

# On Procurement and Strategic Sourcing

# **1) Understanding Procurement**

# προμηθεύση

Ετυμολογία: [<μτγν. προμηθεύομαι "προνοώ"]

|                                                                                                                                                                                                                                                         |                     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
|                                                                                                                                                                                                                                                         | Ένδεικτικό συνώνυμο |
| παρέχω αγαθά για χρήση ή για πώληση (προμήθευαν την αγορά με σάπια κρέατα)                                                                                                                                                                              | τροφοδοτώ           |
| αγοράζω αγαθά (τρόφιμα, ρούχα κτλ.) για την κάλυψη ποικίλων καθημερινών αναγκών (η χώρα προμηθεύτηκε πυροσβεστικά αεροσκάφη και ελικόπτερα    προμηθευτήκαμε από το καλοκαίρι τα καυσόξυλα για να είναι στεγνά)                                         | ψωνίζω              |
| που τον έχουν εφοδιάσει με τις αναγκαίες προμήθειες (ξεκινώντας τη βόλτα με τον τετράποδο φίλο μας, θα πρέπει να είμαστε προμηθευμένοι με χαρτιά, σακούλες, ή οτιδήποτε άλλο μπορεί να μας φανεί εύχρηστο, ώστε να μαζέψουμε αμέσως τα περιττώματά του) | τροφοδοτημένος      |

# Procurement – ΠΡΟΜΗΘΕΥΣΗ / ΠΡΟΜΗΘΕΙΑ

**Η προμήθευση ή προμήθεια** αναφέρεται στη διαδικασία

- **αναγνώρισης,**
- **αξιολόγησης και**
- **δέσμευσης**

**προμηθευτών**

για την απόκτηση αγαθών ή υπηρεσιών,  
καλύπτοντας τις ανάγκες μιας επιχείρησης ή οργανισμού.

Αναφέρεται στον

- **εφοδιασμό με απαραίτητα είδη** (π.χ. τρόφιμα, φάρμακα)
  - **την αμοιβή μεσίτη/διαμεσολαβητή (μίζα).**

Περιλαμβάνει

- **στρατηγικές επιλογές** και
- **Διαγωνισμούς για αποτελεσματική τροφοδοσία.**

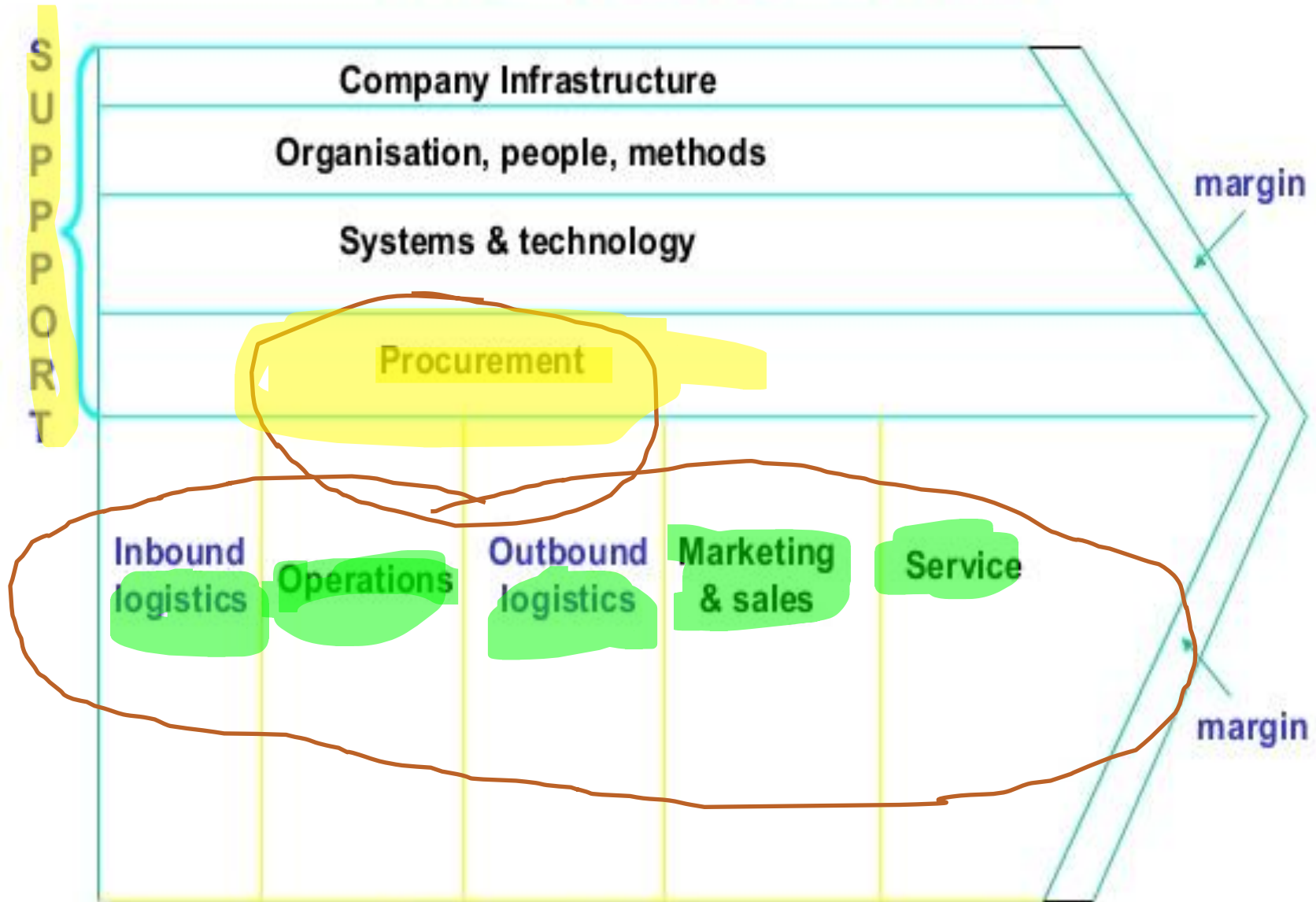
# Βασικές Έννοιες Προμήθειας

- ❑ **Επιχειρηματική Προμήθεια (Sourcing):**  
Η στρατηγική διαδικασία επιλογής προμηθευτών.
- ❑ **Εφοδιασμός (Procurement/Supply):**  
Η πράξη αγοράς ή εξασφάλισης αναλωσίμων, υλικών ή υπηρεσιών.
- ❑ **Κρατικές Προμήθειες:**  
Διαγωνιστικές διαδικασίες που πραγματοποιεί το δημόσιο για αγορά υλικών.
- ❑ **Προμήθεια (Αμοιβή):**  
Ποσοστό επί συναλλαγής που δίνεται σε διαμεσολαβητή.
- ❑ **Συνώνυμα Ρήματος:**  
Εφοδιάζω, παρέχω, τροφοδοτώ, χορηγώ.

