



Topic: How does tendering fit within your strategic plan?

Leading discussion:

- o Sarah Warnsby, Director of Marketing and Business Development, Browne Jacobson
- o Glenn Harris, Executive Director (Corporate Services), East Midlands Development Agency

Participants:

- o Mat Slade, Partner, Head of Business Development, Fidler & Pepper
- o Andy Hodges, Chief Executive, Fraser Brown
- o Stephen Pearson, Partner specialising in public sector, Freeth Cartwright
- o Carley Ferguson, Marketing Manager, Harvey Ingram
- o Richard Georgeson, Head of Business Development, Ringrose Law Group
- o June Smallwood Rose, Head of Business Development, Shoosmiths
- o Hilary Campton, Marketing Director, Berryman
- o Jonathan Younger, Marketing Director, Hewitsons
- o Jamie Gordon, Partner, Geldards

Organisers:

- o Maggie Taylor, Principal, Prima PR & Marketing
- o Mandi Short, Partner, The Progressive Business Group

Scene setting:

- We have an opportunity to develop the Oracle Forum into a network where we share best practice and knowledge – a chance to learn from one another to increase value for all.

Glenn Harris, emda – the procurer's perspective:

- In an ideal world the bureaucracy attached to tendering will disappear but have to work with realities ...
- An inordinate amount of time is spent preparing tender specification documents – very complex in terms of satisfying various criteria such as OJEU rules, heavy on paperwork and a complex decision making process.
- Increasingly multiple parts of the agency used in the preparation process.
- Organisations such as emda and the Local Authorities are under huge pressure to deal with a variety of issues e.g. to be sustainable in procurement, to tackle diversity and equality, demonstrating impact etc.
- A wide range of issues to address when designing tender specifications. It is about being pragmatic, assessing whether solution can really be reached and ensuring that spec is balanced, clear and upfront.
- Appreciate that the situation from the tenderer's perspective is not getting any easier.

- There is huge value for those tenderers who phone and have a conversation with the tender administrator to clarify the details of the specification. Tends to be larger firms who seem less likely to have that phone conversation to clarify details whereas the smaller firms do.
- Some tenderers clearly better than others at writing proposals.
- Many mistakes they see in submissions relate to quality control where they see firms falling at the first hurdle because they have missed out something straight forward such as failing to include their Health and Safety Policy. Often the applicants they might have expected to see in the final stages have been knocked out early due to poor quality control of their tender submission.
- They do alert known firms and invite them to tender if they feel it appropriate.
- 40% of the tender score is based on whether tenderers have past experiences with similar client types & expertise in similar types of work.
- An inordinate amount of time is spent preparing tender specification documents – very complex in terms of satisfying various criteria such as OJEU rules, heavy on paperwork and a complex decision making process.
- Increasingly multiple parts of the agency used in the preparation process.
- Selection is an onerous process – due to Freedom of Information Act, they receive a high volume of tender queries e.g. those companies who have been unsuccessful and want to see the winning bid - confidential information has to be removed etc.

Sarah Warnsby, Browne Jacobson – the tenderer’s perspective:

- Has been going through tender process for 3 years – Currently trying to take a strategic approach to tendering – carefully considering which to go for. However still undertaking the same number of tenders.
- It seems that the tendering process is getting harder and becoming more onerous.
- Success rates for achieving tenders has gone down and not convinced that procurement is actually adding value to the process - very much driven by legislation.
- Problems include feedback 3 months down the line following an unsuccessful bid.
- It is becoming increasingly hard to differentiate oneself – all tenderers are responding to what the client wants, saying the same thing...
- The opportunity cost in submitting tenders has to be weighed up. Rough calculations undertaken indicated £50K to undertake one individual tender. For example, can we utilise other professionals from the firm to complete the tender submission as opposed to fee-earners?
- Can the public sector find a more simple approach? However, public sector definitely leading the way in streamlining process – considering examples of

insurance companies and the construction industry. Can we utilise online submission more to increase efficiency and simplify process?

- Oracle forum is an opportunity to influence collectively. The focus should be on looking at ways to raise our game, considering the win-wins for both firm and client.

