



Minority
Business
Matters



WORKBOOK

Pricing Strategies to Win and Deliver Profitable Tenders

for London's Small & Diverse-Owned Businesses

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WELCOME

Winning a contract is not the only goal. Delivering it profitably is.

Whether you are new to tendering or have bid before, this workbook gives you a practical framework to scope what you will deliver and price it in a way that protects your business.

This workbook will help you:

- Understand why scoping and pricing must go together
- Assess honestly how you currently price your work
- Build a price that covers your costs, your risk, and your margin
- Make smarter decisions about which opportunities to pursue
- Leave with a draft pricing strategy you can use immediately

*Developed by Profitable Tenders in partnership with
Minority Business Matters, drawing on the TenderSmart® methodology.*



About Us



**Minority
Business
Matters**

MBM provides free, practical support to help London-based small and diverse owned businesses and freelancers to build skills, win work and become supplier ready.

www.minoritybusinessmatters.com



Heart of the City is a charity, founded and supported by the City of London Corporation and the Bank of England, that support small and medium sized businesses to become responsible and sustainable in their operations by upskilling them. www.theheartofthecity.com



MSDUK is the UK's leading voice for inclusive procurement, championing small and diverse-owned businesses since 2006. They provide recognized SME certification, open doors into major corporate and public-sector supply chains and help organisations build meaningful connections that drive long-term, inclusive growth. www.msduk.org.uk



Profitable Tenders is a specialist bidding intelligence consultancy helping UK SMEs win and deliver contracts profitably. Unlike traditional bid writers, we combine AI-powered tools with the TENDERSMART® methodology, an 11-pillar framework that guides businesses from opportunity identification through to pricing, writing and continuous improvement. www.profitabletenders.com

How to Use this Workbook

This Workbook Works Around You

Start by finding where you are right now.
Your answer determines your path through the workbook.

Where are you now?	Your path
❖ Pricing Blind I quote based on feel or what seems competitive	❖ Start at the Introduction, work through Sections 1-5 in order
❖ Losing on Delivery I win work but struggle to make money	❖ Focus on Sections 1, 3 and 4 first, then revisit Section 5
❖ Scared to Price High I reduce my price to compete with bigger firms	❖ Jump to Section 6 , then work back through Sections 3 and 4
❖ Tendering Now I am actively bidding and want to sharpen my approach	❖ Sections 2, 3, 4 and the Checklist are your priority
❖ Thinking About Tendering I am not yet bidding but want to get ready	❖ Work through the entire workbook from the Introduction

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INTRODUCTION

Why scoping & pricing matters

The foundation every SME needs, regardless of tendering experience



Introduction

Why scoping & pricing matters

Profit is not optional

It is the point

Most businesses focus on winning. The real question is whether you can afford to deliver what you have won.

Every contract you take on, whether you are a sole trader, a growing SME or a not-for-profit, must sustain your business. That means covering your costs, your time, your risk, and leaving something over. Without that margin, you are not running a business. You are running a service that will eventually run out.

This workbook starts from a simple principle: profit is not greed. It is what keeps you in a position to keep doing what you do.

“

It's better to be a tree that keeps giving than a candle that gives light but burns out.

Jay Tikam,
Creator of the TenderSmart® Methodology
Profitable Tenders

Introduction

Why scoping & pricing matters

Where it usually goes wrong

It is rarely the quality of the work

Most SMEs who lose money on contracts are not bad at what they do. They are good at delivery but have skipped the thinking that should happen before delivery begins.

The loss happens earlier, at the point where a price is submitted without a clear picture of what it needs to cover.

There are three moments where this typically goes wrong:

1. **They wrote before they thought** - Focusing on the bid response before designing what they would deliver.
2. **They priced before they scoped** - Submitting a number without a cost structure behind it.
3. **They discounted under pressure** - Reducing their price to win, without reducing what they had to do.

