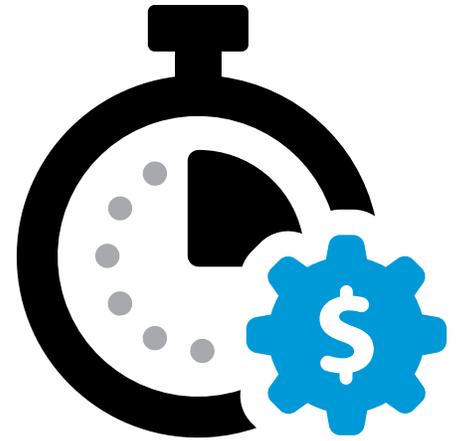# THE DEATH OF THE RFP?

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Contact Center
pipeline

THE DEATH OF THE RFP?

A fresh look at alternative approaches.

BY Lori Bocklund, Strategic Contact

Request for Proposal. RFP. Contact center and IT leaders, along with their procurement departments, turn to this tried-and-true approach when seeking a fair, competitive analysis of a variety of options. But frontline users and vendors alike let out a collective groan at the prospect of a long, cumbersome and painful process. Vendors may opt out of participation or put forth a half-hearted effort. Frontline users increasingly find end-arounds to explore and evaluate options, engaging directly with vendors for discussions and demonstrations. There must be better way for all involved!

In some circumstances, a formal RFP may still be a good option, if not required. But the evaluation process has evolved as the market has changed. So, let's take a fresh look at alternative approaches that can help a buyer land on the "best" option at the right price, and the seller feel like they had a fair shot to make a sale with a reasonable investment of time and energy.

Guidelines for Success

I want to start with a few guidelines that everyone should be able to agree on. **Fairness and communication** are the underpinnings of success. Many of the stereotypes and fears about the selling and buying process come from the lack of these two things. Placing high respect on people's time will serve as a good guidepost on both sides. Everyone wants the process to go faster and be easier and less demanding. Look for ways to achieve those objectives while still meeting the level of rigor and risk mitigation required.

Another principle is that a little **learning on both sides of the transaction** can go a long way to improving the process. Everyone can get a better feel for options and fit when they are allowed to engage and discuss the possibilities. Education can help narrow options, allay the fear of missing out (FOMO), and avoid my new most dreaded phase, "Well, what about…?" cropping up much too late in the process.

Finally, **get past the marketing messages** that come from canned responses (the "typical" RFP response) and **dive into "hot button" issues and unique needs** and see how they will be met, and in what timeframe (because not everything a vendor touts is available now!). Whether the evaluation process involves written responses or spirited discussions (or more likely, both!), buyers need a clear understanding of what matters most to their decision processes and how each vendor stacks up against them. They need to **focus** on the mission-critical functional, technical, implementation, support and financial imperatives and bid a fond farewell to *voluminous* RFPs and responses that cover everything but the kitchen sink.

Understanding Buyers and Sellers

Along with these guidelines, buyers and sellers must **"walk in each other's shoes"** to get everyone to understand the realities of the evaluation and sales processes.

Buyers have a right to compare options, but they also need to make the opportunity attractive to the vendors so they will bid. Beyond being fair and honest about the process, the buyers need to make it clear that they know what they are seeking. The wider they spread the net (e.g., cloud *and* premise), the less likely vendors take the process seriously and participate. The burden needs to match the opportunity.

Sellers have a right to assess opportunities to see if they think their chances are good and worth the effort. They are not obligated to bid on everything, and they may not feel compelled to play by the buyer's rules. (I'll note exceptions in a moment.) At the same time, sellers need to recognize they can't control the process. They still need to participate in a competitive process (which is not the same as RFPs) lest they miss opportunities.

Still a Place for RFPs

While my article title may appeal to many, some organizations still need to live with RFPs. The ones who succeed at the most formal, structured procurement processes are the ones with opportunities enticing enough for the vendors to comply. That includes government agencies and big—or big name—companies that want maximum leverage (and can get away with it). Utilities or other regulated entities, or anyone that may be required to provide transparency to its customers, clients, or overseers, may also still require RFPs. Price point may play a role in some cases (e.g., less than $XX,000 does

not need a formal RFP).

An RFP may be facilitated with online procurement tools that require vendors to bid in a structured format. The tool then puts the responses side-by-side and facilitates comparisons. Some may require templates to address a variety of formalities including security profiles, disadvantaged business qualifications, or compliance certifications. These processes typically demand less direct communication with the evaluation team (including IT and the contact center) until short lists or final due diligence steps, and take a long time, with 3-4 months or more typical. While we recognize the need for the formality in these cases, we still emphasize the value of conversations and engagement between sellers and buyers as early and often in the process as possible.

Alternative Approaches

Any alternative to the RFP may have more direct engagement earlier in the process, including demos and discussions of vendor and solution fit. These interactions create comfort between buyers and sellers as they get to know each other and build trust and understanding. These steps can play an important role in narrowing the options because remember: buyers, you don't want to assess tons of alternatives, and vendors, you don't want to bid things buyers don't want! Those passing the "fit test" will still compete and the evaluation will still compare pros and cons and pricing. All this will happen on a more streamlined timeline with a lot less burden of writing and reading for all involved. An evaluation of this sort may take weeks instead of months, and still deliver a thoughtful, defensible decision.

A great tool for a streamlined approach is a Request for Information and Quote. You may think of an RFI/Q as "RFP light," regardless of which side you're on in the process, but please don't tag it with the same connotations. Documentation is much shorter, requesting some general information and a few targeted responses. It still gets a price specific to a set of requirements, but uses iteration in follow up questions and answers and discussions to fill gaps. The deepest dive occurs through discussions, presentations and demonstrations rather than long documents. The vendor doesn't present a generic "dog and pony" marketing presentation. Everyone is best served with a targeted agenda that focuses the conversation on what matters to the buyer and their requirements.

