

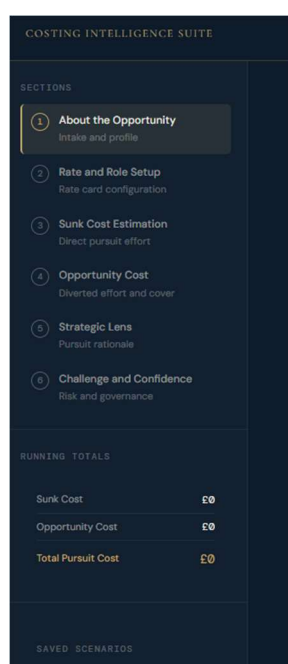
## Costing Intelligence Suite

# Module 1: Pursuit Costing and Bid Investment

## User Guide

### What this module does

Module 1 helps you decide whether a contract opportunity is worth pursuing and, if so, how much to invest in the bid. It works through a structured six-section input process, then runs an AI analysis that produces a bid investment posture and structured challenge output. When your inputs are reviewed and approved, it exports a handover file that carries your rate card, strategic lens, and open challenge flags forward into Module 2.



### When to use it

Use Module 1 at the point you are evaluating a new opportunity, before committing resource to a full bid. It is designed for opportunities where you need to assess both commercial viability and the level of investment the bid itself warrants.

### Before you start

Have the following available before opening the module:

- Basic opportunity details: contract name, client, contract type, and sector
- Estimated contract value (a range is fine if you are uncertain)
- Your bid submission deadline
- An initial view of the roles involved and their approximate salary levels
- A sense of the strategic rationale for pursuing this opportunity
- Any known risk or compliance concerns
- 

### How the module is structured

Module 1 is a single-page tool with six sections, navigated via the left-hand sidebar. Work through the sections in order. You can return to any section at any time; the sidebar highlights the active section and marks completed ones.

The sidebar also shows a live Running Totals panel, which updates as you enter cost data in Sections 3 and 4:

- Sunk Cost: direct bid effort cost to date
- Opportunity Cost: diverted effort and cover costs
- Total Pursuit Cost: combined figure

A Save button and save status indicator sit in the top-right header. Your session saves automatically as you work (2-second debounce). You can also save manually at any point.

## Working through the sections

### Section 1: About the Opportunity

Start with the basics. These fields establish the profile of the opportunity and shape the challenge and confidence assessment that follows. Enter what you know; use ranges where precision is not available.

The required fields are:

- Opportunity Name: the name you use internally for this pursuit
- Customer / Client: the organisation issuing the requirement

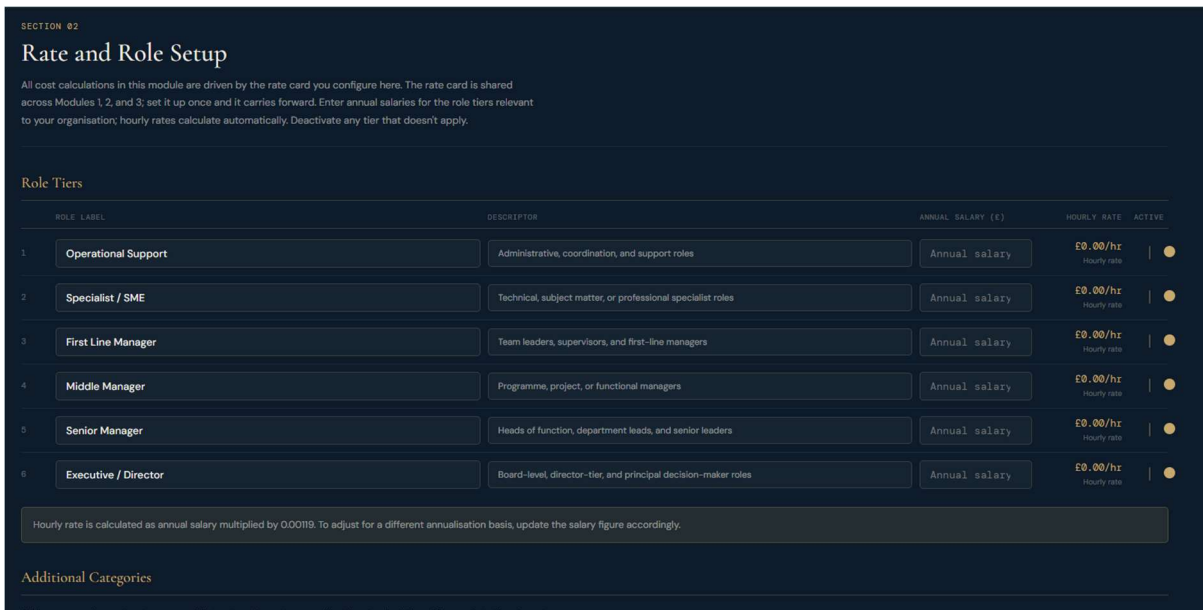
The remaining fields inform the analysis and the challenge output. Key fields to note:

