

ARTICLE FOR ACADEMY PUBLISHING

WINNING TENDERS, RFP'S, & QUOTES.

Winning business gets complicated these days when the simple and easy quote gets extended into a tender or even more complicated into a RFP (request for proposal) with a view to getting you as a supplier to supply the specifications of how you are going to meet the customers wants and needs and how much the customer has to invest to get that.

Perhaps when you consider the difference between these documents being, a quote can be either verbal or in writing and is a request to meet the customers specifications and tell them how much. A tender is exactly the same, a request to meet the customers' specifications, but it has a few rules and details about what the customer expects to have their specification met and requests the same investment criteria. A request for proposal (RFP) is a personalized invite generally with more rules, only issued to people who have been pre-qualified, as meeting the customers' specifications again it asks for how you will exceed these specifications and how much they have to invest.

A simple structure for meeting any one of the above requirements can be used as follows.

- Attention: details what the customer asked for in words as close to their brief or specifications they gave you.
- Interest: here detail what you are going to supply in your products or services in as much detail as you can make it.
- Desire: here outline the benefits or detail how you will exceed the specifications that have been asked for.
- Action: detail the investment, explain in full over time the unit of cost, the unit of use per hour and follow this up with the action steps that need to be taken along a critical path to have delivery met.

The advantage of this form of structure is that all quotes, tenders & RFP's are always read by more than one person, who may or may not have been involved in the original drawing up of the specification or request. The advantage of firstly repeating what the customer asked for is to clarify that you know exactly what you are quoting on and also for those other people reading it as they understand what was asked for. The importance of detailing step 3 while you exceed the specification or outlining the benefits is that the other people reading it as well as you customer fully understand the extra value that you are offering.

In this structure of course the price is not included until the last section simply because price is totally understanding the investment that needs to be made to achieve the benefits or exceed the specifications, you must first detail those before you talk about the price.

Now whether you write 1 paragraph, 1 page or 10 pages under each of these structured headings, it does not matter as long as the communication information is relevant to making a decision.

In addition it is also useful to identify why the customer has called the quotation, tender or RFP?

What specifications are going to be included in the criteria for evaluation?

How many people will be involved in the decision?

What is the customers values, benefits and price visions?

How does the customer treat their own customers requests for a discount?

What is the payment history of the customer?

How can you move any special offers or discounts into your trading terms area to tie them into performance by the customer.

Who are the personalities to sell too?

How long has the existing supplier had the business?

As can be seen from these questions, winning a quote or tender requires a bit of preparation, and of course you must always ask yourself whether you can meet the requirements profitably within an adequate time frame.

In addition the types of customers will generally fall into the categories of dutch auction where lowest price counts irrelevant of specification and you know you are going to have problems with supplying the customer afterwards from their complaints, the price checker who has a concept in mind where they ring around to get 3 prices and then they take one of them irrelevant of quality, and you need to decide if you haven't had any business from a price checker, do you actually want to go effort of putting in a tender or RFP, and the quoter of quotes person who has to get 3 quotes no matter what, the best way to handle this is ask them if you can submit multiple quotes with different ideas.

The final point is in presenting any quotation, tender or RFP always present more than 1 copy of the details and preferably a copy for everybody that will be involved in the decision, and even though it is easy to email it, organize a face to face visit to go and discuss the details to make sure that you have shown them adequately how have exceeded the specifications. Remember business is face to face, there is always a personality to sell to.

Just remember that in New Zealand the ethics of quotes and tenders is quite bad in that the showing of quotes, tenders & RFP's to your favourite supplier is very common and remember small business always has a friend somewhere who is in that business that they perhaps socialize or play sport together, so put the work into the preparation and make sure that you understand the reason why the customer is likely to make a decision.

Win or lose always ask for the decision and the reasons behind the decision so that you can better prepare for next time or learn to understand a little bit more about how your customer makes their decisions.

Record the information and build up a profile.

Enjoy winning those quotes, tenders or RFP's.

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