



Ultimate Tender Coach

AM Bid: Navigating The Public Procurement Minefield



Introduction

Procurement may not be as complicated as the theory of relativity, but it can benefit from the wisdom of great thinkers. For example, Albert Einstein said: “We cannot solve our problems with the same thinking we used when we created them.”

Perhaps this quote sprang to mind when government policy writers pondered on how to shake up procurement processes in the UK.

The word ‘procurement’ rarely trips off the tongue, but recently it has increasingly found itself in the spotlight, particularly around PPE and ventilator contracts and the like during the UK’s response to the COVID-19 pandemic; and subsequently the very real need to strengthen this area of public governance.

In December 2020, the government published a Green Paper: ‘Transforming Public Procurement’. It needed to happen, of course, because procurement needs to be different in a post-Brexit Britain.

The government hopes that new procedures will improve the efficiency of procurement and ensure taxpayers’ money is being spent effectively by cutting red tape and reducing the bureaucracy to “unleash wider social benefits from public money spent on procurement.”

Accordingly, to complement the Green Paper, the National Procurement Policy Statement (NPPS) has also recently been published which brings a greater focus on how public spending can better support the delivery of key priorities – generating economic growth, helping communities recover from the pandemic, and supporting the transition to net zero carbon emission, as well as building capacity in local supply chains.



The policies within the statement apply to the entire public sector, which includes central government departments, executive agencies, non-departmental public bodies, local authorities and the NHS. In other words, after the ravages of Covid-19: Build Back Better, fairer and greener.

As one might expect, the aim is to make the process simpler, for all. As we know, though, there are considerable challenges facing businesses trying to navigate public sector contracting and SMEs, perhaps more than any other demographic, know this.

Given the above therefore, how can SMEs steer a course through this new landscape and increase their chances of winning their fair share of public sector tenders?

This thought-leadership report is based on the first-of-its-kind findings of a series of interviews with a representative cross-section of 200 SME company directors.

It has given us a unique insight into the attitudes of Britain's bosses toward working or trying to work with the public sector.



About the company

AM Bid, launched in 2014, is one of the UK's leading bidding consultancies offering bid, proposal and tender expertise.

Its team of experienced professional tender writers and managers, based across the UK, operate in more than 25 sectors and specialise in telling our clients' story in a way that resonates with decision-makers which in turn helps their clients to win more business.

They maintain an independently audited bid success rate of 80%+, which has resulted in numerous awards.

The team behind AM Bid has now launched a new digital learning platform – Ultimate Tender Coach – which is designed to provide SMEs with the tools and expertise to create more effective tender responses.

Ultimate Tender Coach has been created by AM Bid's bidding and tender specialists to help SME businesses win more public contracts.

The platform provides access to suite of hands-on learning modules supplemented with ongoing coaching support.



Bidding & Tender Experts



Executive summary

In order to gain a detailed insight into the experiences of the UK SME community as well as an understanding of how they would like to see public procurement improved, we surveyed 200 SME company directors to discover more about their commercial interactions with the public sector.

We asked about the challenges and barriers in trying to win work; whether there are benefits to working with the public sector and if there any pitfalls; what they needed to win a bigger slice of the pie; and whether the right training would appeal. Here's what we found:



90%

thought the public sector could do more to remove tendering barriers and so provide greater scope for SMEs to submit winning tenders



70%

that they had previously bid for public sector work – with varying degrees of success



87%

of respondents said more needs to be done to encourage tender responses from a more diverse range of organisations



71%

are aware of new regulations being proposed in the government's Transforming Public Procurement Green Paper



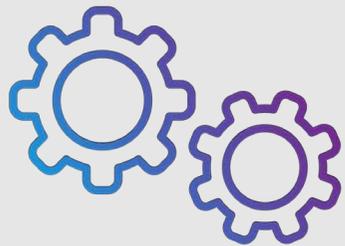
94%

said that new measures will have a positive impact on public sector bidding



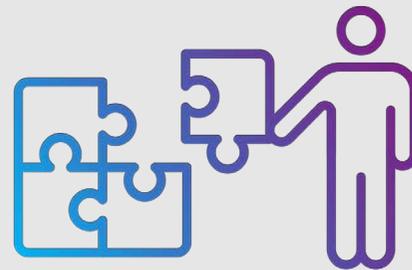
87%

found that feedback received on unsuccessful tenders is useful when writing future tenders, but...



