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Greater New England

MBE Article

Mastering the RFP Process ~ Part 1

None of us are experts at RFPs, but here are some ideas to help increase your chances of winning at the Request for Proposal game. Along the way, many of us have learned:

1 – Not all RFPs are worth responding to

2 – If you're spinning your wheels answering RFPs from a customer but not getting any business from it, it's probably time to move on. If you're continually responding to RFPs from one particular group or contractor and not getting any of the work, you may want to quit responding, since the RFP itself takes a great deal of time and effort to develop.

For those RFPs that are worth the effort, precasters must gain a full understanding of the scope of the work, the bid details and the requirements before bidding. Don't rush through it and be sure to mind the details and quote exactly what is specified.

You may occasionally come across an RFP that may seem inappropriate for the application. Bring it to the company or agency's attention and be ready to suggest an alternative. Remember that you are a professional and your thoughts have value. Bring your knowledge into play, talk to the customer and make sure that you're quoting exactly what the customer will eventually order.

Many small to mid-sized companies shy away from the RFP process due to the time involved with researching and bidding the jobs. To preserve limited resources while tapping such opportunities, it's important to pick your battles wisely. You will be able to tell fairly quickly if you have a shot at getting the order or not. With some customers, you come to know who they're going to give the job to. There are some jobs that you need to avoid spending the time on quoting for that reason.

How can you be selective?

On government projects, precasters don't always have to use the official RFP process since they're working indirectly through general contractors who hire them to do the work. However, an increasing number of companies – along with most government agencies – do business via some sort of official bidding process, be it formal or informal.

Generally, the savvier companies are the ones that are getting on bid lists, developing relationships and designing RFP packages that are customized to specific bids. The rest view the process as a time-consuming 'necessary irritant' and just put the information out there without giving it much thought. In an attempt to get jobs without having to put much time into the RFP process, other companies grasp at unlikely opportunities in an attempt to win any bid. Still others are downright intimidated by the process. Where is your company's attitude regarding RFPs?

There actually are laws and regulations that are in place in the government to ensure the process is conducted in a fair manner. So, don't let the fact that it is the government keep you from trying to win a bid. You have just as much chance as anyone else in your specialized field. What will set you apart is how you go about it. Don't let something intimidate you and keep you from grasping a chunk of potentially profitable business. If it makes sense, and you fit the profile, go for it.

Dan Barbour, VP and general manager at Barbour Concrete Co. in Missouri, appreciates the details that come along with an official RFP. "It gives us a better understanding of what the qualifications are and a definite timeframe for submitting the bid." His key RFP strategies are to not wait until the last minute to submit the bid, and to not bid on every job. To wade through the opportunities, he looks at whether the bid is a good match for his company's abilities and the geographic proximity to the job. He shares that the increasingly complex business environment has led him to tailor his contracts and bids more carefully. He adds, "If it's very structured and everybody opens the bid at the same time, it's a crapshoot. In many cases the low bid wins, but if there is an opportunity to negotiate – either before or after the opening – then you have an even better chance of winning."

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The details tell you the story.

Just how much time a precaster puts into the RFP process varies. You can dash off a short proposal in an hour or two if you know what you're doing. Large proposals can take months to complete. A good idea is to have members of your staff work together on the writing, marketing, purchasing, sales and technical skills proposal portions since few people have all of those skills to do the entire proposal.

To win the selection phase, make as much personal contact as possible to demonstrate your understanding of the potential customer and commitment to the project. If you show them that you would make a good partner, you will improve your RFP hit rate and avoid competing and losing on price. Remember that waiting for the RFP is a dead-end strategy, and that the best way to win is to become the entity's sole or preferred provider. That can only happen by engaging customers before they send out the RFP. Build a working relationship before you actually work together. Contact a company that you know works through RFP process and have a sit down meeting with them to find out who they really are and what they are looking for in a provider so that you can then firstly, be on their RFP bid list, and then keep in touch to get prepared for when you receive that RFP.

By the time a government entity or large firm asks for proposals, statements of qualifications or price quotes, they're already at the end of a long decision-making process. They have identified and assessed a problem and envisioned and built internal consensus on a solution. They probably also have a preferred provider in mind – a firm that helped write the proposal and who will most likely end up being selected. So, build that relationship before the process for RFP response begins, and learn what their particular details may be so you can be prepared to respond.

When answering the RFP, the key components include the executive summary (a rundown of your firm's strengths as they relate to the specific job) and the specific answers to the customer's detailed questions about the job itself, including the scope of the project, timeframes and costs. Once the details are organized and included on the document, hand it over to someone who can proofread it for typos and errors. Also look for any contractual language or anomalies that could affect your ability to provide the products or services during the allotted timeframe and for the stated price. Pay particular attention when bidding jobs that could end up costing more than anticipated.

Remember that once the bid leaves your hands, there's a good chance it will be viewed not only by the customer, but also by your competitors. For that reason, be sure to keep proprietary information to a minimum. A seller should always assume that their competitors are going to get the RFP response – nothing is confidential. If there is something you are not comfortable sharing, then don't put it in the document because it will see the light of day.

Next issue: Part 2 – Questions to Ask, Writing the Answers, and DO's and DON'T's

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