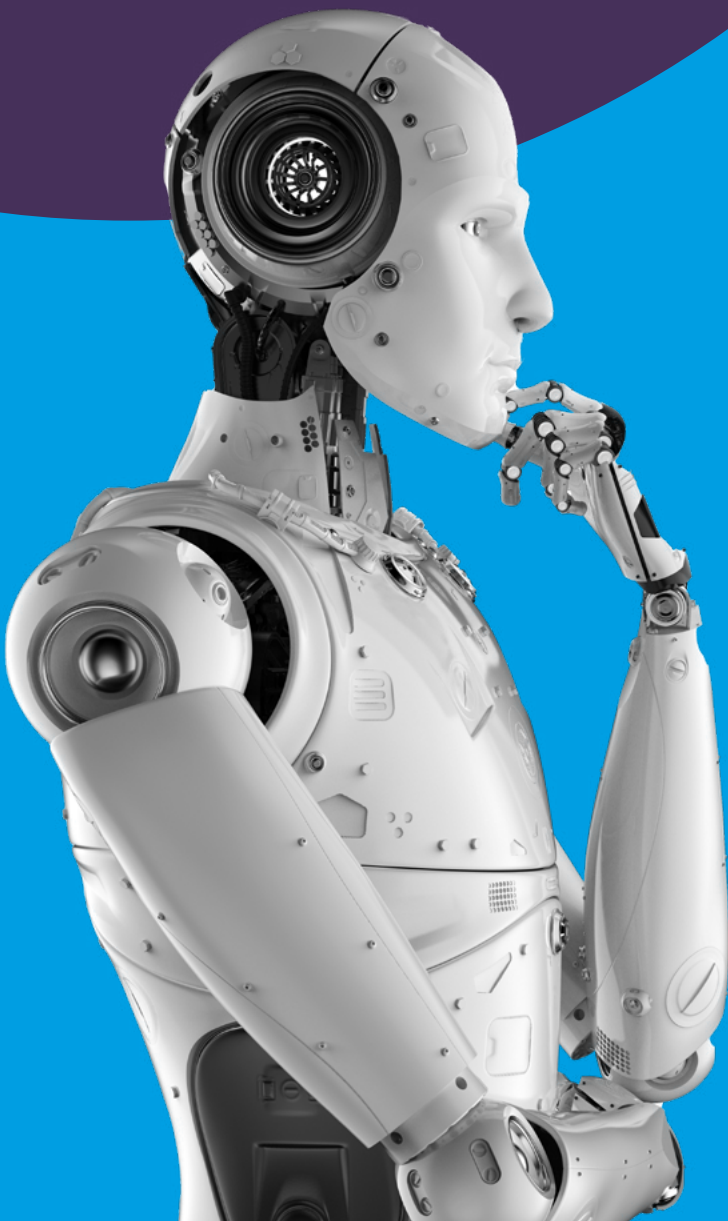




Strategic  
Proposals

# The end of the age of **AI**nnocence?

AI in bids and proposals:  
research findings



October 2023

# Foreword — AI: friend or fad?

**Much has been written about AI in bids and proposals – some of it, I suspect, by AI itself. We're awash with webinars and conferences. Our LinkedIn feeds share news weekly of the latest, greatest products. The mainstream media talks of AI with a sense of paranoia and impending doom.**

In Strategic Proposals, we love tools that make bidders' lives easier, help people to do their jobs better, and raise the profile of bidding internally within organisations. But it struck us that pretty much everything we've seen and heard on the topic had been generated by vendors with products to sell. And we've always approached the software debate in our profession from a stance of vendor neutrality.

So: what's really going on in the bidding world when it comes to AI? And how do we all feel about it? It's time to stand back and bring some objectivity.

In late September, we therefore launched an online survey – the latest in a series of research initiatives into topics such as the gender pay gap in the bid profession, how we were all coping during the pandemic – and our recent **"Buyers' Guide to Bidding"**. We love tapping into current thinking and sharing it to help shape ideas – and, sometimes, to provide re-assurance.

The survey ran for a week. We received hundreds of replies from around the world. We committed to sharing the results within a week.

And: here goes.

