

5 Important Tips To Help You Win More Construction Tenders



Summary

Large construction projects are anything but simple, with multiple factors and logistics to coordinate. As the procurement processes of supplies, labor sourcing, and subcontracting become more complicated, pricing differentials should be carefully calculated into the total cost of construction. Additionally, all building companies know that not all projects are valued in the same way.

That is why your construction firm needs to approach tenders in a smarter way so that you are not only bidding more competitively but are also earning repeat business whilst remaining profitable.



This article offers tips and advise on how you can differentiate yourself from competitors to win more construction tenders.

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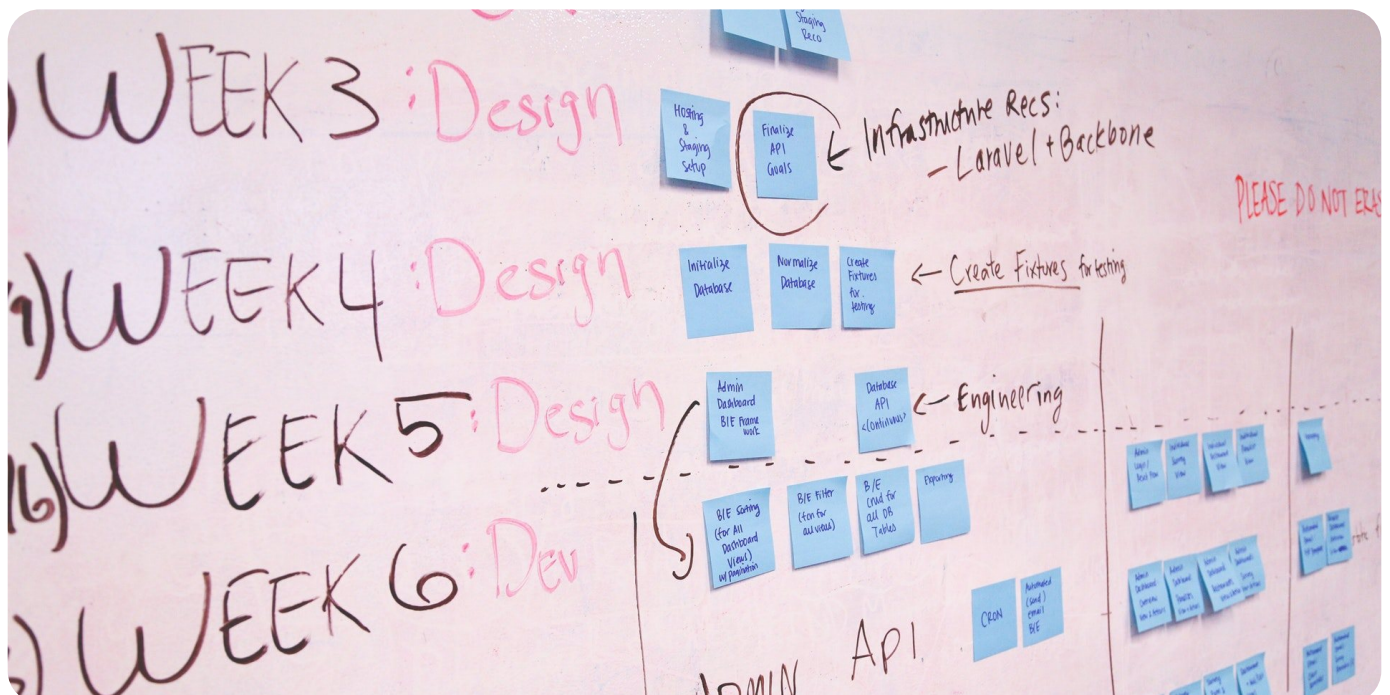
1. Plan carefully
2. Know your job costs
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5 Important Tips To Help You Win More Construction Tenders

Construction companies often approach bidding for tenders in a linear way — they think that by offering the lowest cost they can win a project. Traditionally, most companies estimate total costs, set a fixed profit margin on top and offer a monetary figure for a development venture.