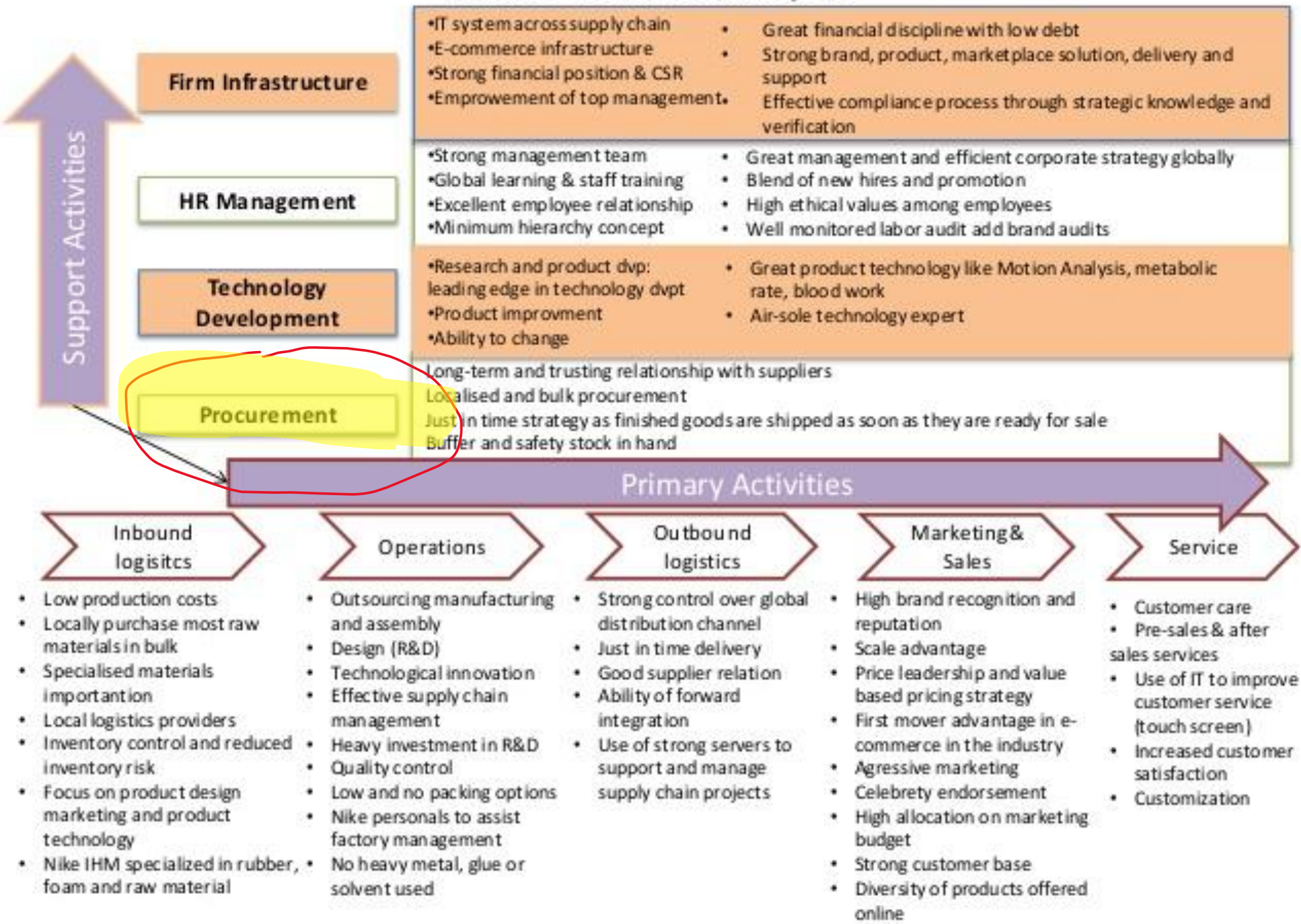
# **Στάδια Διαδικασίας:**

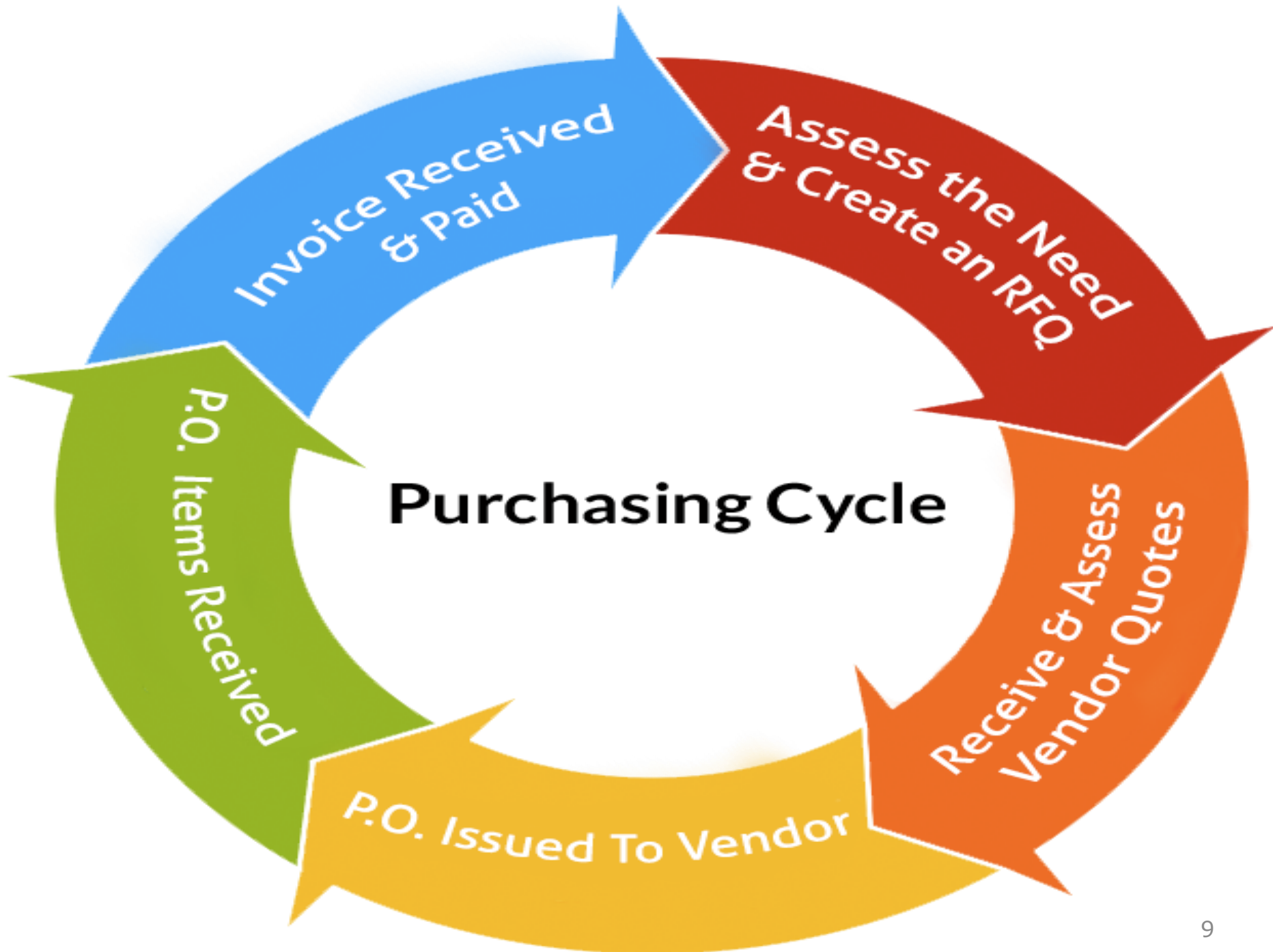
- 1. Αναγνώριση αναγκών.**
- 2. Έρευνα αγοράς και αξιολόγηση προμηθευτών.**
- 3. Διαπραγμάτευση και υπογραφή σύμβασης.**
- 4. Παραλαβή και πληρωμή.**