- Strategic Importance (Critical / High / Medium / Low): shapes weighting in the decision dashboard
- Estimated Contract Value: enter as a low/high range if uncertain
- Submission Complexity (Simple through Highly complex): calibrates the effort estimate review
- Probability of Win: a low/high percentage range; be honest as this affects the strategic lens analysis and investment posture
- Existing Reusable Content (None / Partial / Substantial): prior bid content, case studies, CVs, or other reusable material
- Known Capability Gaps (optional): carried forward into the challenge review

Select "Rate and Role Setup" at the bottom of the section or navigate directly via the sidebar.

### Section 2: Rate and Role Setup

The rate card drives all cost calculations across Modules 1, 2, and 3. Set it up once here; it carries forward automatically.



Six default role tiers are provided:

Tier	Default label	Default descriptor
1	Operational Support	Administrative, coordination, and support roles
2	Specialist / SME	Technical, subject matter, or professional specialist roles
3	First Line Manager	Team leaders, supervisors, and first-line managers
4	Middle Manager	Programme, project, or functional managers
5	Senior Manager	Heads of function, department leads, and senior leaders
6	Executive / Director	Board-level, director-tier, and principal decision-maker roles

For each tier you plan to use:

- Edit the label and descriptor to match your organisation's role structure if the defaults do not fit
- Enter the annual salary; the hourly rate calculates automatically
- Use the Active toggle to deactivate tiers that do not apply to this bid

Additional Categories lets you add partner, sub-contractor, or specialist roles outside the standard tier structure.

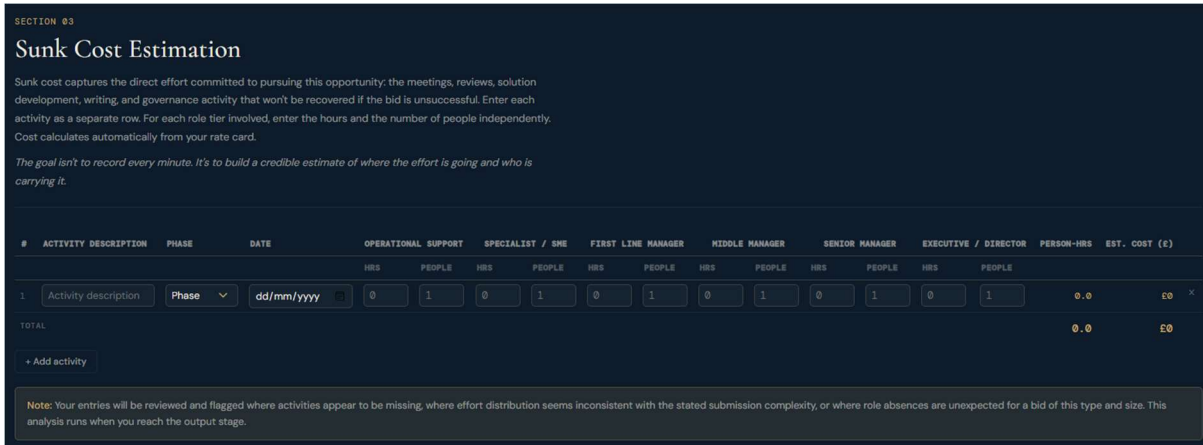
Also set:

- Rate Effective Date: the date these rates apply from
- Overhead Treatment: whether overheads are included in the rates, excluded, or specified as a percentage
- Approval / Source Note: record who approved the rates or where they came from

The rate card is shared across Modules 1, 2, and 3. Changes made here carry forward into Module 2 via the JSON handover file.

### Section 3: Sunk Cost Estimation

Sunk cost captures the direct effort committed to pursuing this opportunity: the meetings, reviews, solution development, writing, and governance activity that will not be recovered if the bid is unsuccessful.



