



UNIT-4 Client Acquisition

Learning Outcomes

By the end of this unit the learner will be able to:

Unit 4

Client acquisition

Introduction

In the recruitment cycle, client acquisition follows on from client management. This chapter provides an outline to the more sales-oriented elements of the recruiter's role. We will look at the buying process from a client perspective, and then consider how to source, approach, qualify, win and develop your client base. Although this material may not seem immediately relevant to in-house recruiters, it does provide an insight into how external suppliers offer their services. Some of the ideas are also relevant to creating successful, valued relationships with your internal client base. For professional recruitment consultants, winning the opportunity to supply is arguably the major factor in differentiating this role from that of an in-house provider.

The phrase 'winning the opportunity to supply' is used intentionally. There can be too much self-congratulation in the staffing industry when a new client is 'won', even though at that point no actual revenue may be generated. Remember, clients, except in retained assignments, are only invoiced upon a successful placement. However important candidates are to the process it is the client that pays the bill, which can leave recruiters desperate for a relationship at all costs – a potentially hazardous place to be. It is worth considering first how this impacts the business relationships we build.

The Power In Communication

When communicating, people emanate a level of power perceived by the other person. The balance of power creates a 'rulebook' for the communication, and indeed relationship, created between the two parties. Most of us would agree that a bit of extra power rarely goes amiss when developing either a consultant/client or a candidate/consultant relationship.

Perceived power boosters are:

Seniority: hence corporate job titles.

Financial status: wealth equals power.

- Age: up to about 55, then it begins to diminish.
- Gender: males perceived to be more powerful.
- Knowledge: especially if it's something others want to know.

- Intellect: judged by the questions asked.
- Vocabulary: that's what a private education does!
- Physical size: tall, athletic – think broad shoulders, high heels.
- Efficiency: does what it says on the tin.
- Price: must be worth more if more expensive.

Acquiring A New Client

Before we look at what you need to do to acquire a new client, it's worth bearing in mind what clients report they don't like!

Top five 'pet hates' of clients:

- consultants who know nothing about them;
- arrogant consultants who tell us what is wrong with them as an employer without being asked;
- consultants who send irrelevant unsolicited CVs;
- consultants who mailshot without considering their client's specific needs;
- Consultants who over-promise (especially at a face to face meeting) and then under-deliver.

(Sourced from a range of clients and internal recruiters)

We'll look now at the steps you need to take to acquire new clients effectively.

Steps in client acquisition

- Identify the types of clients you are good at working with.
- Generate a list of target accounts.
- Do your research on each account.
- Identify the right person or decision-making group member to approach.
- In light of that, choose your approach strategy.
- Implement your approach.

Identifying types of clients

The clients you are currently successfully working with will give you a good clue to which sorts of organizations you prefer to work with (large or small, well-known or growing). It's clearly a good plan to work with organizations you can get enthusiastic about or roles you feel you can market successfully, whether because they are large employers in the area, pay well, have great training schemes or because no one else is recruiting for them. It's also useful to have a blend of organizations, which spreads your risk of clients of one type stopping recruiting at any point.

Generating a list of target accounts

You may already have a database in the business from which you can choose accounts to work on, or you may have been given a list of target accounts to develop. Here are some other ways of generating accounts; many are not dissimilar from some of the methods used in attracting candidates.

- Attend trade exhibitions; choose the stands you like but be sure to visit a range – you want small and large clients, well-known and less so.
- Network: go to trade or sector events and meetings where your clients go. Steer clear of recruitment – show your knowledge of the clients' sector.
- Read the press and find out what companies are doing.
- Check out which companies are advertising roles.
- Ask your candidates whom they rate in your sector.
- Directories: sector and geographical if you are based in one area.
- Internet – although beware of untargeted surfing as it will cost you time.
- Colleagues.

Do your research

Do not underestimate the importance of knowledge about your prospective clients before you approach them. That is not to say you need to spend weeks researching them, but with the wealth of information available at the touch of a button few clients will be impressed by consultants whose opening line is: 'Tell me a little about your business.'

