

Attitudes to Incumbents

What Procurement Professionals really think about incumbents' performance at rebid.

Analysis and recommendations





Introduction

Between November 2012 and January 2013 Rebidding Solutions conducted a survey of procurement professionals to find out what their experiences and attitudes are towards incumbents and their performance in rebidding.

There is little survey information available on rebids in general, and even less on procurer's views of incumbents and what this important group of stakeholders want to see from incumbents – and what they actually experience. Whilst bidders get their own feedback from customers after they have won or lost a particular bid or rebid, this information is held within the company (and even then often not collated into lessons to be used for the future). We wanted to get a broader perspective and to see if there were common views and experiences across procurement professionals in different countries and in different sectors that we could use to pick out lessons for incumbents to help improve their rebids.

We wanted some insight into what procurement experts saw as the common problems and issues with incumbents' rebids, what they felt incumbents needed to do to improve, and what they wanted from incumbents' proposals.

The results we received certainly gave us a number of points which we believe incumbents can use to improve their chances of rebid success – and avoid a number of common mistakes and approaches which clearly vex many of our survey respondents.

The term 'rebid' is not commonly used in the same context in the USA as it is in the UK and a number of other countries. The more common term in the US is 'recompete'. As our survey was international we used the term recompete in the questions as whilst the term is most often used in the US it is clear across most countries what it refers to.

Who responded to the survey?

We publicised the survey on a range of LinkedIn Groups for procurement professionals. We received 50 responses from around the world and across government and private sectors. So our results can't be seen as statistically significant for the entire procurement community; both as the respondents were self selecting and the numbers responding are too small for statistical analysis. However our main aim was not to create statistics, but to get opinions. And as you will see from the results we certainly received some strong opinions.

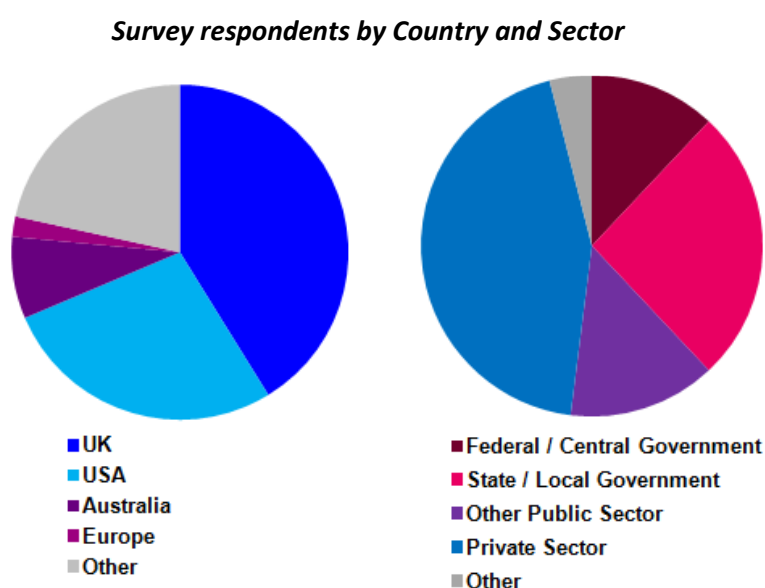


Figure 1



What questions did we ask?

We asked eight questions. Of these some gave the choice of specific answers. The rest simply asked respondents for their own experiences and thoughts. The questions were:

1. What do you expect of an incumbent at recompetes that is different to new bidders' approaches and bids?
2. Which specific aspects of an incumbent's bid should be superior to a new competitor's bid? (here we gave specific choices – see below)
3. What is your experience of aspects of incumbents' bids that have been particularly good, please give examples if possible;
4. What is your experience of aspects of incumbents' bids that have been particularly poor, please give examples if possible;
5. To what extent does an incumbent's performance on the contract impact on their chances of winning the recompetes? (we asked respondents to pick one of three options – see below)
6. What in your opinion are the primary reasons why incumbents lose recompetes?
7. In your experience approximately what % of incumbents win their recompetes?
8. What is the most important thing an incumbent can do to improve their chances of winning their recompetes?

The Results

As we analysed the responses to the survey it became clear that respondents were sending some clear messages which crossed over between questions. So rather than simply listing the answers we received by question asked, we have pulled out these common themes and illustrated them with answers from a range of the questions we asked. First however let's look at the results from the questions where we asked for more specific responses and gave our respondents set choices to answer.

Which aspects of an incumbent's bid should be superior to a new competitors bid?

Figure 2 shows the percentage of respondents who chose each of the set answers. Respondents could pick more than one answer. On average they picked three each.

The most popular choice was 'Knowledge of our strategic priorities'

As one of the few questions where we set the options, we were encouraged that only 10% of respondents chose 'Other' indicating we have covered the more relevant areas.



Figure 2



Impact of incumbent's performance on the contract

We asked respondents to what extent an incumbent's performance on the contract impacts on their chances of winning the recompile. We gave three options:

1. It is not an important factor in deciding whether they win the recompile;
2. It has an impact but it also depends on the content of their recompile;
3. It is the single most important factor.

