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Australian Disability Enterprises:

Building Better Business

Opportunities

TRAINING COURSE

Prepared for:
The Australian Department of
Families, Housing, Community Services and Indigenous Affairs
(FaHCSIA)

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Acknowledgements

1.Introduction

This course has been developed to support Australian Disability Enterprises (ADEs) in Building Better Business Opportunities.

Background

It has been developed as a result of the Building Better Business Opportunities project that was completed in 2013.

Key inputs to this course are:

- The Building Better Business Opportunities report, and

- Literature reviews.

Training approach

This course is self-paced.

Information and references are provided for the participant to consider and use as required.

Several exercises are included to build templates, prompt consideration of business status and actions and build collateral.

Duration

The course is estimated to be 2 days in duration. However, the more research that the participant undertakes through the course may result in a longer time frame.

Participants with sophisticated knowledge of the theories contained in the course may complete the training in a shorter time frame.

Overview

This course discusses and introduces:

- The social enterprise model

- Marketing

- The Building Better Business Opportunities Model, and

- Techniques and tools to support the tendering process.

2.The social enterprise environment

The Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA's) statement, "Inclusive Employment 2012–2022 – A vision for supported employment" released in 2012, clearly identified the need for sustainable systems to support people with a disability, and a solution that would see all levels of Government with procurement policies in place to encourage buying quality goods and services from organisations and businesses employing people with a disability.

There are currently approximately 195 Disability Enterprises that provide work opportunities to over 20,000 people with disability. They cover a wide array of sectors and categories from graphic design through to laundry services. Aside from employment opportunities for people with disabilities, these businesses also offer corporate social responsibility benefits and shared value creation opportunities to Corporate and Government customers of these services.

The above report highlighted the importance of Disability Enterprises being geared towards providing flexible services, coupled with government increasing the procurement from these organisations.

The FaHCSIA Advisory group's report, which supported this vision, identified several recommendations, two of which are particularly relevant to this area:

- Business delivering supported employment through sound commercial practices, and

- Partnerships that build the capacity of, and improve outcomes for, individuals and organisations.

The ADE Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis, also completed in 2012, indicated that there was a solid platform on which to deliver these recommendations. The analysis indicated that loyalty, well-established relationships and reputations are certainly building blocks on which these initiatives can rest. The analysis also supported a social enterprise model when opportunities were being identified (e.g. Looking at other business lines, Expansion potential, Partnerships) while recognising that there were threats resulting from competition, lack of knowledge and lack of access to capital funding.

All these objectives aimed to "**Build Better Business Opportunities**".

Some social enterprises struggle to compete on a level playing field with commercial business due to:

- Higher operating costs;

- Limited history and associated credentials; and

- The need to develop or purchase skills and knowledge, and subsequently absorbing the associated cost.

Later in this course, you will be provided with advice, tools and templates to apply to business and managing your opportunities.

2.1. Moving to a social enterprise model

Disability employment is often seen by those not involved directly in the sector as a charitable activity - providing disabled citizens with a place to gather and work, where they could earn a nominal income often while relieving the pressure on families who would have been required to provide alternative care during that time.

Whilst recognising that people with a disability have the right to work in a safe, supported environment, this new vision for supported employment underpins the development of a social enterprise model, one where commercial principles are applied to the development, marketing and supply of goods and services.

Social Enterprises differ from traditional businesses in that their primary objective is a social one – to maintain and improve social conditions using a blend of social and commercial methods.

This approach recognises the move away from more traditional charitable approaches, to meeting social needs towards innovative solutions that build more sustainable businesses and reflect a more engaged and strategic approach to corporate involvement in social and community issues.

Delivering improved outcomes for ADEs by developing a model with a social objective, but based on applying a market value to the provision of products and services and the creation of business partnerships, is supported by research and global experience.

Nic Francis, MBE, states in his book, The End of Charity - Time for Social Enterprise:

"How do we create a market for positive social change? For a start, we have to price the things we want to achieve according to their value and the cost of not having them. … Providers of goods and service need to formulate a more complete value proposition – one that includes the benefits and cost of their product …", and

If fundamental and lasting change is to occur in the areas traditionally occupied by charities it will be done within the structure and dynamics of markets."

Creation of value can ultimately result in higher employment levels, increased pay scales, and opportunities for training and skills extension for people engaged by an ADE.

For the workers with a disability, a chance to contribute and grow in such an environment can only lead to greater satisfaction, self worth and a heightened sense of contribution to the community, their customers and the business overall. These benefits then flow on to families and society as a whole.

How is this value ultimately created? Our research shows that entrepreneurship, innovation, partnerships, commitment, knowledge and skills and quality are key.

Entrepreneurship is a vital key to success for the social enterprise, particularly as for these businesses success is measured not only in terms of financial success, but also in terms of how well they serve the social mission of the business. As Management expert Peter Drucker explains, entrepreneurs create value, they serve change, respond to it and exploit it as an opportunity.

In his book, 'Social Entrepreneurship – The art of mission based venture development', Peter Brinckerhoff applies a broad definition to what constitutes social entrepreneurism: it is about trying new things, serving people in new ways, constant learning and striving for excellence. Social entrepreneurs are described as having the following characteristics:

- They constantly search for new ways to serve their constituencies and add value to existing services.

- They are willing to take reasonable risk on behalf of the people they serve.

- They understand the difference between needs and wants.

- They are good stewards who weigh up the social and financial returns of their decisions.

- They put mission first at the same time as understanding that without money…there is no mission.

How does social entrepreneurism add value? Through innovation, partnerships, commitment, knowledge and skills and quality.

2.1.1. The change imperative

Recognising that growth in the social enterprise sector is reliant on market forces and the value proposition is a large part of the solution, changing the question from "Would you like to buy some…." to "What can we do for you?" is central to this model. Questions may include:

- Can the ADE provide goods and services that the government department or corporation needs at a competitive rate?

- Is there a more cost effective way of completing a current business process that the ADE can contribute to?

- Can the ADE take a product produced by the organisation with whom it is working, at a wholesale price and rework or resell, possibly to those who are disadvantaged?

- Is there an opportunity for the corporation to provide investment capital to the ADE that, based on a clear economic model, can deliver a positive return in a prescribed time frame?

2.1.2. Identifying Business Development Opportunities

Growth and success of social enterprises will also be determined by the ability to develop the business. This will involve developing the techniques of business development including implementing marketing plans, identifying and managing new opportunities, and evaluating these and assessing the risks involved. For example:

- Is there opportunity for the ADE to explore additional markets, increasing scale, expanding existing products or services or creating new products or services?

- Is it possible for the ADE to expand existing activities to new markets or new geographic areas?

- Is it possible for the ADE to purchase an existing business in addition to its current business?

- Should the ADE consider a partnership or joint project or possibly even a merger?

A strategy is required to develop the business. Strategy drives your business plan and therefore your marketing plan. Opportunities are identified and pursued within the framework established by these documents.

Gaining an understanding of customer expectations (e.g. cost, quality, timeliness, and service levels) is also crucial to the success of the social enterprise sustainability model.

The course is primarily aimed at providing you with processes, suggestions and tools to support you in Building your Business Opportunities.

2.2. Contextural issues impacting ADEs

Due to the introduction of DisabilityCare Australia the National Disability Insurance Scheme (NDIS), significant challenges will arise for ADEs. DisabilityCare Australia will change the way disability services are funded, creating a framework for a national scheme. Policy changes driven by DisabilityCare Australia will impact on many stakeholders including ADE's, people with disability, their families, carers, disability care workers, businesses, charities and not for profit organisations.

For ADEs faced with integrating these changes successfully, there will be key impacts in the areas listed below.

Change Management

Application of proven change management principles and procedures will be fundamental to successfully transition to the new scheme. Incorporating resilience strategies for staff, management and other stakeholders could ensure that concerns usually associated with significant change, are managed with an informed and supportive approach.

Risk Management

An appropriate level of awareness of potential risks and the strategies and practices to manage any risks arising from the pending changes, need to be in place. For example, potential risks in the areas of work health and safety (WH&S), financial accountability, or loss of market share would need to be addressed.

Increased Accountability and Reporting

Transparency in accounting and reporting will a critical operational factor and ADEs will be required to provide quality reports to inform decision making of carers and other stakeholders. The move to more individual based reporting will raise the need for service providers to ensure systems are in place to accurately and efficiently measure and report at the required level of detail.

Changes to Financial Governance

Potential changes to fundraising laws, tax laws and Accounting procedures will drive a need for better systems to decrease the administrative burden on ADEs, whilst complying with changes.

Workplace Health and Safety

Maintaining wellbeing and safety during change periods must be addressed in a pre-emptive manner. For example, it may be that as more disability support is offered in the homes of clients (environments which can not be controlled for WH&S compliance), employers will face challenges in this area of responsibility.

Capacity

Providers will need to increase the number of support staff required to perform support and administrative activities, should the number of people with a disability entering the workforce increase.

Community Engagement

The existing model of community engagement will change with the introduction of DisabilityCare Australia. To increase the rate of people with a disability in the workforce, there will need to be a change of mindset toward the awareness of capability, flexibility of delivery and a drive to stronger participation and integration. To facilitate this ADEs will need a resilient communication strategy.

Competition

It is expected there will be an increase in competition faced by providers. This drives an increased need for marketing and information to be available to customers (relates back to Community engagement). Thriving in an environment of increased competition will require the ability to recognise and capture opportunities for growth.

ConNetica's Ready, Willing and Able Model described below incorporates three streams of Governance, Change Management and Knowledge & Skills, underpinning the *Strategic Direction and Business Plan.*

Applying these principles to manage the changes associated with the introduction of DisabilityCare Australia may be of benefit.

2.3. Ready, Set, Go

The following diagram illustrates:

- Interdependencies between the strategic direction and business plan,

- How the marketing plan drives marketing activities, and

- The resulting identification and management of opportunities.

