



Bidding for public sector contracts

A collection of articles to help your organisation succeed



Mutual Ventures

2016

Introduction

At times working with the public sector can feel like dancing the tango. Cycles of three-year contracts, the rigmarole of preparing bids, and the constant need to keep on the right side of your commissioners is exhausting – and all this on top of the day job.

Everyone involved in selling services to the public sector knows how important business development – and bid writing in particular – is to success.

2016 and 2017 sees many public service spin-outs face the prospect of re-tendering for their core contracts. To mark this milestone, we have published this collection of eight articles on topics ranging from where to start with business development to putting the ‘wow’ factor into your bids.

They are not intended as a comprehensive guide but rather an assortment of tips, written in an accessible way. All the articles are also available on our website – www.mutualventures.co.uk – so you can share them with colleagues or friends if you wish.

The articles

- 1 Getting your foot in the door – where to start with business development**
- 2 Got a plan? Your strategy for bidding for contracts**
- 3 Walking a mile in your commissioner’s shoes – Understanding the other side of the equation**
- 4 Getting the basics right – seven tips on the nuts and bolts of bid writing**
- 5 Rising above the competition – putting the ‘wow’ factor into your bid**
- 6 Better off together? Partnership bidding for public services**
- 7 Showing off your wider impact: Answering the social value question**
- 8 Building from rejection: Learning from your bidding mistakes**

If you are interested in Mutual Ventures supporting you with your business development, you can contact us at info@mutualventures.co.uk.

1

Getting your foot in the door – where to start with business development

The earlier you are into the odyssey of bidding for public service contracts, the harder it seems. At the start it is all about getting your foot in the door and winning that first piece of work.

Perhaps your organisation has recently spun out of a Council or NHS Trust. Or you are a few years old and making the leap from relying on grants to your first contract. Either way you need to know where to find those all-important opportunities and be ready to go when the right one appears.

Here's our four key bits of advice to novices starting the journey.

1. Know what's out there

Rules around public sector purchasing mean that, above a certain value, all opportunities must be advertised. These ads are put online on the various 'procurement portals' such as the Contracts Finder, Tenders Direct, or various local sites, such as The Chest in Greater Manchester.

To make sure you don't miss out, sign up and check these regularly. Put it in the diary and get your team to help you.

2. Keep your ear to the ground

Information is power in the contracts game. You need to make sure you are as informed as you can be and, if possible, hear about opportunities well before they hit the procurement portals.

Get to know your commissioners and build the reputation of your organisation by attending events and getting involved in consultations. Do your market research: who are your competitors? Where are the next contracts likely to be come up? Is a preferred partner or strong incumbent?

It's worth trying to building relationship with commissioners in quieter times, as once a procurement process starts they will be restricted from communicating freely.

3. Get au fait with the process

EOI, ITT, PQQ, MEAT, BAFO... Expression Of Interest, Invitation To Tender, Pre-Qualification Questionnaire, Most Economically Advantageous Tender, Best And Final Offer... get to know the lingo and the processes behind public sector procurement.

Find a friendly face on the commissioning side to explain it from their angle. All authorities do it slightly differently and your local commissioner will often be pleased to see a new entrant in the market. Get hold of examples documents to see how they are laid out and what they expect.

Pay attention to the small print as you don't want to waste your own time. For example, if you are a spin-out or have received grants from government in the past few years, you may be affected by 'state aid' regulations intended to protect competition.

4. Prepare standard bid documents

Every tender you respond to will have a set of standard requirements, for example they need to see your most recent accounts, statements of CQC registration, insurance certificates and other compliance documents. Make sure you have them in one place and that they are kept up-to-date so that you can respond quickly.

The least you can do is to be prepared. Follow these points and you will have made a good start on your journey.

2

Got a plan? Your strategy for bidding for contracts

See an opportunity. Write a bid. It's easy – isn't it?

It is all too easy to approach bid writing in autopilot, and not spend enough time sitting back and thinking. Working like this may seem the best course of action at the time but it is a recipe for wasted hours, frustration and let-downs. Don't let this be you. To help you out, here's our top tips for a winning bid writing strategy.

Pick your battles. There is no point bidding for everything that comes out. The critical questions are: does this fit our mission, can we resource it, and have we got the skills to deliver? If you think the answer to any of these questions is 'no' then so will the commissioner.

