

Ready2Tender Research Project

Presentation of Key Findings to the Office of the Industry Advocate

6 August 2019

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Introduction & Methodology

Action Market Research and Hudson Howells were engaged by the Office of the Industry Advocate in June 2019 to undertake a survey of South Australian businesses to better understand current attitudes and business readiness towards tendering in South Australia for government work, the challenges of government tenders, what impediments are faced by business, and to test a range of services that could support business in tendering.

This presentation details the findings from this research activity with South Australia businesses.

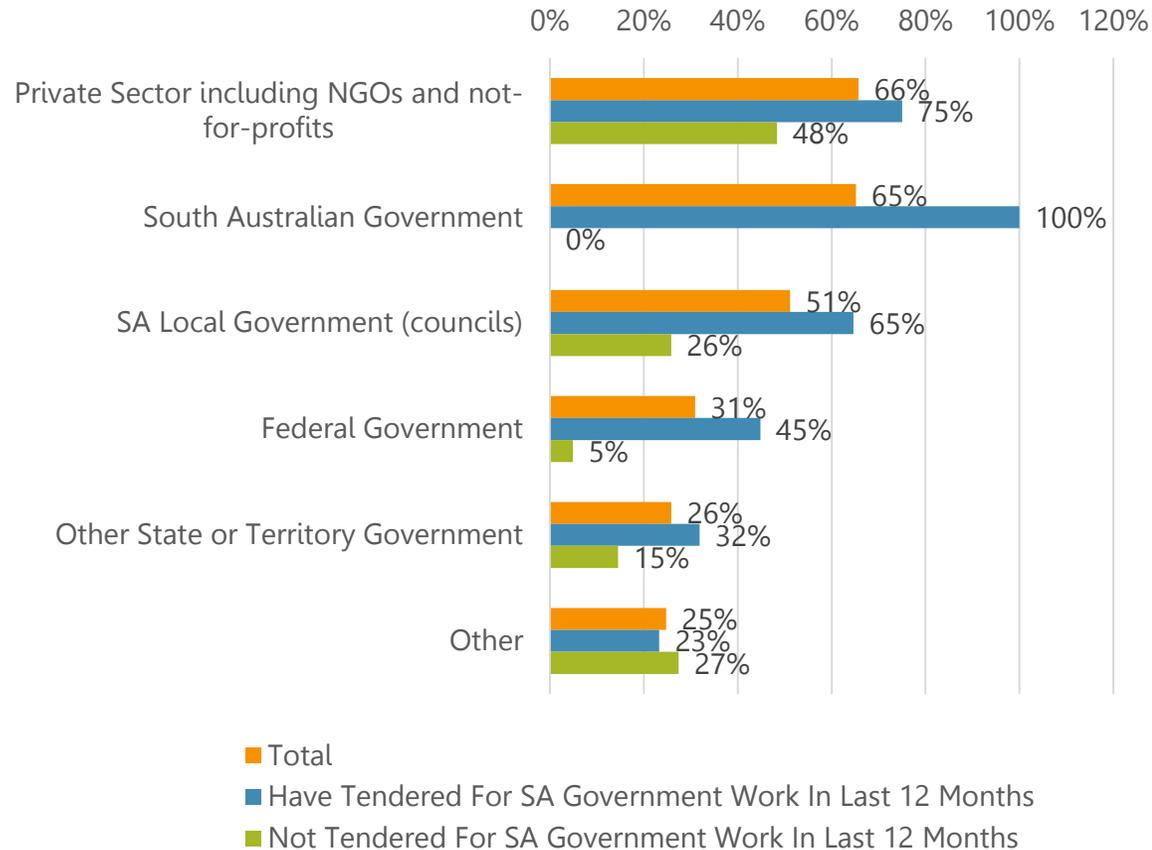
A questionnaire was developed in consultation with the Office of the Industry Advocate. This survey was distributed by the Office of the Industry Advocate to its database of South Australian businesses.

A total of 178 interviews were completed, including 116 interviews with those businesses that have tendered for South Australian Government work in the previous 12 months, and 62 interviews with those businesses that have not tendered for South Australian Government work in the previous 12 months.

The survey was conducted online using our internally hosted Limesurvey software. Results were collated and analysed using OfficeReports and SPSS statistical software packages, and verbatim comments have been thematically coded in Excel.

Screening

Q1. Percentage Tendered For Work Previous 12 Months



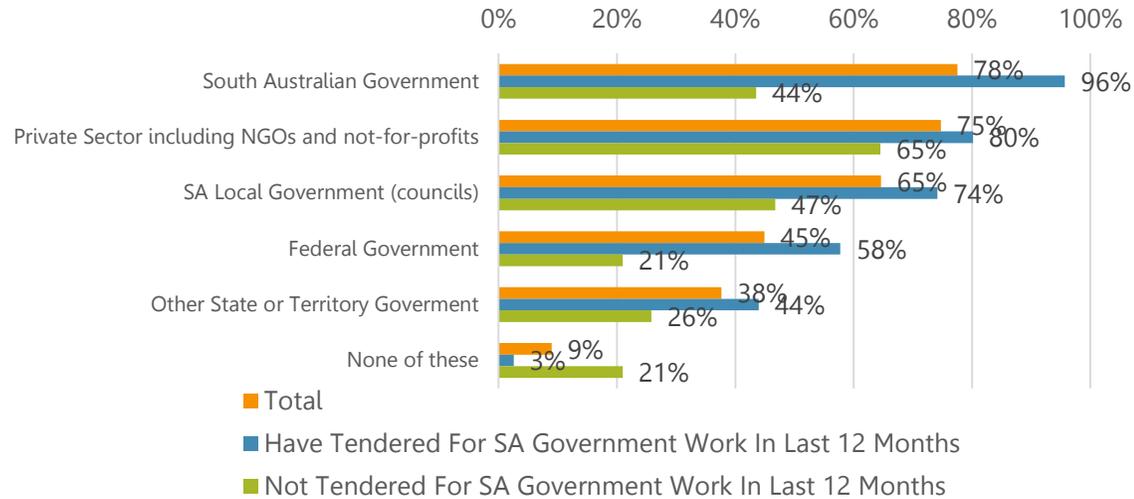
For most respondents, business within the last 12 months has mainly been sought from the private sector including non-government organisations and not-for-profits (66%), followed by work with the South Australian Government (65%) as well as work with SA Local Government councils (51%).

Of those businesses that have tendered for South Australian Government work in the last 12 months, 75% are also tendering for private sector work, 65% for SA Local Government work and 45% for Federal Government work.

Of those businesses that have not tendered for South Australian Government work in the last 12 months, just under half (48%) are tendering private sector work, while 26% are tendering for SA Local Government work and 27% are tendering for Other types of work not listed.

Screening 2

Q2. Intend tendering for work with any of the following over the next 12 months?

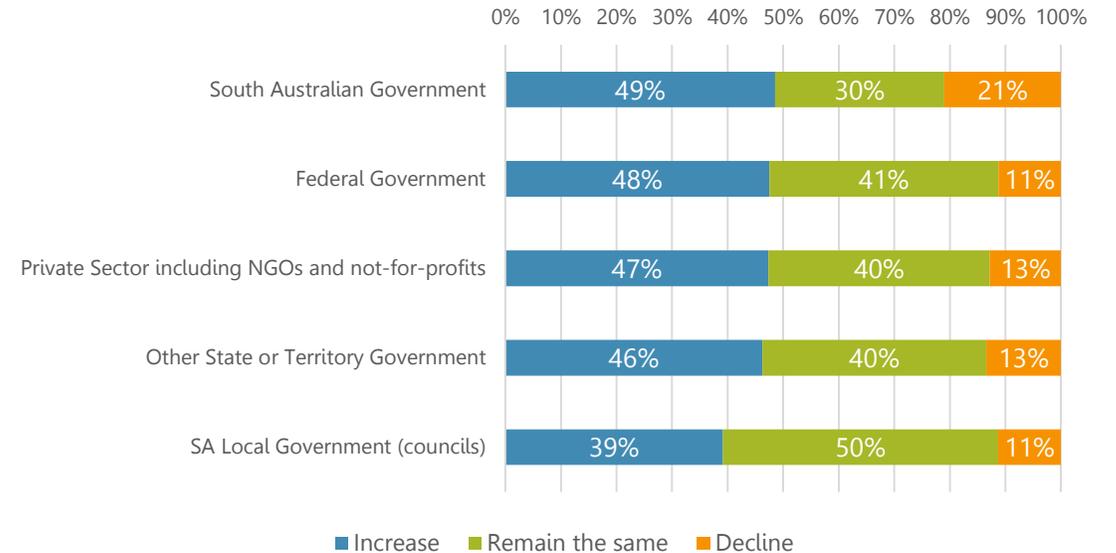


Overall, **78% of businesses surveyed intend to tender for South Australian Government work in the next 12 months**, with 75% intending to tender for private sector work and 65% intending to tender for Local Government work.

Overall, **the mood among the businesses interviewed is quite positive about the anticipated future** prospects of work increasing from each of the sources listed, especially for South Australian Government work.

Of those that have tendered for South Australian Government work in the previous 12 months, the majority of tendering is done both directly and indirectly (48%), while 39% is done directly only, with the respondent's organisation as the lead tenderer.

Q2B. Anticipate Work Will Increase, Stay The Same, Or Decline - Total



Q3. Do you tender for South Australian Government work? (Only those that have tendered for SA Government work in the last 12 months)



Tender/Quotation Analysis

Total Respondents

Attribute (sorted by State Government high % to low %)	Federal Government	State Government ^	Local Government	Private Sector	None of these
m) Takes a long time to reach a decision	61%	77%	54%	21%	15%
g) Is primarily interested in price not quality	43%	63%	57%	47%	15%
l) Requires information that doesn't make sense	48%	62%	45%	20%	29%
f) Is prescriptive in its approach	46%	60%	48%	25%	24%
a) Allows adequate time to respond	38%	57%	41%	43%	22%
k) Provides timely advice about any changes/updates to the tendering process	29%	45%	33%	31%	36%
c) Goes out of its way to make life difficult	32%	42%	35%	15%	37%
b) Encourages innovation in its tender responses	19%	28%	20%	44%	34%
h) Is quick to respond to tender queries	16%	26%	25%	50%	36%
j) Provides tender documentation that's easy to follow	15%	24%	19%	39%	45%
d) Has lifted its game in recent times	11%	21%	17%	21%	56%
i) Is small business friendly	4%	13%	22%	38%	47%
e) Is flexible in its approach	7%	11%	10%	55%	35%

Attributes Describing State Government	Result	Shared with
Takes a long time to reach a decision	77%	Federal Government (61%) Local Government (54%)
Is primarily interested in price not quality	63%	Local Government (57%)
Requires information that doesn't make sense	62%	None
Is prescriptive in its approach	60%	None
Allows adequate time to respond	57%	None

Attributes <u>Not</u> Describing State Government	Result	Shared with
Is small business friendly	13%	Federal Government (4%)
Is flexible in its approach	11%	Federal Government (7%) Local Government (10%)

Overall, the private sector is seen in a more positive way and could be described as being flexible in its approach (55%) and not going out of its way to make life difficult (15%).

Interestingly, none of the levels of government or the private sector can be described as having lifting its game in recent times.

