10 TIPS TO IMPROVE YOUR RFI / RFP PROCESS

Introduction
Both vendors and clients are frustrated with the time, energy, and money spent on selecting new department or enterprise level software systems. I'm often asked about how I've been able to help clients move so quickly through these stages and into implementing the technology they need to drive customer satisfaction and revenue. This article documents the tips I've used to move through a full RFI with 12 vendors, filter the list and issue a full RFP, select a winner and backup, and negotiate a contract in under 100 days. Hopefully they'll help you achieve your goals.

Tip #1: Involve all stakeholders in the beginning
Competing or seemingly uninvolved departments are often left out of the initial phases. As the project unfolds and more information is learned about capabilities and/or limitations, those departments can raise objections. Project are regularly put on hold because not all departments were aligned on the vision, why a given vendor was selected, and the goal of the first phase. The C-suite will often freeze projects to reduce the spend until alignment is attained. Mitigate this by including stakeholders in the beginning, at the very least in a discussion about the business vision and where a given technology solution fits.

Tip #2: Push to complete within 90 days
The market is constantly changing. For regulated industries, legislation is constantly being added. If you take 9 months to execute an RFI and/or RFP to select department level or smaller software, you'll likely take 12 months to implement it. In those 2 years the market opportunity for which you needed the software is going to be different, your needs will have evolved, and you'll have spent money and time preparing yourself for something that's already obsolete. Challenge your team to complete the selection process in 90 days and use the saved time to focus on customer satisfaction.

Tip #3: Keep the RFI document short
The goal to thin out the # of people in an RFP. Keep it to 1 page of questions and avoid legalese. Only put one date: When would you like to see a response.

Tip #4: Limit RFP to 3-4 vendors
An RFP takes time for vendors to complete, and even more time for clients to read and review. The most successful RFPs use customized demos to really get a feel for how a given vendor would work. It's not reasonable to attempt that for more than 3-4 vendors. Use an RFI to quickly cull the list of options down to a reasonable number.

Tip #5: Write scenarios, not detailed requirements
Detailed requirements tell vendors how you currently approach your business. If you were happy you probably wouldn't be executing an RFI and/or RFP. A better mousetrap rarely fits into your existing paradigm. Plus, detailed requirements take considerable time to write, considerable time for vendors to respond, and considerable time to evaluate responses. Instead, write <20 business scenarios describing what goals or processes the software will help you attain and see how vendors suggest you approach them. Write no more than 1 paragraph about each scenario to avoid being prescriptive.

Tip #6: Delineate between must-have and nice-to-have scenarios
Highlighting the needs that you must support allows vendors to spend more time ensuring the primary goal is achieved. It also allows vendors to opt-out if they cannot adequately support the must-have, which saves you time in reading responses that will fall short.

Tip #7: Consider the vendors perspective
Many RFPs are written in a very authoritarian fashion but are issued by market laggards. Unless you're a premier brand, the best vendors may self-select out if the language insinuates that you will be a high maintenance and unprofitable customer.

Tip #8: Use unconventional methods with vendors
Most vendors, especially the non-market leaders, are eager to create more customer champions. Demonstrate your commitment to being a good partner by unconventional items such as including an offer to issue a joint press release in the RFP if the vendor meets your criteria. For example, if the contract is signed within 30 days, commit to issuing a joint press release announcing the RFP award before project kickoff. Or, commit to issuing a joint press release if the project is completed within your required timeline.

Tip #9: Highlight integrations and data migration needs
Many software systems work wonderfully when they are "islands" that do not need to interact with other systems, and they start with a clean slate. Companies spend millions on middleware systems to bridge that gap. Include a high level vision on how you perceive the new system to interact with other processes or systems. Describe what source systems will retired and the data migrated to ensure the proposed system can accommodate your data needs.

Tip #10: Select a backup winner
Contract negotiation may hit a brick wall or the vendor may take an aggressive stance if there are no other options. Pick a primary winner and a backup winner. Inform both of the existence of both. This will help both sides present their best deal up front which can significantly reduce the time between RFP conclusion and project kickoff.