The diagram also includes the use of the Business Opportunity Management Cycle approach to manage your opportunities and associated activities.
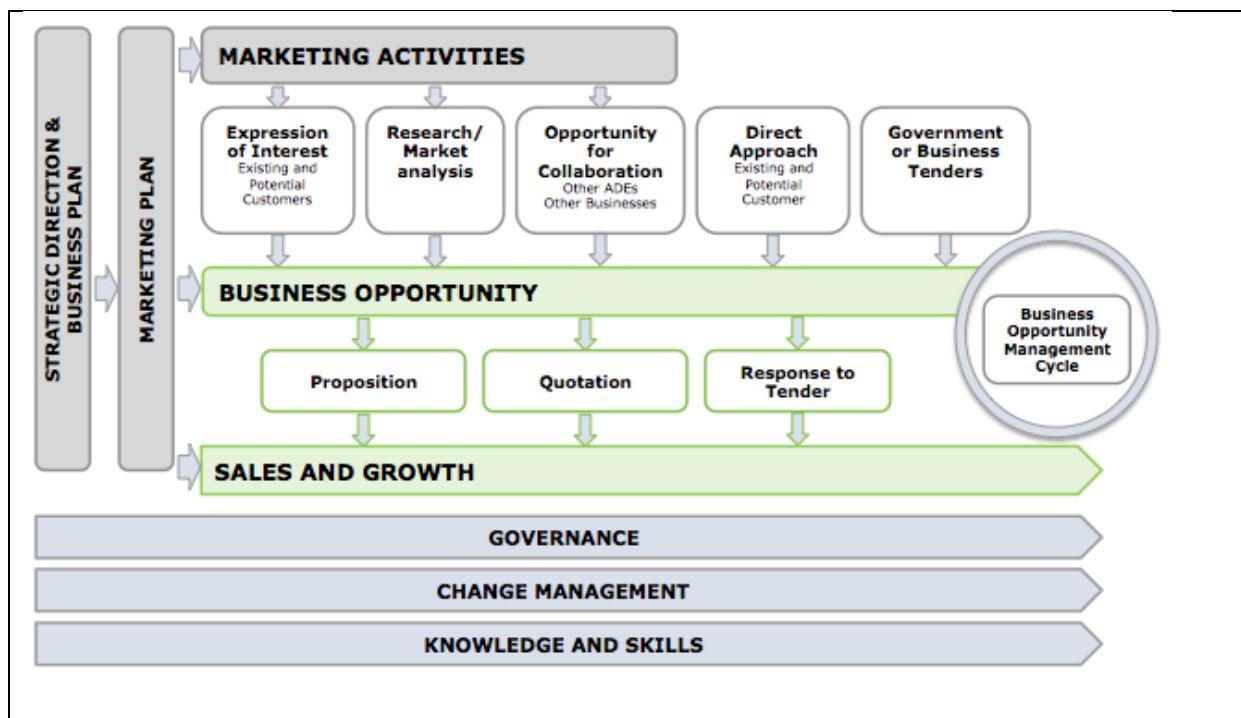
The Ready, Set, Go Model – ConNetica 2013

You need the people, policies, processes and systems to:

- Provide Governance

- Manage Change

- Develop or provide the necessary knowledge and skills

- Develop the Strategic direction and Business plan, and

- Define your Marketing plan and complete marketing activities

These are the foundations on which you will build your business.

2.3.1.Governance

Crucial to successful business expansion is the provision of Governance.

What is corporate governance?

The Australian Institute of Company Directors defined the essential functions of directors as:

- Strategic Direction – Participate, with management, in setting policies, goals strategies and performance targets for the organisation to meet commercial and community expectations.

- Resources – Provide management with the resources to achieve the strategic plan.

- Performance – Monitor the organisation's performance against its strategies and targets.

- Compliance – Ensure that there are adequate processes in place to comply with legal, corporate and accounting requirements.

- Risk – Ensure that the risks to which the organisation is exposed are clearly identified and that suitable processes are in place to mitigate against and manage those risks.

- Accountability to shareholders *(ADE Stakeholders)* – Report progress to the shareholders (*Stakeholders*) as their appointed representatives and align with collective interest of the shareholders *(Stakeholders)*, board, management and employees.

These functions provide the framework for building business opportunities. Your Board's experience and education needs to be broad and relevant to support this.

Your Board's willingness to take risks goes hand in hand with the ability to innovate, grow and provide new products and services. The key is to take reasonable, sensible risks by adopting a 'safe to fail' for example.

2.3.2.Governance activities supporting tender preparation

In order to qualify for consideration through the tender process, your board and management should ensure that the business has:

- Purchased the commonly requested amount of Public Liability Insurance

- Purchased the commonly required amount of Professional Indemnity Insurance (if applicable)

- Ensured that ABN/ACN numbers have been obtained and registration has been completed

- Understood and adhered to Fair Work principles to ensure that no detrimental court action can be detrimental to the possible success of any propositions or tender responses

- Adopted, where possible, environmental sustainable policies and practices for reference in propositions and responses

- Considered if ISO accreditation should be pursued to add weight to your business credibility

- Prepare CVs for all key staff

- Ensure qualifications, certificates and other training has been provided to support delivery and capability statements

- Consider if a credit check of potential customers is required in advance to mitigate against risk

- Identify and map key service delivery or product development processes

- Focus on Occupational Health and Safety policies and processes

- Prepare capability statements including management structures and CVs in readiness for propositions and tenders

- Contract and secure references and testimonials from customers

2.3.3. Governance and risk management

Applying effective governance also includes undertaking risk assessment of new initiatives that involve a change in strategic direction.

Examples of such initiatives in this context may include introducing a new product, undertaking a change in marketing approach, or seeking to collaborate with another business.

It is vital to manage the strategic risk in order to both secure sales and growth and ensure that the business is not at risk as a result of expenditure on future opportunities.

In assessing the strategic risk of such a venture, your Board and Management should consider the potential impact of:

- Market forces out of your control impacting your business (e.g. cost of capital, source of raw materials deteriorates)

- Technology change (e.g. a component is superseded, a new mobile solution comes out that does not work with your solution)

- Competition (e.g. a larger competitor is moving into your neighborhood)

- Customer demands and expectations shifting radically

- The new product or service does not work, or

- The market not being interested in your product/service.

Typical mitigations may include:

- Completing a trial period in a smaller sector to sense the customer's reaction

- Delaying roll out until certain factors improve

- Investigating the cost of changing design features if required

- Testing your technical solution on new devices

- Completing a phased roll out of the new service or product, or

- Undertaking a process review to see why your service is not meeting targets.

By completing this assessment, decisions to proceed, not proceed or undertaken mitigations that can reduce the potential risk will be defined.

Applying a risk management process to the management of risks is important.

Management of risks and issues is best supported through:

- The establishment of a comprehensive risk and issues register,

- Assignment of risks and issues to a member of staff to manage, rating the risk on a severity scale, setting time frames for resolution or feedback, identifying possible outcomes if not resolved, and

- Holding routine meetings to review progress on open items, close items that have been resolved, identify mitigating actions, or additional work/resources required.

Should a risk unfortunately come to fruition, it is then classified as an issue, which requires immediate consideration and action.

2.3.4. Change management

Ensuring that you are ready for Change requires both a structured approach for implementing that change and also the commitment for your Board, Management, Staff and Community.

John Kotter, in his book, "The Heart of Change" recommends an eight step approach to change programs, as follows:

Step	Action	New Behaviour
1	**Increase urgency**	People start telling each other, "Let's go, we need to change things!"
2	**Build the guiding team**	A group powerful enough to guide a big change is formed and they start to work together well.
3	**Get the vision right**	The guiding team developed the right vision and strategy for the change effort
4	**Communicate for buy-in**	People begin to buy into the change, and this shows in their behaviour
5	**Empower action**	More people feel able to act. And do act, on that vision
6	**Create short-term wins**	Momentum builds as people try to fulfil the visions, while fewer and fewer resist the change
7	**Don't let up**	People make wave after wave of changed until the vision is fulfilled
8	**Make change stick**	New and winning behaviour continues despite the pull of tradition, turnover of change leaders etc.

This eight step approach may initially seem "Too big" for a small to medium enterprise, but the fundamental ideas are applicable.

An example of applying the eight steps follows:

The CEO of "Acme ADE" has seen an opportunity to start marketing its landscape services proactively in the local area. An existing local landscape business is closing and there is a chance for "Acme ADE" to take over some of that market. Until now ACME has relied on the same customers that they have had for the last 10 years to provide work.

The steps that were completed in each of the 8 stages of change were as follows:

Step	Action	Activities
1	**Increase urgency**	The CEO approaches the board to discuss the opportunity and get buy-in. A preliminary business plan for the initiative is developed. The Board agrees to proceed with the next steps.
2	**Build the guiding team**	The CEO brings together a team including selected members of staff with the knowledge of their current operations, human resources, financial, planning and marketing skills. Staff members who currently work at "Acme ADE" are also involved to get their perspective.
3	**Get the vision right**	The guiding team undertakes analysis of the market and starts talking to the business that is closing on the opportunity to take over their customer base. The team decides that they will complete due diligence on the opportunity and work on the business and marketing plans. They communicate with the business that is closing and understand the reasons. They define a vision to expand their services into a new market that will provide opportunities for their employees to build new skills, increase their salaries and experience new opportunities. Staff and management meet to discuss the opportunity. A detailed plan for pursuing this opportunity is defined and responsibilities are assigned. Board approval to proceed is gained.
4	**Communicate for buy-in**	Members of the "Acme ADE", community and business receive regular communications about the progress. Feedback channels are provided.

5	**Empower action**	The Board and management review the progress on the opportunity and the associated risk analysis. Next steps are approved.
		It is recognised that more supervisors are required to manage the increased workload. Employees are identified who can perform that role and the receive training.
		The guiding team get agreement from the closing business that they can contact existing customers.
		Marketing collateral has been developed and process and system in place. Communication and engagement continues.
		Training of staff commences.
6	**Create short-term wins**	It is decided to approach a sub-set of potential customers in a small geographic area with an offer to manage their gardens for one month at half the normal price. If they are happy, a testimonial is requested to support further marketing.
		Communication and engagement continues.
		You celebrate your success and plan for the future.
7	**Don't let up**	The trial period commences. While it is being undertaken, "Acme ADE" commences contacting other potential customers. Testimonials are gained and the marketing collateral is updated.
		Communication and engagement continues.
8	**Make change stick**	New customers have been won and the work is going well.
		You feel that some members of the guiding team have taken their "foot off the pedal" and a meeting is convened to identify lessons learnt from this opportunity and plan continue building on the momentum.
		To further increase the business, marketing continues, new customers are offered a deal for referring services to others outside the initial contact group. Because of the increased workload, discussions have commenced with another ADE in the local area to join forces to meet demand.
		The guiding team is instructed by the CEO and Board to

| | | look at this opportunity and the cycle commences again! |
| | | Communication and engagement continues. |

2.3.5. Knowledge and skills

It is necessary to support your ADE with the right management and staffing structure for success, whilst still respecting the capabilities of the workforce that is engaged by the ADE.

Adopting an enterprise model and managing opportunities requires the application of expert knowledge and skills in the following areas:

- Governance – As discussed earlier, your Board will enable you to strategically position your business to be viable business entities and will apply the governance principles to the pursuit of your goals

- Business planning

- Sales and marketing

- Technical expertise – administrative processes, website, email, blog, social media etc.

- Tender and proposal writing skills

- Organisational change management

- Supervisor training – should another layer be required in your organisational structure

- Legal advice, and

- Publishing.

It was apparent form the Building Better Business Opportunities project, that many ADE managers are already multi-tasking to meet the increasing demands of the organisation. Please see section 2.5.7 for ideas on how to obtain resources and expertise to support these requirements.

2.3.6. Your workforce

In a fully flexible business environment, hiring skilled labour to meet your requirements is completed following a prescribed Human Resources policy that supports equity and fair and reasonable consideration of all applicants.

In building your business, ADEs have another element to consider and that is the current skill base and potential for their workforce.

Knowledge is key. Knowing the staff members' capabilities and interests, and consulting with their families, carers and case managers is important to identify capabilities and potential. Understanding your workforce's tolerance for change is also important. Factoring in a possible extended period for successful transition to new skills and responsibilities may be necessary.

Members of the autistic spectrum are a case in point. Those on the spectrum can have high or low social, communication, fine motor and gross motor skills.

Carefully matching these capabilities to the new organisation's requirements will require assessment, administration, resect and time.

2.3.7. Options to secure or build expertise

The following options are provided, both from literature reviews and the experience of other ADEs and ourselves:

- Run a campaign to increase the interest of private business and senior government officials to volunteer their services as active participants on ADE boards and or to mentor ADE staff.

- Seek opportunities for your staff to work in big businesses to observe and increase skills. One ADE is seeking opportunities for his staff to "spend a day" 4 times per year in a big business, like work experience to increase their competence. Social Ventures Australia currently partner people with the business sector.