Tender/Quotation Analysis 2

Have Tendered for South Australian Government Work in Last 12 Months

Attribute (sorted by State Government high % to low %)	Federal Government	State Government ^	Local Government	Private Sector	None of these
m) Takes a long time to reach a decision	58%	80%	50%	19%	13%
a) Allows adequate time to respond	44%	72%	49%	42%	14%
f) Is prescriptive in its approach	45%	66%	50%	25%	20%
l) Requires information that doesn't make sense	43%	63%	46%	21%	28%
g) Is primarily interested in price not quality	35%	58%	54%	50%	12%
k) Provides timely advice about any changes/updates to the tendering process	34%	56%	34%	29%	28%
c) Goes out of its way to make life difficult	28%	40%	34%	16%	37%
b) Encourages innovation in its tender responses	21%	37%	22%	42%	32%
j) Provides tender documentation that's easy to follow	21%	32%	20%	37%	40%
h) Is quick to respond to tender queries	17%	30%	27%	50%	35%
d) Has lifted its game in recent times	14%	28%	19%	20%	52%
i) Is small business friendly	5%	18%	25%	34%	45%
e) Is flexible in its approach	7%	15%	9%	52%	37%

Attributes Describing State Government	Result	Shared with
Takes a long time to reach a decision	80%	Federal Government (58%)
Allows adequate time to respond	72%	None
Is prescriptive in its approach	66%	None
Requires information that doesn't make sense	63%	None
Is primarily interested in price not quality	58%	Local Government (54%)
Provides timely advice about any changes/updates to the tendering process	56%	None

Attributes Not Describing State Government	Result	Shared with
Is small business friendly	18%	Federal Government (5%)
Is flexible in its approach	15%	Federal Government (7%) Local Government (9%)

Overall, the private sector is seen in a more positive sense by those who have tendered for South Australian Government work in the last 12 months, with 52% indicating they are flexible in their approach, and only 19% indicating that they take a long time to reach a decision. Only 16% of those who have tendered for South Australian Government work in the last 12 months indicate that the private sector goes out of its way to make life difficult. As with the result by total respondents, none of the levels of government or private sector can be described as having lifted its game in recent times.

Tender/Quotation Analysis 3

Not Tendered for SA Government Work in Last 12 Months

Attribute (sorted by State Government high % to low %)	Federal Government	State Government	Local Government	Private Sector	None of these
g) Is primarily interested in price not quality	56%	73%	61%	40%	19%
m) Takes a long time to reach a decision	68%	71%	61%	24%	18%
l) Requires information that doesn't make sense	58%	60%	44%	19%	31%
c) Goes out of its way to make life difficult	40%	47%	37%	15%	37%
f) Is prescriptive in its approach	47%	47%	44%	26%	32%
a) Allows adequate time to respond	27%	31%	26%	45%	37%
k) Provides timely advice about any changes/updates to the tendering process	18%	24%	31%	35%	52%
h) Is quick to respond to tender queries	15%	19%	23%	50%	37%
b) Encourages innovation in its tender responses	16%	11%	18%	47%	37%
j) Provides tender documentation that's easy to follow	5%	10%	16%	42%	55%
d) Has lifted its game in recent times	6%	6%	13%	23%	65%
i) Is small business friendly	2%	5%	16%	45%	50%
e) Is flexible in its approach	6%	3%	11%	61%	32%

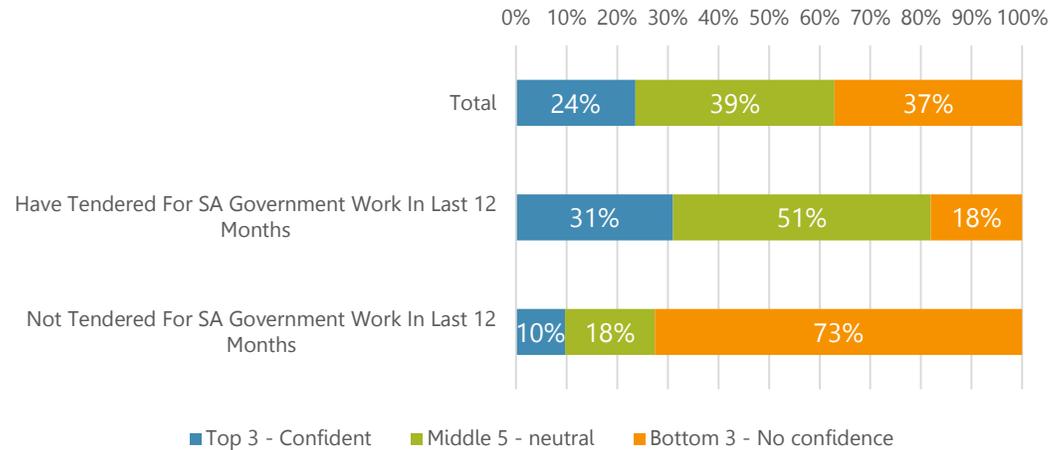
Attributes Describing State Government	Result	Shared with
Is primarily interested in price not quality	73%	Federal Government (56%) Local Government (61%)
Takes a long time to reach a decision	71%	Federal Government (687%) Local Government (61%)
Requires information that doesn't make sense	60%	Federal Government (58%)

Attributes <u>not</u> Describing State Government	Result	Shared with
Is quick to respond to tender queries	19%	Federal Government (15%)
Encourages innovation in its tender responses	11%	Federal Government (16%) Local Government (18%)
Provides tender documentation that's easy to follow	10%	Federal Government (5%) Local Government (16%)
Has lifted its game in recent times	6%	Federal Government (6%) Local Government (13%)
Is small business friendly	5%	Federal Government (2%) Local Government (16%)
Is flexible in its approach	3%	Federal Government (6%) Local Government (11%)

Overall, those that have not tendered for South Australian Government work in the previous 12 months have a similar view of each of the three levels of government. **This group view the private sector as being flexible in its approach (61%) which is much higher than all other groups, and they tend to disagree that the Private Sector requires information that doesn't make sense (19%) and/or that it goes out of its way to make life difficult (15%).**

Tender/Quotation Analysis 4

Q5. Confidence To Win Tenders With SA Government



Overall, 24% of respondents are confident in their ability to win tenders with the South Australian Government. Confidence is higher among those who have tendered for South Australian Government work in the previous 12 months (31%) and lower among those that have not tendered in the previous 12 months (10%).

Those who have not tendered for South Australian Government work in the previous 12 months have little to no confidence in their ability to win tenders with 73% indicating a score of 0, 1 or 2 on the 10-point scale.

Q6. What are your main reasons for being confident in winning tenders with the South Australian Government? [CODED REASONS]	Result
Base: Those who rated 7 or higher at Q5	N=59
Company reputation/ability	64%
Experience/knowledge in tender process	32%
Price/Competitive bid submissions	14%
Previous success rate	12%
Tender process fairness	3%

Q7. What are your main reasons for not being confident in winning tenders with the South Australian Government? [CODED REASONS]	Have Tendered for SA Government Work in Last 12 Months	Not Tendered for SA Government Work in Last 12 Months	Total Respondents
Base: Those who rated less than 7 at Q5	N=64	N=55	N=119
Biased toward selected businesses/big businesses	41%	53%	46%
Tender eligibility	42%	36%	39%
Price of fees	25%	7%	17%
Tender process too difficult/timely	11%	13%	12%
Lack of information about tenders/requirements	8%	11%	9%
Tenders not suitable/relevant	8%	5%	7%

Tender/Quotation Analysis 5

REASONS FOR BEING CONFIDENT IN WINNING TENDERS

Verbatim mentions relating to 'Company reputation/ability' include:

"We have spent a lot of time, effort and money on Quality, Safety and Environmental accreditations and also Government SCA accreditation. We have gained confidence of departments of government in delivery and built on the return business of this strategy. This has taken years to develop."

Verbatim mentions relating to 'Experience/knowledge in tender process' include:

"We have a good understanding of our industry, the Government tender process etc. Our main issues are that we are often used for the tender process because of the good knowledge within our business and then once the fabricator has won the job, he will re-tender all over town using our IP. We then have to re-price and nearly always the cheapest price wins - a race to the bottom."

REASONS FOR BEING NOT BEING CONFIDENT IN WINNING TENDERS

Verbatim comments relating to 'Biased toward selected businesses/Big businesses':

*"We provide a new generation software product, **the SA Government is so trapped in legacy systems and older proprietary systems (mostly first purchased a decade or more ago) that they're unable to quickly adapt, innovate and adopt to new technologies and systems.** Ultimately the Government has very limited budgets for technology/software, other than for paying big companies and established providers above-market rates under locked in contract arrangements. There's a lot of rhetoric about helping small business, but all the major ICT, software and systems contracts always go to the standard few big companies (who keep on merging and consolidating to make it worse)."*

Tender/Quotation Analysis 6

REASONS FOR NOT BEING CONFIDENT IN WINNING TENDERS (Cont'd)

Verbatim comments relating to 'Tender eligibility':

"Government seems to be looking to bundle jobs together to create larger projects that unfortunately sees small business unable to compete due to project value and complexity."

*"Having gone to several council tender workshops, **it is clear there is an advocacy for repeat providers - experience working with the department/council before is weighted highly.** As a small business trying to grow by winning new work, we just aren't considered. Additionally, as a small business it is too expensive to have exorbitant WHS policies (IT business, low risk at best of times) to comply with the technical requirements, and ISO standards are too hard to achieve if they are a requirement as well. **In terms of supporting small business growth, we have to win the work before we can grow. There is no support for this.**"*

Verbatim comments relating to 'Price of fees':

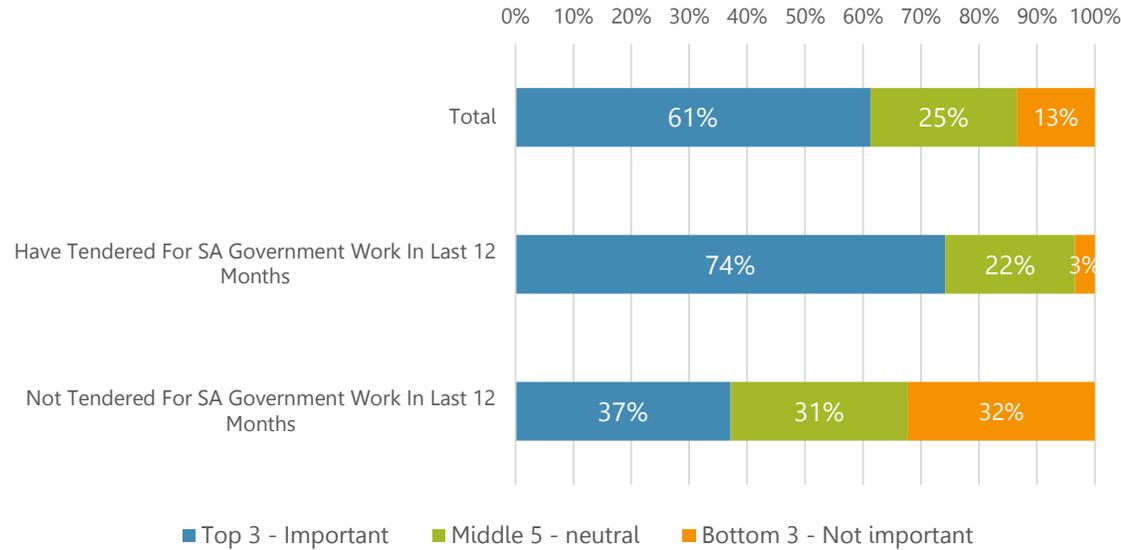
"Price seems to be the key factor that secures work without a considered view of risk and quality."

"Price has become the overriding determining factor in State Government Tendering with the lowest price tenderer generally being awarded the contract. We are an organisation that prides itself on the quality of our product/service and we are subsequently discriminated against as our price reflects the quality we provide and we cannot win based on a low price."

"I have found SA government agencies to be unable to think outside the square in terms of value for money for the services we offer. They seem to only look at the \$ cost of engaging us, and do not fully appreciate the benefits we offer."

Tender/Quotation Analysis 7

Q8. Importance to win work with SA Government



Overall, 61% of businesses indicate that winning work with the South Australian Government is important. This is higher among those that have tendered for work in the previous 12 months (74%) and lower among those that have not tendered in the previous 12 months (37%).

Q9. What are your main reasons for the importance to your business of winning work with the South Australian Government? [CODED REASONS]	Have Tendered for SA Government Work in Last 12 Months	Not Tendered for SA Government Work in Last 12 Months	Total Respondents
Base: Those who rated less than 7 at Q5	N=97	N=24	N=121
Continuity of ongoing work/guaranteed work	64%	50%	61%
Development/success of the state/supporting local	45%	33%	43%
Allows businesses to grow/reach goals/build reputation	14%	38%	19%
Ability to add value, experience and skills	14%	25%	17%
Guaranteed payment	4%	21%	7%

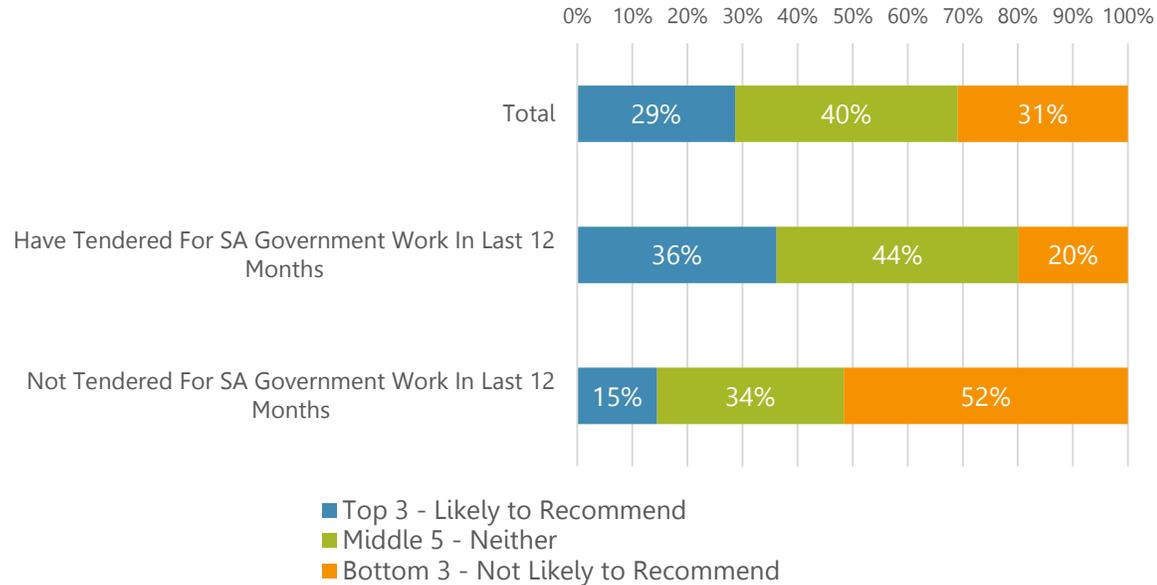
*"The SA Government is by far our largest client and accounts for more than 50% of our national turnover. **If we did not win work with the SA Government, we would need to close our Adelaide office, which is our head office.**"*

"The SA Government has a continuous flow of works and for a large business like our it is critical that we secure our share of this work. We have some 120 staff on the books in a construction company so we need continuous work to keep them all employed."

*"Government is such a large percentage of available local market. **It's a major source of reference and local credibility** - both public and private entities"*

Tender/Quotation Analysis 8

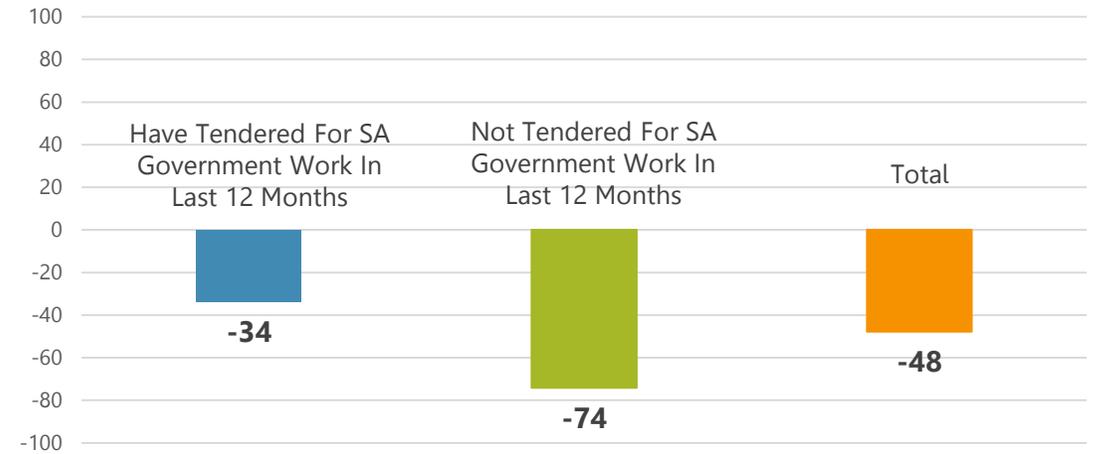
Q10. Recommend To Tender For South Australian Government Work



Only 29% of respondents are likely to recommend tendering for South Australian Government work to other businesses.

This is slightly higher (36%) for those businesses that have tendered for work in the previous 12 months, and lower (15%) for those that have not tendered for work in the previous 12 months.

Q10. Net Promoter Score



The overall result here of -48 indicates that much more work needs to be done, and business is likely to be talking quite negatively about the experience of tendering for South Australian Government work.

Those businesses that have tendered for South Australian Government work in the previous 12 months have a slightly better score of -34, however 54% of respondents in this category are classified as Detractors, indicating that more than half are actively talking negatively about their South Australian Government tendering experiences.

Those businesses that have not tendered for work in the previous 12 months have a score of -74, with 82% of this group classified as Detractors, indicating this group is quite strongly and vocally negative towards tendering for South Australian Government work.

Tender/Quotation Analysis 9

Q11. What are your main reasons for recommending tendering for work with the South Australian Government? [CODED REASONS]	Have Tendered for SA Government Work in Last 12 Months	Not Tendered for SA Government Work in Last 12 Months	Total Respondents
Base: Those Who Rated Q10 a 7 or Higher	N=53	N=11	N=64
Continuity of ongoing work/guaranteed work	28%	18%	27%
Payment/Revenue	25%	18%	23%
Development/success of the state/supporting local	17%	36%	20%
Scale/significance/variety of projects	21%	9%	19%
Government standard/Professional	17%	9%	16%
Allows business to grow/reach goals/build reputation	15%	9%	14%

*“Normally contracts are 3 + 2 so **it gives you the opportunity to plan ahead**, it is also important for the business to secure future works within the SA Government.”*

*“**That they offer some excellent opportunities for continual business growth planning into the future.**”*

*“Security of payment. Coverage of sectors. **Can be hard work to win a tender but ongoing delivery usually good.**”*

*“**Good payers.** Generally good people on ground to work with. Good variety of project work across multiple industries.”*

*“**Working in SA helps to generate more business in this state, using local people and local supply chains.**”*

Tender/Quotation Analysis 10

Q12. What are your main reasons for not recommending tendering for work with the South Australian Government? [CODED REASONS]	Have Tendered for SA Government Work in Last 12 Months	Not Tendered for SA Government Work in Last 12 Months	Total Respondents
Base: Those Who Rated Q10 a 6 or lower	N=63	N=51	N=114
Tender process too difficult/timely/unfair	41%	35%	39%
Eligibility issues/conditions difficult	22%	20%	21%
Cost/budget/resources	16%	22%	18%
Biased towards selected businesses, anti-small business	14%	24%	18%
Competition	17%	4%	11%
Tender suitability/relevance to business	13%	8%	11%
Lack of information about tenders/requirements	5%	16%	10%

“The tender process is time consuming and soul destroying. Small business does not have the time to waste on a process that has already been decided in advance. We have systems in place, proven track record, quality product and service, but in the end we would spend a lot of time just to fill the quota of participants.”

“The process is onerous and the protocols are extreme. There is limited recognition as to the time taken to prepare the tender.”

“The SA Government can be quite cumbersome as are all other state / territory govts. All of them require copious amounts of OHS, Environmental and Quality documentation that can act as a hindrance rather than an advantage. It would be great if all councils and Governments across all States and Territories agreed on using a single pro forma for responding to tenders. This would help in reducing tendering costs which are excessive.”

It’s sometimes too hard to meet the criteria for being accepted e.g. previous Govt work, financial statements. It’s hard for small business to get a look in when competing with large Corporates.”

Tender/Quotation Analysis 11

Q13. Based on your experience, what are the main ways the South Australian Government could assist organisations with wanting to tender? [CODED REASONS]	Have Tendered for SA Government Work in Last 12 Months	Not Tendered for SA Government Work in Last 12 Months	Total Respondents
Base: All Respondents	N=116	N=62	N=178
Make the process easier/more time efficient/fairer	34%	23%	30%
Eligibility/conditions	29%	31%	30%
Feedback/consultation/transparency	25%	10%	20%
Provide more information/help regarding tender requirements	23%	13%	20%
Remove bias towards certain businesses	18%	16%	17%

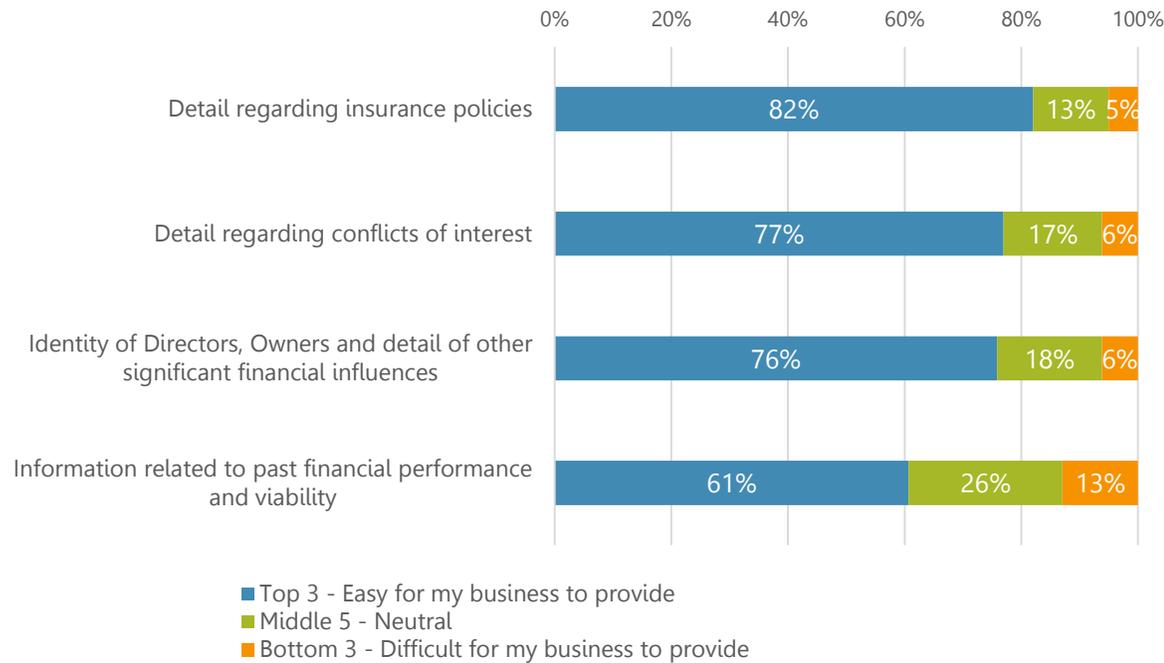
"In general, tenders need to be simple to respond to. I think the most difficult part is the inability to connect tenderer and issuer in a non-conflicted manner which allows the potential tenderer to decide whether it is worthwhile. Generally, it is expensive to prepare a submission."

"Design a tendering process only as a means to determine credibility of the organisation and the best fit of demonstrated capability to the type of service the Government requires. Allow the Government, End Users, and solutions provider to work collaboratively together to determine job to be done and solution to this problem. This creates environment for meaningful innovation and results it greater value for resources/money invested."

"Less red tape, reduced number of panels (there are way too many, with too much cross over), allow for assessment based on what the supplier is offering (drive innovation) rather than describing what the agency thinks it wants only to find it misses the actual requirements. Understanding and scanning the market first is also key."

