

## Successful proposal preparation

### Overview

A highly practical programme for all those involved in ITT/RFQ evaluation and bid preparation, including contracts/commercial staff, project teams and engineers.

### Training objectives

This course will help the participants to:

- Make bid decisions that align with corporate strategy
- Appreciate the importance of understanding the customer's requirements and decision-making processes and creating an offer that reflects them
- Become better at using the bid as a selling opportunity to promote strengths, unique selling points and what differentiates you from the competition.
- Manage the bidding process effectively
- Minimise risk and better reflect the bargaining position of the parties
- Identify profit opportunities
- Present the bid to best effect so that it is a legal document, a selling document and user-friendly
- Win more business

### Audience

This is an ideal programme for all staff involved in bid preparation, including:

- Bid teams
- Commercial and contracts specialists
- Project managers and engineers

### Format

An inter-active two-day course with a strong emphasis on practical exercises. The ratio of formal instruction to discussion and practical exercises will depend on the level of experience of the participants.

If required, a one-day version of this programme can be provided instead, although the learning would be significantly diminished without so much emphasis on the exercises.

### Special features

For maximum benefit from the course, we recommend that the trainer be given access to sample contracts and live projects on which to base the case studies and practical exercises.

### The expert trainer

Catherine is an independent consultant and trainer in contract and commercial risk management. She was formerly a Commercial Manager at BAe Systems, following previous contract and commercial roles with GEC and Siemens, and has extensive practical experience of commercial risk management, contract management, contract negotiation and bid management. She is a highly experienced and a very popular trainer, as the following comments from course participants show:

'Excellent – you made contracts sound interesting!' *Co-op Group*

'Good speaker, passionate about subject and good two-way discussions were held throughout the presentation.' *Silvertown UK Ltd*

'Very enjoyable with a lot of interaction.' *Hitachi Data Systems*

'Well prepared and well paced.' *Honeywell*

'Catherine obviously knows and relishes her subject and this enthusiasm came over at all times. Delivery was excellent and kept it from being very dry as it could have been.' *Jungheinrich*

'This was an excellent training course. Totally relevant to what I do and future of the company.'  
*ABB Ltd*

'Great course, very useful and well delivered.' *Complinet*

## Course outline

### 1 To bid or not to bid

- Inward-looking:
  - What are your objectives in winning new work?
  - Does this project fit your strategy?
  - Do you have the resources and time to bid?
  - Do you have the capability / capacity to complete the contract if won?
- Outward-looking:
  - What are the customer's objectives / priorities in awarding the project?
  - What are the customer's decision criteria for placing the work?
  - What are their views on price and options?
  - How would your proposal match what the customer wants?
  - How does your offer compare to the customer's Best Realistic Alternative or to the competition's offering?
- *Bid / no-bid review exercise*
  - *Alignment with the customer*
  - *Differentiation from the competition*

### 2 The bidding process

- Logistics
  - The team: roles and responsibilities
  - Review process: red team reviews / checking and approval process
  - Time allocation: to prepare a professional bid with adequate time for reviews and re-work, if necessary
- Reviewing an invitation to tender / Request for quotation (ITT/RFQ): Issues log / Dependency log
- Risk assessment: Risk register
- Cost build-up:
  - Storyboarding
  - Work breakdown structure
  - Financing costs / exchange rate / inflation
  - Firm price or fixed price, at set date economic conditions plus VOP (variation of price formula)
  - Spend profile v payment plan
  - Contingencies
- *Bus Shelter exercise*

### 3 Bid documentation

- The proposal as a legal document
- Good house-keeping practices to make it user-friendly
- Answering the 'exam' question
- Offering alternatives / options: innovative ideas, value engineering, de-scoping, etc
- Package deals: indivisible v 'cherry picking'
- Confidentiality / copyright
- Clarity: exclusions / assumptions / caveats
- Consistency / order of precedence
- Disclaimers

#### **4 The proposal as a selling document**

- Presenting content, based on facts of your bargaining position and not preconceived ideas
- Reflecting customer's objectives and priorities in how your offering is presented
- Reflecting your bargaining position with customer's best realistic alternative in price offered and amount of risk (liability) taken on
- Use of Executive Summary to sell: justify why you are the best option for customer; the 'win-win'; better than competitors
- Pricing strategy: discounting, de-scoping and / or reducing liabilities / risks; need to justify any discounts given, eg, early payment discounts, economies of scale, etc
- *Price negotiation facilitation exercise*
- *Drafting an Executive Summary*

#### **5 Different contracting relationships**

- Enabling or framework agreements
- Order: set contract
- Sole supplier / preferred supplier status
- Partnering or strategic alliance: genuine or lip service?
- Teaming agreements

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