

Tactical Competitive Intelligence for Sales and Bid Teams

by Andrew Beurschgens and Alex King



Competitive tendering is the default contracting route for most major new business deals as well as resigning customers. The EU Consolidated Directive on Public Procurement 2004 formalized the emerging trend for procurement departments to demand bids before awarding their largest contracts.

Ten years on and bid teams are often sorely lacking tactical competitive intelligence (CI) to improve their success rate. Many companies are proficient at providing high-quality strategic CI. However, most are less proficient with tactical CI, which has critical differences. Amplio Software's Alex King provided unique insight under the auspices of SCIP UK's networking stream "CI's Innovative Integration within the Business" by sharing and building upon what the CI discipline can do with hindsight from bid teams, customers receiving those bids, and price to win analysts. [See Table 1: The CI Practitioner Chapter in Context]

Amplio's Alex King had undertaken research from Price to Win Analysts, Bid Managers, and customers receiving bids from bid teams to better place in context the fourth pillar of feedback.

Feedback and challenges from Price to Win Analysts that Alex used as hypotheses for the competitive intelligence field were:

- 60% said that better competitive intelligence would have the quickest improvement on their price to win
- This was way ahead of 'bid teams act on the recommendations' (16%), 'more senior management buy in' (11%), 'better data' (8%) and 'better tools' (5%)
In association with Price to Win Survey 2014

From Bid Managers:

- Better competitive intelligence was ranked as the third quickest way to improve bid performance, after 'better/no bid decisions' and a 'better capture phase with customer engagement' with research
In association with the Association for Proposal Management Professionals (APMP)

And from customers receiving bid documents, included:

- 'Bidders fail to distinguish themselves' and 'create a unique value proposition', expressed by almost 1 in 2 stating "I do not get a unique value proposition."
In association with Bids & Proposals Customer Survey 2014

Ellen Naylor, from BI Source was of great assistance in supporting the survey by boosting the response rate from CI practitioners. Alex's presentation at the event itself facilitated breakout sessions to increase the interaction and the learning.

Table 1: The CI Practitioner Chapter in Context

Source: Amplio Software

BID INTELLIGENCE REQUIRES A DEFINITE EFFORT TO SOURCE HUMINT INSIGHT

Alex concluded from his sample of CI practitioners that the deliverables on the whole lacked people-centric, human intelligence (HUMINT)-based input and focused more on tangible, hard numbers. These traits were found in deliverables like cost benchmarking data and market forecasts. There was a perceived lack of profiles of potential employees, profiles of competitors' key decision makers, profiles of customer decision makers, and deliverables that would have a definite bearing on assisting bid teams. Alex also found, through his popularity, context question regarding sources producing useful data, that senior managers and former employees were relatively unpopular sources of intelligence. Brainstormed solutions that tap into the primary flows around the company were outlined in table 2 [Sources of Hard to Find Primary Insight].

What are the best sources of hard to find and how do we integrate it into business as usual?	Are customers good sources of CI?
- Sources and techniques include - Mystery shopping - Interviews with disinterested parties - Senior management 'Senior management sometimes challenged as a good source in some cases if they are too internally focused, but a good starting place to establish the context first and foremost' - New joiners - Integration includes - Buying cycle - Pricing/sales techniques - Commercial performance	- WIN -LOSS Analysis Programs are key: - independently collected to remove bias - outside of the sales cycle - keep sales involved - play back results in £ rather than % as delivers greater impact - what went well, not so well - can establish if there are different playbooks from the competition by sector, we can establish what the needs are of each of the sectors - Public Sector/Freedom of Information Act have to declare that they are tendering as well as the result and the value - NHS Framework - Open Government regulations state who won, but not why - If capture this on a timeline – contract value (total contract value) and price of actual contract, it gives a good indication of price to win - It should be less bipolar – won or loose, with the middle ground being able to outline lost opportunities - Is there a risk that by engaging in customers we are giving away too much to the competition via the customer? - 'Fits with our culture, we are prepared to listen'

Table 2: Sources of Hard to Find Primary Insight
Source: Tactical Competitive Intelligence for Bid Teams Attendees