Introduction

Why scoping & pricing matters

The hidden cost of an unstructured price

Scoping and pricing is one continuous process, not two separate tasks

The moment you separate them, writing a price before you have defined exactly what you will deliver, how you will deliver it, and what could go wrong, you are guessing.

On a fixed-price public sector contract, guessing is expensive.

Think of it this way. A builder does not quote for a house extension before measuring the space, understanding the ground conditions, and costing the materials. Every trade knows this instinctively. Tendering is no different.

When you scope first, your price has a foundation. It reflects real costs, real risks and real decisions. When you price without scoping, you are hoping the numbers work out. They often do not.

1

SCOPE

Define exactly what you will deliver and how

2

IDENTIFY

Understand your costs, your time and your risks

3

PRICE

Submit a number you can stand behind

SECTION 1

Know your own numbers first

Reflect honestly on how you currently price your work, before you think about tendering

Section 1

Know your own numbers first

Let's start with where you are now

Most pricing problems in tendering are not new problems. They are existing habits carried into a more demanding environment.

This exercise asks you to look honestly at your last five jobs or contracts, whether you supply services, goods, or both.

You are not being judged. You are building a baseline.



Section 1

Know your own numbers first

Exercise - Your last 5 contracts (or jobs)

Contract/Job	What did you deliver?	What did it cost?	Did you make money?	If not, Why?
			☐ Yes ☐ No	
			☐ Yes ☐ No	
			☐ Yes ☐ No	
			☐ Yes ☐ No	
			☐ Yes ☐ No	

Section 1

Know your own numbers first

When the numbers did not work, why?

Understanding the cause is the first step to preventing it

Look back at any job where you lost money or broke even when you expected more. The reason almost always falls into one of these categories. Tick the ones that feel familiar.

- ☐ **Scope creep** - The work grew beyond what was originally agreed and you absorbed the extra cost.
- ☐ **No contingency built in** - Something unexpected happened and there was no budget to cover it.
- ☐ **Discounting to win** - You reduced your price under pressure, but not what you had to deliver.
- ☐ **Underestimating time or resource** - The job took longer or cost more than you anticipated at the outset.
- ☐ **You simply didn't know your costs well enough** - The price was based on feel or assumption rather than a clear cost structure.
- ☐ **Other** – describe here

Most businesses tick more than one.
That is normal.

What matters is recognising the
pattern.

Section 1

Know your own numbers first

You are already getting things right

The goal is to protect what works, and fix what doesn't

When a contract goes well and you make money, it is rarely an accident. Something in how you approached it, how you understood the work, structured your costs, or managed the delivery made the difference.

Those are capabilities worth identifying, naming, and protecting. This exercise helps you do exactly that.

These are your competitive strengths. The rest of this workbook focuses on closing the gaps, not replacing what already works.

Think of a contract or job where you made a good profit. What did you do well? *(For example: I understood the deliverables clearly, I knew our base costs, I built in extra time, I had done similar work before)*

What would you protect and repeat every time you price future work?

Section 1

Know your own numbers first

Your pricing strengths & gaps, a personal summary

Your first output from this workbook, keep it and refer to it

Based on your reflections in this section, summarise where you stand today.
This is not a test. It is a starting point that will shape how you use the rest of this workbook.

My Pricing Strengths

What I do well and will protect

1. _____
2. _____
3. _____
4. _____
5. _____

My Pricing Gaps

What I need to work on

1. _____
2. _____
3. _____
4. _____
5. _____

This summary is the foundation for
your pricing strategy.

You will return to it in Section 7.



SECTION 2

Understand what the buyer actually needs

You cannot scope or price profitably until you know exactly what you are being asked to deliver, so that you can accurately scope and price not only to win, but to win profitably

Section 2

Understand what the buyer actually needs

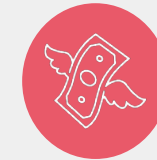
Miss what the buyer needs and you pay twice

First, you lose the contract. If you win it, you lose money delivering it.

Tender documents contain stated requirements, and unstated ones. Evaluators score against both. If your bid does not address what the buyer actually needs, it will not score highly enough to win.

