings. You might feel concerned if they plan to use new external consultants or if they haven't decided who will be involved. This isn't a criticism of the process; the cost of removing uncertainty is usually justified.

Value of winning?

Although this isn't always easy to judge until you get immersed in the detail it's worth making as good a guess as you can at the revenue and margin for each year of the contract and **going back to check it every time something changes**.

Your calculations need to include the cost of investing in increasing capacity where that's necessary. For comparison with the costs of bidding the value should be in terms of profit after any financing costs are taken into account.

There is a natural inclination for Sales people to be over optimistic and give a false impression. It's therefore unusual to get an over estimate of the cost of bidding and even rarer to get a pessimistic estimate for the value and the probability of winning.

Probability / odds?

This is probably the biggest and most difficult variable. With experience the cost and the prize can be judged fairly accurately but the probability of winning is something entirely different. In practice there are often **two gambles**, getting short listed and then getting the contract.

Bidding to be short listed is relatively inexpensive but only wins the right to gamble again. This is the time to use the filtering guidelines to minimise wasted response as the stakes increase at the next stage.

Normally the buyer will short list to keep between three and five suppliers in the competition right up to award of contract. Putting aside the pleasure at being short listed this is the time to **balance the cost to bid against the reward** knowing who you'll be competing against. Beware the temptation to 'throw good money after bad' when you learn that the odds are weaker than you expected.

It's not professional, or legal, to conspire with your competitors but it does make sense to use your network to judge how strong your competitors will be. One approach is to analyse your competitor using the filtering approach you used to decide whether to bid and compare their scores with your own.

Decision time

Best of luck - but at least you understand the cost, the prize and the odds.

And remember that **when the facts change**, for example there is a delay or a change in requirements or personnel you need to **review your decision**.

9. Sales strategy

Having decided that an opportunity is worth pursuing, the next step is to fix on a strategy to maximise your chances. Don't wait until you're writing a proposal, the **earlier a strategy is decided on the better**, as it gives you time to act on it. For example, if you have a redirecting or fragmenting strategy you'll need time to communicate it and the chances of it succeeding will alter the odds of success.

All three approaches rely on you persuading the buyer **to ask for the right things**. This could be because they fit with your strengths or you believe that it's in the buyer's best interests. This isn't a cynical comment, **successful clients are good business**.

Whichever you adopt have a short crisp '**elevator speech**' that positions your bid **and** positions the competition.

Direct

The simplest approach is to offer to do what the buyer has asked for and participate in a competition that will be judged on the basis of **price and quality**. By doing so you're accepting that your scope for differentiation is limited to how well you can do something rather than what else you might be able to add.

When adopting the direct approach look through **your competitors eyes** to see what strategies they might adopt. You could find they will want to move the goal posts. It's also worth emphasising why you feel the buyer's approach will help them succeed so keeping them on the direct track

This approach works particularly well for commodity products and services.

Redirect

The rationale for redirection is that your alternative is the best way to get **what the buyer really wants**. Redirection is often toward something bigger or a more complex project. The classic example is to argue that the buyer wants transformation rather than the products and services that enable it.

To succeed the emphasis needs to be on the **achievement of benefits** the buyer values and / or **reducing the risk of failure**. Redirection can be a waste of time and money without a sound understanding of why the buyer is asking for something. It's particularly important to hear their rationale and if possible to test their reaction to what you propose.

When considering redirection look at the buyer's competence in managing the achievement of the outcomes they really want. Providing, and possibly creating this capability, may be just the solid foundation you need to successfully redirect.

It helps to **know** who **your competitors** are, what they are good at and how convincing they will be. If, for example, your competitors will need to create a consortium to meet a wider scope whereas you have the capability, consider emphasising the need for the wider scope and arguing against the additional cost and risk inherent in having a consortium.

Fragment

As for redirection the aim is to move the goal posts, but this time to **reduce the size and / or complexity**. This is most appropriate where the buyer is asking for a package of specialist skills or products. Here it's likely they will get bids from generalists who will subcontract the specialist work or a specialist in one area who will either subcontract the other bits or do their best with existing staff. If the specialists or products have clear interfaces it may be in everyone's interests for the buyer to coordinate multiple suppliers. The proposal to fragment should then explain **how it is best done and the benefits** of doing so.

The more fragmented a project becomes the more pressure there is on the buyer to integrate the pieces. If they aren't obviously competent your can either offer the skill yourself or point them at someone who can.

