



THOUGHTS OF THE ALCHEMIST

Qualify OUT more AND WIN more

The usual reaction I see to a failing win rate is to bid more. It is a volume game, if we bid for everything, then we are bound to win something. Not true. When we bid for too much, we end up losing more than if we bid less. This is not about a vanity win rate; it is about honest hard cash.

A number of times, I have been asked to take on a failing sales area and improve the operations and support to move the win rate from 1:7 or 1:5 to 1:3 or better. That would be easy, but you also need to hit the sales contract value target.

In each case, the foundation to success, is to qualify out of opportunities that we cannot win. It is not easy, a Sales Professional may only have one large opportunity, if we qualify it out, it is hard for them to make target. Sales Directors can tend to look on the optimistic side of life. They have a gut feel or believe that relationship alone will pull us through.

Let us say we have 3 bid teams. We aim for a 1:3 win rate, each deal is worth £100k and we have a target of £1m. We need to win 10 deals and that means we bid for 30. That means each bid team needs to manage about 10 a year. So, we know that they can only supply just over a month of activity on each bid.

If we go for 60 bids, then it is the win rate factor that diminishes. It means that each Bid team can supply half the time and brain power to each deal. They will get exhausted, feel like they are in a factory and just stop caring. Our propositions will be poor, our proposals littered with mistakes, our presentations poorly planned. We will not make a great show of ourselves on all 60 opportunities. Deals that we could have won with more mindset, will now record a 2nd place for us. Another lead medal to wear us down.

Instead of running at a 1:6 win rate, we will slip to 1:9. We will only win 6 or 7 deals and achieve £650k of target. Had we qualified stronger and held the 1:3 win rate, we would get to the million.

So, bidding more can mean winning less, unless you ramp up the amount of presales resources available. And that is not as easy as it sounds, it is not just taking Project Managers off the bench and calling them Bid Manager or anyone can be a proposal manager as long as they know MS Word.

The nugget of this challenge is the concept of qualification. If you are not careful, you run a qualify out mentality. Perverse as this sounds, in Bid Alchemy speak, this means we look for reasons to qualify out rather than reasons to qualify in.

If you have not done the research, then it is hard to find reasons to qualify out. Time just happens and before you know it, you receive the tender request and just start bidding.

Qualifying in, is a business case decision. Do we have confidence that this is a good investment of bid funds as we have a strong reason to win and the win is good business for us?

If you want to improve your target performance, do less not more. Strengthen your qualification and you enforce the best practices for bidding, you give your bid teams the time to think and act and you do not exhaust them.

For the uninitiated it sounds a bit mad, but you need to be brave, the science is behind you. Give it a go, qualify out and win more.