But the greater risk comes after winning. When you have not fully understood what was required, your scope is incomplete. Your price does not cover everything you are contractually obliged to deliver. On a fixed-price contract, those gaps come out of your margin, not the buyer's budget.

This is why reading the tender document thoroughly is not just good practice. It is the foundation of an accurate scope and a price that holds.



Hidden obligations

Unexpected costs → margin wiped out mid-delivery



Incomplete scope

Underprice the work → win the contract and lose money



Missed requirements

Lower evaluation scores → lost contract

Section 2

Understand what the buyer actually needs

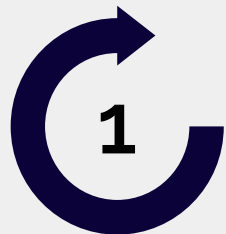
Read it like a detective, not a student

Most SMEs read a tender once and start writing. That is the wrong approach..

A tender document is not a reading exercise. It is an intelligence exercise.

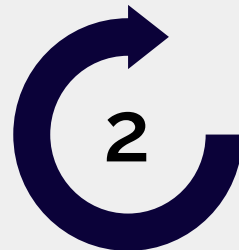
Every section contains clues about what the buyer values, what they are worried about, and what they will score highest.

Before you scope a single deliverable or price a single line, you need to extract three things from the document:



What they are asking for?

The stated requirements. The services, goods or outcomes explicitly described. This is the starting point, not the whole picture.



What they are really trying to achieve?

The underlying need behind the requirement. Why does this buyer need this contract? What problem are they solving? What does success look like to them?



How they will decide who wins?

The evaluation criteria and weightings tell you exactly what matters most to this buyer. Your scope and price must reflect those priorities, not just answer the questions.

If you cannot answer all three before you start writing, you are not ready to scope, and therefore not ready to price.



Section 2

Understand what the buyer actually needs

A step-by-step extraction process

1. Read the whole document first

Before you highlight or extract anything, read it end to end. First impressions matter.

Note what stands out, what concerns you, and what is unclear.

Highlight requirements.

STEP
1

2. Extract the stated requirements

Before you highlight or extract anything, read it end to end. First impressions matter. Note what stands out, what concerns you, and what is unclear.

STEP
2

3. Identify the secondary outcomes for each

What does the buyer need to happen as a result of this contract? These are rarely stated directly but are almost always in the background, look in the introduction, the strategic context, and the social value section.

STEP
3

4. Find the evaluation criteria and weightings

These tell you what the buyer values most. Your scope and price must reflect these priorities, not just answer the questions.

STEP
4

5. Spot the hidden obligations

Standards, compliance requirements, reporting, staffing ratios, accreditations, things that are assumed rather than asked for. Missing these will cost you.

STEP
5

Follow these steps for every tender before you scope or price anything



Section 2

Understand what the buyer actually needs

Now put it into practice

Find a real tender and work through the extraction process

The best way to embed this is to apply it immediately. Find a tender you are currently considering or have seen recently, it does not need to be one you are planning to bid for. Use it as a practice run.

Work through the five extraction steps on the previous page and record your findings using the **Tender Requirements Extraction Template**, provided as a companion document to this workbook.

The companion template is available as a separate document. Print a fresh copy for every tender you evaluate.

SECTION 3

Design it first, then price it

Every credible price starts with a clear picture of what you will deliver and how

Section 3

Design it first, then price it

What does 'Scoping' actually mean?

It is not paperwork. It is the thinking that makes your price defensible.

Scoping is the process of defining exactly what you will deliver, how you will deliver it, what resources you will need, and what could go wrong. It is the bridge between what the buyer has asked for and what it will cost you to provide it.

Without a scope, your price is an estimate at best and a liability at worst. With a clear scope, every line of your price has a reason behind it, and you can defend it under scrutiny.

Scoping applies whether you are delivering services, supplying goods, or a combination of both. The questions are the same. Only the answers change.

What exactly will I deliver?

