

RFIs and RFPs: Winner takes all



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Responding to an RFI or an RFP is expensive. It costs time, effort and money.

The bad news is that it's a winner-takes-all process, with several vendors competing for one project, so you are always more likely to lose than to win.

The good news is that most companies – and that probably includes your competitors – are not very clever at it. The vast majority of IT-related RFI/RFP responses are clumsy, badly thought out and poorly executed.

Assuming your offering is genuinely suitable as a solution to the problem the customer is trying to solve, that presents you with a real opportunity. If you can make your RFI or RFP response stand out – in terms of clarity, scope and relevance – you can quickly become a front runner. If you can convincingly demonstrate how your capabilities align with the customer's most urgent needs and concerns, you will stand every chance of winning the deal.

Why RFI and RFP responses fail

When things go wrong, it's not usually your offering. It's your story.

In most cases, any one of the shortlisted contenders invited to submit RFIs or RFPs could potentially emerge as the winner. The Big Story is what clinches the deal. The Big Story is the clear statement of your strengths and unique differentiation that makes it clear you are the vendor that can best meet the customer's real needs.

If companies invested half the effort in the Big Story that they put into developing new products or designing new websites, they could come up with ways of describing their strengths and relevance that would leave their competitors standing. But they don't. They waste their opportunities. They recoil from an unsuccessful RFI or RFP experience and blame the customer: 'Oh, they'd already made up their minds that XYZ was going to get the contract. It was never going to be a fair fight.'

Sometimes that's true. Occasionally, the result has been predetermined. You may even have been brought in just to make up the numbers. But we've seen plenty of examples where a well-judged RFP response from an unfancied outsider has overturned everyone's expectations and won the deal. It's like trying to predict a vendor's position in a Gartner Magic Quadrant (MQ). Until you know how relevant and well-supported the company's submission has been – in terms of providing a holistic view of its vision, stature and capabilities – merely knowing about its products will not lead you to the right answer.

We've seen how people get it wrong

Every MQ is like a very focused RFI

In fact, it is our vast experience of structured assessments like Gartner Magic Quadrants that has helped us develop a unique approach to the challenge of improving RFI/RFP performance. We have worked on hundreds of Magic Quadrants, from both sides of the desk, in our long careers as senior Gartner analysts and in our recent successful work with dozens of clients of The Skills Connection, and there are many similarities between the processes used for MQs and RFIs/RFPs.

Every MQ is like a very focused RFI, using a mass of questions to probe and press the vendor into revealing both the strengths and weaknesses of the solution, the company and its strategies. And the kind of failings that lead to unsatisfactory submissions and disappointing dot positions on the MQ grid are much like those we see when RFI and RFP projects go astray.

In practice, our MQ experience has led us to develop an armory of tips and techniques that have proved equally useful in helping our clients create winning RFI and RFP responses. There's no room to list them all here, but these insider tips – from the traffic light system mentioned below to our own ways of gleaning competitive intelligence, training section authors, using collaboration tools and stress-testing draft answers – provide a down-to-earth toolkit that helps the vendors we work with make the most of their RFI/RFP opportunities.

5 ways vendors snatch defeat from the jaws of victory

When it comes to RFIs and RFPs, there are five main reasons why well-qualified companies get it all wrong.

1 Vendors frequently delegate responsibility for different parts of the RFI to the wrong people in their organizations. This leads to fragmented and inconsistent responses from individuals who may not have the right perspectives or skill levels. Worst of all, they may have no skin in the game – no powerful incentive to make their contribution the best it can be. Often, they just want to get this chore off the desk, so they can focus on what they see as their own priorities. If you want answers that do more than go through the motions, assign the writing tasks to people who have reasons to care about winning this deal.

2 People lose sight of the buyer. This is a sales operation and everyone involved needs to be focused on the customer, not the task. Responses are often pieced together from existing boilerplate elements – technical documents and marketing materials – with little attempt to customize them to the needs of the potential buyer or the specific questions and concerns raised (or hinted at) in the RFI.

3 The case studies are weak or irrelevant. Everyone knows that stories showing your solution in action and its business impact are potentially invaluable. But lobbying in a customer case study just because it talks about a company in the same industry as the customer is not enough. They may both be classed as energy firms, but there's a world of difference between an electricity supplier and an oil company. A global retail bank that's looking to update its European systems is not likely to be impressed by a case study about some small regional bank in the Middle East. Customer references need to be directly relevant to the functionality the buyer is looking for, the scale of the operation involved and, ideally, the geography and markets the customer is targeting.

4 Sheer bulk is often a problem, too. RFI responses that take in copy from many different sources can become tediously repetitive – and the customer is under no obligation to sift through a pile of ill-coordinated information in the hope of finding the details that will inform the final decision.