REQUIRES A DEFINITE DECISION TO PRIORITIZE BID TEAMS ABOVE MORE STRATEGIC STAKEHOLDERS

Previous work undertaken in the UK1 stated that CI/MI programmes are focused more on developing strategy (78%) than driving sales (33%). This is no surprise given that 60% of respondents were funded/sat within strategy or marketing compared with just over 1 in 10 funded by or sat within sales or business development. While some of the outputs to support sales and bids were not alien to CI practitioners, it is clear that there are differences in emphasis of timeframe, outcome and raw ingredients to reach a desirable outcome. [Table 3: Differences in Emphasis between Sales & Bid Teams and Strategy/Senior Management]

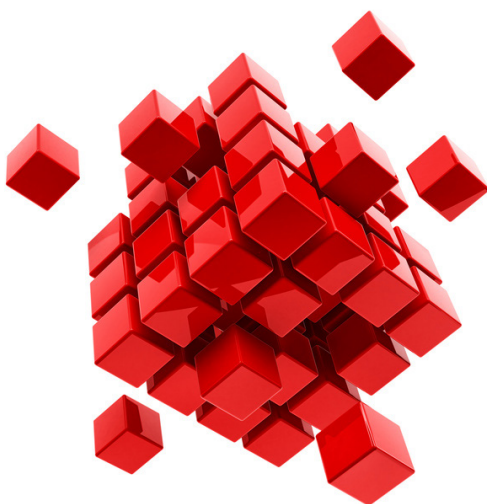
	Sales & Bid Teams	Strategy & Senior Management
Timeframe	Short term, narrow focus • War Gaming • Pricing • Scenarios	Long term, broad focus • Broad decision making • Market landscaping • Forecasting
Outcome	Winner takes all, no prizes for coming in 2nd	Constantly changing market shares and trends
Inputs	Working within your restrictions – brand, technology, people – to make the most of what you have	Manoeuvring the company to the optimal profit making opportunities

Table 3: Differences in Emphasis

Source: Amplio Software

CAPTURING THE SOFTER DYNAMICS OF BIDDING

Alex used his industry expertise and previous rounds of sampled research to provide the assembled with an insight into how customers receiving bids operate. It is this context in which tacit knowledge needs to be leveraged by the dedicated CI analyst to the bid process, the result being an increase in bid win rate relative to the decisions made to focus on the right bids. Alex stated that:



In more than half of cases, feedback from buyers said the eventual winner was more influential and engaged in the pre-bid phase



Customers become a less reliable source of CI as the bid continues driven by a pre-occupation with transparency and fairness in the bid process



Bid professionals are far more likely to base decisions on intangibles like 'credibility' and 'risk appetite' than more tangible factors



WIN-LOSS Analysis will be increasingly important to gain an end to end understanding of the relative performance and trends over time

Given the softer factors of working with the bid process, it prompted the break out session to focus on exploring what systems and approaches have been deployed to qualify and store human intelligence (HUMINT) [Table 4: The 5 x 5 x 5 Intelligence Framework]

'It allows intelligence to be correctly evaluated where the original source is not made known to the recipient. Sometimes known informally as the 5x5x5 system. The model grades the intelligence by 5 letters, A to E, it evaluates the score of 1-5 and on the same basis who has access to the information' Source Evaluation A to E A – Always reliable B – Mostly reliable C – Sometimes reliable D – Unreliable C – Untested source Intelligence Evaluation 1 to 5 1 – Known to be true w/o reservation 2 – Known personally to source, not office 3 – Not personally known to source but corroborated 4 – Cannot be judged 5 – Suspected to be false or malicious Handling Code 1 to 5 Completed at time of entry into an intelligence system and reviewed on dissemination 1 – Disseminated to others 2 – Disseminated to UK non- prosecuting parties 3 – Disseminated to non EEA law... 4 – Disseminated within originating agency only 5 – No further dissemination
--

Table 3: The 5 x 5 x 5 Intelligence Framework
Source: Tactical Competitive Intelligence for Bid Teams Attendees



BREAKING THE KNOWLEDGE SILOS

Alex's research concluded that practitioners would benefit from a better flow of internal information the most because it is the quickest improvement in the respondent's business. Alex concluded that this was the clearest evidence of the presence of knowledge silos. This was further reinforced by only 1 in 4 participating companies operating across multiple geographies claiming international offices provide valuable CI and 3 in 5 being dissatisfied with the information that Senior Managers collected for them, the common underlying reason being the lack of engagement rather than the lack of the ability to collect. Such a context provided the backdrop for group wide discussion focusing on tools and techniques to explore breaking the knowledge silo challenge, whether in a domestic or overseas market. [Table 5]