Competitive positioning

Whatever the strategy it helps to **know** who **your competitors** are, what they are good at and how convincing they will be so that you can shape your communications to minimise their advantages and maximise yours.

For example, you might emphasise the need for a wider solution where this plays to your strengths comparing it to the additional cost and risk from those that need a consortium. Alternatively, if you need to create a consortium think about persuading the buyer to fragment what they want showing that the project will fail without in-depth specialist skills that you know your competitors will struggle with.

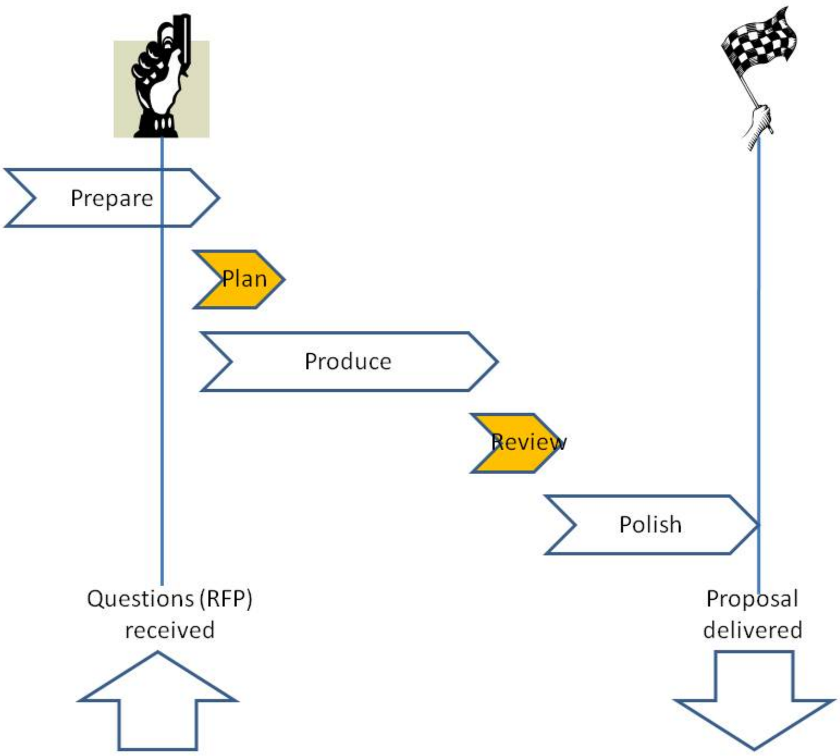
Another approach is to persuade the buyer that the best solution will have **features that you will be including**, knowing that your competitor will either have difficulty providing those features or will consider them unimportant and not draw attention to them.

By its very nature, some elements of competitive positioning are secretive and don't fit with the principles of open competition. Be **very careful** in its use as some approaches will **damage the trust** you will need to build with the buyer to successfully compete for and deliver the project.

10. Producing proposals

In all your communications with the buyer, including proposals, talk about their benefits rather than features; and outcomes not inputs. Will a buyer care whether, for example, how your product automatically archives? Whereas they'll be very interested to know how much that reduces their costs. The more emphasis there is on **'why' rather than 'how'** the better.

You should break down the production process into five distinct phases where the shortest two, plan and review, are the most important. These phases (in yellow on the diagram) are the points where experienced executives can add the most value. You'll find that this breakdown works equally well for a one person part time job or a large team working full time for many months.



Prepare

The more time you have the easier it is to get the right people lined up for each phase so start this phase when you realise that **something interesting is coming along**. It helps if you set aside a regular weekly slot for planning and review meetings so that the experienced executives you'll need will all have the same time available.

When the questions, probably included in a request for proposal, arrive **read them carefully** to decide who will answer each question and what marking you can reasonably aspire to. This should give the planning meeting the information they need to judge whether it's a good use of resources, and to allocate a reasonable budget. Have the team ready but don't start work until you have decided who will do what and have the themes agreed (usually at the planning meeting).

It's going to be very tempting to set everyone off as quickly as possible, particularly where the timescale is short. In practice any time saved with a fast start will be lost in trying to pull the disconnected pieces together against an even tighter timescale later.

Plan

Get experienced executives who understand the customer together to agree on your strategy to succeed. This goes wider than producing the proposal and might include using their relationships to test what is really being looked for or whether something you'd like to include in your propose is acceptable.

Start the meeting by reviewing why you have decided to pursue this opportunity confirming that this is still worth pursuing. Then move on to decide on the themes that will give your proposal a solid backbone on which the detail answers can sit.

