Navigating RFPs: Tips for achieving success from development to response

Whether you are a business leader looking to outsource a specific project for the best value, or a product or service supplier who wants to write proposals that sell, navigating Requests for Proposals (RFPs) can be complicated, time-consuming and cause for stress. On the business procurement side, you want to ensure when you develop your RFP that you get the responses you need to help you make the right choice, at the right price. From the suppliers’ perspective, you want to put your best foot forward with a competitive but realistic bid, while showcasing superior quality and service, as well as the added value your organization provides. And perhaps it goes without saying, you want your proposal to shine brighter than all the rest so there’s no question you’re right for the job.

To ensure success at all points along the process, it’s important to understand the fundamentals of RFPs. In this Blue Paper™, we’ll take a close look at what RFPs are, how they’ve evolved, and why they’re still relevant. Then, we’ll approach RFPs from the procurement side, exploring best practices for development; ensuring you receive the highest quality responses from ethical suppliers who are dependable. Finally, we’ll explore the supplier side, offering tips and tricks for presenting a proposal that will showcase your organization’s capabilities in the best light; increasing your chances of being selected for the project.

Understanding RFPs

An RFP is a qualification document, or an invitation of sorts to suppliers to showcase the relevance of the services they provide, or the products they sell, along with a price for fulfillment of a specific business need. The process allows businesses to consider a variety of options for products and services through a structured effort, which often includes a bidding process. The intent of an RFP is to help suppliers submit a proposal that showcases the benefits of choosing their business within the scope of the soliciting organization’s related short- and long-term goals. The RFP, in a sense, becomes the very foundation of a contractual agreement, establishing expectations and deliverables, and helping the business anticipate vendor capabilities and a realistic cost estimate for goods or services.

The RFP is a valuable document for contractors, who depend upon it to complete their analysis of the request, and from that, develop a sales proposal. For public or governmental organizations, RFPs typically come with strict, quantitative
criteria to be used during the selection process. For private businesses, there is more likely to be substantial qualitative as well as quantitative criteria. That’s not to say quality isn’t a consideration in the government sector; it is. But typically, the greater focus is on more tangible, measurable outcomes and cost.

To that end, an RFP is far more than a request for a price. Many RFPs seek information about a company, including organizational history, financials, capabilities, customer references, employee information and much, much more. It is often the first tool at a decision-maker’s disposal to learn about relevant suppliers, weigh the pros and cons of each, anticipate benefits and challenges, and determine which supplier represents the best match.

The relevance of RFPs over the years

While the relevance of RFPs has ebbed and flowed among smaller and mid-sized companies, RFPs remain a popular process for large companies or governmental agencies. ¹ Here’s why:

- They inform suppliers your company is looking for a qualified partner to meet its business needs.
- They require concrete information about what a company is seeking to purchase or hire.
- They inform suppliers that there is a competitive process in place.
- They solicit responses from a wide field of providers.
- They ensure that contractors respond with fact-based information that is relevant to the company’s specific requests.
- They provided a structured selection process for impartiality.
- They enable service and product comparisons.
- They encourage submission of a vendor’s most competitive bid.

Opponents caution that the RFP process has some weaknesses. First, they argue that the RFP process can result in the selection or elimination of suppliers based on the wrong reasons. For example, a supplier may be dismissed based on bid alone, or because the supplier’s questions produced a negative perception. Additionally, the RFP process may not be taken seriously and simply used to fulfill policy requirements when a vendor has already been unofficially selected. Lastly, detractors say the RFP process may start working relationships off on the wrong foot if the process wasn’t transparent or was confrontational.

That said, RFPs remain a trusted tool for gathering information about the market and realistic pricing. So, if you are going to take the time and energy to send out an RFP, you might as well make it the best it can be!

Developing an RFP
Typically, development of an RFP happens in three phases: the decision to develop an RFP, the development process and the selection process. ²

Making the call
A company first has to make the decision to bid out a project. This decision may arise for several reasons:

1. The business is experiencing changes.
2. The inability or unwillingness by an existing contractor to meet the project’s scope.
3. The end of a contract period for an existing contractor.
4. The business requires a competitive bidding process.