'I've seen RFI responses that are the equivalent of handing over a copy of the Encyclopaedia Britannica and assuring us that the answers are definitely in there somewhere,' one buyer told us. The fatter the response document grows, the more likely it is to contain contradictions, inconsistencies and even mistakes.

5 Lastly – and often fatally – the Big Story is wrong. The story you tell must be clear, connected, specifically relevant to this customer at this time and supported, point by point, by convincing, credible evidence. If it doesn't meet all these criteria, you'll be wasting your energy.

How to develop a winning response

A great RFI response demands a philosophy, a methodology and a set of disciplines

So how can you ensure that your RFI or RFP responses sidestep these common, and often terminal, errors?

It's no good leaving it to chance or trusting to the instincts and experience of your project leader and the bid team members. A great RFI response demands a philosophy, a methodology and a set of disciplines that will combine to guarantee the quality of your submission and ensure that it is clear, authoritative, relevant and persuasive.

You need a philosophy that's firmly based on outside-in thinking, grounded in the buyer's point of view, rather than yours as a vendor.

You need a methodology that ensures you cover all the essentials, equip yourself with all the necessary information and evidence, execute your plan efficiently and subject both individual components and the overall response to pitiless editing and review.

You need a methodology that ensures you cover all the essentials, focuses your efforts, and highlights your differentiated advantages.

If all three of these elements are put in place, right from the start, your chances of delivering a winning RFI response will be hugely increased.

The ringmaster must enforce the philosophy

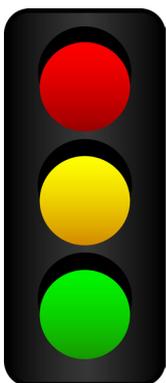
Every part of every answer needs to be thought through afresh from the customer's perspective. That's why dragging in standardized sales material, stock graphics and boilerplate answers lifted from old RFI projects is so dangerous. But however hard you try to encourage people to see the world this way, some members of the team will find it difficult.

Alongside the obvious tasks of delegating and co-ordinating the work, one of the key roles of the project leader is to be the ringmaster, the leader with an unerring grasp of what the buyer is looking for and the strength and conviction to crack the whip and insist on this outside-in approach.

This is the essence of a winning philosophy, but it needs to be backed up with a structured methodology that will guarantee the right level of attention to detail and ensure that the right things are be done, in time and in the right order.

Priorities must be identified. The Big Story must be developed, simplified as much as possible and honed down to a short, powerful, credible statement. The project team must be assembled, coached and motivated. It is the methodology that makes the customer-focused philosophy tangible and puts it into practice.

Methodology 1: Defining the challenge



The starting point for a successful RFI response is developing an understanding of the customer's requirements, both explicit and unstated, and the threats posed by your competitors.

Once you are satisfied that you know what the customer is looking for, and the context of the decision to buy now, you need to know what you are up against. You should begin with a rigorous SWOT analysis, looking at the incumbent and at each of the other vendors that are submitting RFIs and relating their strengths and weaknesses to those of your own company.

We have found it useful to adopt a red/amber/green traffic light system to pinpoint areas of particular importance. Reds are areas where you are potentially vulnerable, greens are areas of real, demonstrable strength and opportunity for you and ambers are areas where neither you nor the competition can claim any clear-cut advantage.

When you are answering any particular question, this system will help remind you to highlight and make the most of all the positive key points that you've marked as green. These are the areas where your approach, technology or past experience gives you a tangible advantage.

Where a point has been flagged up as red, however, your competitors will be looking for a chance to promote their own strengths and undermine yours. In these

situations, you will want to defend your position by including mitigating information or evidence that will minimize the significance of any weaknesses. If you rack your brains hard enough, you may even be able to find a way of shifting the perspective and spinning a weakness into an apparent strength.

In all the other areas, the ones you have marked as amber, there is little to be gained or lost, as each company will be making similar claims. These answers may be important to the customer as hygiene factors, but they are not going to win or lose you the deal, so you should be prepared to handle them briskly and efficiently and not waste too much time or space on them.

Methodology 2: Shaping the Big Story and the executive summary

The Big Story will form the basis for your executive summary

As soon as you have a clear view of the buyer's real requirements and the competitive landscape, your next task is to create the Big Story, the definitive, distilled overview of your capabilities and the value you bring to this particular proposal.

The Big Story must be credible, directly relevant and backed up by facts, reviews, assessments and case studies.

It should also be short, clear, uncomplicated and convincing. Ideally, you should be able to sum up why you should win the deal in a single sentence.