Add one row per activity using the "+ Add activity" button. For each row, enter:

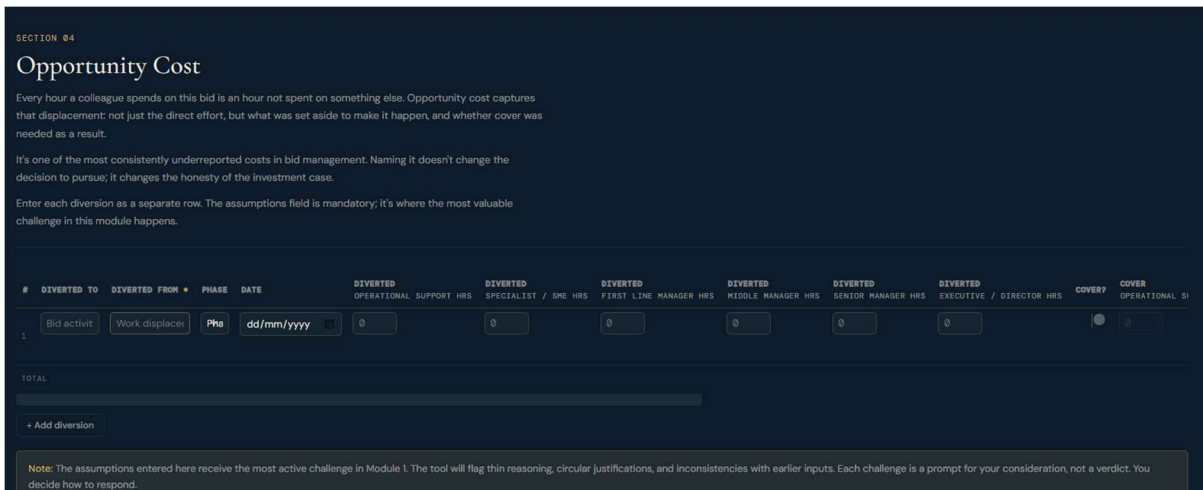
- Activity name and bid phase (Pre-qualification, ITT preparation, Solution development, Review and challenge, Submission, Post-submission, or Other)
- For each active role tier: the hours committed and the number of people at that tier
- Cost calculates automatically from your rate card

The goal is a credible estimate of where effort is going and who is carrying it, not a minute-by-minute account.

The tool reviews your activity entries during the analysis stage and flags areas where activities appear to be missing, effort distribution looks inconsistent with the stated submission complexity, or role absences are unexpected for a bid of this type.

### Section 4: Opportunity Cost

Every hour a colleague spends on this bid is an hour not spent on something else. Opportunity cost captures that displacement: not just the direct effort, but what was set aside to make it happen, and whether cover was needed as a result.



Add one row per diversion using the "+ Add diversion" button. The assumptions field is mandatory for each row; this is where the most active challenge in Module 1 happens. Be specific about the basis for your estimates.

The assumptions field is the most frequently challenged element of Module 1. Thin reasoning, circular justifications, and inconsistencies with earlier inputs are surfaced during the analysis. Each challenge is a prompt for your consideration, not a verdict.

## Section 5: Strategic Lens

Most bids are not pursued on financial return alone. This section asks you to name the strategic logic behind pursuing this opportunity and to test whether that logic holds when set against the cost picture you have just built.

**SECTION 05**

### Strategic Lens

Most bids aren't pursued on financial return alone. This section asks you to name the strategic logic behind pursuing this opportunity, and to test whether that logic holds when set against the cost picture you've just built.

Select the primary lens that best describes why your organisation is pursuing this opportunity. Add a secondary lens only if the rationale is genuinely mixed.

PRIMARY STRATEGIC OBJECTIVE \* SECONDARY STRATEGIC OBJECTIVE (optional)

Select primary objective None

Select only if there is a genuine secondary rationale. Don't use this to hedge.

**SUCCESS THRESHOLD**

What does success look like under your chosen lens? Be specific: a figure, a relationship, a defined outcome.

Vague thresholds undermine the strategic case.

**Comparison Scenarios**

Add alternative strategic framings to test against your primary choice. Useful where the bid investment decision is genuinely contested.

