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Tips for tendering

Whether you're running a business, in a partnership, a sole trader or contractor, tendering for work can be time consuming. But it can also bring great rewards. You should think carefully before, during and after the process. Finding the right opportunities, doing the prep work and being vigorous during the tendering process will increase your chances of winning contracts.

What is tendering?

Tendering is the process of responding to an RFx* — a request by a potential client for information, a proposal or a quote. If you or your business supplies goods or services to other businesses or to the public sector, this will be an important way for you to get work.

[Submitting a tender \(external link\) \(https://www.procurement.govt.nz/suppliers/submitting-a-tender/\)](https://www.procurement.govt.nz/suppliers/submitting-a-tender/) — New Zealand Government Procurement

RFx* is a catch-all term meaning Request for _____. It covers all tender types, including:

- Request for Information (RFI)
- Request for Quote (RFQ)
- Request for Proposal (RFP)
- Request for Tender (RFT)

To tender or not to tender

An RFx can come in many shapes and forms. If it's for a small amount of work, it will be fairly straightforward. But applying for larger and/or long-term contracts will require a significant amount of time, thinking and resources to complete. You'll need to be strategic when you decide which tenders to respond to.

Be realistic about your capabilities

Going for every RFx you come across is a waste of time and energy. If you work for yourself, you may have to hire someone to work on your business while you work on an RFx.

You'll have more chance of success if you only respond to ones in the area of your existing services and expertise.

Even if the contract is relevant to your business or skills you should first think about how much prep will need to go into the application process, and whether your business is able to sustain that effort — especially as winning the contract isn't guaranteed.

Opportunities and risks of losing and winning an RFx

Losing a tender can be disappointing, but it can be an important business opportunity. Always ask for feedback from the buyer on why your application wasn't successful. You can use that information to help you learn what to do, and what not to do, the next time you apply.

Winning a tender can lead to exciting opportunities and growth, but it will also affect your business in other ways. You'll need to think about the day-to-day and long-term effects on your business.

[Planning to tender \(external link\) \(https://www.procurement.govt.nz/suppliers/planning-to-tender/\)](https://www.procurement.govt.nz/suppliers/planning-to-tender/) — New Zealand Government Procurement

Before applying, ask yourself these questions.

Do I have the people and resources to fulfil the obligations of the contract, or will I have to hire new employees or buy new equipment? Will the amount of work I win justify the costs of carrying out the work?

Tips to make your application successful

Once you decide to apply, you should:

Read the RFx

Get a thorough understanding of what is required and how you'll be evaluated before you start the application process.

Understand the buyer

To develop a winning proposal, research what the buyer needs. If possible, meet the buyer to get a better understanding of what their needs are. Talking to the buyer's other suppliers and customers will also give you important insights.

The more you know about the buyer, the more you will be able to demonstrate how you can meet their needs and solve their problems.

Answer all the questions

Look at the factors you're being assessed on and craft your answers in response to these. Follow all the instructions and page limits, and address each question clearly.

Your finished proposal should be well organised and presented using the RFx layout. Make sure it's proofread. Don't let sloppy layout or typos be the reason you lose out.

Be compelling and demonstrate your unique selling point

Persuade the buyer you/your team are right for the job. Instead of rattling off a comprehensive list of everything your business does, focus on the buyer's needs and how you're particularly equipped to meet them.

Understanding your potential competitors will also help in the tendering process. What are their advantages, positions in the market, strengths and weaknesses? What makes you stand out above them?

[Tips on developing your unique selling point \(/getting-started/building-a-brand/creating-your-brand/\)](#)

[Submitting a tender \(external link\) \(https://www.procurement.govt.nz/suppliers/submitting-a-tender/\)](https://www.procurement.govt.nz/suppliers/submitting-a-tender/)— New Zealand Government Procurement

How to find opportunities

Networking and relationship building

Maintaining good relationships with your current customers and developing new ones with potential customers, is the best way to be in the know about new contract opportunities and to gain a competitive advantage. If you're contracting, this could include your employment agency and key people you've worked with.

Subscribe to the Government Electronic Tenders Service (GETS)

GETS is a free service designed to promote open, fair competition for New Zealand Government contract opportunities. Explore current tenders on [GETS\(external link\) \(https://www.gets.govt.nz/ExternalIndex.htm\)](https://www.gets.govt.nz/ExternalIndex.htm).

Subscribe to Industry Capabilities Network (ICN) gateway

This is a comprehensive online system with about \$319bn worth of projects and more than 70,000 suppliers listed, covering Australia and New Zealand.

Subscribe to TenderLink

This is one of the largest electronic procurement systems in the Southern Hemisphere. It's a central gateway for Australasia for the advertisement and management of tenders and other business opportunities.

[Subscribe to TenderLink\(external link\) \(https://million.tenderlink.com/\)](https://million.tenderlink.com/)

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How to win when you lose a tender

Failing to win a tender is always disappointing, but using the information provided in your post-tender debrief can help you turn a single loss into a series of future wins. Here are 3 quick tips to help you turn buyer feedback into a competitive advantage.

Tip #1: Know what to expect in a debrief

Whether you win or lose in the tender process, you can ask for a debrief from the buyer. The aim is to learn, from the buyer's viewpoint, where your solution can be improved. This can give you a better idea of your capabilities, credibility and value-add components, so you can win more business in the future.

Debriefs can take place over the phone, by e-mail or letter, or face to face, and usually cover:

1. An explanation of how the vendor came to their final decision.
2. An explanation of why your tender was or was not chosen.
3. Constructive feedback about the strengths and weaknesses in your tender proposal.

Tip #2: Ask questions to maximise your feedback

It's important to ask questions during your debrief. If the topics listed above are not fully covered, ask for details. If there's anything outlined in the debrief that you don't understand, ask for clarification. You could also ask:

1. Where did my proposal rank compared with others – both on technical merits and on price? Buyers are unlikely to tell you the exact price of the winning bid, but they can let you know how your price ranked compared to others.
2. Who won the tender? It's acceptable to ask who won and why. Then you can compare your operation with the successful supplier and identify some of the differentiators.
3. How could my ideas have been better presented? If there's a problem with the way you're writing and structuring your proposals, you want to know about it.
4. How can my company improve our offerings to meet your future needs? Use this as a chance for promotion and relationship development.

Tip #3: Be prepared to give the buyer feedback

The buyer might ask for your feedback on the procurement process, especially if they're a government agency. They're likely to ask you what parts of the request and tender process worked well, or could use improvement. Being able to provide the buyer with valuable feedback is a powerful way to build your relationship.

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