A Bavarian friend recently quoted a memorable local idiom, "There'll be another pig through the village tomorrow", to dismiss some fad that was drawing media attention. Our firm belief is that AI is different: we're at a tipping point that brings real opportunities to the teams who embrace it in the right way and at the right time. And, perhaps, a threat to those teams who bury their heads in the sand.

**AI's here to stay. If you're worried about it or unsure where to start, we hope we'll offer you some pointers. And if you are a software vendor with AI skills – we admire you for being pioneers in something so important, and hope this may provide you with a few tips as to where your potential clients may perceive and realise value.**

**Jon Williams**

**Managing Director, Strategic Proposals**

Fellow – APMP, Institute of Sales Professionals, Royal Society of Arts



# Contents



# Headlines and thought-provokers

**59%**

believe that **"AI's the most exciting thing to happen in the bidding world in years!"**

The perceived sweet spot for using AI:  
**drafting and refining written content.**

**45%**

of those responding

**have already started using AI in bids and proposals.**

Only **33%** **"have budget set aside to deploy AI tools to enhance our bid / proposal process".**

**"Saves lots of time."**

More than **1 in 5** bid and proposal professionals are **"worried that AI's going to take away my job".**

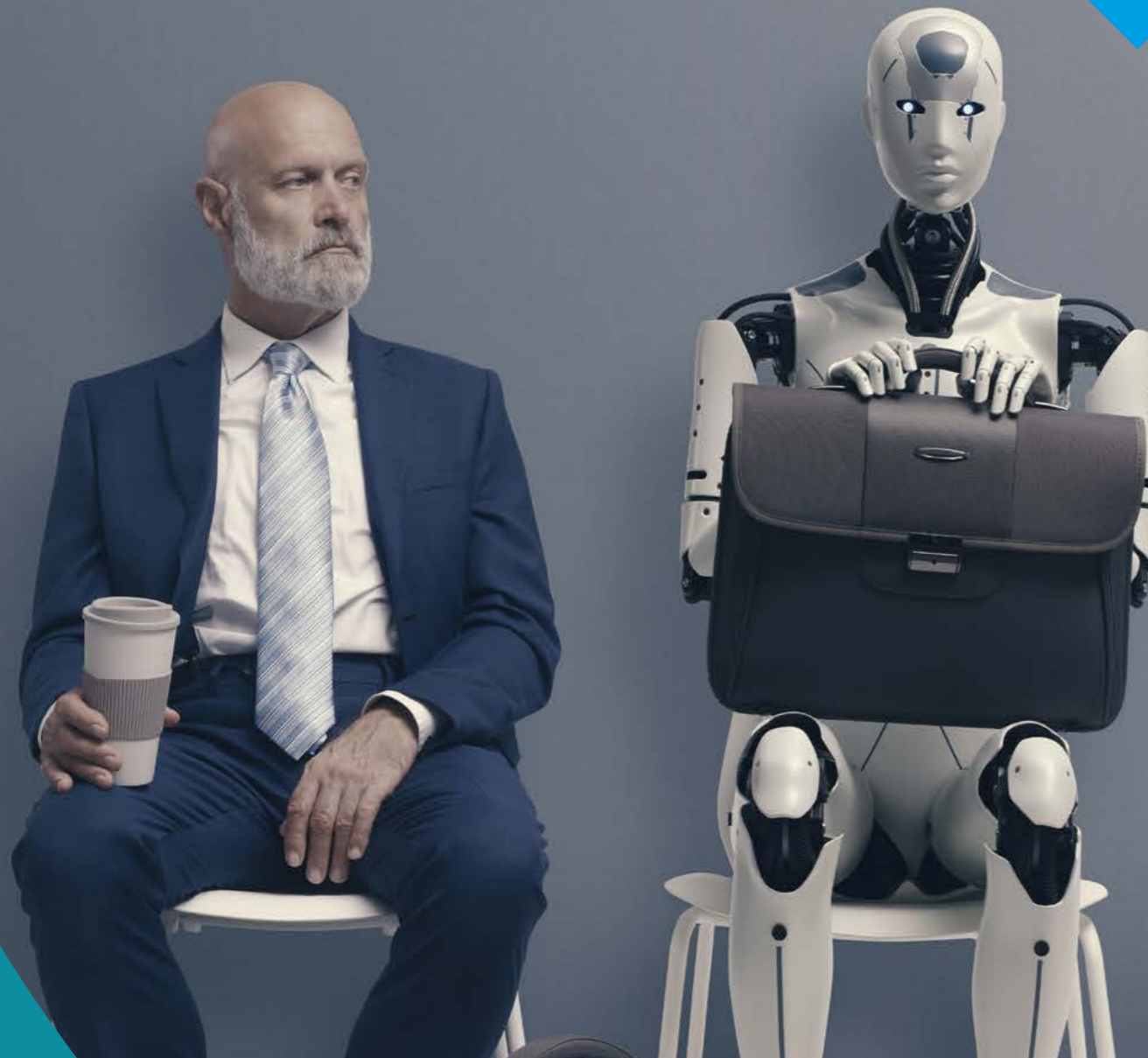
**"Treat it like a tireless virtual colleague."**