Whatever the case, it is at this point that caution should be exercised. The RFP process can be time consuming, and if not done well, frustrating. Some experts say there is a dark side to RFPs, including:

- The challenges of writing an effective RFP. Your documents must include critical details, and will often result in calls from vendors anyway.
- The time involved. Most contractors or suppliers require at least two weeks to a month to develop a thoughtful and comprehensive response or proposal.
- Paper doesn’t tell the whole story. Proposals may not effectively allow you to judge who would be the best fit.
- Apples to apples doesn’t exist. Every contractor or supplier is different, from the fees they charge to their process; comparing them and finding true parallels can be challenging.

One way to combat some of these challenges is by researching the field of candidates yourself and matching the most appropriate ones to your needs. From there, inquiring directly with those companies, and whittling the field down to a

few leaders, will help streamline the process—unless of course you are required to have an open submission process. Nevertheless, even paring down the candidate pool doesn’t dismiss the art and craft of the well-written document.

**Drawing up the documents**

While it is possible to outsource the development of your RFP (which seems a tad ironic), most companies create the document internally either through a committee or departmental expert. If your organization is new to crafting this documentation, it’s best to begin by consulting with industry peers and the Internet.

If the task seems daunting, you aren’t alone. In fact, some organizations will look at the job of developing an RFP as troublesome and time-consuming. But experts say it’s important not to overlook the golden opportunities that an RFP presents to help you find a strategic partner for your needs. So, rather than repurposing an existing document, or cutting and pasting something together quickly, consider some of these elements for your RFP: 3

1. Keep in mind that the more detail you provide in your RFP, the better your chances of receiving proposals that are accurate and on point. Let there be no question about your organization’s needs and expectations, and you will receive responses appropriate to your company’s requirements.

2. While detail is important, it’s also important to realize the value of brevity. We all know how documents can grow and get out of control; you share them with multiple committees, and each adds sections and subsections. If your RFP can be simplified, strive to prune it. Consider cutting redundancies, overly-complicated sections and any unnecessary industry jargon.

3. Write an RFP that reflects your brand and your company’s culture. Provide an overview of your organization and describe its environment. Suppliers that complement your culture are likely a stronger fit.

4. Consider what you want to have returned to you in the

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requirements you are outlining. If you send out a complicated, highly-detailed document, you'll get the same in return. Is that what you really want? Structure your RFP according to what you want to receive back.

5. Indicate within the RFP if you are willing to respond to questions or speak in advance with RFP recipients to better provide an overview of your organization's needs.

6. Carefully consider timelines and establish a realistic communication schedule. Responding comprehensively and thoughtfully to RFPs takes time. Establish realistic deadlines and include items such as: scoring of proposals by the selection team, short-listing finalists, notification of finalists, final decision, contract negotiations and notification of all responders.

7. Remember to make your evaluation criteria clear. If price is the most important factor, say so. If factors like expertise, references and credentials play a role, specify those factors as well.

With these elements in mind, it's time to begin writing your RFP. First, gather the basics of your company's information, including:

- Who you are
- What you provide/manufacture/service
- Brand and culture overview
- Organizational history
- Contact information

Next, begin mapping out the project's critical pieces, including:

- Purpose and/or objectives
- Scope of the project
- Timeline of completion
- Budgetary requirements
- Project personnel or liaisons
- Technology and/or process requirements
- Expected deliverables

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After these fundamental elements have been fleshed out, dive deeper and include information about the project's anticipated challenges, likely solutions, affected stakeholders and perceived risks. Outline if this project is a one-time situation or will require on-going participation, as well as all other submission specifics. These most often include:

- An overview of how communications and notification will exist between the company and supplier during the RFP process.
- An explanation that the RFP is a process, not a contract, and that participation in the process does not ensure selection.
- A summary of how vendors will be evaluated, selected and paid.
- A list of factors that would cause immediate disqualification from the process.  
- A notice of legal, safety and ethical standards expected by the selected supplier.

Your RFP outline may be unique, depending upon the project for which you are soliciting bids and proposals. However, as a general guideline, a suggested outline might look something like the following.  

1. **Project title.**
2. **Company overview.** Summarize the company's background, its products/services and its culture in a couple paragraphs.
3. **Project description.** Summarize the objectives of the project as well as the challenges and opportunities. Include information that will help vendors comprehend the scope of the project. There is no need to detail specific requirements here, but instead offer an overview. For a smaller project, this should be up to 10 sentences in length; for larger projects, your description may span several pages.
4. **Design requirements.** If you are issuing an RFP for marketing purposes, you will want to detail your company's style guidelines and brand standards. If you are issuing the RFP for IT-related projects, you may want to include information about how the project deliverable will work when done. The length of this portion varies widely.
5. **Technical and infrastructure requirements.** Here you can include any specific requirements about server or database configuration. Length varies.