Sources for information about your prospective client

- Internet: company website.
- Other consultants in your company: who also works with this client?
- Articles.
- Trade press.
- LinkedIn: names of people who work there plus company information.
- Your database: as above.
- General internet search.

All of these will offer you an opportunity to demonstrate some knowledge when you do call your clients so you can show you are sufficiently interested in them.

With this in mind, and once you have conducted your research, you need to identify who to approach in your client.

Identifying the right person or group to approach

This in itself may be another research topic and will vary hugely between organization to organization. In a small company it may be that the line manager or even the MD is the right person. Bear in mind it is harder to 'work up' the chain than 'work down'. So if you call the MD it is easier to then call the Sales Director, but if you start with the Sales Director it is then quite tricky to call the MD.

In a larger organization a good first port of call may also be a line manager as they often have the recruiting need – but they may also not hold the recruiting budget or have authorization to hire through any supplier. The scale of the need for the types of candidates you supply, coupled with the size and formality of the business, may indicate how much more flexible this may be. Either way, the line managers are a great source of information as they will be able to tell you what their needs are and what the recruitment process is, and can advise you who to speak to next.

Too often in any sales situation it is easy to neglect the qualification of a client . You may spend any amount of time marketing your services to the wrong person, or to someone with no need of your services or no budget signed off.

You'll need to ask questions to establish all of the three qualifiers. Here are some of the questions you need to ask:

- Has a budget been allocated?
- What is involved in the hiring process?
- How many temps do they typically use?
- Is the role 'live' now?
- When do they need this person to start?
- How many new staff have been hired over the last six months?
- Where are you in the procurement process?
- How will the procurement decision be made – what are the buying criteria?

Build this in to your approach to check out that your chosen contacts have the capacity to work with you and that you want to work with them.

The Approach Strategy

At this point then you have reached the next key step – choosing your approach strategy. Before considering this in more detail it's worth understanding exactly how clients actually buy recruitment services.

How clients buy

If we understand the buying psychology and the decision-making processes behind the procurement of our services we are better placed to gear the sales process towards a successful outcome. The extent of the arrangement, the time frame of the project and the scale of the expenditure will have an impact on how formal and lengthy the buying process will actually be. A line manager or individual will often decide upon individual placements made within small organizations. Medium and large-sized clients will usually have budgeted for increased permanent headcount or a strategic use of flexible resources, with decision making falling to HR and line management as to which individuals to hire or which recruitment companies to receive details from. As one looks at a growing acceptance of a PSL with some level of exclusivity of supply or large-scale staffing opportunities, the decision-making group and the buying process can become both quite large and lengthy.

Decision-making groups

Understanding where your buyer sits in the client corporate structure provides an insight into the deemed value of the process they are planning to implement. The higher up the corporate structure the decision-makers, the more important the project. This also provides a better understanding of the individual buyer's motivations and decision-making criteria.

If a team has been created to implement and manage the buying process, it is also worth looking at the team with the users of the service (eg line managers).

It's important to consider:

- What are the dynamics of the relationship?
- How well established is it?
- How good is the understanding of the key issues facing the sponsors?
- Is this team locally, nationally or even globally based?

Corporate politics and internal conflict have a huge impact on the buying process and potentially endanger your opportunity to win business. Business process re-engineering, strategic changes, mergers, buy-outs or changes in personnel all affect the buyer process. Internal conflict can be created from shifts such as power struggles, the movement of goal posts, conflicts of interest and personality

clashes. This can produce fractured buying teams, disillusionment and sometimes panic. If significant issues of conflict or politics become apparent during the buying phase, it is imperative that you do not allow yourself to be dragged in or used as a scapegoat in any way. Remain neutral at all times, in case you back the proverbial 'wrong horse'. In a meeting offer to step outside if discussions between decision-makers become heated!

