

The Importance of Writing a Request for Proposal



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Being the head of an acquisitions department within a company can come with a great deal of stress and pressure. Even those who work within the department rather than lead it can still feel this stress bearing down on them, not only from their bosses, but from the entire company. Many times a botched purchase or acquisition can begin a downward spiral for a company that is incredibly hard to stop once it has begun. When a purchasing project needs to proceed smoothly the first time through, looking to the acquisitions department to see the project through from beginning to end is what most companies rely on. But exactly how do acquisitions make this process happen as flawlessly as possible, and what happens when a company does not have an entire department devoted to purchasing? The main way a smooth transaction with another company is achieved is through a request for proposal, which is a document that lets the public know what the company is interested in purchasing and any specifics related to that purchase that they are requiring for the contract. The request for proposal lets manufacturing companies or service providers know exactly what the requesting company is looking for, both in the bid they submit and in the end product they provide.

Proposal requests can be the start to a long and successful business partnership and should be crafted with great care. The request shows the bidding company a glimpse of how the company operates and what items are important to its daily running. The information that the proposal

requests shows the items that are most important to a company, and by omitting any number of a wide range of requests or information tidbits can make the company appear short-sighted or non-engaging with potential partners or bidders. Keeping future business relationships in mind, the writing of a request for proposal should be done with the utmost care and research. While the request lays groundwork for the upcoming project or purchase, the request itself needs solid groundwork to stand on. This can be completed with a competent staff devoted, even temporarily, to creating this document and ensuring the needs that are being requested from the bidders are essential needs of the business.

Before composing a request for proposal, research should be done into what is the most efficient and cost effective product or service that the company is in need of. This is a step that should not be skipped and is crucial to the development of any good request for proposal. The proposal itself is not the place to have various companies suggesting strategies or solutions to a problem, but should be a clear and straightforward request for a specific service or product. During this stage, it is helpful to think of the proposal similar to a job announcement. Job announcements are specific and to the point, asking for someone to answer calls and provide customer service or to monitor costs during production of an item. Rarely do job announcements include statements for jack-of-all-trades to come and join a company. A person to answer phones, head the buying

department, and clean the office in the evenings is not a common job vacancy. Compartmentalized tasks are usually the best way to keep quality and efficiency high inside of an organization. When a request for proposal is provided to the public, clear and specific goals should be provided that outline precisely what is expected and needed. Without the research that goes into developing exactly what is needed, serious time could be wasted down the road when bids come in that fail to meet the expected goals.

The research process that precedes the writing of a request for proposal should also be used to measure the feasibility of such an undertaking. Whether the company is seeking to add on additional employees for a short term project or they are seeking to find a producer of widgets for their products, understanding the market that is behind the requesting company's offered product is critical to the success of future business with that company and for the bidders that will become involved.

There are several key points to include in any request for proposal. Including these elements in each RFP can help ensure the receipt of top quality, well organized, and specifically detailed bids. Without laying boundaries and guidelines out for other companies and service providers to follow the risk of having off topic bids come in, receiving bids that do not meet the company's goal in one way or another, or receiving bids that exceed the company's buying power are all serious possibilities.

These are time wasters for all parties involved and end up costing more in the long run. If a company does not have a specific department set aside for purchasing or acquisitions, looking to the outside for someone who is skilled in creating successful request for proposals might be the best way to achieve the desired results. Consulting agencies will often provide this service for a portion of the profits or a set percentage or fee. To ensure the receipt of the most top quality bids, outlining exactly what is needed or wanted from the purchase, how the company wants the bid to be submitted, timeframes of receipt of the bid and the final product, and any other information such as a company's background should all be discussed in the request for proposal.

Once the basics of the essential elements are established, laying out an outline is a good starting point. From here, fleshing out the document outline with the important requirements, time frames, and other requirements that were developed can help the company to build a document that is easy to read and understand but still conveys the importance of what is exactly being sought. Creating a request for proposal is a multistep process and should be taken one step at a time. Beginning with a solid outline is a good first step in the writing process that can ultimately create a successful proposal request, especially if the writing of the proposal is being done by someone who does not specialize in technical or business writing.