An even lighter version of this process uses a Request for Quote (RFQ), focusing the written request on the key requirements that will define the price (e.g., number of licenses, key capabilities that will define license type), with little else documented. These cases place even more emphasis on the direct communication and trust that is built between buyers and sellers.
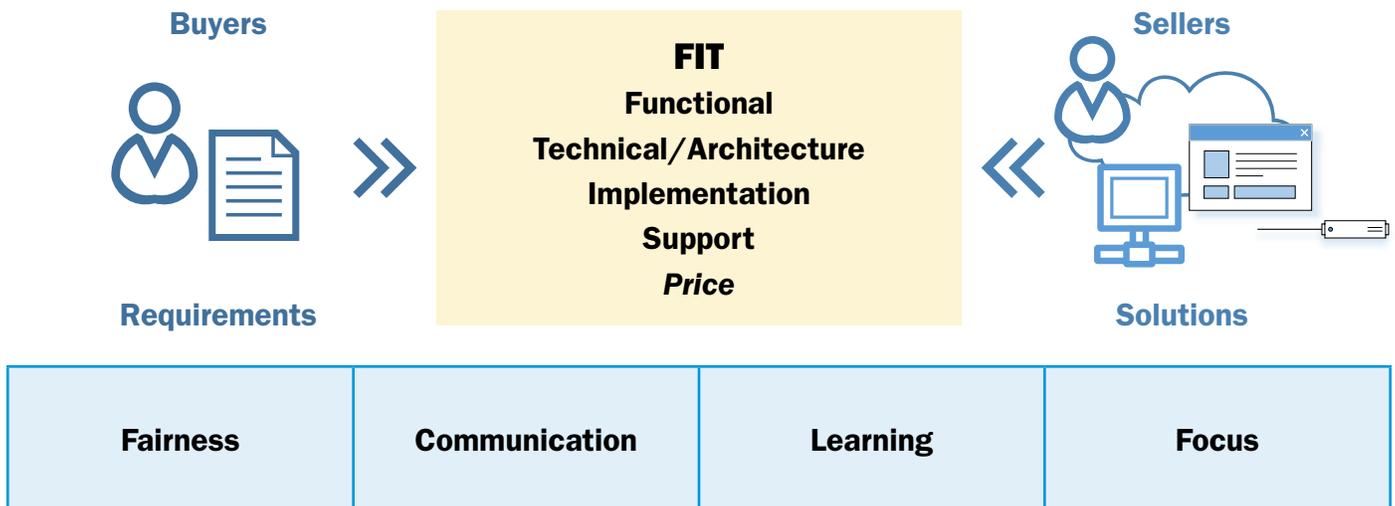
I'll even throw in an alternative that may sound more like car shopping than buying your next mission-critical contact center application. You can shop on the web due to the abundance of online documentation for solutions such as true cloud offerings with standard pricing. You may engage with inside sales people or even view pricing online. What you see is what you get. Discussions and demos still add value but they are simpler in every sense. There is little to configure or negotiate specific to your solution and you may never meet a vendor representative face-to-face in these extremely streamlined situations.

Match Approach to Size and Scope

With that wealth of options, here are some factors in matching approach to size and

FIGURE 1: The "Everybody Wins" Approach to Evaluation

Match the speed and level of effort (e.g., writing, reading) to the size, risk and complexity of the opportunity

Buyers

Requirements

FIT
Functional
Technical/Architecture
Implementation
Support
Price

Sellers

Solutions

| Fairness | Communication | Learning | Focus |

Approach any evaluation with these principles in mind

Essential Elements of a Successful Evaluation Process

Here's a checklist for a successful evaluation process with the buyer in the driver's seat and bidders engaged and competing fairly:

- Get to know each other
- Qualify fit up front
- Document key requirements
- Get a "bid" from each qualified vendor based on those requirements
- Conduct targeted conversations and demonstrations, focused on requirements (not generic marketing pitches)
- Compare pros and cons against differentiating criteria
- Compare pricing apples to apples
- Iterate to nail down configuration, services and pricing

scope of the opportunity:

- **SIZE**—Bigger, higher value (or cost) opportunities typically demand more rigor and should be able to get the vendors' attention. This doesn't always mean a full RFP but at least warrants an RFI/Q.
- **RISK**—If requirements dictate very critical functionality regarding compliance, security, fraud, SLAs, etc., more formality is better for all. A seller needs to know what is truly required and a buyer needs to understand how the vendor will deliver. Risks can be mitigated through the written word.
- **COMPLEXITY**—A buyer with complex functional or technical needs, or an implementation that is going to be tricky, needs to err on the side of caution. Complexity can more readily be tackled by removing the "I assumed" element that creeps in if the unique needs of the situation are not addressed in writing until contracts and Statements of Work.

On the flip side, smaller, simpler requirements lend themselves to very streamlined processes. Especially with cloud solutions that are positioned in the market as easy to procure and deploy, the process to shop,

bid and compare should align in simplicity. The more standardized the offerings, pricing, implementation and support, the less rigor is required. The one caution flag I will throw is to not let speed be your number one driver! Take time to learn, engage and compare, as the guidelines define.

Not Dead Yet?

The RFP might not be dead yet, but the situations where it is warranted are fewer and driven by very specific factors. Streamlined options can be very effective when both sides engage and ensure the essentials are part of the process, regardless of size and scope (**SEE SIDEBAR**). Buyers can perform good evaluations faster, easier, with less demand on very busy resources. Vendors can compete effectively and fairly. In this sense, everybody wins! ◉

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