# The Value Chain



# Value chain Analysis





# Logistics

- **Functions:** planning, procurement, transportation, supply and maintenance
- : science of planning, design and support of business operations of procurement, purchasing, inventory, warehousing, distribution, transportation, customer support, financial and human resources

# Logistics Defined

- **Logistics means having the right thing, at the right place, at the right time**
- The science of planning, organizing and managing activities that provide goods or services – **Logistics World, 1997**

# Procurement

- **Procurement** is the process of **finding, agreeing terms and acquiring goods, services or works from an external source**, often via a tendering or competitive bidding process.
- **The act of obtaining or buying goods and services.**
- **The process includes preparation and processing of a demand as well as the end receipt and approval of payment.**
- **The process of procurement is often part of a company's strategy because the ability to purchase certain materials will determine if operations will continue.**

# Procurement

- ❑ Η προμήθεια είναι η διαδικασία εύρεσης, συμφωνίας όρων και απόκτησης αγαθών, υπηρεσιών ή έργων από εξωτερική πηγή, συχνά μέσω διαδικασίας υποβολής προσφορών ή ανταγωνιστικής υποβολής προσφορών.
- ❑ Η πράξη της απόκτησης ή αγοράς αγαθών και υπηρεσιών.
- ❑ Η διαδικασία περιλαμβάνει την προετοιμασία και την επεξεργασία μιας ζήτησης καθώς και την τελική παραλαβή και έγκριση της πληρωμής.
- ❑ Η διαδικασία προμήθειας αποτελεί συχνά μέρος της στρατηγικής μιας εταιρείας, επειδή η δυνατότητα αγοράς ορισμένων υλικών θα καθορίσει εάν οι λειτουργίες θα συνεχιστούν.

# Procurement involves ...

- (1) purchase planning,
- (2) standards determination,
- (3) specifications development,
- (4) supplier research and selection,
- (5) value analysis,
- (6) financing,
- (7) price negotiation,
- (8) making the purchase,
- (9) supply contract administration,
- (10) inventory control and stores, and
- (11) disposals and other related functions.

# Procurement involves ...

(1) σχεδιασμός αγορών, (2) προσδιορισμός προτύπων, (3) ανάπτυξη προδιαγραφών, (4) έρευνα και επιλογή προμηθευτών, (5) ανάλυση αξίας, (6) χρηματοδότηση, (7) διαπραγμάτευση τιμών, (8) πραγματοποίηση αγοράς, (9) διαχείριση συμβάσεων προμήθειας, (10) έλεγχος αποθεμάτων και αποθήκες, και (11) πωλήσεις και άλλες σχετικές λειτουργίες.

## **2) Procurement Types**

# Procurement types

| Direct procurement and indirect procurement |           |                                   |                                                          |                              |
|---------------------------------------------|-----------|-----------------------------------|----------------------------------------------------------|------------------------------|
|                                             |           | Types                             |                                                          |                              |
|                                             |           | Direct procurement                | Indirect procurement                                     |                              |
|                                             |           | Raw material and production goods | Maintenance, repair, and operating supplies, outsourcing | Capital goods and services   |
| F E A T U R E S                             | Quantity  | Large                             | Low                                                      | Low                          |
|                                             | Frequency | High                              | Relatively high                                          | Low                          |
|                                             | Value     | Industry-specific                 | Low                                                      | High                         |
|                                             | Nature    | Operational                       | Tactical                                                 | Strategic                    |
|                                             | Examples  | Crude oil in petroleum industry   | Lubricants, spare parts                                  | Crude oil storage facilities |

# Procurement vs. sourcing vs. acquisition

Procurement is one component of the broader concept of sourcing and acquisition.

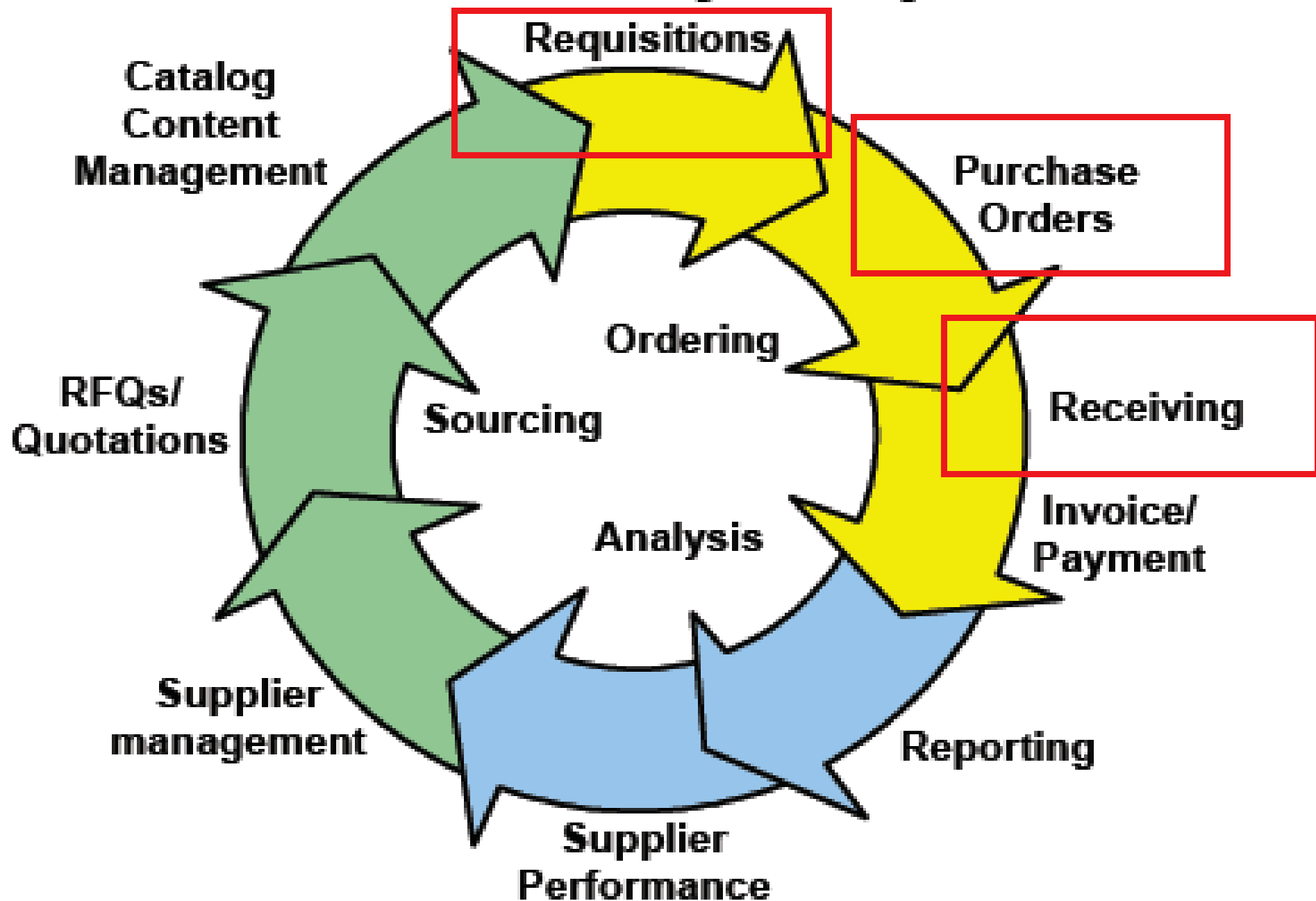
- ❑ **Procurement** is viewed as more tactical in nature (the process of physically buying a product or service)
- ❑ **Sourcing and acquisition** are viewed as more strategic and encompassing.

