



## **VSE & SME: Can you win public Requests For Proposals?**

It is easier to get Requests For Proposals that we generally think.

I often hear: *"We are not large enough"*. Actually, supply companies' size is usually not a predominant purchase factor as long as the supplier shows that it can well execute orders at a low cost (not necessarily the lowest), and most of all, prove that he can do better than his competitors.

Specifically for public contracts, I also often hear: *"Administrations don't help VSE-SMEs."*

Political and legal context experiences huge changes in favor of VSE-SMEs. We often hear government members herald their will to support VSE-SMEs. This is mentioned as French "small business act".

But what does this "small business act" plan? The United States of America has a framework law allotting 23% of RFPs and 40% of outsource contracts to small companies.

Such a framework law in France would not be possible in the short term due to European regulations and curbs from the WTO (World Trade Organization).

However, favorable measures are applied in France since the new 2006 Public Contract Code:


- First, a lack of references no longer implies a reject from the administration: this is good news for new companies.
- A second measure deals with an allotments respects: in other words, contracts have to be divided in clear lots as much as possible. This enables smaller orders, more affordable for small companies. Otherwise, the administration may have to justify why allotment is not a good solution.

In 2008, 14% of French public order was entrusted to SMEs, i.e. about 10 billion Euros.

Fortunately for the French SMEs, there is still room for improvement with 14%.

In 2008, the amount of French public order accounted for 10% of Gross Domestic Product.

Two practical tips (non exhaustive list) for VSEs:

-  Mainly bid on "small" markets, it will be easier to prove your credibility. There is a French public contracts category which perfectly fits this criterion: Simplified Contracts (MAPA). Below levels of 133,000€ excl. VAT and

206,000€ excl. VAT for local authorities, work contracts can be closed according to a simplified process (Article 26 from the Public Contract Code). Simplified Contracts also imply a paperwork reduction to deliver.



Join forces with larger companies to conquer more challenging markets.

As a conclusion, political and legal context is not the main curb for VSE-SMEs, this is even a rather favorable element. Therefore, the fundamental question is: how can these companies win more bids to RFPs?

There are 3 essential leverages for which your company *only* is liable:

- What you will undertake with the buying company **before** the RFP is delivered.
- How you will **design** your technical and business proposal: most of the time, having a good product or service with an affordable price is not enough to have the best position.
- **What Actions** the supplier will implement after his first proposal delivery.

These 3 types of actions are described in other articles, or in the book "*Stratégies Gagnantes pour les Appels d'Offres*" CHIRON Editions - 2007. Moreover, most of these actions concern public RFPs as well as private RFPs.

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