Be organised and assemble a team. Too many organisations approach bid writing in a haphazard and disorganised way. You need the right people with the right skills from across your organisation, and you need to set yourself a timetable for delivering. Sit down and agree your approach, making sure everyone understands what you are proposing and what their job is. Without this, your bid will look disjointed. You also need someone in charge: writing bids by committee doesn't work.

Get to the commissioner. Find out as much as you can about the opportunity. The best way to do this is always to speak directly to the commissioner. Even the most straight-laced public official may give away some hint that will help you shape your decisions and that you can use to your advantage. But if you can't speak to them directly, leave a message. Getting in touch displays interest and puts you in the hunt.

Find a critical friend to read your bid. No matter how good you think your bid is, everyone can benefit from a fresh pair of eyes. Find someone who can give you honest feedback and be open to what they say.

Keep reviewing your position. Hopefully you will have identified the right course of action from at the outset. But if it is going badly or you learn something that scuppers your chances, don't be afraid to pull out during the process. Your time is precious and submitting a substandard bid, or a bid that you can't deliver, is far worse than not submitting anything at all.

None of these points are earth-shattering but they can be easy to forget in the panic to get proposals out of the door. So when it comes to your next bid, make sure that strategy is at the forefront of your mind.

3

Walking a mile in your commissioner's shoes – Understanding the other side of the equation

It's never a bad thing to remind ourselves of the saying that 'you can't really understand a person until you have walked a mile in their shoes'.

It is particularly helpful when it comes to dealing with public sector commissioners, and trying to fathom what drives their decision-making.

For battle-weary souls that have run the tendering gauntlet many times, it can sometimes feel like commissioners act on a whim and there is no rhyme or reason to their behaviour.

Part of the cause of this is that commissioners tend to keep a distance, something encouraged by procurement rules and their emphasis on being fair-to-all. But this sets up a division between commissioner and provider, an 'us and them' that is hard to overcome.

Naturally providers see things from their side of the fence. They emphasise the bits of their service they think are good and are outraged when commissioners don't agree. Understandably there can be resentment at the thought of commissioners sitting pretty atop their pile of money.

Spare a thought for commissioners though. With local authorities bearing the brunt of the slash in public spending, it's a job that is more difficult than ever.

It's also a job where there is huge room for error. Commissioners are under constant pressure to pick the right horse because, ultimately, they are accountable for the public services they buy. Any mistakes by the provider are shared by the commissioner.

So if this tends to lead to risk-aversion, it is understandable. Next time you get sent that ITT, it is worth reminding yourself that above all else commissioners want to know what they are buying will be delivered. This concern trumps everything else, even price. As well as understanding what they want, make sure you emphasise your past achievements, show that you have clear processes of risk management, and reassure the commissioner that, come what may, you can be counted on.

4

Getting the basics right – seven tips on the nuts and bolts of bid writing

Bid writing is an art, not a science. Convincing a naturally sceptical commissioner takes a bit of flair. But in the race to impress you mustn't forget the basics.

All commissioners have stories of bids that do a good job of showing off 'added value' but fail to convince on the nuts and bolts. Too often this is the fatal error.

To prevent you from getting caught out here's my seven tips on the nuts and bolts of writing a successful bid:

1. **Answer the question.** Read the Invitation to Tender carefully and address all the points you are asked about. You will be amazed how often this is ignored. Even if you are the incumbent provider, don't take for granted that you commissioners know you.
2. **Anticipate how your bid will be assessed.** The bid will be scored according to the criteria set out in the invitation to tender document but you will also need to do some 'reading between the lines'. To ensure you don't miss anything, use the structure suggested in the ITT. There is always an element of box ticking in assessment exercises. Don't fall foul of this.
3. **Make your bid easy to read.** Remember it's a slog reading bids. Make yours different. If you can, use tables and diagrams to break up the text, use short paragraphs and don't be afraid of white space.
4. **Learn to speak commissioners' language.** Use the key words and phrases mentioned in the tender documents. Show that you are on top of the latest developments in the field.
5. **Make the most of your track record.** This is an obvious point but is too often overlooked. The overwhelming concern that commissioners have when selecting a provider is that they will deliver. Quote evidence from your previous work.
6. **Sell yourself and your team.** Ultimately commissioning is about a relationship between people. Show that you have worked successfully with colleagues in the public sector before, and that where problems have arisen, you have overcome them effectively.
7. **Show that you learn from mistakes.** Talk yourself up but also show that you can learn from your errors. I'm not preaching the virtues of modesty here – it's about showing your competence. With a bit of thought you can turn your past weaknesses into strengths.

