

# MAXIMISING RENEWAL SUCCESS

Avoiding the competitive re-bid



# Why are renewals important?

For too many sales and account teams, developing proposals is a largely reactive task - waiting for the RFP or tender to land and then furiously scurrying around to get a response out of the door. Even when they are the incumbent!

The benefits of having an effective renewal strategy are clear:

- Avoid competitive tender if at all possible
- At least influence the client to maximise your chance of retaining the deal

Our research shows us that:

Only **5%** of organisations actively develop proactive proposals      Only **10%** of account teams have a defined renewal process

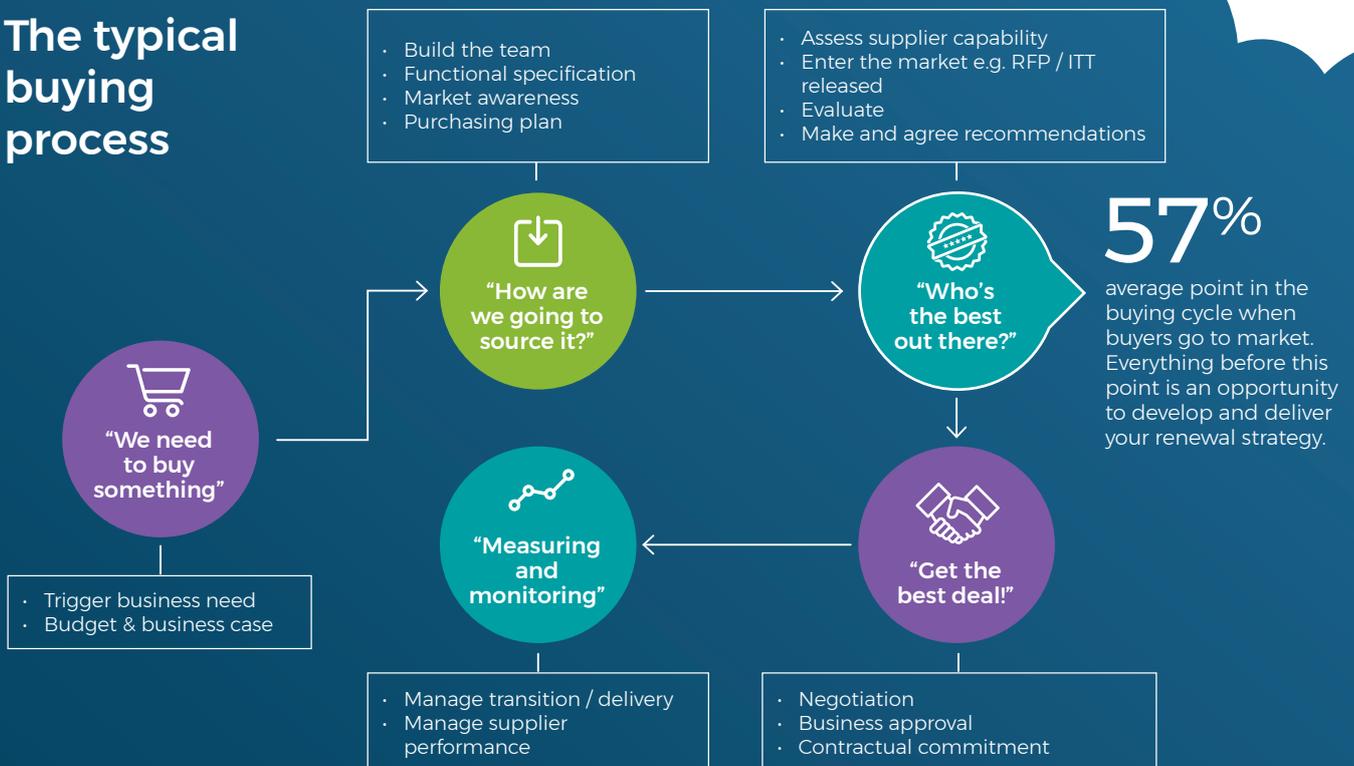
So only a small fraction of organisations develop proactive renewal proposals and pitches as well as preparing contract birthday reviews, value reports, and so on.

This all seems a little crazy when 75% of buyers say that they would seriously consider extending an existing contract if they received a compelling renewal proposal.

This paper looks at some of the strategies and techniques that successful organisations use on their renewals. But before we do that, let's remind ourselves of the buying process and how renewals fit in.



## The typical buying process



## Do many organisations take advantage of the pre-RFP phase?

In the last five years the numbers of Strategic Proposals' pre-RFP and sales campaign client projects have quadrupled. So some organisations are taking this seriously. Question is, are you?

## Renewing should be easy for the incumbent. Right?

Knowing your customer's current buying patterns gives unique competitive advantage – yet too few incumbents work the data and take advantage of the fact that they have more insightful data than the client does themselves!