Every output, every milestone, every obligation. Stated and implied

How will I deliver it?

The resources, people, processes and timeline required

What could go wrong?

The risks that need to be costed

If you cannot answer all three clearly, you are not ready to price.

Section 3

Design it first, then price it

Services

You are pricing time, expertise and outcomes. Your scope must define who delivers what, for how long, at what standard, and what happens if requirements change mid-contract.

Key scoping questions:

- ❖ How many hours or days does this realistically require?
- ❖ Who in your team delivers this, and at what cost?
- ❖ What does the buyer expect to see as evidence of delivery

Goods

You are pricing product, logistics and quality. Your scope must define specifications, volumes, delivery schedules, and what happens if supply is disrupted.

Key scoping questions

- ❖ What are the exact specifications required?
- ❖ What are the lead times and logistics costs?
- ❖ What are the quality standards and who bears the cost of failure?

Goods & Services Combined

The most complex to scope and price. Each element must be costed separately before being combined into a single submission.

Key scoping questions

- ❖ Have I scoped the service and goods elements independently?
- ❖ Where do the two overlap?
- ❖ Have I accounted for the coordination costs between both?

Section 3

Design it first, then price it

Your scoping checklist

Before you move to pricing, make sure you can answer yes to every question below

- ☐ I have read the full tender document end to end
- ☐ I know exactly what I am required to deliver.
- ☐ I understand what the buyer is ultimately trying to achieve
- ☐ I have identified all implied and hidden obligations.
- ☐ I know what resources, people and time this will require
- ☐ I have identified the key risks in delivering this contract
- ☐ I know my contract type, services, goods or both, and have scoped accordingly



SECTION 4

Build a price that holds

From base cost to a competitive, profitable submission

Section 4

Build a price that holds

Every price has three non-negotiable elements

Miss any one of them and your price is already wrong

Before you think about strategy, competitiveness or what others might charge, you need to understand what your price must cover as a minimum. There are three elements that every price must include, regardless of contract type or size.

1

Base Cost

Everything it will cost you to deliver the contract. People, materials, equipment, subcontractors, travel, administration. If it costs you money to deliver, it belongs here. Nothing should be left out.

2

Overhead & Margin

Your share of business running costs. Premises, insurance, management time, software, plus the profit your business needs to make this contract worthwhile. This is not optional. It is the point.

3

Contingency

A deliberate allocation for things that could go wrong. On a fixed-price contract, unexpected costs do not get reimbursed. They come out of your margin. Contingency is not pessimism, it is professionalism.

Section 4

Build a price that holds

Never discount your rate, adjust your method

The most important pricing rule every SME needs to understand

When you are under pressure to reduce your price, and you will be, there is only one safe way to do it. You reduce what you do or find a cheaper way to do it. You never reduce your unit cost.

Here is why. The moment you discount your day rate, your hourly rate or your unit price to win a contract, that becomes your new base price. The next client expects the same. The one after that expects less. Your margin erodes permanently, not just on this contract.



The Wrong Way

- Reduce your day rate to look more competitive
- Drop your margin to win at any cost
- Submit a lower price and hope the numbers work out
- Discount without changing what you will deliver



The Right Way

- ✓ Reduce the number of days or hours in your scope
- ✓ Find a more efficient method of delivery
- ✓ Remove elements that are nice to have but not required
- ✓ Be transparent with the buyer about what the price includes.

Section 4

Build a price that holds

Price the risk, don't hope it away

Contingency is not always money. Sometimes it is a plan.

Every contract carries risk. On a fixed-price contract, when something goes wrong the cost is yours. Contingency is your response to that, and it takes two forms. Sometimes you budget for it financially. Sometimes you plan for it operationally. Often it is both.

These are examples only. Every contract will have its own specific risks.