Η προμήθεια αποτελεί ένα στοιχείο της ευρύτερης έννοιας της προμήθειας και της απόκτησης.

Η προμήθεια θεωρείται πιο τακτικής φύσης (η διαδικασία της φυσικής αγοράς ενός προϊόντος ή μιας υπηρεσίας).

Η προμήθεια και η απόκτηση θεωρούνται πιο στρατηγικές και περιεκτικές.

# Procure to Pay Lifecycle



### **3) Procurement Process**

# Procurement Process

**1. Identify the  
Need**

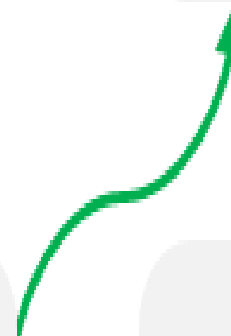
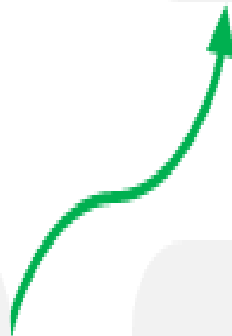
**3. Communicate  
with Suppliers**

**5. Liaison**

**2. Identify the  
Supplier**

**4. Negotiate**

**6. Logistics  
Management**



# Procurement Process

**1. CONCEPT DEVELOPMENT**

**2. PRODUCT DESIGN**

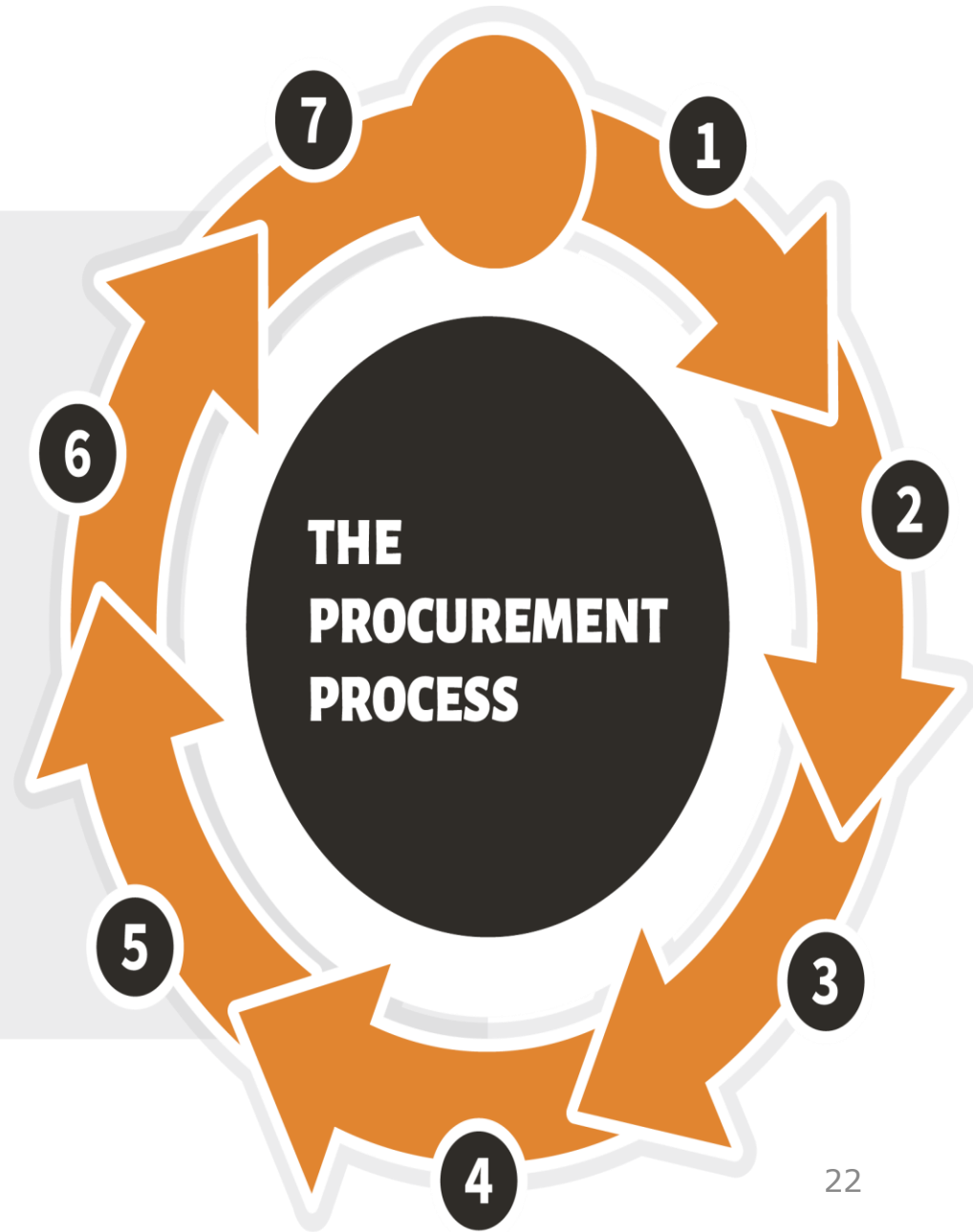
**3. PREPRODUCTION SAMPLE REVIEW AND APPROVAL**

**4. PRODUCTION**

**5. ASSEMBLY AND KITTING**

**6. WAREHOUSING**

**7. FULFILLMENT**



# Stages of the Procurement Process



FOCUS:

## Core procurement processes

TIMEFRAME:

Strategic

Target  
planningSupply & Commodity  
strategySupplier portfolio  
management

Annual

Category

Demand  
specificationsDemand  
managementSupply market  
analysisSupplier  
management

Periodic

Strategic supplier management (cross organisation)