Formal roles in the buying process

Evaluator

This person will be responsible for designing an invitation to tender (ITT) with input from others, and analyzing your proposal, pitch or tender to compare it with pre-defined criteria. In large projects procurement or a committee may undertake this role.

Decision maker

The decision maker has responsibility and accountability for accomplishing the set objectives of choosing a supplier or group of suppliers. It is the decision-maker who will listen to the evaluation results and recommendations and push forward to make the agreement happen. This person is often the overall sponsor of the staffing project.

Approver

This is the most senior person who retains the right to review, approve or veto the lower-level decisions. Decisions by credible subordinates with a proven track record are routinely approved. The size of the organization and the scale and financial implications for the staffing project dictate the level of this individual.

User

Often a senior line manager or departmental head that will have direct use of the service and own the relationship with the providers. This person may get involved on other roles too.

As you go into a formal sales process, chart which position each of your decision-making group is taking. This will help you determine their relative importance (although in truth they are all important), and how you should best deal with them given where their buying interests lie.

Group buying orientation

Both their job title and personality drivers affect the buying orientation of any individual. If you have an understanding of what focus someone will have, you can make sure that you have provided them

with the right information in order for them to choose your service. There will be a range of interests, as outlined below.

Business

The CEO or senior executive of the organization will usually have a view of the 'big picture'. Their interest will be in how your proposal will affect their company's present and future. Their vision will often extend beyond their company to include their customers, their competition and sometimes their community. Articulating business versus service value and sharing industry knowledge, along with clarity about what is important to this level of individual, are crucial to successful selling here

Financial

The Finance Director, COO and procurement department (in a smaller business this could still be a CEO) will have a primary focus on price, cost and economics. While your service offering must be viable, numbers and negotiation will be the key buying orientations. These will be some of the most frustrating buyers as it can seem as if they have no understanding of – or indeed interest in – your key differentiators. There has been a growth of the power-base of the finance team in recent times and you'll need to be careful not to negotiate a non-viable or profitless arrangement that you will live to regret.

Technical

This individual's primary focus will be on how the process will work and whether the infrastructure is in place to back up your service claims. Technical personnel will often be detail-oriented and analytical regarding proof of all your service and delivery claims. External consultants and line managers often fall into this buying orientation.

Relationships

This refers to individuals who believe that they are forming a business partnership and whose buying focus is the supplier company, its ethos and the people that will be serving their organization. Whilst your solution must be viable, support, trust, effort and responsiveness will be key. Recruitment professionals often prefer to sell to this type of buyer. The difficulties in creating clear differentiation between recruitment businesses prompt recruiters to sell themselves as the 'unique selling point' of their companies. As the business platform elevates, the ability to close deals on this basis, other than at an individual level, has diminished. Although of major importance to certain individuals it is by no means enough to be 'nice people to do business with'.

Status

With any decision-making group there will be differing views on your company, services or solution. Some individuals will not have preconceived ideas about any of the suppliers, but more usually most will have a view. It is important to create a positive impression with as many members of the decision-making group as you can, and to be acutely aware of their stand-point and how to influence it. Once you have identified the formal role each individual plays in the process, be aware that many may take up an informal role as well.

There are five main informal roles that participants in the decision-making process can have, independent of their formal role.

Mentors

Mentors believe that your success is critical to their company or to them personally. They will work to help you win by giving guidance, competitive information, political insight or regular feedback. Mentors will proactively sell on your behalf and tie their own success to yours.

Supporters

These people prefer your solution and think that you should win. A supporter will help when asked and provide positive references if questioned, but may not be proactive or particularly vocal in their support.

Neutrals

The neutrals have no preference (yet!). They may be undecided or feel that they have not had sufficient information to make a decision.

Non-supporters

These are people who believe that yours is not the right solution, either because they prefer an alternative (and indeed may be a supporter of another supplier), a completely internal solution or no solution at all. It could also be someone who has had a poor experience of, or heard negative comments about, your company or service.