Roundtable debate:

Discussion point 1: *Is it right?* the fit with your existing business, does size matter, pricing/ margins, the demands / challenges, the competition

- Important to consider what the tender submission is actually going to do for client... weighing up the real value that it will have.
- Clear that the success rate is reducing due to a higher volume of those tendering
- Need to really address the opportunity cost i.e. that £50K spent to submit tender will have an impact down the line – ultimately meaning an increase in fees to cover.
- Much more simple to come up with the tender spec for consumer goods versus services which require a dialogue, and such dialogue is more difficult with electronic communication which is often the tool. Direct conversation is the best approach but this is not always feasible and not necessarily everyone has had that experience.
- Appears to be a need to set out budgets more clearly – it is a competitive market driven by costs so more clarity needed here so that tenderers are clear exactly what is available from the outset and how profitable an exercise the work is likely to be.
- Some firms finding that they are being asked to tender for something based on a relationship that one of their staff has built. However, they are unable to secure the work without going through the formal tender process and often the member of staff who has the relationship is not involved in that process - defeats the object of having that relationship in the first place.

Discussion point 2: *Shaping up* – identifying tenders, procedures and evaluation criteria, bid strategy - differentiating yourself from your competitors, using feedback on unsuccessful tenders

- From the procurer's perspective - the tender specification documents are being simplified. Some documents are of course mandatory and it is agreed that this is where the online approach could save time. – i.e. lodging accounts and policy document only once to save time and would be particularly useful for re-tenders.
- Things have moved on and lessons have been learned – the process has now been standardised so firms are not dealt with in different ways by different departments.
- The Pre-qualification questionnaire has refined the process considerably although there are still issues around the depth of information required at this initial stage.

- Tender specifications tend to start small and grow – is that the best approach? Surely better to produce in one go rather than keep adding to it..?
- Localism is an important issue i.e. it appears more difficult for those out of area to achieve success? £1 spent in East Mids ultimately equals £13 worth of revenue back to the regional economy (compared to placing the work elsewhere – for example if it goes to London, £1 spent equates to only about £3 or so back to the local economy).
- From the procurer’s perspective, the nature of the tender process is one way – a 1-2-1 with a potential deliverer can bring out other possibilities and approaches to tackling something which may not have considered previously. Can be difficult to articulate the specific nature of exactly what they are looking for in a tender spec.
- Public sector clearly under huge scrutiny and need therefore to publicly justify their decisions. Many letters are received – some constructive and others not. They are taking on board the feedback they receive and have made changes based on previous critique.
- It depends on the body – emda do listen and value feedback on the process and make changes where appropriate but is harder for larger organisations.
- The County Councils are in the process of introducing a regional procurement hub – one portal which removes the repetition for suppliers, so progress is being made in this area.
- There is a need to improve the communication process. Some procurers are very comfortable talking to tendering firms but others find this more difficult and this does need to be addressed.
- More research needed in to the customer journey to understand where the communication gaps are – getting through to the right person for clarification details and feedback is crucial to the tenderer.
- From the tenderer’s perspective, is the onus actually on us to concentrate on how we differentiate ourselves and on making the process as efficient as possible internally?

Discussion point 3: *Delivering* - contractual constraints, contract management, stepping stones

- Common problem for procurer is that the team presenting at the pitch are not necessarily the team that will be delivering the service.
- Contentious issue as to whether lawyers themselves should go in front of the judging panel – they would be the ones carrying out the work but are they best placed to sell the firm’s services? Some firms are employing professionals just to go out and do the presentations.

Conclusions:

Oracle Forum initial proposals for improvements to the process:

- Standardising the mandatory questions across the board so answers can be replicated and time is not wasted unnecessarily. i.e. different procurers are asking for the same mandatory items but the questions are worded differently so answers have to be tailored to fit – a time consuming activity.
- If the mandatory items were simple and standardised, this would mean tenderers would be less likely to get bogged down in compliance and could focus on the creative aspects of the tender i.e. how they will add value and differentiate themselves.
- Lodging the standard mandatory items online only once to save time and maximise efficiency.
- Actually having two distinct parts of the tender submission could help i.e. mandatory sections are completed separately from the creative section.
- Tick boxes where possible would also help simplify and speed up the form filling in process e.g. Do you have IIP - tick yes or no...
- Could multiple choice options be introduced at PQQ stage for speed?
- Better designed forms – for example, directing tenderers to the sections of the forms specifically relevant to them - e.g. 'move straight to question 6 if you fulfilled x criteria' would help to streamline the process.

Summing up – tenderer's perspective:

- Success rates are going down due to higher volume of applications
- The private sector is going down the public sector route
- The Oracle forum is an opportunity to influence and make changes but need to consider how to influence directly.

Summing up – procurer's perspective:

- An extremely useful exchange of views and feedback received which will be taken on board.