To enable you to tell a convincing story develop a list of themes that encapsulate **what the buyer will be looking for** and how they will judge your proposals. Some examples of themes you might come up with are:

- You understand them and what they are looking for (with specifics)
- Competitive pricing
- Achievement of a policy outcome
- Reliable delivery
- Experienced staff

And make sure everyone who contributes to the proposal **uses the themes** to shape what they say. For example, if competitive pricing and reliable delivery are key themes, emphasise those aspects in each reference used.

Finally agree on the budget and priority and **set the date for a review**, where you will make sure that the plan has been faithfully executed, leaving time for the proposal to be polished.

Produce

During this phase make sure the focus is on the **story, the themes and the rough shape of the content**. It's very tempting to polish the wording too early, re-using an old quote it's like "putting lipstick on a pig", so leave the make-up until the polish phase when you've built a consistent and convincing story.

Look for somewhere where you can tie together the answers to **tell a story**, this makes it much easier to be consistent and convincing. There may be a question asking for a solution overview, for example, and if there isn't anywhere else put it into a covering letter. It's best to **write this first** so that individual answers fit together and build a consistent picture. Even if you can't find a way to send it to the customer it will result in a better proposal.

As sections are drafted ask for ideas for diagrams or pictures, they make a proposal more attractive and understandable. Pictures can also be very useful where there are tight word count limits.

Although it sounds terribly obvious **answer the questions**, as with exams at school, you won't get any marks for answers that tell the customer what they don't want to know. Equally obvious; **use the buyers words**, it makes it so much easier for people who know less about what you are offering than you do, to see that your proposal answers their question. Using the buyer's language is particularly important where the proposal will be marked by people who are not specialists in the subject area.

Avoid cross referencing. It's irritating to have to find the reference when marking a question. Where proposals have been split to enable specialists to mark answers it may even mean the specialist needing to get to another part of the proposal. If you do need to cross reference, for example to keep the word count down, bring out the key points of the cross reference so that each answer is independently readable.

Whilst it dramatically reduces costs if you **reuse material** it's important to avoid it appearing as if you can't be bothered to give the buyer a reply that **looks as if it was written for them**. The most cost effective approach is to build up a library that includes far more than any individual buyer will want and draw from it, personalising it to for the buyer and reinforcing their themes.

References (often referred to as case studies) deserve special attention, investing in a well documented review when every project is completed will both improve performance in future projects and provide the raw material for case studies. **Good references**, written to emphasise the themes the customer cares about, will **do more to win business than anything else**. I recommend basing **the bonus** for a successful piece of work on the value **of the project completion review** documentation in drafting references**.**

Make sure that clients will **substantiate references**; you don't want to hear later "you wouldn't have quoted that reference if you'd known what they'd say about you". Be careful in choosing who should be contacted and make sure that they don't have unresolved issues.

Review

Find someone who has had no involvement in writing it and who will **read it like the buyer.** Ask them to **score the proposal against the criteria you expect the buyer to use** and give feedback on the areas they feel could be improved. This will improve this proposal and help identify systemic faults in proposal production.

It is particularly valuable if the experienced executives who were involved in constructing the plan are available to review the draft proposal to make sure it achieves what they envisaged. This can best be done in a meeting, or teleconference, where a precondition for attendance is that one has read the draft proposal and is ready to discuss how the buyer will react to it.

Reviews work best with an independent facilitator to manage the process and make sure that each piece of the proposal makes its **contribution to telling a convincing story**. Invite the lead author, emphasising that they must be prepared to listen to what is being suggested without feeling defensive. If contributors make minor drafting or punctuation suggestions remind them that this isn't the forum for detail and instead they should send an email to the author.

Polish

You may find that using a specialist writer for this phase is both cost effective and results in a higher quality proposal. You need to appeal to all possible readers and it's an important skill to get the balance right.

First impressions count so get a decent front cover, I like to use some photographs that mean something to the customer merged into a collage to show it's been produced specially for them.

It's maybe exaggerating to say a picture is better than a thousand words, but they both save on word count (which may well be limited) and brighten up the story. Your re-use library should have those that illustrate what you do, and any you produce should be considered as potential additions.

Microsoft Word has a feature enabling the editing history of documents to be seen by anyone you send it to. And some proposals have contained some really stupid things, for example, "do you think that they will believe this" have been left for buyers to read. I suggest you use the Microsoft utility for removing editing comments or if the buyer accepts PDF documents use them instead.

Lastly, deliver in good time in precisely the way the buyer states. It's a shame to be excluded for a trivial omission when you are winding down.