Enemies

These people believe that your success will damage them or their company. They may have a special interest or be mentors for a competitive organization. They will create opportunities to show you or your company or your proposal in a poor light and cast doubt on your suitability to fulfill the brief.

It's important to identify the positions that each individual involved in the buying process is likely to take up. It's equally important to be aware that there may be things you don't know you don't know! So, if you don't ask the right questions of your mentor – 'Who else is acting as a mentor for one of my competitors?', 'Who might have an interest in someone other than us winning the tender?' and 'How might we change X's mind about suppliers?' for example – you may sail along blithely assuming everything is going well just because you and your mentor have a great relationship, without realizing there is an enemy out there, or another supplier with a more corporately powerful mentor. So asking the right questions here is crucial and so is not making assumptions – not a bad mantra for any sales situation.

Choose Your Approach Strategy

There are broadly two choices when making an initial approach. You can either choose to approach a client with a candidate you wish to introduce, or to approach a client offering your services. Initial research should indicate which service might be of interest. This means you'll choose between:

- a candidate-led approach;
- a service-led approach.

Once you have chosen, you'll need then to identify how to best approach. The methods below will apply to either strategy. There are a few (non-exhaustive) choices:

- letter/e-mail;
- web-based;
- telephone;
- Face to face.

Whichever you choose, it's important to find a way to demonstrate your credibility at the beginning of the call, or approach, so that you make a compelling proposition as to why they should deal with you.

Speaking and meeting with clients is the only way to differentiate our service from another supplier's. In this way we can also increase our credibility by demonstrating the types of candidates we work with, how we manage them and therefore how we add value to the client in a range of ways.

Letter/e-mail

Although the use of print is in decline, this can mean a letter-based approach can have more impact. E-mail is of course faster, and if you want to let someone know about 'four great candidates available today' then a letter will be too slow. Equally an e-mail may be deleted before it is read so the subject

line is a crucial part of crafting the mail. A possible two-stroke approach could be adopted with a letter followed by a follow-up e-mail covering both bases.

Nothing will irritate some client more than sloppy communication over e-mail or paper-based communication:

- In all written communication, remember the medium you are using and don't muddle them; so in e-mail don't resort to texting abbreviations. If you are writing a letter, make sure the layout rules are correct.
- Think about who you are writing to and the appropriate language and style.
- Learn the rules of e-mail approaching – e-mail etiquette, although much of it unwritten, is very important. Never use capital letters in a string for example as that suggests you are shouting, and take care not to introduce too many acronyms as they can confuse.
- Make sure you can spell and that your grammar is correct – don't just rely on a spellchecker.
- If you are not sure about your grammar and spelling or your capacity to write well, write a template for a range of e-mails you might use, get that checked over by someone and stick to it – but take care that your e-mails are not written as 'stock' e-mails – add a personal touch where you can.

Web-based

Increasingly the use of blogs and chat forums can create a presence online, as described earlier. Answering queries and taking part in chats in forums can create credibility for you, which means that you may well receive approaches from clients and candidates directly. Clearly this needs to take up a proportion of your time, and it would be easy to get too caught up in your online presence. However, this approach is more subtle than some, and means you can showcase your knowledge and expertise. Equally, take care to do that and not show your lack of knowledge as you cannot erase that once it is published!

Telephone

Many consultants will be making an initial contact over the telephone. In-house recruiters and clients are only too used to recruiters ringing up asking if there are any jobs they can help with, and it is therefore sometimes hard to get through to people on the phone in person, either because of a gatekeeper or voicemail. Experience suggests that leaving messages with new clients is ineffective. Better to try and call 'out of hours', especially in the early morning or late afternoon before or after the gatekeeper is present.

Face to face

Initial face-to-face approaches will be from chance encounters at conferences, exhibitions, and networking meetings – or even on the train!

