

# Seven Ways to Screw Up Your Request for Proposal (RFP) Process

Or, how to guarantee your firm a lousy deal and a failed engagement

*By Rob Mattern*

Twenty years of experience in the back and middle office consulting business, a span that covers more than 450 engagements, gives me perspective on what works when firms seek to improve their operations and reduce costs through outsourcing – and what doesn't. I have seen numerous examples of clients performing poorly in the Request for Proposal (RFP) process. Broadly speaking, there are many paths to shortcomings that can hurt a firm both financially and reputationally.

**Here are some of the many ways to not do a Request for Proposal:**

## **1. Don't do an RFP**

This is the first, and worst mistake firms make. The number-one reason outsourcing engagements fail is because service providers do not know what's expected from them. The second main reason for failure is because the firm selected the wrong service provider. Both can be avoided through a detailed request for proposal. The RFP should form the basis and set the ground rules for the engagement, laying out the criteria for evaluating service providers. The performance standards contained in the RFP should be spelled out in detail so providers will know exactly what is expected from them. These should then flow through to the contract.

## **2. Have one of the service providers construct the RFP**

No, that is not a typo – some firms ask one of the competing service providers to construct the RFP, then issue it. It's highly unlikely this will be free of bias and offer the firm the best terms it can achieve.

## **3. Don't define what you are looking for in the RFP**

If you don't have detailed information in your RFP about the desired outcome, you are doing a disservice to your firm and the selected service provider.

## **4. Hire a consultant, then ignore their advice**

Just like law firms, consultants have clients that don't listen to them. If you don't trust your consultant, fire them. If you are not going to utilize their expertise and advice, don't hire them.

## **5. Don't anticipate results before beginning the process**

Just as trial attorneys don't ask questions in court unless they know the answers they will receive, you should have a solid idea of where the service providers' pricing and terms will be coming in.

## **6. Give one service provider an advantage over others**

Believe it or not, some law firms share service providers' pricing with competitors to see if they can do better, or have "sidebar" conversations with service providers to give them an advantage. Firms that do this may benefit in the short run, but word of such practices gets around, and in the long term their reputations will be tarnished. They will not be getting the best pricing or terms on future RFPs.

## **7. Not giving service providers valid feedback on why they did not win a deal**

Service providers spend a tremendous amount of time and energy putting together proposals and responses to an RFP. If they don't win the deal, tell them why they didn't. They'll remember the reasons in their next response to your firm.