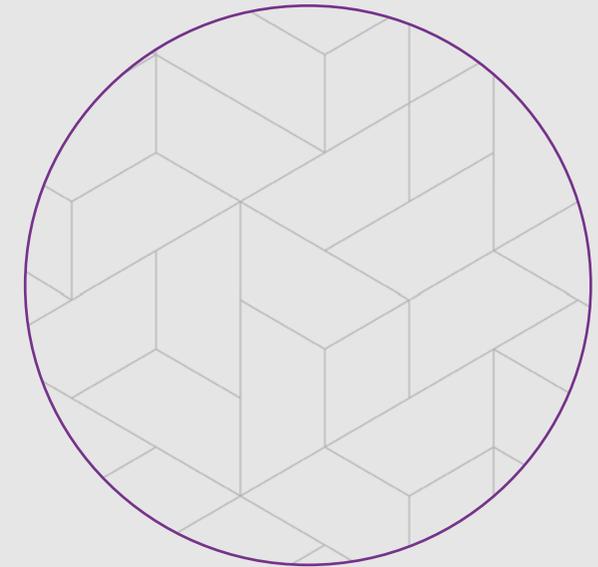
33%

said it has still failed to change their success rate



78%

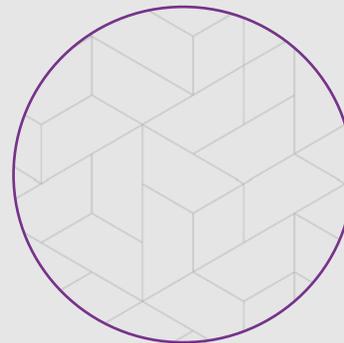
said they would be interested in online tender training and access to weekly coaching





Government has said: “When it is done well, public procurement can help small businesses grow, increase employment opportunities in disadvantaged areas and increase training opportunities for people in industries with known skills shortages.”

The majority of our survey group, which covered sectors from automotive, industrial manufacturing and construction, to professional services, IT & technology and transport, were receptive to procurement process improvement while understanding that to make the most of this change from the top, it might mean overhauling the way they approach bidding for public sector contracts, including accessing comprehensive training to do so.





**Our findings
in depth**



1. What's the present procurement picture?

The National Procurement Policy Statement in June came on the back of the Green Paper: Transforming Public Procurement, some six months earlier. The stated aim is to provide the UK with a modern, fit-for-purpose set of rules, to minimise the bureaucratic burden for contracting authorities and businesses, facilitate innovation and the participation of SMEs, and improve the process of challenging decisions in the courts.

This is about raising procurement standards, bringing social value to communities and a commitment to sustainability. The government wants, in the wake of the impact of Brexit and Covid-19, for procurement to mean much more.

It makes sense therefore to begin this report by looking at the present procurement position. We asked our cohort of SMEs if they are regularly bidding successfully for public sector contracts and the good news is that 45% are hitting the mark and gaining the rewards.

Further, only 4% of those have an in-house bid writer, suggesting it is not by any means essential to have that specialism to be successful. Most of these SMEs' bids are in fact written by a business development team, 41%; directors/senior managers, 34%; or their marketing teams, 15%.

However, nearly a quarter of SMEs (24%), are bidding unsuccessfully and a further 10% have just given up because they have had no previous success.

45%

**of our surveyed SMEs
are hitting the mark and
gaining the rewards.**



It is interesting to note that of the 24% figure, more actually have an in-house bid writer, 13%, than those aforementioned SMEs who are bidding successfully.

However, again the majority are managed by their business development team, 42%; directors/senior managers, 21%; and the marketing team at 13%.

Can we work out why?

