

How a Construction  
Conglomerate revolutionized  
Tender Risk Analysis

# **FROM 5 DAYS TO 5 HOURS**

botminds.ai

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Document understanding that wins business

# INTRO

## Case Study:

Tender Risk Analysis  
Process Automation

## Client:

One of the largest  
Construction Conglomerates  
in the world

## Industry:

Construction

## Employee Count:

40000+



## About Client

The Client is a EPC Company, part of a Multinational Conglomerate, with presence in over 30 countries.

In addition, the client has a long history of servicing businesses and governments in varied domains. Their domain expertise spans across different industries- Hydrocarbon, Power, Oil, Gas, Defense, Ship building, and so on – and has a huge economic impact around the world.

The company has to analyze tender documents, especially risk clauses, to identify the right projects to bid on. Tenders are voluminous and can be thousands of pages long. Responding to such tenders in a timely and accurate manner is a labor-intensive effort.



## Tender Analysis Pain Points

The tender analysis team was spending **valuable manual hours** reading, understanding, and extracting information from tender documents. Despite their expertise, the enormity of the task kept the team busy with redundant reading tasks and left very little time for the actual task of responding to the tenders. On an average, the team spent 10 to 15 days on analyzing a single tender document.

In addition to the paucity of time, the **margin of error** associated with manual tender analysis was very high. Information provided in tenders is dense, scattered, and at times even foot notes had crucial information. Given this, chances of missing out on finer details are high. For example, missing out on a clause like Liquidated Damages and Termination can result in huge losses.

Glossing over **risks due to oversight and boredom** created another reason for failure. Not factoring in risks can result in cost overruns and penalties during the project execution stage.



"The customer was approaching bids with false confidence without realizing the landmine of underlying hidden risks that were never uncovered. "

"The term "Risk" varies from company to company. Even, the risk profile of two business units within the same company is not the same"

## PROBLEM



### Consequences of previous approach

**Subjective risk analysis** - Many of the risk analysis mistakes were associated with negligence, misrepresentation, and fraud. Studies showed that frequent mistakes were also made in calculation, clerical errors, wrong assumption, and document errors.

**Being blind to hidden risks** - The customer was approaching bids with false confidence without realizing the landmine of underlying hidden risks that were never uncovered. This was leading to disappointment as they mistakenly omitted real risks that influence the contract value and lead to failure in execution. Simply put, the hidden risks in tender documents were in fact a risk to the company's reputation. Further, mistakes in tendering are transferred over to contractors who have to shoulder the consequences of execution mistakes. As a result, right from the CEO to the junior analysts, new tenders for large projects were becoming a source of anxiety for all.



### Roadblocks to resolve the Pain Points

First, a one-size fits-all solution was not resolving the problem at hand. This is because the risk profile is unique and varies from division to division within the client's organization.

One-size-fits-all solution did not work for varying risk profiles

Building a customized risk profile for even a single division would take many months

Second, an in-house solution was ruled out as a problem of this level of complexity requires AI experts, time and expense. The client also tried to resolve the problem using platforms such as Amazon and Azure but were not successful. Given the complexity of the project, involvement of independent software vendors also meant a large effort that'd take many months if not years, even for a single division's process automation.

Finally, given the sensitive information in the tender documents, the client could not afford data to leave their secure environment. The documents were also voluminous – 1000+ pages of documents - and current available solutions weren't able to scale up to extract data effectively.

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# SOLUTION APPROACH

## TOTAL TENDER PRICE =

- +Estimated Costs
- +Profit
- +Risk(Contingencies)
- +Risk(Uncertainty)



## Breakthrough

Botminds started off with an impactful demo that created a custom document understanding bot within minutes. The demo resonated powerfully with the client. It quickly addressed their apprehension which stemmed from their past experience with unsatisfactory automation results through various in-house and vendor solutions.

Botminds' then built a POC for the client. We used publicly available tender documents and showcased results within few days. This reinforced the client's confidence in our capabilities and we won the contract.



## Private Cloud Deployment

As part of the pilot project, the Botminds' platform was deployed on the client's private cloud leveraging our end-to-end containerized applications. This helped provide fool-proof security for their sensitive documents. Then, we trained the client's Tender Analysts to effectively use our solution. Their subject matter experts easily created annotations using our simple point-and-click platform. Using examples provided by the Tender Analysts, the Botminds' solution effectively captured the unique risk profile of the division.

The client could see first-hand results of data extraction on the very first day. We operationalized within two weeks of the initiation of the pilot project with accuracy metrics set by the client's team. Having tasted success, we scaled up operations to cover seven other construction divisions within the client's organization. All this was achieved in three months.

50%

of contractors don't have a proper tender risk management tool

60%

of the companies include a risk percentage in their mark-up

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# IMPACTFUL RESULTS

“With skills trained to identify red flag clauses and quantify risks at the clause level, Tender Analysts receive risk scores when a new tender is uploaded.

Botminds' trained models are resulting in significant onboarding efficiency for subsequent projects.”



## The WOW Effect

The Botminds' solution resulted in saving cost and time for the client. Prior to the solution implementation, a 3-member team spent five person days to prepare the tender information. After the Botminds' implementation, the work is being completed within five person hours.

Our solution utilizes examples from Tender Analysts, context, and semantics to extract the information. This has enabled the client to create their tender risk analysis bot without having to rely on a technology team or data scientists. The integrated nature of our technology helped us deliver a working automation solution to the client within the first day of the assignment.

The Botminds' implementation has enhanced the traceability of extracted information right from the Analysts to the top management. The client is now able to confirm the authenticity of the extracted details and make corrections wherever needed.



## KEY METRICS



### The Final Results

Time consuming and tedious. Risk oversight. Miscalculation and misrepresentation of facts. No longer are these words associated with the tender analysis process at our Client's company. The Botminds solution has consigned these words into history.

Thanks to Botminds, the tender analysis process is now a breeze. Risks are getting the due attention and errors in the process are gone. We're proud to have helped our customer stay ahead of their competition.



**5 days to 5 hours** to identify & score red flag clauses



**80% time saved** by automated risk evaluations



**100% accuracy** with human in the loop logic

For more information, contact [hello@botminds.ai](mailto:hello@botminds.ai)



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