- Identify larger ADEs in your area or field and seek mentoring or advice.

- Hiring new staff with appropriate commercial backgrounds and experience can make an enormous difference and provide mentoring and support for existing staff and management, raising the skill levels (and restoring enthusiasm) across the ADE. Appropriate timelines and goals need to be established to support these initiatives.

- Keeping staffing and management structures lean to contain costs can be counter-productive. Despite the very best of intentions, this often results in Managers and Coordinators who are stretched across many diverse tasks, unable to concentrate sufficient time on development and marketing.

- One ADE made the investment decision to hire a consultant to provide a model or matrix to assist the decision making process, in terms of whether a business opportunity would fit with a mix of social and financial issues.

- Keep up to date with the performance of other ADEs, and seek advice from those who have been successful in your area or in building opportunities.

- Contact your local university to see if students may be interested in providing support. Talk to officials to see if the work supporting your business could be included in the curriculum for assessment – thus benefiting all parties.

- Seek support from your community. Parents may have skills in business planning and can provide support during that time. Friends or philanthropists may be able to give you a discount on supplies.

- Use the Internet. Countless videos, papers and instructions are provided in most areas of business management. View blogs or join trustworthy managerial sites that can provide you with instructions and tools.

- Sharing resources with other ADEs may be an option. Seek bulk printing deals through merging requirements. Sharing a book keeper, a consultant or expert can reduce the cost and make it more viable.

- Use the internet to identify free conferences or seminars in your area that provide information in the areas you need

- Seek government grants to support research and development or funding for capital spending.

- Sales and marketing people can be critical to success – they need to be able to sell the virtues of the product and the social benefits of doing work with your ADE. Do not assume that your current managers or supervisors can naturally assume the sales role, as there are very different levels of engagement required than in a typical managerial role.

- If sales are to be absorbed in the current structure, consider attendance at a sales training course to develop skills in this area.

- Seek out other ADEs that might provide the services that you need.

- Develop and use templates, processes and tools that structure your activities, improve time management and increase efficiency.

2.3.8. Strategic Direction and the Business Plan

As illustrated, the Strategic Direction, Business Plan and Marketing plan are intrinsically linked and provide the vision and direction for your activities in building your business. A brief description of each document follows:

Document	Description	Period
Strategic Plan	Sets your vision, values and direction for the business	Medium to Long-term
Business Plan	Management tool, defines the plan, activities, responsibilities and targets.	Applicable to the medium to short term – generally revisited annually
Marketing Plan	Part of your business plan. Sets targets for growth in market share and associated revenue. Identifies your current and potential products, customers, collaborators, geographic coverage and the activities, tools and targets required to achieve those targets. Provides point of reference throughout the period against which decision to proceed, investments, and other activities are considered and authorised.	Applicable to the medium to short term – generally revisited annually

Each of these plans may only need to be a few pages long. What is important is thinking through where your business is going and how you are going to get there.

Then, even a small amount of properly targeted marketing can make a big difference to your bottom line. You will probably find that, once you get started, marketing activities can quite easily be integrated into many things you already do

A business plan is a document that details how you will handle all the important aspects of your business. It combines several other plans that can often stand alone. Without a professional business plan, you will find it difficult to source capital funding. All operational and investment decisions undertaken during the year are considered against the Business Plan.

The Queensland Government Business and Industry Portal describes the key parts of a business plan:

Executive summary

- o The executive summary provides an overview of the whole concept for your business. It is the first section of your plan, but it's best to write it last when you have a clear understanding of the direction of your business.

Business profile

- o The business profile describes your business, including its name, location and purpose. It often also includes information about the business owners, such as their expertise, experience and education, which will underpin the successful operation of the business.

Product or service market analysis

- o Market analysis identifies, describes and analyses the products and services you offer. It includes your target market, your market share and your competitors. Use this analysis to make decisions about pricing products and services and the location of your business.

Marketing plan

- o The marketing plan outlines your marketing strategies to attract new clients and retain existing ones. A customer analysis is completed. In your marketing plan, consider how your product or service differs from what's already available. Further information regarding the marketing plan is provided in this document.

Legal and risk management plan

- o The legal and risk management plan includes information about your business structure, name registration and required licenses and permits. It also identifies things that could affect your business and describes how you will deal with them. This will help you to identify opportunities for your business and reduce the damage potential threats could cause.

- Find out how a business continuity plan can help you prepare for and address risks as part of your overall business plan.

Operating plan

- The operating plan summarises how your business works, including information on how your products are made or services are provided. It includes details of your premises and lease terms, equipment, materials, labour, technology and environmental concerns. An operating plan is essential for smooth day-to-day running of your business.

Management and personnel plan

- The management and personnel plan will review staff functions, job descriptions, human resource policies, workforce planning and training. Your credentials and your staff are crucial in the success of your business.

Finance plan

- The finance plan lists the costs for establishing your business, the sales needed to break even, your projected cash flow, funding arrangements, and repayment plans. Your finance plan is important in securing funding and attracting partners, and it's essential that this plan is accurate.

Action plan

- The action plan will identify the tasks you need to complete to achieve your goals, including the resources you need.

This course will not address how to develop a Strategic, Business or Marketing plan. Advise and formats are plentiful on the Internet.

Marketing

In preparing this section, significant reference was made to FaHCSIA's DIY Marketing Kit. Although generated in 2008, the theory included in this document is relevant.

What is marketing?   Marketing is a core business function because it's all about engaging with your customers. It's more than just sales or advertising.

Marketing is about understanding how your business can be more profitable, based on knowledge about:

- Your customers (existing and potential) and **what they need** and want

- Your products or services, and

- Your business environment, including your competitors and your potential for growth.

Marketing connects you to your customers, so you can get the right products or services to the right place, at the right time and at the right price.

It might seem daunting at first to think about how you can possibly fit more marketing into your already busy schedule. You might also feel that you don't have the budget or staff to market your business effectively. But arranging things so you can devote some resources and some of your time to marketing is really important.

What is involved?

Marketing is everything you do to attract customers and encourage them to do business with you. It's all about knowledge. The more you know about your customers, your business and your competition, the better positioned you are to be successful. Smart marketing starts with research, involves working to a plan and includes tracking or evaluation along the way.

This may sound time consuming, but it really doesn't need to be overwhelming. A planned approach is ultimately more cost-effective and less time consuming than ad hoc or reactive marketing.

2.4. Understand your customers

Marketing depends on understanding your customers:

- Who exactly is your target market?

- What do they want?

- How do they purchase?

- How can you best communicate with them?

- Are you pitching to the correct target market so that your efforts are most productive and you are not wasting your time?

Smart marketing starts with research, involves working to a plan and includes tracking or evaluation along the way

2.5. Understand your place in the market

- What is your geographical position?

- What are the sources of your sales (online, local, country-wide)?

- Who are your competitors?

- What is the size of the market?

- What is your market share?

- What is the market share of your main competition?

- What else is happening in your area (geographical, product set, service type)?

- How can you position your business to appeal to your target market and stand out from your competitors?

- What are your current service levels and customer feedback?

- What key phrase or messages sum up the qualities of your business that are most important to your customers?

2.5.1. Marketing – Step by Step

A good way to approach marketing is to view it as a loop of four logical, linked steps.

Step one - Research

Good marketing decisions are based on regular research. You don't necessarily need a market research company to find out what customers want and how your business can provide it. You can access some research already done on your sector. You can also gather useful information simply by asking your customers and stakeholders some well-formulated questions.

Step two - Plan

Ad hoc and reactive approaches to marketing do not make the best use of your (often limited) time and resources. Having a plan focuses your efforts and improves your effectiveness. Your marketing plan outlines where you want to go and how you're going to get there. It may only need to be a few pages, as long as it covers the basics.

Step three - Act

This is the fun part where you put your marketing plan into action. It involves a combination of activities, often referred to as the marketing mix. This usually involves implementing strategies for your product, pricing, placement, promotion, people, processes and physical evidence (the appearance of your business and employees and evidence of tangible benefits to your customers).

Step four - Track

How do you know if it's working? To make sure you keep heading in the right direction, continually review and improve your marketing plan as necessary. By building in evaluation from the start, you can track the impact of your activities and identify what works well and what could work better.

2.6. Marketing – a quick summary

In his book, "Tom Patty's Marketing without money (Big ideas for small business)", Tom Patty summarises the marketing objectives in 10 key points as follows:

1. Marketing is more than advertising. Marketing is EVERYTHING you do to attract and retain good customers.

2. A customer is someone who PAYS YOU for your products or services.

3. All customers are NOT equal. Customers come in four flavors: Evangelist, Good, Bad, and Ugly.

4. A business will get the kind of customers it deserves. Just like fishing, the bait you use determines the fish you catch.

5. There are only 3 ways to grow your business; (1) Merge/Acquire; (2) get more new customers; or (3) get more money from existing customers.

6. The most efficient strategy is to get more money from your existing customers.

7. There are 5 proven strategies--used by every successful business, from Nike to Apple to Starbucks, etc.--small business owners can use these strategies. (But you've got to buy the book to get the strategies!)

8. It is critical to select the right target audience for your marketing; otherwise you will waste time, effort, and money.

9. Getting a lot of people to "like" you on the Internet is not going to pay your bills. They must "buy" you and "love" you.

10. All big companies started as small companies. Do not try to emulate what *today's* Nike or Apple do; emulate what they did when they were small.

2.7. Exercise: Who are you and why should I do business with you?

Everyone has in their head a perfectly good argument as to why customers should buy from their business and often a corresponding lack of comprehension as to why they would not.

Our products are wonderful! We are a social enterprise and they should support us!

Often you respond emotionally to their decisions because you are so close to the business and the people involved.

But have you ever sat down and really defined succinctly exactly what you do and why customers should buy your products or services?

You may have already completed this as part of your marketing plan, but it is worth revisiting. Why is it useful? Organised thoughts provide organised responses. Being prepared to argue your case for selection and having the information prepared is important. Let's undertake the exercise.

EXERCISE

Using the structure below to prepare your situational analysis.

Please note: This should be complimented by an understanding of your products and services, geographical reach, pricing and service level agreements.

Question	Answer	Example
My businesses is		"MARVO ADE" incorporated
What do you do?		We obtain discarded computers and cleanse them
How long have you been in business?		Over 3 years
What are your products/services?		We provide the service to remove data from old computers.

Briefly describe each product/service (in a sales style)		We collect the computers. We have two levels of service: 1. Basic 2. Platinum Basic removes customer specified data. Platinum removes all data and tests after removal. We return the computers to the customer on completion or discard them for a fee.
Why is this product or service important?		It ensures that our customers have no data left on their computers that can be seen or reused by other parties. It is very important to secure their customers information and intellectual property.
What is your competitive advantage, e.g. • Pricing • Service levels?		We have been in business for nearly 3 years. We have done market research and we are generally less expensive by 10 – 20 % We have a very high level of customer satisfaction. We survey our customers and generally get High to Very High ratings. We meet or exceed our Service Level Agreements (SLAs). Our contracts are based on completing the task in three working days and our average is 2.5 days.