Respondents could only choose one option

The proportion of respondents choosing each answer are shown in figure 3

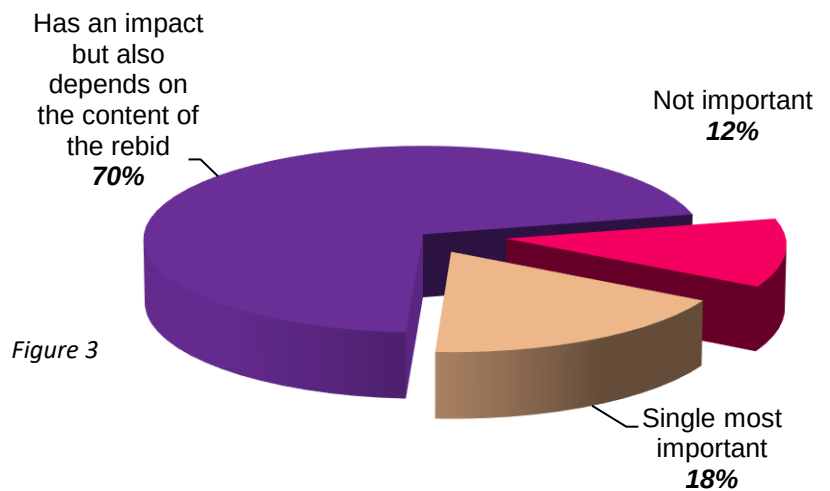


Figure 3

Percent of incumbents winning their recompile

We asked respondents to indicate from their experience what percentage of incumbents win their rebids. The overall numbers showed two peaks, so for this set of answers only we split the results out by country and by sector. There was no appreciable difference across countries. However the split between public and private sectors revealed an apparent difference in patterns. See figure 4.

As with all the answers to the survey the results are not statistically significant. However they suggest an interesting potential difference between the private and public sector experience.

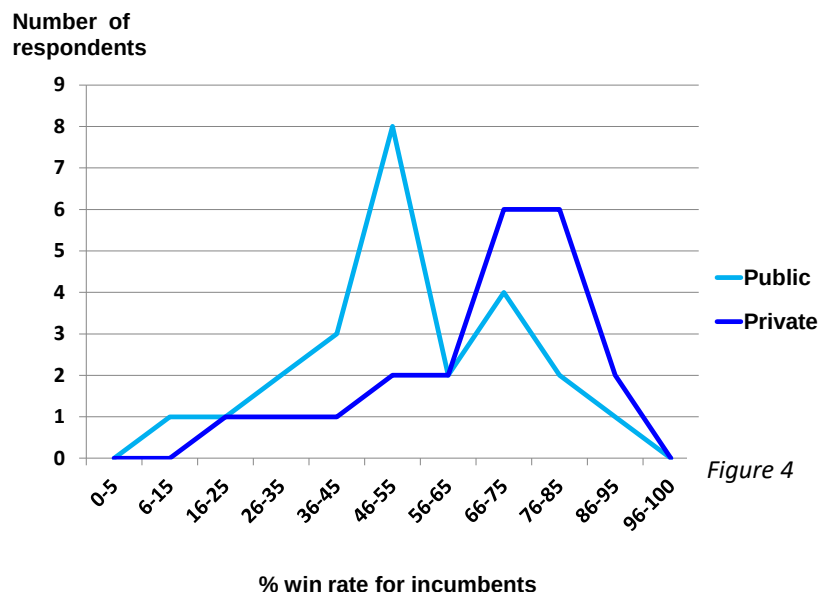


Figure 4



Analysis and recommendations

The answers to the questions we set with specific choices for respondents to answer confirm some of the experience we already have from working with incumbents – but also raise some interesting suggestions:

Which aspects of an incumbent's bid should be superior?

The highest rated answer to this was 'knowledge of our strategic priorities'. Procurers expect the incumbent to have gained a real understanding of the customer's wider organisation and aims during their incumbency. They want the incumbent to show in their solution that they have taken this into account and their solution fits with these needs as well as answering the questions set about the specific tasks the contract delivers.

This is where the incumbent should be able to gain a real advantage over new bidders – if they have built up this understanding during the existing contract. In the Rebid Guide you will find a number of Ideas where we focus on this understanding – not just for use in the rebid but for focussing the efforts for improvement, added value, performance measurement etc during the contract delivery period. This is where the incumbent can really leverage their understanding of these wider aims:

Showing an understanding of the customer's strategic priorities is useful. Showing how you have taken these into account in the design of your solution turns this understanding into a benefit for the customer. Giving evidence of how you have used this understanding to deliver focussed benefits to the customer during your existing contract (and using this as evidence to show you will do so next time) shows the customer you are the supplier they want to have working with them for the next term and gives you a real discriminator for your rebid.

A NOTE ON PRICE

You might have been surprised to see that 'price to fit our budget' was rated relatively low on the list of factors chosen by respondents. Remember that the question was comparing incumbent bids to those of new bidders. We don't take this low score to mean that procurers are less worried about the price incumbents put in and will accept a higher price. Our view is that procurers expect a keen price from all bidders whether incumbent or not.

Impact of incumbent's performance on the contract

Depending on your situation you might read the answers to this question in two possible ways:

1. If you have performed poorly on the contract you might feel there is still hope: 70% of respondents said the contents of the rebid will still have an impact on your chances of winning, and 12% said contract performance isn't important in deciding who wins.
2. We look at the answers slightly differently: In all but 12% of cases if you have not performed well on the contract you start the rebid on the back foot – and in 18% of cases (almost 1 in 5) you are seriously compromised.

