How to Win the RFP Game

By Tony Signorelli

THE TREND: RFPS INVADE THE BUSINESS OF LAW
The legal industry, just like much of the rest of the economy, confronts tighter budgets and more cost controls than ever before. Clients are under enormous pressure to control costs, and as a result, more and more law firms are being asked to bid projects through a request for proposal (RFP) process. Many medium-sized law firms are not set up to respond and may find themselves facing a shrinking range of opportunity. However, those that excel at responding to RFPs are likely to thrive in this environment.

So, the question is: What do you do? What do you do if you have been a relationship-driven firm where business comes in through rainmaking partners, and now those clients are converting to an RFP process? Is the relationship still valuable? How can you assure yourself that you will get the business? And, for all firms, how do you avoid a race to the bottom in terms of price? This white paper is designed to provide insight, point a direction, and offer additional resources to firms who want to win the RFP game.

THE CHALLENGE OF RFPS
Most law firms are new to RFPs and, therefore, face a tremendous challenge in getting prepared to respond effectively and efficiently. Specifically, most firms experiencing the change to RFPs face the following challenges:

- Responses take a lot of time to complete
- Win rate can be relatively low
- Even with RFPs, many clients are reducing the number of firms they do business with
- RFPs drive price down, making responding even less attractive

And yet, your top clients are demanding an RFP process, so you know you need to figure this out. What do you do?

CREATE AN RFP RESPONSE STRATEGY
Although the RFP process is relatively new to the legal industry, other industries have mastered the principles of RFP response over years, and even decades. In other words, there are proven strategies for succeeding with RFPs.

The single most important first step is to determine if the RFP is a fit for your organization. This is known as “Bid-No Bid”; that is, you need to determine if you will get the business. And, for all firms, how do you avoid a race to the bottom in terms of price? This white paper is designed to provide insight, point a direction, and offer additional resources to firms who want to win the RFP game.

To decide whether or not to respond to a particular RFP, ask yourself these questions:

- Does this fit with our strategic direction as a firm?
- Do we have a strong client relationship?
- Do we have a competitive advantage, or does the client favor a competitor?
- Do we know the client needs and issues, and can we get access to that information before or during the bid process?
- Are resources and skills available on our team? If not, can we get access to what we need in time to respond and in time to complete the work?
- Are the risks acceptable overall, and if not, can we mitigate them to make them so?

This strategic decision is the single most important feature of RFP response success. You only want to respond to RFPs where you have a substantial advantage, and these questions — when asked of every RFP — will help you determine if you have that advantage or not.
CREATE AN RFP RESPONSE PROCESS

Once the decision is made to respond to an RFP, you want a process for responding. Unfortunately, this is rare. More commonly, the rainmaking partner and his or her staff, wind up locking themselves in a room for several days while they scramble to gather information and complete the response. Quite literally, it becomes a mad dash to beat the deadline. While everyone works very hard and there is relief all around when it is over, such a method is inherently inefficient and usually unproductive. Because of the rush, key items get missed, shortcuts are taken, and the response is unsuccessful.

Managing partners in firms will find much more success by developing a specialized team for responding to RFPs. This team can support the rainmakers and establish a consistent set of standards that must be met for RFP responses. A proposal on an RFP, after all, is a branded piece of marketing communications, and it should be treated that way.

A complete RFP response will be different from firm to firm. However, once you determine that you need a team to handle the RFP, there are some steps that team can take to dramatically improve its success rate. Here is a short checklist of some of the best practices associated with winning RFP teams. For the most part, you would do these in the order shown:

- Assign a proposal response manager
- Read the RFP
- Mark the RFP:
  - Flag areas of concern
  - Flag areas where boilerplate info applies
  - Flag custom requirements
  - Flag any likely outside resource needs
- Review areas of concern
- Review custom requirements – can we meet them?
- Review outside resource needs
- Assign each and every response area to boilerplate, an internal specialist, or an external resource
- Manage to deadline
- Read the entire RFP response, making sure:
  - The questions asked are actually answered
  - It is professional and clean
  - Commitments from any outside resources are met

AVOID THE NUMBER ONE PROBLEM

The number one problem with most RFP responses is that the questions asked in the RFP document, which come from the client, are not actually answered. Whether this comes from oversight, the need to move fast, or just pure arrogance (which is more frequent than you might think), it is a fatal mistake. Clients have no more interest in reading unnecessary information than you have in providing it. If the question is in the RFP, it is there for a reason. Yes, it may be redundant with another answer. Yes, it may seem inane to you and your team. The question is in the document, however, because someone on the customer side of this equation insisted that it be there. It is important to them. They need to know the answer, and that person will be reviewing your response – guaranteed. Do you suppose they become a friend or a foe when they see that the question they most wanted answered is either not answered, refers them to another answer, or worse, refers them to some internal document or manual where the respondent claims the answer lies. Telling a reader to “See question 6” instead of answering the question is a sure way to make them antagonistic to the proposal, thereby undermining all the work your team put in to respond.

WHY STRATEGY AND PROCESS MAKE A HUGE DIFFERENCE

Many firms refuse to respond to RFPs at all because of the time and cost involved. However, in the changing legal marketplace, big clients are not only requiring RFPs, they are also reducing the total number of outside firms with which they do business. In this kind of environment, RFP response will need to be treated as a core competency of business development in the law firm.

When you articulate your strategy and develop a process, you will be positioned far ahead of your competitors in most cases. Most firms do not have a strategy. They either answer everything or answer nothing, and as a result, they miss many great opportunities, or expend enormous time and dollar resources ineffectively. By responding only to RFPs with a good chance of winning, you save a ton of wasted resources.

More importantly, a good process can be very efficient. When you have an effective team who works efficiently with rainmakers to maximize their productivity, two great things happen. First, the cost of winning a project goes down substantially because the process of proposing is efficient. Second, and perhaps more importantly, those relationships the rainmaking partners work so hard to develop can be leveraged more frequently to develop more business. Rather than getting the partner locked up writing a long sales document, your team of specialists does that, and the rainmaker goes out to get more opportunities to respond to opportunities, whether they require RFPs or not. In other words, you remove the constricting variable on productivity and, therefore, more business will result.

CONCLUSION

Firms that productively and effectively respond to RFPs have a real advantage in the marketplace as more and more clients require RFPs. For many firms, RFP responses are more and more in the mix of their business, and firms that develop RFP response as a core competency will thrive.

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