Risk Example	Financial Contingency	Action Contingency
Scope interpreted differently	3 to 5% buffer	Clarify ambiguities with buyer before signing
Key staff unavailable	5 to 10% buffer	Identify and brief a backup resource in advance
Supply chain disruption	5 to 10% buffer	Secure alternative supplier before contract starts
Buyer changes requirements	10 to 15% buffer	Include a change control clause in your contract
Compliance burden higher than expected	3 to 8% buffer	Build in a compliance review at mobilisation stage
Unfamiliar contract or new sector	15 to 20% buffer	Shadow a delivery expert for the first phase

A financial buffer covers the cost of something going wrong. An action contingency reduces the chance of it going wrong in the first place. The best contracts have both.

Section 4

Build a price that holds

Two very different goals, both matter

Understanding the difference is what separates strategic bidders from hopeful ones

There is a tension at the heart of every tender submission. You need to price competitively enough to win, but not so low that winning costs you more than losing would have.

Most SMEs focus entirely on one side of this equation. Either they price to win at any cost, or they price for margin and ignore the competitive context entirely.

The answer lies in understanding both and making a deliberate decision about where your price sits.

Pricing to Win

- ❖ Researching what the market typically charge
- ❖ Understanding the buyer's budget expectations
- ❖ Positioning your price relative to likely competition
- ❖ Accepting a tighter margin on strategic contracts where the long-term relationship justifies it. A strategic commercial decision for a loss leader.

Pricing to Make Money

- ❖ Starting from your true base cost
- ❖ Adding overhead, margin and contingency
- ❖ Never going below your minimum profitable price
- ❖ Knowing your walk-away number before you start

Section 4

Build a price that holds

Know your walk-away number

Every bid needs a floor, the number below which it makes no sense to proceed

Before you submit any price, you need to know two numbers, your minimum and the buyer's maximum. The gap between them tells you whether this opportunity is worth pursuing at all.

Your Minimum Profitable Price:

My total base cost: £ _____

My overhead allocation: £ _____

My minimum margin (%): % _____

My contingency allocation: £ _____

My minimum profitable price: £ _____

The Buyer's Maximum Budget:

Page 29 Published budget or contract value: £ _____

The Gap:

Difference between buyer's budget and my minimum: £ _____

- **Positive gap** - buyer's budget exceeds your minimum → viable, proceed to Section 5
- **Tight gap** - budgets are close → review scope, consider strategic value before proceeding
- **Negative gap** - your minimum exceeds buyer's budget → strong Go / No-Go signal → proceed to Section 5 before committing

If the numbers do not work at this stage, no amount of good writing will fix them. Section 5 helps you make that decision with clarity.



SECTION 5

The go / no-go decision

It is better to walk away from the wrong opportunity than to win a contract that costs you, unless walking away costs you more

Section 5

The go / no-go decision

Ambitious enthusiasm is not a bidding strategy

Chasing every opportunity you see is one of the most common, and costly, mistakes in tendering

When you first start tendering, or when work is quiet, the temptation is to bid for everything that looks remotely relevant. It feels productive. It feels ambitious. But every bid you write costs you time, money and focus, and those are resources a small business cannot afford to waste.

The businesses that win consistently are not the ones that bid the most. They are the ones that bid selectively, choosing opportunities where they have a genuine advantage, a competitive price, and a realistic chance of winning profitably.

The Cost of Bidding for Everything

- ❖ Time spent on bids you were never likely to win
- ❖ Weaker submission because effort is spread too thin
- ❖ Winning contracts you are not set up to deliver profitably
- ❖ No time left to pursue the opportunities that actually fit.

