The Technology RFP Trap:

how to navigate your way through the minefield

An Experian white paper

Experian™
Marketing Services

Given the challenges marketers face managing masses of new data and complex multi-channel customer engagements, technology and software are now key capability areas. So selecting the right vendor – or partner – is critical to success.

Effective selection requires an effective approach to the consideration and evaluation of vendors' capabilities. One important tool used to select a vendor is an RFP – a Request For Proposal. Done well, an RFP will pay dividends.

But the sad fact is that many RFPs are poorly managed and the thought of doing one probably fills most marketing people with dread. It may seem like an arduous or daunting task (and in truth it is time consuming) but it can be made less painful if some simple steps and rules are followed. This paper sets out some practical tips and advice to help you through the RFP maze.

Tip 1	Plan, plan, plan
Tip 2	Manage internal stakeholders
Tip 3	Get your business needs across
Tip 4	Create a compelling RFP requirements document
Tip 5	Decide on your vendor list
Tip 6	Creating a partnership
Tip 7	Set out your evaluation and selection criteria and timescales
Tip 8	A rigorous approach to decision making

Tip 1 – Plan, plan, plan

Like any project, investment of time and effort in planning at the start of the RFP process will reap rewards. Some areas to consider when planning include:

1. Why am I looking at new solution/software or a new vendor – what has driven that decision? Consider that as your starting point.

2. For instance is your current vendor underperforming? Are new capabilities needed? Do you have business targets to meet which you can't due to capability constraints? Are current capabilities/processes too slow or inflexible?

3. What problems do I face at the moment that the solution will help change? It is important that you think about your business problems. Don't get bogged down in detailed process issues at this planning stage.

4. Articulate what your vision for a year's time would be – i.e. what would you be able to do and deliver? Frame these in business terms e.g. higher conversion rates, reduced customer attrition, lower operating costs, higher cross sell per customer.

5. Plan out the scope of the business challenges to be covered in the RFP. Consider who this impacts, when you want the changes to happen (for instance are there phases?) and what systems it touches/impacts.

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Tip 2 – Manage internal stakeholders

Getting the right people engaged at the right level and at the right time is critical:

1. Consider who your stakeholders are in the business. Make sure you have a senior sponsor and an ultimate decision maker (often, but not always, the budget holder.)

2. List all the stakeholders you will need to consider and then decide what their role is.

3. Core stakeholders should be the end users of the solution, do not let this be driven by Procurement or IT.

4. As Michael Neuman, Managing Partner, Scouts Sports and Entertainment said "You have the same guy who buys the paperclips making a decision on what sports marketing agency to have. Their focus is on cost instead of who has the best value proposition."

5. Procurement, IT, Legal and Finance all play important roles but make sure they are the right roles.

6. As much as you may wish to exclude some people it is wise not to do that – you will just be creating problems for yourself further down the line which could impact the effectiveness of not only the RFP process but the decision itself.

7. Engage with as wide a group of users as you can, but limit the number involved (costs and complexity need to be considered.)

8. Get end users involved in creating the vision and working through real business scenarios so you can create meaningful business requirements and case examples.

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Tip 3 – Get your business needs across

Poor RFP requirements documents tend to be very prescriptive if you have already decided what you want and/or are basing your needs and requirements on current practices.

This often leads to overly complex and detailed lists of specific features without consideration of what you are trying to do as a business. At the other extreme other RFPs are so vague the supplier has no idea what you are trying to achieve and therefore need. You need to get the balance right and remain flexible in your outlook. So focus your needs on:

1. Ensure that business needs are gathered from all of your stakeholders – and then look at how to articulate them for an external provider.

2. Creating an open approach and set of requirements based on business challenges/needs – be prepared to learn throughout the RFP process and adapt your thinking/views as and when new insights emerge.

3. Your end users – ultimately this has to work for them.

4. Outcomes – what do you want to be able to achieve as a result of the investment in new capabilities.

5. Explaining your business, what you do, what you have done and what you want to be able to do.

6. Creating examples and use cases that bring your needs to life.

7. Allowing vendors to ask you questions and understand your business needs further – encourage them to explore your business needs further.

8. Sharing as much as you can; the more you share the better a vendors response will be (or should be!)

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Tip 4 – Create a compelling RFP requirements document

Many vendors have experience in the management of responses to poorly prepared RFP documents. Many will think twice about responding to a time consuming and very prescriptive RFP.