**"I'm no luddite, but I think I do my job better than AI can."**

**"AI won't replace people, but people using AI will replace people who don't use it."**

# How are we feeling about AI?

We asked respondents whether they strongly disagreed, disagreed, agreed or strongly agreed with a series of statements. Here's what the jury said...



## We're positive about the opportunities ahead:

- **It's real:** only 9% believe that "AI's just a fad: it won't really make a difference."
- 22% are "**worried** that AI's going to take away my job".
- 59% agree (many strongly) that "AI's the most **exciting** thing to happen in the bidding world in years!"

## We're getting to grips with the idea:

- 55% "have a clear **understanding** of the AI tools that could help us with our bids / proposals" – although that means that almost half don't!
- 35% "feel **confused** and concerned by all this discussion about AI".

## Buyer beware:

- 65% agree that "There's **lots of talk** about AI, but that's mainly from vendors with products to sell".
- 73% agree that "Going with some of the new AI vendors out there to support our bid / proposal process feels **risky**".
- Just over half – 55% – are playing a waiting game: "It's **better to wait** until the bigger & more established software players get AI properly embedded into their tools."

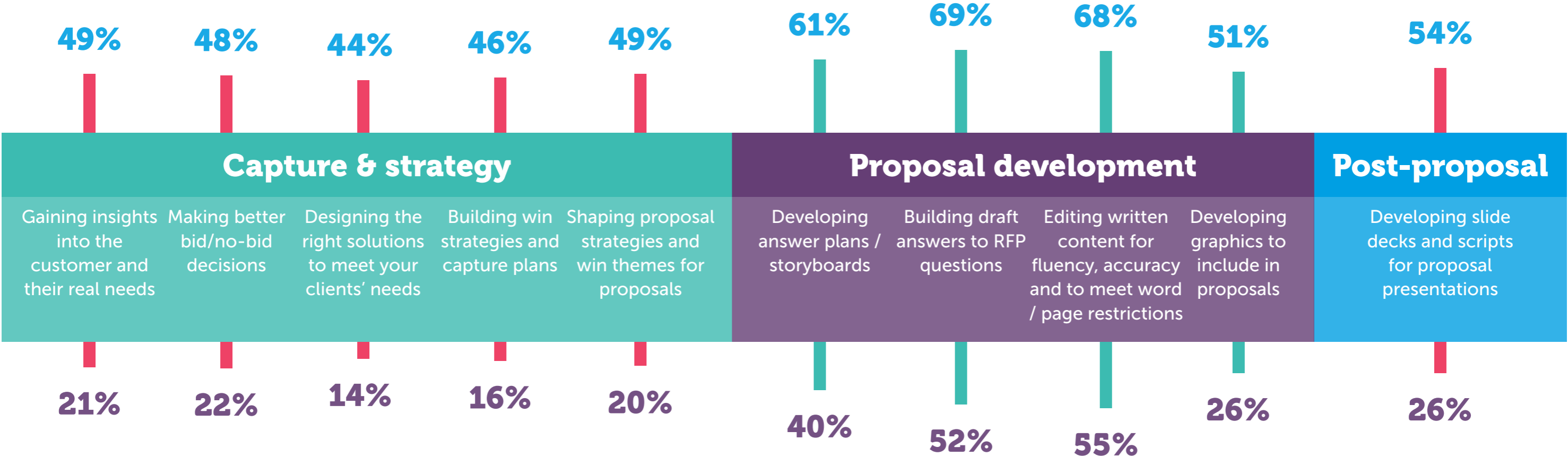
But although we can see the benefits, many organisations need to "put their money where their mouth is":

- Only 33% "have **budget** set aside to deploy AI tools to enhance our bid / proposal process".