The Benefit of Focused Effort

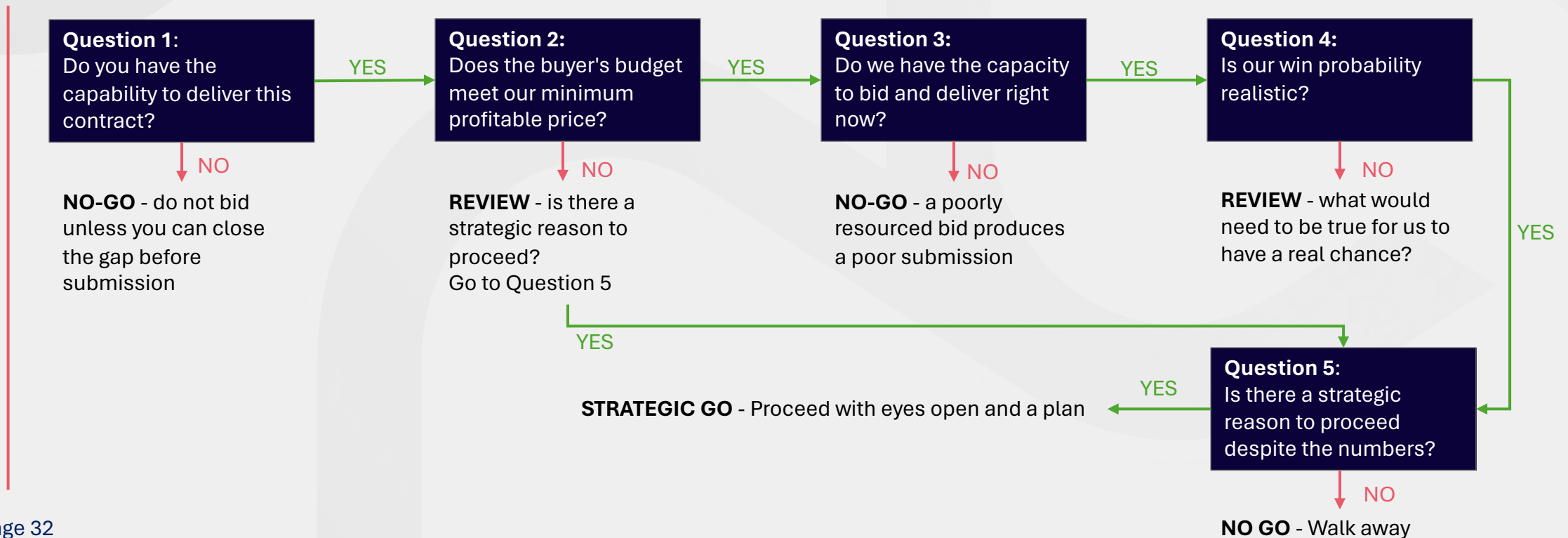
- ❖ Higher win rate on the right opportunities
- ❖ Stronger, more considered submissions
- ❖ Contracts that fit your capability and your margins
- ❖ Capacity to deliver what you win – and do it well.

Section 5

The go / no-go decision

A simple framework to evaluate every opportunity

Ask these questions before you commit a single hour to any bid



Section 5

The go / no-go decision

When it makes sense to bid below your margin

Sometimes the opportunity is worth more than the contract, but only if the decision is deliberate

There are occasions when bidding below your minimum profitable price is the right call. A client you have always wanted to work with. A contract that opens a door to a much larger framework. A reference site that transforms your credibility in a new sector.

This is not failure. It is strategy, but only when it is a conscious, documented decision with a clear objective and a defined exit point.



A Strategic Loss Leader Done Right

- ❖ The long-term value is clearly identified and documented
- ❖ The below-margin decision is made deliberately, not under pressure
- ❖ There is a defined objective, a relationship, a reference, a framework
- ❖ There is a clear exit, when does this become profitable or end?
- ❖ The financial impact is understood and the business can absorb it



A Strategic Loss Leader Done Wrong

- ❖ You discount because you are desperate for work
- ❖ You tell yourself it will lead to more without any evidence
- ❖ You have not calculated what the loss will actually cost you
- ❖ You keep renewing a loss making contract hoping it will improve
- ❖ You have no plan for when or how it becomes profitable

If you cannot write down in one sentence why this contract is worth delivering below margin, it is not a strategic decision. It is hope. And hope is not a pricing strategy.



