

## **Fit to Supply**

*bringing together major purchasers  
with local suppliers . . .*

**Fit to Supply helps small businesses and entrepreneurs who want to trade with bigger companies and local authorities in their area. It is primarily aimed at people whose businesses are in the following sectors:**

- *Construction*
- *ICT*
- *Food and Catering*
- *Health and Social Care services*

**Fit to Supply is funded through the Phoenix Development Fund. The vast majority of the help, information and support available is provided to businesses without charge.**

## **Pitching for business**

Having decided to compete for public sector work and prepared accordingly by developing your Health and Safety policies, Equal Opportunities policy and so on, the next stage is to get you and your company in front of prospective buyers and presenting your business in the most favourable way.

### **Do your research**

Spend some time researching your key potential clients and identifying key individuals to target with information about your company. Then decide what you may need to do to reach those people. Your approach could involve letters, brochures, applying for approved supplier status, telephone contact and personal presentation. It may involve all of these, but if you know who you should contact, why not try the simplest approach first? Ring them up. Explain that you want to be considered as a potential supplier and ask them how you can best go about it.

## **Making your approach**

When trying to break into the procurement market, your focus should be on getting to speak directly to those people who make the buying decisions. While a buyer in the public sector has to ensure that they make wise decisions regarding price, value, reliability and other factors, it is also true that we all like doing business with people we like. So when you approach people:-

- *Be friendly and professional*
- *Be enthusiastic*
- *Be prepared*
- *Be confident*

And be persistent. Work is not going to drop in your lap straight away. You will need to keep on reminding prospective buyers of your services, find ways to emphasise relevant professional qualifications and expertise and highlight your track record of working for large organisations.

### **Do a mail shot**

Many of us find it hard to do a "cold call." Sending a letter outlining your services can be useful – not because it will win you more business on its own but because it gives you a simple reason to make a follow-up call and to try to arrange that important face-to-face meeting.

## What you need to do -

### Get on the phone

It's important to prepare when you make a call. Remember the old saying – "you only have one chance to make a first impression" - make it a good one. Make notes of what you want to say and any questions you want to ask.

- You may need a script to ensure you get to the point of your call as efficiently as possible. In most cases, the point of your call will be to "sell" an appointment rather than your services as such so be clear about what you are trying to achieve.

### Stay focused

Meeting purchasers face to face is a vitally important part of marketing process. It gives you the chance to ask about and understand your potential client's requirements in more detail and of course to explain to the buyer why they should be interested in your company. So be prepared for a meeting. Make sure you can present your business case in a brief but engaging way. It also pays to prepare a brief phrase that you can use whenever people ask you about what your business does. "We help people make more money" is much more engaging than "we are management consultants."

### Networking

Networking and attending events is also an important part of marketing. You never know where or when you could meet potential buyers or business partners. Don't forget to carry business cards with you and to take company literature to meetings or networking events.

## Breaking into the market

Getting the first opportunity is often the hardest thing to do. Public sector buyers will normally prefer companies with proven history of public sector contracts. This shouldn't prevent you from tendering for work but it may well be worth considering some other ways of acquiring a public sector track record.

### Think small

If you don't have a track record of delivery to the public sector, start building one now. Often orders for low value contracts do not have to go out to a complicated tendering process: you should ask the procurement officer what the threshold is for non-tendered contracts. Local authority officers are limited in what they can spend on non-tendered contracts by their council's standing orders – which should be publicly available.

You should check with schools, colleges, local offices of government departments, housing associations, hospitals, etc to find out how they purchase the products or services you want to supply. There is also a Government Procurement charge card that enables selected members of staff to buy low value (e.g. £500 per transaction, £1000 per month) goods and services directly from suppliers.

### Approved lists

You don't have to wait for a tender before seeking to become an "approved supplier." These lists are used by many organisations for lower value contract below the EC threshold limits. Getting on a list provides no guarantees that you will get contracts, but purchasers often look to their approved list first where this is possible.

### Approved lists - cont.

You may need to fill in a pre-qualification questionnaire to get onto the approved list (see the Fit to Supply Guide to completing pre qualification questionnaires). Individual organisations make different demands through the pre-qualification process, but there is no doubt that, once you have filled in one, subsequent forms are easier to complete.

The Office of Government Commerce (OGC) has issued guidance on supplier financial appraisal ([www.ogc.gov.uk](http://www.ogc.gov.uk)) and you should be aware that the principles apply to all government purchasing – although the scope and effort of appraisal ‘should be proportionate to the size and risk of the contract’. The OGC has also issued The Government Procurement Code of Good Practice for Customers and Suppliers and guidance for procurement professionals in Smaller Supplier...Better Value?

### Constructionline

Constructionline is owned by the Department of Industry (DTI) and is the UK’s largest register of pre-qualified construction contractors and consultants. It is designed to streamline procurement procedures and save valuable resources in the construction industry rendering it more efficient and effective. There are over 11,000 registered contractors and consultants who have met pre-qualification requirements supported by the DTI and over 1500 clients.