# Where AI could add value

Where do you think AI's going to bring benefit? The survey started by asking respondents how beneficial they thought AI might be in ten of the most-commonly discussed potential use cases in bids and proposals.

Average score: "How useful could AI be" in each area



% of respondents giving a score of 80%+ when asked "How useful could AI be" in each area

So: potentially useful throughout – but the perceived sweet spot at this stage seems to be around written proposal output.

# Here today: don't wait for tomorrow

## 45% of those who responded have already started using AI in bids and proposals.

We asked what benefits they'd seen. Here's a representative flavour of comments, across different areas of the bid lifecycle:

### Capture and strategy:

- Client, competitor and opportunity research for capture planning has been very useful.
- Market insights / client insights on a company scale — not necessarily on a buying scale.
- Uncovered knowledge we didn't know about globally.
- Running simulations of solutions.
- Measuring and predicting success rates.

### Drafting content:

- It's been incredibly efficient for research and getting started on a first draft. Pulling up suitable base material from prior bids.
- Increased speed in responding to mundane elements of the responses.
- Saves lots of time when pulling content from previous bids and adjusting for a different commissioner or area.
- Ability to quickly find content contained in libraries, summarising specifications and building storyboards.
- Helps prepare storyboard / answer plan before meeting — not going into meetings with subject matter experts 'cold'.
- Providing content outlines for bid responses which can be edited / tailored by bid writer.
- Helps with writers' block.

### Tailoring and editing:

- Easy and quick way to change the focus of a case study.
- Summarizes CVs efficiently.
- Being able to reduce word count and mark my answers.
- Using as a check and balance against my own drafts in areas I write where I'm not the SME.
- Improved tone of voice consistency.
- Supporting those whose English is not a first language and / or where they have challenges with language.

### Graphics:

- Provides me with graphics ideas.
- Image generation and manipulation for use in proposal design has been useful.

### Post-proposal:

- Slide decks can be made quite quickly.
- Post-bid analysis

And there were the cynics — who'd probably argue that we should use the word "realists" instead!

- It's providing results of varied quality but has been semi-useful for some of the responses we've been writing.
- Other than hoping to get word count down, we've seen few benefits in totality across four different AI models that we've invested in.
- None — it's a waste of my time at the moment.
- None. It should be banned.

And we rather loved these more general perspectives:

- The biggest benefit is the ability to brainstorm, test ideas, ask for feedback and iterate answers. Treat it like a tireless virtual colleague.
- It takes time to find what works for you, but it's life changing.

For those of you who are wondering whether it's time to dip a tentative toe into the AI waters: be clear that others have already been doing so and are seeing benefit. There's a decision to be made: tortoise or hare? But can you afford to be left behind your competitors in the short term, while the somewhat cloudy picture becomes clearer?

"We are in the early stages of understanding how AI will impact our world. Anyone not engaging with AI and understanding how it can accelerate and improve their work is likely to be outcompeted by someone potentially less skilled who is making more intelligent use of AI to do their work for them."

"Good, fast, or cheap — you can only have two. AI gives us fast and cheap, meaning we can focus on good."

# A universal panacea?

We also asked where else you thought AI might help – and again responses spanned the entire bid lifecycle.

## Capture and strategy



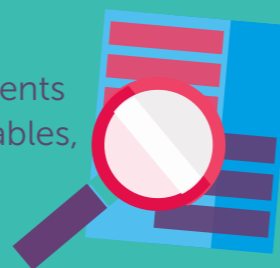
- Upstream in work winning to interrogate pipeline and key metrics to enable decision making.
- Providing market intelligence that can be used to inform and contextualize bid responses based on industry trends and developments.
- Getting market information [and] general public information on the customer organisation.
- Researching competitors then using win / loss data to support qualification, and in the event of a “bid” decision, rank competitors.
- Data mining, pulling info from a lessons learned database which then can be reviewed by teams when working on new opportunities.
- Suggesting actions to improve chances of winning.

## Pricing



- Pricing modelling, i.e. how do the proposed price points / margins compare to similar deals given various parameters such as rebid vs new, sector, product, competition, etc.
- Parametric pricing using a dataset.
- Analyse commercials for errors / scrub pricing.
- Build pricing models to meet revenue / margin targets, ensure healthy P&L etc.