+ Add scenario

Select a Primary Strategic Objective from the options below:

Objective	Description
Return on investment	The opportunity should generate a positive financial return at an acceptable margin
Market entry	Winning establishes a foothold in a new market or customer relationship where future value is the primary goal
Market share build	The priority is growing presence in an existing market, even at lower margin
Cost recovery	The primary goal is recovering direct costs rather than generating profit
Comparison costing	The bid is being prepared to provide a market comparison or internal benchmark, not with a primary expectation of winning
Growth opportunity	The contract enables capability, capacity, or revenue growth that outweighs short-term margin considerations
Strategic entry	Winning creates access to a strategic relationship, programme, or position not otherwise available
New market exposure	The opportunity provides insight into or presence in a market the organisation is exploring for the first time

Add a Secondary Strategic Objective only if there is a genuine secondary rationale. Do not use it to hedge.

The Success Threshold field asks you to be specific about what success looks like under your chosen lens: a figure, a relationship, a defined outcome. Vague thresholds undermine the strategic case.

The Comparison Scenarios section lets you add alternative strategic framings to test against your primary choice. This is useful where the bid investment decision is genuinely contested.

The tool assesses alignment between your selected lens, the opportunity profile, and your cost estimate. Where the strategic rationale appears weak relative to the financial exposure, or inconsistent with earlier inputs, a specific challenge is raised.

## Section 6: Challenge and Confidence

This section surfaces the governance and risk items that require human attention before further effort is committed.

**SECTION 06**

### Challenge and Confidence

This section surfaces the governance and risk items that require human attention before further effort is committed. Toggle on any area where a concern exists or where you're not yet certain. The tool will generate draft risk register entries for each flagged item.

*The tool prompts; you decide.*

#### Challenge Flags

- Legal and contractual concerns**  
Any uncertainty about contractual terms, liabilities, or legal obligations.
- GDPR and personal data**  
Does delivery involve processing personal data? Any uncertainty about compliance obligations.
- Insurance requirements**  
Are specific insurance types or levels required? Any coverage gaps to address?
- IPR and licensing**  
Any questions about intellectual property ownership, software licensing, or reuse of existing materials.
- Security and access**  
Does delivery involve security clearance requirements, restricted access, or classified information handling?

## Challenge Flags

Toggle on any of the seven flags where a concern exists or where you are not yet certain. For each flagged item, add a note in the text field that appears below the toggle:

- Legal and contractual concerns
- GDPR and personal data
- Insurance requirements
- IPR and licensing
- Security and access
- Partner and supply chain dependencies
- Other significant risk

The tool generates draft risk register entries for each flagged item when the analysis runs.

## Confidence Assessment

Rate your confidence in each of the six major assumption areas (High / Medium / Low / Unknown):

- Effort and hours estimate
- Rate card accuracy
- Probability of win
- Strategic rationale
- Opportunity cost recording
- Challenge flag completeness

Confidence ratings affect the scenario bands and the decision dashboard. Where high confidence is claimed against inputs that suggest uncertainty, the tool will flag the inconsistency.

Add an Overall Confidence Note if there is additional context about the reliability of the estimate as a whole.

When Section 6 is complete, press "Run Analysis" to proceed to the analysis output.

## Analysis output

The screenshot displays the 'ANALYSIS OUTPUT' section for 'Bid Investment Analysis'. At the top right, there are buttons for 'Running analysis...', 'Back to inputs', and 'Re-run analysis'. The main content is organized into several sections:

- COST SUMMARY:** Contains four cards:
  - TOTAL PURSUIT COST:** £0 (Sink EO + Opportunity EO)
  - CONTRACT VALUE:** Not entered
  - PROBABILITY OF WIN:** Not entered
  - PURSUIT COST / CONTRACT VALUE:** N/A (Enter contract value to calculate)
- EFFORT DISTRIBUTION AND STRATEGY:** Contains two cards:
  - EFFORT COST BY ROLE TIER:** No cost data entered yet. Sink OS, Opportunity 100%.
  - STRATEGIC LENS:** No lens selected.
  - CHALLENGE FLAGS:** No flags active.
- CONFIDENCE:** Contains a 'CONFIDENCE ASSESSMENT' section with a table:
 

Assessment Area	Status
Effort estimate	Not rated
Rate card	Not rated
Probability of win	Not rated
Strategic rationale	Not rated
Opportunity cost	Not rated
Challenge flags	Not rated

The analysis runs once you press "Run Analysis" at the bottom of Section 6. It reviews all six sections of your inputs and returns:

- A bid investment posture: Proceed, Proceed with conditions, or Pause
- Structured analysis sections covering cost position, strategic lens alignment, challenge flag assessment, and specific areas of concern

The analysis output is decision support. The bid investment posture is a structured recommendation based on your inputs; it does not replace your professional judgement or your organisation's governance process.

