The Best Bid/No Bid Process and Criteria for a Small to Medium Size Business

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We business leaders always want the excitement of growth that comes along with winning more business. We want this growth while making smart decisions about how we allocate our limited resources of time, people and investment dollars. A sound bid/no bid process and associated criteria within a larger capture planning process will ensure we make the right decisions to achieve our growth goals—it’s the key decision that a company makes to commit the resources necessary to win.

Recently, I was co-leading a “Business Development Boot Camp” session for the small business community of a very large integrator when the topic of bid process and bid/no bid criteria came up in the discussion. When I asked the participants (a large group representing some 15 or more small businesses) if they could show us their bid decision process and bid/no bid criteria, none of the participants raised their hands and acknowledged that they had such a process or criteria.

They all said they typically made decisions on the fly and reacted to opportunities as Requests for Proposals were received (typically much too late in the capture process). Many of you might experience the same capture and bid/no bid process environment. This typically leads to low probability of win and wasted staff and financial resources.

Many factors play into how much process and criteria are required to be successful. Some factors include business size, what formal capture and bid processes exist if any, what growth goals and vision the company has, and what resource base a company is dealing with to name just a few. The bottom line is that setting up a process and establishing criteria does not have to be complex or time consuming. The fundamental goal of any bid/no bid process and established criteria are to make sound bid planning decisions based on fact and not emotion or personality.

Here are five ideas to help you both establish a process and set up criteria so your “Yes, we’re going after it!” and “No, let’s focus our resources over here” decisions are made in a timely, fact-filled environment and are documented for later analysis and improvement.

First: Review What You Have and Do Right Now.

Today you might be depending on the heroic actions of a few individuals to support your capture and bid processes. Take the opportunity to review what you do and how you do it right now and begin the documentation process for your bid process and bid/no bid criteria. You might actually have some great elements to build on!

This can be done in as little as ½ day with the right people involved. You’ll want a small group of some 3 to 5 people who are involved in the capture process and bid decision making to keep the activity moving and keep the ideas and knowledge flowing without getting bogged down. With the right facilitation, you can run this in a process improvement environment where the current process is documented and improvements and teamwork opportunities are identified. From that documented process, you can then start establishing more formal criteria and a more formal, improved bid decision process.

Second: Ask Your Business Partners What They Do.

Take a moment and talk to the businesses and people you deal with on a routine basis. You can leverage the
relationships and partnerships you have in the business community to help you establish/modify your bid process as well as help establish and tailor your criteria. Many will share elements of their best practices as they see opportunities for continued growth of your business and your relationship with them. You won’t want to take all the ideas as the bid/no bid process and criteria for a large business is more complex than for a small business, but the broad ideas and ability to ask questions of the large business will go a long way to helping you formalize and get your process moving.

Take advantage of your existing Mentor-Protégé relationships, existing partnerships and supplier agreements, and ongoing personal relationships. Having an outside (non-competing) review and voice regarding your process and criteria will help you see things you might be too close to see objectively.

Third: Remember It Doesn’t Have To Be Too Complex!
Small to medium sized businesses relish their abilities to be flexible, agile, and responsive to the customer and business community, and your bid/no bid process and criteria should be as well. I’ve seen successful bid processes and criteria captured in Excel spreadsheets and PowerPoint presentations, as well as in complex databases for larger businesses.

If you’re just starting out in formalizing your process and criteria, think about using simple tools that help you quickly adapt, tailor and grow your process and criteria as you refine your bid/no bid process within your larger capture planning process. Any toolset you choose to implement should help your process; you shouldn’t become a slave to it.

Fourth: It’s About the Questions You Ask.
Time after time, successful captures have pointed back to the process and leadership team knowing what questions to ask and what data to get to help in the bid decision making process. These questions are the way the bid/no-bid criteria become addressed. If you have a set of standard criteria or questions you use in your bid process, make sure they are documented and available for all involved in capture and decision making. If you’re just starting out, think about leveraging your relationships to establish that set of questions that your leaders will need answered to continue to pursue an opportunity.

Think about sitting down with the leadership team who is involved in decision making and getting their ideas about the right questions early on. I’ve recently helped a very small business start to formalize their bid/no bid process by setting up an opportunity tracking sheet (Excel-based) that has in excess of 35 questions in it. The leadership team vetted and approved these questions as the questions they want answered as they decide what opportunities to pursue. These questions start out with rather easy data-focused questions (size of opportunity, size standard, timeframe, functional areas, etc.) and move quickly to questions that require analysis and projection as the capture process moves along.

We also built into this tracking sheet three specific bid/no bid gates for decision making so that the leadership team can review their opportunities on a regular basis (this team chose every two weeks to start and might move to a monthly schedule), and that staff, time, and financial resources can be appropriately applied to the right opportunities.

Here are five questions they inserted into the tracking sheet:

- Where have we worked for this customer before?
- How does the customer know about our capabilities?
- What future opportunities will this opportunity open for us with this and other customers?
- How does this opportunity fit within our company’s vision?
- What business relationships regarding this opportunity will best benefit our company?

Notice all these questions are “active” questions that require more data than a yes/no answer (Passive questions start with Is/Are/etc.). Document these active questions as you develop them and use them in your bid process to embody the bid/no bid criteria your leaders will need to make good capture decisions. The questions you ask will
yield both quantitative data (sales, profit, percentage growth, etc.) as well as qualitative data (analytical data regarding market space, relationships, customer knowledge, etc.).

A great bid process and set of criteria incorporate both quantitative and qualitative criteria, data, and analysis. *Hint: Remember these questions and criteria may change as you grow, so be ready to adjust your criteria on a regular basis to improve your process and decision making.*

**Fifth: It’s About the Process, Review, and Decisions.**
It’s time to execute! You’ve established the questions and criteria and have the supporting tools in place. You’re busy building your opportunity pipeline and are capturing data for decision making. Start using the bid/no bid process with timely and periodic reviews to assess the data you have for the opportunities you’re identifying. Find that sacred period that all cognizant leaders recognize as the right time to perform opportunity reviews so that the right opportunities can continue to be pursued and the wrong opportunities can be eliminated from your company’s pipeline early to conserve resources and increase the probability of win for the good opportunities.

By knowing the right questions to ask (see earlier points about capturing the questions from the leadership team) and gathering that data, you’ll be well on your way to formalizing your process and positioning yourself to achieve your company’s goals. *Hint: you’re not going to have all the data early, nor are you going to want to wait until very late in the process to eliminate bad opportunities. Gather data constantly, review all open opportunities regularly and don’t be afraid to say no!*  

Maturing a bid/no bid process and criteria in a company should be a key, leading element of growing the organization itself. The bid/no bid criteria and questions will change and mature as will your capture process over time. Be ready to modify, change, and add/delete questions/criteria and process gates as you grow. Document and follow your capture process and perform timely and regular opportunity reviews to ensure you’re developing the right business opportunities to meet your growth goals. As you build on your bid/no bid process and criteria to meet the needs of your company and leadership team, you’ll quickly be making good bid decisions and better using your valuable resources of time, staff, and investment dollars.

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