## RFP analysis



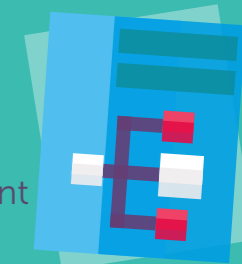
- Analysis of bid documents for key points, deliverables, and contractual information. Translation of that information for various teams.
- Asking AI to pick out certain information such as key stakeholders mentioned, targets listed in the documents, KPIs etc.
- Reviewing RFPs to spot issues. Quickly assessing what clarifications to raise.
- Shredding RFPs.
- Populating compliance matrices.
- Analysing / summarising lengthy requirements in an RFP.
- Review legal Ts and Cs.

## Content development



- Generating content for executive summaries after it has ingested customer annual reports / articles – and then matched content against bidder company information / solutions.
- Customise answers to audience (not just style, also terminology etc.).
- Editing content to create more powerful or client focused statements.
- Aligning hot buttons with win themes across content.
- Help match draft RFP answers with client procurement scoring matrix.
- Getting the tone right when you have multiple contributors.
- Translations! They will become much easier and quicker and less expensive!
- Asking AI to act as the customer reviewer. It can provide feedback on the quality of an answer and suggest ways to improve your quality score.
- Proofreading and other checks.

## Project & team management



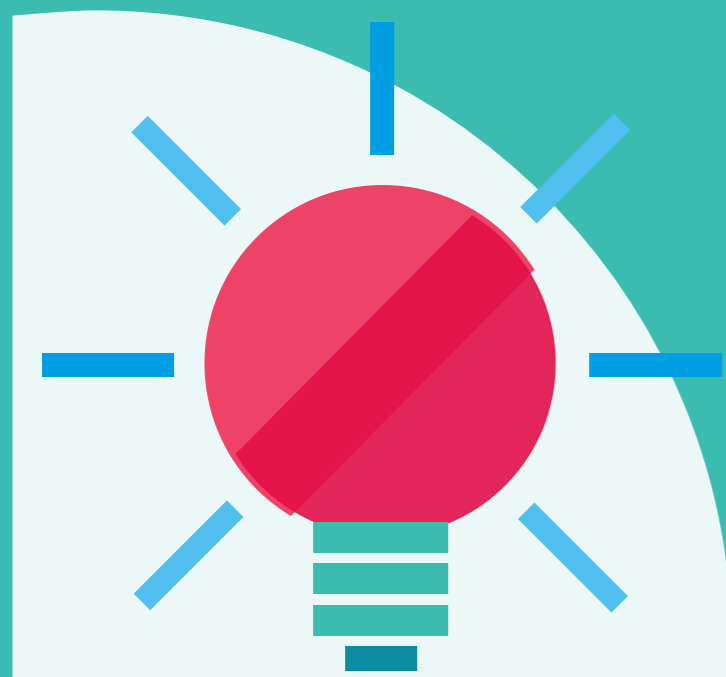
- Building a project management plan.
- Creating Gantt charts for timelines (maybe you could input min and max times for tasks and then put in the bid period and AI could generate the ideal timelines?).
- Scheduling diary time by analysing calendar entries (seniors are never free, so when is best?).
- Recommend SMEs within your organization for assignments.
- Scan CVs to select the most appropriate bid and delivery team members.
- Managing against schedule and keeping track of all deliverables.
- Reducing cycle time to create bids and improving productivity.
- Draft governance packs.
- Increase team capacity to respond to more RFPs.
- Reducing the human stress.

## Lessons learned

- Analysing results and feedback to identify lessons learned.
- Analysing learning and spotting trends.

**“AI, and generative AI in particular, has the potential to completely transform how companies work on bids and proposals. We’re working to create a future where proposal teams can work in harmony with this powerful technology. We shouldn’t look at AI as a force to replace jobs, but rather as a tool to help proposal teams be more proactive and strategic.”**

Zak Hemraj, CEO Loopio, Inc.



# Issues you've encountered

So far, so good: there's a pretty strong consensus that AI's going to bring about change, and deliver benefits. But it's not going to be plain sailing, right? Change rarely is. So we asked people to identify what issues they've encountered if they've already started using AI in bids and proposals.

