

Asia Pacific Business Development, Tender and Proposal Survey 2009

7 December 2009

This document is divided
into the following sections:

Summary

Win Rates

*Tender and Proposal
Numbers*

*Process Implementation
- All Respondents*

Further Analysis

Thank You

Methodology

Responses

About Shipley

Summary

This is the second Apac Tender and Proposal survey run by Shipley. Some clear implications are visible from the results.

Measure	Result	Implication
Incumbent win rate across all responses	Win rates for incumbents are close to 80%	This is borne out by other Shipley research; the implication is that if you are not the incumbent, you should have a good reason for thinking that you can win before you decide to bid
Non-incumbent win rate and client contact	Those who had responded to an RFT without meeting the customer had a lower non-incumbent win rate	Adjust your BD process so that you never respond to an RFT from a customer you have not met. Implement an opportunity planning process that identifies customers you should be dealing with, and contact them before they release their next RFT.
Win rates by industry	Non-incumbent win rates range from over 40% to just over 25%; incumbent win rates range from nearly 90% to just over 70%	Check your win rates against your industry and implement urgent corrective action if yours is below the industry average.

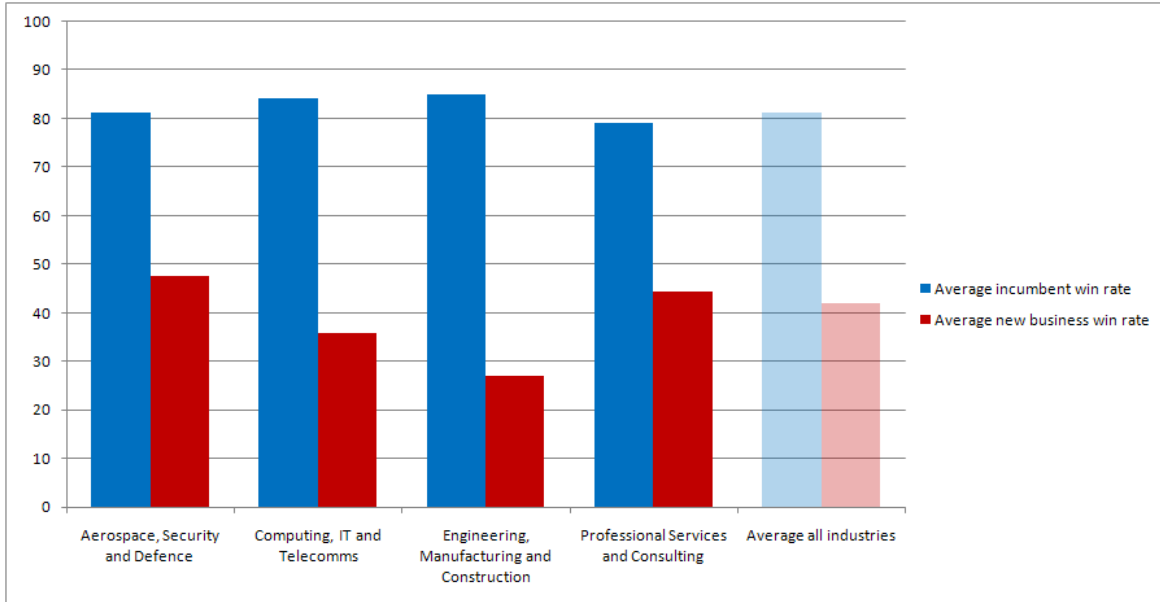
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You win

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Win Rates

One of the key questions that we asked was regarding win rates:

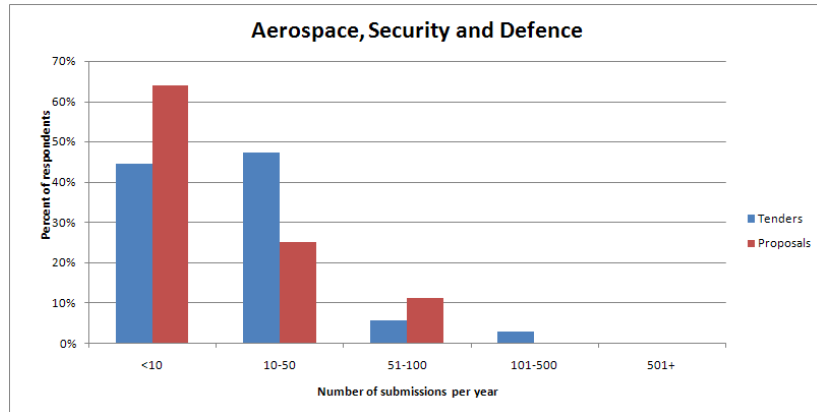


The graph shows averaged data from both 2008 and 2009. There was little variation between years, and in both years:

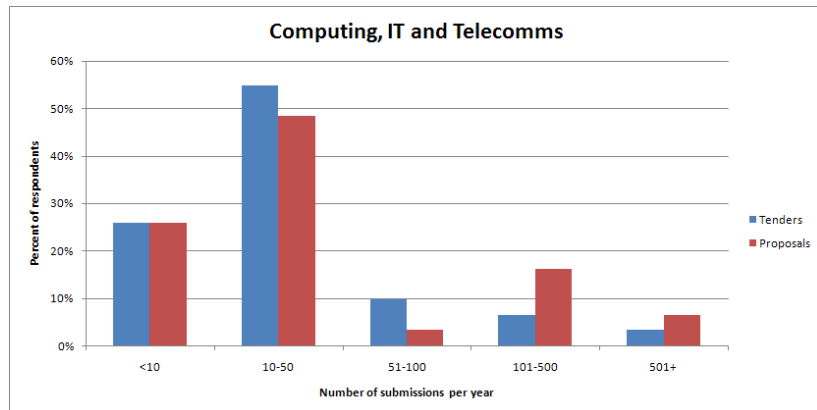
- average incumbent win rates are 70-90% across all industries
- average new business win rates are significantly lower than incumbent win rates, and vary markedly by industry

Tender and Proposal Numbers

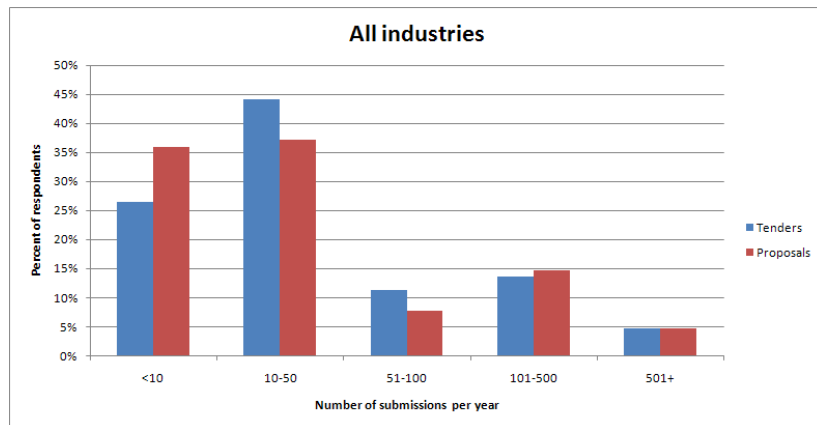
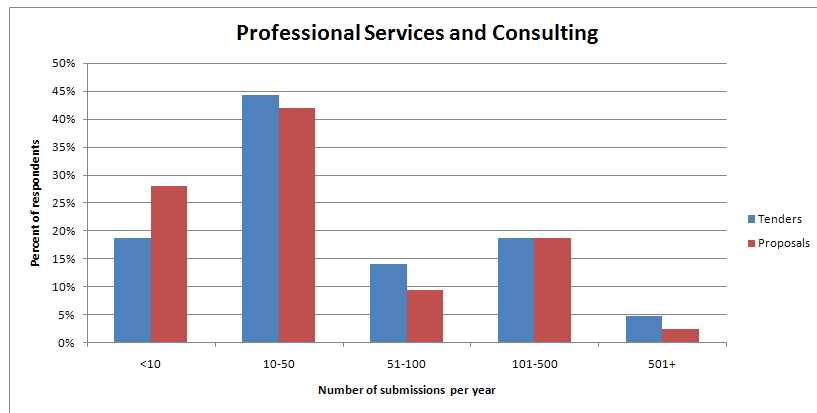
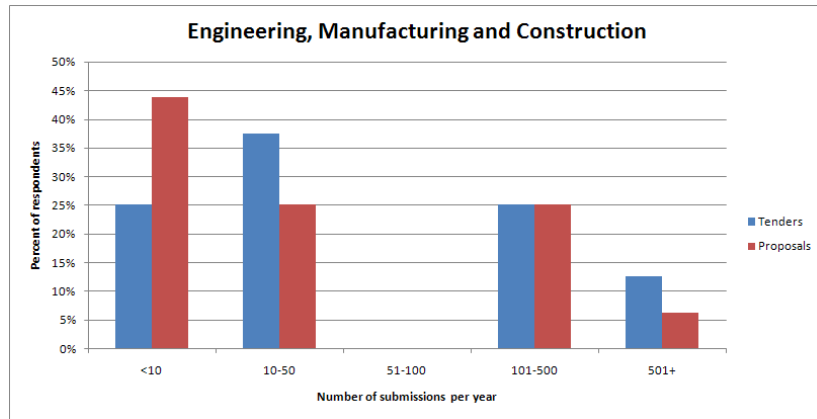
We asked about number of tenders and number of proposals developed per year, and there was a wide variation in the numbers reported by industry.



