

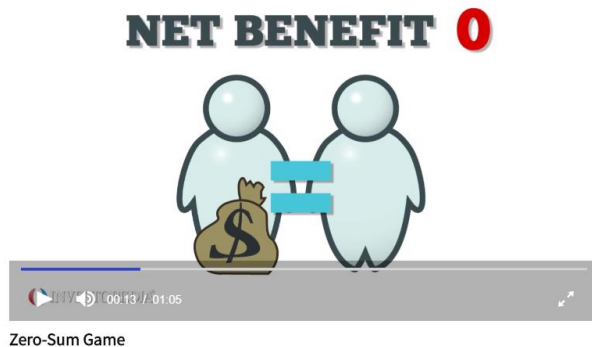


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## **Dateline AGL – Gaining work by proposal competition is a zero-sum game**

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If all that is being considered in marketing tactics is cash moving between a purchaser of services and a supplier, you might be playing a zero-sum game. Zero-sum is a situation in game theory in which one person's gain is equivalent to another's loss, so the net change in wealth or benefit is zero. A zero-sum game may have as few as two players, or millions of participants. Poker and gambling are popular examples of zero-sum games since the sum of the amounts won by some players equals the combined losses of the others. Games like chess and tennis, where there is one winner and one loser, are also zero-sum games.<sup>1</sup>



And, so goes competition for work through proposal competition. It does not matter if 20 are competing for a project through a request for proposal (RFP), or two. The net result is one winner and one, or a collective of losers.

There is a movement of cash to the business that wins the proposal competition, but if that is all there is, there is no future for that business with the proposal proponent. No competition for future work is the benefit that would result in a win-win relationship when the business receiving the services sees greater value than the transaction itself, and the business providing the service sees a long-term relationship where there are more benefits than a source of revenue.

What are the benefits when a business relationship continues past the end of a contract gained through proposal competition?

- Far less time to draft a scope of services or list of products and award a contract

<sup>1</sup> Zero-Sum Game, Investopedia: <https://www.investopedia.com/terms/z/zero-sumgame.asp>



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- Lowered administrative costs related to process and the cost of time spent administering an RFP
- Prices and fees for service are known along with the best value for fees
- Engagement of a small business with unique skills of staff and associates that might be overlooked in the RFP method of competition
- Improved delivery of products and services when working with known outsourced people
- A trustworthy relationship that encourages open dialogue on project elements and funding
- Knowledge of the real reasons for projects awarded by an RFP and ability to address those reasons through the project and follow up assignments
- Insight into the business and the people responsible for its brand

This list is not exhaustive, but it does show benefits that can extend far beyond award of a proposal. Unless there is a guarantee for sole-sourced work following a successful proposal, competition by proposal is a zero-sum game.