

## Sales Tactics

# Best shot at winning RFPs includes getting there first

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by [John Boyens](#)

In the past when companies would ask me how to respond to RFPs (request for proposal), RFQs (request for quote) or RFIs (request for information) I would tell them RIP (rest in peace). The reason I would say that is because our research shows that companies that weren't involved in helping the prospect write the RFP almost never won the business. When we interviewed more than 50 of our clients, they told us that they spend literally tens of thousands of dollars responding to just one RFP. One of our clients spent on average \$78,000 responding to RFPs. When I asked how many RFPs they responded to, they said two to three per month. When I asked how many RFPs they won, they said two in the last 12 months. Now while each "win" meant close to \$7 million a year for our client, I said they should win more or respond to fewer.

Some important questions to ask yourself are:

- What does it cost your company to respond to an RFP?
- How many RFPs do they respond to per month?
- How many RFPs do they win?
- How many RFPs do they win at full contract value?

In today's business climate, more companies require their suppliers to respond to RFPs or at least be one of three competitive bids. It's critical for you to determine early in the process if your prospect is going to take a serious look at your proposal or if he's going to use it to price shop a preferred supplier.

Some companies go so far as to send your proposal (with all of your hard work, creative ideas and pricing) to your competitors to get them to respond in a more aggressive fashion. Purchasing agents and consultants are more prevalent at the end of the "buy cycle."

As a matter of fact, many companies have started an incentive program for their purchasing agents or consultants where they receive additional compensation based upon a percentage of the dollars that they're able to save by getting you to lower your price.

Since that trend is increasing, what can you do increase your chances of winning an RFP?

Here are some "best practices" for you to employ:

- Get there first
- Help create the requirements
- Understand the decision making process, the rules of engagement and who the key individuals are at the account
- Meet with the decision makers.
- Know who you are competing against and what they are offering.
- Understand the "show stoppers" from your prospect's perspective.
- Align your proposal to outlast your strategic competitors.

The bottom line is if you get solicited by a consultant to respond to an RFP that you were not pursuing, let me suggest that you write the following letter or e-mail to the consultant:

Dear Consultant:

Thank you for the opportunity to propose our products/services to your client. We appreciate your confidence in us.

As I mentioned when we spoke on the phone, our policy is not to respond to RFPs until we have personally interviewed the department heads impacted by the scope of the project. We have found this policy enables us to do much better work for our potential clients and results in a more satisfactory implementation of the project. The client is the major beneficiary this policy.

If you would arrange for us to talk with the VP of Operations, and the CIO (insert the titles of the people mentioned in the RFP) for one-hour each, we will then invest the time and resources to complete the RFP to your satisfaction. In the meantime, I have enclosed some detailed information on our products and services. If you have any further questions, don't hesitate to call.

Remember, if you plan on responding to an RFP, you'd better be sure that it is a legitimate request and that you have more than a fair chance at actually winning the business.

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