

# Are bid consultants worth the money?

Or getting the most from your bid consultants

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# Bid consultants... are they worth it?

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## Bid consultants aren't cheap

But...

*'...When it comes to critical tasks like business case development, RFP analysis... companies seem to be reluctant to hire external resources... However, ...this may not be the best decision.'*

Christopher Kaelin, APMP Spring/Summer 2009 Journal, p34.

So if you use them, will they be money well spent?

# Agenda

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- Who are we?
- What is a bid consultant?
- The bid – 2007 vs 2009
- The cost
- A better bid?
- The winning bid?
- Recommendations for working with consultants

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- **Who are we?**
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# Who are we?

BAE Systems is the premier global defence, security and aerospace company delivering a full range of products and services for air, land and naval forces, as well as advanced electronics, security, information technology solutions and customer support services. With approximately 105,000 employees worldwide, BAE Systems' sales exceeded £18.5 billion (US \$34.4 billion) in 2008.

## Key Facts

- 3rd largest global defence company
- 105,000 highly skilled people
- Global capability
- Customers in over 100 countries
- Annual sales exceed £18.5 billion
- More than 100 new inventions every year



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# What is a bid consultant?

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## **Definition of consultant**

- External bid/proposal manager with proprietary methodology
- Not Shipley!

## **What our consultants brought**

- 1 x bid/proposal manager
- 2 x graphics/production specialists
- A methodology

## **What our consultants did**

- Led win strategy formulation
- Led RFP analysis
- Led proposal generation
- Led training

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# The bid – 2007 vs 2009

## The bid

- Avionics equipment for military aircraft
- Bidding into major aircraft manufacturer
- Strategic importance to our business
- Sixth time lucky?
- Comparison of 2007 and 2009 bids

## Why use consultants this time?

- Hope that a new approach would lead to winning bid
- Benchmarking
- Belief that costs would not be excessive