11. How buyers choose?

It's good practice for buyers to have documented their **evaluation criteria** before they start the procurement. It also avoids accusations that they have "rigged" the procurement. You should ask for a copy, although there is no guaranteeing you'll get one. If there is an open session (often called a supplier day) it's worth asking then as other potential suppliers are likely to support the request.

Depending on the size of the project and the number of proposals the buyer may have a **team of evaluators**. In which case your proposal may be broken into sections so that each member of the team only sees the sections they are responsible for. Even when the document isn't broken up the questions will often be marked in isolation and the marks (combined with their weightings) added together to give an overall score.

Key decision makers **may not read the full proposals**, and even if they do they probably concentrate on the introduction, management summary or overview. Although the sum of the markings for question responses is important, key decision makers will want to be assured that "their" policy or project will be something that will enhance rather than damage their career. The overall story needs to leap out of the summary and the themes need to appeal to them.

Buyers are looking for Best Value not necessarily lowest price. To help them make a fair comparison you should place your own monetary value on benefits that you offer. Include independent guidance, where it's available, to support your arguments.

12. Good contracts

When negotiating a contract with the buyer you should take particular effort with risk transfer and downstream innovation. Both areas can materially affect the success and profitability of a contract. Another common feature is that business decision makers, not just procurement specialists, should take part in discussions about them.

Risk transfer

It's best to place risk with the organisation most able to manage it, it sounds easy but there are plenty of temptations to behave differently. For example, buyers are often best placed to manage the risk of not achieving benefits particularly where they depend on staff reductions, but it's tempting to make a suppliers reward depend on achieving them. The practical consequence is that the buyer will have an additional reason for avoiding the unpleasantness of making staff redundant as if they do so their contractual payments to the supplier will also increase. If on the other hand the contract had separated out the ability to reduce staff from its achievement both organisations would be able to manage their risks.

The Risks that can, and should, be transferred to you are those where you have control of the factors governing their achievement, for example, equipment availability which depends on the quality of the equipment and the maintenance and repair regimes.

I've seen a contract where the risk that a call centre would not be used was placed on a supplier, and whilst use can be influenced by the quality of service provided, that isn't going to attract completely new users. Responsibility for advertising the existence of the call centre, and why one should call it, was left with the buyer so that when budgets came under pressure advertising was cut and usage of the call centre fell.

Good contracts are built on a shared understanding of the risks and agreement on who takes and manages those risks based on placing the management of risks with the organisation best able to do so.

Downstream Innovation

It's often said that what's not in the contract won't happen, and this is particularly true where change costs money and the supplier doesn't share in the benefits. The benefits from downstream innovation are normally enjoyed by the buyer whereas the cost and risk of achieving them are met by the supplier. Where the supplier is made responsible for innovation, without defining it or providing any incentive for action, the contract will create stress rather than achieve benefits.

You can take a defensive position and pay lip service to innovation or alternatively you can use it to legitimately grow the value of the contract. A useful approach is to create a mechanism where you can recoup the costs of:

- building a business case for innovative changes, and
- implementing the changes,

plus a bonus when measurable business benefits are achieved. Alternatively you may find the buyer is prepared to partially fund the investigative work. In which case you could offer to charge only for your costs, without any profit, and agree a success bonus to be paid if and when benefits are achieved. This is particularly appropriate where you aren't in control of all the factors affecting the achievement of benefits.

In reality innovation should be a team effort, so in addition to showing how both parties will be rewarded by success the contract should also include some thoughts on how they will work together to achieve it.

13. Using a framework agreement

A framework agreement is shorthand for a '**pre-competed supplier list** which complies with European Union law'. Buyers use the framework to place an order with a supplier on the list or to ask suppliers on the list to bid. Even where there is a bid, frameworks are much cheaper and faster than open competitions as there is:

- no need to cover anything included in the competition to get on the framework, and
- there is normally a pre-agreed standard contract.

There are **lots of different frameworks**, some, e.g. Catalist is applicable to the whole public sector, others to sectors, for example, Defence or Health and some to individual organisations. There have been many attempts to reduce the number of framework contracts as the cost of being on them all is prohibitive for even the largest organisations. This can be to your advantage as frameworks put in place by one organisation can often **be used widely across the public sector**. It's often worth checking where a framework you are on can legally be used and persuading potential buyers to make use of it. Knowledge about frameworks is not evenly spread and buyer's policies on which frameworks they will use can be confusing.

