



THOUGHTS OF THE ALCHEMIST

Chess is The Perfect Game for Bid Teams

A grand master at chess will think 4 or 5 moves ahead. If that does not sound impressive, consider that after 2 moves in chess, there are 72,084 moves. After 3 moves its more than 9 million.

To consistently win at chess, you need to think about what the competitor will do once you have made your move. The competitor has choice and so you then need to think what move you will make to each of those options. Gets to be a bit mind-blowing when you start thinking about the brain power needed.

Our companies do not pay us to play chess during bids, but our game of sales has similarities to it. We have a competitor (or more) who will use their smart thinking to beat us and we want to do the same. This thinking process develops our win strategy.

So here is the hard question and you do not need to answer it aloud; *What number of moves ahead do you think during a bid?* What I have sometimes found is that bid teams, do little of this thinking ahead. They may have a plan to win, but they create the tactics on the fly. This is not a great approach as we often need to make the decision on what to do quickly, when we are tired and emotionally not in the right place.

A scenario, just as an example, that most of us will have witnessed, is that the customer evaluation means our proposition is the best, except our price is 10% higher than the remaining competitor. What should we do?

Well there is an emotional temptation to close the deal and take the win, so we drop our price and start shaking our colleagues' hands. TOO EARLY. A smart customer will now go back to the competitor and give a similar story. What happens if they then cut the price again?

For each tactic we deploy in a bid, there are usually 3 or more options. For the scenario, we could match the price, drop by more than the price, drop by less than the price or leave the price as it is an push the additional value our proposition provides.

We can only select each option after we apply our thinking and knowledge. Consider that the customer could be happy with either proposition and has manufactured a price war. They may already have emotionally selected you and are just aiming a last throw of the dice to get it cheaper. If we drop our price, then we could be removing profit from the deal (especially true when you need to drop the price fast), so if the competitor comes back with an additional 5% discount, we may turn good business to bad in our emotional pursuit to win.



Sun Tzu, in the Art of War tells us that *“Before doing battle, one calculates in the temple and will win, because many calculations were made; before doing battle, one calculates in the temple but will lose, because few calculations were made.”* It makes sense that we do this thinking before we launch our tactics. Fortunately, there is an easy approach – just draw it out.

Think about the tactics we could deploy, then how the competitor may react and for each of these reactions, what we will do next. If you can, go to the next step.

It is this thinking through that can stop you making poor emotional decisions on a bid that can cost you the win or your profit.