Operational  
sourcing

RFX

Negotiation/Contracting

Supplier evaluation

Based on  
single casesBackbone  
processes

Contract management

Continuous

Spend data management / Controlling / Risk management

Purchase-  
to-pay

Requisition

Order

Delivery  
receiptInvoice check  
& paymentClaim  
management

Transactional

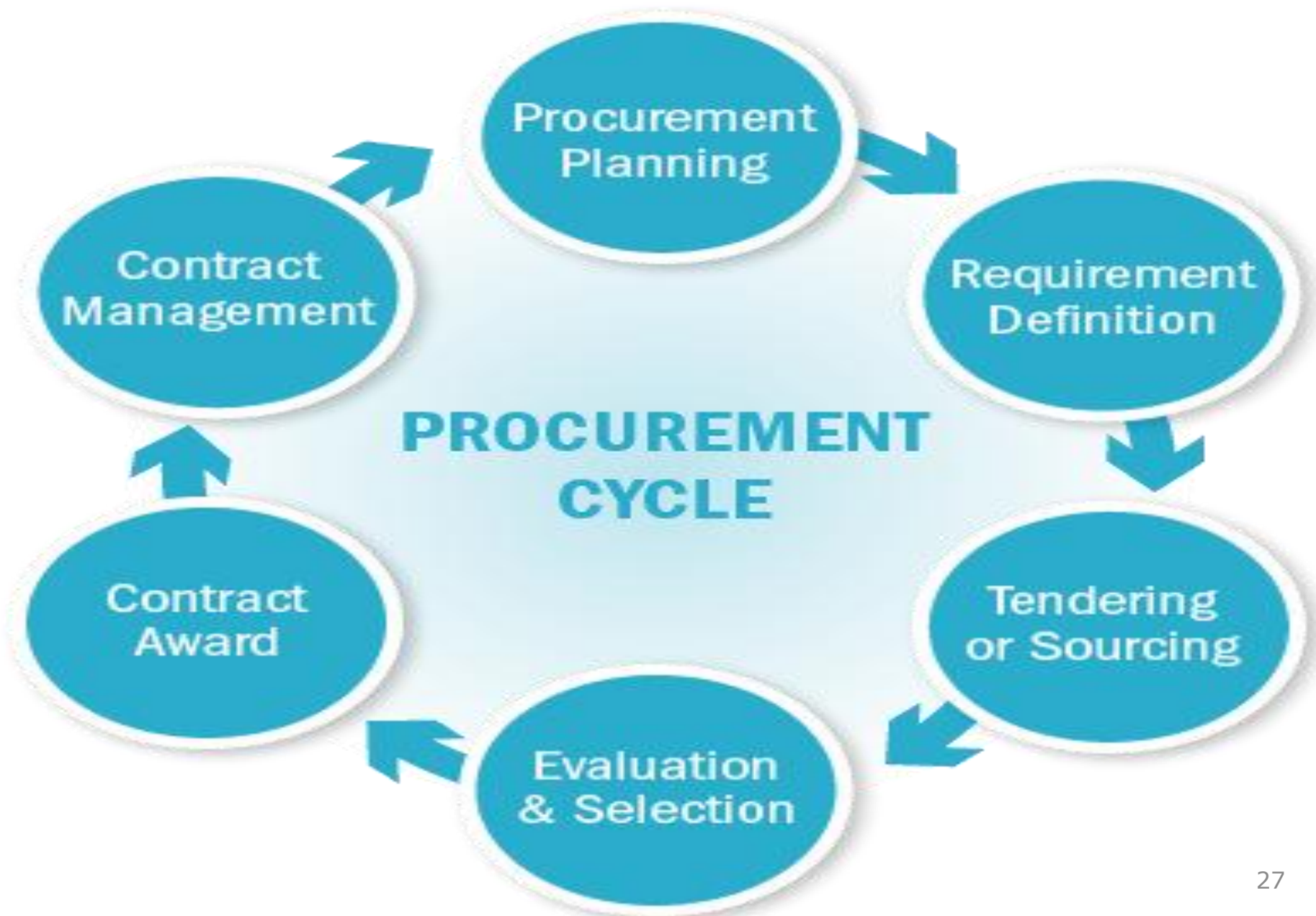
# Procurement Activities & Services



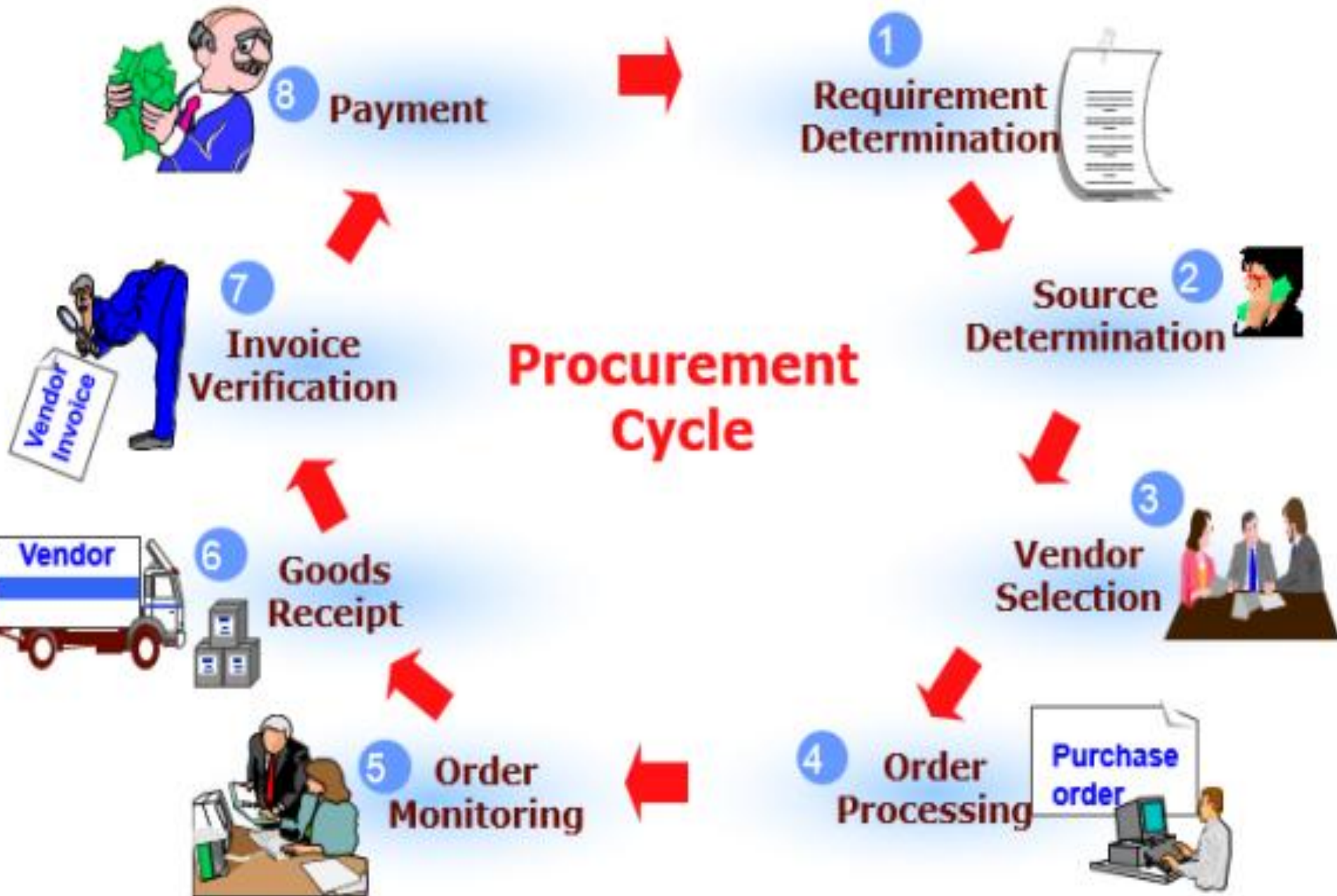
- Market Survey
- Inquiry and Purchasing
- Inspection and Expediting
- Shipping, Delivery and Claim
- Permits
- Banking Affairs
- Customs Clearance
- Insurance
- Tariffs
- Subcontracting