- Yes they can, although there are a number of barriers, namely
 - Culture needs to allow it to happen 'Knowledge is power and sometimes hard'
 - Dependent on geographies and time zones
- But there are common practices required that as practitioners we have, namely
 - We are not daunted about getting on the phone and talking to people we have never met before
 - Develop face to face interaction first
 - Share first, even if that means facilitating a group, writing that up and sharing that solves a problem, that collectively the answer resides in that group
 - Invest the time up front
- Give first, receive later
- Use of four topics to establish a relationship
FORE pneumonic - Family/Occupation/Recreation/Education
- Facilitate groups
e.g. offer to be scribe, facilitate the session, write up afterwards and share...sales do not like writing anything down
- Establish a community across the business
'Be that across CI teams or like-minded people'

Table 5: Solutions to Breaking the Knowledge Silos

Source: *Tactical Competitive Intelligence for Bid Teams Attendees*

SO WHAT FOR THE AUDIENCE?

Attendees left this networking meeting with a sense of relation as well as several paths to explore in understanding if they are dedicated to their program efforts to the bid process. Alex also made his broader survey responses available to both those who had attended as well as participated in his survey. Audience take-a-ways included:

-  Collective therapy, other people operate in similar environments – we are not in as bad a shape as we thought – we all experience the same regardless of sector
-  Sales presents an untapped opportunity, just need a simple framework that adds value in collecting beyond win loss analysis
-  Importance of soft skills
-  The challenge of building influence

NETWORKING EVENT SERIES

The SCIP UK Chapter hosts a series of networking events throughout the year. These events bring together practitioners from all corners of the discipline: service providers, consultants, academics and practitioners to address topics as identified from the events' feedback forms.

The series aims to increase the understanding and awareness of desired themes among SCIP members and non-members as well as take the discipline to different business practices through co-hosting opportunities with other professional organisations and membership bodies. It is about creating an environment to discover, enhance, exchange and problem solve. To understand the previous networking events' discussion themes, go to the SCIP UK chapter page for a complete running order as well as the link for the SCIP *Competitive Intelligence* magazine article, helping to form SCIP's Body of Knowledge.

The SCIP UK Chapter is grateful to all speakers, passionate characters like Alex, without whom there would be neither a networking event nor the creation of a rich exchange of ideas and learnings. The opportunity to speak at these networking events is open to anyone, United Kingdom-based or just passing through, subject to meeting the growing list of event topics. Engagement with attendees is around five themes, centred on case studies: innovative integration of CI within the business, professional growth in CI, analysis in action, managing information overload and communicating with impact.

We encourage others to come forward to introduce the group to new perspectives, experiences and learning. What links all the prospective speakers and panellists, irrespective of their background or role within the competitive intelligence profession, is a passion for the discipline. Along with all the volunteer speakers to date and those that have yet to take advantage of the opportunity, they are all unique examples of characters continuing to fix the discipline more firmly on the map! What is the next step? Register your interest and details with Michelle Winter mwinter@scip.org to explore speaking opportunities and/or to be proactively kept abreast of forthcoming events in the UK.

REFERENCES

1. Taking the Pulse of the CI Discipline 2012, the UK Competitive Intelligence Forum, July 2012
<https://www.scip.org/infoArticle.php?ArticleID=1666>

Alex King has spent the last 5 years working with bid teams on ~£3.5bn worth of opportunities, currently as the Sales & Marketing Director of Amplio who provides products & services to help bid teams improve their success rate. Alex's primary role is to advise bidders where to price their bid relative to the customer expectations, quality of their offer and competing offers. This process is called Price to Win. Alex offers training in this sphere as well. He got into CI out of necessity. The reports from marketing departments were too high level and qualitative to really inform bid teams. He's been trying to structure the tactical CI into frameworks so lessons from each bid start to inform the next. Alex can be reached at info@ampliosoftware.com

Andrew Beurschgens is the Head of Market Intelligence at the UK mobile network operator, EE, the JV between Orange and T-Mobile. In cooperation with other volunteers from both the practitioner and supply side of the competitive intelligence discipline, Andrew is acting Volunteer of the UK Chapter. He is a Catalyst Award winner, individually recognised for his volunteer services to the profession and its members, has served on the SCIP Board and now volunteers for the SCIP Global Advisory Board, focusing on the European region.