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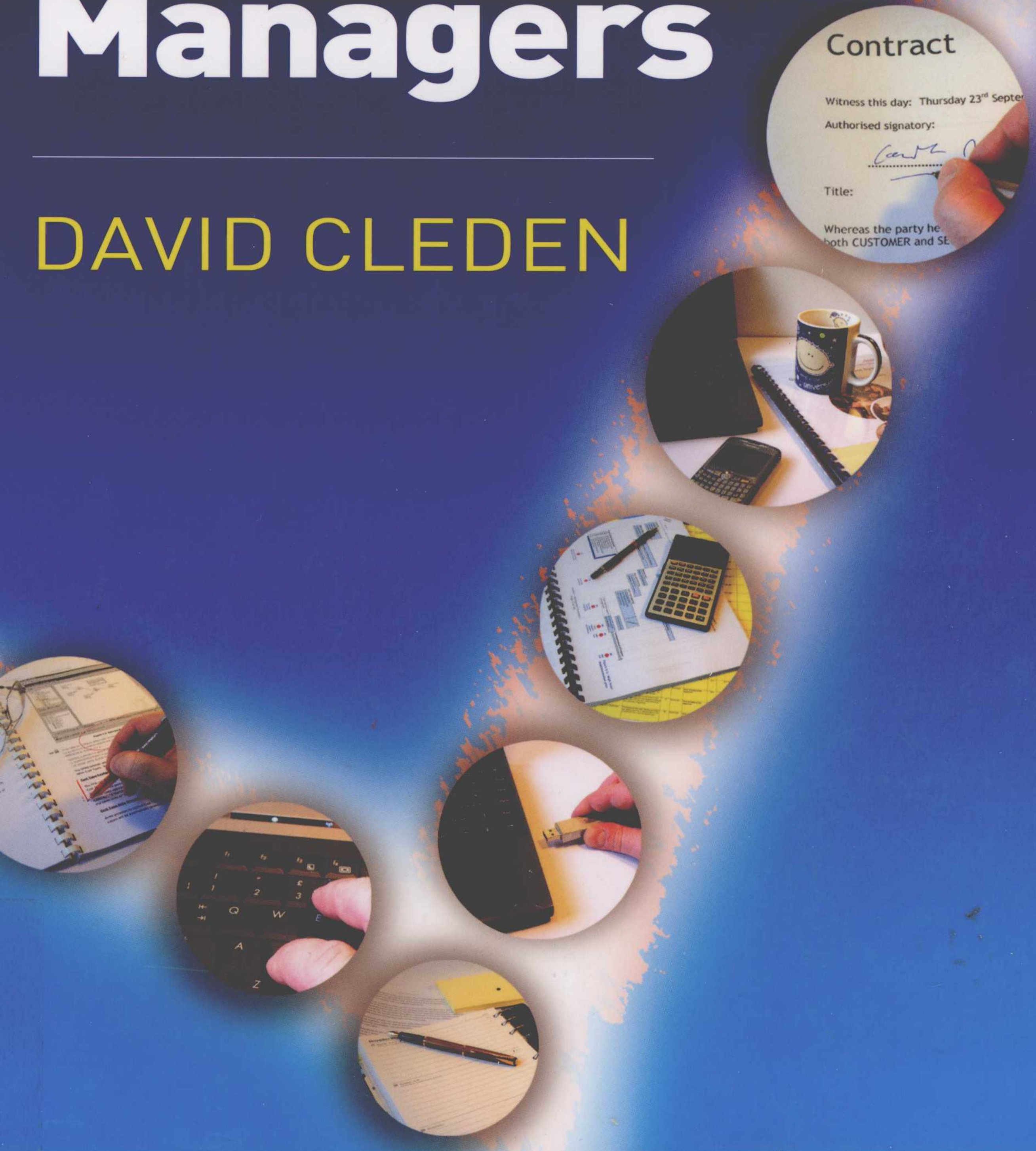
Bid Writing for Project Managers

DAVID CLEDEN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List of Abbreviations

BAFO	Best and final offer
CV	Curriculum vitae
ITT	Invitation to tender
MILI	Make it look important
MSP	Managing successful programmes
PQQ	Pre-qualification questionnaire
PRINCE	Projects in controlled environments
RUP	Rational unified process

Preface

So: Another book on project management?

Not really. Although this book is aimed at managers, particularly those with some experience of commercial projects, it is not a book about how to run a project. Plenty of other books already cover this topic, trust me.