Even without having access to these failed submissions some general assumptions might be made: a lack of, or incorrect experience; not providing good value for money; poor pricing structure; bad timetabling on deliverables; including irrelevant information and not focusing on what the awarding authority needs; or it might be as simple as a small technical issue, like not formatting a bid properly.

In every competition there are of course winners and losers, but our survey showed that in addition to the one in 10 who have stopped throwing their hat into the ring, around double that amount (21%) have never even bid for public sector work.

This means overall 31% of our surveyed SMEs are not even in the game and therefore missing out on potentially valuable contracts – with the government aiming for around 30% of its annual £290billion expenditure to be with SMEs by 2022 - that could transform their business and its reputation.

21%

**of our surveyed SMEs
have never even bid
for public sector work.**



2. The bidding experience

With so many contracts on the line why do some businesses still feel they can't compete? A common refrain from many SMEs bidding for public sector work is that it's difficult to find it and win it.

Various governments have listened and tried to make it easier. In 2015, for example, the coalition government removed the pre-qualification questionnaire stage on lower value projects and required public sector organisations to advertise all upcoming public sector contracts in one place for added transparency.

Six years, an exit from Europe and a global pandemic later and more changes are necessary to be made.

We asked about the frustrations around public sector tendering, both external – 'jumping through hoops'; and internal to their organisation; not having the right high flyers.

The biggest frustration experienced by our respondents, 55% of them, was the high threshold for qualification, which suggests that the government might consider removing this barrier. Other hoop jumping experienced by 48% of the respondents was compliance with onerous requirements.

This was followed by short timescales or deadlines and overly prescriptive specifications limiting innovation, both 41%.

55%

of our surveyed SMEs expressed frustration at the high threshold for qualification.

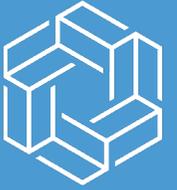
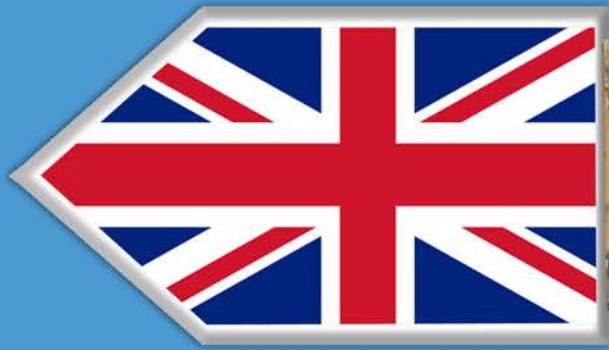


Internally, 41% identified understanding and identifying the procurement process as a frustration, suggesting that either the tender was too difficult to tackle or the SME did not have access to the expertise needed.

There is good news however: the feedback our SMEs receive from failed bids is deemed to be generally helpful, giving them confidence to try at the next opportunity.

As many as 63% said that constructive commentary from failed tenders has helped them to win business in the future; 33% said it was helpful, but that they were still failing to land that big fish. Only 3% said it has not been useful or they do not even look at feedback.

A rule of thumb here, is that every tender should be seen as an opportunity to learn and to see if change can be implemented either to the business itself (bring in a specialist, seek an external resource) or to their approach to tender submissions.





3. Benefits and barriers

Myths and misconceptions abound in the awarding of public sector contracts. Some of those in the last year or so may be well founded when the fierce urgency of stalling a galloping virus took precedence.

Be that as it may, if any proof were needed that the winning of contracts in the public sector is beneficial it's in the very fact that government is changing the process and making it more watertight and fairer, seeing SME involvement and success as vital to the post-Covid bounce back and to have a booming Britain after our split from Europe.

They see that the delivery of public sector contracts will support organisations of all sizes and kickstart the growth of the UK economy.

Winning a public sector contract guarantees work. Each month there are on average a whopping 10,000 contracts released ranging in sector, service, duration and value.

There is no risk of the buyer going bust unlike with the private sector, and the relationship between public sector and supplier should minimise risk for both organisations and encourage contractors to bid for contracts which guarantee revenue.

The public sector also uses more favourable payment terms and pays within 30 days, while a public contract win is a sound route to increasing revenues, enhancing reputations and growing businesses.