It is not expensive for small contractors and consultants to register. Go to [www.constructionline.co.uk](http://www.constructionline.co.uk)

### Supplynet

Supplynet is a Business Link for London initiative that provides an online trading marketplace. Supplynet distributes tenders relevant to your industry directly to you online and matches the requirements of the purchaser to companies listed on their web site. Business Link for London also runs workshops offering expertise and coaching on how to answer tenders effectively and professionally.

### What matters to your customers?

Having completed a pre-qualification questionnaire, it becomes simple to see the major concerns buyers have in selecting their suppliers. While price is always important, it is by no means the most important consideration. To work in the public sector, it is just as important to demonstrate that your company will not expose the buying organisation to any unnecessary risks – whether over Health & Safety, financial propriety, dealing with the general public or their legal obligations. Above all, your company must be trusted to do a good job, offer value for money and present the minimum possible risks for the buyer.

To understand more about procurement from your customer’s perspective, see the Local Government Task Force Guide - Top Ten Tips for a Successful Procurement Process – available at [www.lgff.org.uk](http://www.lgff.org.uk)

### Value for money

‘Value for money’ means that the purchaser will not make a decision solely on price – although where the supply of a service or products is identical price may often be a deciding factor. However, ‘value for money’ gives you a great opportunity to explain to potential purchasers exactly why they should buy from you.

**df: value for money:** the best combination of whole-life costs and quality which meets the organisation’s needs. (Tendering for Government Contracts: Department of Trade and Industry 2001: page 4)

## Meeting the customer's needs

To give yourself the best chance of securing contacts with large organisations, you should try to look at things from your customer's point of view. This perspective should shape your offer and in the case of public sector purchasers, this means providing a good product or service supported by :-

- documentation
- quality
- back-up
- verification
- systems that they need to meet their politically-defined objectives – from 'best value' to shorter waiting lists

When dealing with government departments – whether national or local – never forget that politicians are politically accountable to voters. When you tender for work, make sure that your tender emphasises that you understand how important this is. The political opposition, whichever party is in power, often look for ways of criticising those in power. You should be careful not to let your business be used for political point scoring.

This means you may have to rethink your offer. For example, customer service skills may become far more significant if you are dealing with end-users on behalf of a politically-controlled purchaser.

You may need to be aware of initiatives such as 'Best Value' and, if you are taking over an existing contract, you should be absolutely clear about your obligations under the TUPE regulations - Transfer of Undertakings (Protection of Employment) Regulations 1981.

## Preparing for tender writing -

### Reading

Read through the tender thoroughly so that you understand it. This may seem obvious, but if you ever get to read through submitted tenders, it will be obvious to you that people do not read through the tender documents. They offer what they can supply, not what the customer wants. If there is anything on the tender you don't understand, clarify it with the person or department that issued it.

### Writing

Make it easy for the person reading the tender.

- Don't use a small font size that makes it hard to read
- If you use abbreviations, make sure they are written out in full at first use
- Keep your sentences short and punchy
- Use bullet points to break up the text between section headings

### Build confidence in the reader

- Know your topic - if you are quoting for grounds maintenance on a housing estate for example, make sure you have visited that estate and you know what will be involved
- Emphasise your strengths but do not go over the top or oversell yourself
- Emphasise expertise and membership of trade bodies, professional associations and quality schemes
- Be real about your capabilities and achievements

## Pricing

- Be honest and realistic. Think through your pricing carefully. While you need to be competitive and offer value for money, you also have to complete the project successfully. If you can't deliver what you promise, at the price you have tendered, it will cause all kinds of problems and it will damage your reputation.
- Don't over-specify. Price is an important factor so you should make sure that tender meets the specifications of the tender without adding unnecessary cost.

## Be organised

- Keep to the contract requirements
- Make sure you follow the submission instructions precisely
- Be on time
- Check that you have included items such as copies of insurance documents, policies (e.g. health & safety), etc.
- Make sure you have signed the tender
- Make sure you keep a complete copy of the tender

## When you've finished writing your bid

When you've completed your tender documentation, get someone else to read it. Simple mistakes – bad spelling and other carelessness – can create a poor impression of your professionalism.

## Presenting your services

Having submitted a tender, the selection process may sometimes require that you present your ideas, your experience or expertise to various people.

## Presenting to 'stakeholders'

Many organisations are eager to involve their 'stakeholders' and 'end users' (i.e. those actually using the service or product) in selecting contractors. For example, public sector housing organisations may include tenants and residents representatives in the tendering process for buildings maintenance. They may not know all the technical terms that you use in your business, but generally, they are not stupid and they are trusted by their communities. Treat them with respect.

You may also need to present to other stakeholder groups such as the local councillors who may have been involved in campaigning for and against various projects that you are tendering for. It may pay you to research their points of view from council newsletters, local newspapers, etc.

## Being selected

If you are successful in your tender application, it is worth remembering that there may be further negotiations to come on how and when work is undertaken. Various factors could change the final specification of work or a project and these changes will have to be managed. For advice on this topic, see the Fit to Supply fact sheet, Managing Your Customers.

### Fit to Supply

A procurement and supply chain development initiative to enable food, IT, construction and health & social care enterprises from Black and minority ethnic communities to supply private & public sector organisation

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