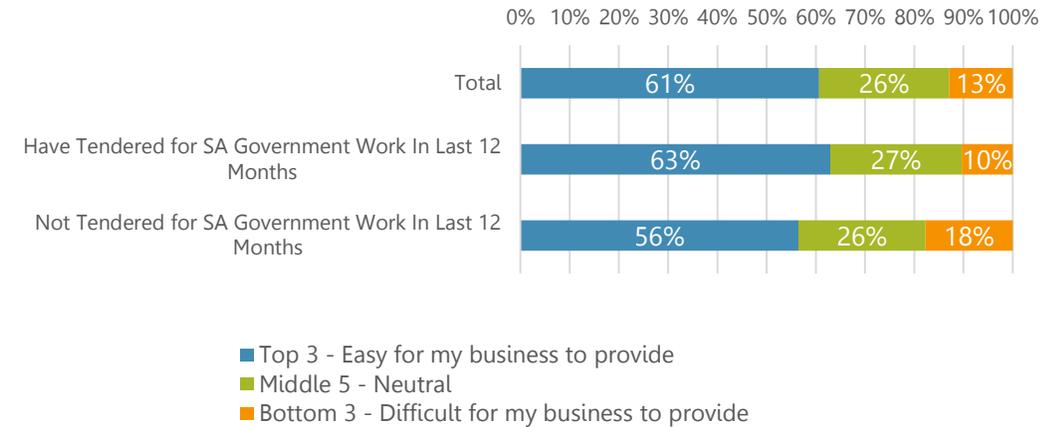
Supplier Financials & Risk

Q14. Difficulty In Providing Information Regarding Financials & Risk - By Total



Overall, **businesses find it easy to provide detail regarding insurance policies (82%), conflicts of interest (77%), and the identity of directors, owners and detail of other significant financial influences (76%).** Providing information related to past financial performance and viability is still easy to provide in general (61%) but is more difficult than the other elements to provide.

Q14. Difficulty In Providing Information Related To Past Financial Performance And Viability

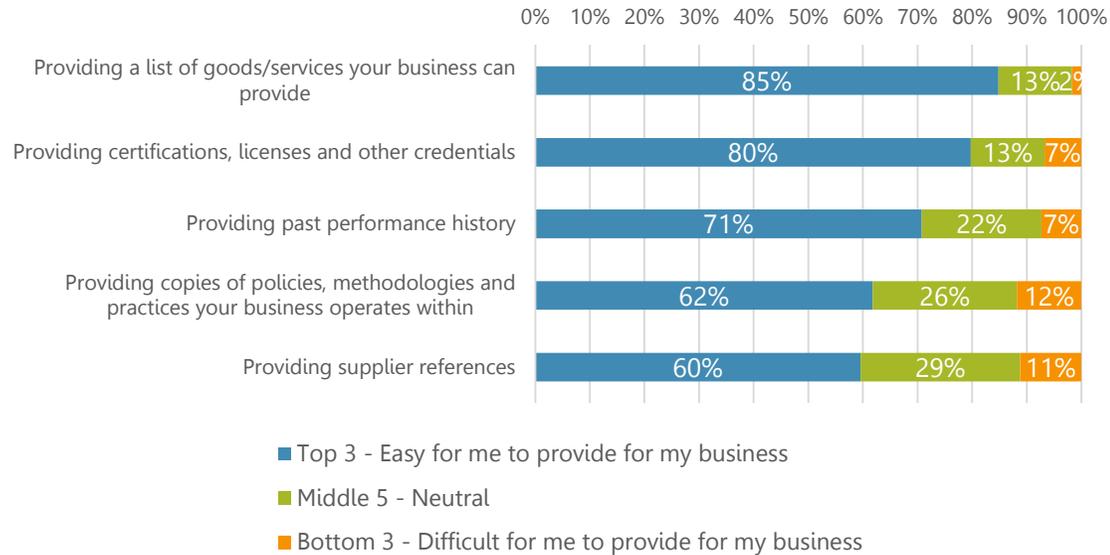


When reviewing the difficulty related to past financial performance and viability by those who have and have not tendered in the previous 12 months, **there is only a slightly higher rating of difficulty given for those that haven't tendered in the previous 12 months**, however more than half of businesses (61%) are still indicating that it is easy for them to provide this information.

Q15. Why is it difficult for you to provide this?	Total Respondents
Base: Those that rated Q14B less than 7	N=48
Confidentiality concerns/Company policy	21%
Time	19%
Accountant required	17%
Duration of company	15%

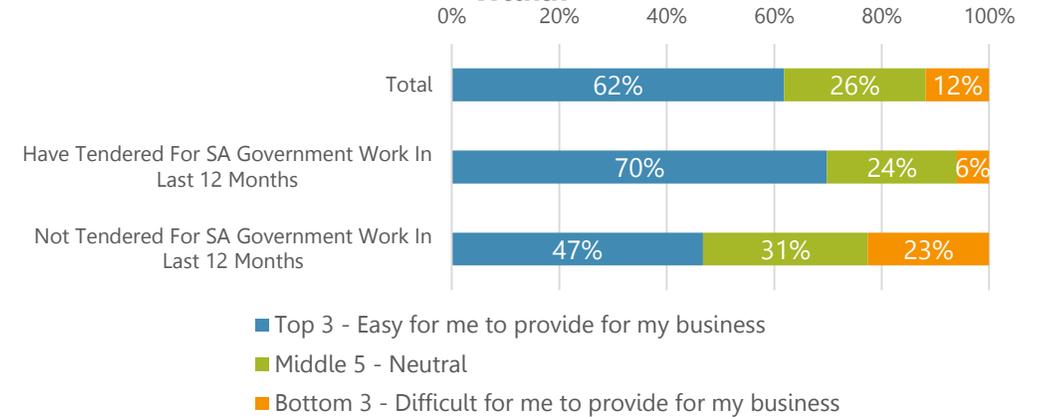
Supplier Capability

Q16. Difficulty Of Providing Credentials Demonstrating Performance Capability - By Total



Overall, businesses find it easy to provide a list of goods/services their business can provide (85%), they find it easy to provide certifications, licenses and other credentials (80%), and they also find it easy to provide past performance history (71%). Providing copies of policies, methodologies and practices (62% easy to provide) and providing supplier references (60% easy to provide) are slightly harder for businesses to provide but still find it relatively easy overall.

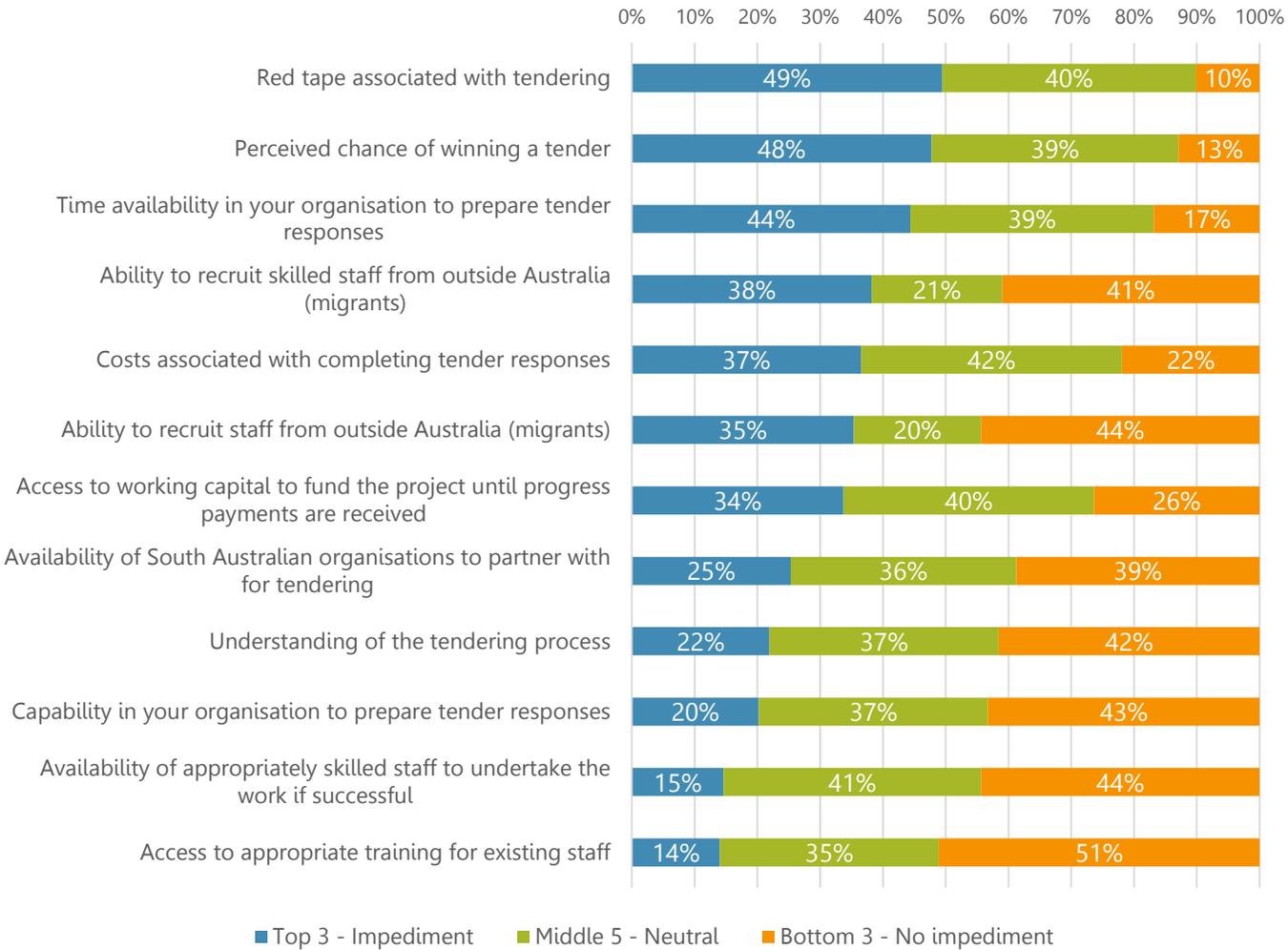
Q16. Difficulty In Providing Copies Of Policies, Methodologies, And Practices Your Business Operates Within



For those businesses that have not tendered for South Australian Government work in the previous 12 months, it is more difficult for them to provide copies of policies, methodologies and practices your business operates within, with 23% of these businesses indicating it is difficult for them to provide this, compared with 6% of those businesses that have tendered for work in the previous 12 months.

Impediments

Q17. Tendering Impediments - By Total



The Top 3 impediments in tendering for work with the South Australian Government include:

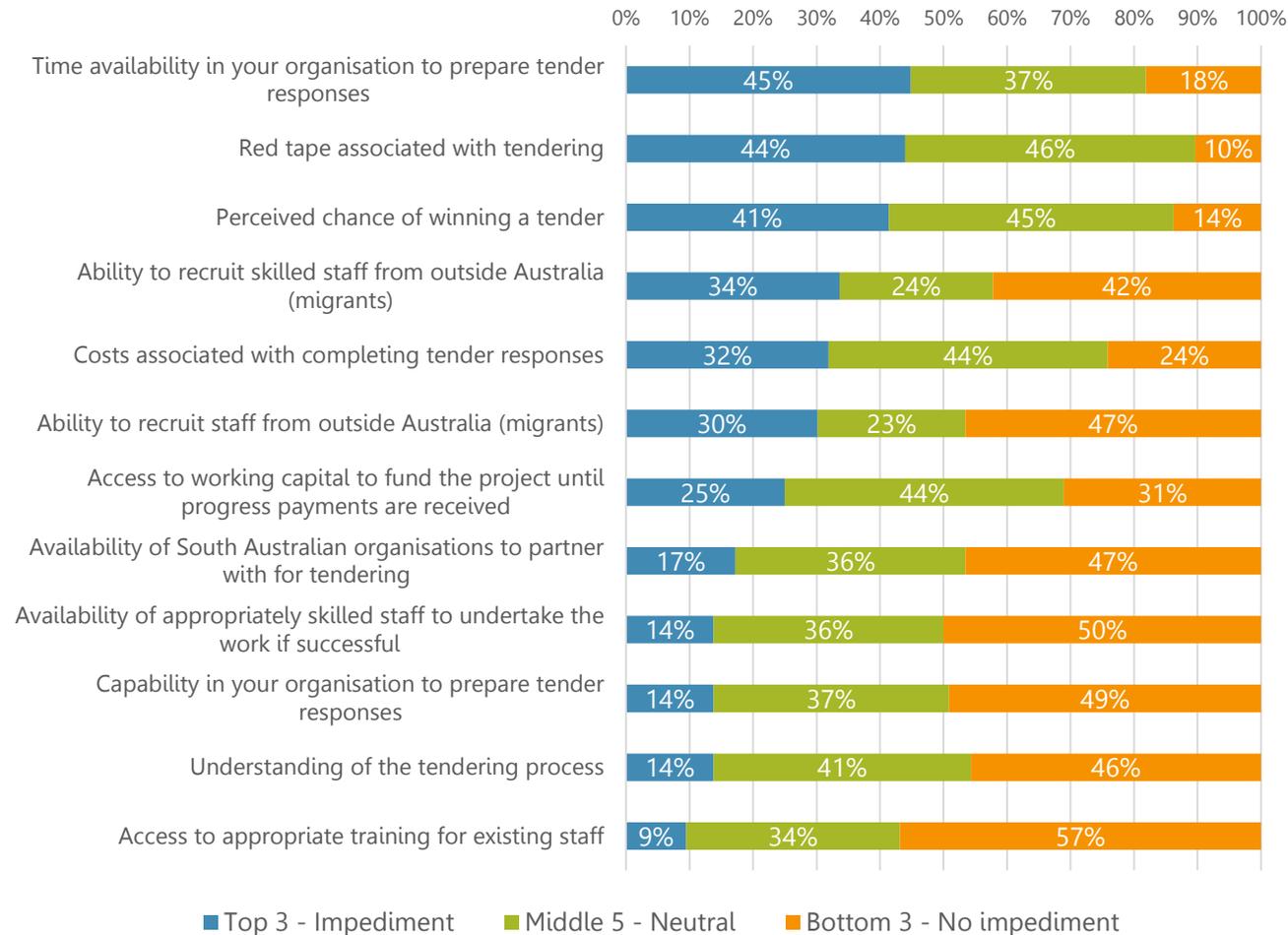
- red tape associated with tendering (49%)
- perceived chance of winning a tender (48%)
- time availability in your organisation to prepare tender responses (44%)

The elements that are not impediments in tendering for work with the South Australian Government include:

- having access to appropriate training for existing staff (14%)
- availability of appropriately skilled staff to undertake the work if successful (15%)
- capability in your organisation to prepare tender responses (20%)

Impediments 2

Q17. Tendering Impediments - Have Tendered For SA Government Work In Last 12 Months



For those businesses that have tendered for SA Government Work in the last 12 months

The Top 3 impediments in tendering for work with the South Australian Government include:

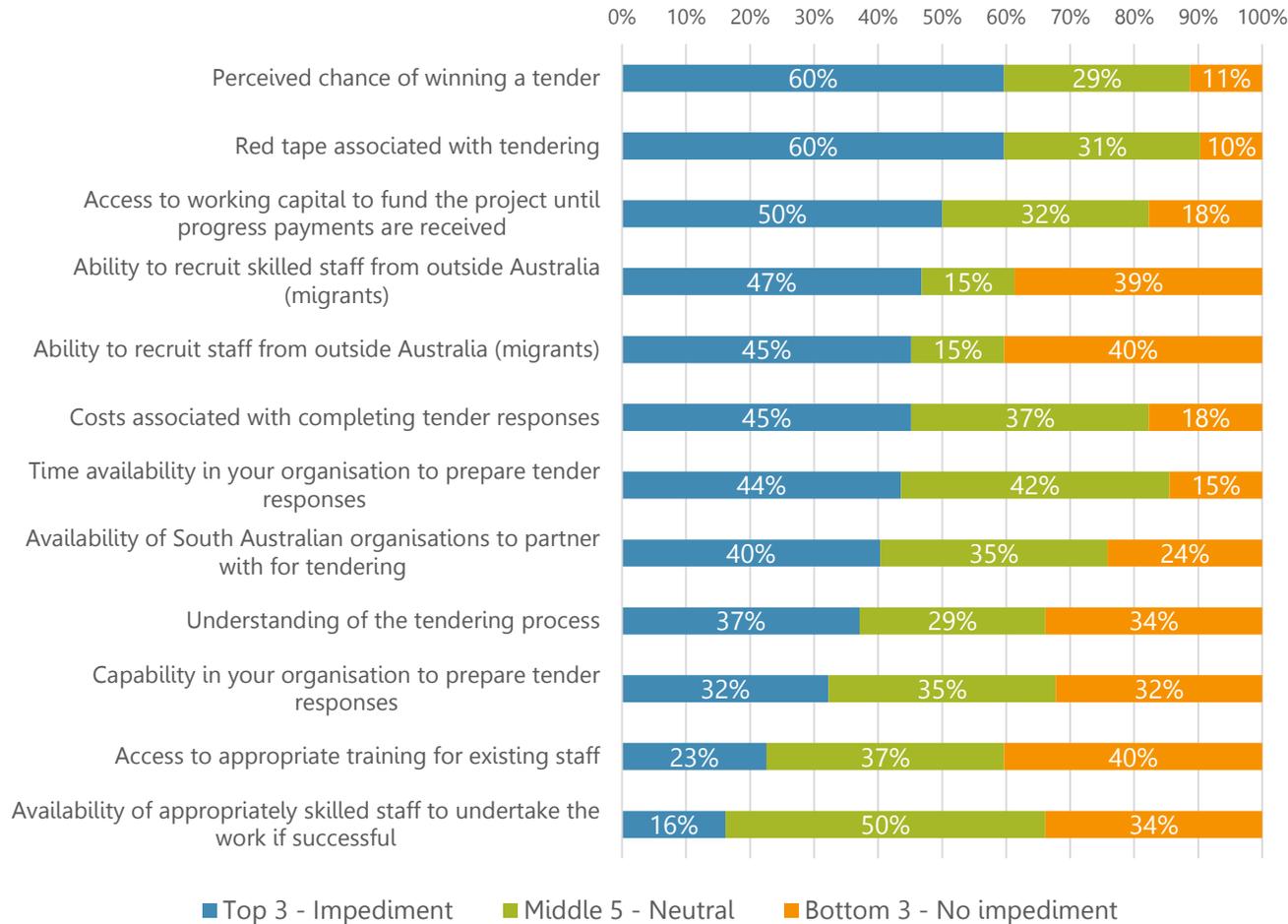
- time availability in your organisation to prepare tender responses (45%)
- red tape associated with tendering (44%)
- perceived chance of winning a tender (41%)

The elements that are not impediments in tendering for work with the South Australian Government include:

- having access to appropriate training for existing staff (9%)
- understanding the tendering process (14%)
- capability in your organisation to prepare tender responses (14%)

Impediments 3

Q17. Tendering Impediments - Not Tendered For SA Government Work In Last 12 Months



For those businesses that have not tendered for SA Government Work in the last 12 months

The Top 3 impediments in tendering for work with the South Australian Government include:

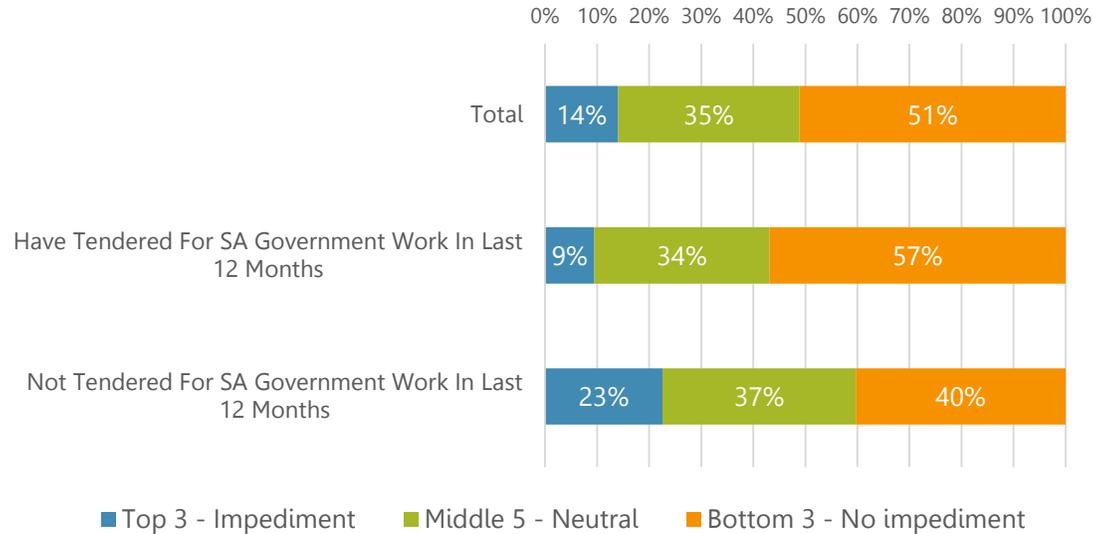
- perceived chance of winning a tender (60%)
- red tape associated with tendering (60%)
- access to working capital to fund the project until progress payments are received (50%)

The elements that are not impediments in tendering for work with the South Australian Government include:

- availability of appropriately skilled staff to undertake the work if successful (16%)
- access to appropriate training for existing staff (23%)
- capability in your organisation to prepare tender responses (32%)

Impediments 4

Q17. Impediment - Access To Appropriate Training For Staff



Access to appropriate training for staff is a minor impediment (14%). This is lower for those that have tendered in the previous 12 months (9%) and a slightly greater impediment for those that have not tendered in the previous 12 months (23%).

Q18. In the previous question you highlighted access to appropriate training for staff as an impediment to tendering for work with the South Australian Government. What could be done to assist you with this issue [CODED REASONS]	Have Tendered for SA Government Work in Last 12 Months	Not Tendered for SA Government Work in Last 12 Months	Total Respondents
Base: Those that rated Q17C 7 or more	N=19	N=14	N=33
Access to appropriate courses (e.g. TAFE, University)	42%	36%	39%
Grants/Funding	21%	50%	33%
Utilising overseas specialists	11%	7%	9%

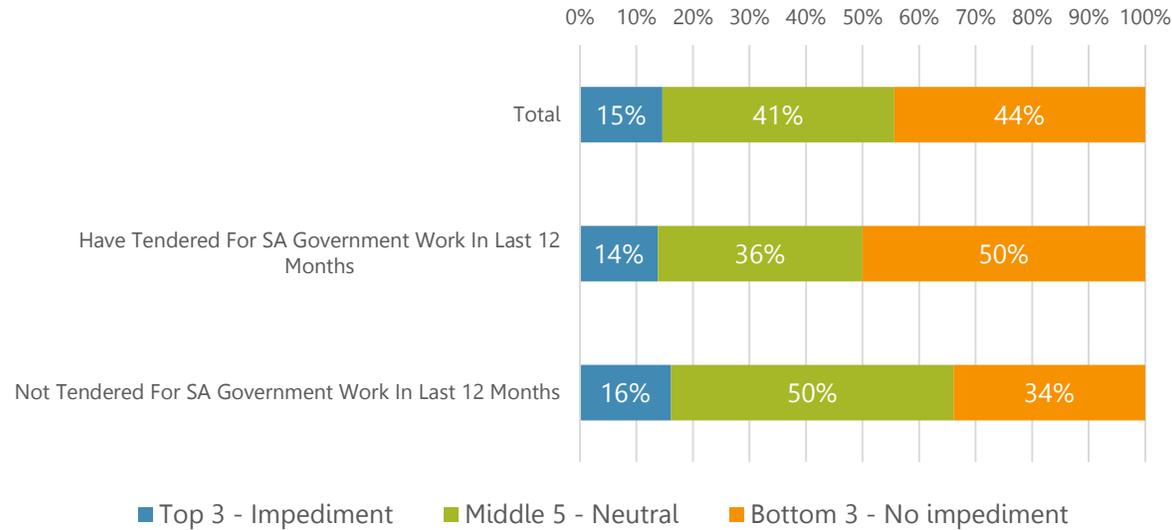
“Make more training opportunities available regionally”

“Allowing for training and development money in the tender price”

“Provide incentive for training. I could hire 10 new employees if the costs weren’t so high here”