Perhaps not surprisingly, **security and confidentiality** topped the list, seen as a "huge issue". Put bluntly: "security challenges in certain industries will make it impossible to implement as the cost of lost IP far outweighs the cost saving of AI in bidding."

There are even concerns that the use of AI may compromise the procurement process: should bidders "disclose when they've used AI to help generate bids" – and could pasting text from an RFP into an AI tool in the first place constitute a breach of the client's confidentiality clauses, and lead to disqualification?

Next came the sense that AI-generated proposals might **lack real insight**. AI "doesn't capture the same insight in the same way having a real relationship with the client does", and generates "content without the depth and bespoke client knowledge that can only come from human understanding and conversation directly with clients and key stakeholders."

"It's not learned enough just yet to be of real value," as one person observed. "Answers are extremely generic and not based on the client spec or requirements." This may change, of course: "I expect that as AI becomes more pervasive and intelligent it will become more focused on the actual customer issues and pain points."

We need to be careful that artificial intelligence doesn't produce artificial proposals.

"The most imaginative and egregious use of AI I've seen is a supplier who used AI to come up with a services solution knowing only a very limited amount of information about the buyer. So here we had an imaginative solution, unvalidated in the conventional sense with no grounding in track record or deliverability.

Needless to say the supplier didn't put this solution forward (or submit a bid). I do worry about the unscrupulous bidder & naive client – AI is an amoral matchmaker / broker."

John Jones, Owner & Director,  
Landseer Partners



**“Your manuscript is good and original. But what is original is not good; what is good is not original”**  
Samuel Johnson (attr.)

**Quality** of output was the next concern: a sense that, done badly, AI generates content based on “inaccurate, biased and out of date information”, subject to “hallucinations” as the systems “lie” where knowledge is lacking. Answers can feel “irrelevant”, “very American” and the systems “add flourishes to text that seem alien”. And a consistent complaint – surely easy for vendors to fix – is that “it can’t keep to word counts”.

Indeed, artificial intelligence can be accused of creating artificial content: “It doesn’t read like a human has written the response”, so far “lacking “the empathy and understanding of human response”. And that’s just the words: AI-generated “photos can look alien”, as one recent test by our own design team in SP revealed.

“On first glance” the content generated “seems superficially relevant, but often doesn’t actually make sense. Use with caution, and assume that nothing that comes out of it is ‘client ready’.” And that’ll be evident to

evaluators, right? “The language is ‘off’ and readers can spot AI content a mile away.”

It “might be better than some texts of many writers – but certainly much worse than the text of good bid writers who can produce compelling customer-specific bid text.” Put another way: AI’s a “great resource to support bids, but could never replace bid expertise”.

And what happens to **differentiation** when “all bidders submit an AI bid”? Will it result in “only the price being different?”

There’s a risk of “duplicate responses from other bidders” and of “me-too generic proposal answers” generated automatically by the same systems supporting different suppliers. And procurement may get wise to this: evaluators “will start using tools to check bids for use of AI responses as universities currently do on applications and coursework”.

And we say “evaluators” – could we foresee a future in which AI generates the RFP for the procurement team, AI sends a proposal back a day later, and AI evaluates the responses...? That feels like something of a nightmare scenario all round!

Indeed: “If everyone is using AI tools to develop perfect proposals, other mechanisms will need to be used to differentiate between bidders?” And “Will we see more gamification of tendering when we know bids are scored by AI (procurement) yet written by AI (supplier)?”

Our recently published research paper, “The Buyers’ Guide to Bidding”, reported that 56% of buyers are “worried that it’ll be harder to differentiate between bidders if they start using AI to write their proposals”. They perceive a real danger that AI will exacerbate an existing concern: “Do we get the best, or the best written”.

Perhaps, as a profession, we need to think about how draft content might evolve in an AI-empowered world:

Content edited by AI for readability, flow and word count

AI weaves in strategic messaging and differentiation, aligning to client hot buttons and scoring

Raw material collated by AI from credible sources to answer questions



But, to take the analogy a step further: you still need a baker. If you've ever eaten a cake baked by a four-year-old to take to primary school, and one from a boutique bakery, you'll understand why skilled bid and proposal people still have a huge role to play.

## Summing up the AI lived experience to date

So, lots of issues. But they're to be expected, right? Do we see these issues experienced to date as barriers to adoption?