What else do you offer, e.g. • Trial periods • Discounts		We offer a 10% discount for new customers for the first 5 computers that they send to us.
Are there some existing customers that you could use as a reference for potential customers?		Yes – Existing customers who use our services are happy to be a reference for our services.
Who are your main competitors and what do they offer?		"EMCA" incorporated started in our area and they offer a cheaper service
What was your total revenue last year?		$140,000.76
What is your budgeted revenue this year?		$178,000.76
Describe the nature of your social enterprise		We are a social enterprise and this employs 5 people with a disability full time. Our employees are engaged full time and earn a salary in their jobs. One employee has recently been promoted to supervisor. She and her family are extremely proud.

Why engage a social enterprise?		Social enterprises provide products and services just like commercial companies.
		But they have one distinct advantage and that is they provide direct social value in addition to the value attributed to the product by the customer.
		Social value benefits the customer as they are building their corporate citizenship by actively supporting the employment of people with a disability and thus benefiting their families, carers, friends and the community in which they live. The flow on effect from the payment for services through to the worker with a disability provides a benefit that typical business cannot recognise and celebrate.
What can you improve on?		We could better market that we pick up and discard

Although this is a very succinct analysis, the information can be useful, for example:

- Gaps in your answers can indicate areas that require attention

- Information within your analysis can be used in meeting with clients or other materials, or

- Product analysis can indicate marketable steps in the process that may be attractive to your customers (e.g. picking up and discarding the computers).

2.8. Cost effective marketing

Absorbing the cost of marketing that is relatively speculative in nature is difficult in times when cash flow and ultimately profit margins require tight management.

Therefore cost effective solutions are necessary to get the highest "Bang for your buck".

The use of technical solutions may be seen as your primary marketing tool.

Too often websites are used to describe operations, perhaps explaining new initiatives and providing photographs of operations, but are not used actively as a marketing tool.

If your focus is increasing market share or introducing new products or services, your website should reflect this.

2.8.1. Cost effective marketing - Tips and tricks

- When designing marketing, collate review examples from other companies as a starting point – starting with a blank page approach eats resources. List the features that appeal to you and adopt in your designs.

- Do not approach an external firm to build collateral or prepare designs without a design brief. Ask for comment, but avoid lengthy rebuild, as this is resource intensive.

- Avoid changing your mind and involving everyone in decision making. Establish your guiding team and empower them with the necessary decision making responsibilities.

- Always ask printers to provide a proof prior to the print run commencing. CAREFULLY review this proof for accuracy. Never authorise a print run without taking this step. Ask a colleague who has not been involved to review independently. Fresh eyes will spot mistakes that you may overlook.

- Carefully check all website addresses, phone numbers, company names and email addresses on collateral. Ensure that the processes are in place internally to monitor those communication channels efficiently and forward messages to the appropriate Manager for action.

- Join associations and local groups. By growing your network, not only will you increase your profile in the local community, you will also gain information that may lead to opportunities.

- Is your website providing information or information that can bring opportunities? Use your website to market. Include success stories and testimonials. List your services and products on the front page of your website, as any business with a sales focus will. Ensure products and services are names on the website to ensure that search engines include your site as an option. Blogs, features and strategic use of social

media will allow you to actively engage with your customers, stakeholders, and the public.

- Test, test and test any new technical solutions, not matter how small. Ensure functionality is applicable for mobile devices. Use Apple Macs, Windows based, iPad, iPhone and other types of phones (e.g. Samsung) to verify that your information is displayed perfectly on each device and that all links work. If you website does not work, the customer will not have faith that any other products or services will be satisfactory.

- Keep your website up to date. Appoint a Manager, or team to meet every month to see if the information is current, reflects work that you have completed, provides recent testimonials and has up to date contact details.

- Holding open days where you invite potential customer, the media and other representatives to show them your operations, demonstrates your commitment to succeed and exhibits to them that you are a professional operation with a social benefit for all. Meeting key members of your ADE community will further enhance your chances as they see and understand the social value that they can support.

- Consider common search terms that the public may use for services in your area and include in your website so that you are displayed in the list of results from their searches.

- Include the geographical regions that you support on your website, so that you are displayed when searches are done for services in a particular area.

- Prepare in advance for activities associated with key Government calendar events, such as the International Day of People with a Disability. Contact the media in advance to arrange visits and photographs. Prepare your business for these visits. Market your business in your interviews and articles.

- Offer discounts or trial period offers.

- Remember to consider your ADE community – there may be parents, or staff that have associates that would be happy to provide assistance at no-cost, or at a cost to cover out of pocket expenses, if they see the potential benefit of their investment.

- Formally contact local universities and see if providing services to your business can be integrated in the curriculum or assessment for students in business or technology related disciplines.

- Use the Internet to get many ideas on other cost effective approaches to the market.

- Use a tool such as Google analytics to report on how the public is referencing, accessing and navigating through your website. Are they using search criteria? Are they coming in from a link? What pages are interesting them? Using the information will allow you to focus on the right pages and information.

- Ask other website owners to include links to yours.

- Obtain information to guide you by searching on small and medium businesses.

2.9. Collaboration

Establishing a collaborative relationship can help drive the development of innovative product and service solutions, increase your market, drive down costs, improve efficiencies and increasing value can result.

Having a discussion with an ADE or non-ADE business that:

- Is your neighbour

- Works in the same sector as your own

- Works in the same supply chain as you, or

- Has the skills that you need, and possibly needs your skills

are options that can be explored in your marketing plan.

Collaboration can take place within the supply chain, or support elements of your business operations.

2.9.1. Collaboration – Other ADEs or businesses

Explore the possibility of delivering services and products through partnerships with other ADEs and businesses.

Benefits

Benefits in a collaborative business arrangement may include:

- Decreased costs and overheads

- Improved efficiency

- Opening your business to greater and wider markets

- Providing greater opportunities and experiences for your workforce

- Utilising assets more efficiently

- Learning opportunities

- Shared expertise

- Reduced risk

Due Diligence

As previously indicated, due diligence and governance are required when assessing whether to participate in a collaborative relationship.

In undertaking this due diligence, you may include analysis and definition of:

- Current and new business and operating processes that will need to be defined to support the businesses working together.

- Service level agreements – both internal to the relationship and to the customer

- Associated performance measures

- Capital expenditure requirements

- The triggers for each business to be brought into or leave the supply chain

- Impact on staff and suppliers

- Contractual requirements

- Rules for sharing of intellectual property and customer databases (where confidentiality clauses allow)

- Security and management of technical systems and other assets

- Financial information, and

- Processes should the relationship dissolve.

Professional assistance is required to support the establishment of such relationships.

Risks

- Different management style, risk aversions and positioning within the relationship can cause tensions and ultimately the demise of the relationship. In all cases, sharing of profit, management of cash flow and return on your investment must be factored into your decision to proceed.

- Your branding may be diluted through such a relationship and there is always a question of ownership of your customer base and intellectual property should the relationship break up.

- Cultural and social compatibility must be assessed.

2.9.2. Collaboration – Sharing Business Costs and Resources

Whilst not working together to deliver products and services, collaboration with other ADEs and businesses to share costs and expertise can be explored.

The Better Business Opportunities survey indicated a concern amongst ADEs that marketing is a cost and resource intensive activity that many could not absorb.

A collaborative approach may include:

- Achieving economies of scale through the bulk purchase of collateral, materials or services

- Skill sharing

- Asset sharing

- Sharing of back office functions (e.g. combining two part time accounting jobs into one that is shared to save salary expense, or jointly purchasing technical licenses)

- Sharing of marketing analysis

- Access to customer data, where approved and legal

- Resource sharing

- Sharing the purchase of expertise (e.g. consultancy, accounting, drafting etc.)

Expansion of your existing business may also be considered though mergers and acquisitions.

Completion of a business plan and associated economic analysis will be required to support such a large initiative.

2.10. Marketing to Government

Although this course provides information from our literature reviews, experience and information from the Building Better Business Opportunities project shows that excellent sources of information on selling to government are available on Government websites.

In particular the Department of Finance and Deregulation provides a "Selling to the Australian Government" document and website with key information in the following areas:

- Know your customer

- Understand the rules

- Understand the process

- Watch for opportunities

- Build relationships, and

- Complete to win.

Of particular interest is the section entitled Build Relationships.

In the Building Better Business Opportunities project, concern was raised as to how to identify the appropriate people in government to discuss opportunities and present information about your business.

This section includes advice on how to:

- Promote yourself

- Play by the rules, and

- Other avenues to government

It is highly recommended that you refer to these sections in particular, understand their intent and consider how you may proceed.

It is also recommended that in your transition to a social enterprise, you search not just for information on disability related or social enterprises, but see your business as a small to medium enterprise with interest in the different terms and conditions that apply to your sector.

2.10.1.   Networking with Government

Networking with government to identify opportunities and to ensure that they have an understanding of your products, services and social value is very similar to networking with business.

The government websites provided advice in this area.

Your activities may include:

- Scheduling meetings – alone or with a local consortium

- Join industry groups or the Chamber of Commerce

- Meet with local government representative – offer visits to your business or a sample of your products (see Local government section below)

- Meet with your government elected officials

- Prepare well – be able to "talk the talk" on government procurement policies and general policies that are being undertaken that are relevant to your business opportunities

- Be prepared to recognise that you are not a one-stop shop for a nominated service or product. You could be incorporated in a supply chain of services or products. Be aware of tenders that require a sub contractor from your sector. Contact potential tenders to seek a relationship, or discuss opportunities with government, to provide a condition in the tender that sub-contracting is to be provided to disability enterprises.

2.10.2.   Government procurement policies

Procurement across Governments, State, Territory and Local is complex, multi-faceted and multi-layered. There are existing provisions at a state, territory and federal level, which allow exemptions to be applied in the procurement of services, which are applicable to ADEs and social enterprises.

Many people contacted in the Building Better Business Opportunities project indicated that these are not well known or frequently applied.

A summary is provided below of a number of the procurement policies and exemptions currently in place.

Commonwealth

There is a regulatory framework designed to assist the Australian Public Service to procure from socially inclusive businesses. It consist of two exemptions:

- A 2008 amendment to the Commonwealth Procurement Rules (CPR) that allow the APS to directly procure from ADEs, and

- A further CPR exemption extended to Small to Medium Enterprises (SMEs) so that procurement practices must be applied in way that does not unfairly discriminate against SMEs and provide appropriate opportunities for them to compete.

The Commonwealth Procurement Rules from the Department of Finance and Deregulation firmly states that the process is still to take into account value for money

Procurement at the Commonwealth level has also been assisted by the provision of a central coordinator and a Procedures Manual advising Commonwealth procurement officers of ADEs and what they can do. A list is provided of all Australian ADEs under general headings of Commonwealth purchasing requirements; for example, printing.

Also, under the FMA Act the Australian Government is committed to sourcing at least 10% of procurement from SMEs.

One of the grounds for a procurement being exempt from certain rules includes procurement of goods and services from a business that primarily exists to provide the services of persons with a disability.

Victoria

The Victorian Government Procurement website lists the conditions under which there can be exemptions from seeking multiple quotes, and conducting open or selective tendering (limited tendering).

The Victorian Government Procurement, Exemption from Seeking Multiple Quotes, Open and Selective Tendering (Limited Tendering) and ICT IP Default Position Policy provides a list of exemption factors (Schedule 2), which includes:

- Purchases from Australian disability enterprises and other businesses that primarily exist to provide services to people with a disability, philanthropic or not for profit institutions.

It notes that internal audit processes would need to be satisfied.

ACT

The ACT Government Procurement Regulation 2007 (SL2007-29), made under the Government Procurement Act 2001 states that there can be an exemption from quotation and tender processes where the responsible Chief Executive Officer of a directorate (or territory entity) is satisfied that the benefit of exemption outweighs the benefit of compliance.