In Aerospace, Security and Defence no respondent reported more than 500 tenders or proposals per year, and the majority were in the range 0-50.



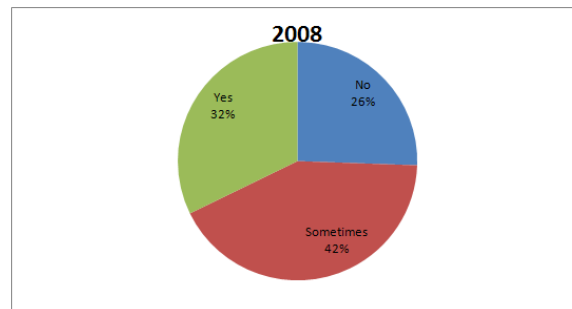
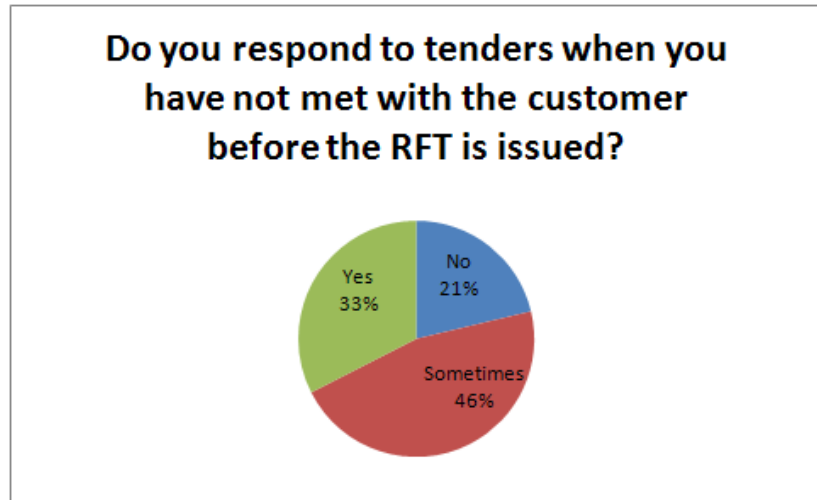
In Computing, IT and Telecomms there was more of a spread; most respondents were submitting 10-50 proposals and tenders a year, and a few were submitting more than 500 a year.



In other industries, most respondents reported roughly equal numbers of bids and proposals. The largest numbers reported for a single organisation was 8000 proposals a year; another organisation reported 3000 proposals a year.