This guaranteed income helps to attract and retain staff, and finally the process is transparent with published evaluations.

The results of our survey unequivocally suggest that more needs to be done to promote these benefits and convince SMEs that work and prosperity is to be found in pursuing public sector awards.



In a list of several benefits put to our survey group none scored higher than 50%. The highest was fast and reliable payments but was only identified by 47% of respondents, followed by increased revenue at 45%.

41% of our respondents identified additional work helping to scale the business faster, while the benefit of public sector becoming the main buyer for a product or service, scored 36%, while 35% said there is no risk of the buyer going bust; 33% said it was guaranteed work and 25% cited long term relationship benefits.

All these benefits have been mentioned above but are clearly struggling to cut through properly and if they are not it perhaps throws some light on the barriers SMEs are encountering.

We asked our group about factors deterring them from bidding for a public sector contract at any point during the life of their business.

Nearly half (44%) said the complexity of the procurement process compared with the private sector was a factor, with 42% mentioning difficulty identifying opportunities

due to lack of clear advertising, and the time-consuming nature of the process was identified by 37%. In a nod back to failure in winning a bid, 35% of respondents mentioned costly and unsuccessful previous attempts, while a third (33%) said that they were potentially at a disadvantage for being a small business.

A fifth (20%) mentioned the age-old worry of incumbent suppliers/contractors being in pole position to land the contract, while a lack of expertise was mentioned by a fifth of our respondents – 15% of whom saying a lack of knowledge or skills to bid successfully was a deterrent and the other 5% citing a lack of budget to pay for external or in-house support.

41%
**of our surveyed SMEs
identified additional
work helping to scale
their business faster**



4. Policy transformation

A lot has been written and said in the last year about the government's plans to change the procurement landscape and given what we found from questions about barriers to bidding successfully for public sector work, it comes as no surprise that 91% of our survey respondents are calling for government intervention to remove them for SMEs, suggesting almost universal support for a change of policy.

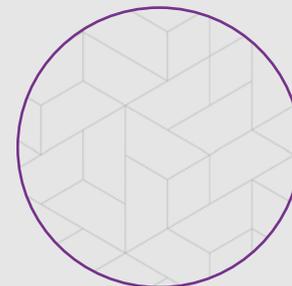
Nearly three-quarters (71%) said that they are aware of the Procurement Green Paper, but that means that a significant proportion (29%) are not.

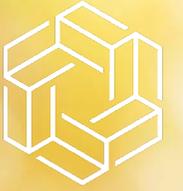
However, despite this generally positive response, a fifth feel that changes will actually make tendering harder, and 7% think that it will be 'business as usual' and the recommendations in the Green Paper will not usher in any transformation at all.

Meanwhile, 87% of our group want the public sector to actively encourage a more diverse range of organisations to tender, with 57% saying they would have started a bid earlier if that had been the case, and 31% would be more likely to bid with direct encouragement to do so.

71%

**of our surveyed SMEs
said they are aware of the
Procurement Green Paper**







5. Training and Ultimate Tender Coach

While it seems that the government could definitely be doing more, it's quite clear that many SMEs see the benefits in bidding for public sector contracts and in some cases are already winning that work. There are, however, undoubtedly more businesses that could be doing so with the right help.

That comes not only from opportunity, but from confidence and confidence comes from having had the right training. Having the know how is key here, so is the bid training market up to the job?

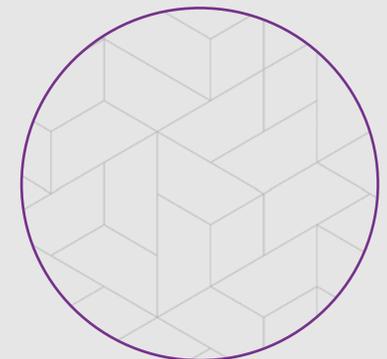
Currently there are a wide range of bid writing training options available. Most of them offer half day, full day or two-day live courses, which are bookable by date either face to face or online.