An example of where an exemption may be given includes where a secondary objective of the procurement is to achieve an appreciable social or community benefit.

Northern Territory

Under Northern Territory (NT) procurement processes, provided in the Northern Territory Government, Procurement Process for Supplies Under Standing Exemptions, Procurement Direction PR8, there is a list of supplies exempted from public quotation/tender requirements.

Exemption (J) is Partnership Agreement with Charles Darwin University which states that the partnerships agreement's objective is that the economic, social and environmental development of the Northern Territory is supported by a robust and resilient University working in partnership with government agencies and the wider community.

Western Australia

The Government of Western Australia (WA) maintains an Agency Exemption Register governed by the Agency Procurement Delegation and Exemption Matrices, which is a register of all approved exemptions from State Supply Commission, which sets requirements for the purchase of goods and services, policies. Included in these exemptions are: any from of preference to benefit small to medium enterprises and relating to the goods and services of handicapped persons, or philanthropic or not for profit institutions, or of prison labour.

Tasmania

In Tasmania, Treasurer's Instruction No. 1127 Procurement from businesses that provide employment to persons with disabilities: goods and services sets out the process for directly purchasing goods and services from disability enterprises. At the Head of an Agency's discretion, agencies may directly procure goods and services from businesses that 'predominantly exist to provide the services of persons with a disability' without needing to undertake a full quotation or tender process. Where more than one disability enterprise can provide the goods or services, then agencies need to seek quotes to show value for money.

New South Wales

The Public Sector Employment and management (Goods and Services) Regulation 2009 provides provisions on the purchasing of goods ad services by directly engaging disability employment organisations without an open tender and outside of standing offer contracts under the former State Contracts Control Board. Value for money must still be demonstrated. ADEs are included in a register made through an order of the Minister for Disability Services and is maintained by National Disability Services.

Queensland

The Queensland State Procurement Policy lists Australia specific exclusions which includes any form of preference to benefit small to medium enterprises and exceptions which include measures relating to the goods or services of handicapped persons, philanthropic or not for profit institutions, or of prison labour.

2.10.3.   Local government

Because of the very nature of "Local" government, they may be considered as a potential customer for your product or service.

Because local government is made up of representatives of the local community, there is an improved chance of councillors, managers and procurement officers already being aware of your products and services, or having availability to be contacted directly.

ADEs can gain work with local government by tendering for work along side typical businesses and win the work on their own merits.

Often Local Governments have policies supporting the engagement of ADEs.

Check the council's web site for their procurement policies in engaging social enterprises. Mornington Shire Council, for example, in their Procurement Policy (2011), section 4.2; Supply Market Development states that:

"A wide range of suppliers should be encouraged to compete for Shire work. The focus for new work need not always be with the larger more familiar businesses. Other types of organisations offering business diversity include:

- Local businesses;

- Environmental/sustainable suppliers;

- Small to medium sized enterprises (SME's);

- Social enterprises;

- Ethnic and minority business; and

- Voluntary and community organisations".

You can engage with local government to ensure that the benefits of engaging your business are well known in advance of any specifications being drawn up.

It is also worthwhile gaining and understanding, if possible, procurement relationships that have been established with social enterprises in the past to determine if a similar relationship can possibly include your business.

Councils are not permitted to limit responses to tender to a specific group (e.g. ADEs only) but in some cases, councils have included in tenders instructions for the successful tenderer to outsource a component of their solution to social enterprises.

The issue is whether the council knows that your business operates in their area and that you provide services that may be attractive, or that you have an interest in identifying possible opportunities in the future.

Preparing a marketing approach and visiting your council is a good start. Consider inviting fellow ADEs to join you in a submission to council. Invite representatives to visit your business. Give them a sample of your products.

2.11. Exercise: The elevator conversation

An elevator conversation is a brief summary of who you are and what you do.

Many have heard of it, but very few have taken the time to hone the words and sequence that will create interest, and possible opportunities.

You may have a different pitch for your business depending on the circumstances of the event or contact. If you are meeting to sell a new product, the potential is the focus. If you are looking to secure a partnership, the focus may be your business record.

Sometimes you only have a minute or two to make an impression, so use the following table to prepare your best introduction:

EXERCISE

Using the structure below prepare your elevator conversation for a brief meeting with a potential customer of your products or services:

Step one: Prepare		
Intention	**Answer**	**Example**
Who are you?		James Potential
What is your position in the business/role?		Marketing director for "MARVO ADE" incorporated
What are you trying to achieve in this conversation?		I want to introduce my team's abilities at data cleansing second hand computers
Why is your business/product/service unique?		We are a social enterprise and this employs 5 people with a disability full time. We have been in business for nearly 3 years. We have done market research and we are less expensive. We have a very high level of customer satisfaction.

What's in it for the customer?		Low cost Proven ability Engage a company where you are not just buying a service, you are employing people with a disability in your community
What can you ask next to engage the person in conversation?		What currently happens to the computers that your company no longer requires?
Step one: Put it all together		
Draft your pitch		Good afternoon. I am James Potential the Marketing Manager for "MARVO ADE". For over three years my company has specialised in cleaning secure data from old computers. We have an excellent service record and our prices are the lowest around. I am extremely proud because we are a successful social enterprise employing people with a disability, which is great for our customers and the community. So what does your company do with the data on old computers?

Structure sourced from http://www.mindtools.com/pages/article/elevator-pitch.htm

2.12. Next

Let's assume that you have identified that you want to build your business. You have completed your business plan and marketing plan to support this. In terms of your change plan you have:

- Increased the urgency

- Built the guiding team

- Established your vision

- Started communications, and

- Are ready to address the opportunity!

The next section of this document looks at the Business Opportunity Management Cycle and the processes and tools that you can adopt to manage that opportunity.

3. Building Business Opportunities Model

Let's revisit our Ready, Set, Go model.
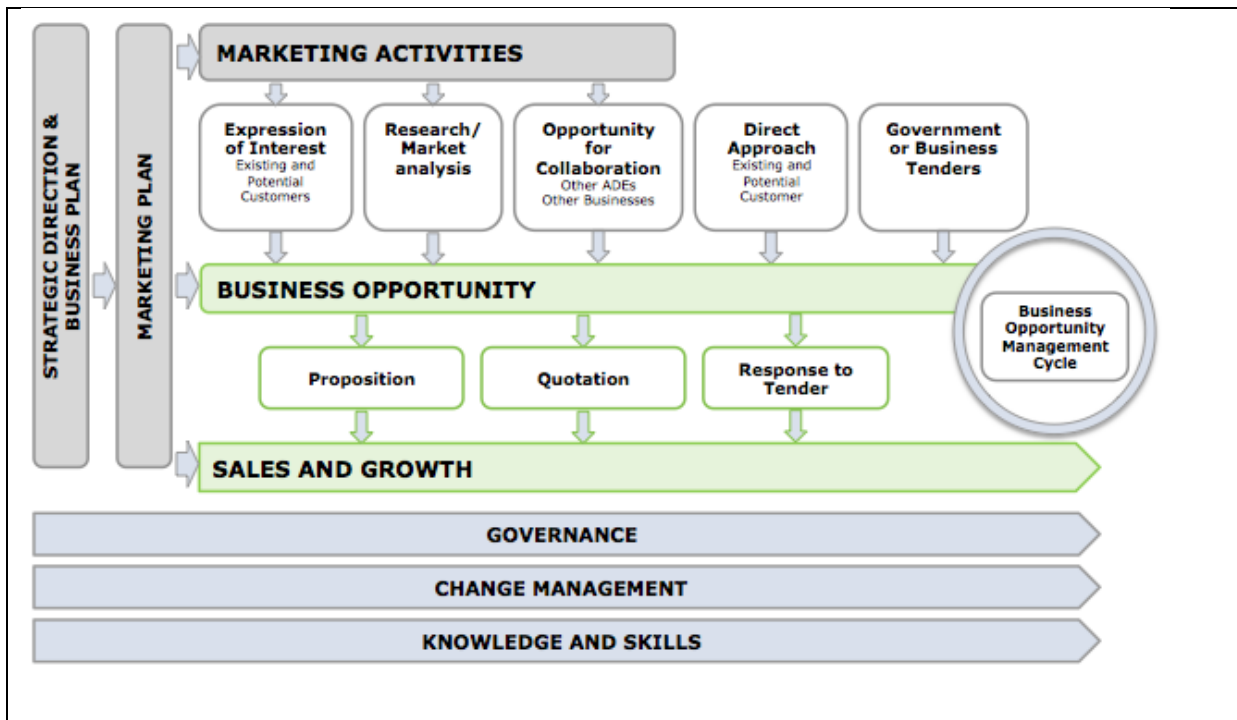
Ready, Set, Go Model – ConNetica 2013

Your strategic direction has been set and plans developed. Marketing activities have commenced. Time to identify opportunities.

As illustrated, opportunities result from:

- Expressions of Interest following communications, marketing campaigns or other activities from existing or potential customers

- Research/Market analysis

- Opportunities for Collaboration

- Direct Approaches from existing or potential customers, and

- Government or Business Tenders.

Once a business opportunity is identified and assessed, propositions, quotations or responses are developed. Sales and growth result from the customer's acceptance of your offers.

Management of the process from the identification of opportunities to either a Win or Loss is provided through the application of principles, tools and templates within the Business Opportunity Management Cycle (BOMC).

We have discussed earlier the importance of the marketing plan to drive and measure success. The plan provides a framework to make go/no-go decisions, target market activities, make investment decisions and set targets for growth.

Governance, change management and knowledge and skills remain the foundations for all these activities.

4.Identifying Business Opportunities

4.1. What is an opportunity?

The Business Dictionary website states that a market opportunity is a:

"Newly identified need, want, or demand trend that a firm can exploit"

An opportunity is not a lead. A lead precedes an opportunity. The need has not yet been identified. Marketing skills can be applied to the lead to generate the opportunity.

4.2. What are the sources of opportunities?

Opportunities can be identified as a result of an action by your business, a potential or existing customer or a third party.

Formal opportunities are generally officially requested for tender or proposal.

Opportunities obviously result from:

Your activities	From an existing/potential customer	Third party
Identification of a tender that you can fulfil	A direct approach	Opportunity to collaborate identified – ADE or other business
Completion of activities in your marketing plan generates interest	Extending current services/renewing or amending existing contract	Word of mouth
Cold calling	Approach resulting from marketing campaign	
Proactive research and contact (e.g. reviewing real estate market for businesses for sale, observing or researching a new market)		

Certainly you would hope that the completion of activities in your marketing plan would generate opportunities. If your marketing plan does not do this, carefully review and reassess your approach to market.

4.3.   When is an opportunity recognised?

An opportunity can be identified as a result of many circumstances. The completion of marketing activities are a main source of opportunities, as customers express an interest in your products and services following contact or receipt of information.

As a guide, if one or more of the following conditions are in place, the Business Opportunity Management Cycle (BOMC) and associated management routines should commence:

- Potential customer/customers and the products/services that they may be interested in have been identified – possibly as a result of your marketing activities

- A decision has been made to formally tender for work

- You have identified a possible niche in the market through your research or analysis and are ready to commence evaluation and marketing of that opportunity

- Activities are scheduled or will be scheduled in order to win business from a defined customer group

- An existing or potential customer has requested information regarding products of services (existing or new)

- Potential customers have been identified for formal contact

Example One:

You have initiated a marketing campaign for a new product. Marketing activities including distribution of flyers, Internet campaigns and cold calling have been undertaken.