Prospective clients will not appreciate an opening gambit of 'So, who does your recruitment then?' or 'I'm a recruitment consultant and I'd like to work with you' (although the latter is at least direct and confident). Try asking their opinion on the last speaker or the conference in general. Leave the fact you are a recruiter until towards the end of the conversation and, if you have identified that they could be a useful prospect, say you've enjoyed chatting to them, briefly ask to drop by and meet with them, and exchange business cards before moving on. Then, do not forget to follow up.

We now explore each of your options further looking specifically at both candidate and service-led methods in relation to the approach you have taken:

Candidate-Led Approach

While discussing 'Candidate management' we looked at dividing qualified candidates into REQ and SPEQ candidates. You can choose to use SPEQ candidates as a great candidate-led approach to securing a new client relationship.

Some options for presenting candidates

Telephone- Much the best if you can contact and speak to the right person, but some organizations are now so systemized that it might preclude you from putting your person forward. If you feel that telephone is the only good way of introducing this candidate keep calling the client more and more regularly until they pick up; try at 8 in the morning – senior people often get to their desk early to deal with e-mails and can be reached best then. However, waiting to get hold of someone on the phone may mean you lose competitive advantage with that candidate, especially if you do not have an exclusive arrangement with them.

- E-mail followed immediately by a follow-up call? This too is a good method as it gives the client the comfort of a CV to look at while you speak (this can be particularly useful if you have no relationship with the client) while also meaning you are following up quickly. In some ways this can be the best of both worlds but may only work if you have an e-mail address you know works.
- E-mail followed by a follow-up call at a later date? As a last resort if you cannot get through to someone. It's better to introduce someone than not, especially if you have said you would.

- E-mail with no follow-up call? In some circumstances this can work, but mainly with people you already have a good relationship with; it is more likely to be successful with line managers than corporate recruiting teams.

Placing your candidate with new clients is only one of a range of possible outcomes – you may pick up a new role or requirement or arrange to visit your client as a result of presenting a candidate.

Service-Led Approach

In this approach, instead of introducing a candidate you introduce your business to a potential client organization with a view to establishing an opportunity to supply.

The advantage of this is it enables you to work in a client-oriented way; you don't have to have a candidate to make the initial approach, you can simply call either to set up a meeting or to introduce your service and establish some initial contact. It will help if you have a reason to call that you can use to demonstrate your knowledge and that you have chosen to call them specifically.

Reasons to call:

- You notice an article in the trade press about the business.
- You met someone who works there at a networking event.
- You work with a competitor and want to establish credibility to supply similar candidates (although care is needed with this approach).
- You used to work with the company before.
- You notice they just raised some money.
- You notice they are advertising for staff.
- They have just recruited new senior members of staff.
- They indicate an intention to tender for supply of staff.
- You are introducing a new service or business stream, or have just opened a branch in their area.
- You have not met them in a while!
- Your consultancy's just published a new salary survey and you wonder if they'd like a copy.
- You are having an event you'd like to invite them to.
- You want to draw their attention to something in business that you think might be of interest to them.

Adapting the candidate-led approach

Instead of outlining the candidate's skills and key selling points:

- Outline the successes you have had with other clients.
- Explain why you feel the services you can offer can be of benefit to them.
- Detail how you have worked with other parts of the business and relate that to how you might help them.

If you make a successful first approach you may want to arrange to meet your clients. This will really make a difference in your capacity to build a relationship with them and develop a long-term supplier partnership. One of the great reasons for the success of the outsourcing industry has been that the norm is to place suppliers on site, enabling them to build close and lasting relationships with the business, both line hiring managers and buyers (typically HR).

Once you have your meeting booked it's important to plan how you are going to handle the encounter, not forgetting to do your research about the business before you go. It may sound obvious but don't forget to check all sources, including your in-house database and check with colleagues about their knowledge of the organization.

A helpful way of thinking about managing the meeting is similar to the way we suggest you run candidate interviews in the section on candidate management.