In truth, putting together a winning bid proposal is a bit more complicated than throwing some numbers together and hoping for the best. Good bid preparation requires time, effort and involves everything from reading and fully understanding the plans and specifications, to accurately estimating costs for labor, materials and equipment. And, even when you do everything right, you may still not be awarded a contract.

In fact, it pays to remember that in a competitive environment, general contractors **bid on four to ten projects before they win one**. If you're struggling to win more bids, maybe you need to be thinking more creatively. Here are five suggestions that can help your construction business win more tenders.



1. Plan Carefully

Even the smallest of mistakes can mean the difference between submitting a winning bid and missing out on a coveted and profitable project. That is why undertaking detailed planning before submitting a tender is crucial.

Some ways to plan smarter include the following:

- **Track Your Bid-Hit Ratio:**

A bid-hit ratio is the rate at which you successfully bid on projects. It may come as a surprise that **fewer than 6% of construction company owners, estimators, and project managers know their winning tender.** Understanding your bid-hit ratio is a critical component of measuring the success of your bidding process. It helps you plan smarter on what you should be bidding on, as well as evaluate your strengths and weaknesses as a company. Whilst there is no perfect ratio to determine success, factors like the size of your company and the type of projects you bid on and get determines how you are seen in the industry.

- **Bid on jobs that best fit your niche:**

If you follow your bid-hit ratios over time, you will start to see patterns in the types of jobs you're winning. This trend will tell you about the kinds of construction jobs you should pursue and which ones you should potentially steer clear of. Bid on jobs that best fit your niche and focus on projects that will result in repeat business. For example, if you are a specialist in residential projects, gaining a stronger reputation through repeat work in housing construction will benefit you more than chasing unfamiliar industrial related projects.

- **Identify the decision-makers and build trust:**

Before you submit a bid it's important to know who's in charge of a project. Construction professionals often waste precious time by approaching nondecision makers. To make headway, try to get face time with the right people. A good place to start is in gaining an understanding of the prospect's organizational structure. Thereafter, address your pitch specifically to what they are looking for. It's also important to note that people want to do business with someone they trust. That's why it's important to build personal relationships with your prospects so they see you as a person and not just a contractor.

- **Bid early and know your competition:**

Another way to win more bids is to step in with your tender before your competition does. To do this properly, you need to actively network in your industry through one-on-one meetings, fairs and conferences, keeping an eye on construction bidding marketplaces, and creating an active digital profile so you can pre-emptively find jobs.



2. Know Your Job Costs

An important part of delivering a reliable, confident bid is having a good handle on your true job costs. Stiff competition means that you have to nail the price of your bid perfectly — so that your firm not only wins the work, but also maintains a nice profit margin.

You know the estimator has done a good job when the final job costs equal (or are really close to) the project estimate and budget. However, to get the information needed to achieve this balance, you need modern job cost accounting software that tracks everything from labor and materials to overheads and profitability.

Using estimating software to track important factors like types of projects, locations, minimum profit margin, ideal job size, and other competitors also bidding for the job, you will not only improve your win rate, but also avoid allocating time, resources, and overhead costs to low profit projects or jobs.

To accurately estimate job costs, you need to do the following things:

- **Do your research:**

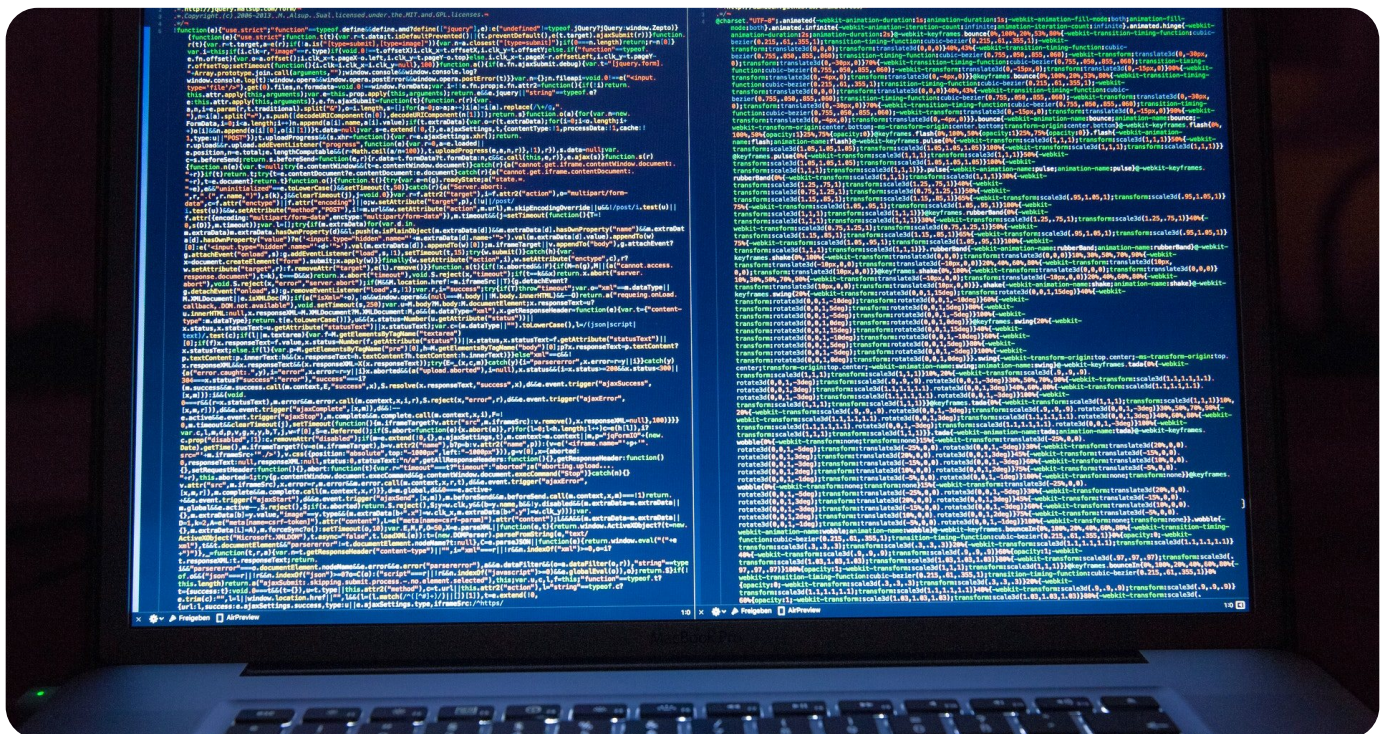


When making a bid for a project, there is no such thing as too much information. Most invitations for bids tend to be public so it's not impossible to get additional information when required.

For whatever else you need to find out, look to gather it through repeat visits and conference calls. As the Saudi construction industry is relatively young with a few key players, it helps to work contacts that can get you the information you need.

• Use smart estimating software:

Having the lowest bid doesn't necessarily mean you're bidding competitively, and simply increasing your bidding volume usually only leads to wasting precious time and money. Using the right digital software can help improve your speed and accuracy by giving better estimates. Smart software programs are also better able to offer more precise numbers, improve analysis by activity, phase, or other project breakdown, standardize estimating practices and detect errors. They also help you recognize trends and criteria for previously winning bidders so that you know what you need to be bringing to the table to win. They also help you recognize trends and criteria for previously winning bidders so that you know what you need to be bringing to the table to win. Using software to track construction-related factors means that you're better placed to make your offer more than just the listed price.



3. Embrace Technology

Digitalization is changing the way every industry operates, and the construction industry is also no exception. As the sector booms in the Kingdom, smart construction companies are distinguishing themselves from their competition by integrating more digitalization across their entire suite of services. Embracing technology offers the following advantages:

- **Boost project productivity by embracing software:**

We've already mentioned how construction projects are the sum of many moving parts. This means coordinating not just between construction crews and laborers working on site, but also maintaining efficient communication between external suppliers, logistic support, and subcontractors. Technology can bring information right to a contractor's fingertips. Mobile devices and smart management systems, therefore, have the potential to improve communication between the field, office, operators, subcontractors and executive team. Incorporating integrated digital management systems within your firm means you are better placed to deliver. Mentioning this in your bid can elevate you above your competitors.