Contracting organisations, for example Buying Solutions, may charge a fee to users of the framework contract and will therefore be keen for it to be used. It's reasonable in such situations for you to ask the framework owner to **explain to a potential buyer the advantages**, legalities and processes involved in contracting via the framework. Such an explanation is usually much more convincing than when coming from a potential supplier.

Many organisations, particularly smaller ones already on frameworks, will be prepared to subcontract work to others. So if you are creating a need its worth asking **which frameworks the buyer feels comfortable using** and exploring whether you can subcontract to someone already on it. This leads neatly onto "Working with others".

14. Working with others

Working with others can improve your scoring in the areas of qualification, capability (including innovation) and references and also gives you access to different contractual routes. Alliances aren't as serious as marriage but even so **shouldn't be entered into lightly** as there will be challenges to be worked through in protecting your ideas, deciding who does what and working effectively together.

It's normal to have a Non Disclosure Agreement (NDA) to make sure that both parties understand the limits on what they can do with what they learn whilst working together.

Qualification and Capability

If you can't meet the buyer's qualifications or provide everything they are asking for you can improve the situation by forming an alliance with someone who can. For example you build it and they test. In choosing partners bear in mind that clearly defined capabilities with limited overlap makes relationship easier.

You should demonstrate consistency in partnering as buyers need to feel convinced that you will work together well. To show you are taking the alliance seriously, particularly where you haven't worked together before, consider structuring the alliance for use in future contracts.

Innovation

Buyers generally want innovation and many expect to get it from small and medium sized companies, but may not want to manage the risk of having many independent contributors to a project. In such situations it's normal to see prime contractors with large, long term contracts subcontracting work to a large number of subcontractors.

The prime contractors will usually set up processes for attracting, evaluating and contracting with SMEs often directly involving their end customers. This can be attractive in reducing the time and cost of sale, although SME's need to be selective in choosing which prime contractors are worth dealing with. They also need to show that they will be increasing the prime contractors revenues and margin.

References

If your aim in forming or entering the alliance is to increase the range of references the issues are similar to those encountered when forming an alliance to increase capability. If your aim is to increase the volume and the alliance organisations do largely similar work there are likely to be increased challenges in keeping to who does what. NB Buyers will be suspicious if they feel that the only rationale for forming the alliance was to compile enough references.

Challenges

Whoever the buyer contracts with takes the risk if things go wrong and will also need to administer the contract. It's therefore reasonable for them to charge a fee.

15. Summary – my top ten tips

1. **Understand the rules of the game (chapter 3)**
   There are formal rules and informal or local interpretations so it's always worth checking which rules the buyer is following. The purpose of the rules is to achieve best value for government by having a fair and open competition between well qualified suppliers.

2. **Get to know potential buyers (chapter 4 and 6)**
   The best sorts of opportunities tend to be those with organisations and people you know. Not only are they are easier to filter because there are fewer uncertainties but the processes of bidding and delivering are also likely to more predictable.

3. **Build a network of buyers, peers, and potential allies (chapter 6)**
   A good network of contacts enables you to know who to call to see what opportunities are in the pipeline, understand what a buyer really wants, assess how the procurement will be run, and build consortia.

4. **Don't wait for opportunities, create them (chapter 5)**
   If you can create the need for your product or service you will have implicitly shaped the way the buyers think about and describes what they want. You will also have a much clearer idea of what the buyer will value.

5. **Have a consistent process for selecting opportunities (chapter 7)**
   A simple scoring system is often helpful to enable you to get to consistent decisions quickly. If you haven't got such a system try scoring each of the five categories qualification, relationships, capability, references and attractiveness.

6. **When the facts change re-evaluate (everywhere)**
   Looking particularly at the balance between the cost and value of winning, taking into account any change in the odds.

7. **Understand contractual options (chapters 12 and 13)**
   Look at whether an existing contract, whether with you or another organisation, can be used and failing that whether there is an appropriate framework available.

8. **Have a reuse library for building proposals (chapter 9)**
   Build up a library that includes far more than any individual buyer will want and draw from it, personalising it to for the buyers and reinforcing their themes.

9. **Create references from project completion reviews (chapter9)**
   Base the bonus for a successful piece of work on the quality of the project completion review documentation to both improve performance in future projects and provide the raw material for case studies.

10. **Build in downstream innovation (chapter 11)**
    Persuade the buyer to reward downstream innovation so that the costs of implementing the changes are recouped when benefits are realised.

16. Contact details and further information

There is more information about support available to help with strategy and innovation as well as procurement at www.ThinkGov.co.uk.

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