Not at all: more as challenges that the vendor community needs to overcome – inevitable, perhaps, in a relatively new and fast-moving market. "Version 1" is never going to solve all the problems, or have all the bells and whistles.

But we do fear that some of these topics – such as security – may prove a challenge too far for a few smaller, newer suppliers looking to work with larger corporations and their IT departments.

The good news: "We want this now, preferably yesterday" – and people are realistic about the "maturity" challenges facing any new market. "Even if the main things I want it to do aren't up to the level expected in our tender process yet", they "may be in 5 years' time".

Our discussions with procurement professionals certainly hint at a future world where the face-to-face proposal presentation becomes more important in their decision-making, as a result. And those presentations may become more interactive and scenario-based: buyers may seek to enrich the pitch.

And we could be about to enter the **age of laziness**. There's a "risk writers use AI to respond to answers and create text responses that don't strategically answer the questions." "I fear that many Sales and SMEs will resort to using it by default due to time constraints". And if they can generate content quickly – too quickly – we'll move to a depressing (and losing) culture of "Yeah, it's good enough."

As one reply observed: "It's clever but it's not magic!"

Clearly, **efficiency** and **cost savings** are key potential gains. Yet at this stage, those who've started using AI weren't universally convinced. Setting up the systems isn't easy: "The need to 'feed the machine' sometimes creates as much work as it obviates" and

"We'll need a tenfold investment in data management to expect a toolkit that works". It "needs a lot of accurate prompting to get anything out of any quality". Output currently "still needs lots of human intervention" and "Iterations can take longer than simply responding."

Implementation feels challenging to some, too. Organisations are "not funding training yet expecting employees to use it effectively", "not purchasing licenses", and not "writing policy".

Fundamentally, the business case doesn't appear to some to be clear-cut. "Dedicated bid AI platforms are far too expensive for the value they add." There's too much "Vendor rhetoric that it will remove jobs. There is a significant amount of work required with the source material."

**Vendor credibility** is also a challenge. Put bluntly: "Would you trust a small company, formed a few months ago, with a business-critical process and some of your most confidential information?"

"It feels like a dark art," as one reply wryly observed, and we were surprised by how frank some of the criticism was:

- "False claims from vendors."
- "The biggest problem is people who tell us they're experts and they're only users with limited experience – like ourselves."
- "Everyone's an expert."
- "They're paying handsomely to be allowed to speak at industry conferences – but who's checking their real credentials?"
- "Many AI salespeople plainly lie about capabilities and upsell products that don't do the good job we expect."

And amidst vendor claims of potential benefits, there's a lack of demonstrable "results with highly referable and contemporary use cases." Without that, there'll inevitably be caution – and some suppositions to be made when building business cases robust enough to stand real scrutiny.

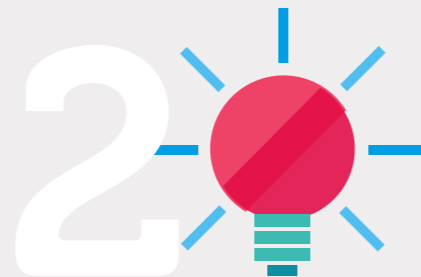
# What might help?

There's lots of debate around AI – perhaps too much for anyone to absorb. So we asked: "What one thing would help you to better understand how AI can support you in the bid / proposal world?" – and responses fell into five main "buckets". We've given a sample of quotes in each area, to help you understand the overall picture.



## Building the business case

- Exploratory use case forum with industry support and recognition.
- Process flows for where AI can add value.
- There is a lot of boring, repetitive cut and pasting and admin in bids. I'd like to see practical ideas about how AI/ machine learning will get rid of this and/ or reduce it.
- Live tangible examples of how it works.
- Real world examples of its use, not just in producing content, but in managing bids, data analysis, tracking contributors, generating bid plans, editing and reducing word counts, etc. I need more examples relevant to the bidding world. I am keen to engage and see where it will help us.
- How are other firms approaching the risk vs. reward?
- Pricing frameworks! We are a small business and [vendors] are understandably targeting large companies. It's only going to make it harder for SME's to bid if they are up against AI proposals etc.