The most essential part of any request for proposal is outlining exactly what the company is seeking or wanting. Knowing what is needed, as stated before, is the best way to convey a company's needs to the potential clients. If the company only needs 20,000 products to be made, be sure to include the exact number rather than statements such as 'high volume of products.' Statements such as that can mean vastly different things to each different producer and failure to mention the exact quantity needed can result in bids for 500 products or 1,000,000 products, both well outside the desired range. Besides a solid estimate on the number of products or services requested, knowing as many of the specific details about what is being requested is one of the top ways to ensure an accurate bid proposal. If a company is interested in making guitar picks, but knows they do not want to make the traditional plastic pick, the alternative material should be cited, as should the potential thicknesses desired, and any other detail that might affect the way a potential provider might respond to their proposal.

The flip side of knowing exactly what is wanted is to know where the company is willing to give. If the company wants to produce a heavier guitar pick made from a metal, perhaps the metal that will be used could be a negotiation point. The resistance to tarnish, the sound against metal wrapped strings, and the weight of the material are all taken into consideration and one metal provider might just know what the company is seeking. In this case the specific need is

metal; the giving point is the type of metal. Knowing where to give and possibly negotiate can allow for a bit of flexibility in the price range of the bids received and in the various companies that have the ability to make or sell what the company needs. If the company is planning a large corporate event and needs a host site for the event, opening the playing field up to hotels, convention centers, arenas, and expo centers can allow the company to choose the best possible options and settings for the event.

The format of the incoming bid should also be discussed and outlined thoroughly in the request for proposal. If an on-site demonstration of a product would work best, indicate this and how the provider should go about scheduling a time for this. If the requesting company needs to go to the providing company, these meetings would be most efficient and cost effective after an initial round of selections has been done from the received proposals. Bids that are requested as documents should be given limits and formats to follow and points to include. This will allow the requesting company to receive all the relevant information regarding the bid and make the most informed decision possible. Outline the request for proposal so that it is inclusive of all the requirements or limitations that the requesting company deals with. If environmental issues are at the heart of the organization, working with a company with many violations in this field is probably not the best idea. Same thing with international organizations; being sure that a provider that might be partnering with

the company is prepared and certified to work in an international setting is important before accepting their bid only to find out there will be months of delays while they obtain the proper licenses.

Requesting information on the bidding company's background is also a very important part of the request for proposal. The information provided by each bidding company can be used in selecting the most appropriate choice for the job, but can also be used to obtain references regarding previous history the company has. Requesting the information in the request for proposal should be kept as specific as the rest of the proposal. Asking for general company background is likely to turn up a myriad of answers and none may provide the relevant information to the job or provide the answers the company needs to make an informed decision by. Previous contracts including their durations, amounts, and clients is helpful information to request, as is a company's awards, nominations, and specialties. Knowing how long the current management team has been in place can provide a rough idea of how stable the company is and can allow consultation with others in the industry for recommendations in favor of or against the bidding company.

Budget is an all-important topic with nearly all companies. Both large and small companies need to know their allotted funds for a project and places where they will be able to tighten the purse strings a bit. Making a clear outline within the proposal request that discusses budget expectations

can alleviate any negotiation of this that may arise at a later date. Be firm and clear with the amount that can be spent on the project and how the funds will be distributed. The bidding company will need to know this information to decide if putting in a bid with the requesting company will be monetarily worth it for them in the end.

