

Should You Walk Away From RFPs?



Setting the Stage

A Professional Services RFP

- Not discussing RFPs for goods or commodity services
- It is important to understand both vendor and buyer viewpoints

Setting the Stage

Our Goals Today

- Help AMCs reduce RFP response costs
- Help AMCs increase RFP success rate

Setting the Stage

We Can Do This By

- Helping AMCs improve the RFP process in the association industry in general
- Helping AMCs make better go/no-go decisions
- Helping AMCs write better responses

Setting the Stage

The Merx Experiment

- How often was industry response cost more than fees for winner?

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Setting the Stage

The Merx Experiment

| | Over 25% of Fees Available | Over 50% of Fees Available | Over 100% of Fees Available |
|-------------------------|----------------------------------|----------------------------------|-----------------------------------|
| PAMSS | | | |
| IT & Telcom | | | |
| Architect & Engineer | | | |

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| Architect & Engineer | 100% | 100% | 67% |

1. Common RFP Issues



1. Common RFP Issues

Why Do Buyers Use An RFP?

- Provide structure to a selection
 - Efficiency
 - Quality
 - Fairness (& Legality)

1. Common RFP Issues

Most Common RFP Issues?

- The structure of the selection is:
 - Inefficient
 - Leads to a poor quality selection
 - Is seen to be unfair, unethical, and possibly illegal

1. Common RFP Issues

Why Do Buyers Use An RFP?

- They don't know what else to do
- Your job is to change that

1. Common RFP Issues

The Discussion

- How can an AMC change an associations RFP?
- How can an AMC change the way an association buys AMC services?

2. Mandatory Requirements for A Well-Written RFP (Making Better “Go/No Go” Decisions)



2. Mandatory Requirements for A Well-Written RFP

An RFP Must Include

- A budget (range is fine)
- A clear overview of the project/problem
- Clear & relevant evaluation criteria (focus on expertise)
 - Objective
 - Mandatory and/or graded
 - Clear weighting
 - Clear scoring rubric

2. Mandatory Requirements for A Well-Written RFP

An RFP Should Include

- A confidential, unrestricted Q&A session
- A proposal page limit (less than 5 pages)
- An opportunity to identify “value-add” options
- Appropriate data (membership data, strategic plan, financials, etc.)

2. Mandatory Requirements for A Well-Written RFP

An RFP Should Never Include

- Request for “spec work”
- Request for detailed pricing
- Request for work plan

2. Mandatory Requirements for A Well-Written RFP

The Discussion

- Are there other criteria that should or should not be in an RFP for you to respond?
- What do you do when you're facing a questionable RFP?

3. Professional Services RFP Trends



3. Professional Services RFP Trends

Here's What I'm Seeing

- More sophisticated buyers
- More interest in reducing procurement costs
- Sustained interest in transparency
- More buyer/vendor association interaction

3. Professional Services RFP Trends

Here's What I'm Seeing II

- Increased number of proposal writing seminars
- Increased number of proposal writing services
- Ongoing interest in reducing sales costs
- The best firms are walking away from RFPs or questionable RFPs

3. Professional Services RFP Trends

Discussion

- What trends are you seeing in AMC RFPs?

4. Alternatives to the RFP



4. Alternatives to the RFP

A. The “Expert Selection Process”

- Limit initial proposals to less than 2-5 pages
- Focus only on proof of expertise
- Look for firms that have done similar or same work for similar or same organizations
- Based on review of initial responses invite 1-3 firms to meet and discuss project openly but confidentially
- Based on meeting(s) invite 1 firm to submit a more detailed project proposal

4. Alternatives to the RFP

B. QBS Processes

- Brooks Act
 - US Federal Government Selection of Architects and Engineers
 - Select best qualified then negotiate price

4. Alternatives to the RFP

C. Other Abbreviated Processes

- RFQ
 - Request for Quote
- RFI
 - Request for Expression of Interest
- RFSO
 - Request for Standing Offer

4. Alternatives to the RFP - Your Options

If It Is A Poorly Written RFP

1. Decline the opportunity
2. Or, call the buyer for clarification
3. Or, call the buyer to improve the RFP by having them issue an addendum
 - Or have your professional association call the buyer
 - Or call Cal
4. Or, proceed at your peril

4. Alternatives to the RFP - Your Options

If It Is A Decent RFP...

1. Decline the opportunity if it's not a "good fit"
2. Decline the opportunity if you cannot score huge in the most heavily weighted criteria
3. Be ruthless about winning every scoring criteria
 - Make it easy and obvious for them to select your firm
 - Give them back the language they use
 - Provide specific and objective evidence
 - Don't lose on a technicality (RHA example)

4. Alternatives to the RFP - Your Options

Discussion

- What is working well for you when dealing with RFPs?

Should You Walk Away From RFPs?

Final Thoughts

- Target your clients – don't be reactive
- Get in front of their RFPs
- Influence the structure of their RFPs
- “Challenge” bad RFPs
- Can you win the heaviest criteria?
- Be specific and use their language
- Exploit the scoring criteria!

Should You Walk Away From RFPs?

Share Our 7 Minute RFP Video

- Share this with association boards and volunteers
- Help them make better RFPs to reduce your cost of responding and their cost of buying
- Find the video link at:

BeyondReferrals.com

Click on the SPEAKING page

AMC Institute 2013 Annual Meeting