These tips range from the very obvious to general common sense. But it's always worth reminding ourselves of what we might already know. Follow them and you can't go too far wrong.

5

Rising above the competition – putting the ‘wow’ factor into your bid

Making your proposal stand out from the crowd is perhaps the most difficult aspects of bid writing. You may feel that your services are the best on the market but unless you are able to add a ‘wow’ factor, it risks falling on deaf ears.

In the previous article in this series I talked about getting the basics right. But, chances are, this won’t be enough to get you past the winning post.

What do we mean by the ‘wow’ factor? And what can you do to add extra panache to your bid?

Boiled down, the ‘wow’ factor is really just marketing speak for ‘what makes you different’. What can you do that other providers cannot, and how do you show that in your bid?

There no simple answer to that question but there are a few helpful pointers to get you thinking.

Perhaps the most obvious way to differentiate yourself is by who is on your bid team. Do you have a ‘big name’ expert in the area that can give your credentials a boost? Good candidates here are prominent academics or former CEOs. If you have people like that on your board, for example, get commitment for them to spend a bit of time. An effective way of doing this is to propose an advisory panel where members have a substantive role in guiding or quality assuring the project.

However, avoid the temptation to name-check people without giving them a role. This might be interpreted as what the Americans call ‘bid candy’ – a measure designed to sweeten the pill but which adds little else.

A problem many commissioners experience is that when bidders describe their services, they look and sound very alike. Everybody offers the same ‘innovative’, ‘person-centred’, ‘cost effective’ service. You need to list the services you are going to provide but add something else too.

Tell a story. How do the bits of the service work together? Write a few paragraphs from the point of view of a service user (or their family). Show what ‘person-centred’ really means with examples and what the impact of the service on them will be. If the bidding process includes an interview or presentation, consider bringing a service user with you.

An important point is to make it look nice. Naturally the care you take devising a bid will be taken to reflect the care that you will put into delivering a service. You might be hampered by the format of the application if it demands a set template or maximum number of pages but you this shouldn't stop you treating it as an important aspect of your bid.

If you can, use diagrams and give text space to breathe. Use consistent fonts and colours, and ensure that your branding features prominently. If it will add a strong to your bow, think about submitting an element of the bid in non-standard format – for example a short video – but don't overload the commissioner with content.

Finally, remember to edit it so it is in plain English and not sector jargon. Delete spurious words, get rid of unnecessary amplifiers like 'very' or 'extremely', and use buzzwords judiciously.

This gives you a start in thinking through what can makes a bid stand out. But really it is up to you to think about your strengths and make sure you show them off. Good luck.

6

Better off together? Partnership bidding for public services

When you are assessing a new ITT or project brief, you may find that you are well-placed to deliver much of what is asked of the supplier, but have a number of areas of weakness that count you out.

This leaves you with two options: either you decide that it is not for you, or you seek a partner (or partners) to bring additional expertise where you fall short.

If you decide to plump for the latter, how do you go about it? What things do you need to think about when choosing a partner?

Obviously the right partner has the skills, track record and brand. They should bring something distinctive to the bid – something you don't have. They shouldn't simply be a replacement for the bits that you don't want to do, or the commissioner will rightly ask what the point of partnership is.

Sometimes potential partners might be obvious – they might be well-known in the area, or you may have worked with them before. If so, it is worth acting quickly as it is likely that you won't be the only one to approach them. Do this at a senior level – CEO to CEO – as that is where the final decision is likely to lie.

Once you have established contact, begin discussions as soon as you can. This includes identifying the lead partner, agreeing how the relationship would work, and divvying up workload.

The most vital ingredient for any partnership is trust. Check that your partner is doing this for the right reason, it sits fits within their strategic objectives, and that you aims are aligned. Ask yourself, 'can we work together? Are our ethos and values compatible?'

Personal relationships can't be underestimated in this. However, a note of caution: be wary of investing too much in a single person. People move on, and organisations change. Alongside the personal relationships, you need robust agreements and a memorandum of understanding between organisations.

Do your due diligence too: check that there isn't any conflicts of interest or that your potential partner isn't about to go bust.

From a commissioner's point of view, partnership bids can be a blessing and a curse. Whilst two organisations may bring something to a service that one partner could never do, they also involve an additional level of risk. What if the relationship breaks down? What if tasks get lost in the gaps between the organisations?

