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Trick or Treat? More time to discover the true cost of bidding

With Hallowe'en just around the corner, what could be more frightening for the leadership teams in the construction sector than discovering the true cost of bidding for work?

Marketing Works and the University of Reading have extended the deadline for their Bid Cost Survey to 5th December 2014.

The Survey, designed to uncover the true cost of bidding across the UK construction sector in 2014, updates a 2003 survey on the same subject. Consultants and contractors across the UK construction industry are being asked to complete the 5 minute survey to update the 2003 results and find out how the situation has changed in the intervening 10 years.

Philip Collard, Managing Director of MarketingWorks, explains:

"From the data gathered in our previous research in 2003 we extrapolated that the construction industry was spending over £2 billion on bidding each year and that the average bid costs were around £3k for consultants and £34k for contractors on Design and Build project".

Whilst we will not start the bid cost analysis until early December, we are getting feedback from both contractors and consultants who, having been informed by the criteria from our survey, have undertaken their own in-depth analysis themselves. Early insights suggest:

- Tier 1 contractors are now spending well in excess of £200K per bid
- Total work winning costs for contractors still expected to be 2 to 3% of their turnover,
- Total work winning costs for consultants still expected to be 7 to 10% of their turnover,
- There are still opportunities to increase margins by 1% at the very least.

Data will be collected by reference to actual projects and will be analysed to discover:

- The true cost of bidding for each sector and procurement route in 2014
- What factors influence those costs
- Which behaviours and activities increase or decrease the likelihood of winning
- Whether there are insights on improving and refining bid selectivity that could minimise expensive abortive bidding
- Where sustainable efficiencies in win rate performance can be achieved

The Bid Cost Survey is anonymous and can be found at www.marketingworks.co.uk, or <http://bit.ly/1dWvIIS>

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Notes to Editors:

MarketingWorks

MarketingWorks is a leading Work Winning construction industry management consultancy, helping numerous construction organisations to win more work by identifying and embedding work winning best practice and moving from reactive project-centricity to proactive client-centricity. MarketingWorks has provided services for over 1000 construction firms, including 9 of the top 20 contractors and 5 of the top 10 consultants.