

Contemporary Analysis Work smart,

Requests for Proposals & Predictive Analytics:

Build the right relationships.

Get in touch. Call us at 1.866.963.6941 or write us at info@canworksmart.com.

What if you could determine what relationships will be most beneficial for your busienss? Success requires that you partner with the right vendors, contractors, partners, employees, and executives. The problem is that you can only build so many relationships. No matter who you are, you don't have enough money or time to invest in building the wrong relationships. Yet picking the right relationships is extremely difficult. Relationships are complex, two sided, and long term.

As individuals, we use trust to help us simplify our relationship decisions. Over time, experiences teach us who we can trust and why; we develop an intuition about relationships. Our intuition is great and useful, but it is unique and difficult to communicate. This means intuition doesn't work for groups of people or companies..

To make relationship decisions, Companies and organizations have to rely process and bureaucracy. This process typically involves soliciting bids and Requests for Proposals (RFPs). The purpose of an RFP is to collect data on current capabilities and past performance to predict future performance. Unfortunately, RFPs are very costly and time consuming to publish and respond to. It can take 20+ hours to respond to a very basic RFP and weeks to respond to larger RFPs. At the extreme, CAN works with a company that pursues \$1+ Billion RFPs. Each time they pursue one of these opportunities they invest several million dollars.

The investment of time and money makes it is very important to select RFPs that you can win.

Deciphering the solicitor's intent is often the most challenging part of selecting the right RFP. Responding to an RFP for what you sell is not enough. Just because someone needs what you sell doesn't mean that if you respond you will win. They might just be looking with no intention to buy. They might already know who is going to win, and soliciting proposals as a formality. Also, your competitors might be hungrier for the business, and will under bid even your lowest offer no matter what.

The best estimators and business development professionals have a sense about what RFPs they are most likely to win. Their experiences have shaped their intuition. However, they struggle to communicate their intuition. Perhaps they can explain a single decision, but cannot provide a comprehensive framework. There are too many dimensions and too much data to consider. This is why intuition alone can't be crafted into a system.

However, that experience and intuition is extremely valuable. We were approached by a Fortune 500 construction company that was looking for a smarter way to approach RFPs. Choosing the right RFP to bid on means the difference between record year profits and record year losses.

The situation

Various managers across the organization had their own methods for choosing what bids and RFPs to pursue. Their systems were rudimentary, and often final decisions were based on an estimators subjective knowledge and experience. Consequently, estimating knowledge wasn't readily available and left a divide between experienced and inexperienced estimators. The best estimators knew that if they could scale the knowledge they had gathered over their years of service, the result would be a better approach to the bid pursuit process for the entire organization.

CAN's work combined and systematized the intuition, knowledge and experience of their best estimators. Using predictive analytics we were able to deploy a system that allowed junior estimators to identify what RFPs the company was most likely to win.

The solution

We started by exploring the company's data - previous bid outcomes, bid characteristics, competing bids. Using the data that was already available, we then developed mathematical models to identify the RFPs and bids the company was most likely to win. Models were developed for the client's different markets — Building, Oil Gas & Chemical, Power, Transportation, Heavy Civil, and Water/ Wastewater.

After the final analysis was complete, the client learned that the following variables were strong predictors of projects they were most likely to win:

- Client type
- Procurement type
- Contract type
- Labor type
- Location of project
- Project type
- Project size
- Number of competitors

The result

The company used the results to assist estimators during the bid pursuit decision process. These models allowed estimators to have an objective process in their decision whether or not to pursue a bid alongside other subjective measures. The tool was especially helpful to inexperience estimators, since the tool allowed them to use the combined knowledge of more experienced estimators.

By using CAN's predictive model, the company saves \$1.1 million per year by not pursuing projects they have less than a 10% probability of winning. The return on investment will increase as the company focuses more and more on work that they have a higher probability of winning. This includes avoiding work that they have less than a 20-30% probability of winning, while reallocating resources to pursue new work.

The results also helped create new RFP pursuit strategies. For example, CAN was able to determine which states were most competitive based on competition and past performance. Using this information the company was able to identify opportunities when competitors would not bid on new RFPs because they had maxed out their bonding capacity for the year.

Conclusion

In conclusion, it is essential that organizations build relationships with the right employees, vendors and customers. Knowing what relationships are opportunities and what relationships are distractions takes experience and maturity. Using predictive analytics, CAN allows organizations to combine and leverage the knowledge, experience, and maturity of their experts. CAN's predictive models allow organizations to develop an artificial intuition that helps them sort relationships to determine which ones are opportunities and which are distractions.



Since 2008, Contemporary Analysis has used predictive analytics and data science to help companies of all sizes work smart.

Our solutions use data to help our clients improve their sales, marketing, customer service, management, and strategic plans.

Our solutions are used by fast-growing technology companies, Fortune 500s, as well as small- and medium-sized organizations. Our clients are in a variety of industries including construction, insurance, education, healthcare, government, not-for-profit, software and engineering.

Our vision is to make predictive analytics simple and affordable because all companies, not just the largest, should be able to benefit from predictive analytics and data science.

Our principles:

1. We care about business.

Each business deserves a custom solution. Problems are our passion.

2. We solve core business problems.

We make a big impact quickly. Value is our focus.

3. We don't have all the answers.

We help our clients make better decisions. Less wrong is the goal.

4. We are technology agnostic.

We focus on the solution. Technology is just a tool.

5. Our job is to solve problems, not introduce complexity.

Our solutions are simple because our clients are busy.