A Manager from Potential Customer Incorporated (PCI) telephones your office to schedule a meeting to talk about the services and price. *An Opportunity has been identified.*

Example Two:

You have heard through your network that PCI is looking for a product that you offer. You decide to contact PCI to discuss. *An Opportunity has been identified.*

It is reasonable for you to have many opportunities being managed at the same time, with them being at various stages in the cycle.

Again this reinforces the need for a structured approach to the management of these opportunities.

Example Three:

You have noticed that your daughter is starting to use a new style of bag to hold her mobile when out at a club. You ask her where the bags are available and she says that the girls are finding it hard to get them over the Internet, but they are all the rage.

Example Four:

You are contacted by a business in your area. They prepare products that could be used as gift bags, particularly for corporate events. However, they wish to expand their offering to include packaging and targeted labelling which you could possibly deliver.

Example Five:

Several of your staff members are very competent in information technology. You believe that you can make money by contacting the local Cash Converters to offer data cleansing services when a pre-used computer is brought to them for sale.

Example Six:

Your local council advertises for responses to tender for office cleaning services in your area.

4.4. Your current opportunities

After considering the definition of an opportunity above, please complete the following exercise:

Prepare a list of the current opportunities that you are managing and have identified according to the criteria above. The list should include:

- The potential customer

- The opportunity

- Probability of success

You may be surprised at the actual number of opportunities that you have in your pipeline currently!

Consider what the list tells you about your current situation and potential sales. Use the following table for guidance.

Don't' discard your list of opportunities – we shall refer to them later in this course.

Your list is	Possible message
Very short / empty	Unless your company is at full capacity and has confirmed contracts for the future (e.g. 2 -3 years) then your marketing plan should be prepared or revisited to identify steps required to generate new opportunities. Ask your fellow executives if they are pursuing opportunities currently that can be managed.
Reasonable (in your view)	Reasonableness is defined by: • Manageable given the resources currently available, or will be resourced in the future • Have a degree of confidence of success, or will support building your market • Support the vision included in your marketing plan • Are supportable by resources, products and services and can be delivered according to requirements

Extremely long and across different sectors	Complete an assessment:
	• Against your overall marketing plan to see if these opportunities are within your overall vision and support the core objectives defined within that plan
	• Ask: Do you have sufficient resources with the expertise and time to undertake the work required that will give each opportunity the chance to succeed? Remember that the ultimate aim is a win – not to prove that a lot of work is being done.
	• Estimate the probability of success. For those with a low probability – it may be worthwhile suspending activities in this area, and focusing on those with a higher chance.
	• Consider if you have the production/staffing levels to support such potential growth.
	Update your list if appropriate – perhaps after prioritising your opportunities.

4.5. Managing your opportunities

Applying a rigorous approach to managing your opportunities will ensure that you:

- Allocate appropriate resources and time to research, cost and pursue opportunities,

- Schedule and manage your activities

- Understand exactly what the customer wants

- Minimise errors and doubling up

- Appear to be operating professionally by your potential customers

- Learn from your experience and apply those learnings to the pursuit of new opportunities, and

- Give yourself a greater chance of success.

Resources and time must be assigned to:

- Set up and maintain the tools and templates required to record the progress of your opportunities and activities

- Manage each opportunity

- Report on the status of opportunities

- Establish your processes that you will apply to the management of opportunities including how you might use the BOMC Tool (template provided in MS Excel), including:

    o   When to update the status of existing opportunities

    o   Recording and updating the status of activities supporting those opportunities

    o   Identifying new opportunities and add to the register, and schedule activities accordingly, and

    o   Scheduling activities for existing or new opportunities

- Do the work

    o   Undertake your research and analysis

    o   Design prototypes, products or define services

- o Schedule and complete meetings

- o Prepare proposals and tenders

- o Complete the quotations

- o Prepare costing models and/or

- o Prepare and send collateral.

It is recommended that formal scheduling of administrative activities is made each week to ensure completion and quality outcomes.

5. The Business Opportunity Management Cycle

The BOMC is provided to support the professional management of opportunities, from the identification of the opportunity through to Win or Loss and the resulting review.

The cycle is used in various iterations across small and large businesses to give structure to record keeping, supporting reporting and planning, ensure lessons are learnt and supporting activities scheduled and managed.

A definition of each stage and the typical activities that are undertaken is as follows:

Identify opportunity
The definition and sources of opportunities and the point at which a marketing activity becomes an opportunity have been discussed earlier.
The opportunity is recorded and prioritised. A manager is identified.
A BOM TOOL is used to manage the opportunity through the various stages.
Gaining an understanding of the customer's needs/situation

This stage is important because it ensures that your approach and response are relevant, and demonstrate your commitment to the customer.

Firstly – Know your customer

Research the company on the internet or a business database.

Learn about the structure of the business, size, number of employees, geographical location, offices, management offerings and earnings.

Review the annual report if possible to see their position and also the current initiatives that they are undertaking. Their approach to social inclusion and charitable work should also be included in the annual report.

Search the news. You may discover news that could affect you, but at least you can get information to use in conversation and in preparing the response.

Consider having an open night or invite the potential customer to visit the business. The potential buyers can come, mingle with you and other managers, and discuss business matters in a comfortable environment.

Utilise your contacts and collaboration with other ADEs to gain information.

Consider establishing a Customer Relationship Management (CRM) database to store this information for reuse in the future.

Secondly – Understand their needs

Irrespective of the size of the opportunity, you must ensure that you have an accurate assessment of the customer's requirements.

Nothing will preclude you more quickly from winning business as providing a response or proposition that does not meet their requirements. In addition to being potentially unsuccessful, it can damage your credibility and future potential.

If an approach has been made in written format, consider reading and re-reading the document before commencing work. Prepare a mind map or other representation of their requirements if it will assist you. Ask a colleague to read the request and see if their view of requirements aligns with yours.

Be prepared to contact the customer if clarification is required. Do not, however, be a pest or ask questions that should be self evident in nature. Your approach when asking questions is part of your marketing – they will be considered when making a decision to grant you the business.

Be aware that when asking questions relating to a tender, that the customer often collates the questions and associated answers and provides them to all potential suppliers.

It is therefore important to ensure that the question does not provide the competition with an advantage, whilst meeting your information needs. Care must be taken in this regard. It is also important for the question to be well written, professional and free from errors (e.g. spelling, punctuation).

In addition to considering their product/service needs, also ensure that you comply with any needs associated with the proposition or tender that you are providing. These requirements, for example, "Your proposal must not exceed 1000 words", "Use the template provided", "Present your response in pdf format" must be adhered to.

Please note that Tender Overview and Tender Review Checklists that are provided later in this document can be used to support the preparation of documents for opportunities of any size.

Develop proposal or response

Proposals and responses can range from a simple quotation for an existing product or service, through to a complex and detailed tender response.

Fundamental principles to apply include:

- Allow enough time for the preparation of the response
- Assign the responsibility for the preparation of the proposition/response to a person or team of people, with their roles understood
- Allow sufficient time for the review and edit of the proposition/response
- Check against the requirements identified in the previous stage

Again – use the Tender review checklist to ensure that you have developed the response accurately.

Review and Submit

Use the Tender Review Checklist to complete the tasks to assess if your response is ready for submission.

Ensure that you have a separate member of your business review your submission. Check your calculations.

Try to submit your response early – sometimes the systems are slow when many tenders are being submitted.

Customer receipt

Confirm that it has been received.

Tenders to Government send an advice to confirm receipt. File this advice for future reference.

Follow up / Refine

Following up on propositions or tenders can be done in two ways, one to see if there are any questions or additional information required, and secondly to see if a decision has been made.

It is important for you not to turn into a pest. Your enthusiasm may be seen as desperation and concern the persons making decisions.

Wait an appropriate period before making contact. Have all relevant information at hand if required.

Following up can result in a redefinition of customer needs and subsequent refinement of the proposition, quotation or tender (where possible). You may return to the Develop proposal stage at this step in these circumstances.

Win or Lose the opportunity

You are advised that you have won the opportunity. This generally takes place through email phone call or letter.

Sometimes you have not received any advice that you have not won the tender. Austender, for example, lists tenders that have been awarded and you can search for them. Alternatively, after a defined period, you can contact the person nominated on the tender to check on its status.

Review. Plan to improve

You are able to request information to indicate where you may have not met requirements with your submission.

Use this information to guide your approach in the future.

You can also request information on the reasons why you have won a tender. This is equally as valuable, because it can also be used to support the development of opportunities in the future.

5.1. Identify, schedule and complete activities

Activities are tasks that support the BOMC. When an opportunity is identified, planning and scheduling of activities should commence.

Activities may include:

- Scheduling meetings

- Preparing a quotation or proposition to meet a deadline

- Securing resources

- Organising printing

- Scheduling a follow up call

- Seeking information as to why a quote was not successful, or

- Preparing a tender.

It is important to record your activities to:

- Schedule your work

- Ensure that a database exists in case you are not able to attend work and a colleague needs to take over the management of the BOMC and check on commitment and activities

- Make sure that you are not over committed

- Ensure you meet deadlines that you have set with your customers

- Ensure that you are prepared, and

- Develop a list of standard activities that you complete for a type of opportunity that you can reuse next time to improve efficiency.

Use your calendar to diarise these activities effectively.

5.1.1.Prepare for meetings

Often we arrive at meetings with potential customers in a rush but rely on our experience to get us through.

Careful preparation for meetings is vital. First impressions count.

<table>
<tr><td>

EXERCISE

Prepare a checklist for your use when preparing for an offsite meeting with a potential customer. After completion – please refer to the next page of this document, which provides ideas in this area.

</td></tr>
<tr><td>

</td></tr>
</table>

5.1.2. Preparing for your meetings

It is important to reiterate that careful preparation is required before visiting your customer for a meeting. You are marketing yourself and your business and it is vital to make a good impression. They will definitely judge your presentation, preparedness and professionalism at meetings such as this, which may ultimately be reflected in their decisions.

Preparation activities include:

- Ensure that you are meeting with the people with decision making authority or influence within their business or department

- Determine the outcome you require from the meeting which may include:

  - Sale

  - Request for proposal/quote

  - To gain additional information about the services the potential customer requires

  - Ensure they have enough information about your product/service to assist with decision making

  - Provide customer with information about your product

  - Assess their interest in order to decide whether to pursue the opportunity further

  - Learn more about their business in order to tailor the solution better

- Know your product/services, unit pricing and availability

- Check the location and printing map/enter to GPS. Check GPS for road works that may impact travel time

- Confirm the time of the meeting

- Calculate travel time, bookings taxis or other travel solution

- Determine, if possible, if a specific dress code is applicable (e.g. if entering a construction site, an ability to change shoes to safety boots easily, a corporate environment requiring suiting)

- Identify if other members of your company will be attending and, if so, conduct a formal briefing and define roles and responsibilities

- Determine who is representing the potential customer at the meeting

- Ensure you have sufficient knowledge of the customer, their business and the roles of those attending the meeting

- Prepare and update your collateral – allowing additional copies of marketing specific information to leave with the customer

- Practice your pitch and typical responses

- Have business cards available

- Turn mobiles to silent.

5.1.3. After meetings

It is just as important to adopt a professional approach to the activities after a meeting as it is to those that are completed before the meeting.