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6. **Functional requirements.** This would include details of the specific functionality you would like your finished project to have.

7. **Estimated project timeline.** Detail the duration of the project and the required date of completion.

8. **Assumptions and agreements.** This portion of your RFP includes a list of any assumptions or agreements the vendor must meet. This may include a ceiling for bid amounts or any rights you reserve to dismiss a proposal.

9. **Submission information.** Include any vital information for companies wishing to submit a proposal, including the mailing or email address and deadline.

10. **List of contacts.** List the contact information for clarification of any issues or questions related to the RFP. You may have separate contacts for specific portions of the project or you may have one clearinghouse.

11. **Basis for award of contract.** List here your evaluation criteria. You may want to list the weight for each criterion.

12. **Selection schedule.** Detail information about the schedule for your vendor selection process.

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**Evaluating suppliers or contractors and making your selection**

In the final step of the RFP process, the organization evaluates the proposals and selects the right contractor or supplier for the organization’s needs. It goes without saying that selection can be a complex process. Typically you don’t want to just choose the cheapest contractor for the job; instead you want to evaluate a number of factors that can be weighed against your priorities.

It’s common to request a presentation from your vendor frontrunners, depending on the scope of your project. In addition to gaining a better understanding of the potential partners in your project, you want to be certain the necessary chemistry exists to develop a healthy, prosperous business relationship with the organization you select for the job at hand.

**Responding to RFPs**

For those approaching RFPs from the responder’s perspective, the process is equally as involved and the stakes are as high. As mentioned, responding to RFPs takes a good deal of time and company resources. So when an organization is solicited for a response to an RFP, it’s important to take a step back and examine the situation from a distance.
Before you write your proposal

As a vendor who has made “the list,” you will receive notice that you have been invited to submit to an organization’s RFP. Typically there is a certain level of excitement and hopefulness that comes with making this list and being solicited for an RFP. But some experts caution that before you jump in and invest the time and resources into developing a great proposal, you should ask yourself some important questions. 7

First, why were you chosen to receive this RFP? If it is unsolicited, some experts say there is a chance the company may just be doing its due diligence. Experts say the best way to receive an RFP is to have developed a relationship with the company before an RFP arrives on your doorstep. If an unsolicited RFP does come your way, perhaps you were referred from one of your clients, or they found you on the Internet. Knowing why you were chosen provides perspective for formulating your proposal.

The second question you should ask is, “Should I complete the RFP?” Responding to RFPs takes a significant amount of time. It’s critical to be realistic about your chances of being awarded the contract and honest with yourself on the reasons you are submitting.

In considering whether or not to respond to an RFP, you will want to consider the requesting organization and the future opportunities. As a leader in your business, it is up to you to consider the potential payback of a successful RFP. Would it mean a single contracted award, or is it one that may result in a long-term business partnership and lucrative referrals. Research the company’s reputation, and analyze whether a successful contract award now could open the door for other projects.

In addition, experts suggest before you respond to an RFP, you ask your prospective client some questions. Remember, you are not obligated to respond to an RFP, so don’t feel pressured to do so. 8 Here’s a short list to gaining a clearer picture:

1. **Why are you requesting proposals?** If the potential client says they are seeking the best price, be aware they may just be trying to negotiate a better price from their existing contractor. Experts warn that if all you have to offer in the way of value creation to this potential client is a lower price, you should likely reinvest

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8 Ibid.
your energies elsewhere. If the client is seeking that greater value proposition, then it may well be worth your investment.

2. **Are you looking to change your current provider or add a new one?** If a potential client confesses they are not likely to change providers, then you know where you stand. If they are looking to change or add new vendors, obviously, your odds of gaining their business are better.

3. **Why was I selected to receive this RFP?** Asking this question may help determine whether you really have a chance at winning and what it was that put you into the running.

4. **What would you have to see in our response for us to get the opportunity to be your partner?** This expands your base of information and understanding as to what they are truly looking for in a vendor. This also will provide confirmation that if you create value for them, you will be a contender.