Section 5

The go / no-go decision

Exercise: Apply the framework to a real opportunity

Use a live bid you are considering or a recent one you have pursued

The opportunity we are evaluating

QUESTION	YES / NO	NOTES
Do we have the capability to deliver?		
Does the budget meet our minimum profitable price?		
Do we have the capacity to bid and deliver right now?		
Is our win probability realistic?		
Is there a clear strategic reason to proceed despite the numbers?		

Our decision

- ☐ **GO** - we proceed with confidence
- ☐ **STRATEGIC GO** - We proceed with a clear objective , which is
-
- ☐ **NO-GO** - We walk away and focus our energy elsewhere



SECTION 6

Competing without cutting

How SMEs win contracts against bigger firms without racing to the bottom on price

Section 6

Competing without cutting

You cannot out-scale a large firm - but you can out-think one

Size is not the only competitive advantage in tendering

Large firms win on volume, established relationships, and the ability to absorb risk through scale.

Trying to compete with them on price alone is a race you will not win.

But price is not the only thing buyers evaluate, and in many areas, smaller businesses have genuine structural advantages that larger firms cannot replicate.

Buyers are not always looking for the biggest supplier, they are looking for the most credible one. Your job is to make credibility visible in your scope and your price. Buyers are also actively looking for SME's in their supply chain.

Where Large Firms Win

- ❖ Economies of scale on unit costs
- ❖ Established frameworks and preferred supplier lists
- ❖ Dedicated bid teams and resources
- ❖ Brand recognition and institutional relationships
- ❖ Ability to cross-subsidise loss-making contracts

Where SME's Have The Edge

- ❖ Faster decision-making and greater flexibility
- ❖ Direct access to senior leadership and delivery teams
- ❖ Deeper local knowledge and community relationships
- ❖ More personal accountability for quality and outcomes
- ❖ Ability to tailor solutions without corporate constraints
- ❖ Social Value – diversity, local employment, community impact

Section 6

Competing without cutting

Give buyers a reason to choose you that has nothing to do with being the cheapest

Certainty, specificity and credibility are worth more than a lower price

Buyers are not just buying a service or a product. They are buying confidence that the contract will be delivered as promised, on time, within budget, and without problems landing on their desk.

A well-scoped, clearly priced submission signals something a vague low-cost bid never can, that you understand what you are agreeing to deliver and you have thought it through properly.

Specificity beats vagueness

A submission that defines exactly what will be delivered, when, by whom and at what standard is more credible than one that promises everything in general terms. Specificity shows you have done the work.

A structured price beats a low price

A price that is clearly broken down and evidenced is easier to evaluate and harder to challenge than an unexplained low number. Buyers who cannot understand your price cannot trust it.

Evidence beats assertion

Telling a buyer you are reliable is worthless. Showing them case studies, references and measurable outcomes from similar contracts is what moves evaluators.

Your price does not need to be the lowest in the room. It needs to be the most believable.



SECTION 7

Your pricing strategy, putting it all together

Walk away with something you can use on your next opportunity and everyone after that

Section 7

Your pricing strategy, putting it all together

A pricing strategy is not a spreadsheet

It is a set of deliberate decisions that guide every bid you submit

Most SMEs do not have a pricing strategy. They have a pricing habit, a way of arriving at a number that has developed over time, often without being consciously designed. This section helps you replace that habit with a structured, repeatable approach.

A pricing strategy for tendering answers five questions clearly and in advance, before the pressure of a live bid forces you to make decisions under time pressure.

- 1 What is my minimum profitable price for different contract types?**
The floor below which no contract is worth taking, unless a documented strategic exception applies.
- 2 What is my target margin and how do I protect it?**
Not just a percentage, a commitment to the overhead recovery and profit your business needs to grow.
- 3 How do I calculate and apply contingency?**
A consistent approach to risk, financial buffers and action plans built in before submission, not after problems arise.
- 4 What are my rules around discounting?**
When is it acceptable to adjust your price, and how do you do it without compromising your unit cost?
- 5 What makes an opportunity strategic enough to justify a below-margin bid?**
The criteria that must be met before a loss leader decision is made, written down, not assumed.