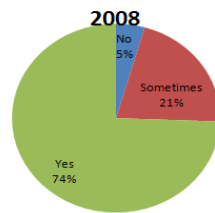
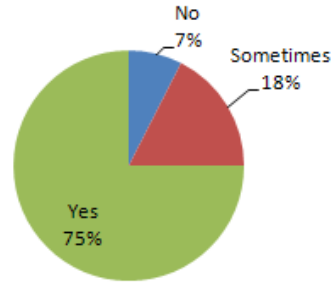
Process Implementation - All Respondents

We asked a number of questions around implementation of key processes within BD; results for all respondents were as follows:



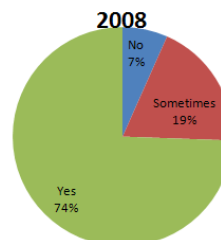
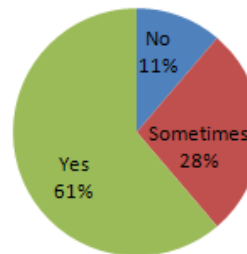
The majority of respondents in both years often respond to tenders when they have not met with the customer before RFT issue. See page 10 for an analysis that shows why this is a bad idea.

Do you follow a written bid/no bid decision process?



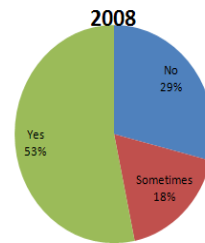
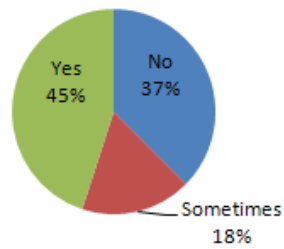
The vast majority of respondent organisations follow a formal bid/no-bid process.

Do you follow a written bid/proposal development process?



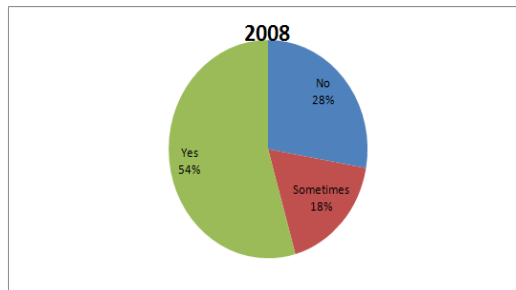
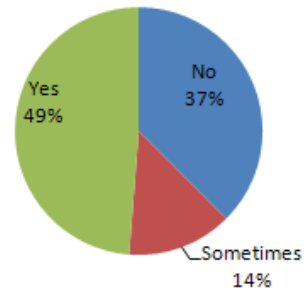
Almost all respondents have a written bid/proposal development process, and most of them follow it most of the time.

Does your organisation track your hours spent in developing bid responses?



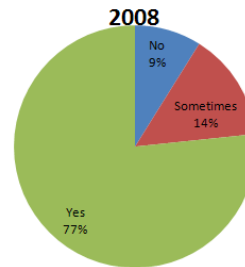
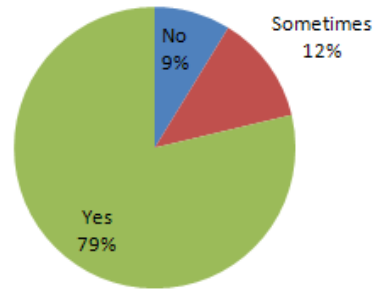
About one third of respondents don't track their hours in developing bid responses. See page 10 for further analysis.

Does your organisation track actual bid costs?



About half of respondents don't track their costs in developing bid responses. See page 10 for further analysis.

Do you or your organisation track bid and proposal win rates?

