



Consulting Collaborative Project Bidding “Best Practices” Self-Evaluation

Effective project bidding practices are critical ingredients in the success of any subcontracting operation. Without a robust Project Bidding Process that addresses costs and value at a detailed level and provides clear decision making and regular assessment, you can adversely impact both your profit margins and your sales volume. There is no better way to build your bottom line than via more effective control of your bidding process. This one page self-evaluation will determine if your company has the tools and processes in place for a successful Project Bidding Process. It is based upon “Best Practices”.

Check only what is fully implemented and practiced at your company. Please be 100% candid.

- () We have a system in place that provides actual costs for products, labor and related components.
- () Products and labor costing incorporate actuals rather than square foot estimating allocations.
- () Costing is updated when major factor cost changes take place or once per year at a minimum.
- () We have a real time job tracking report of field labor hours.
- () We have job exception reports to determine why we made more or less profit than we estimated on jobs.
- () We have a good understanding of the service attributes that individual general contractors value from our company and what distinguishes our company from the competitors.
- () We have a good understanding of the product attributes that individual general contractors value from our company and what distinguishes our company from the competitors.
- () Quotations are based on good understanding of the general contractor’s value perception.
- () We can justify a price premium compared to our competitors rather than just matching their price.
- () We proactively follow-up after submitting our bids in order to close the contract.
- () We regularly review estimates we receive from various sources to determine the best service, quality, value and pricing from our suppliers.
- () We have clear guidelines and approval controls regarding any deviation from standard pricing.
- () Our sales compensation incentivizes profitability, not just volume.

If only one to six criteria for success are checked, you need to make significant changes to your Project Bidding Process, as you are likely leaving too much “money on the table” or experiencing a poor closing ratio. If seven to ten are checked you may need to fine tune your bidding process. If you checked eleven or more you have a good process that should be periodically reviewed for continuous improvement to the Project Bidding Process.