Timeframes on the delivery of the bid, as well as the delivery of the final product are must have topics for the request for proposal. Timeframes for the requesting company is also important information to provide the bidders as having information of funding and research is essential in allowing them to draft a winning bid. These clear time limits help to set the expectations for the job, allows both companies involved to know what to expect and when, and outlines the natural progression of the bidding progress and estimated completion date. Allowing for several weeks to a few months from the time the request for proposal is released to the public until the close date of bids will allow for sufficient time for bids to be drafted, reviewed by their own companies, and submitted with any required documentation to the requesting company without suffering undue deadlines. This section should also include the timeframe that the requesting company will need to select the winner and how the winning bidder will be notified.

In order to keep bias out of the entire bidding and proposal process, noting in the request for proposal how the bidders will be evaluated and selected will provide the

bidding companies with peace of mind that they are being evaluated on level playing fields with the rest of the organization. Another reason to outline the selection process and criteria is to allow the company to fully understand what is expected from them and their proposal. Missing a step that is essential in the judging process, say for instance the company's financial history or contract history from the last five years, can solely disqualify a company who might otherwise make a prime candidate. Providing a good selection criterion allows the company to know how the company will be judging and what the company will be considering in regards to what they submit as a bid.

In addition to preventing bias within the process, removing anyone from the judging who may present a conflict of interest is also essential. Friends and family members of those who own or run companies that have submitted bids should not be allowed to decide upon the winning bid as this could sway the other judges one way or another. It would also not seem fair or unbiased to the companies who submitted competing bids with these businesses who have connections to the inside of a requesting company.

Once the request for proposal has been completed, deciding how to get it distributed to the people who need to see it is a vital element of the process. There are thousands of companies out there that have the potential to meet the needs of your company and unless they hear that the requesting company is accepting bids for what they

have to offer, the chances of the requesting company ever hearing from them is slim to none. To prevent situations like this from happening, taking advantage of various outlets is one of the best ways to ensure thorough distribution of the request for proposals. Social media outlets, newspaper and magazine ads in trade specific publications, and direct solicitation are some of the most common ways to spread the news about the acceptance of bids. By definition, a request for proposal is an open solicitation to the public, and not allowing the request to be given to certain people or businesses can do more harm than good. Word of mouth is a strong marketing device that is often under-utilized. Allowing the proliferation of the request for proposal to be given to any person who is interested is a good way to ensure the right people are able to see it and take advantage of what they have to offer.

The evaluation process of the received bids can take quite some time and invariably there will be bids that come in that are not meeting all the required elements or arrive just after the deadline. These proposals should swiftly be sent back to the originator with an explanation of why they failed to meet the established criteria. While the bidder may have not succeeded this time, allowing them to know how and why they failed is essential in showing that the requesting company is serious and firm about its business endeavors. These actions are also good for allowing the company to be potentially successful in the next open call for bids with the requesting company.

Generally, several rounds of selections are usually needed to narrow down the field of the received bids. A list of criteria should be referenced at all times during this process to keep the goals clear and the decision making as unbiased as possible for those involved.

The request for proposal process can be a long and arduous one for a company of any size. Breaking it down into smaller, more manageable pieces can help ensure that the proper foundation is laid for the upcoming bidding process and eventual contract. Without producing a well thought out and researched request for proposal, bidding companies do not know what to submit nor do they understand what the requesting company needs from them or anyone else. A good request for proposal can also help lay the foundations for any resulting legal contracts or other documents that are drafted as a result of the bidding process. Laying out a good foundation of what is expected of both parties ensures the beginning of a smooth working relationship and allows each party involved to know what their responsibilities are from start to finish.

and a keen sense of what the company needs to gain from the pending business deal. While many companies will seek to hire an outside source to craft these proposals, other companies may not be able to afford this luxury. While having an outside consultant is a good idea to help avoid any oversight that may occur from within an organization, this is not an essential step. Choosing an individual who has a knack for careful thought and planning to head a small group of workers in creating a request for proposal can be equally as successful as hiring a larger outside firm to handle the creation of the document. The benefit of working from inside the company is that the investment in the growth and development of your employees who spearheaded the task of creating the proposal request can help the business continue to grow and succeed in the future.

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