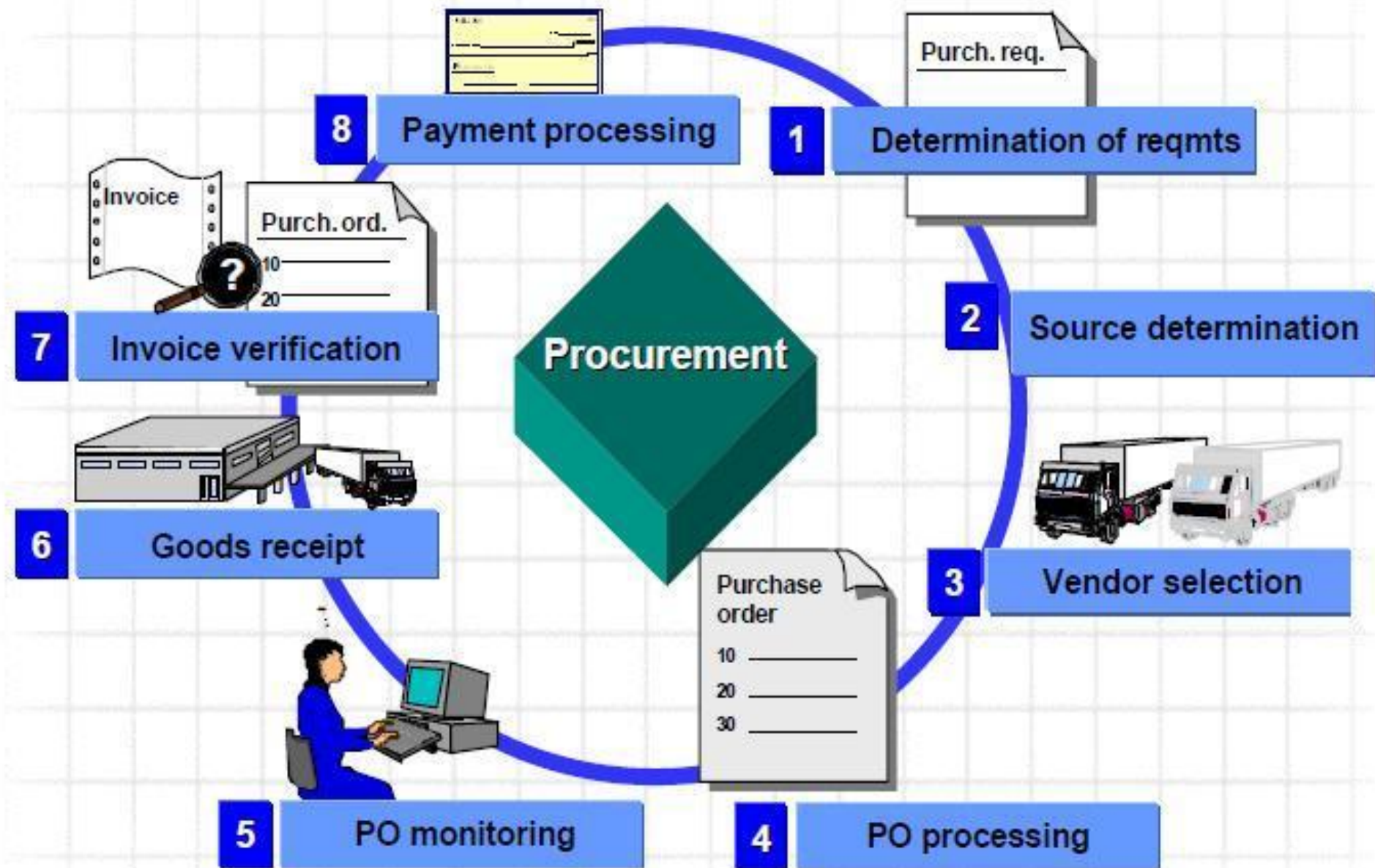
# Procurement Cycle



# Procurement Cycle

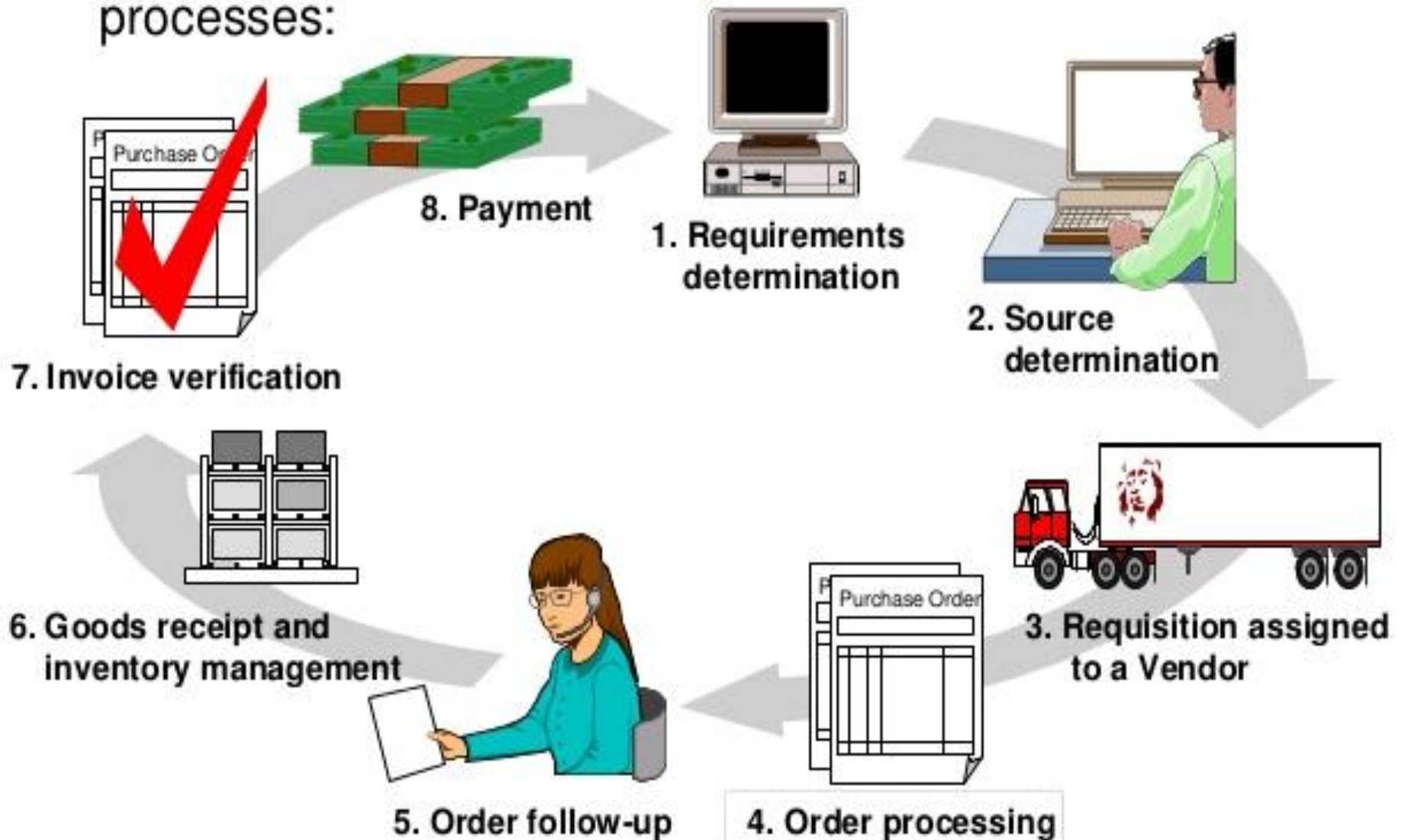