We know when you are delivering a service, the day-to-day has a nasty habit of getting in the way, but not gathering and using this data seems a very risky strategy.

## Here's what the best organisations do as part of their renewal process:

1. Build a clear picture of how your customer is spending – look for ways in which they could buy better from you.
2. Look at where other customers get better outcomes and share / discuss how your customer could achieve this.
3. Understand the cost of change and the value that has and could be delivered.

## The pyramid of renewal doom

Here's our way of successfully navigating through the renewal process. There are several paths to choose from...



### RENEW

Where you renew the agreement for a significant period without competitive tender: broader or better solution, improved margins.

### RETAIN

You keep the agreement for a significant period without competitive tender, on broadly the same terms, using proactive proposals and pitches.

### WALK AWAY

In rare circumstances: you may choose to walk away, as you don't believe the deal can ever be good business for your organisation moving forward.

### EXTEND

Extend / roll-over your existing agreement for a short period without competitive tender – possibly sacrificing some margin in return for keeping the client. The mechanism here could be a contract extension clause.

### PLANNED RE-BID

The contract goes to market after you have actively wired the process in your favour, and built the greatest possible momentum through strong pre-proposal planning. You still have to navigate the RFP and tendering process, but sometimes this is unavoidable.

### WIN via RESPONSIVE RE-BID

Fraught with risk but with a bit of luck you win a re-bid having waited for your customer's RFP to land – and leveraged relationships and experience to win.

### LOSE RE-BID

The next path takes you to re-bid loss heartbreak... where the opportunity goes to competitive tender – and you lose, perhaps due to others taking the new business opportunity more seriously.

### KICKED OUT

Competitors influence your customer via proactive proposals / discussions, and you lose without an RFP being issued. Ouch.

## ! CALL TO ACTION

List your top five contracts that are coming up for renewal in the next six to 12 months. Which renewal strategy would work best for each of them? What actions would you need to take to deliver that strategy?

**So imagine you have a renewal opportunity to work on and you have decided on your strategy. What next?**



# Developing your renewal strategy

Once you've decided which path to take, it's time to build your renewal strategy and start to gather data. Consider:



## Customer motivators and hot buttons



## Competition

Who are our biggest threats?



- What are the strengths and weaknesses of the above?
- How do we beat them?



## The backstory

How did we win the deal in the first place:



|                       |                  |                           |                      |                          |
|-----------------------|------------------|---------------------------|----------------------|--------------------------|
| What was the process? | Who did we beat? | What feedback did we get? | What did we do well? | What could we do better? |
|-----------------------|------------------|---------------------------|----------------------|--------------------------|

What have we achieved with other similar customers?



## How have we performed historically?

How are we doing now?

