

Pre-RFP Selling

Many companies, both public and private, as well as government entities, make purchasing decisions based on responses received from extending a “Request for Proposal” to potential vendors. Oftentimes, decisions are based primarily on cost. However, there are many approaches the selling organization can take to bring more influencing conditions to bear on decisions in the Pre-RFP” environment. These best practices will help optimize your success in an RFP decision-making situation.

Some sectors of the marketplace use the Request for Proposal (RFP) as a traditional vehicle to obtain bids. Government entities are usually required by statute or code to use a bidding process. Responding to RFPs in government sectors is a business-as-usual process. The private sector, however, is not homogeneous in the use of the RFP process. Companies sometimes make an early determination and selection of the preferred supplier and immediately enter into contract negotiations. The rationale for this strategy is primarily driven by cost and the need to avoid lengthy evaluation steps, benchmarking, or piloting phases that may defer or dilute the benefits to be received.

Influencing Conditions. A sole-source procurement often is made because of certain conditions that influence the decision-making process. These conditions usually fall into one of these three categories:

- A) The product or service is determined to be the only viable solution available in the marketplace.
- B) The buyer has determined that a high-value relationship is critical to the success of the procurement and it would be advantageous to select a single source for a product or service.
- C) A time-dependent requirement of an offering outweighs the effort to secure and evaluate bids from multiple vendors.

Category A is the only situation that may preclude the specific sales and pre-RFP marketing activities outlined in the following paragraphs. Indeed, the development of high-value relationships and speed to implement a solution or product are often key sales advantages. These strategies can become unique differentiators that make the need for an RFP unnecessary or, at minimum, securing the win for the provider most aligned with the client.

The Pre-RFP Environment. An analysis of what typically drives the RFP process usually points to a specific corporate or institutional initiative. The initiative defines where an organization is going to spend time and money to accomplish an important objective. After the decision to go forward, the organization determines whether they need outside assistance (products or services) to accomplish the goal of the initiative. The goal for the provider is to recognize this phase of selling opportunity as early as possible and actuate strategic sales activities.

A worst-case scenario in the RFP world is to receive an unexpected RFP. While it may be possible to win in such a situation, the odds are low and the possibility of expending significant time, effort, and resources unprofitably is very real. Why is this the case? Without an existing client relationship and the client’s understand-



ing of your capabilities, the RFP may be a “fishing” expedition. If another supplier has had significant input to the criteria and the time to build high-value relationships with the client, it may be in your company’s best interest to decline bidding on this specific request. A letter explaining the business logic of why the firm is not bidding may be appropriate. A key element of such a letter is to always leave the door open to future opportunities by highlighting potential positive elements of a future engagement.

Winning an RFP. The best scenario for winning the RFP includes two key sales elements and strategies:

- *Aligning and prioritizing the strongest capabilities* of the provider clearly and directly to the requirements of the RFP, and
- *Capitalizing on high-value relationships* that are built as specific sales strategies during the pre-RFP period.

These sales elements are closely integrated, but are unique in execution. Sales teams using the CPS methodology have at their disposal specific tools to assure alignment and communication of the alignment to the client prior to RFP creation and submission. The CPS Customer Gap Assessment and Customer Value Alignment (CVA) are highly effective during this stage and are described below.

The CPS Customer Gap Assessment. The selling organization uses a CPS Customer Gap Assessment tool to build trust and empathy for the client’s most important initiatives. This process, developed and shared with the client, is a best practice to build high-value relationships. A team composed of sales, product, technical, and financial support people most knowledgeable about the client is assembled. The team, empathizing as if they were the customer, documents the current state (as related to the RFP initiative), the future state (as the customer may desire it to be), and the key initiatives (customer probable initiatives to bring about the desired future state.) The task is to gain access to the customer (RFP originator and influencers) and share this document with them for validation. During this step, the optimum solution and criteria for selection clarify and come to light. At the same time, the relationship takes on special importance for the customer. Trust and confidence is enhanced because the customer observes, first hand, the empathy the provider has for developing an optimal solution.



The **CPS Customer Value Alignment (CVA)**. The CPS Customer Value Alignment is also best developed in a team format, with collaboration and dialogue being an integral part of the process. Using the CPS CVA tool, the team documents the customer's Critical Success Factors and Competitive Differentiators and their company's Top Capabilities. The output of this effort is to have a series of specific aligned capabilities that best address the initiative or the RFP. From these most important alignments, value statements and propositions are developed to demonstrate to the customer the value to be gained. These value statements and propositions can be built into the actual RFP response. The odds of winning the RFP go up directly in proportion to the alignment, the relationship developed, and the additional value delivered through this exercise.

In summary, the RFP process continues to be a viable method for many companies and entities to contract for products and services. The quality of your company's product or service in response to the RFP is vitally important, but planning your strategy with appropriate tools and strategies can enhance the value perceived and realized by the client. The RFP should be considered an opportunity to provide leadership, consulting, and direction for the firm seeking assistance and to further develop mutually beneficial business relationships.

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