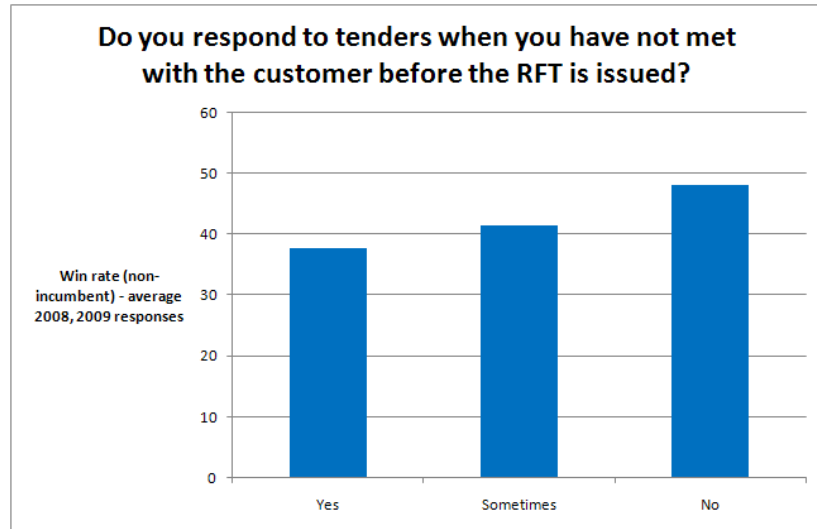


Most respondents track bid and proposal win rates.

Further Analysis

What Affects Win Rates?

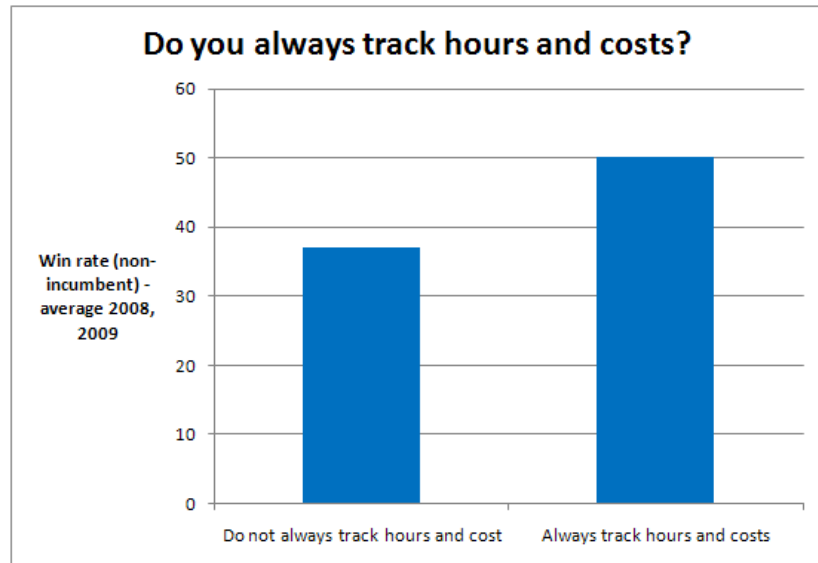
One interesting correlation is between the answer to the question “Do you respond to tenders when you have not met with the customer before the RFT is issued?” and non-incumbent win rate (for only those respondents that actually nominated a rate):



The implication is clear: where you have not met the customer before RFT release, your probability of winning is lower. So to increase your win rate, either put more time and effort into researching and meeting clients before they get to the RFT stage, or decide to no-bid any RFT where you do not have a prior customer relationship.

It seems likely that this effect is a major contributor to the 80%+ win rate for incumbents.

Another correlation was between non-incumbent win rate and the level of cost and time tracking used:



One possible reading of this is that a higher level of process maturity in organisations that track hours and costs is being translated into higher win rates.

Thank You

Shipley Asia Pacific would like to thank all of those that took the time to respond to our survey, and congratulations to the winner of the Shipley training credit - you know who you are!

Methodology

Shipley has been in Apac since 2003 and during the past five years we have worked with most of the major players in the defence, IT&T, engineering and professional services industries, as well as a number of other major organisations in other industries.

In 2008 we conducted a survey from our database on certain key performance indicators and published the results. On 20Nov09 we conducted a second survey by emailing 3379 people from our database and asking them to respond by 30Nov09 to a short online questionnaire on our web site:

Thank you for participating in Shipley Asia Pacific's Business Development, Tender and Proposal survey for 2009.

If you are the lucky survey respondent, we will give you a voucher for two free days of training, valued at \$3000, and redeemable at any of our public workshops.

The survey should take no more than two minutes of your time. Individual responses are strictly confidential - we will be releasing only summarised results. If you participated in the survey last year, you will notice that the questions are the same ... but please answer anyway, as this allows us to track year on year trends.

What industry do you work in?

Industry:

What is your job role?