So make your RFP document compelling and interesting for the vendor; it should be seen as a way of getting the best out of them and not a severe test. The better written ones tend to generate the best responses which lead to a better decision. To get the document right:

1. Tell a story and build up a picture of your business and challenges.

2. Explain your challenges in business terms, e.g. speed to market, poor conversion rates, limited ability to personalise content, inability to target messages.

3. Ask open ended questions.

4. Whilst the RFP is likely to focus on the software, do not ignore the people, process and cultural changes which will be needed as well. Ask the vendor to explain what people and process change experience they have and based on that what they would recommend you to do based on your requirements for change.

5. Build a logical structure to your document, number questions and ask for responses to follow your structure – yet allow details and differentiating features to come through in responses.

6. Share as many examples and details as you feel you can – include user cases and business scenarios for the vendor to work with.

7. Focus on quality of content and not quantity, both in your document and in their response – limit the length of their response (and penalise those who ignore that rule.)

8. Don't let Procurement write it! Clearly they need to comment on it but they are not in a position to articulate business needs.

9. Avoid using generic RFP templates with standard and closed questions – one size does not fit all.

10. Avoid the use of Excel sheets with Y/N answers (these may have a role though in the RFI stage when selecting vendors to receive the full RFP.)

11. Avoid generic questions which lead to cut and paste responses by vendors.

12. Don't let IT write the document either! They are likely to be too technical and will err to the Y/N type of approach. They are also unlikely to be able to articulate your business needs.

13. Avoid using complex or detailed diagrams and specifications – leave that for the functional spec.

Tip 5 – Decide on your vendor list

You may have used a preliminary stage called an RFI (Request For Information) that asks core questions about a vendor's financial status, clients, case studies and product suite. It is important that you have set out your selection criteria and sought technical advice to help you with your shortlist.

If you are in the Public Sector you have a duty to officially log tenders (OJEC) over a certain value and invite vendors to apply. Other techniques to be used include:

1. Do your homework; research the market, look at reports such as Gartner or Forrester Wave.

2. Draw upon existing relationships or previous approaches by vendors.

3. Attend trade shows and gather information; check out their websites and presence in terms of whitepapers and thought leadership.

4. Is there an incumbent? Most people include them in the list – the incumbent can then make a call as to whether they wish to respond or not.

5. When you do get a shortlist and are in the RFP process, ask for reference sites and follow them up.

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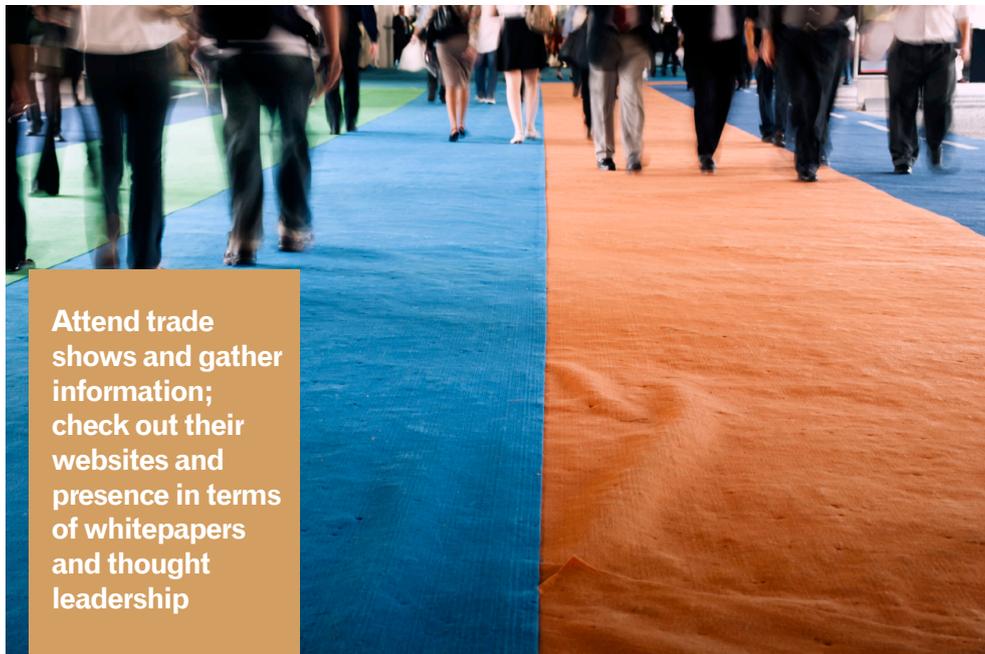
Tip 6 – Creating a partnership

An RFP is not just about selecting the best piece of software for your business, it is about getting the right partner to work with you. The role of people and relationships is core to the RFP process so also consider:

1. Whether you get on with the people in the team; could you see yourself working with them?

2. How do they propose to engage with you and manage the product delivery and service?

3. What type of support and team are you expecting the vendor to provide – if you have specific requirements, then make those clear in the RFP

4. What is their Account Manager like – do you like them, do they understand your business, do they communicate well?

5. Consider how they treat you during the RFP process. Do they 'hassle' you with sales calls, do they ignore you between stages or are they attentive and get the balance right in terms of contact?