Some of the software currently being used for better on-site coordination includes:

- **Fieldlens:** This helps improve project communication between a general contractor, subcontractor, architect and owner. You can document job issues with photos and keep track of to-dos.
- **PlanGrid:** A tool that instantly updates an entire team when there are changes made to any documents.
- **HeavyJob:** Not only does this app provide time entry functions, but real-time data on production levels.
- **Autodesk BIM 360:** This program is great for highlighting safety and quality issues as well as managing field data.
- **iSqFt:** A networking tool, iSqFt is specially designed to help construction professionals connect and communicate.

• **Embrace technology to help you make an informed bid:**

The right technology can help estimate construction costs better, as well as keep you as closely on target as possible. This can increase your team's efficiency with common job site tasks. Team productivity is often a major factor in the construction bid process. By boosting productivity, you're likely to reduce costs so you can deliver more competitive bids. Some technologies helping estimate more accurately include:

- **BidClerk:** Provides commercial construction leads and project information.
- **BidPlanroom:** Commercial construction professionals use this site to join a bidder's list, post projects and promote their company.

- **Procore:** Procore manages your projects, resources and financials from project planning to closeout. The platform connects every project contributor with the owner and general or specialty contractor.
- **HCSS HeavyBid:** Used by more than 50,000 estimators, HeavyBid helps users build estimates and manage daily bids. The software helps automate repetitive tasks based on tracking data from multiple sources, such as past estimates, standardized libraries, historical costs, performance data, and integrated RSMeans.
- **B2W Estimate:** B2W Estimate and bidding software is used for heavy civil construction contractors to help them bid with speed, accuracy, and strategy.



4. Distinguish Yourself from the Competition

Today's construction bidding environment may be competitive and complex but adequate planning and utilizing technologies can give you a leg up when it comes to winning projects. Have confidence in your people and services, and focus on building a foundation of improved speed and accuracy.

- **Highlight your qualifications and deliver value:**

Don't be afraid to show off your qualifications and explain why your team is right for the job. Showcasing your experience is a great way to set yourself apart from other companies. Rather than focusing so much on price, promote your value. **In fact, the most successful tender submissions demonstrate value. If demonstrated clearly, value will trump cost every time.** Therefore, it's important for construction professionals to sell the fact that they have a competitive advantage over other companies. It pays to remember that when your bid is close to someone else's, sometimes reputation is all it takes to tilt the scale in your favor.

- **Break down your bid and explain ROI:**

Don't declare a lump sum in your bid. Instead, break down costs to highlight procurement processes and costs in areas like equipment allocation and material sourcing. You need to give your prospective client insight into why working with you is best for their project. You may want to also highlight the strengths and experience of your material suppliers, their track record and wins.

Additionally, prospects need to see the return on investment (ROI) they'll gain by working with you. Be prepared to back up your information with hard data. Breaking down the data through case studies is also a helpful method.