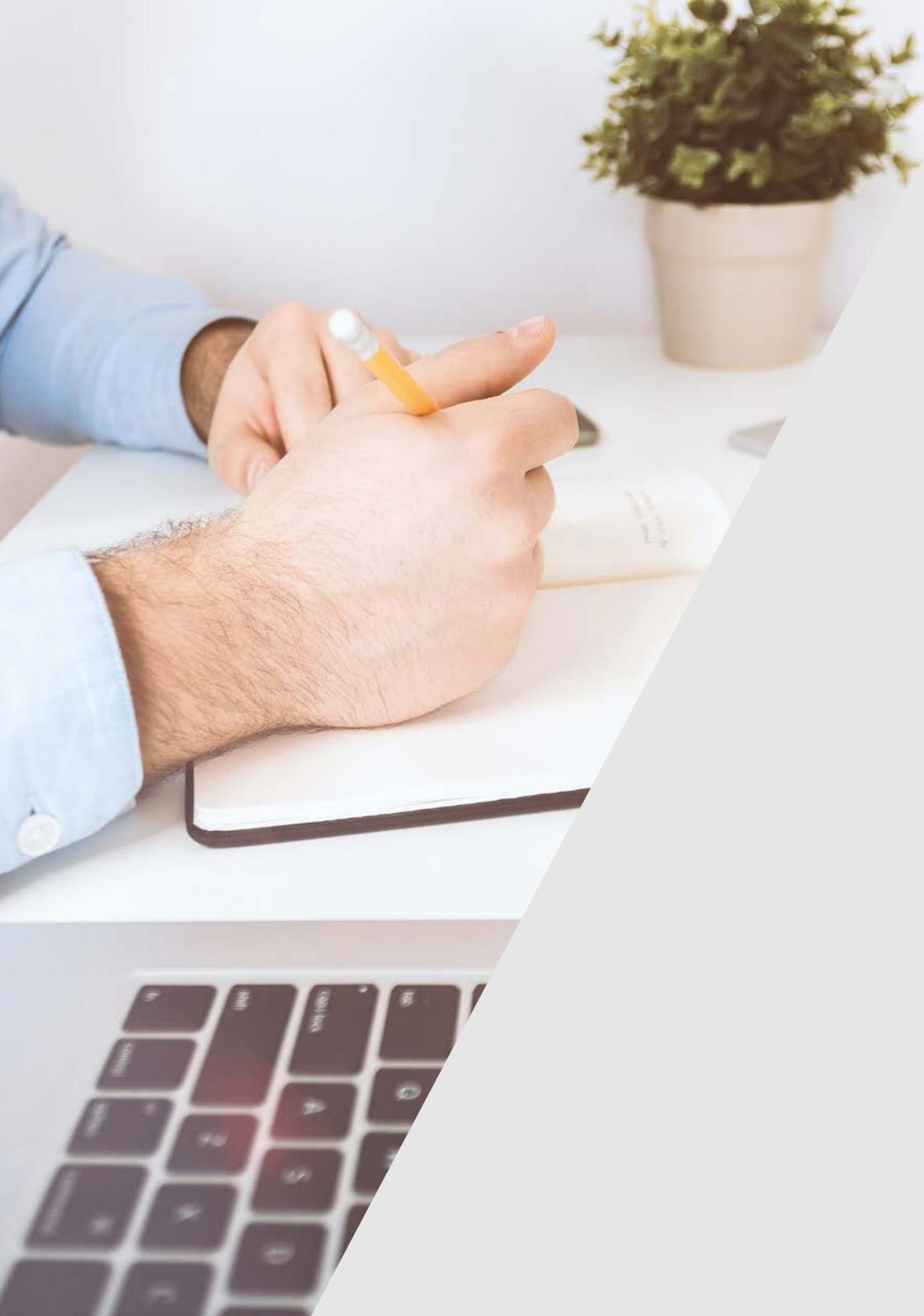
They can vary in price, from £100-£500+ but tend only to scratch the surface, certainly not enough for trainees to feel like they have become specialist.

For example, they do not include value-added services such as an initial strategy call, ongoing coaching or access to an alumni community for knowledge exchange and encouragement.