Our view is that the handicap you face if you have not performed goes beyond just the customer's initial view of you as you enter the rebid process. For instance, if you have not delivered improvement on the existing contract you will have a hard time convincing the customer in your rebid of your commitment to deliver improvement over the next contract period. No matter how sophisticated the continuous improvement processes you may describe in your proposal the customer is likely to ask themselves the question: 'Where has this process been for the past 3/4/5 years? Why should I believe you will suddenly



change your approach?' Your task will be even harder if you included the process in your original bid that won the existing contract...

Delivering on your contract is one of the factors which put you in pole position for the rebid. As the majority of our respondents say, it isn't enough on its own – your rebid must still focus on their changing needs, deliver a superior solution and price etc – but your starting position going into the rebid is a powerful background driver to whether the customer wants you to win, and performance on the contract provides credible evidence to use in the rebid of how you will perform in the next contract.

NOTE

As we have said elsewhere the results from the survey are not statistically significant. But some do suggest particular patterns. It's interesting to note that, whilst the 70% saying performance on the contract has some impact were a mix of private and public sector procurers, all the respondents who said performance on the contract was the most important factor impacting on the incumbents chances of winning the rebid were from the private sector. And all but two of those saying it was not important were from the public sector. Which leads us to the next question and answer..

Percent of incumbents winning their rebid

The difference between the public and private sector procurers' answers can't be taken, as we have already said, as statistically significant - the number of respondents doesn't allow this analysis. However the patterns to the answers do raise the suggestion that there are differences between the public and private sectors.

Some of these are obvious – public sector procurements are set against often complex rules and regulations which require very specific marking schemes and processes, whilst private sector procurers potentially have more flexibility in their decisions (though this does not mean they are less stringent within the governance rules and processes set by the individual customer organisation). The private sector customer also has the option not to rebid at all if they choose (and their company procedures allow) and they are happy with the incumbent's performance and pricing.

What we do not take this to imply is that incumbent's in the public sector need worry less about their contract performance and customer relationships, or that private sector providers can be more lax in their rebids. The rest of the answers to our survey made it clear that no matter what the customer sector, both performance on the contract and an excellent rebid are vital to retaining your contract.



Results for other questions

As we have indicated above, the answers to the other questions we asked were not dictated by choices we set. We asked open questions and wanted respondents to give their own views. Respondents commented on their own specific experiences and thoughts.

As we reviewed these comments it became clear there were some specific groups of issues respondents had with incumbents' rebids which crossed the boundaries of answers to particular questions. Rather than simply give a set of quotes from the responses to each question in turn we have grouped answers into particular themes, which we will illustrate with respondents answers to a range of questions from the survey.

The groupings we have focused on are:

- **Complacency is a killer;**
- **Treat the rebid as seriously as a new bid;**
- **Deliver and improve performance on the contract;**
- **Build and maintain a strong customer relationship;**
- **Be honest about performance;**
- **Follow the tender instructions; don't assume the customer will fill in the gaps for you;**
- **Don't assume more of the same will win the rebid;**
- **Focus on the customer's strategic and cultural needs;**
- **Add value and innovate to beat the competition;**
- **Use your experience to deliver focused improvements.**

Some may feel the groupings reflect well known issues. However the fact our respondents still experience these issues would indicate there are still a lot of incumbents to whom the problems are not so obvious – or perhaps to whom the solutions elude them in the heat of a rebid.

As with any analysis of this type, others looking at the raw set of answers might group them differently and decide on a different set of themes. However we hope you will see from the quotes given that there is some justification to our own conclusions.



Complacency is a killer

Complacency amongst incumbents was perhaps the most common theme from the respondents' comments. For some it was the only word given in answer to a question. For others complacency was mentioned specifically within an answer, or was clearly implicated. Some of the specific answers illustrating this were:

Question: What in your opinion are the primary reasons why incumbents lose recompetes?

"Complacency"

"Complacency and over familiarity"

"Complacency and / or arrogance"

"Complacency and just presenting the current service with no new developments"

"Complacency - they assume and rely on the train of thought that I already know about them, who they are, what they do etc, and they lose sight of the fact that companies bidding to be new entrants will be aggressively competitive"

"Laziness, just expecting to be re-awarded"

"Complacency, arrogance, laziness and a tendency to presume the purchaser knows or can take into account poor performance"

Question: What is your experience of aspects of incumbents' bids that have been particularly poor, please give examples if possible;

"Arrogance and complacency"

"The incumbent thought they would get the contract without having to work too hard. They were complacent in their presentation of their offer. They didn't understand the strategic priorities"

"Complacent on winning and so not addressing emerging needs; pricing high as cost of change makes moving hard; adding price escalation metrics which look good but cost more over time; not answering the basic specification"

"Where they simply haven't put the effort in. They assume because they already have a contract they will win. There is also sometimes a tendency to go for 'business as usual' with no ideas or innovation. Complacency is a killer."

Question: What is the most important thing an incumbent can do to improve their chances of winning their recompetes?

"Don't make assumptions. A decision has been made to change something within the service; just because you provided the old service does not mean you will automatically win the next one"

Question: What do you expect of an incumbent at recompetes that is different to new bidders' approaches and bids?