Job role:

Do you respond to tenders when you have not met with the customer before the RFT is issued?

Choose:

Do you follow a written bid/proposal development process?	Choose: ▾
Does your organisation track your hours spent in developing bid responses?	Choose: ▾
Does your organisation track actual bid costs?	Choose: ▾
Do you or your organisation track bid and proposal win rates?	Choose: ▾
How many tender responses do you do each year?	<input type="text"/>
How many non-tender proposals do you do each year?	<input type="text"/>
When you are the incumbent supplier, what percentage of renewals do you win? If you don't know, just leave '?' in the answer.	? <input type="text"/> %
When you are bidding for new work where you are not the incumbent, what percentage of bids do you win? If you don't know, just leave '?' in the answer.	? <input type="text"/> %

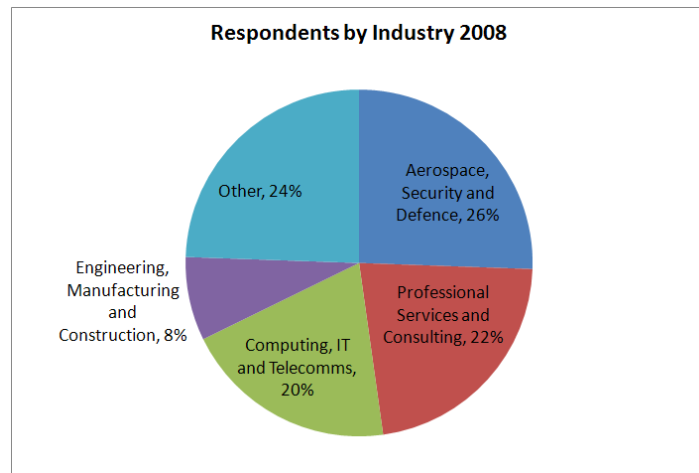
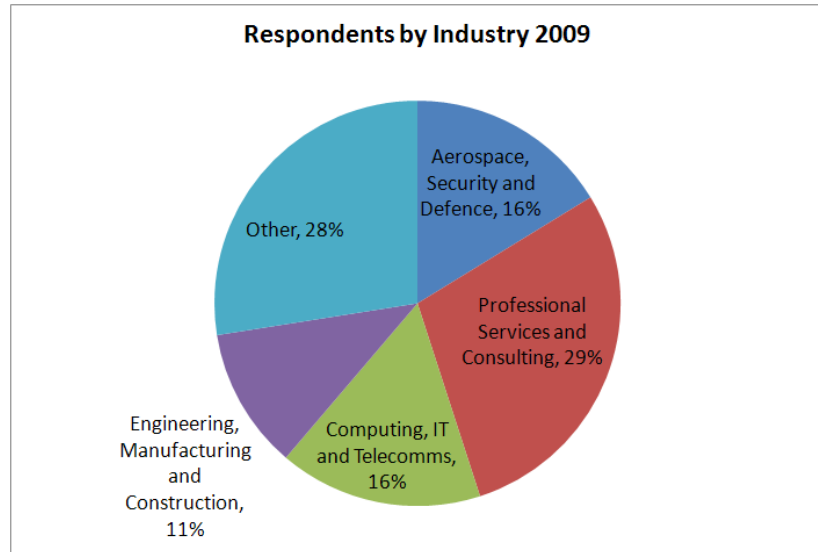
If you would like to get feedback on the results of the survey, or if you'd like to go into the draw to receive the free workshop days, please fill in your details below:

Name	<input type="text"/>
Organisation	<input type="text"/>
Email	<input type="text"/>
Phone	<input type="text"/>