When you are formulating your bid, say how you will work together, your plans to communicate with each other, and outline the formal processes you have in place to ensure effective project management. You should also include information about how the partnership would work with the commissioner: who the day-to-day contact will be and how reporting will work.

Like any relationship, there are no hard-and-fast rules about what makes a successful partnership. The most important thing is that you are happy with the deal, but a close second is that your partner is happy with the deal. Without this you are unlikely to succeed.

7

Showing off your wider impact: Answering the social value question

Since the Social Value Act came into force at the start of 2013, we can argue about how much it has really changed public sector procurement.

Whatever view you take on that, what can't be denied is that most large tender documents now include a 'social value question'.

This will usually be phrased something like the following: 'demonstrate the ethos of your organisation in relation to social value. Please include in your answer any economic, social and environment benefits you will bring to the area in which the service is provided'.

Our experience is that the social value question usually accounts for around 10% of the bid scoring, although it's fair to say that this can vary considerably.

Answering the social value question is a relatively new skill and the responses we've seen vary widely, but let us share some of our experience.

The first thing to do is not to get mixed up between 'social value' and 'social impact'. Social impact is a general catch-all for the effect you have and can be used to describe all or some of your services. Social value is very specific – it is the impact you have in addition to the contractual services you will be providing and will impact the wider community. In practice this distinction can be hard to pin down but you need to show that you understand it.

The second piece of advice is to structure your answer. If it asks for economic, social and environmental impacts then divide your response as such. Economic benefits might include any trading with local suppliers or employment created in the area. Social benefits could be anything that strengthens social capital or community relations. Environmental benefits may be your carbon footprint or recycling.

Third, commissioners are struggling with how to define social value. If possible, translate the outcomes you identify into indicative financial savings. This doesn't need to be complicated but it helps to express impact in the language they understand. Tell them how much money you are going to spend in the local economy, how many jobs you are going to create and how much tax revenue that will generate.

To show that you mean it, social value must go beyond what you write in bids. To show its place in your organisation, a good start is a whole-organisation social value statement. It's something which can be there to signal your 'value add' and exactly what your organisation is all about.

As commissioners' familiarity with social value grows, it can be a way that you can differentiate yourself in the market. So invest now and start as you mean to go on.

8

Building from rejection: Learning from your bidding mistakes

There's almost nothing more crushing than the news that you've missed out on a bid by a few points. All those late nights, that last minute rush to get the documents emailed, disturbing your FD on her first week off for six months. Aarrgghh!

Take a breath.

Like psychologists' model of the stages of grief you are likely to go through a phase of denial, anger, maybe a bit of depression, and then come to acceptance.

Naturally, there are questions: what was wrong with our bid? Where did we lose out? Who won it?

The starting points should be a bit of a self-assessment. If the bid involved a presentation, inevitably you will have a sense of what went well and what didn't from the body language of the panel.

You can expect to receive written feedback. Authorities vary in their approach to this: sometimes it's a scant line or two of text that doesn't give a whole lot away, and sometimes it is a very structured response where you have to read between the lines. Either way, it should shed some light on your strengths and weaknesses.

After you have received written feedback, ask if you can have it verbally too – by requesting a conversation. This is likely to be much more revealing and will let you know just how close you came. If you do get to speak to the commissioner, be gracious in defeat and look to the positives: that will stand you in better stead for next time.

Reasons for failure could be almost anything. It might be a small detail, or it might be significant area of weakness. One of my clients working in adult social care scored lower on the 'user voice' element, while their bid rival impressed by taking a service user to the pitch. In another case the bidder had a systemic weakness: it didn't have a convincing system to monitor and track its outcomes. On the other hand it could be a tactical error – where you go for something that you never really had a chance of landing. If this is the case, the lesson is to do your homework.

'Who won it?' should be a more straightforward question to answer. All public authorities are obliged to publish a Contract Award Notice, or CAN, so it's not a secret. If they are being slow, don't be afraid to ask them because whoever it is will be delivering services in a few weeks or months anyway.

When you do get a rejection the most important thing is not to despair. But make sure that you don't just ignore what you are told. Address your areas of weaknesses and be honest with yourself. If you need training on presentation skills, book on a course. If it is better to leave one of your colleagues at home

next time you are invited to pitch, don't be afraid to make that call. If you need to better data then don't put off investing in that system.

To learn more about Mutual Ventures' work and how we might be able to support your organisation, contact info@mutualventures.co.uk.

