

Bidding trends forecast for 2023

Andrew Morrison, founder of Edinburgh-based AM Bid, Scotland's leading bid and tender specialist, looks ahead to the next twelve months.

"2022 was the year when the term VUCA really came into its own. The acronym describes a world which is Volatile, Uncertain, Complex and Ambiguous, and most people would now agree with this description of the systems that we live and work within.

"The UK economy suffered two seismic shocks last year: the war in Ukraine with its effects on energy prices and supply chains; and the UK Government's September 'fiscal event' which led to severe corrections in the economy and a steep hike in interest rates.

"Against this background, along with other emergencies such as the climate and Covid-19, bidders are required to adopt both macro and micro views when designing services and importantly pricing commercial risks across tendered contracts.

"What are buyers/clients, and therefore bidders, likely to be focused on in 2023?

1. **Value for Money** – Bids that can demonstrate cost-effective delivery, for example by providing efficiencies/savings/added value will be well-received by clients many of whom will be facing financial cuts

just to keep the lights on. Look for opportunities to reimagine services and take your proposals to the market/clients ahead of tender processes commencing.

2. **Business Resilience** – With a recession which may last throughout 2023, there will be many business failures. No client wants to be contracting with the next Carillion, so expect closer scrutiny of bidders' financial and business resilience.
3. **Procurement Bill 2022** – This is due to become law around the summer. Main changes will be some simplification of the procurement regime and a move to Most Advantageous Tender (MAT) to allow authorities to give increased weight to factors other than price e.g. social value. Note, though, this legislation will only apply to England, Wales and Northern Ireland. It is unlikely to apply to the NHS and will not apply at all in Scotland.
4. **Sustainability** – More robust carbon reduction plans with specific baselining and a clear roadway to net zero with milestone targets along the way will be examined more closely by evaluators.
5. **B Corp** – Bidders that can evidence their commitments to people and planet as well as profit will be well-placed to win work, especially with the public sector.
6. **Cyber Security** – Many clients are ramping up their IT/data security expectations. Bidders that move up the data security ladder from Cyber Essentials through Cyber Essential Plus to ISO 27001 Information Security Management will provide buyers with some reassurance around their data, reputation and the safety of what can often be sensitive information.
7. **Political Landscape** – Clients and bidders alike will have one eye on the opinion polls given that there is now only two years or less before the next UK General Election. If this brings a change of government, then some sectors may undergo fairly significant changes. It is worth scrutinising the change control provisions of long-term contracts particularly if certain

services/sectors look to be targets to be brought within state ownership/more direct control.

8. **Labour Shortages** – Rather unusually, there are currently labour shortages side-by-side with economic recession. How will your new contract be resourced? How responsive is your business to new ways of working and not mandating people to be at a fixed place of employment? What innovative ways do you have to encourage recruitment, including of the over-50s many of whom have exited the labour market in the last three years? Also, how well do you understand Generation Z and what makes young people tick including what attracts or puts them off an employer/workplace?
9. **Technology** – How quickly are you keeping up with new and emerging technologies? For example, are you deploying Artificial Intelligence (AI) in your work? How are you using data analytics/insights in your contract delivery and to add real value for your clients?
10. **Bid Consultancy** – An increasing number of businesses are recognising the benefits of external specialist bidding assistance. This can cover all areas of bidding e.g. strategy, process, writing, management, training, recruitment and coaching. Look for consultants that have APMP (Association of Proposal Management Professionals) qualified people. Some bidders are seeing the benefits of hiring graduates (or people with the right attitude and some of the core bid attributes) and providing them with structured training e.g. via the Ultimate Tender Coach digital programme.”

Andrew is also the co-creator of Ultimate Tender Coach and was named APMP Global Thought Leader of the Year (2022).