"I expect the bidder to understand that it is fair game and not expect that they have the contract"



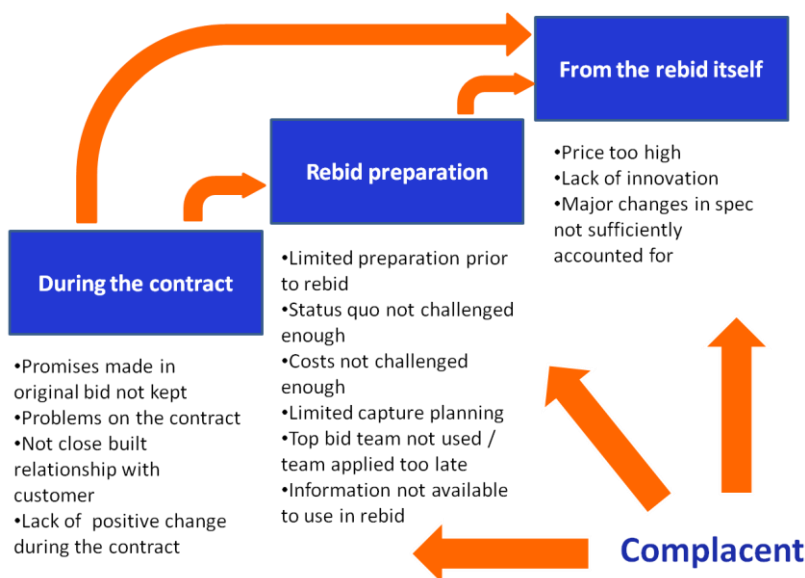
Analysis and Recommendations

None of us plan to be complacent, so why has it been such a strong theme in the responses to the survey?

Our interpretation as to what is behind this view held by so many of our respondents is that in large part it comes from a set of assumptions often held by elements within incumbent teams. These can include:

- An overestimation of the level of support the incumbent has from the customer. We often hear versions of the sentiment 'the customer really likes us and wants us to win'. Perhaps this is true. But often it refers to the operational customer who deals day to day with the incumbent – not those in the procurement department or other areas of the customer organisation who have real decision making power during the rebid. And even those within the customer who want you to win aren't going to give the contract to you if you don't put in the effort to put in a winning rebid.
- An overestimation of the level of knowledge the incumbent has about the contract and how indispensable they have become. We look out for comments such as 'no one else could deliver this as well as we do' or 'no one else knows the customer as well as us'. In some respects this can also be true. But to be a winning factor the incumbent has to use their knowledge to deliver a better solution. And the customer may not want 'better' in the rebid – they may want cheaper.
- An underestimation of the competition. Again the comments above can apply. But the competition is usually strong, clever and may well have researched the contract in depth. They will often have worked to get close to the customer prior to the rebid and understood the potential weaknesses of the incumbent's delivery or approach. They know they are fighting a potentially strong incumbent position and if they have chosen to compete for the work will put the extra effort in to win 'against the odds'.

The result of these assumptions and the overconfidence they can engender is what can lead to the impression of complacency our respondents see – and more specifically some of the other issues we have also picked out as themes from the research.



This complacency might come out in the results of the rebid, but we often see, when reviewing lost rebids, that the genesis of the issues can be found prior to the writing and pricing of the proposal:

Overconfidence can lead to a lack of drive to change and improve on the contract, a lack of effective rebid preparation, where the contract is carefully reviewed, the customer's future needs assessed, the existing delivery challenged and a fresh new solution (rather than a variation on the existing solution) is created.

To avoid these issues you need, as the incumbent to look early at your contract delivery, ensure you start your rebid preparation early and, as the next theme from our research says, approach the rebid as if you are not the favourite to win.



Treat the rebid as seriously as a new bid

As an antidote to being complacent, respondents had some clear advice for incumbents on how they should approach their rebid.

Question: What is the most important thing an incumbent can do to improve their chances of winning their recompile?

“Approach the bid as if it was a new client whom you really wanted to work for, because you have true value to add to the client's operation”

“Read and respond to the document as though it was a new business opportunity that they were keen to grasp - this is often why they won the business the first time round!”

“Bid as if it's a new contract (using their incumbency with a very light touch)”

“Give 100% effort to the new tender, treat it as new business”

“Do their due diligence (homework), ask questions, treat each solicitation as if it were their first chance at award”

“If given the opportunity, this is what I would tell them: “Don't assume you're going to win the recompile. Using the knowledge and experience you have acquired, respond to the bid as if it's brand new and the relationship doesn't exist because that's how the bids will be evaluated””

Question: What is your experience of aspects of incumbents' bids that have been particularly good, please give examples if possible;

“They treat the bid as if it were the first time bidding for the organisation and put the effort to show they are the best fit”

“Treat opportunity as new business and leverage their knowledge of the customer”

“I've seen incumbents take advantage of their existing position to put in a tender specifically focused around our needs taking into account geographic, political, cultural and operational factors. Where incumbents put in the same effort as they did to win the business first time round they tend to be able to put together a better submission than non-incumbents”

Analysis and Recommendations

In some respects our respondents have given the solution to the issue of complacency they identified above. This theme is very much one of effort and approach rather than a technical aspect of rebidding. Generally the respondents are not encouraging the incumbent to ignore their incumbency – rather not to rely on it.

As we have said above, this doesn't just apply to the proposal. In our view it applies to the running of the contract, rebid preparations, solution development and the proposal preparation and delivery.