There are also a small number of public sector bid writing courses which follow a live day format, and in the marketplace there are a range of other bid specialist, training and government bodies which are offering a range of public sector bid writing training.

Most of these advertise online, at sector events (pre-Covid), via LinkedIn, email to databases or through other organisations networks.





Unsurprisingly with our cohort of SMEs there is a lot of doubt around training, with 48% saying courses were too expensive, 50% not convinced that they would help and 42% not sure what training to access.

However, 78% replied that comprehensive online training in bidding to the public sector backed up with access to a weekly coaching call to help attempts to win work in the future, would appeal.

AM Bid has developed a range of tried and trusted strategies to turn opportunities into lucrative business wins and we have taken our expertise to create a brand-new public sector bid writing training programme and in-house resource to share with all those looking to improve their bid writing skills and win contracts.

This new modular online training programme, *Ultimate Tender Coach*, can be used to upskill staff members, form part of an in-house training programme and as an ongoing 'how to' bid resource.



Ultimate Tender Coach has been designed to surmount many of the barriers SMEs encounter when attempting to engage with competitive procurement processes.

It covers all the bases from targeting the right contracts to bid for and how to write the bid, to using time and resources effectively and myth busting about perceived processes and outcomes.

Our credentials make the company a powerful voice in tackling the challenges faced by SMEs in public sector procurement and the Ultimate Tender Coach platform is potentially a game-changing route for SME procurement success.

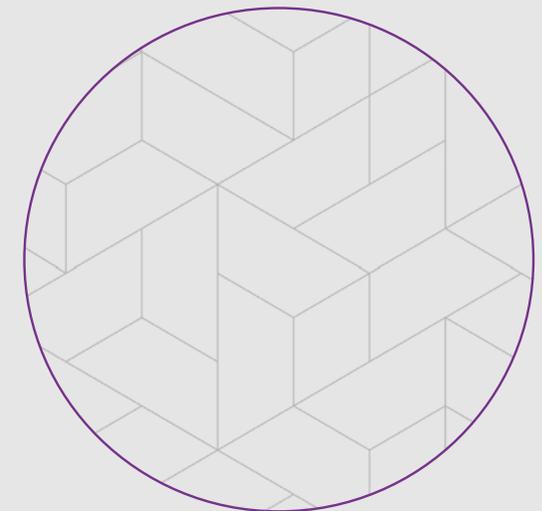
Further, the learnings apply UK wide and are applicable to any organisation, bidding into the public sector, especially SMEs, with the ideal company having a

£1m-£30m

of turnover with about 10-250 employees.

Ultimate Tender Coach is unique in the marketplace, offering value for money and giving access to a private community group of members who have purchased the product.

This private alumni community can be used for sharing learning, giving/receiving advice, ongoing industry and opportunity updates as well as networking where this is of interest. Importantly, there is also access to 50 one hour weekly group coaching calls with one of our directors.





Conclusion

Annually there are £290bn of public sector tenders up for grabs, but winning that work is a specialist skill.

To be successful, you need to submit high-quality bids and tenders. Anyone who is interested though is pushing an open door though. Procurement is now higher up organisational priorities following Brexit and the Covid-19 pandemic.

Company boards that failed to give procurement their full attention are now looking to mitigate risk, optimise cost and drive growth.