Impediments 5

Q17. Impediment - Availability of Appropriately Skilled Staff



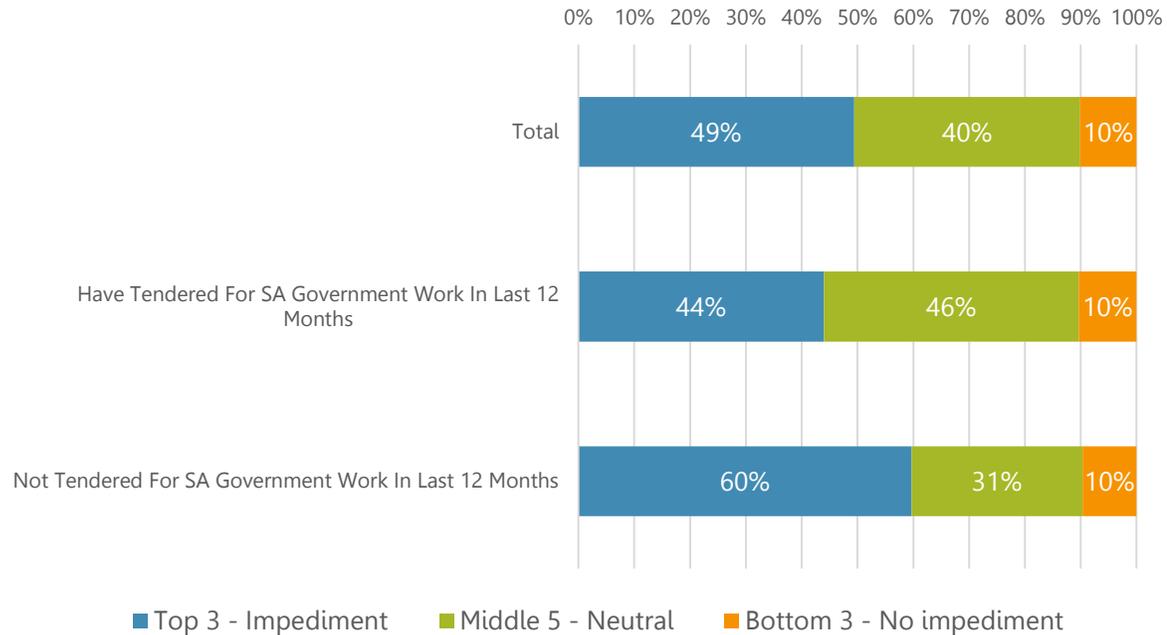
Availability of appropriately skilled staff is a minor impediment for businesses in tendering for work with the South Australian Government (15%).

Q19. In the previous question you highlighted availability of appropriately skilled staff as an impediment to tendering for work with the South Australian Government. What could be done to assist you with this issue [CODED REASONS]	Have Tendered for SA Government Work in Last 12 Months	Not Tendered for SA Government Work in Last 12 Months	Total Respondents
Base: Those that rated Q17E 7 or more	N=27	N=12	N=39
Access to appropriately skilled staff	41%	42%	41%
Grants/Funding/Financial support	22%	17%	21%
Provide more information/help regarding tender requirements	7%	8%	8%
Eligibility concerns	7%	8%	8%

*“There is a shortage of skilled staff in our industry on a global level. As there are only a few companies in SA working on the high level as we do, demand is for their experience is lower than it should be (lack of knowledge in the competition). So skilled professionals mostly work interstate or international. **If SA want to bring in more professionals (with the right skills!), which earn a high wage, then further company benefits as tax savings or other savings are necessary.**”*

Impediments 6

Q17. Impediment - Red Tape Associated With Tendering



Red tape associated with tendering (49%) with the South Australian Government is one of the major impediments for both those that have (44%) and have not (60%) tendered for work in the previous 12 months.

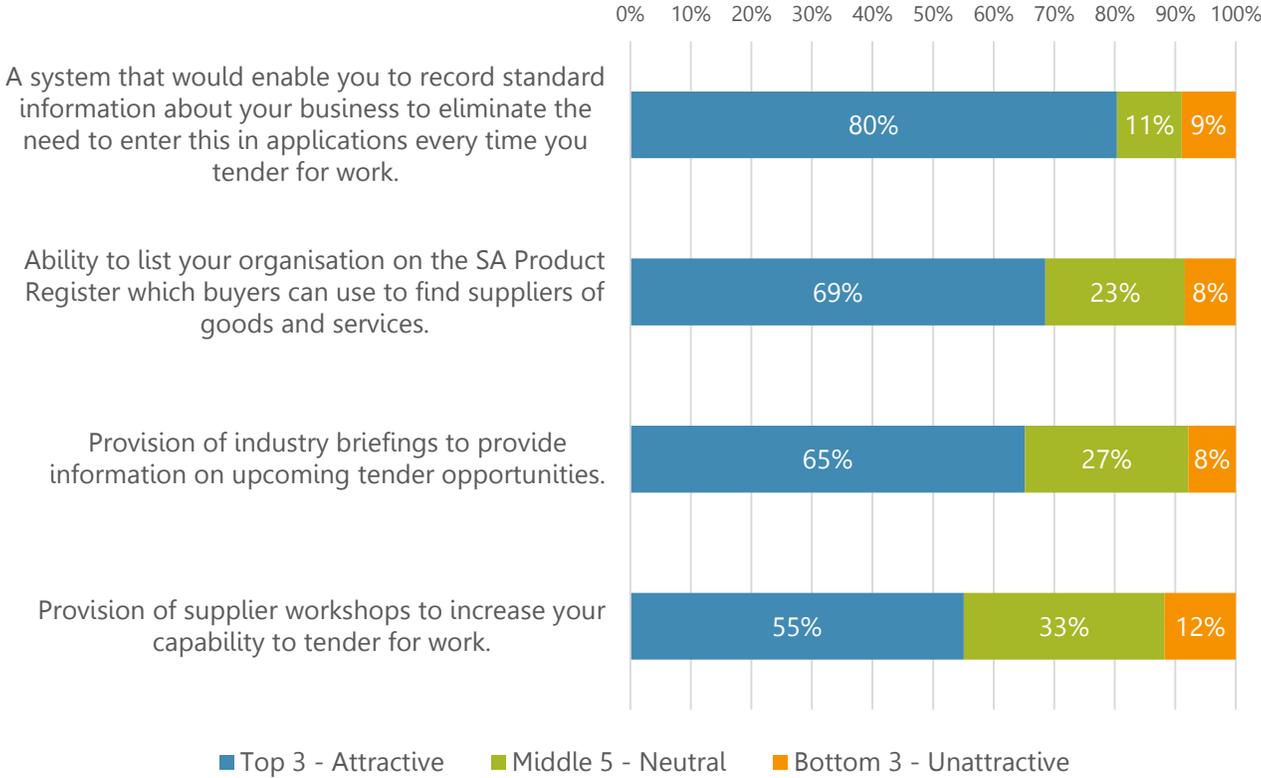
Q20. In the previous question you highlighted red tape associated with tendering as an impediment to tendering for work with the South Australian Government. What could be done to assist you with this issue [CODED REASONS]	Have Tendered for SA Govt Work in Last 12 Months	Not Tendered for SA Govt Work in Last 12 Months	Total Respondents
Base: Those that rated Q17J 7 or more	N=61	N=40	N=101
Make the process easier/more time efficient	52%	43%	49%
Provide more information/help regarding tenders/ requirements	21%	28%	24%
Eligibility concerns	8%	10%	9%

“Simplify for small businesses, have a set of documents that we could do once when registering and get help with this. Then for each tender you have 50% already in the system.”

“Have a Register e.g. Prequalification Register which covers all methodology, capability etc for all tenders of a Prequalified category. Only variable with individual tenders should be current Financial status/capability.”

Support Services

Q21. No-Cost Services Your Organisation Could Use To Assist With Tendering - By Total



The most attractive no-cost service businesses would use to tender for South Australian Government work would be a system that would enable you to record standard information about your business to eliminate the need to enter this in applicants every time you tender for work (80%).

The other options that were tested are also attractive, including an ability to list your organisation on the SA Product Register (69%), and provision of industry briefings to provide information on upcoming tender opportunities (65%).

Provision of supplier workshops to increase capability to tender for work is also attractive (55%).

Support 2

Q22. What other support services could the South Australian Government provide that would assist you to win work? [CODED REASONS]	Have Tendered for SA Government Work in Last 12 Months	Not Tendered for SA Government Work in Last 12 Months	Total Respondents
Base: All Respondents	N=116	N=62	N=178
More engagement	17%	10%	15%
Improve process / communication for tenders	15%	10%	13%
More information about tenders / processes / costs	12%	13%	12%
Advice / Feedback / Consultant	11%	11%	11%
Extra SME support	9%	11%	10%

The additional support services captured **top-of-mind** relate to having more engagement (15%), improvements in the process and communication (13%) and more information provided about tenders and the processes undertaken (12%).

“More feedback on unsuccessful responses. Better ideas of budget rather than blind tendering. Engage subject matter experts to assist with decisions.”

“Have tender evaluators assist small businesses post tender. Provide tender evaluation reports and comments publicly. Rate IPP to 30% of tender evaluation.”

“General and regular engagement with Industry bodies to discuss policies, potential changes in procurement processes, and to receive and act upon feedback from the industry bodies.”

“Continue the Meet the Buyer events to give industry the opportunity to meet with government buyers. Engage with industry pre-tender as part of their market intelligence. Understand industry capabilities through e.g. mapping or surveys, so government support is targeted according to strengths, weaknesses, opportunities & threats.”

Support 3

Q23. What other support services could the South Australian Government provide that would assist you to win work? [CODED REASONS]	Have Tendered for SA Government Work in Last 12 Months	Not Tendered for SA Government Work in Last 12 Months	Total Respondents
Base: All Respondents	N=116	N=62	N=178
More local support	10%	15%	12%
Improving the system	11%	6%	10%
Cost/Budget	10%	6%	9%
Process too hard / Time too short / All one big package	12%	3%	9%
Bias towards selected businesses	8%	5%	7%

The additional comments captured about what other support services the South Australian Government could provide to assist in winning work relate to wanting more local support (12%), general comments relating to improving the system (10%), and cost/budget (9%).

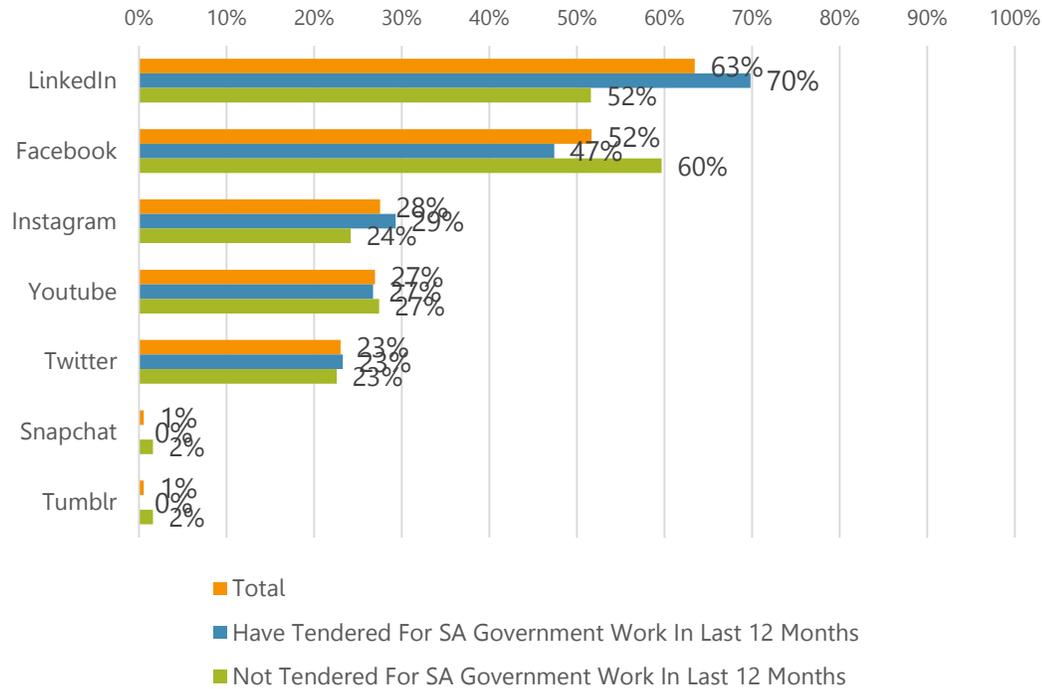
*“The existing contracts that support local employees don't actually look at the current percentage of turnover of the **business**, which is government, this supports taxes to state government, that allows the company to operate.”*

“The other state governments have a support local policy and follow through with it. The State Govt' have a policy but do the opposite and encourage interstate companies to win work and take the overheads / margins and profit money back interstate. It has been happening for a long time and that money could have underpinned the state.”

