

#### COMMERCIAL STRATEGY: DESIGNING THE BUSINESS FOR SUCCESS

### 1. Strategic Business Plan

- Is there a strategy for the business?
- Is it captured in a plan?
- Does the business plan chart out the direction for the business, its challenges and opportunities?

# 2. Product / Service Offering

- What drives revenue? How many products / services are cost centres rather than profit centres?
- Which products / services have the greatest potential to drive growth?

### 3. Operating Model

 What people, skills, technology, equipment, suppliers, resources & sites are necessary to deliver the plan?

# 4. Commercial Strategy

- Based on the plan, how will the route to market, marketing and sales change?
- How must it change from the status quo?

# 5. Customer Targeting

- Do you have the right customers?
- Do they make you money?
- What new customers do you need to go after?
- How will you do this?
- What is your angle?

# 10. Maintain relationship / End Relationship

- Do you work to ensure product, customer & business strategy remain aligned?
- Do you stop supporting / working with customers that no longer reflect what your business needs to grow?

# 9. Customer pays / Pays enough

- Are you getting paid?
- Are you getting paid enough?
- Do you have an accurate picture of your net margin on sales?
- Do you drop unprofitable customers?

# 8. Win / Keep Trying?

- How do you add value in relationships generating directly awarded sales?
- What is the win rate for work requiring bids?
- Do you review bid quality & strength of relationships?

# 7. Bids / Direct Sales

- Do sales derive from directly awarded contests from current / new customers (private or public)?
- Do sales require bids?
- Where a bid is required what criteria determine whether you submit a bid or not?

# 6. Relationship Development

- Do you review the strength of existing relationships?
- What is the approach to developing new relationships?
- How do you add value, provide insights, demonstrate hunger for business?



#### **KEY STEPS TO SELECTING AND BIDDING SUCCESSFULLY**

	Research	Plan	Write	Review & Submit
Consider	What to do you know about the contracting organisation? What are the relationships like? Are they a strategic fit for the business? What is the budget?	What resources are needed to support the process from one person to a team?  Is there a plan and a realistic timeline to complete all activities needed for a bid?	Do you have technical skills & knowledge to write a competitive bid?  Can you satisfy all criteria to a competitive level?  What dependencies do you have on people?	Have all bid criteria been answered appropriately?  Is the bid tailored, insightful and focused on the contracting organisation's needs?  Have all final edits & changes been processed?
Do	Seriously consider the cost of bidding and opportunity costs.  Ensure the customer is a good fit for the business.  Ensure you know the main competition.  Have a clear commercial reason for bidding.  Do not submit a cold bid unless there is a solid strategy behind doing so.	Identify resource(s) needed to run process  Identify key tasks and determine realistic timeline appropriate to the purchasing decision  Forensically review the bid requirements  Capture key details relating to the process in a fit for purpose plan  Do a final go / no-go review before bid development starts	Ensure that standard templated content is assembled early in the required format.  Agree and submit any questions by the deadline for questions.  Get all specialist insight & content from experts as early as possible.  Maintain a checklist and tick all required items off as they are completed.	Ensure that all the key resources involved in a bid sign-off read the final document and provide feedback on it.  Substantive changes should focus on aspects that will enhance the presentation of your capabilities as they relate to meeting the customers needs only. It is not advertising space.  Process edits and make sure the bid gets in on time in the fashion / format prescribed by the rules.
Get	Clearly thought through reasons for bidding / no bidding.	Ability to meet all criteria determined. Clear reason to walk away identified OR a detailed plan to submit a bid now in place.	Content completed on time in right format. Clarifications submitted and answers received. Specialist content developed.	Compelling, tailored professional bid.  Competitive chance in the contest.



#### **KEY STEPS TO TENDERING EXPENDITURE SUCCESSFULLY WITH SUPPLIERS**

	Design	Plan	Source	Review	Award
Consider	What is the desired outcome?  Does the purchase support strategic goals?  What are the risks of getting the decision wrong?  What is the budget?	What resources are needed to support the process (from one person to a team)?  Is there a plan and a realistic timeline to complete all activities needed based on value of the purchase?	Are you best placed to judge who can deliver the best result for the business?  What suppliers (including conventional options) might be able to meet requirements?	What objective scoring criteria are needed?  Is a negotiation phase with one or more suppliers needed?  Are supplier presentations needed?	What are the contractual & negotiation requirements to close the deal?  What contractual terms & risks must be addressed?
Do	Determine the value / cost of making the decision and set aside time to make right decision.  Agree a level of administrative rigour and discipline that is appropriate for the budget.  Map out the process to be used from a call around to formal process with tenders & presentations.	Identify resource(s) needed to run process.  Identify key tasks and determine realistic timeline appropriate to the purchasing decision.  Capture key details relating to the process in a fit for purpose plan.  Kick-off the tendering process.	Identify suppliers capable of providing goods / services being sought.  Confirm interest in participating in a tender.  Develop fit for purpose tender documentation including business requirements and/or a problem description.  Issue documents to participating companies & answer questions as needed.	Ensure there is a standard scoring mechanism for bids (price only, price + other criteria etc.).  Circulate responses to team for review or delegate review and arrange presentation on review outcomes by nominated team member.  Arrange presentations from shortlisted suppliers if needed.	Inform supplier(s) of outcome and where relevant any next steps.  If a contract is required to cover deal, draw it up on tenderer's terms where possible.  Agree dispute mechanisms, delivery timelines, contract duration and any final pricing and quality considerations.  Conclude process by informing unsuccessful participants.
Get	Clarity on your reason for buying.  Alignment of decision to business strategy.  Process to deliver successful outcome.	Appropriate level of resourcing. Clear plan to achieve tender objectives.	Potential participants in process (including contingency options).  Problem / requirements description & tender documentation issued.	Clear scoring system that supports selection of best bid(s). A report leading to a decision on best supplier(s). Select supplier(s).	Agreed contract / deal with agreed terms and strong risk management mechanisms to govern delivery and supplier relationship.