

ROI calculator for tenders



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The big challenge of tendering

A big market with large
business impact¹



€70 bn
Annually for Life Sciences

A demanding market²



Discover new tenders
Plan ahead
Evaluate responses
Manage process & large teams

A few tender initiatives to improve
performance & efficiency²



Less than 20% of the Life
Sciences companies use
specialized software for tenders

Building the ROI calculator

One of the key factors for low tender investments is the lack of a tool to estimate ROI and build a concrete business case



This is why Cube RM & Cognizant codeveloped the ROI calculator

Bringing value to the end customer

Our common vision

Focus on Tendering, an emerging & very demanding domain that requires data & technology @core to serve local and global stakeholders with actionable business insights



Help evaluate tender investments

- ROI calculator
- Business audit

Help address customer's challenges

- Business consulting
- Software & technologies
- Implementation

Strategic Partnership Cube RM and Cognizant

The challenges

How do I convince senior management that investing in Tender capabilities will pay off?

How can I most objectively estimate the impact of my investment?

I need industry benchmarks to understand my current capabilities as a basis for my case!

I need an objective, structured and efficient way to build my business case!



Tender Capability assessment & ROI calculator in 3 simple steps

Step I Status Quo

- Tender Revenues
- Tender operating cost
- Tender Tool cost

Step II Capability assessment

- Process-related
- Industry Benchmarks
- Expert support

Step III P&L impact

- Revenue impact
- OPEX impact
- ROI calculation

Estimating Revenues EUR

Input parameters (annual averages) Base KPIs

High-level Net Revenue estimate

Revenues for countries/regions in scope

% of Revenues Non-Tenders

% of Revenues Tenders

Average Tender contract term in years

Gross profit margin (average last 5 years)

Revenue of Tenders per year (a)

Awards

of Tenders we bid on

of Awarded Tenders 31 %

of Awarded lots

Average value per Awarded Tender

Average value per Awarded lot

Total value of won lots (b)



3 YEAR BENEFITS SUMMARY

Revenue Impact

\$ 58,000,000

Gross Margin Impact

\$ 17,400,000

Net Cost Impact

-\$ 1,412,669

OPEX impact

\$ 18,812,669

Print Screen on Capability assessment

	Capability Importance	As is	to be	Delta Gap
Screen and find all relevant tender opportunities	5	3	5	2
Anticipate and Plan for upcoming tenders as early as possible	5	3	5	2
Systematic sharing of tender information with relevant functions/departments	4	3	4	1
Continuously and systematically build competitor pricing intelligence	4	3	4	1
Optimize portfolio available to bid in your market	3	2	3	1
Check tender volumes, timings and probability to win in order to avoid OOS situations	5	3	5	2
Check profitability and P&L impact with relevant functions	4	2	4	2
Prioritization of tenders and optimize resource allocation across all tender opportunities	4	2	4	2
Put the x-functional bidding team together and get input from all relevant functions	4	2	4	2
Establish a tender project plan with objectives, deadlines and responsibilities	3	3	3	0
Develop your differentiation strategy versus your competitors	4	2	4	2
Consult Analytics to prepare your optimal Gross-to-Net & pricing strategy (strategic pricing)	4	2	4	2

Print Screen on P&L impact

P&L Impact and sensibility checks

What if my revenue projections were

0.00 %

too optimistic?

What if my cost reduction estimates were

0.00 %

too optimistic?

What if my GTM implementation cost are

0.00 %

higher than expected?

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Net Cost impact

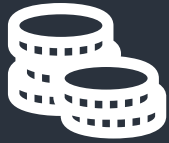
-\$ 1,412,669

OPEX impact

\$ 18,812,669

P&L Impact Calculation	YEAR 1	YEAR 2	YEAR 3	TOTAL (3 YRS)
GROSS REVENUE IMPACT	€ 8,000,000	€ 20,000,000	€ 30,000,000	€ 58,000,000
Gross profit impact	€ 2,400,000	€ 6,000,000	€ 9,000,000	€ 17,400,000
GTM Implementation Cost	€ 270,000	€ 336,000	€ 372,000	€ 978,000
Operational Cost reductions	€ 125,825	-€ 629,123	-€ 1,887,370	-€ 2,390,669
Net Impact on cost	€ 395,825	-€ 293,123	-€ 1,515,370	-€ 1,412,669
OPEX impact	€ 2,004,175	€ 6,293,123	€ 10,515,370	€ 18,812,669
ROI AS %	742.29%	1872.95%	2826.71%	1923.59%

Benefits & potential use cases



Ensure right level of investment & support for tender team



Strong business case / data for internal presentations



Validated & benchmark-based capability assessment as basis for resource allocation and investment decisions



Identify capability gaps for countries / regions / departments and create base-line for progress measurement & continuous improvement

Next steps



Free evaluation workshop

- Run the ROI calculator together and get personalized results
- Interpretation & solution directions for your company

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CUBE 

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