If you want to revise your inputs and rerun the analysis, press "Back to inputs" or navigate to any section via the sidebar, then press "Re-run analysis" when ready.

## Saved Scenarios

You can save up to six named scenarios from the current inputs at any point. This is useful where you are modelling different approaches to the bid (for example, a full team pursuit versus a leaner approach).

Use "+ Save current as scenario" in the sidebar to save, and "Compare scenarios" to view saved scenarios side by side.

## Downloads

**Downloads**

All outputs are generated from the current estimate inputs. Generate the Module 2 handover package only once the estimate has been reviewed and approved; not before.

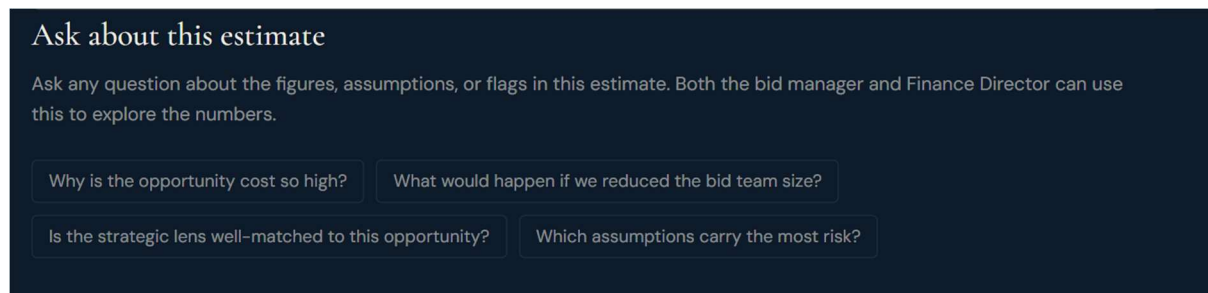
- Costing Spreadsheet (.xlsx)** Download .xlsx  
Multi-sheet workbook: Rate Card, Sunk Cost Estimate, Opportunity Cost, Assumptions Log, and Challenge Flags. Calculation cells are protected; input cells remain editable.
- Decision Summary (.pdf)** Download PDF  
Formatted summary of the estimate, strategic lens assessment, confidence ratings, and challenge flags. Suitable for senior review and approval.
- Module 2 Handover Package (.json)** Generate .json  
Structured data file for import into Module 2. Contains the approved rate structure, strategic logic, open challenge flags, and originating assumptions.

Three export options are available from the Analysis Output screen:

Export	Format	Contents
Costing Spreadsheet	.xlsx	Rate Card, Sunk Cost Estimate, Opportunity Cost, Assumptions Log, and Challenge Flags. Calculation cells are protected; input cells remain editable.
Decision Summary	.pdf	Formatted summary of the estimate, strategic lens assessment, confidence ratings, and challenge flags. Suitable for senior review and approval.
Module 2 Handover Package	.json	Structured data file for import into Module 2. Contains the approved rate structure, strategic logic, open challenge flags, and originating assumptions.

Generate the Module 2 Handover Package only once the estimate has been reviewed and approved, not before.

## Chat



**Ask about this estimate**

Ask any question about the figures, assumptions, or flags in this estimate. Both the bid manager and Finance Director can use this to explore the numbers.

Why is the opportunity cost so high?    What would happen if we reduced the bid team size?

Is the strategic lens well-matched to this opportunity?    Which assumptions carry the most risk?

The chat interface below the downloads section lets you and colleagues ask questions about the figures, assumptions, or flags in the estimate. Example prompts are provided to get started. Press Enter to send, or Shift+Enter for a new line.

## Tips

- Complete all six sections before running the analysis. Partial inputs produce weaker challenge outputs.
- Use the Challenge Flags honestly. Flagging a concern does not prevent a Proceed recommendation; it gives the analysis more to work with.
- The Opportunity Cost section is the most consistently underestimated part of a bid investment assessment. Naming displacement costs does not change the decision to pursue; it changes the honesty of the investment case.
- The Success Threshold in Section 5 is one of the most important fields. Vague thresholds undermine the strategic case more than any other single input.
- Save your session regularly. The module auto-saves on a 2-second delay; use the manual Save button before closing the browser.
- The JSON handover exports your rate card as well as the strategic and risk context. If rates change before Module 2 begins, export a fresh handover from Module 1 rather than adjusting rates manually in Module 2.