It includes putting the right team onto the rebid early and not, as can be the case if the rebid is assumed to be 'in the bag', postponing the rebid preparation until late in the process, putting a smaller or less experienced team onto the rebid effort than would be the case for a new bid of similar size (or leaving the work to the operational team). It means putting in a solution that meets the customer's future needs – not a repeat of the existing delivery method, and it means putting in a keen price.



Deliver and improve performance on the contract

The comments from respondents expanded on their views, as expressed in question 5 about the impact of performance on the contract and its impact on the rebid: that incumbents need to focus on delivery throughout the contract period of they are to increase their chances of rebid success.

Question: What is the most important thing an incumbent can do to improve their chances of winning their recompetete?

"Perform the job well in the first place and provide accurate and honest bids"

"Given the best value for money before hearing about potential rebids"

"Improve the quality and service outcomes while developing "raving fans" for their responsiveness and steps towards service improvement"

"Deliver to the contract and expectations. Insightful response to tender"

"During the term of their existing contract they need to communicate constantly what it is they are doing and also show the value they are providing. It is too late at the recompetete to then tell everyone what you have been doing for the last 12 or 24 months"

Question: What is your experience of aspects of incumbents 'bids that have been particularly poor, please give examples if possible;

"Cost cutting offered that should have been offered during incumbency as routine contract improvement activity"

"Incumbents that deliver poor, overpriced or sloppy bids generally have performed the same in the previous job. In most cases they will be aware of the dissatisfaction and are not really interested in reclaiming the contract"

Question: What in your opinion are the primary reasons why incumbents lose recompetetes?

"Poor account management. Not acting on previous feedback and suggestions. Automatically assuming RPI price increases will be acceptable to the customer"

"Constant poor service and delivery coupled with little and no communication between supplier and client as well as a total failure to adhere to improvement plans and processes set out for them and a blatant attitude that it is their right to win contract extensions / retenders"

Question: What do you expect of an incumbent at recompetete that is different to new bidders' approaches and bids?

"That all issues and SLA requirements have been met. That we are already been offered any innovations (technical and commercial) should we NOT have come out to bid"

"Would have expected continuous improvement during current contract delivery bringing delivery up to current standards"



Analysis and Recommendations

This is a return to the theme set in the answers we received to our question on the impact of performance on the contract in the rebid above. Our respondents are clear they want the incumbent to perform on the contract. But more than that, many want the incumbent to deliver improvement and offer innovation during the contract period – not just perform to the SLAs or KPIs set and no more. Again this is covered in the Rebid Centre under the section on ‘Run your contract’.

Our view is that the incumbent should not treat the contract delivery stage as simply a ‘cash cow’ where the change and investment has been made in the bid and phase in of the contract and for the rest of the delivery period the only requirement is to deliver what was promised and reap the maximum returns at the lowest cost. Despite the fact that a contract always has the effect to a greater or lesser degree of setting the terms of delivery ‘in stone’ for the contract period, the real world outside the contract is changing and moving forward – and so are the customer’s drivers and needs.

Being proactive during the contract and looking for new ways to improve delivery, cut costs for the customer, and react to changes is what separates those suppliers who win more rebids from those who win fewer. In the words of one of our respondents this is what helps to create ‘raving fans’ within the customer organisation. And despite the restrictions set by the rebid – especially in the public sector – there is a huge difference between a loyal customer which actually wants you to win the rebid, and a satisfied customer who is happy if you win, but also content to work with someone else if you lose.

A related theme within this context is customer communications during the contract. We have included some quotes about this area in this section (although they could equally have been placed in the next section on customer relationships). We would recommend you read the paper on ‘Contract communications to help with your rebid’ which covers many of the areas relevant to this theme and is partly based on the responses to this survey.



Build and maintain a strong customer relationship

Hand in hand with delivery during the contract, building relationships and taking a partnering approach were seen as important requirements for rebid success.

Question: What in your opinion are the primary reasons why incumbents lose recompetes?

“Attitude. Not becoming a partner in the enterprise. Work with me and I'll work with you”

“Became or grew into a non business partner”

“Tired relationship - grass is greener elsewhere!”

“In the public sector they don't appreciate the balance of professional relationship building and the procurement process. Both play an important part for the incumbent supplier”

Question: What is the most important thing an incumbent can do to improve their chances of winning their recompute?

“Stay involved with your business and act as a partner”

“Stay competitive in pricing and technology of product. Talk to me about what is going on in the industry including competing products and call on me more than just when it is time to place an order”

Question: What is your experience of aspects of incumbents 'bids that have been particularly good, please give examples if possible;

“Carrying on the process of a working relationship and continuous improvement”

Analysis and Recommendations

As we have said above, we believe this area goes hand in hand with strong and proactive delivery of the contract. If you are performing poorly you are less likely to have a strong and positive relationship with the customer – although that is not always the case if the customer can see you are genuinely doing your best in difficult circumstances and being honest and open with them about the issues and how you are trying to resolve the problems and deliver improvements.

But strong performance isn't always enough to build strong relationships across all those stakeholders in the customer organisation who will impact on the rebid decision. This takes a proactive approach to relationship building during the contract and rebid preparation period.