Section 7

Your pricing strategy, putting it all together

Your pricing policy

A standing set of rules that governs every bid you submit, not just the next one

A pricing policy is a business decision you make once and apply every time. It removes the pressure of making margin decisions under the time pressure of a live bid. Fill this in based on everything you have worked through. Review it every six months or after every significant contract, not every tender.

This is a business document, not a bid document. Pin it up. Share it with anyone involved in pricing decisions. It only works if you refer to it.

My minimum profit margin (%): *(The minimum margin my business must make on any contract, this applies to every bid I submit)*

My target margin: *(The percentage I aim to achieve on every contract)*

My approach to contingency: *(How I will calculate and apply risk allocation on future bids, e.g. "Minimum 10% on all fixed-price contracts, higher for unfamiliar work")*

My rules around discounting: *(When I will and will not adjust my price, and how, e.g. "Reduce scope or find a cheaper method, never reduce my unit rate")*

My criteria for a strategic loss leader: *(What must be true before I agree to bid below my minimum margin, e.g. "Long-term client value clearly identified, decision documented, exit point defined")*

Section 7

Your pricing strategy, putting it all together

Applying your pricing policy to a live bid

Use this every time you price a tender, your policy sets the rules, this applies them

Your pricing policy tells you what your rules are. This exercise translates those rules into a specific number for a specific opportunity. Run through this for every bid before you submit a price.

The opportunity I am pricing: _____

My total base cost for this contract: £ _____

My overhead allocation: £ _____

My target margin (from my pricing policy): % _____

My contingency allocation (from my pricing policy): £ _____

My minimum profitable price for this bid: £ _____

Buyer's published budget or contract value: £ _____

The gap: £ _____

My Go / No-Go decision:

☐ GO

☐ STRATEGIC GO - reason: _____

☐ NO-GO



CHECKLIST

Before you hit send

The questions that protect you, check every box before you submit

Checklist

Before you hit send

Your pre-submission checklist

Do not submit until you can tick every box that applies to your bid

This checklist covers the scoping and pricing fundamentals only.
It is not a full bid compliance checklist, it is a profitability and quality check specific to everything covered in this workbook.

SCOPING

- ☐ I have read the full tender document end to end
- ☐ I have extracted all stated and implied requirements
- ☐ I have identified the evaluation criteria and weightings
- ☐ I have designed my delivery before pricing anything
- ☐ I know what type of contract this is and have scoped accordingly
- ☐ I have identified all key risks in delivering this contract

PRICING

- ☐ My price covers base cost, overhead and margin
- ☐ I have built in contingency based on the risk profile
- ☐ I have not discounted my unit rate under pressure
- ☐ My price meets my minimum profitable price threshold
- ☐ I have checked my price against the buyer's published budget
- ☐ My go / no-go decision has been made deliberately



Congratulations

You now have a draft pricing strategy and a framework you can apply to every bid from this point forward.

The fact that you have worked through this workbook puts you ahead of most businesses tendering for contracts. You are not just pricing, you are pricing with a structure, a policy, and a process behind you.

- ❖ Your pricing policy is a living document – review it regularly
- ❖ Use the go / no-go framework before committing you any bid
- ❖ Never reduce your unit rate under pressure, adjust your scope or method
- ❖ Build contingency in before you submit, not after something goes wrong
- ❖ Your social value credentials are commercial assets, use them

Your pricing is now a strength. Keep building on it.

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Next Steps & Further Support

Ready to take this further? Here is where to go next:

- ❖ Access MSDUK's network with over 20 years of experience: www.msduk.org.uk
- ❖ Access Heart of the City's free resources: www.theheartofthecity.com
- ❖ Attend MBM's tendering and procurement events: www.minoritybusinessmatters.com
- ❖ See what Profitable Tenders has to offer: www.profitabletenders.com
- ❖ Download the companion Tender Requirements Extraction Template from the Minority Business Matters resources page

If you need help applying what you have learned to a live bid, we are ready to support you.

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