“In recent years, tendering for government work has become arduous and unproductive, with tendering cost skyrocketing over recent years as agencies seek to divest risk and responsibility whilst simultaneously driving down costs to a point where quality can no longer be maintained. A big overhaul needs to take place to make Tendering fairer, more transparent, and based upon the provision of quality goods and services. Expertise specific to the area of engagement needs to be retained, and in some cases restocked within Government such that they once again become 'Expert Buyers'.”

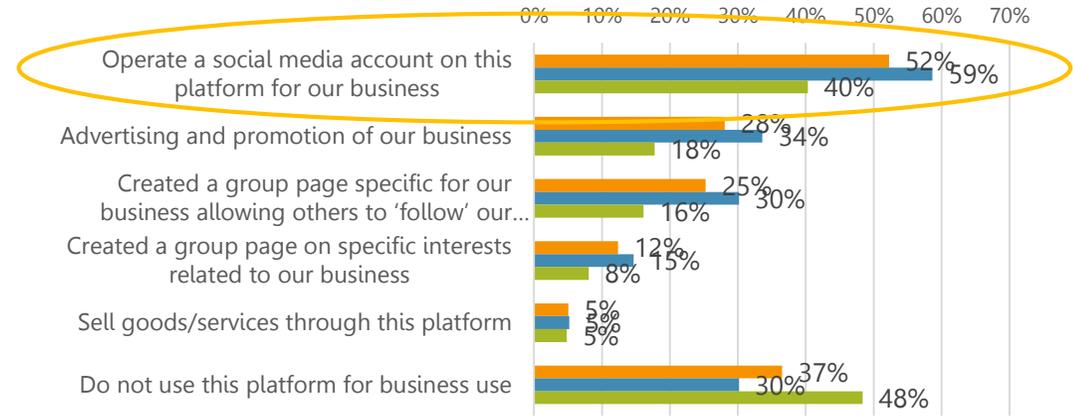
Business Details

Q24. Social Media Platform Usage For Business

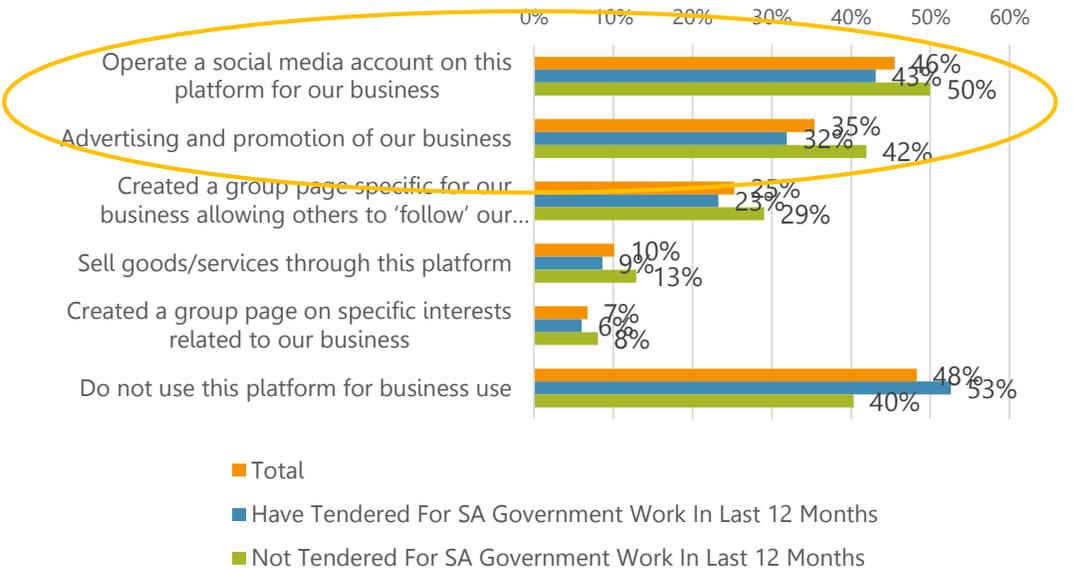


LinkedIn is the most used social media platform for business (63%), followed by Facebook (52%). Those who have tendered for work in the previous 12 months are more likely to be using LinkedIn for business (70%), whereas those who have not tendered for work in the previous 12 months are more likely to use Facebook (60%). Instagram (28%), YouTube (27%) and Twitter (23%) are also used, but at a much lower level compared to LinkedIn and Facebook.

Q24. LinkedIn - How Platform Is Used For Business

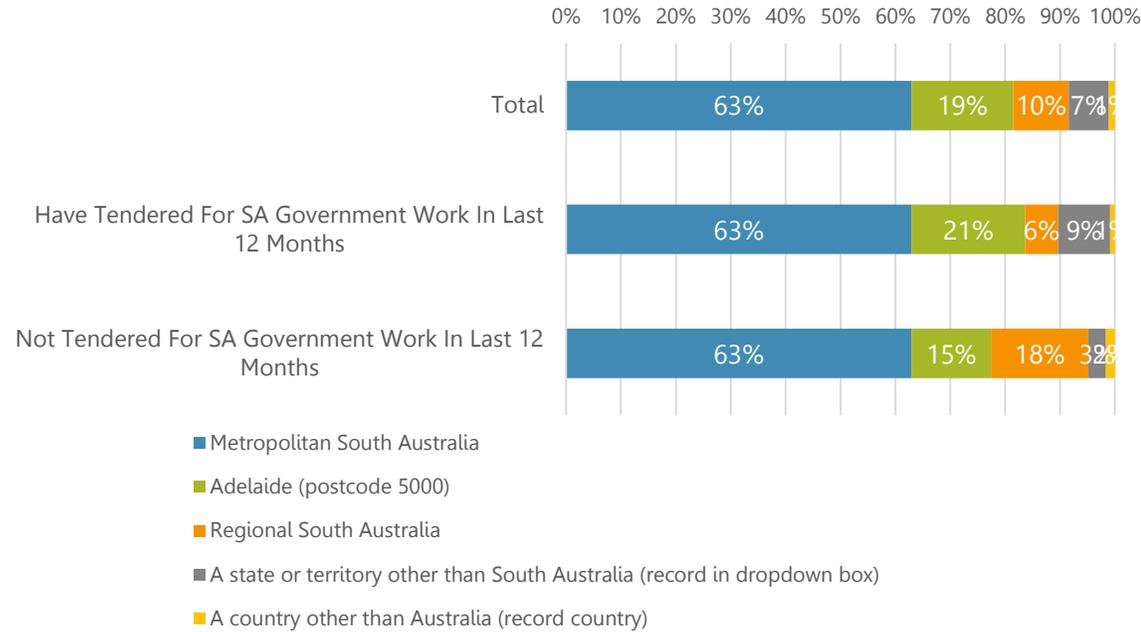


Q24. Facebook - How Platform Is Used For Business



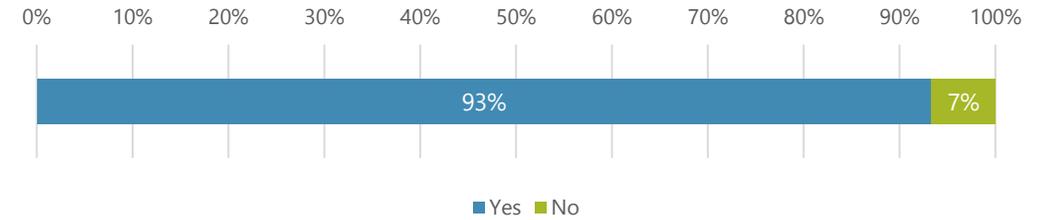
Business Details 2

Q25. Head office location



82% of businesses surveyed indicated they are located in Metropolitan Adelaide, with 10% located in regional South Australia, and the remaining 8% located outside of South Australia.

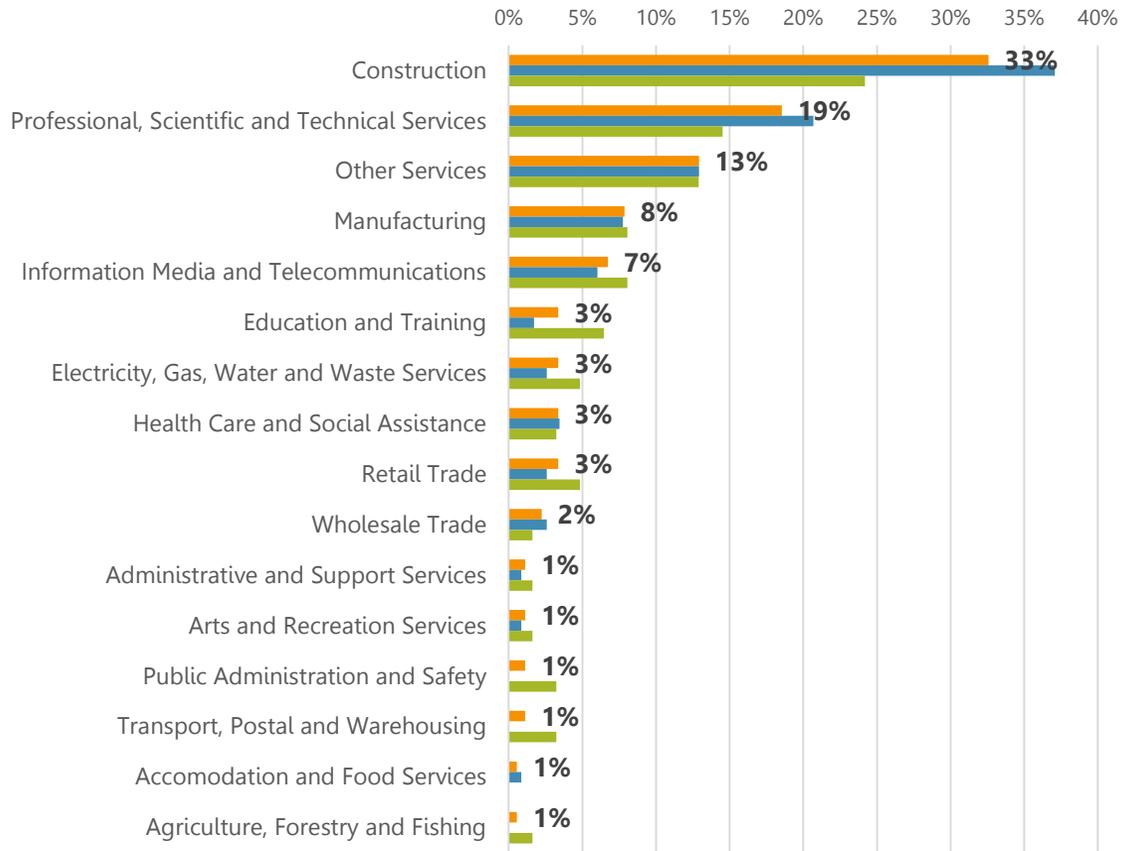
Q27. Does your organisation have an office in South Australia?



Of those who indicated they are located outside of South Australia (8% of all survey respondents), 93% indicate they have offices located in South Australia.