Consider adopting the following approach:

- Conduct a debrief on your return.

- Minute the decisions made and information sourced so there is a formal record.

- Identify the new activities that are required.

- Update your BOM Tool to show that the meeting was conducted, the activity is closed and notes included. Next steps are added as activities.

- Prepare email acknowledging your appreciation of them meeting with you. Present a summary of the key elements of the meeting. Add the activities that have been agreed and the timeframe that will support the completion of those activities.

- Schedule the next meeting if applicable.

- Commence the scheduled activities.

5.2. The pricing dilemma

Information taken from meetings with ADEs throughout Australia demonstrated that ADEs are finding it extremely difficult to competitively price their products and services given their business model.

This can lead to a reluctance to quote for new work.

Competitive pricing is challenging as ADEs typically face higher overheads in producing the same products and services as other providers in the market.

ADEs are already familiar with the typical business pricing models and are following basic processes, for example:

- Understanding production costs, researching competitors pricing and investigating target markets.

- Matching pricing strategies to the type of good or service produced; and

- Maintaining awareness of and compliance with the Business Law and Government Regulation. (i.e. Fair Work Australia, the Competition and Consumer Act 2010 and the Office of Fair Trading).

5.2.1. A simple price analysis approach

The following illustrates a simple approach to adopt if your price is considered higher than your competitors:
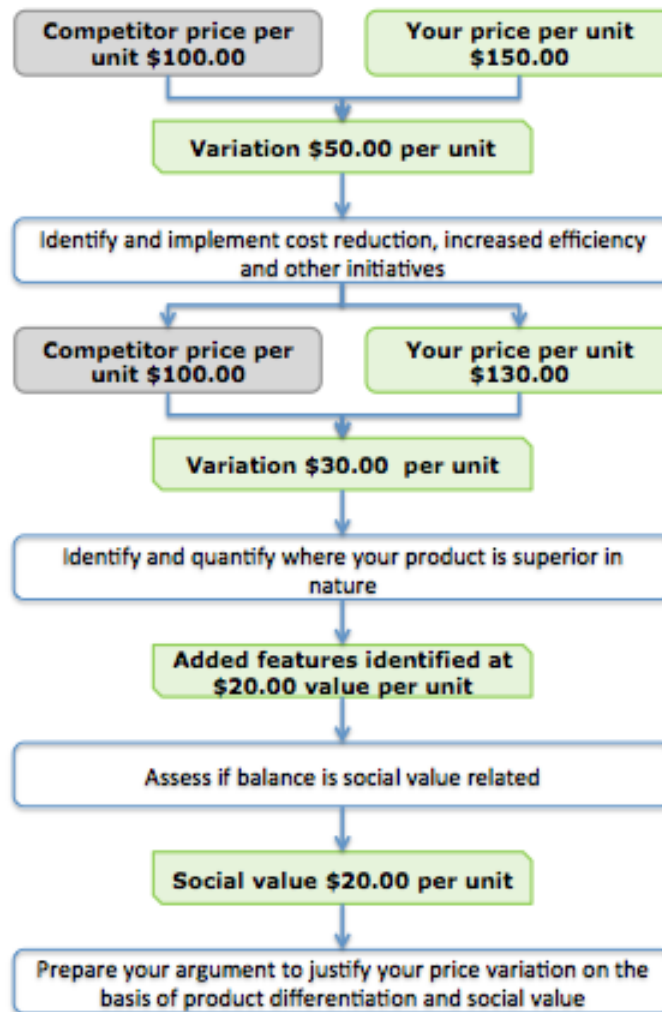
The four activities framed in blue above are explained below.

5.2.2. Identifying strategies to reduce price

The following are options that you may consider to reduce your costs, improve your balance sheet and cash flow and ultimately reduce the cost of your product or service. This list of options is in no way finite. Undertake research and consult your managers and accountants for further suggestions.

You may chose to:

- Re-cycle and reuse

- Review costs of technology (e.g. phone plans)

- Invest in skilling your staff members

- Examine your processes to identify efficiencies

- Reduce non essential purchases

- Look at your inventory management processes

- Collaborate with other ADEs (e.g. purchasing in bulk, sharing resources)

- Share or outsource back office activities

- Implement an authorisation procedure for expenditure

- Renegotiate your contracts with your customers and suppliers (Have you increased price to cover CPI?)

- Talk to your bank about better deals on accounts

- Reduce overheads e.g. electricity expense

- Manage your payment terms (Accounts Payable and Receivable)

- Ask – Do we really need this?, or

- Use technology to reduce travel costs (e.g. Use webinars or Go To meeting)

5.2.3. Identifying where your product is superior

In comparing features, undertake research to identify and quantify if:

- Service levels are better

- You provide a better warranty on product or service

- Delivery times is less

- The quality of the service or product is simply superior

- Standard items are provided that are optional in your competitors offering, or

- Your customer satisfaction levels are high and you retain your customers.

Try to estimate the proportion of the price differential that is attributed to your superior product or service. What is the value of your better product or service?

5.2.4. Assess if the balance is social value related

The social value of a product or service is the benefit it provides to the community beyond the face value of item or service, for example, a bag is used to carry items. A bag made from

recycled products by a worker with a disability adds social value in reducing the impact on the environment and moving a worker with a disability from the welfare system into employment.

Social values are prioritising people and ethics in business, not just profit. Attempting to measure social value in monetary terms is a challenging task. How does an ADE communicate that to the consumer?

Identify if the remaining variation can be attributed to the increased costs that you absorb because of the additional costs involved in operating as an ADE.

5.2.5. Prepare your argument

Your argument to a potential customer is to convince them to purchase your product at the higher price and is in two parts: Product differentiation and Social Value.

Product Differentiation

List the reasons why is your product is superior to that of the competition.

Social Value

Remind the customer of the enormous benefits of being socially responsible. Explain to the customer the benefits of supporting your organisation and the increased cost reflects the increased overheads associated with the unique workforce that you employ. Additional supervision is required. ADEs must ensure WH&S standards are elevated to meet the needs of workers as well as any specialist equipment required.

By supporting the employment of people with a disability in the community, you are adding value to the community, increasing their pride in themselves and their opportunities. The pressure on families and carers can be reduced as a result.

5.3. The Business Opportunity Management tool

A template is provided for the Business Opportunity Management Tool (BOM Tool) in excel format. Although simple in nature, it lists the criteria by which you can manage opportunities and the activities that support them.

It is crucial that a disciplined approach is adopted to the keeping of records to support the BOMC.

The tool is used to provide you and others supporting the opportunity with all of the information that they need to successfully convert the opportunity to a win in one place.

You can also use this information to track wins and losses, identify trends in sales (e.g. We are having a lot of success in the northern region) and use it to update marketing plans and activities.

Entering the source of the opportunity also provides you with a view on what approach is generating work – Is it your marketing campaign? Is it word of mouth? Is your website generating contacts and sales? Companies do not ask, "How did you hear about us" for nothing.

5.3.1. To proceed or not to proceed

Throughout your management of the opportunity and associated activities, always consider whether it is prudent to proceed. Your analysis may see that you are completing a multitude of activities, but the date for the opportunity to be won or lost has long passed. See the section "Being prepared to say no" later in this document for more information on this decision.

5.3.2. Tailoring the template to meet your needs.

Should you wish to consider options for selection to use in the spreadsheet, please go to office.microsoft.com and search for Apply data validation to cells. It will show you how to prepare a list of options for each field that can be used to efficiently indicate the applicable options.

Are there too many fields to be maintained for your business? Again, tailor the BOM Tool to meet your needs.

5.3.3. Maintaining the BOM Tool

Principles to adopt to make the BOM Tool continue to be relevant and useful include:

- Update status when appropriate

  - Be aware that the status can go forward, but also backwards, e.g. If you are required to revisit your offering after having submitted the proposition, you will move back in the cycle from Follow up to Develop Proposal or response.

  - Be aware that status can be set at cancelled if a no-go decision is made.

  - Opportunities do not all start at the Identify opportunities stage. If you receive a phone call asking for a proposal that does not require additional research, you may indicate that you are in the Developing proposal stage.

- Review and update other aspects as it becomes apparent, e.g. probability, days effort.

5.3.4.Using the BOM Tool

When entering data into the BOM Tool, be consistent with your use of descriptors e.g. Probability should always be High, Medium or Low. Do not start including other classifications such as Moderate or Not likely.

Use the same approach for other fields, such as name. Don't refer to a single person in many ways, e.g. John, then J Smith, then John Smith. Consistent data support quality reporting.

Record information in a way that will be easily understood by another member of staff. Make sure its location on the server is known.

The fields are described in the following table:

Field	Use to	Options or Suggestions
Start Date	Record the start date of the Opportunity	Use the same format
ID	Code the opportunity for ease of sorting if required	Set up coding structure before you start
Potential Customer	Name of potential customer Reference number if applicable to a Customer Relationship Management (CRM) that you may have that provides other details, such as address, phone contact etc.	

Name of Opportunity	Brief descriptor	
Responsible officer	The name of the person that will manage the opportunity	
Status	Indicate the position of the opportunity through the cycle. Be aware that the status can go forward, but also backwards, e.g. If you are required to revisit your offering after having submitted the proposition, you will move back in the cycle from Follow up to Develop Proposal or response. Be aware that status can be placed at cancelled because of reasons listed earlier in this document. Opportunities do not all start at the Identify opportunities stage. If you receive a phone call asking for a proposal that does not require additional research, you may indicate that you are in the Developing proposal stage.	**Suggested options:** Identified Investigating customer requirements Developing proposal/response Reviewing Submitted Receipt received Following up Won Lost Cancelled Reviewed Closed
Source	Source is the action that generated the opportunity	Enter the source from a list that suits your business e.g. Marketing campaign to Local government, Flyer distribution
Priority	Critical, High, Medium, Low	
Probability rating	High, Medium, Low	
Products/services	List the products and services	The products and quantities that the customer is interested in. The factors that drive the customer's decision to purchase goods or services from the organization.
Potential units	An estimate of the number of units that the customer may purchase	Use standard units applicable to your business

Potential revenue	An estimate of the revenue that the opportunity may generate	A realistic assessment of potential revenue
Notes	Enter Text	Brief notes on the status of the opportunity. References to useful documents or quotations can be included.
Contacts	Name, role, contract number (or reference to your current CRM)	The decision maker that you should talk to or who has made contact with your business.
Days effort	Days/Costs	An estimate of the investment that has been made in winning the opportunity.
Targeted End date	Date	An estimated date when the opportunity should be won or lost.
Date closed	Date	The opportunity has been won or lost or a decision made to not proceed any further.

5.3.5. Exercise: Start using the BOM Tool

EXERCISE

Using the BOM Tool, enter the status of two or more of your existing opportunities from the exercise 4.4 above.

Ensure that each field is considered in the completion of your entries.

5.4. Planning and managing your activities

After the opportunity is won or lost, you can review the activities that were undertaken to see which were most effectual or ineffectual.

A standard list of activities may be generated that can be applied to similar opportunities in the future.

As with opportunities, it is vitally important to keep all the information up to date and schedule meetings to review progress and outcomes.

Field	Use to	Options or Suggestions
Opportunity number	Assign activities to opportunities correctly	Ensure that the number matches the opportunity
Opportunity name	Assign activities to opportunities correctly	Ensure that he name matches the opportunity
Activity name	Name for activity	Be brief – supports easier reporting and management
Activity type	Optional – Could include meeting, Send collateral, Tender preparation, Phone call	Consider establishing a list to be drawn from
Date and time for start of activities	Start date	Use a consistent format
Date for completion of activity	End date	Date should be realistic. Liaise with the responsible officer to ensure their availability
Assigned to	Name of responsible officer	
Priority	Critical, High, Medium, Low	
Objective	Text	What are you aiming for from this activity?
Result	Text	Did you achieve what you were aiming for? If so – what were the factors that lead to success? Why did you not achieve what you wanted?
Status	Not started, Started or Completed	

It is also suggested that you record an activity when you change the status of the opportunity, to ensure that you have a record of the time taken to move from one stage to another.

5.4.1. Exercise: Add activities to your opportunities

EXERCISE

Using the BOM Tool, plan and enter activities for the two or more opportunities that you have recorded.

Ensure that each field is considered in the completion of your entries.

5.5.   Being prepared to say no

Identifying that an opportunity exists, does not automatically mean that you must proceed through the opportunity cycle.

You can decide at any point in the cycle not to proceed and should be prepared to do so if you believe that proceeding will:

- Not guarantee a high probability of success

- Not be achievable given your current staffing or available capital, even after pursuing staffing and funding options

- Result in a loss that cannot be absorbed over the short or medium term

- Be unethical or illegal

- Bring too much risk and pressure for your employees

- Spread resources too thinly, or

- Result in a more attractive, opportunity with a higher probability of success and greater return suffering through a lack of resources.

Pursuing a new opportunity can be energising and exciting, but the amount of research, analysis and change that is required must be assessed and managed to ensure that you are not putting your business at risk.

One trigger that may result in you not pursuing the opportunity, is when the customer may not have their requirements defined or you are not certain of their business viability.

Obviously this will not occur when a government or business tender is released as all requirements are clearly listed. However, there are many stories where potential sales have absorbed many person-hours and costs and come to nothing as the customer was purely speculating.

In dealing with non-government companies of a smaller nature, you are entitled to require a credit check or financial statements to assess their viability.

Managing your opportunity carefully to review the progress, carefully scheduling and reviewing the activities that have been undertaken to date, keeping a record of your interactions with the customer, and using that information to managing risk, are all important.

6. Responding to tenders and propositions

For responding to government tenders, follow the same BOMC as smaller opportunities. However, because they are more complex and detailed, additional tools are often necessary to ensure that they are completed accurately and have the best chance for success.

6.1. How to find out about tender opportunities?

Government tenders are issued through formal tender sites.

A list of the current Federal and state/territory government sites are as follows:

Federal Government (austender)

http://www.tenders.gov.au

QLD Tenders

http://www.hpw.qld.gov.au/supplydisposal/DoBusinessQueenslandGovernment/Pages/OnlineTenders.aspx

VIC Tenders

https://www.tenders.vic.gov.au/tenders/index.do

NSW Tenders

http://tenders.nsw.gov.au

TAS Tenders

https://www.tenders.tas.gov.au

WA Tenders

https://www.tenders.wa.gov.au/watenders/index.do

SA Tenders

https://www.tenders.sa.gov.au/tenders/index.do

ACT Government Tenders

http://www.procurement.act.gov.au

You are required to register to gain access to these site using a login and password.

Registering brings advantages. You can set up a set of search criteria, perhaps based on the names of your products or services, and you will receive emails advising you when tenders meeting that criteria are issued. You will also receive advice when addenda have been issued against that tender.

6.2. Preparing to prepare tender responses

Because of the resource investment required in developing a tender response, a carefully considered go/no go decision is required when a potential tender has been identified.

Options to consider to assist you in preparing a complex government tenders include:

- Preparing a standard template that can be reused, which incudes credentials, testimonials, your business overview, pricing outlines etc.

- Employing or sharing a tender writer

- Training a member of staff in the preparation of tender responses, including writing skills, using MS Word and understanding complex terms, conditions and requirements

- Reviewing your list of contacts, or other members of the ADE community, to see if an affiliate or parent has skills and time to support tender preparation, and

- Engaging legal support on contractual matters.

6.3. Getting started

Two tools are provided to assist you in responding to tenders:

- Tender Overview document, and

- Tender Review Checklist.

They are both scalable to use for propositions and quotation to ensure that you understand the administrative requirements of the tender and also review and provide a quality response.

The tender review checklist should also be used to guide your preparation of your response or proposition. Look at the requirements and apply to your work.

The preparation of a requirements map is proposed. Preparing an illustration or list of the actual requirements in your own terms, can be valuable and indicate where the information will come from and who is responsible, on a section-by-section basis.

6.4.　Company names

Get the company name right e.g. never refer to "NAB" as "the NAB" in your documents. NAB is the registered entity and is referred to as a pronoun, e.g. NAB requires, NAB has requested, etc. The tender should guide you in how to reference the company.

6.5.　Addenda

Be aware if addenda have been raised against your tender. Do not ignore opening and reading these documents.

These are documents that result from change to the original tender, or answers to questions that have been asked.

Be aware that when formally asking questions relating to a tender, that the customer often collates the questions and associated answers and provides them to all potential suppliers.

It is therefore important to ensure that the question does not provide the competition with an advantage, whilst meeting your information needs. Care must be taken in this regard. It is also important for the question to be well written, professional and free from errors (e.g. spelling, punctuation).

In addition to considering their product/service needs, also ensure that you comply with any needs associated with the proposition or tender that you are providing. These requirements, for example, "Your proposal must not exceed 1000 words", "Use the template provided", "Present your response in pdf format" must be adhered to.

Please note that Tender Overview and Tender Review Checklists can be used to support these objectives.

6.6.　Being structured

- Set up a folder specifically for your tender and manage the filing carefully.

- Prepare a company template that can be used for quotations, propositions and tenders.

- Use version control to manage the different iterations of your response to make sure that more errors are not generated.

- Consider learning more about Word and excel to support your tender preparation.

6.7. Exercise – The Tender Review Checklist

EXERCISE

Source the Tender Response Checklist at the back of this document. Check the list and see if your business has previously completed these steps to improve the quality of submission. If not, consider the disciplines and responsibilities that can support their completion.

6.8. The Draft Contract

Many companies and government bodies provide a draft contract as part of the request for tender. The tenderer is asked to review this draft and agree to the terms and conditions as part of their submission.

It is recommended that, particularly in the first few tenders from Federal, State/Territory and Local governments, that you gain advice to support you understand the terms and conditions associated with the potential contract and assess them against your business requirements.

Payment terms, conditions when the contract can be cancelled, reporting and information requirements, service level agreements, invoicing procedures and other aspects must be understood before you sign your agreement. Without review, for example, you may assume that payment is made within 7 days of invoicing, when in fact the contract sets a period of 45 days, which may impact your cash flow detrimentally. Opportunity is generally provided for you to request modifications to selected terms if you see fit, however, careful consideration should be undertaken before proceeding.

6.9. The cover letter

A cover letter introduces your tender response or proposition.

It is generally or one page in length, however for larger tenders, up to two pages can be used. Address the letter to the person who is indicated on the tender. Where you do not know the name of the contact person, identify the role that is applicable (e.g. CEO) and source the name on the Internet or by phoning the company concerned. Ensure that the correct titles are used (Mr, Miss), or not included if unsure.

Consideration should also be made of who should sign the cover letter. For smaller propositions, it may be the person who prepared the information and can answer any

questions directly. For larger tenders, the CEO of your business should be the signatory. Ensure that the CEO has access to all the necessary information should they be contacted for clarification.

Again, your letter should be customer centric. The following layout is suggested:

1. Introduction - A short introduction thanking the potential customer for the opportunity to tender, or for holding a meeting or other action that has resulted in this response.

2. Win theme – Simple reason why you should be given this job. Must be targeted and include specifics about your reputation, the social benefits, how you can meet their needs, your competitive factors

3. Administrative notes (if required) – Useful if multiple documents or sets of information are provided, e.g. As requested we have provided two copies of our submission and a copy of.."

4. Commitment – Indicating your commitment to making this a success. If a follow up meeting is required, indicate that you are looking forward to it.

5. Contact – Accurate contact details for the appropriate person in your organisation.

6. Signatory – Where possible provide an originally signed letter, again giving a sense of being personally involved in this opportunity. Sending through email does not permit this. Have a scanned signature ready to apply if required.

Source: Bid write – Tender Tip – The Cover letter 2009

Your cover letter can be extended to include pricing options, if it is to be used as a response in its own right – however the sections suggested above should remain.

6.10. Exercise – Prepare the template for your cover letter

Having a cover letter ready to support your propositions and tenders is important.

Using the following template, prepare the content, then put into your corporate letter format and store for future use.

EXERCISE

Prepare the cover letter template and then put it in your corporate format

Step one: Prepare	
Section	**Text**
Introduction	
Win theme	
Administrative notes	
Commitment	
Contact	
Signatory	
Step two: Put it all together	
Prepare a template on your corporate stationery for use when required.	

7.Completion of your training course

Congratulations. You have come to the end of your Building Better Business Opportunities Course.

We hope that you have identified strategies, tools and activities to increase your business through identifying and managing your opportunities. Remember that the tools provided are scalable to all size and type of opportunity.

We wish you luck in all your future endeavours – Just remember to record them in your BOM Tool!

Appendix One: Tender Overview Document

CHECK	DETAIL	COMPLETED?
Number of tender		
Name of tender		
Department/business		
Type (rfp, ito)		
Do we need to register interest and have we done it?		
Due date		
Due time - local		
Actual time for completion (if hand/postage delivery required)		
Method for delivery		
Naming conventions		
Sections documents required		
Format (pdf/word/cd/other)		
Number of copies required		
Responsible officer - overall		
Responsible officer - financials etc.		
Filing location for this tender		
Requirements map completed		

8. Appendix Two: Tender Submission Checklist

AREA	RESULT
Tender overview document re-read for submission instructions	
Method of submission understood and scheduled	
Response checked against requirements map	
Any addenda have been viewed and considered	
Use of acronyms correct and consistent	
Client name correctly referenced throughout	
Check against requirements	
You have named the company or department correctly	
Business Logos are used and placed correctly	
Commercial in confidence references are included	
Front page reflects the name of the department/business and the correct reference name and number?	
Your contact details, ABN/ACN and other company details are correct and accurate	
Footers and headers are accurate (check each section)	
Spell check has been completed	
Abbreviations have been spelt our correctly in the first instance	
Contact details are accurate	
Contract has been reviewed and any variations clearly noted	
Check words are entered correctly even though they are not a spelling error, (e.g. From and form, than and then, it's and its)	
All calculations are correct and reflect taxes as per requirements	
References are complete and have been advised	
Each section has been completed, each question answered	

Financial statements are complete as required	
Insurance requirements provided and accurate as required	
CVs are included as required	
Tender checklist included (if requested)	
Cover letter/email prepared (if required) that reference all attachments	
Name of contact person is complete and accurate when used in cover letter or submission	
Naming convention for documents checked against requirement	
Format of the document checked against requirements	
Size of document checked against requirements	
Tender declaration has been completed and signed	
Client requested checklist included (if requested)	
Another spell check has been completed	
Table of contents updated	
Pdf file (if applicable) has been generated	
Pdf file has been checked (pictures in particular can be damaged when pdf'ing)	
Correct number of copies and associated information provided	
Confirmation of receipt has been received	

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