5. **Can we set up a meeting?** This allows you to determine whether investing the time into this RFP is worthwhile for you and your organization. Impress upon them the value of creating a better understanding of their real needs, and how that will translate into creating real value for their business.

6. **What are our odds of winning this RFP solely based on our written response?** Clarify the difficulty in winning RFPs, no matter the amount of time and resources you put into a response, without having a working relationship with the company or knowing what would add value to their business. Ask what you might do to explore working together.

The additional time investment you make into determining the answers to these questions will pay dividends in the long run. You’ll have a keen sense of your true likelihood in being awarded the bid.

**Developing an effective proposal**
Once you have satisfactory answers to these questions, and your organization is ready to respond to an RFP, you’ll want to take a detail-oriented approach. First, it’s vital that you read through the RFP thoroughly, even multiple times, to gain a clear understanding of what is being requested. If any questions arise while you

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are reading the RFP, or if clarification is necessary, pose those questions through the approved contact channels in the appropriate manner, often detailed in the RFP itself.

Next, outline your response, being sure to abide by formatting notes specified in the RFP. Closely examine the section headers in the RFP and use them as your guide for creating an outline. Be sure to answer each and every question. At this point in your proposal development, you may want to answer the questions with concise and clear bullet points.

Now that you fully understand the RFP, assemble a team from a wide variety of perspectives to assist in developing your response. The team should create a timeline for development of the proposal, working back from the established due date. You may also want to identify project leads and individual roles as they relate to the RFP, depending on the level of detail required.

Draft your response, following the structure of the RFP. Be sure to include supporting data, trends, facts and figures. When estimates are required, justify how you came to that figure; you may wish to attach applicable spreadsheets as well. Answer all questions fairly and thoroughly, being careful not to make unrealistic promises. A contracting agency that suspects you are over-promising on deliverables will likely dismiss your organization from consideration. That said, don’t shy away from sharing your successes and strengths and highlighting what makes your organization right for the job.

Next, show how you will measure and monitor performance to ensure quality. This will demonstrate to the contracting agency that you are committed to creating a positive experience by fulfilling the contractual requirements satisfactorily. Be sure to be concise in your responses, and use language that communicates confidence.

Finally, when you have the RFP drafted, have the team brainstorm ways to add value for your potential customer. What can you offer that your competitors can’t? Come up with creative solutions that can save you and your potential customer time, money and hassle.

Proofread your RFP, make changes as necessary and double check to ensure your response is complete and meets all requirements. Include a page of references, even if the RFP does not ask for one; it communicates integrity.

Now that your response has been written, the team should prepare for a presentation, if one is required. Perhaps it goes without saying—but the presentation team should be professional and well spoken, and should deliver messaging with confidence. The team should also not be afraid of soliciting feedback from the group immediately following the presentation.

Of course, you’ll want to be mindful of deadlines and submit all materials on or before the due date. If you do not submit your materials on time, your proposal may be eliminated from consideration.

**Best and final offers**

When an organization has narrowed the field of vendor choices based on the proposals they have received, they’ve taken into consideration a number of factors. The finalists likely include a provider who doesn’t just have the lowest cost (though some will seek out a contractor primarily based on this factor), but also a solid project management plan, a comprehensive technical solution when needed and a proposal that demonstrates the least amount of risk, with the greatest amount of credibility.\(^{11}\)

At times, an evaluation team may determine that the price could or should be lower, or that some parts of the proposal needs greater detail. In this instance they may request Best and Final Offers (BAFO). For vendors who are on the final list for consideration, this is an opportunity to revise their proposal to improve their bid or eliminate conditions in their original proposal that may take them out of the running. BAFOs are then sent back to the evaluation team for a final look and the ultimate decision is made.

**Putting the project in motion**

The steps are many but the process is proven: From analyzing the business’s needs, to developing a comprehensive RFP, to soliciting proposals, to choosing the right business partner, the RFP development process is one that sets a solid foundation for a project’s success.

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It starts with a clear vision of desired outcomes, and it concludes with well-researched, well-communicated responses that are representative of a contractor’s capabilities. And though both parties have done their due diligence to ensure the “best fit” for the job, the real work is indeed, only beginning. Luckily, because RFP’s are developed in such well-researched steps to ensure a smooth process, both parties can have confidence that the road ahead has a good chance of being just as smooth.