Agreeing fees/terms and conditions

These need to be agreed before you do any business with a client. By terms and conditions we mean the entire conditions under which you will agree service – not just the fee levels although these are an integral part of the terms. Typically also this means any potential rebate period (the time within which you would agree to refund all or part of the fee if the candidate leaves) and any circumstances under which that might become void – say if the client has not paid within the agreed timescale – plus the time period within which you have ownership of the candidate, along with a range of other points.

Some recruiters may agree margins for contractors or temps on a 'deal by deal' basis; others will put margins in place at the start of a contract, and those margins will be based on volume and market. Often a candidate guarantee will be based on compliance with the payment terms, and this is also important to clarify with your clients as it is an incentive for them to pay you on time!

Transparency or margins on either contractors or temps will also engender a feeling of trust between you and your client. Clients recognize there is a real and significant cost in employing a contractor, particularly as this often means factoring to run a weekly payroll service, so they are unlikely to be unrealistic but will equally not wish to be charged a huge margin just 'because you can'. Huge margins will erode your reputation in the market and hinder your chances of being in the business for the long haul.

If you are sending a candidate to a new client speculatively, it is crucial you include terms and conditions in your approach e-mail/note. It is good practice to do so each time with existing clients so there can be no confusion. In a corporate contract, which will be negotiated as part of the PSL, terms will be agreed at the outset and potentially reviewed at different periods and sending them each time will be unnecessary.

When you are client meeting a client you have not dealt with before, agree the terms and conditions on the spot if possible. You might want to highlight the key areas on the document and verbally take the client through them so they are clear about the main elements: fees, rebate, payment terms, and candidate ownership. There is no need to be frightened of fee discussion or fee negotiation. All professions charge fees and a professional recruitment service is no different.

If you are writing contracts you will want to get these looked at by a contract lawyer, but most of the bigger agencies will have an in-house team of contract managers or lawyers on hand to do this.

Up to now our focus has been on the individual practitioner acquiring a new client to work with. If you are supplying outsourced recruitment services or volume recruitment under contract the next section will be of value.

The Procurement Process For Large-Scale Supply Of Staffing Services

There are obviously marked differences between accepting business terms for a one-off candidate placement and undertaking a large-scale procurement process. As we have looked at the types of buyers involved in decision-making groups, it is worth looking at the steps that an organization is likely to undertake in order to choose a large-scale supplier of staff. The following is a guide – there will be subtle differences in each organization.

Often in large client organizations, strategic sourcing is undertaken by purchasing professionals in order to satisfy the business's need to source and select the suppliers with the objective of delivering solutions to meet predetermined organizational requirements. The purchasing department and anyone else involved in the decision-making group must have a clear view of the specific needs of the organization before starting the procurement. Once this position has been reached the position then looks like the following.

Steps in the process

Analysis of existing purchasing procedures

Who is buying what, from which suppliers, at what volume, how often and on what terms? The objective is to identify the buying patterns and trends, and to take a clear note of what contracts and agreements are already in place, their terms and expiry dates.

Process and competence analysis

Who are the internal stake holders, their positions and relationships to any supplier? What is their perception of how the process works at the moment?

Spend analysis

How much is being spent, what is the average cost per hire, which suppliers are providing what fees, what value is this providing and how is the spend controlled?

Supply base analysis

Here the buyer looks at supplier performance, portfolio analysis (can they supply an extended requirement?), supplier and customer performance mapping (do we like doing business with them?), value analysis (are there value-added services that we use or need that we do not wish to lose?).

Supply and value stream mapping

A matrix is created in order to collate the information gathered and a SWOT is developed to enable an analysis of the strengths and opportunities in the existing model.

Proactive demand management

This is the process of the purchasing department working with internal customers to ascertain the organization's requirements over a given future period (often three years) and deriving from the business's resource plan. Then procurement works with the business to explore the best sourcing options that have been generated from the previous sourcing analysis.