- **Differentiate your brand:**

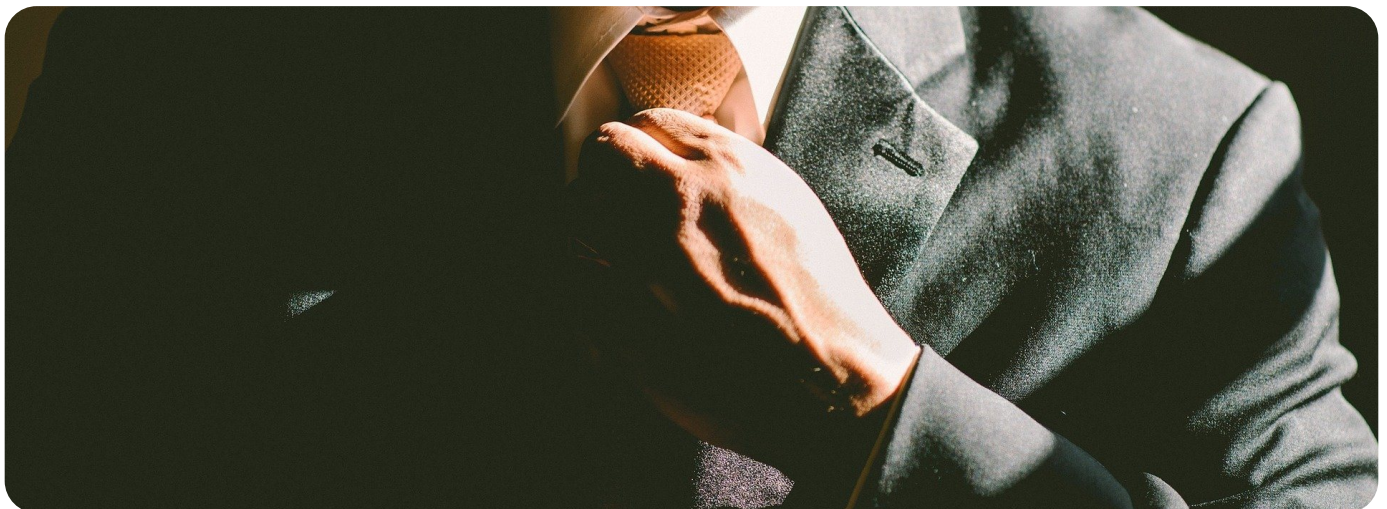
Market your crew as responsive experts who offer customization, quality control and excellent customer service. Customers oftentimes value these attributes more than price. It's OK if your prospect has questions or concerns at some point in the bidding process. Try to understand the true root of any objections they raise so you can better connect with them.

- **Make a visually strong bid:**

You may have lots of great information to share in your tender, but don't get bogged down in wordy explanations. Your response should be clear and to the point. Visual diagrams, illustrations, graphs and charts can break up big blocks of text and bring an extra element to your bid.

- **Think beyond price and «typical» bids:**

Naturally, price is always a really important factor. Whilst most proposals include things like terms, scope of work, inclusions, payment provisions, etc., you need to be looking beyond typical terms to make your bid compellingly different. Every project has unique requirements that, for the customer, can hold as much (or more) importance as the price. For example, you may want to include provisions for things like flexible scheduling, reducing noise levels, and smart waste management that is kinder to the environment, among others. Customizing your bid by emphasizing the extra benefits you bring to the table can make you stand out to win big.



5. Bid From A Place Of Confidence

The construction industry, much like any other, works on reputation as recommendation. Let your track record of delivering on time and without accidents speak for you.

- **Demonstrate your safety record through references and testimonials:**

References and testimonials are essential to a strong tender response but using the wrong one can do more harm than good. Always make sure that your testimonials are relevant and suitable for the nature of the project. It's best to use testimonials that highlight the specific kinds of skills that each tender requires.

- **Be assured of your distributor partner for efficient material management services:**

Partnering with the right material suppliers can make or break construction projects. Hiccups in material schedules and deliveries, or substandard materials can come back to haunt you. A reliable building materials supplier helps you bid confidently.

- **Be certified to Industry Standards:**

Some tenders require that your business is certified to industry standards like ISO 9001. However, even projects that don't specify compliance requirements will look favorably on businesses who have dedicated themselves to quality systems and processes. Compliance to internationally recognized standards shows potential clients that your business is committed to providing the best products and services possible.

Winning more bids requires more than just blindly increasing the number of tenders you send out. A smarter bidding strategy combined with the right technology will help you win better projects that fit both your company's strengths and profit goals.

A red-tinted background image showing two hands shaking in a firm grip, symbolizing a deal or agreement. The image is partially obscured by a red rounded rectangle containing text.

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