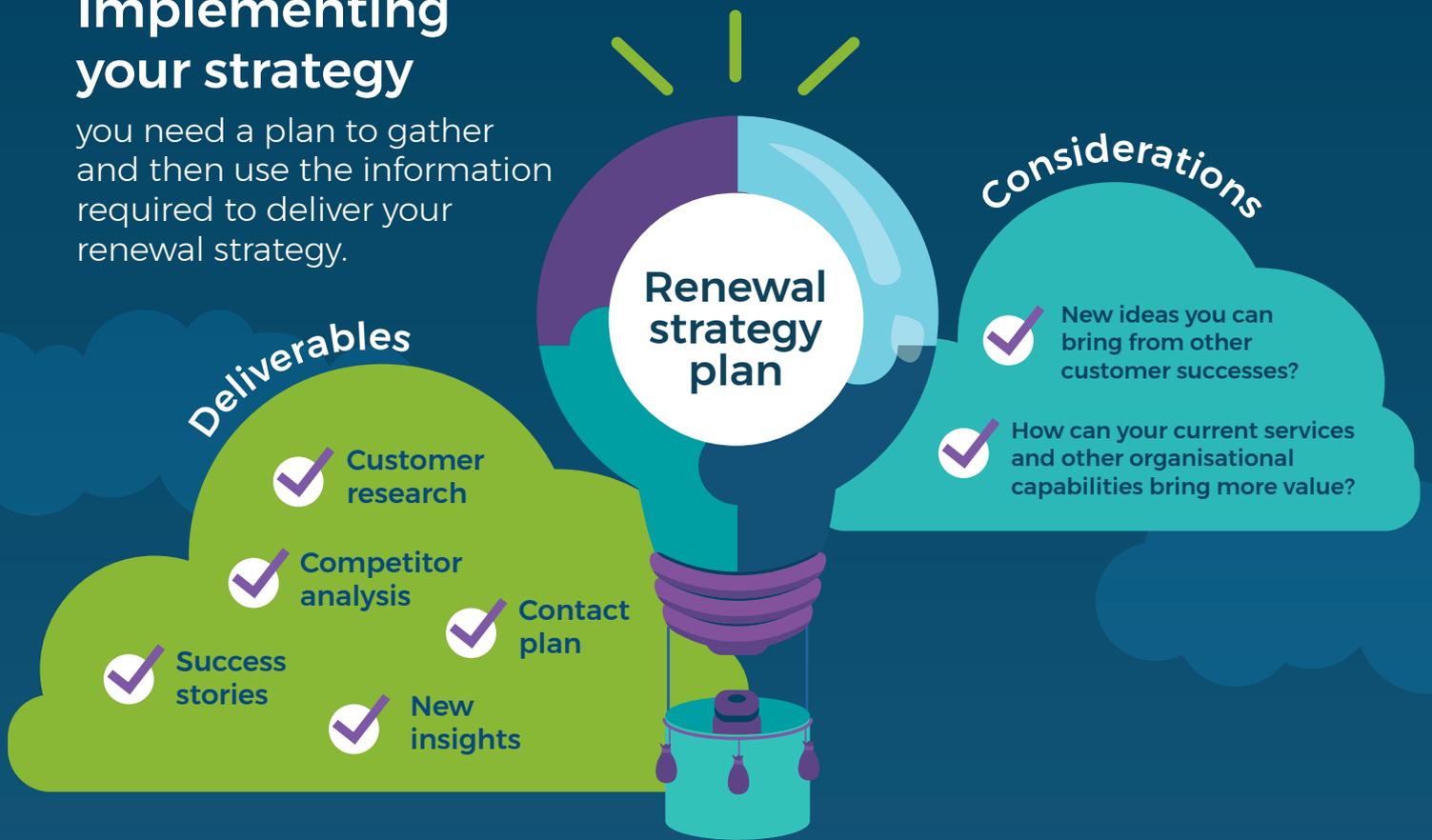


Capture the stories  
Capture the benefits

- What have we fixed?
- What did we improve?
- What value have we delivered?
- What feedback and testimonials can we use?
- How have we performed on other similar contracts?

# Implementing your strategy

you need a plan to gather and then use the information required to deliver your renewal strategy.



## Supporting the renewal strategy

Here are some of the ways the best proposal teams support successful renewal strategies.



### Renewal campaign branding

Develop a bespoke brand for the renewal campaign that helps tell your story.



### Insight workshops

Create presentations, handouts and posters to support customer meetings where you share your latest ideas and suggestions.



### Proactive proposals and pitches

Create compelling and persuasive proposals and pitches that articulate why your customer should renew with you.



### Persuasive stories

Use proposal strategy techniques to create the renewal story, theories and anecdotes.



### Value reports

As part of your account management, capture the tangible benefits you've delivered and remind them of the success that you've achieved. Plus, any ideas for improvement.



### RFP development

Should your customer go to market, help draft their RFP so it's wired in your favour.

# How Strategic Proposals can help you



**ASSESS  
YOUR CURRENT  
CAPABILITY**

Understanding your current proposal capabilities and how you could improve



**WIN YOUR  
NEXT BID**

Helping you win a specific bid using our hugely experienced, expert team



**PROACTIVE  
& RENEWAL  
PROPOSALS**

Using proactive and renewal proposals to influence – or avoid – a formal RFP



**ACCESS TO  
THE RIGHT  
CONTENT**

Creating and maintaining a strong library of well-written, up-to-date pre-written proposal content



**IMPROVING  
PROPOSAL  
SKILLS**

Training and coaching to ensure that everyone involved in proposals has the necessary skills



**OUTSOURCED  
SUPPORT**

Providing bespoke contracted support services for multiple deals – which can include fixed price and risk-reward options



**BUILDING  
WINNING  
CAPABILITIES**

Delivering tried-and-tested solutions to embed improved proposal capabilities and processes



**KEEPING YOU  
COMPETITIVE**

Ensuring your capability continues to give you a competitive advantage



# About Strategic Proposals



Capture rate of **89%**

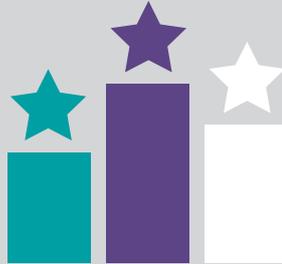


Proven processes and tools



understanding of buyers

**Passionate**  
about winning



**Delivering**

quality, improving win rates



Numerous industry awards

Seasoned professionals



**100% scores for quality**  
in many evaluation processes

APMP's professional certification



**serving**  
clients globally



## Strategic Proposals and renewal proposals

We love helping clients to win renewal opportunities. We help define strategies, test approaches and create compelling stories and supporting collateral to enable account teams to retain business.

StrategicProposals

 [info@strategicproposals.com](mailto:info@strategicproposals.com)

 0800 009 6800

 [strategicproposals.com](http://strategicproposals.com)

 @ProposalsSP