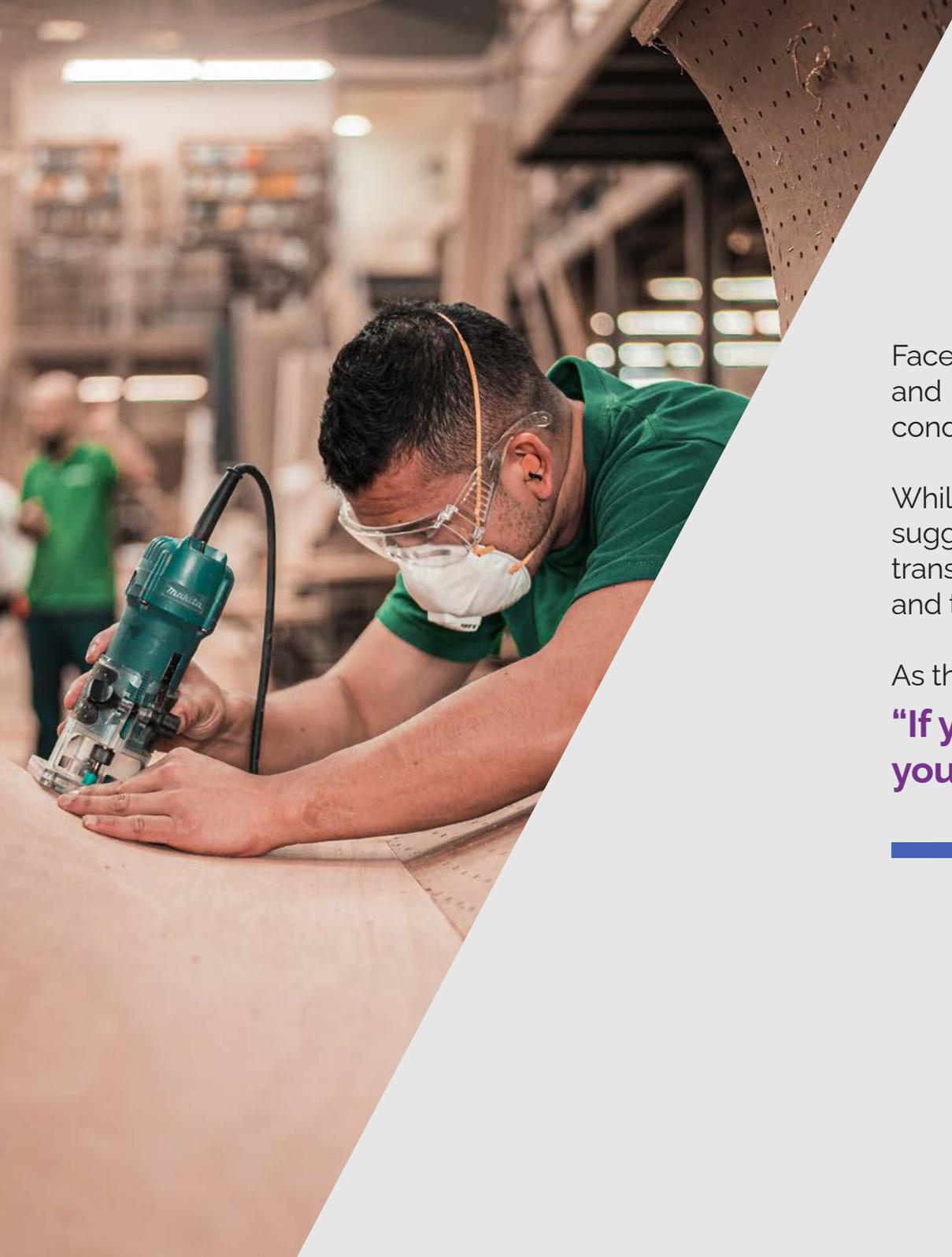
It's exactly what the government wants them to do. The economic and environmental arguments for using SMEs where possible are also now widely accepted, so for government it's a case of finding ways to increase this type of procurement.

Here at AM Bid, we know from experience that accessing the right training can be transformational for a business's fortunes and its resilience.

The pandemic, despite the extreme challenges it has posed, has at the very least provided a catalyst for change, in many walks of life, including government policy.

It has set a fire under the net zero ambition and tackling climate change, the drive to digitisation, to levelling up the country.

Procurement policy improvement is inextricably linked to this change, and SMEs, if they prepare themselves properly, will be well placed to take advantage.



Faced with a plethora of other challenges - recruitment and talent acquisition, supply chains and new trading conditions - it is in their best interests to do so.

While scepticism is evident, this report encouragingly suggests that the majority of SMEs are ready and willing to transform their business and fortunes, their communities and their country.

As the saying goes:

**“If you always do what you always did,
you will always get what you always got.”**