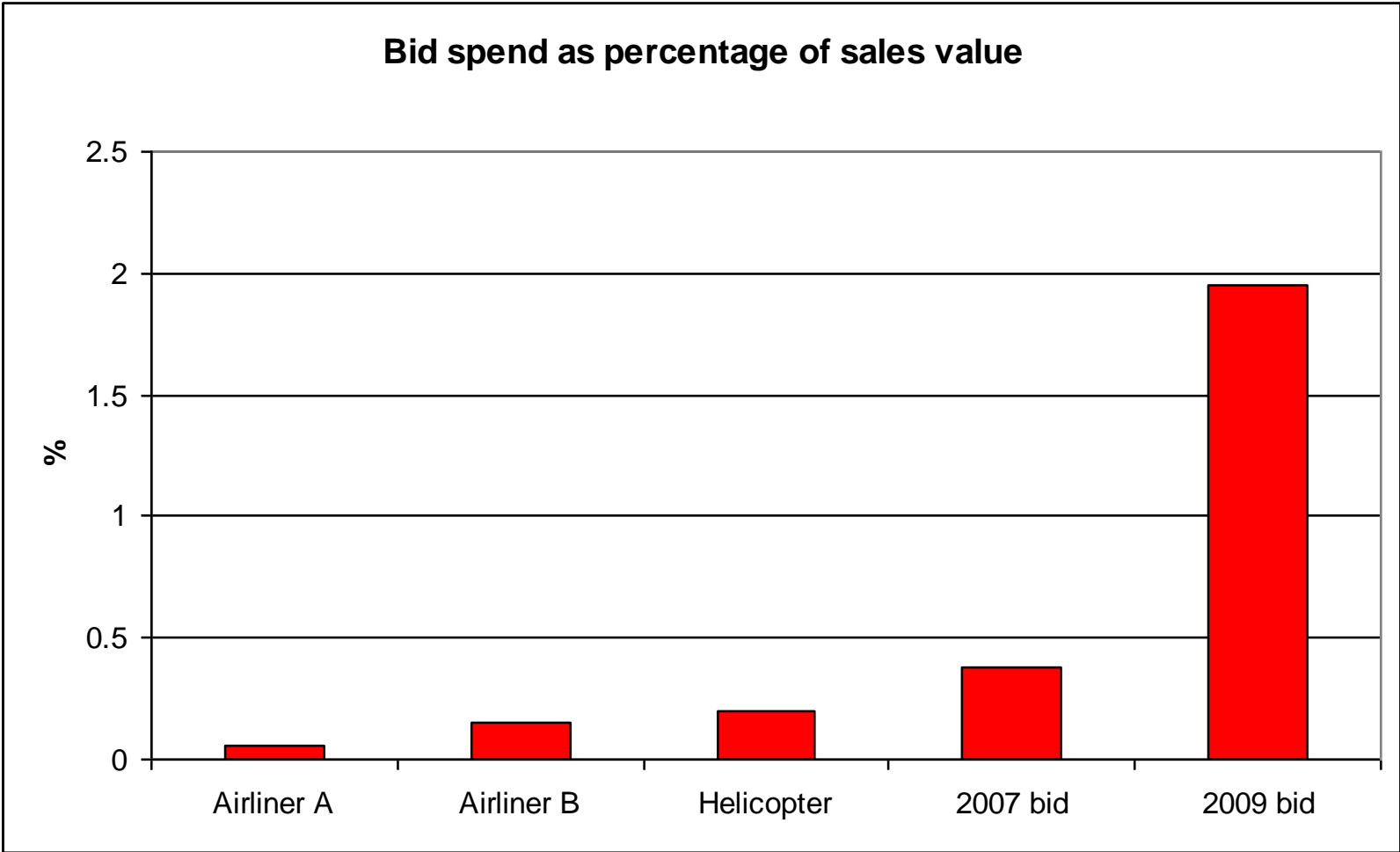


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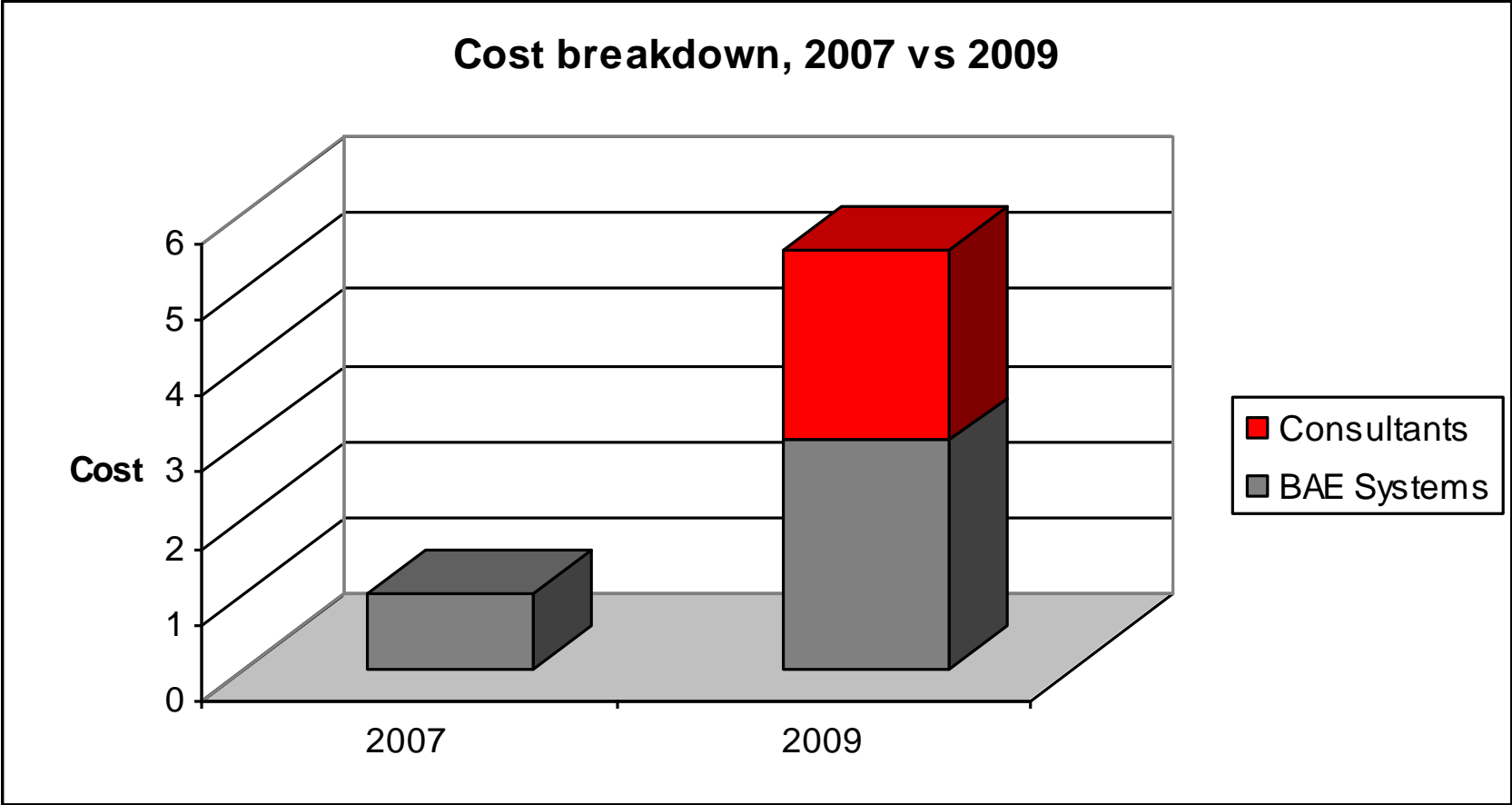
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# Cost – comparison with other bids



# Cost comparison: 2007-2009



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## Better than last time? 1: Preparing to win

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### How did we rate our performance on:

- Understanding and responding to price to win
- Understanding customer's motivation
- RFP analysis

	2007	2009
<b>Preparing to win</b>	53%	68%

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## Better than last time? 2: The proposal

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### How did we rate our performance on:

- Training authors
- Authoring
- Graphics
- Proposal reviewing
- Quality of proposal

	<b>2007</b>	<b>2009</b>
<b>Proposal</b>	62%	79%

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## Better than last time? 3: Teams and teamwork