Creation of a buying group made up of the key stakeholders

- The sponsor: usually a very senior player who owns the budget of the recruitment – initiates the request and owns responsibility for the success of the tender process.
- The business: areas of the existing services and proposed solution – often line management.

- Procurement: responsible for the scoping of the requirement, creation and management of the bid process; it is the negotiator of the terms and conditions and manager of the contractual obligations and service level agreements (SLAs).

Human resources: various levels of involvement, depending upon where the operational aspects of the existing process are sited. HR ensures that the process adheres to current legislation and corporate culture.

- Legal: often involved from the early stages of the process, responsible for drafting and finalizing terms and conditions; participates in the negotiation process.

Slightly different things will motivate each party involved in the tender process. The sponsor will be interested in creating a process that adds business value, reduces costs and streamlines the process. The business will want a service that provides the best possible candidates in the most efficient way, saving them time and ensuring they have the capacity to get resources in place, on time and to budget. Procurement is targeted on reducing costs and ensuring supplier agreements are workable. Human resources is interested in creating a process that attracts good candidates whilst limiting liability and exposure. The legal team will ensure that the process is operationally feasible and contractually sound.

Procurement plan

After the cross-functional project team has been established, it will agree the sourcing options, devise the procurement plan and ensure that it's carried out.

Marketplace salutation

This is the process of communicating the requirement to the recruitment market-place. Advertisements may be placed in appropriate journals, papers and websites, and well-respected suppliers may be contacted and invited to consider tendering. ITTs (invitations to tender) will be provided. ITTs are often lengthy questionnaires detailing the scope of the requirement and then asking for supplier information that should aid the evaluation of their credentials against predetermined needs.

Supplier appraisals

The purchasing department will assess the responses to the ITTs, with an agreed weighting given to the most important areas, and will generally complete an evaluation form. Whole project-life costing will be undertaken with cost analysis and modeling along with risk evaluation.

Presentations

Most large procurement projects will include a presentation opportunity. A 'beauty parade' of recruitment companies will present their solutions and answer questions from the panel of decision-makers.

Bid clarification and post-tender negotiations

This is where the final financial arrangements will be negotiated. This stage is often combined with the confirmation of the terms and conditions of the contract, service levels and schedules. Once the terms have been negotiated the project will be implemented.

De-briefing

In a well-run purchasing project the unsuccessful suppliers will be given a full de-briefing as to why they did not win the business. All of the records are retained.

Post-contract assessment

Once the contract is signed, it will be communicated to the internal service users, the winning company (or companies) will be introduced and the assignment will commence. The client agreement will have created key performance indicators and there should be regular performance reviews to monitor success and look for opportunities for continuous improvements.

Your response to an invitation to tender

In order to get to the presentation or beauty parade stage you'll need to develop the art of tender writing. Here we suggest some key criteria for having your tender stand out from the crowd.

There are three key questions to consider before you spend a lot of time and effort on tendering: Do you actually want this business? Can you deliver this business? Do you have any chance of winning it? You should qualify yourself out of the process if any of the answers to these questions are less than 100 per cent positive.

First impressions are substantially more important than you think. Have your document checked and double-checked for all the grammar and spelling details

– they'll need to be just right. Even small imperfections in the presentation of your documentation can have an adverse effect on the credibility of your offering. Most of your competitors will have someone focused on completing all their tenders brilliantly.

- Break the documentation into sections with a full index and appendices to make it easy for the procurement team to read through in their chosen order.
- Always answer every question and include everything that has been asked for. If, for any reason, you are unable to, explain why.

Provide your response in multiple media: e-mailed, hard copy and a CD or memory stick.

- Confirm how many copies they require and provide exactly that amount.
- Keep it concise and not overly 'salesy'. Professionalism is key.
- Be 100 per cent honest. The details will be checked. Site visits may be requested to confirm details – even to your clients.

The document is likely to be assessed by the purchasing department and only some-times will it be read by the other individuals within the decision-making group.