We cover this area in a number of ideas within The Rebid Guide. Particularly under, 'Contract Communications to help with your rebid' but also 'Building customer relationships and trust' and 'Measuring end user satisfaction' as well as 'Reinvigorating your customer relationships', 'Understanding stakeholder views of your contract' and 'Who will be involved in your customer's procurement' in the Prepare for Rebid section.



Be honest about performance

Our respondents want incumbents to be honest in their rebids about their performance on the contract to date.

Question: What is the most important thing an incumbent can do to improve their chances of winning their recompile?

“Acknowledge what they have got wrong in the past”

“Recognise weaknesses and propose changes to address these”

“Be clear what the client wants. Strengths and weaknesses of your current performance”

“Don't sit on their laurels, be honest about current levels of performance, look carefully at competitors' likely offerings”

Question: What do you expect of an incumbent at recompile that is different to new bidders' approaches and bids?

“Clarity on the business requirement of the bid from the start of the process. Honesty on current performance and how to improve and innovate”

Analysis and Recommendations

There can be a tendency for incumbents to gloss over in their rebid any issues there may have been on the contract. Our respondents suggest this is a mistake. They will know what the issues have been, and what your levels of performance have been during the contract. Pretending that everything has gone well when it hasn't (and it is a rare contract where nothing has gone wrong and there have been no issues) risks your proposal losing credibility.

In fact, assuming you have resolved the issue or problem with performance that occurred on the contract there are a number of potential ways you can turn this to your advantage in the rebid:

- You can use it to show you are flexible and proactive. Customers prefer high levels of performance, but they usually understand that things can go wrong (and issues are not always your fault). They want a supplier who will work with them to proactively resolve any issues that occur on the contract in the future. If you can show you have been proactive in resolving problems (even those where you may be to blame) you can use this to show you will be proactive in the future;
- If you can show you have learnt from the issue and put measures in your new solution to prevent the problem reoccurring you will again show you are proactive;
- Potentially you can use the issue to 'ghost' your competitors – do they understand the potential for the problem to reoccur on the contract and have they put in place mechanisms to prevent it or mitigate the resulting issues? If not the credibility of their solution (and potentially price) could be put in doubt.

We cover this in more detail in the 'Admit Mistakes' paper in the Run the rebid section of the Rebid Guide



Follow the tender instructions; don't assume the customer will fill in the gaps for you

And once the rebid proposal is due, incumbents must take the process seriously, completing the documentation fully and not assuming the customer already knows the details of what they have done, who they are, what they can do, or why the customer should choose them rather than the competition

Question: What in your opinion are the primary reasons why incumbents lose recompetes?

"Failure to respond to the specific requirements outlined in the RFP. Incumbents sometimes bring too much knowledge from outside the RFP to bear on their proposal approach"

"Failure to evidence the work they have done and making assumptions that we 'just know' what they can do"

"Lack of attention to detail"

Question: What is your experience of aspects of incumbents' bids that have been particularly poor, please give examples if possible;

"Adherence to specification can sometimes drift based on what the incumbent 'thinks' they're being asked to do as opposed to the text of the RFP"

"Not caring to complete the proposal in accordance with the requirements, assuming that they don't have to comply, assuming the recompetes is a formality"

"An obvious lack of having read bid specifications, or responding to new specification sections, relying only on past business relationships and previous expectations (incomplete responses)"

"Some good incumbents fail to elaborate on their experience and qualifications. Instead of detailed resumes, they provide summaries. They tend to brush over the submission requirements making them in some extreme cases non responsive"

"The number one problem is when suppliers put no effort whatsoever into the bid and expect to win on the basis of "well you know what we can do because we have been doing it""

"Often they assume we know all about them and put in a rather poor response"

Question: What do you expect of an incumbent at recompetes that is different to new bidders' approaches and bids?

"I would expect them to ensure they answer the questions based on the assumption we know nothing about them - they can only be scored on the content of the submission - to ensure a level playing field you can't use prior knowledge in evaluations."

"First to read the requirements, they may have changed. Second, respond fully with the required and requested information. Third, but not least, get your response in on time"



Analysis and Recommendations

We believe the answers from our respondents in this are cover a number of issues we have also identified elsewhere in our work with incumbents:

1. Some incumbents can make the assumption that as the customer already knows about them and their delivery of the contract they don't need to talk about it in their rebid – we have seen some PQQs/ RFIs and ITTs/ RFPs where the written proposal barely mentions they are the incumbent and does not explicitly draw on any evidence from the existing contract to back up claims of how they and their solution will work for the customer better than the competition;
2. Some incumbents can assume that as the customer already has knows the work they do they don't need to include details which are specifically asked for in the procurement instructions or questions (for instance proof of accreditations, full staff CVs) – and can in some cases be found non compliant in the evaluation;
3. Others (and we cover this in the next section) fail to read and properly interpret the customer's questions or instructions for bidders, or Memorandum of Information about the customer's future needs. They either, miss, misunderstand or ignore the changes the customer is asking for in the next contract period vs the existing contract and put in a solution based on their existing solution, not on the customer's requirements for the future;
4. A variant on this is where the incumbent 'knows' what the customer needs and what it takes to run the contract. They therefore include their own interpretation of what the customer is asking for rather than put in a compliant solution . This can happen for a number of reasons. Sometimes the operational team have listened too much to their operational contact and not other stakeholders who may be looking for something different (typically the operational customer is more interested in a high performance solution whereas others, who might have more sway in the decision, are looking for a less expensive solution). At other times the incumbent feels there is an activity required to run the contract 'properly' which the customer has not included in their specification and they put this into their solution – and costs.

