

LARISSA CORNELIUS

MEASURING TO WIN - OR JUST MEASURING YOUR WINS?



Measuring and reporting on an organisation's bid and proposal function is crucial to improving your win rate - but if you are only looking at your win rate you may be missing a beat.

Reporting and measuring the return on investment of your proposal function and the performance of your team is important to:

Manage the function

You cannot manage what you can't measure. Therefore, it is essential to have performance indicators to measure the effectiveness of the bid and proposal function.

Building a winning culture

Building a high-performing team requires vital performance indicators, and win rate is not one of them. Instead, driving the right behaviours will result in increased wins.

Gain buy-in and investment

One of the most significant complaints from the proposal industry is a lack of buy-in or respect for the proposal function. In my view, a big reason for this is that the proposal function has not effectively sold the value proposition to the business. The best way to do this is with statistics.

WHERE DO YOU START?

- **Benchmark against industry standards and best practices.** To get meaningful insights, perform a thorough benchmarking exercise. Pair this with an independent review of your overall process, response samples, team structure, client feedback, the organisation's sales objectives, and stakeholder expectations to get a great benchmark
- **Understand and report on the cost of your bid or proposal function.** Every bid you respond to costs money. And every bid you pass up saves you money
- **Drive the return on investment.** You do this by dividing the cost of the function by the value of money it brings in
- **Measure the win rate and all it entails.** Companies should track key metrics such as win rate, proposal volume, cost of the function, team performance and return on investment to effectively measure the bid and proposal function's overall performance. However, one should also consider the aspects that impact the win rate, such as industry dynamics, strategy, pre-sales activity, price, and the competitive landscape, particularly competition strategies
- **Key performance indicators for a high-performing team.** Building a high-performing team requires performance indicators, and win rate is not one of them. Instead, driving and measuring the right behaviours will result in increased wins
- **Consider the big picture.** The bid or proposal process is part of the overall business development process and should be measured as such. Collaboration with teams in the organisation, such as finance, legal, and technical/subject matter expert teams, is crucial

MEASURING RETURN ON INVESTMENT

This sample report data illustrates the importance of tracking key metrics in measuring the success of a bid and proposal function.

Win rate (current Quarter)	60%
Win rate (previous Quarter)	45%
Proposal volume (current Quarter)	50
Proposal volume (previous Quarter)	45
Cost of function	£100,000
Revenue value of proposals/tenders won	£600,000
Return on investment	£500,000

The table (below left) confirms the bid and proposal function has a 60% win rate – a significant improvement from the previous quarter's win rate of 45%. The proposal volume is also up by 10% from the previous quarter, indicating increased business opportunities.

However, the cost of the function is quite high at £100,000 which may require further review and optimisation. The return on investment is £500,000, indicating the bid and proposal function generates a positive return for the company.

IMPROVE TEAM PERFORMANCE BY DRIVING INDIVIDUAL METRICS

It is important to focus on building the right culture when measuring the performance of individuals in a proposal team. This can be achieved by driving the right behaviours that lead to increased wins.

Measuring team performance should be based on the drivers necessary to build a winning culture, which may differ from team to team. The "Ok to Awesome" program I created with Izane Cloete-Hamilton is one way to measure team performance. This program includes measurements of team performance and core strategic values of the business, including proposal best practice knowledge (using training, self-study and testing), adherence to the proposal process (via audit trail), 360-degree reviews (from peers in the proposal office and other business functions), management review (self and manager review) and innovation (approved innovations brought into the process, team, etc.).

In the following example, the proposal team demonstrates strong knowledge with a 90% score for proposal best practice knowledge. The team also has a high adherence rate of 95%, indicating that they follow the proposal process closely. The 360-degree reviews received an average score of 98%, indicating the team is well-respected by their peers in the proposal office and other business functions. The management and individual review received an average score of 90%, indicating that the individual is meeting expectations set by their manager and themselves. Finally, the individual has successfully implemented five approved innovations, indicating a culture of continuous improvement and innovation.

Proposal best practice knowledge (Compulsory tests and self-study)	90%
Adherence to the proposal process	95%
360-degree reviews average	98%
Average Management & Individual Review	90%
Approved innovations implemented	5

It is important to note win rate should only be measured at team level, not as an individual target. By driving a winning culture through the right behaviours, wins become an outcome.

In the following table, the proposal or bid function has submitted 50 bids, with a win rate of 60%. The average deal size is £100,000, and the conversion rate is 75%. These metrics provide a comprehensive view of the function's performance and can help identify areas for improvement.

Number of bids submitted	50
Win rate	60%
Average deal size	£100,000
Conversion rate	75%

Building the right culture is crucial to the success of a proposal team. It involves creating an environment where individuals are motivated to work towards a common goal and are empowered to take ownership of their work. This can be achieved by providing training and development opportunities, recognising and rewarding good performance, and fostering a collaborative and supportive team environment. When individuals feel valued and supported, they are more likely to be engaged and committed to delivering high quality work – ultimately leading to increased wins for the team.

Investing in a proposal function will drive increased wins resulting in business growth, job creation, and retention. By measuring and reporting on the bid and proposal function's performance, companies can identify areas of improvement and develop a more effective strategy that considers the unique characteristics of their industry and competition.