E-auctions

An e-auction or reverse electronic auction can be part of a traditional purchasing process, often slotting in at the negotiation stage. In some circumstances the client organization will actually use this to replace the presentation stage of the process, preferring not to bother meeting or getting a feel for the supplier companies, relying on qualification using the tender documentation and closing the 'deal' using the internet.

Potential suppliers become bidders, placing online bids of decreasing value (ie the reverse of a traditional auction). The bidders know the best offer through the process, although not the identity of the bidders. Although cost savings can be made by the client when bulk-buying commodities from a densely populated supplier base, staffing services cannot be specified well enough to make this a long-term success for clients. It is worth client companies remembering that the e-auction dynamic can lead to naïve staffing suppliers bidding as low as they can for business, with unattractive or even unworkable margins or placement fees. The result of this is that the suppliers will have other clients who pay better and realistically receive a better service with the higher quality candidates offered to them.

A number of staffing businesses decide that they will not participate in e-auctions but others do, and some recruitment firms even feel that it has provided some worthwhile business opportunities.

Performing successfully at e-auctions

If you or your company decides to participate you must do some detailed preparation.

Before the auction:

- Get a clear outline of the selection criteria and weightings.
- Seek to amend the lots structure to suit your offering.
- Accept any training given on the software.
- Gain an understanding of the bidding format and constraints.
- Assess the likelihood of post-auction negotiation.
- Check who to contact if there is a technology problem.

Agree your bidding plan.

- Assign roles for your bidding team.
- Adopt a positive role about the process.

During the auction:

- Observe and record all of the bidding.
- Bid to be noticed!
- Stick to your agreed bidding plan.

After the auction:

- Capture any data.
- Review your performance.
- Assess the required skills and knowledge for future opportunities.

Developing Your Client

However you acquire your client initially, continued success will be found through developing that client relationship until they become an advocate of your service throughout their business and in general.

Consider your CRM (customer relationship management) strategy. This focuses on developing the relationship between you and your customer and clearly points to a partnership approach. Tesco have developed the art of a relationship with their customers and their CRM strategy through the use of

their Club card. Their strategy has added millions to the value of their business and is second to none. It's interesting to consider what they have delivered to their customers, from the four Ps perspectives

- Price/value for money: regardless of whom you are – a customer struggling to make ends meet using their Value range or a customer looking to use high-quality products at home using the finest range.
- Product: wide range of branded and own brands.
- Place: a strong property strategy enabling them to service most households, coupled with Tesco Direct, means everyone can use Tesco with ease.
- Promotion: Every Little Helps!

To emulate them you'll need to identify what you and your client might wish to gain from the relationship, develop rapport with that client and convince them of your capacity to supply benefit and to deliver, which will produce a great perception of you. Then you'll need to keep delivering and developing your service.

The capacity to do that, and perhaps to extend your service offering to meet new identified needs, will move you up their value chain.

Client development pathway

Initially when you first supply a client you demonstrate you can supply. They then have a perception that you 'can do'.

The next stage is when you consistently deliver over a period of time. Your client will develop a perception that you are 'reliable'. You keep your promises and always do what you say you will. Your client can trust you.

Gradually they will come to rely on you to supply, but may also begin to develop a reliance and respect for your advice and knowledge. They will have a perception that you can 'add value'. You perhaps are doing a particularly great job of marketing them to your candidates, leaving them very little to do except choose the best one.

The next stage is where they become reluctant to use anyone else and may begin to phase other suppliers out – you are 'ring fencing' your client and at this point they are your advocate. Hey, maybe your supporter as discussed in the section on buying roles!

At about this point they will then potentially tell other people about your service and how valuable they find it. They have become your mentor or sponsor and as such will provide both internal and external referrals for your services.

The challenge is to keep your clients in the mentor space and continue to add value, which means you need to grow with them, always keeping one step ahead and continuing to add value to the relationship. As we have seen before, most client relationships falter due to lack of interest on the part of the supplier. The opportunity to grow and develop your clients is entirely down to you.

Further Reading: