

Come to Your Senses - *Don't Bid!*

Countless organisations would be happy if they never had to put in another bid. but they might just change their minds if they looked at bidding a little differently - an opportunity to create value for themselves and their client.

MatchPoint helps organisations win bids, proposals and tenders. We harvest and build best practice, and provide our clients with expert resources, skills coaching and more effective ways to win. This tip will help make winning easier.

One of our clients, a very senior manager, recently lamented, "I hate putting in bids and tenders. They consume so much time and cost, and they are a recipe for eroding profit margins in our business. Bidding is a mug's game." We suspect he is not alone.

And he seems to have some fairly high powered support from professional selling gurus and academics. In their book 'Strategic Selling' that launched a global sales training business, authors Heiman and Sanchez state quite emphatically "Our general recommendation is that you avoid the blind-bid game altogether". Even two professors of Yale and Harvard business schools in their landmark book 'Co-opetition' urge businesses to look at no less than eight hidden costs of bidding - or not to bid at all.

So, with all that professional and personal resistance to bidding, why would you ever think of doing it again? Great, that's it then. Avoid all the stress, live a simple life, make more money - and don't ever be tempted to bid again!

Or maybe not . . .

Competitive bids are a fact of life. They are invited not just to secure a low price, but to seek renewal and innovation. Perhaps we all need a gentle reminder that sometimes the only reason anyone is in business is to create more value for their customers than they cost them.

And there lies the secret. Creating value. Bidding, just like business in general, should be a creative process. We've seen some wonderful examples of this:

To win a contract for spreading information on a highly sensitive Government policy initiative, the successful bidder put together an international team of experts to act as an advisory panel - providing extra assurance value for the Government.

A law firm pitching for some tricky litigation business built an extra four check points into their standard work process - to offer the client greater control over the decision making process.

An oil company 'bidding' for approval to develop an offshore field included a wider pipeline than they needed - enabling the Government to unlock other, previously stranded oil deposits in the region.

And the key to all these wins was the same. The bidder paused, focused on the customer and thought

'How can we create extra value for them?'

So our advice on the subject is this: Don't just close your eyes, slash your prices and bid - it always ends in tears. Come to your senses, think right. Work out how you can create more value for your customer than you cost them. Then bid.