Yes, please contact me with the results of the survey

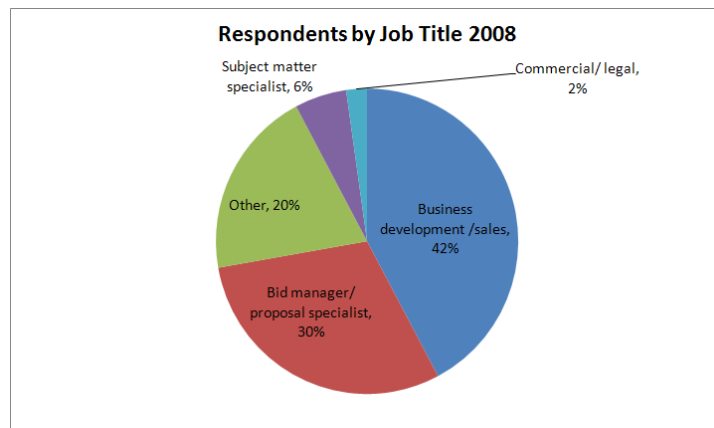
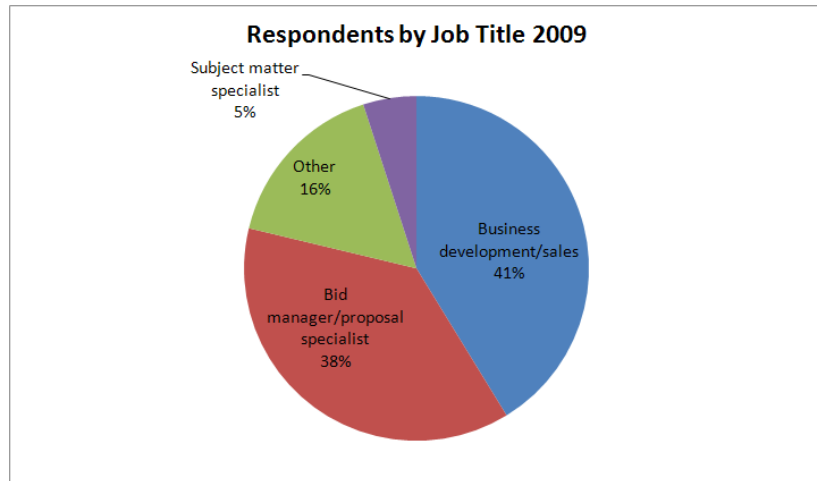
Responses

There were 80 responses (a 2.4% response rate) from 59 different organisations, with 9 anonymous. Responses were evenly split between the major industries that we support:



Responses had much the same distribution across industries as last year.

In general, the people who responded identified themselves as business developers and salespeople:



Job titles for respondents were similar to the previous year.

About Shipley

With a **proposal consulting win rate of 82%**, our "real-world" proposal managers, trainers, and process designers are recognized leaders in developing today's standards for proposal strategy and business acquisition. We offer a unique mix of consulting, training, and process implementation expertise tailored to meet each client's internal requirements.

Our clients include:

- **43** of the top **50** Fortune 500 companies worldwide
- **23** of the world's biggest **25** defence contractors

Shipley started in 1972 in the US, and now has significant offices in the UK and Europe, helping both local and international clients win business. Shipley Asia Pacific started in 2003, and has had significant successes with clients in **Australia, China, Japan, Malaysia, Singapore, India and Thailand.**

Proposal Consulting

Shipley has over 200 trained, experienced consultants available to meet our clients' needs. Many of them have already had long careers as senior Business Development executives or senior managers.

Over the past five years in Apac, Shipley has achieved a win rate of 100% where the client is an incumbent, and 64% for new business.

We also provide support roles such as writers, graphic artists and proposal production staff.

Workshops

You will benefit from tailored 1-, 2- or 3-day workshops, the bulk of which are delivered in-house to match particular client needs.

Our workshops are highly experiential, and involve detailed worked case studies. Workshops are limited to 15 attendees.

Shipley workshops deliver the skills and tools you need to win more business.

Process Implementation

You will get most long-term benefit from the implementation of Shipley methods for all of the major proposals and bids that your organisation develops.

A permanent increase in win rate, and a permanent reduction in bid and proposal costs has a significant impact on your bottom line.

"Through Shipley's help, we have the ultimate resources to create proposal materials that support our sales people in winning business. We are now able to more effectively show the value of our products to potential clients."

Ross Dorras, Marketing Manager, Kodak

"After training 80 pre-sales professionals, our win ratio for major bids has risen to 70%, from a significantly lower base the previous year"

GM, Bids and BD, large Australian telecommunications company