

Seven Ways to Improve Your Tender Process

Finding the best temporary staffing agency



Running tenders is vital for any business looking to find the best temporary staffing agency.

The number of temporary workers in the UK grew

over 13%

in the latter part of 2021,¹ and this increasing volume will inevitably be met by an increase in agency options.

A strong tender process can help to eliminate unsuitable staffing suppliers, mitigate risk and achieve competitive pricing. Many organisations struggle to run tenders effectively - making the selection process stressful, slow and needlessly costly.

In this eBook, we explore seven ways to improve your tender process and ensure you find the most suitable temporary staffing solution for your needs.

¹<https://www2.staffingindustry.com/eng/Editorial/Daily-News/UK-Temporary-employee-numbers-up-13.5-labour-market-improves-amid-end-of-furlough-59753>

Four Benefits of a Tender Process

1

Understand prospective providers

Learn what the capabilities of each company are, the quality of their candidates, what volume they can provide, and the speed of their delivery.

Do they provide cutting-edge technology? Will they help you become more data-driven? Do they have workers in the right locations? Are their workers happy with their process and service?

2

Compare providers on equal ground

Use a standardised scoring system to judge all staffing suppliers the same. This removes bias and ensures competition is fair and efficient.

A good tender process should be designed to reduce the amount of variation in applicant assumptions - so you can truly compare offers like-for-like.

3

Gain an overview of the market

See what is on offer and set your expectations. Then use these insights to recalibrate your demands.

If multiple suppliers are implementing a tech-based MSP system for example; you might choose to discard those that don't.

4

Push for more competitive pricing

Receive a range of bids and gain insight into the market. Then use this to get the best price possible.

Three Challenges In the Tender Process



Communication

Much of the information tendering solicits from staffing suppliers is technical in nature but that doesn't mean communication isn't an important part of the process. Many businesses struggle to clearly define exactly what their staffing needs are - and without that information, the responses they get are far less useful.

It is important to be transparent with the volume of staffing demand in specific locations. This is the only way businesses can ensure the supplier will actually be able to fill roles. They might have a suitable number of candidates, but if they live far from your locations, those workers won't want to take your shifts.

Organisations must make their staffing needs clear: what are the roles they are having a hard time filling? Which locations are currently short or struggling? And what kind of supply model are they hoping to implement moving forward?





Coordination

Tendering may seem straightforward, but in reality, it requires a great deal of coordination. There are two parts to this:

First, coordinating with internal stakeholders to ensure everyone is on the same page and understands the process.

Second, coordinating the actual process of sending out questions, evaluating responses and interacting with applicants.

This means running an effective tender process involves plenty of planning - a fact many organisations overlook.



Clarity

Many businesses run tenders before they have really thought things through. They are unsure what their staffing requirements are; what their budgetary and logistical limitations are; what the process of implementation will look like; and what they are ultimately looking to gain from the tender process.

This lack of clarity leads businesses to miss out on some of the key benefits of tendering - as well as causing internal tensions and confusion.

Seven Ways to Improve Your Tender Process

1 Develop a clear process

Many businesses do not have a standardised tender process. This has two negative consequences. First, it is more difficult to ensure all participants are on the same page and aware of what is expected. And second, it becomes difficult to learn from previous tenders and optimise the process.

Every business that runs tenders should develop a clear process. It should enable you to answer these simple questions:

- ?** Who is responsible for each element of the tender? And who manages the process?
- ?** How do you initiate the process? And when is it complete?
- ?** What are the best practices? And how do you know they are being followed?

The stages of a tender

Selection

Send out a Selection Questionnaire (SQ) or Pre-Qualifying Questionnaire (PQQ) to shortlist suitable candidates. This helps to gather key information, such as company details, finances, insurances and other mandatory requirements.

Quality and Price

Send out questionnaires dealing with quality and pricing - to determine how suitable suppliers compare with each other.

Selection

Elevate the submissions using a scoring system - and select the highest scorer as our supplier. Providing feedback to applicants will help to maintain relations for potential future dealings.





2

Build internal relationships

It's important that procurement is seen as a positive force within the company - otherwise there will be constant hurdles to jump. Too often, objectives are misaligned and procurement is brought in too late in the process. This weakens your position with suppliers, produces poor deals and can lead to shifts not being filled.

You should focus on building internal relationships with key stakeholders, in order to pool insights and ensure your requirements are clear throughout the tender process. This should include individuals from all relevant departments - from finance and risk management to HR, Health and Safety (H&S) and compliance.



When temporary staffing is done effectively, it delivers benefits for all - so you should make sure stakeholders appreciate that. Ultimately, this will ensure there is support behind your efforts - and you are able to deliver real strategic value to the organisation.

3

Plan with stakeholders ahead of time

Once you have stakeholders on board, you can develop a detailed plan of action with them - including definite timelines for talent acquisition and a process for stakeholder sign-off.

The key to this is understanding your organisation's full recruitment requirements. This must factor in aspects like seasonality, specific skills gaps the organisation needs to plug and how prospective staffing suppliers will be expected to demonstrate the suitability of their workers.