The recommendations we would make vary with the core issue listed above.

1. Always include some element of your experience of the existing contract in your proposal. The aim is not to show the customer how well you did on the last contract– but to use how well you did as evidence of how well you will do in the next contract. For more details look particularly at 'Setting up a rebid file' and 'Measuring things that count' in Run your contract and 'Using the information you have gathered' in Run the Rebid
2. No matter how well the customer knows you, you must include very detail they ask for in the procurement instructions. See for instance 'Don't assume the customer knows you' and 'Rebid proposal checklist' in Run the Rebid and also some of the real life examples in 'Lessons for Incumbents from GAO decisions' in Prepare for Rebid
3. One of the main aims of your rebid preparation process should be to understand what the customer wants for the next contract and what changes this requires from your solution. See for instance 'Understanding the customer's next contract in 'Prepare for Rebid. You should also be putting together a new solution which fits with the customer's needs, not your existing solution as part of the challenge to existing assumptions as part of your rebid preparations – see for instance 'Creating a Greenfield solution' in Prepare for Rebid.
4. The same references as we have recommended for point 3 cover this area. But also look at 'Pricing to win your rebid', 'Lessons for incumbents from GAO decisions' for examples of where incumbents have priced too highly and 'LPTA bids: survival tips for Incumbents all' in Prepare for Rebid, and 'Price to fit the specification not what you know' in Run the rebid.



Don't assume more of the same will win the rebid

Too many incumbents, in the opinion and experience of our respondents, seem to assume the customer isn't looking for anything new

Question: What is your experience of aspects of incumbents' bids that have been particularly poor, please give examples if possible;

"They submit the exact same bid they submitted for the first contract without regard to spec changes"

"Overpriced shoddy bid that did not address the ITT but merely rehashed what they had done before"

Question: What do you expect of an incumbent at recompetes that is different to new bidders' approaches and bids?

"Understand the new requirement and not assume Business as Usual"

Question: What in your opinion are the primary reasons why incumbents lose recompetes?

"Complacency and just presenting the current service with no new developments"

"Too cocky on pricing, offering same product when there is other product with 'new' or improved features at the same going rate"

Question: What is the most important thing an incumbent can do to improve their chances of winning their recompetes?

"Analyse in detail future requirements and improvements required and not reflect on past performance"

Analysis and Recommendations

This point is related to the previous theme on following customer instructions. However even if the incumbent has properly read and interpreted, there is still a danger of offering a solution too much based on the existing solution rather than looking to the future.

Sometimes this can mean there is not enough innovation or change to fit with the customer's changes in specification. At other times the problem can be different: even if the specification is met, the incumbent can fail to react to the underlying issues the customer faces. For instance if the customer is under greater pressure to reduce costs, even if the existing high quality – high priced solution meets the specification, it will not necessarily meet the real customer needs – and could be beaten by a lower quality solution (which still meets the specification) which offers the customer a lower price.

Even if the customer's specification and procurement evaluation is very similar to the previous bid (which sometimes it can be) and their needs have not changed (much rarer) offering the same solution as last time may well miss opportunities to include learning from the contract, new technology, new methods of working etc which have emerged in the years since the last bid. Opportunities your competitors will most likely take. Just because the customer's needs haven't changed doesn't mean the best way to meet these needs hasn't changed.

For more on this read the Prepare for Rebid section and the section on challenging your existing solution, for instance 'Creating a Greenfield solution' in The Rebid Guide



Focus on the customer's strategic and cultural needs

We saw from the answer to question two which asked which aspects of incumbent bids should be superior to new bids that the most common response was incumbents should show knowledge of customer's strategic priorities. This was backed up by answers to other questions:

Question: What is your experience of aspects of incumbents' bids that have been particularly good, please give examples if possible;

"A willingness to be flexible to our needs and priorities, to adapt their business to our strategic directions that may diverge from previous or current business relationship"

"Knowledge of strategic direction of organisation"

"The quality of a bid where time has been taken to consider the business they are in and the business to which they are supplying. Showing a genuine commitment to the organisation"

"Very clear strategy (organisationally and process) to fit in with client's organisation and objectives"

"Understanding the culture of the organisation, offers to execute the contract as per the client expectation"

Question: What is the most important thing an incumbent can do to improve their chances of winning their recompute?

"Use the run up to the tender process to ensure they fully understand the direction of travel of the council and how they can contribute to the wider aims etc. Undertake an end of contract review to see where they can add further value"

Question: What do you expect of an incumbent at recompute that is different to new bidders' approaches and bids?

"Their familiarity of our customers and needs, an awareness of emerging trends and values, that they have a focus on the pulse of their existing relationship with us as a customer"

Analysis and Recommendations

As we say above, this point was the most popular in the earlier question we set about what procurers expect of incumbent bids vs new bidders. The points made in some of the respondent answers expand on this and talk also about a fit with the customer's culture.

As per our recommendations to the earlier answer on this subject, using your experience and relationship with the customer built up over the contract is important. Finding ways to ensure your solution acknowledges the customer's wider strategic aims and goals, where it is going as an organisation in the future and how the solution furthers these aims and fits the customer culture will help differentiate your proposal beyond just meeting the specification and price parameters (which it must do first of course). Showing how you have already done this on the contract provides proof for the customer that you mean what you say and will deliver for them in the future.