6. Are you getting the top notch pitch team – always ask to meet the people who will be on the account.

7. Encourage questions – some RFPs state that all questions will be shared but in our experience that tends to lead to vendors keeping their questions to themselves for fear of giving something away to a competitor.

8. Allow question sessions – preferably face to face – and allow these to be confidential. Also allow vendors to keep contact with further questions; some only emerge later in their thinking.

9. Include presentations in your selection process – give guidance on a structure to allow you to make comparisons but also consider using some specific questions/challenges on the day to see how they react.
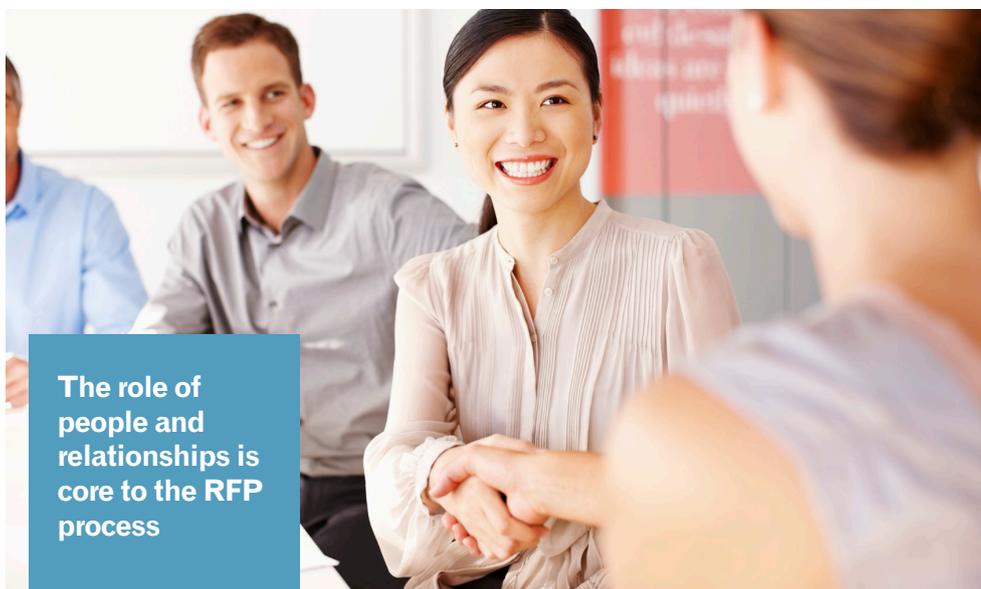
The role of people and relationships is core to the RFP process

Tip 7 – Set out your evaluation and selection criteria and timescales

Criteria should be based on your requirements and you should agree these (and their priority) with the stakeholders involved in the RFP.

Try and make these criteria as measureable as possible and where this isn't possible define criteria which can relate back to certain capabilities or questions raised. We would recommend that you:

1. Explain the selection criteria to the vendors; this helps them to see where your priorities lie.

2. If you are going to weight the criteria, again let the vendors know which carries more importance.

3. Explain the stages in the selection process to help the vendor to plan.

4. Consider how you are going to consider the importance of a well written response vs. a good presentation vs. a good demo vs. a good 'people chemistry/fit'. It is likely that vendors will be stronger at certain stages and/or be stronger in terms of their product vs. service. Hopefully you find one who is good at all things – but that often doesn't happen!

5. Manage vendor expectations in terms of timescales and give them enough time for thorough question time and response time (at least 2 weeks from receipt of the RFP.)

6. Be realistic with your own timescales; how long do you need to consider responses given the day job and other commitments?

7. Don't rush any stage; better to take a little longer and get the right result.

8. If you need to change the timetable, do so, but give vendors warning.

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Tip 8 – A rigorous approach to decision making

There is nothing worse than looking at the stack of huge response documents knowing that you have a duty to read each one in enough detail to make some decisions (and ask further questions).