A book for sales people, then? How to win over the client and secure a deal?

Again, not really, although you will find several chapters on how to put forward a persuasive argument and get your messages across in a proposal.

Alright, then. Is it an introductory guide for those new to bid writing? Will I find help with organizing a bid team, prioritizing the work and structuring the proposal? Will it tell me what to include in a bid and what to leave out?

Getting warmer.

Mostly this is a book for managers about to engage in writing a commercial proposal which, if successful, will result in a contract to deliver a project or programme of work. But it's not just a handbook of bid writing. It contains some advice which might just save your project from disaster six months down the line. Allow me to explain.

First let's consider for a moment the precarious state of project delivery. We know that a sizeable number of projects hit difficulties. Research shows that about 25 per cent of projects fail or are cancelled before completion. (See, for example, *The Chaos Report*, a biennial survey published by the Standish Group.) A much larger number (about 50 per cent) run significantly over budget or schedule, and often both. Only a quarter of projects actually succeed. This

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has been happening for years and the situation doesn't seem to be improving. What's going on here? Why is it so hard to run a successful project?

The Ingredients for Success

A successful project has several key ingredients. First you must have the right set of skills (and the people) to do the job. We will call these the *core competencies*. For example, to build a house you need bricklayers, carpenters and plumbers who all know their trades. You also need a site foreman who knows in what order jobs need doing and will make sure things are done properly. Similarly, a project needs a team of people who know their jobs, and a project manager to keep a weather eye out in case the unexpected happens.

Secondly, you need good management processes which will keep the project on track. These will help to ensure there is effective communication between the client, the team, any subcontractors and the project stakeholders. They will help the team develop a good understanding of the tasks to be carried out, what these depend on, their priority and how long each task will take – in other words, a realistic plan. They will also provide an effective way of monitoring progress, spotting problems at an early stage and solving them.

Let's call these things the *delivery processes*. In our house-building analogy the site foreman is like the project manager. He or she applies delivery processes to monitor the building work, checks each stage against the architect's plans and solves any problems that arise.

Sometimes delivery processes are grouped together and called a 'methodology'. Different methodologies abound, often with impressive-sounding acronyms such as RUP, PRINCE2, MSP, etc. There is little doubt that following a recognized methodology greatly improves a project's chances of success. Which one you choose is less important than choosing one and sticking to it.

Is that it? With these things in place, are we assured a successful project?

No. We are still missing an important third ingredient: the project's *conceptual framework*.

The Conceptual Framework

All projects begin with someone somewhere having an idea. It might be a modest idea: *let's add some new features to an existing product.* Or it might be more ambitious: *let's create something that has never been done before.* The point is, many key aspects of a project are determined in this very early stage, long before a project manager is brought on board or the first task of the project is mapped out. Decisions are taken, expectations are set and objectives are formed – and once formed, they are hard to shift.

In a commercial setting, the client will prepare an 'invitation to tender' (ITT) which enables suppliers to bid for the work. The ITT summarizes the client's business objectives, provides detailed requirements of the work to be done and will usually state the timescale and other constraints which the supplier must work to. There then follows a bidding process in which a number of suppliers show how well they can meet the terms of the client's ITT and state their price for doing the work. The client selects one of the bidders and a contract for the work is placed. At this point the project begins.

Decisions made about the conceptual framework shape the outcome of the project. If the conceptual framework is misjudged, the project may be flawed from the outset – although not necessarily in obvious ways because hidden problems may not appear until much further downstream.

This book is about how to build the conceptual framework of the project during the bid stage. More importantly, it's about building it *right*. The seeds of too many project failures are sown in the proposal. Get the conceptual framework right, and you stand a much better chance of delivering a successful project.

Of course, before this can happen, you must write the *winning* proposal. That means presenting a compelling argument to the client, and communicating the strengths of your solution and delivery approach effectively. And it also means organizing your bid resources to make the best use of what you have available.

These are the three goals of this book: to show how to establish a viable project framework, to organize for success and to persuade the client to award you the contract.

How to Use this Book

Time is the biggest enemy of anyone working on a bid, so here are some suggestions for getting the most out of this book.

Chapter 1 sets out the rationale of bid writing for project managers. If you already understand the importance of developing a viable project framework during the bid stage, you may want to skip ahead. But remember – these activities are the foundations upon which the project will succeed or fail.