There should also be a focus on understanding what your team does and doesn't like about your current suppliers. This can help guide the questions asked in the tender.

Do your operations managers really appreciate on-site support at the largest locations? Do your site managers have a clear 'agency report card' that provides a view of all of their agencies' performance? Is your finance team struggling to get relevant data on agency spending? Does your current suppliers' technology create inefficiencies? And can it produce actionable data?

All of these questions will help form the basis for a more informative and useful tender process.

This offers several benefits:



Suppliers are given greater clarity over what they are signing up for - and can plan their proposal based on concrete realities rather than projections.



Internal teams know what their responsibilities are and what to expect once a deal is made.



Changes to the procurement process can be made at the beginning, rather than once a deal is already made. This ensures you stay in control of the process.



4 Clarify your requirements

It is vital that you have a comprehensive view of what you expect from a supplier. They should know exactly what your needs are; exactly what you will expect from your chosen supplier; and exactly why you need those things.

Quality questions should be carefully considered to ensure they elicit the most relevant information. Each question should be clearly aligned to the objectives and problem statements that have been listed in the tender documentation. This will help make clear what information you are asking for - ensuring you receive highly relevant and detailed responses.

It is common for multiple questions to ask for the same information, and this creates unnecessary extra work when evaluating submissions. Questions should therefore be vetted to avoid repetition and ensure maximum clarity for both parties.

You should also consider defining a weighting criteria at this point, as it will help you assess applicants more objectively - and ensure they understand what is most important. This weighting should be based on an overarching view of your organisation's staffing needs - not a single department.



For example, how important is pricing? How much would you be willing to compromise on quality in order to achieve the lowest rate? And what impact would performance gaps have on your overall financial experience?

Anatomy of a tender

At Flex, we believe a good tender should include the following elements:

1. Problem statements

Explain the challenges you are experiencing with your current solution. Examples include: quality of workers, the overall service delivery or issues with cost control.

2. Objectives

State clearly what you hope to achieve and what the business drivers behind the tender process are. Examples include: cost reduction, improved supply chain management or greater visibility of performance.

3. Tech specification

Specify the functionality you expect and why. This should take into account factors like efficiency, quality of reporting and the production and use of data. All of these are increasingly important aspects of an effective temporary staffing pipeline.

4. Current solution

Define your current supply model, and describe the kind of supply model you want to implement in the future.





5. Current pain points

Describe the difficulties you are facing. Examples include locations that are short-staffed or roles that are proving hard to fill.

6. Staffing information

Lay out the facts of your current staffing situation. This includes: annual agency spend (broken down by location and roles); a list of your current suppliers; your current fulfilment (by site and role); the future forecasts of staffing needs; your internal process for overtime and additional shifts; and your current approach to balancing permanent and contingency recruitment.

7. Application details

Make clear what tenderers should provide and what your selection criteria will be. This will help ensure you receive more relevant and useful information - and can therefore make a more informed decision.

8. Details on scope

Make clear what will be expected of the successful applicant. This should include a basic Service Level Agreement (SLA), laying your reporting requirements and Key Performance Indicators (KPIs). It should also include a pricing template and descriptions of each role required.

5

Be honest about pricing

Pricing is often not given proper consideration during the initial tender process. While you cannot always be 100% clear on your spending limits and requirements, it is always preferable to make your expectations as clear as possible.

Ideally, this would include data on staffing volumes, specific roles that need filling and key staffing locations. It is also extremely useful to provide a projection on your total temporary staffing spend over a given period.

This will help you set the bar for negotiations, and ensure suppliers don't apply under a misapprehension of the costs associated.

Clarity pricing assumptions

It is also vital that you ask for suppliers to clarify their pricing assumptions when comparing quotes. It is common for suppliers to anticipate different factors, so directly comparing prices is not always easy. There may also be hidden costs that you don't become aware of until later.

One way of solving this problem is by providing a pricing template. This will standardise the information you receive and make it far easier to run an accurate cost comparison.



6

Allow for tender clarification

However clear your tender is, it is inevitable that suppliers will have questions. There should therefore be a designated period of clarification, at which point you actively field queries and ensure everyone is on the same page.

Often, you will be able to pool all of the clarification questions you receive and reply to all participating bidders simultaneously. However, if there is commercially sensitive information involved, you should respond on an individual basis.

It is important to remember that the initial tender process is often the first step in what may prove to be a long-term relationship. So it's important to make sure communication is clear and you demonstrate a willingness to be helpful.



In this spirit, it is important that you respond to clarifications as quickly as possible - ideally in time to allow follow questions where necessary.





7 Encourage feedback - and learn from it

The tender process has a direct impact on the quality of deals you are able to make. It is therefore vital that you pay attention throughout and locate ways in which you can improve the process.

Clarification is a great example: rather than simply responding to queries, ensure that you adapt your tenders in the future to reflect and correct for the ambiguities applicants found.

It is also perfectly acceptable to actively ask applicants for feedback. But this should be done after the tender process and evaluations are complete, to reassure applicants that their feedback will not negatively impact the scoring process - and they can be completely honest without fear of losing work.

Interested in learning more?

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