Business Details 3

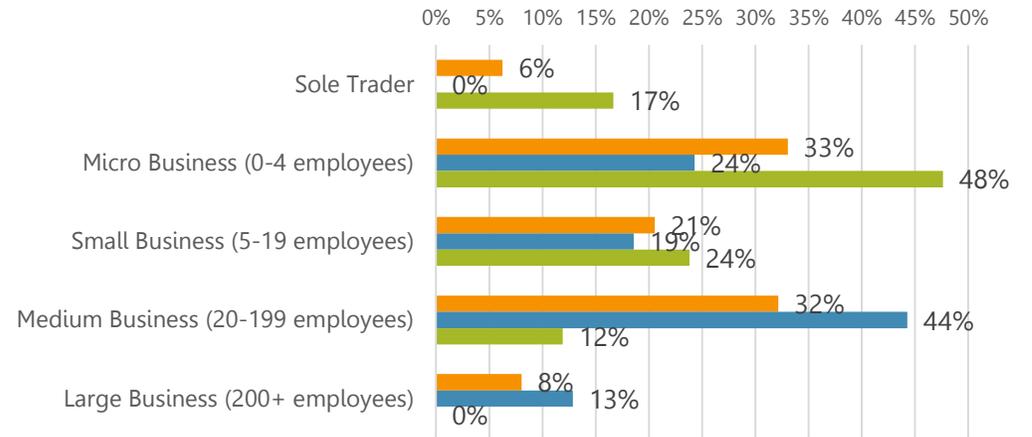
Q26. Industry



- Total
- Have Tendered For SA Government Work In Last 12 Months
- Not Tendered For SA Government Work In Last 12 Months

33% of business respondents operate in the Construction industry, 19% in Professional, Scientific and Technical Services, and 13% in Other Services. Overall, 6% of businesses are sole traders, 33% are micro businesses (0-4 employees), 21% are small businesses (5-19 employees), 32% are medium businesses (20-199 employees) and 8% are large businesses (200 or more employees).

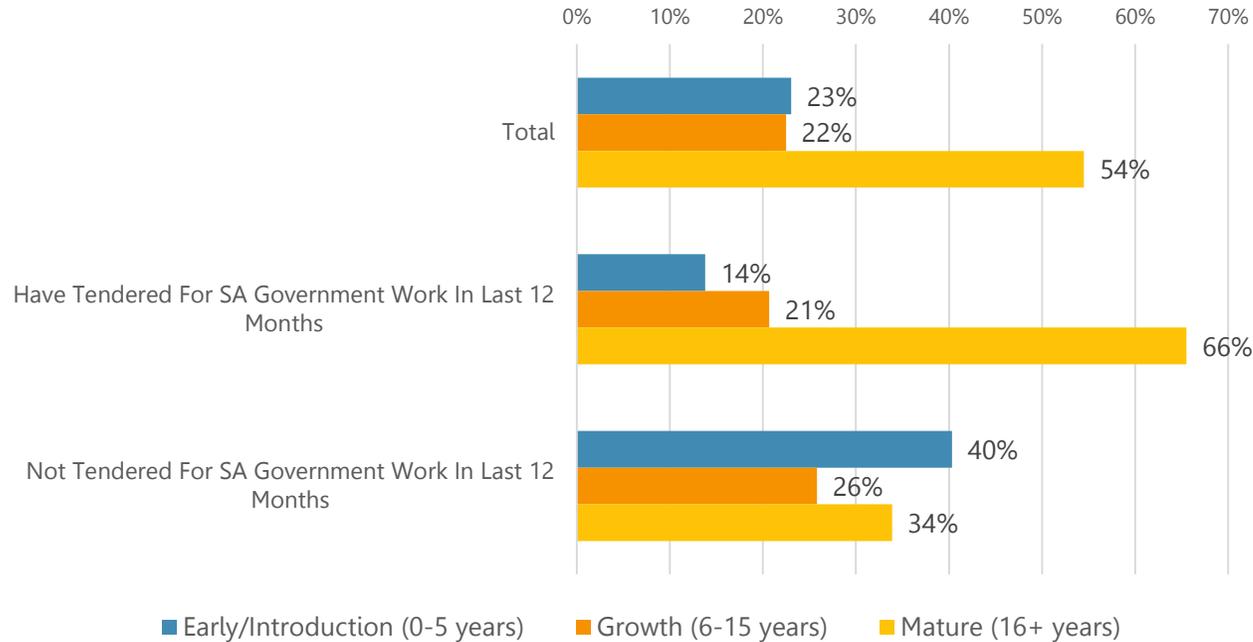
Q28. Business Size - Number of Employees



- Total
- Have Tendered For SA Government Work In Last 12 Months
- Not Tendered For SA Government Work In Last 12 Months

Business Details 4

Q29. Years Business Operating



Overall, the majority of respondents are mature businesses (operating for 16+ years).

Of those businesses that have tendered for South Australian Government work in the previous 12 months, 66% are mature businesses.

Of those that have not tendered for South Australian Government work in the previous 12 months, 40% are early/introduction businesses (operating for 0-5 years).

Summary and Conclusions 1

❖ Screening Summary

Overall, in the previous 12 months, businesses have mainly sourcing work from the private sector (66%), the South Australian Government (65%) and South Australian Local Government (51%).

In the next 12 months, businesses intend to source work from the South Australian Government (78%), the private sector (75%) and South Australian Local Government (65%), and it is anticipated work from these sources will increase.

❖ Tender/Quotation Analysis Summary

Winning tenders is important for South Australian businesses as it provides continuity of work, allows business to grow and build reputation, and builds overall development of the state and support for local businesses. However, only 24% of businesses are confident in their ability to win tenders with the South Australian Government, and only 29% are likely to recommend tendering for South Australia Government work to another organisation. In fact, the Net Promoter Score (-48) indicates businesses are actively talking negatively about tendering for South Australian Government work. Businesses believe that the tendering process is too difficult, they have concerns about the conditions required and the cost and time associated with applications.

Businesses are more likely to describe South Australian Government tenders as taking a long time to reach a decision, being primarily interested in price not quality, requiring information that doesn't make sense and being prescriptive in their approach. However, they also do believe that adequate time is provided to respond to tenders, and of those that have tendered for South Australian Government work in the previous 12 months, these businesses believe that timely advice about changes/updates to the tender are provided.

The top-of-mind ways South Australian Government can assist businesses with their tender applications by make the process easier and less time consuming, making the eligibility criteria easier and by providing clear and transparent feedback.

Summary and Conclusions 2

❖ Supplier Financials & Risk Summary

Businesses are not finding it difficult to provide insurance policies, detail conflicts of interest or the identity of directors, owners and other significant financial influences.

Information related to past financial performance and viability is only slightly more difficult for business to provide, however the majority of businesses indicate this is not a huge concern. Those that find providing past financial performance information difficult are concerned about confidentiality, the time associated, or the need to engage their accountant for the information required.

❖ Supplier Capability

Businesses do not find it difficult to provide credentials demonstrating performance capability. It is more difficult for businesses that have not tendered for South Australian Government work in the previous 12 months to provide copies of policies, methodologies and practices their business operates within and to provide supplier references.

❖ Impediments Summary

Red tape associated with tendering, the perceived chance of winning a tender and the time availability in business to prepare a tender response are the top three impediments. The elements that are not impediments in tendering for work with the South Australian Government include having access to appropriate training for existing staff, availability of appropriately skilled staff to undertake the work if successful and capability in organisation to prepare a tender response. **For those that have not tendered for South Australian Government work in the previous 12 months, having access to working capital to fund the project until progress payments are received is seen as a key impediment.** Reducing the red tape associated with tendering can be achieved by making the process easier and more time efficient, by providing more information and help regarding the tenders, and making applications more accessible.

Summary and Conclusions 3

TOPIC	Difficulties/Impediments Tested	Have Tendered for SA Government Work in Last 12 Months	Not Tendered for SA Government Work in Last 12 Months	Total Respondents
Difficulty of Supplier Financials & Risk	Detail regarding insurance policies			
	Detail regarding conflicts of interest			
	Identity of Directors, Owners and detail of other significant financial influences			
	Information related to past financial performance and viability			
Difficulty of Supplier Capability	Providing a list of goods/services your business can provide			
	Providing certifications, licenses and other credentials			
	Providing past performance history			
	Providing copies of policies, methodologies and practices your business operates within			
	Providing supplier references			
Impediments	Red tape associated with tendering			
	Perceived chance of winning a tender			
	Time availability in your organization to prepare tender responses			
	Ability to recruit skilled staff from outside Australia (migrants)			
	Cost associated with completing tender process			
	Ability to recruit staff from outside Australia (migrants)			
	Access to working capital to fund the project until progress payments are received			
	Availability of South Australian organisations to partner with for tendering			
	Understanding of the tendering process			
	Capability in your organization to prepare tender responses			
	Availability of appropriately skilled staff to undertake the work if successful			
Access to appropriate training for existing staff				

Scale	No Difficulty/Not an Impediment	Somewhat Difficult/Somewhat of an Impediment	Difficult/Impediment
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Summary and Conclusions 4

❖ Support Services

The most attractive no-cost services businesses would use to tender for South Australian Government work would be a system that would enable businesses to record standard information about one's business to eliminate the need to enter this in applications every time and thereby reducing the overall time required to complete tender applications. Businesses would also be receptive to having the ability to list their organisations on the SA Product Register, and to participate in industry briefings to provide information on upcoming tender opportunities.

❖ Business Details Summary

- Overall, 6% of businesses are sole traders, 33% are micro businesses, 21% are small businesses, 32% are medium businesses and 8% are large businesses. **Those that have tendered for South Australian Government work in the previous 12 months tend to be larger businesses** (57% having 20 or more employees) whereas those that have not tendered for South Australian Government work in the previous 12 months are smaller businesses (65% having 4 or less employees).
- **The industry mix included a large number of Construction businesses (33%), Professional, Scientific and Technical Services (19%) and Other Services (13%).**
- 82% of businesses are located in Metropolitan Adelaide, with 10% in Regional SA, and 8% outside of South Australia.
- **Over half of the businesses surveyed (54%) are mature businesses**, having operated for 16 years or more. Those that have tendered for South Australian Government work in the previous 12 months tend to be more mature (66% mature), compared with those that have not tendered in the previous 12 months (34% mature).
- **Approximately two thirds of businesses use LinkedIn and approximately half use Facebook for their business.** Each platform is generally used as a traditional social media site, with approximately a third of businesses using these to advertise and promote their products/services, and approximately a quarter have created a group page specific for their business so that others can follow their social media posts. Instagram, YouTube and Twitter are used by approximately a quarter of businesses.

Summary and Conclusions 5

SCORECARD 2019	Have Tendered for SA Government Work in Last 12 Months	Not Tendered for SA Government Work in Last 12 Months	Total Respondents
Intention to tender for SA Government work	96%	44%	78%
Anticipate Work Will Increase from SA Government	49%	48%	49%
Confidence in tendering Measure: Top 3 – Confident	31%	10%	24%
Importance in tendering Measure: Top 3 – Important	74%	37%	61%
Recommendation Measure: Top 3 – Likely to recommend	36%	15%	29%
Net Promoter Score	-34	-74	-48
Top 3 Impediments	<ol style="list-style-type: none"> 1. Time availability in organisation to prepare tender (45%) 2. Red tape associated with tendering (44%) 3. Perceived chance of winning (41%) 	<ol style="list-style-type: none"> 1. Perceived chance of winning (60%) 2. Red tape associated with tendering (60%) 3. Access to working capital to fund project until progress payments received (50%) 	<ol style="list-style-type: none"> 1. Red tape associated with tendering (49%) 2. Perceived chance of winning (48%) 3. Time availability in organisation to prepare tender (44%)
SA Government Tendering Descriptors	<ul style="list-style-type: none"> • Takes a long time to reach a decision (80%) • Allows adequate time to respond (72%) • Is prescriptive in its approach (66%) • Requires information that doesn't make sense (63%) • Is primarily interested in price not quality (58%) • Provides timely advice about any changes/updates to the tendering process (56%) 	<ul style="list-style-type: none"> • Is primarily interested in price not quality (73%) • Takes a long time to reach a decision (71%) • Requires information that doesn't make sense (60%) 	<ul style="list-style-type: none"> • Takes a long time to reach a decision (77%) • Is primarily interested in price not quality (63%) • Requires information that doesn't make sense (62%) • Is prescriptive in its approach (60%) • Allows adequate time to respond (57%)



**Thanks!
The End.**