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### How did we rate our performance on:

- Clearly defined roles/responsibilities
- Team commitment/buy in
- Communication

	<b>2007</b>	<b>2009</b>
<b>Team dynamics</b>	63%	74%

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## Better than last time? 4: Customer's opinion

- Customer thought proposal was 'robust and thorough'
- Liked submission of edited pages to supplement query answers



## Did consultants improve bid preparation?

### Yes

- More structured approach to RFP
- More structured approach to win theme collation

### No

- Improvement driven by BAE:
- Better Customer relationship
- Knowledge of Price to win
- Better competitor intelligence
- Consultants started proposal too soon

### On balance...

Consultants added limited value to bid preparation activities and added to costs by starting proposal too soon

## Did consultants improve proposal?

### Yes

- Excellent graphics
- Win themes drilled though proposal
- Training given to authors
- Quality look and feel to final document
- Customer liked it

### No

- Proposal started before solution/win strategy finalised
- Resulting iterations were hugely costly
- Proposal reviewing no better than before

### On balance...

Consultants significantly improved the proposal, but premature left-shift added to costs

## Did consultants improve teamwork?

### Yes

- Ruthless driving of authors

### No

- Team motivation mostly due to director attention
- Team morale very low throughout bid

### On balance...

Consultants added limited value to team performance. Most significant motivator was BAE Systems' director attention

# Why did it cost so much more?

## Premature left-shift

A proposal without a solution

## Labour intensive

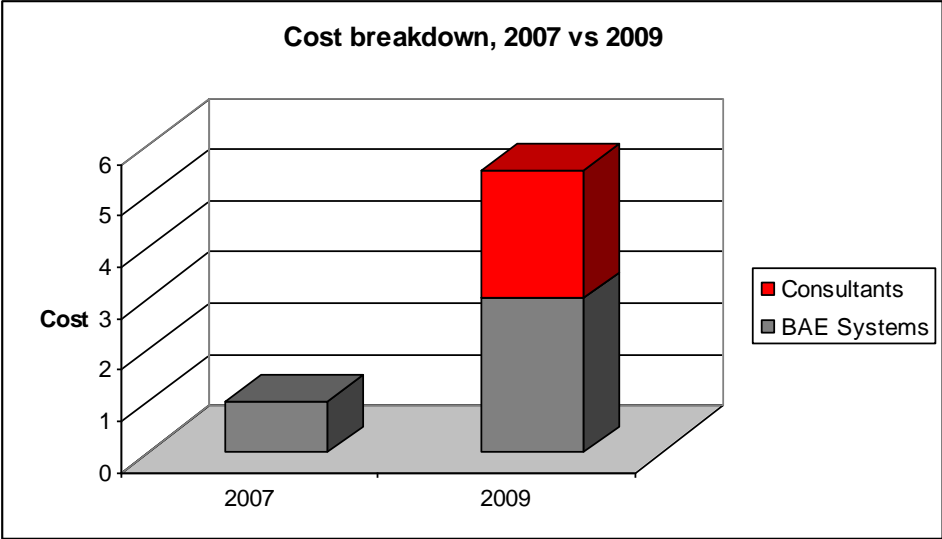
Very resource-hungry methods

## Multiplier effect

Our costs increased in response to consultants' methods

## In too deep...?

Only consultants familiar with methods, tools and templates



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Did we win?

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No...

... But we haven't lost either

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# Should you take the plunge?

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## **Consultants can only build on strong foundations**

- Consultants cannot improve your customer relationship
- Consultants cannot provide intelligence on price-to-win
- Consultants cannot define the winning solution
- Consultants cannot provide competitor intelligence
- Consultants are not substitutes for your own executives

Without these foundations, consultants can only offer limited help

# Should you get a consultant who's also an engineer?

## Be wary of domain specialists

- Can lead to resentment among in-house domain experts
- Consultant's bid credentials can therefore become undermined
- But may speed up learning process for consultant



# Life savers... or parasites?

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## **Can be surprisingly difficult to end engagement...**

- Consultants are seeking to maximise their profit from you
- What happens if the RFP timeline extends by a few months?
- Your staff will not be familiar with proprietary tools or templates
- Your bid managers may only have had a supporting role

## **So:**

- Plan the scope of work required of consultants
- Budget for it – and stick to the budget
- Ensure your staff master consultants' templates
- Have a bid manager at the centre

# What else could you do with the money?

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## **Are there other ways that money can help your balance sheet?**

- Train regular staff
- Hire new staff
- Keep the money and no-bid

# Are bid consultants worth the money?

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## **Managers' view: 'Yes!'**

Why?

- Managers and investment
- Imported beer theory of perceived value
- Expensive means good

## **Workers' view: 'No!'**

Why?

- Workers feel consultants are not part of the team
- Workers feel an us-vs-them tension that lowers morale
- Workers feel resentful of consultants

# Conclusion

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## **Consultants will definitely cost you money...**

- They could be worth it if you have the fundamentals in place
- They are unlikely to be worth it if you don't

## **But...**

- If you have the fundamentals and have management attention, maybe you don't need anything else...