If you have followed our tips and created an effective requirements document then some of this should have been addressed (e.g. providing a structure and limiting the length of the response document). However vendors have their issues as well and some do not prepare good responses. They may ignore your rules (particularly the larger players) and others will insist in providing a lot of background and case studies (even if you haven't asked for them) – many of which are generic and not linked to your needs. This is the hardest stage and you need to refer to your evaluation criteria and take a very rigorous approach to your evaluation. Some things to look out for include:

1. Did they follow the structure requested? If not, is it now very difficult for you to compare them to other vendors?

2. Did they stick to the page limit imposed by you or do you have the equivalent of 'War and Peace' to wade through? Consider only reading up to the page limit stipulated.

3. Did they avoid sending stacks of appendices and documents that appear to have no relevance to your RFP? If they did send any, were they useful or just padding and generic brand or product documents?

4. A really fundamental one is whether you understand it? Can you grasp what their solution can and can't do? Have they related their capabilities back to your needs? Did it make you excited or was it so bland that it meant nothing to you?

5. Have they used images as well as words to explain themselves? How creative and customer friendly are they in their tone and written response?

6. Have they tailored their responses to you or did you spot 'the client' in the text meaning that you have received a cut and paste job off a very generic document?

7. Did they address your business needs or could you delete your name off the header page and in the text and it could have been written for anyone?

8. Did they give you real examples relevant to your business? If you used use cases, how well did they answer them?

9. Are they credible? Can they do what they say they can? Or was it all talk with no substance? Did you check out reference sites and existing clients' feedback?

10. Can you differentiate between the vendors or are they pretty much saying the same thing? In which case the presentation, demo and account management stage is going to be even more critical and you may need to see more vendors than you had originally planned.

11. Did it lay out how they would implement and/or transition from where you are today?

12. Did they talk about risk and issue management and project management skills?

13. Does it fit with your IT strategy?

Tip 8 continued...

14. Does it meet Procurement/Legal's requirements – or can these be addressed in contract negotiations

15. Has it opened up more questions (interesting ones) for you to explore with them and other vendors? If so build that into the presentation stage brief.

16. After the presentation stage, how does the combination of the solution AND the people/service make you feel? It is likely that some will be better at one and weaker in the other – which is most important to your business? What compromises are you prepared to make to get the right partner in place?

17. Do you now have a dilemma on your hands in terms of the decision? This is when you need to go back to core needs and priorities – what really is most important to you and are you prepared to make any compromises on certain aspects?

18. If there is disagreement within the RFP team then the leader/senior management need to step in to help prioritise factors and help make that decision.

And finally...

19. Offer to give feedback to vendors about why they weren't selected – it does help them. It is useful to tell vendors where their strengths as well as weaknesses lie. However do make it clear that this is just feedback and not an opportunity to change the decision!

In summary

The key to a successful RFP is in upfront planning. Make sure that your RFP is focused and driven by your business needs and challenges. Create and work to a set of evaluation criteria yet remain willing to flex these as new insights and factors emerge in the process (and they often do!). Make sure that you invest time explaining your business to the vendors and have the internal resources to commit to the RFP. By working with a flexible approach, rather than a very prescriptive set of tasks, you are more likely to explore the capabilities of vendors and make a better decision. You are likely to learn more about the market and capabilities during this process so embrace these and flex your plan as required.

Do not overlook the importance of people – on both sides of the fence. Get the right team involved within your own business with clear roles and responsibilities and make sure the lead is a business user. And don't forget that your vendor decision should be about their people as well as their technology; effective partnerships are based on good people skills and a relationship built on trust and mutual benefits as well as the underlying technology solution.

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Marie has a wealth of client and supplier/agency experience in delivering data and insight driven actions and business benefits. A senior direct marketer with over 12 years experience managing and delivering large scale sales and marketing plans in the utilities (TXU and ScottishPower).

This is backed by over 7 years experience agency and supplier side ranging from a Senior Planner in a direct marketing agency to leading a consultancy team in the analytics sector. Able to adapt and apply her skills in other sectors with extensive Financial Services and Home Shopping experience as well as travel and now the luxury market; in fact any sector where customer data management and the application of analytics and research is key to added value. Marie backs these marketing credentials with a strong commercial background and extensive team and project management skills. Marie has a BA (Hons)Economics supported by professional diplomas in Management Studies, Chartered Institute of Marketing and the IDM Diploma in Digital Marketing (distinction).

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