## Product and vendor insights

- A matrix of AI apps currently available, what they can do, along with qualitative assessment of performance quality/ output for each area of functionality.
- A new AI solution is created every day. It's hard to separate the wheat from the chaff. There's a need for an unbiased and pragmatic white paper on the available tools and what differentiates them.
- Independent reviews of products / systems. A presentation of the various options – either existing or in testing phase – and how these would work on a range of bid scenarios (research, planning, writing etc).
- The big existing RFP software players outlining its use in their roadmaps.

"AI won't replace people, but people using AI will replace people who don't use it."

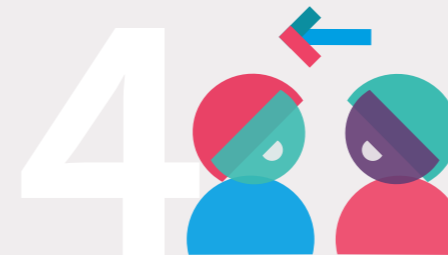


**"Set an aspirational mindset and culture. Activate pathways. Execute with excellence."**  
McKinsey: ["Choosing to grow: The leader's blueprint"](#)



## Data quality and security

- Reassurances that data inputted is safe.
- A better understanding of where Large Language Models are pulling in content/ learning from.



## Support

- Advice from bidding organisations like APMP and SP. [Hey, this is a start, right? And APMP's first conference on the topic, AI23, is taking place at roughly the same time we're writing this report!]
- Have someone that knows how to make the best of it.
- PLEASE train decision makers!



## Honesty

- While it's understandable for staff to be worried about their role, it's difficult because many providers of AI services are often dishonest about the time required to train up AI models to do minimally viable performance of comprehensive answer development.
- Clearer and more honest discussions around the limitations of AI. There's been a lot about how it can solve all the problems in the workplace, but having used it, there are a number of risks and issues.

Fundamentally, people crave "something to cut out the noise!" We're not sure whether this research has helped – but we hope that by gathering views and experiences, we'll be helping people to shape their own opinions and plans.

Come what may, as one contributor observed: "It should be a pretty good shake-up of the bid management profession!"

# AI on AI

**We thought we'd leave the last word to AI. Of course, these new technologies and ways of working are about far more than just ChatGPT – the tool that's caught the public's imagination more than any other. But we thought we'd see what it said!**

## **Should bid and proposal professionals be worried that AI will take their job away?**

Bid and proposal professionals should not be overly worried that AI will take their jobs away. While AI can automate some aspects of their work, such as data analysis and document generation, human expertise in understanding client needs, crafting persuasive narratives, and building relationships remains invaluable in the bidding process.



## **It's been argued that AI is the most exciting thing to happen in the bidding world in years. Do you agree?**

AI indeed brings significant excitement to the bidding world by streamlining processes, enhancing data analysis, and improving efficiency. However, whether it's the "most exciting" thing to happen depends on individual perspectives and priorities within the bidding profession, as excitement can vary based on specific needs and goals.



## **Summarise the issues we've heard in this research about AI in bidding.**

The findings from this white paper on the use of AI in bidding and proposal management suggest a mixed picture. While AI offers potential benefits in terms of efficiency and support, there are significant concerns. These concerns include issues related to accuracy, data security, generality, and the need for human oversight.

Many respondents emphasize that AI-generated content often lacks the depth and specificity of human-generated responses. Furthermore, the widespread use of AI in bidding may lead to homogeneity in bid responses.

Overall, while AI has promise in this field, it is clear that there are challenges to overcome, and it may not fully replace human expertise and customization in the bidding process.



# Notes on the research process

- Conducted online over seven days in late September / early October 2023.
- Responses submitted anonymously.
- Replies from 15 countries around the world.
- Most responses from the UK, USA, Australia, Netherlands and Canada.
- 89% came from people working in bid / proposal roles.
- Biggest sectors (which might give a little clue as to which sectors are most actively thinking about this?)
  - » Information and communication 16%
  - » Construction 15%
  - » Professional, scientific and technical 15%
  - » Finance and insurance 12%
  - » Business admin & support 8%
  - » Other 36% including logistics, health, property.
- Wherever possible, we've quoted responses from the survey verbatim, rather than editing grammar / punctuation etc.
  - » For consistency, we've used "RFP" throughout to denote the client's procurement document. Some respondents used other terms such as "ITT" and "RFx".

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