If you have the luxury of some time before working on a bid:

- Read the introduction and bid background chapters (Chapters 1 and 2). These will put the bid tasks in context.
- If you are new to the bidding process, particularly the planning and management aspects, Chapter 3 introduces the key concepts.

If you have already started work on a bid and are looking for some help:

- Chapter 4 onwards follows the key stages in the bid process.
- Which chapter to start with depends on how far through the bid process you are.
- You may want to familiarize yourself with the bid process diagram (Figure 3.2a and b) and consult the glossary (Appendix B) if you encounter any unfamiliar terms.

If you have just received an ITT from a client:

- Read Chapters 5, 6 and 7 first to make sure you begin building the framework of the proposal in the right way.

It is important to remember that creating the proposal doesn't sit in isolation from the project that hopefully follows from it. The work doesn't end when the bid is submitted. Chapter 13 looks at the preparations needed to smoothly transition from bid to project. Many of the subsequent project issues arise from a poor transition, so this is an important stage.

Finally, to assist those working to a very tight deadline:

- At the end of each chapter there is a summary of the essential points. Just reading these summaries will give you a feel for the most important areas to focus on.
- Appendix A contains a bid checklist which maps to the bid process introduced in Chapter 3. You can use this as a reminder or to check your progress as you work through the bid stages.

Good luck and best wishes for a successful bid!

David Cleden, January 2011

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1

Zen and the Art of Bid Writing

You cannot teach people anything. You can only help them to discover it within themselves.

Galileo Galilei (Italian astronomer and physicist, 1564–1642)

In the Beginning

Matthew's boss calls him the archetypal 'safe pair of hands'. With nearly a decade of solid experience, Matthew knows what is expected of him as project manager. The first few weeks on the new project are hectic but exhilarating. He meets with his new team and together they start to map out key stages of the project. Matthew is pleased that an early brainstorming session on risks really seems to get everyone fired up. Everyone relaxes over a few drinks in the pub after work and it is clear to Matthew he is leading a team of dedicated individuals with a broad range of skills.

Matthew also meets with the client to discuss the requirements, and all goes well. Not unusually for a government-funded project, there is a large group of stakeholders with diverse interests. At the first monthly Project Board meeting Matthew's project report is upbeat, and demonstrates that good mitigation plans are in place for a small number of risks that have been identified.

But a week later, his technical lead brings him a problem. She has been analysing the requirements in more detail and has discovered that an important off-the-shelf component in the proposed solution simply won't meet the requirements. Adapting the component will be time-consuming and potentially risky because the necessary skills don't exist within the team. Sourcing an alternative will be both time-consuming and costly.

A couple of days later, Matthew has a disturbing conversation with one of his subcontractors. It emerges that no binding subcontract was ever agreed for this part of the work. Extra time will be needed to agree terms with the subcontractor, delaying a critical milestone. Worse, the subcontractor is now pitching a higher price than originally budgeted for. Unforeseen delays and budget overruns are now threatening Matthew's project.

His technical lead brings more bad news. She has found further problems in the requirements document. Their original proposal to the client states compliance with a number of important requirements which, it now becomes clear, can't be met by the proposed technical solution. This news is a potential show-stopper.

Matthew holds a requirements workshop with the client, aiming to negotiate away the problematical requirements. Not surprisingly, the client is initially reluctant to reduce the scope but is persuaded to trade off these requirements for additional (and more affordable) functionality in other areas. But yet another problem emerges. The workshop reveals that there are big holes in the client's requirements; important things have been overlooked in the Invitation To Tender. Worse, several of the client stakeholder groups are unhappy with the proposed solution, feeling that they were excluded from the bid evaluation process. The client's internal politics are awkward; some of the stakeholders may not sign off on the design unless their views are taken into account.

Matthew knows these problems are solvable, but it means new and unexpected effort (for example, carrying out a more detailed requirements analysis which will add months to the schedule). He initiates change control procedures to recover these extra costs and the relationship with the client deteriorates rapidly. They thought they were contracting for a turnkey system but are suddenly facing long delays and significant cost increases.

By the end of month three, Matthew's highlight report is awash with critical issues and forecast overruns. After such a promising start, where did it all go wrong?

SEEDS OF FAILURE

In Matthew's case, as with many projects, the seeds of failure were sown long before the project manager was appointed. A combination of poor decisions during the bid and failure to do important groundwork led to problems laying dormant for some months. Let's examine some of them.

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