

Posted by Daniel J. Schwarzenbach

RFP's – how to win against the odds

Requests for Proposal (RFP) can seem like a great opportunity but they are often problematic for several reasons. Firstly, and most importantly, they don't allow you to follow your Sales Process. Secondly, there may not be a real chance to win; if there is an existing supplier, especially if they have been involved in writing the RFP and have been performing well. Thirdly, although some RFPs are well researched and written many are not.

This can actually be the way in, allowing you to take control. It certainly was for our Sales Performance Coach Daniel J. Schwarzenbach when a client contacted him about an RFP.

A very slim chance of winning

Daniel's client was a telecoms company and they had just received an RFP from the procurement department of a blue chip multinational company. It stated that the proposal could only be submitted in writing and had to be in within 15 days. Reading between the lines it looked as though the business was almost certain to stay with the incumbent and the only point of the RFP was to lower the price. It would require a lot of effort to write the proposal and Daniel's client wanted advice; should he go ahead?

Using flaws in the RFP to take control

Daniel sat down with the Sales Manager and Account Manager to discuss the RFP. It became clear that the customer had not described the project's business goals. Looking further it became clear that many important topics had not been covered and without answers it would be very difficult to write a professional proposal.

Rather than walk away Daniel and the team developed a list of questions and asked the customer for a Requirements Clarification (Qualification) meeting. They required that responsible people from the business side (Sales, Marketing & HR) should attend along with IT and procurement. They also offered to summarise the outcome of the meeting so the Procurement Manager could share it with other potential vendors. The meeting was agreed to and we were beginning to take control.

The crucial meeting

A meeting like this is always going to be difficult because you are not doing what the customer wants. But we asked the following challenging questions:

1. What did they want to change/improve as a result of the project?
2. What benefits were expected in their business processes?
3. How will their situation change over the next 2,3 and 5 years?
4. What does their decision making process look like?
5. What criteria will be used to evaluate the proposals?

From their answers it was clear that everything was aligned with the current supplier so we could not win the business.

Giving the customer a problem – and a solution

This is the strategy we developed. We knew that for corporate governance reasons they needed at least 3 proposals in response to the RFP. So we told them we would not submit a proposal based on the criteria defined in the RFP. That gave them a problem.

We did however, offer to submit a proposal if we could present it to Procurement and specified customer-side functions. The Procurement Manager agreed. We went away and worked on our response to the RFP and worked with people we had met to develop a future oriented solution.

Our proposal could never win - but we won the deal

We knew our response to the RFP would not win us the deal, so we only spent the first 10 minutes of the presentation running through it. The remaining 20 minutes were used to present a solution that would help them achieve their future business goals. It wasn't an easy option because they would have to make an investment up front but it would result in a much bigger return on investment.

The customer was very enthusiastic and Daniel's client won the contract.

What can we learn from this?

1. Look carefully at each RFP before you respond – it may not be worth the effort.
2. If you do respond, try and take charge of the process and follow your Sales Process.
3. Remember, just doing what the customer wants is unlikely to win you the business.