

A Consortium Approach

A consortium allows two or more businesses to combine their capabilities when developing and delivering a tender. The primary driver for a consortium is that it allows for greater economies of scale, efficiency and effectiveness.

A consortium can be made up of delivery partners from different industry sectors. This offers a competitive advantage across service delivery and price.

What are the advantages of working in a consortium?

- A consortium lets its partners share relevant skills, experience and expertise so that every business complements each another (such as tender roles and responsibility, service delivery etc.)
- Accessing partner experiences or competencies that you may not have, and which you cannot afford to 'buy in' just to secure the contract
- Other business partners will have a competitive offering that you don't. They may have geographical capabilities or access to data that can give the tender submission a competitive advantage
- Business partners can share development costs, which can reduce overheads and resources required of each business
- Risk can be spread across business partners.

What are the disadvantages of working in a consortium?

- Some contractors are not open to engaging in this type of collaboration to secure a specific tender. A lot more effort will be required at tendering stage to identify potential collaborators and explain why collaborating will help win the tender
- It takes time to develop a consortium. Where time is an issue, a quickly-developed consortium may not be effective and potentially cause problems for the parent businesses
- To ensure consistency and quality, a consortium will usually require more resource-intensive management while developing the tender and delivering the contract
- It's likely that legal advice will be needed to ensure the structure of the consortium or partnership is 'fit for purpose'
- If one partner fails to deliver then your reputation can suffer in terms of future tendering. You may also be liable, depending on what partnership arrangements are in place. If you're the lead partner, you may be responsible for 100% of the liabilities.

The purpose of this checklist is to help you organise the details needed to make a well-informed decision about whether a particular tender opportunity is suitable for your business.

Question	Yes / No / Other	Comments
Is this tender strategic to your business?		
Is this a new tender or an extension of an existing contract?		
Do you have a relationship with the client?		
Who is currently providing the services? Do you have a relationship with the incumbent?		
Do you meet the minimum/mandatory requirements of the RFP/RFT/EOI?		
Do you have the appropriate experience to undertake and deliver the requirements of the tender?		
Have you worked for the client (Agency) previously?		
Do you know why this tender has been released, and do you understand what the requirements of the client (Agency) are?		
Do you know who your competitors will be for this tender?		
Are you appropriately resourced to meet the requirements of the tender without affecting existing clients?		
Do you know the potential revenue from this contract? Is this sufficient for the work required?		

Question	Yes / No / Other	Comments
Are there any conflicts of interest?		
Is this a panel contract or will there be a sole provider appointed?		
Do you have support from the company's Management/Board or Executive Team?		
What are the tender evaluation criteria, and do you meet them?		
Are you able to meet the implementation period?		
Are there any costs associated with meeting the tender requirements?		
Do you have the resources to commence the tender response straightaway?		
What is the cost of preparing this tender?		
Have you identified your point-of-difference from your competitors, as well as your valued-added services by offering a creative and innovative service or product?		

How did you go?

How many questions did you answer yes to?

- If you answered yes to 16 or more questions, then it sounds like you have a great understanding of the client and tender requirements, that you can meet the tender criteria, and that you have a strong bid opportunity to commence the process.
- If you answered yes to 12 - 16 questions, it sounds like you understand the tender criteria and requirements, but there are a few risks to your business which you need to address before you commence bidding.
- If you answered less than 11 questions with yes, I don't think this is a good opportunity for your organisation at this time. You may need to re-think your core offering, consider a partner, and evaluate the project risks.
- If you answered 3 questions or less with yes, **DO NOT TENDER!** This is a big risk for your company and will be a costly experience.