Again, look at the processes behind performance measurements as well as added value, continuous improvement and innovation in the 'Run your contract' section of The Rebid Guide. Particularly look at 'Measuring things that make a difference' and also our article which summarises this point 'Are you measuring what REALLY matters' in the articles section of our website



Add value and innovate to beat the competition

Just as our respondents don't want to see incumbents offering the same as they have been delivering to date, they want to see the incumbent to take the threat of competition seriously and deliver innovation and added value (and reduced costs of course) in their new solution.

Question: What do you expect of an incumbent at recompetete that is different to new bidders' approaches and bids?

"Show that they are still hungry to have the contract. Show they have kept innovating and they know they are competitive"

"To take the opportunity to refresh ideas and present changes to the current status"

Question: What is your experience of aspects of incumbents' bids that have been particularly poor, please give examples if possible;

"Virtually no attempt at identifying improvement / innovation opportunities"

"Complacency in terms of responses - no innovation - assume same old will be as good"

"They don't revise their cost structure or new alternatives to offer better conditions"

Question: What is your experience of aspects of incumbents' bids that have been particularly good, please give examples if possible;

"Delivering cost saving innovations and suggestions"

"Where they have reduced pricing, working on removing inefficiencies and introduced a pain / gain arrangement"

"Reaction to competitive pressure"

Question: What in your opinion are the primary reasons why incumbents lose recompetes?

"Because they feel confident nobody will be more competitive, and lack of responsiveness"

"Don't put sufficient effort into the bid material - a level of taking the purchaser for granted, assuming it is too much trouble to transition, not offering anything particularly new that value adds"

"Failing to bring the latest delivery standards to the new bid"

"They do not provide a compelling service offer. They lack innovation and ideas. They do not demonstrate adequate desire to work for the client"

Analysis and Recommendations

Just as our respondents' want incumbents to overcome complacency by approaching the rebid as they would a new bid, they want incumbents to offer innovation and added value rather than more of the same. Even if the customer has not changed their requirement significantly there will have been changes to the market and the potential offering you can make since your last bid for the contract. Focussing on finding the most innovative and added value solution should be the aim of any incumbent – just as much as it would be for a new bid. Taking time during the rebid preparation stage to work through potential innovations and how you can add value will give you the opportunity to test your ideas. Looking at the latest offerings in new contracts your business is bidding for will also test whether you are really offering the most up to date solution possible.



Use your experience to deliver focused improvements

Given the advice from our respondents on treating the rebid as a new bid and not making assumptions our respondents also see the benefits an incumbent can deliver, if they are intelligent about the experience they have gained on the contract, to focus their suggestions to good effect.

Question: What is your experience of aspects of incumbents' bids that have been particularly good, please give examples if possible;

"Where innovation has been based on experience and is suggested in a pragmatic manner that works for both parties"

Offering innovative cost v performance models based on their experience with the client

Question: What do you expect of an incumbent at recompetes that is different to new bidders' approaches and bids?

"Insider knowledge, no steep learning curve, lessons learnt, suggestions for improvement"

"I expect them to use their knowledge of our business in an intelligent way such as giving examples of the work they have done with us to show they care about the company"

"Three things: 1. More innovation and ideas for improvement to the organisations core services by simple improvement in service provision. 2. A value for money counter specification where the incumbent feels the client has overspecified and can therefore save money. 3. On a like for like basis a reduced cost from previous contract because all lessons have been learned"

Question: What is the most important thing an incumbent can do to improve their chances of winning their recompetes?

"Leverage their experience and knowledge of the client. By paying close attention to the RFP details"

"Treat it as new business and leverage their knowledge of the customer"

"Assume nothing - act as if we do not know anything about them and provide all information: tailor the response to capture their experience of working with us"



Analysis and Recommendations

This is the area where we believe the incumbent can make the most of their position. When you can use your experience on the contract to deliver focused improvements and innovations in your new solution and back these up with evidence from your experience on the contract to show why they are the best fit for your customer and how they can practically be implemented.

This is where, intelligently using your incumbency, you can really show the customer why they should choose you as the winner for your rebid.

The prerequisites to enable you to do this include: capturing your contract team's accumulated knowledge of the customer and contract; then focusing on the customer's future needs; spending time prior to the rebid to develop a focussed set of improvements and innovations which fit the customer's new needs; having a rebid team in place who can translate this solution into a clear and persuasive proposal. Having a clear rebid strategy is also a requirement to enabling you to put all of these actions in place

Delivering this type of solution and proposal is what many of the ideas in the Rebid Guide are designed to help you achieve. We suggest you look particularly at 'Getting the right rebid team in place' and 'Preparing and implementing a rebid strategy' in Prepare for rebid. Also 'Discriminators, differentiators, benefits and win themes' and 'Alternative bids' in Run the rebid.



Rebidding Solutions helps incumbents win their rebids. As well as providing articles, advice and processes for incumbents we have also published the Rebid Guide which contains 60 ideas for incumbents to put into practice from day one of their contract to improve their chances of winning their rebid. We also provide consultancy and bespoke training for incumbent companies and contracts, helping them put together the processes and actions that lead to rebid success.

For an overview of all our services visit our website at www.rebidding.co.uk and sign up to our free newsletter giving hints and tip what to do to win your rebid.

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