This is important for two reasons. It makes it easy for those people within the buying group who favor your proposal to tell their colleagues why yours is the best option. And it will provide a reliable touchstone that can be used by everyone involved in preparing your RFI response to ensure that they stay firmly on message. Once the Big Story is defined and agreed, it must take center stage.

In fact, the Big Story will form the basis for your executive summary – the brief, emphatic statement of your key strengths and differentiators as they relate directly to the customer's specific needs. This will only be a page or so, but it's a vitally important element.

In the real world, this executive summary may well be the only part of your submission that the top decision-makers will actually read. The detailed answers to specific questions will be handed off to the specialist teams, who will evaluate and score them and make their recommendations. But the big picture will be shaped by what's in the executive summary.

So it must be clear, succinct, powerful and explicitly aligned to this buyer's particular needs and concerns. It must spell out exactly what the customer stands to gain by choosing you ahead of your competitors. It must be easy to read, easy to understand and utterly convincing.

We would recommend writing a first draft of the executive summary very early on in the process. This is your first formal attempt to get the Big Story down on paper, and it will provide a clear guide to what you should prioritize and what you need to underpin with credible and persuasive evidence throughout the rest of your response.

Methodology 3: Building a winning team

Teamwork is essential, but committees don't win bids

Every major RFI or RFP needs a project office to delegate and orchestrate the different parts of the response. Its function is to project manage the response and its primary responsibility is to make sure that every aspect of the response effort is consistent with building and demonstrating the Big Story.

This brings us back to the key role we mentioned earlier. Teamwork is obviously essential, but committees don't win bids.

The person who steps up to take the job of ringmaster must have broad shoulders and a diamond-hard determination to tell the Big Story clearly and win the deal. He or she must be prepared to coax, push and inspire the contributors, to check that the messaging is consistently aligned with the customer's needs and concerns and to take complete responsibility for assembling all the pieces to produce a coherent, powerful and unified response.

In companies where there is no obvious candidate with the right experience to take on this key role, it may often be helpful to bring in an external consultancy, such as The Skills Connection, to support and advise the project leader.

Within the team, the individuals charged with answering each question must be chosen carefully. They must be fully briefed about the buyer's requirements and know exactly what is expected from them, in terms of length (shorter really is better), customer alignment and level of detail. They should understand the priorities flagged up by the traffic light system and the vital importance of producing answers that relate back to and support the executive summary and the Big Story. It may also help if they are given outline responses, or even templates, within which they can concentrate on filling in the appropriate information.

Keep reviewing until it's watertight

Experience has taught us that every major RFI response project needs thorough mid-process reviews to ensure consistent quality standards are maintained and deadlines are met. These reviews should cover every aspect of the developing response, with particular reference to the green/amber/red stop light system.

As the deadline draws nearer, it is the ringmaster's job to look critically at every aspect of the response. Has everything that needs to be covered been given its proper weight? Is there anything that can be removed or cut back to streamline your answers? Does every detailed element support the Big Story and the executive summary and contribute to the customer's understanding of your unique value proposition?

You will certainly need to schedule two review cycles, and you may need more. What's vital when reviewing the elements of your response is to detach yourself

from everything you know and believe about your solution's virtues and put yourself squarely in the customer's shoes.

Buyers are wary, even cynical. They want facts and evidence. They want to see convincing customer references that prove your track record in dealing with situations that are closely comparable to their own. They want to be confident that choosing your solution now will still look like the right decision in years to come.

Do it right and you'll get those wins

Stick to the disciplines of a rigorous process

Introducing a new approach that will improve your hit rate in relation to RFIs and RFPs is no small matter.

But if the stakes are high, it will be worth it. Many companies actually waste a good deal of money and effort responding to too many RFIs, almost as if they were so flattered to be invited that they couldn't resist doing it. As always, you should choose your battles. As a general rule, you should only make the investment if you have a serious chance of winning.

But once you decide to go for it, commit yourself completely to the task. If the prize is big enough, the rewards will justify the time and resources involved.

Set yourself the goal of producing a succinct, powerful, closely-argued response that is totally individualized to align with this particular buyer's needs at this particular time.

Do your research, think through every aspect of the customer's requirements and concerns, draft tightly and review with brutal clarity. Stick to the disciplines of a rigorous process and you will win those key contracts. Not every time, of course. But often enough to make all the effort and heartache worthwhile.

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Further reading

Other relevant webinars, plus whitepapers and a wealth of expert resources and insights can be accessed free of charge at our Knowledge Bank.

About The Skills Connection

Our team comprises solely of former senior Gartner analysts, so we totally understand the role of the analyst and what they need. We help our clients to align their messaging with the needs of the analyst – to ensure the best outcome for both parties.

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