[ BUSINESS ADVICE ]

# CRACKING THE RFP CODE

## It takes more than paperwork to effectively bid on contracts

Many companies take a dartboard approach to land corporate or government contracts, grasping at any and every opportunity to win a bid. While that may work from time to time, experts say a more efficient approach would involve the request for proposal (RFP) process.

Governments and businesses use RFPs to purchase equipment and services by promoting competitive proposals among vendors. The corporation or government agency invites specific written proposals from vendors, suppliers, or contractors before awarding business to the lowest bidder. Unfortunately, many small businesses are intimidated by the process and don't participate, thereby missing out on a chunk of potentially profitable business.

"Small businesses tend to view the RFP process as some sort of legalistic ritual and wonder if they're wasting their time because the contract has already been awarded," says Michael Asner, president of Michael Asner Consulting, a small business consulting firm in Surrey, British Columbia. "What they don't realize is that the government isn't using RFPs just for the fun of it, and that laws and regulations are in place to ensure the process is conducted in a fair manner."

Bob Potter, managing principal with San Anselmo, California, sales and marketing consultancy RA Potter Advisors, says government or large company buyers are most apt to use a formal RFP process, while nearly all buyers will seek at least informal comparisons, particularly for infrequent purchases or large dollar-value sales.

Finding RFPs isn't that difficult. Most government agencies post a "how to do business with us" section on their Websites, and the rest have booklets offering the same information. The Department of Defense, for example, has an online publication, *Selling to the Military*, that identifies the research, development, and procurement responsibilities of each of the department's organizational activities (***www.acq.osd.mil/sadbu/publications/selling***). Federal Business Opportunities (***www.fedbizopps.gov***) serves as the single point of access on the Internet to government-wide federal procurement opportunities exceeding $25,000.

Common elements that should be included in all proposals produced in response to an RFP:

- A table of contents
- An executive summary
- Your firm's qualifications
- An overview of your firm's financial stability and successes
- The nature of the project and how it will be conducted
- The timetable for the project
- The cost of the project
- A conclusion


During the selection phase, Potter suggests making as much personal contact as possible to demonstrate your commitment to the project. "Show them that you would make a good partner and you will improve your RFP hit rate and avoid competing and losing on price," says Potter. "Remember that waiting for the RFP is a dead-end strategy, and that the best way to win is to become the entity's sole or preferred provider, and that can only happen by engaging customers before they send out the RFP."

That's because by the time a government entity or large firm asks for proposals, statements of qualifications, or price quotes, they're already at the end of a long decision-making process. "They have identified and assessed a problem and envisioned and built internal consensus on a solution," says Potter. "They probably also have a preferred provider in mind—a firm that helped write the proposal and who will most likely end up being selected."

Before submitting your RFP response, consider the following expert recommendations:

- Do get there first by being proactive and not waiting around for the government entity or corporation to send you a bid request.
- Do pick your battles, rather than going after every bid opportunity that crosses your desk.
- Do establish relationships with key contacts in an effort to better understand their wants and needs.
- Don't let your technical employees write a proposal that's meant to be a business proposal.
- Don't criticize or question the RFP and/or its format or requirements.
- Don't submit a proposal that you know is weak and off base. (Evaluators will remember that it's the worst proposal they've ever seen and that label will stick.)

**—Bridget McCrea**