# Procurement Cycle



# Procurement Cycle

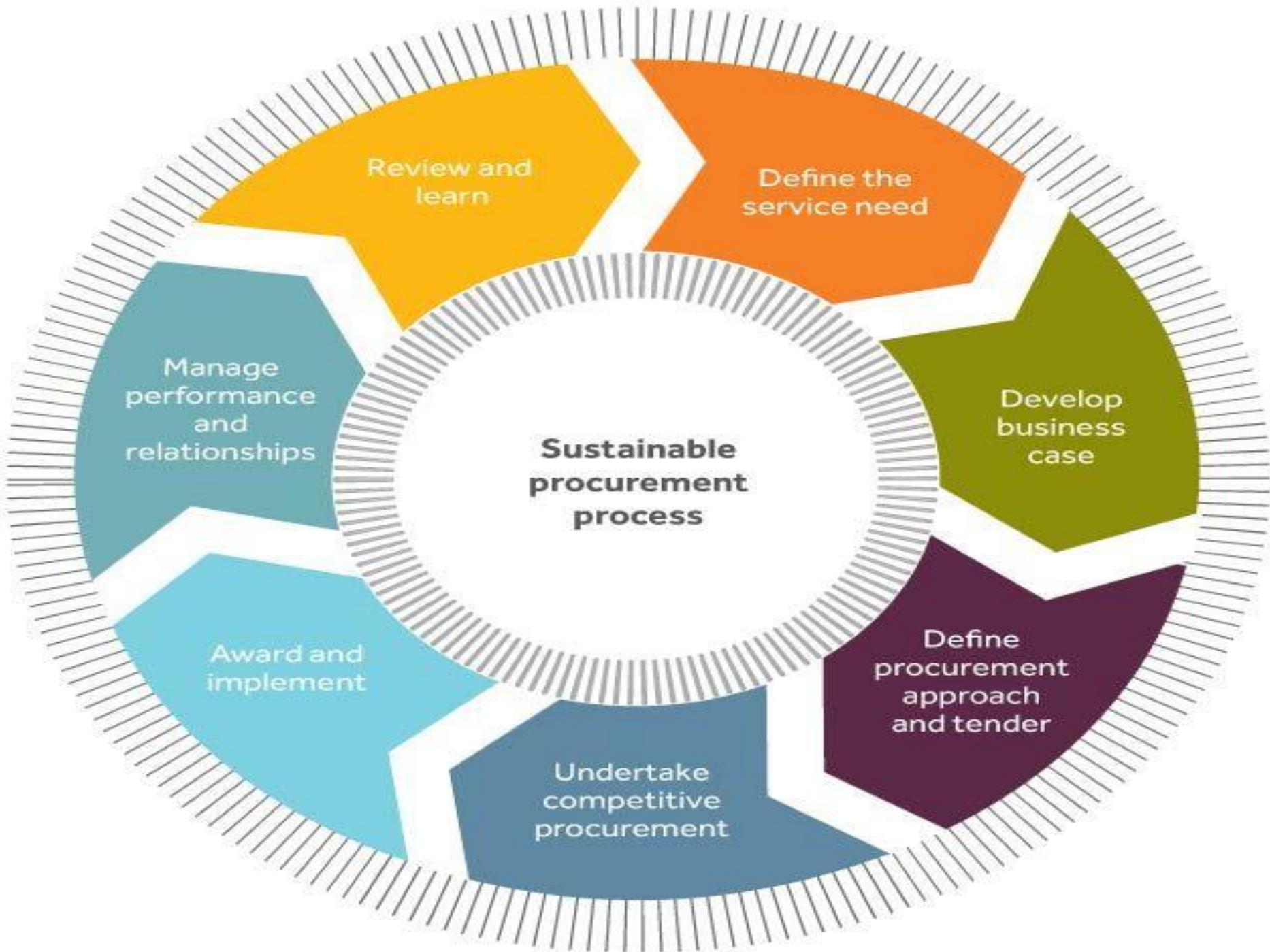
- The procurement cycle normally consist of eight processes:



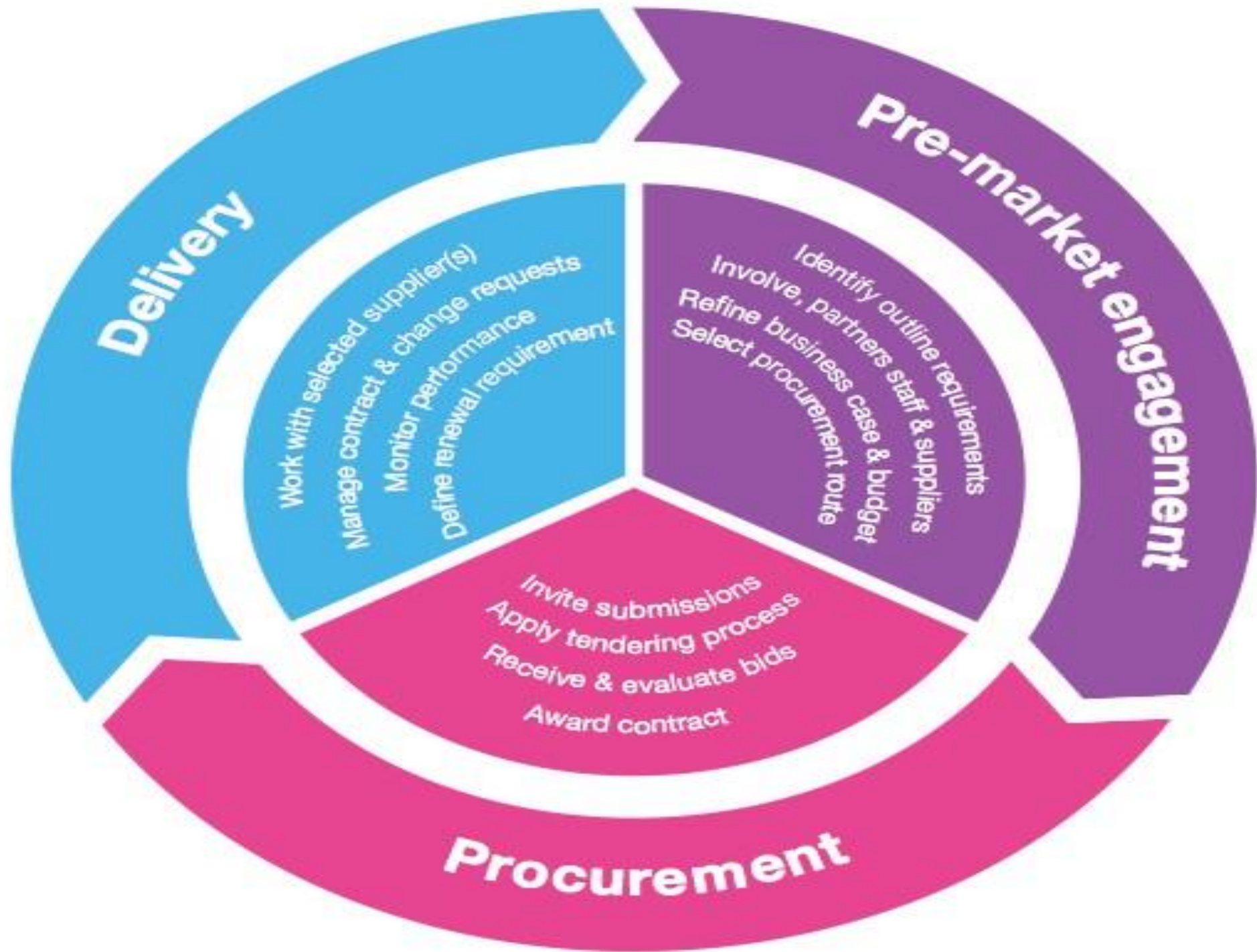
# Procurement Cycle



## More on Procurement Cycle

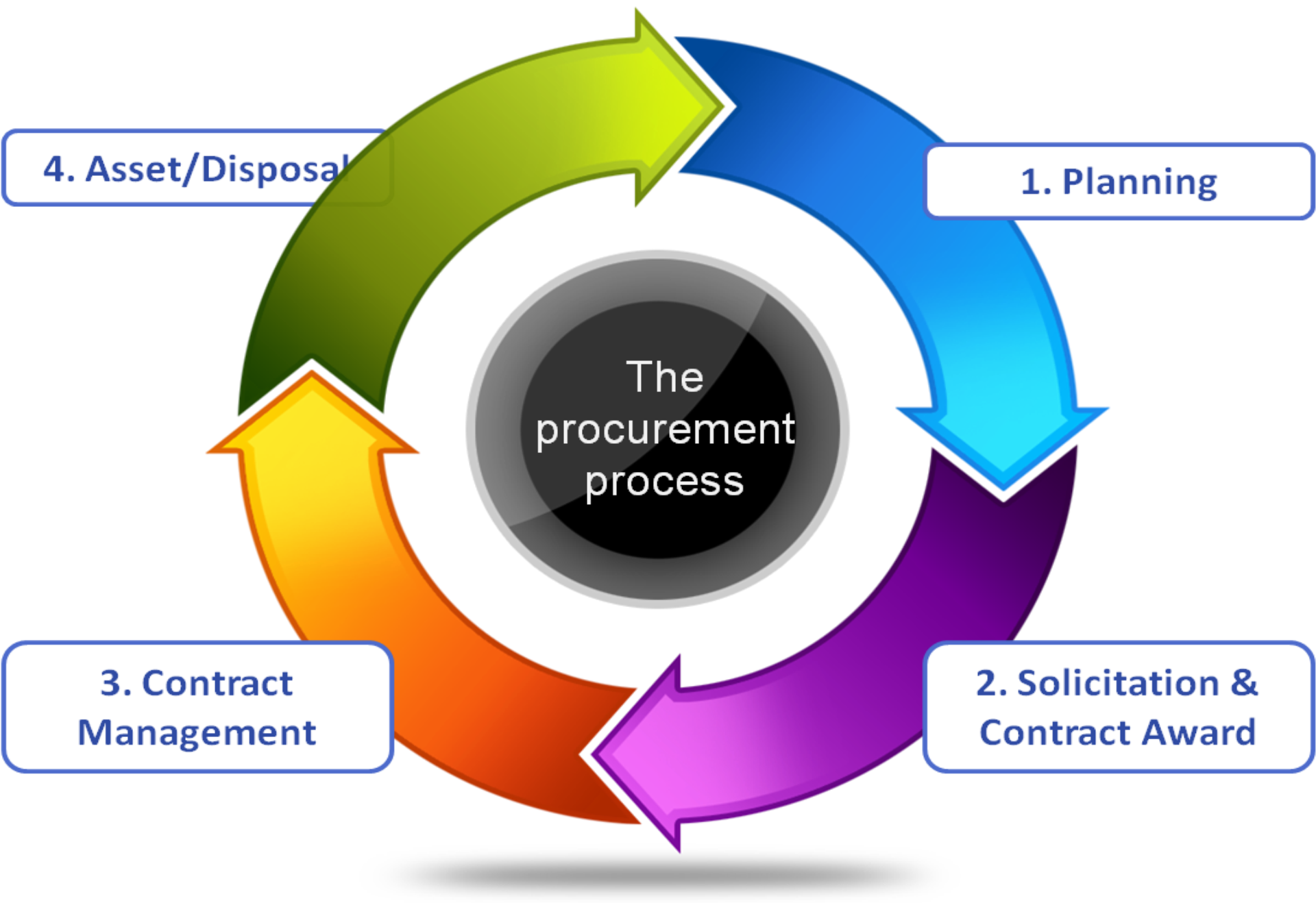


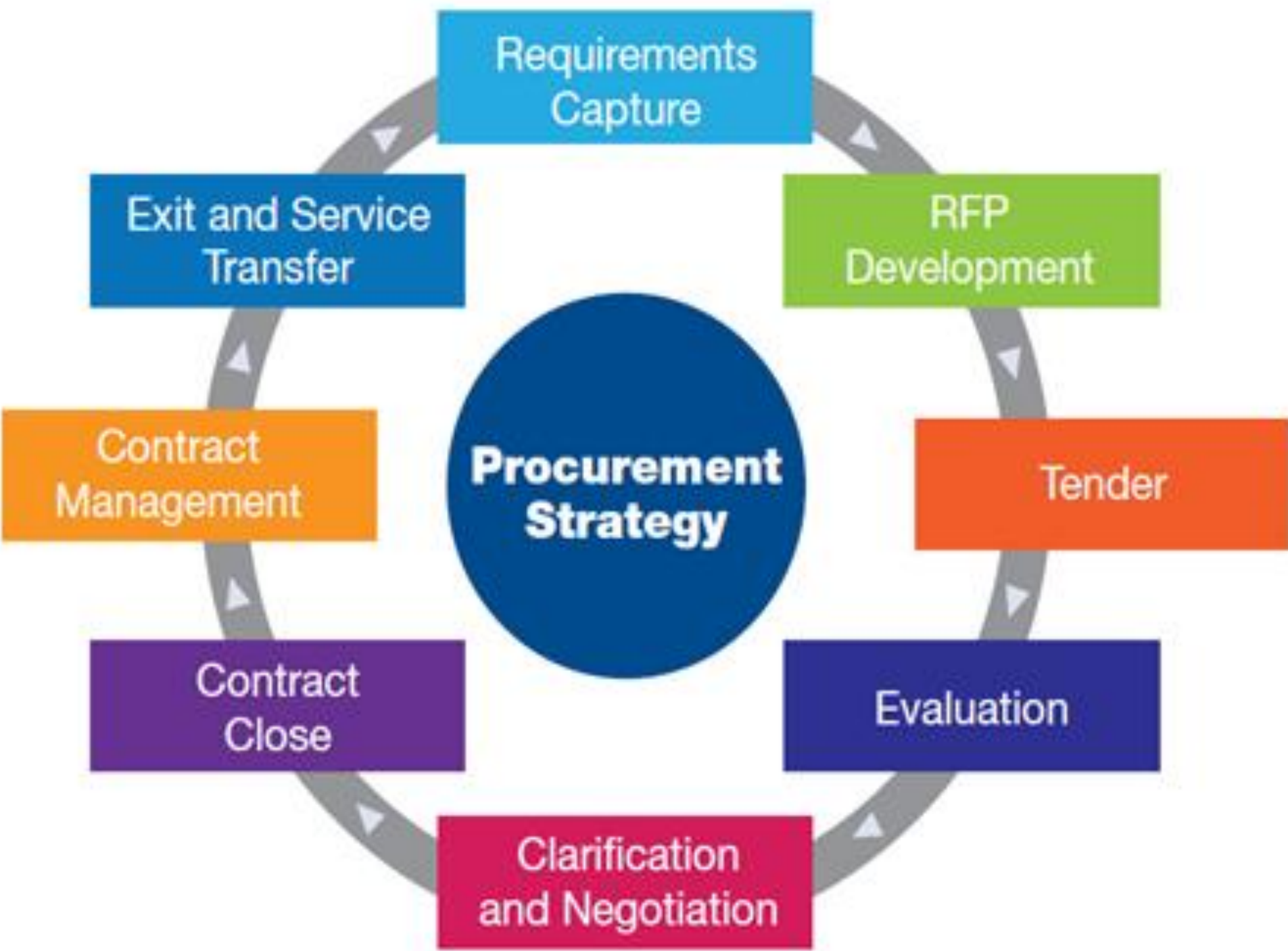




# Procurement Cycle

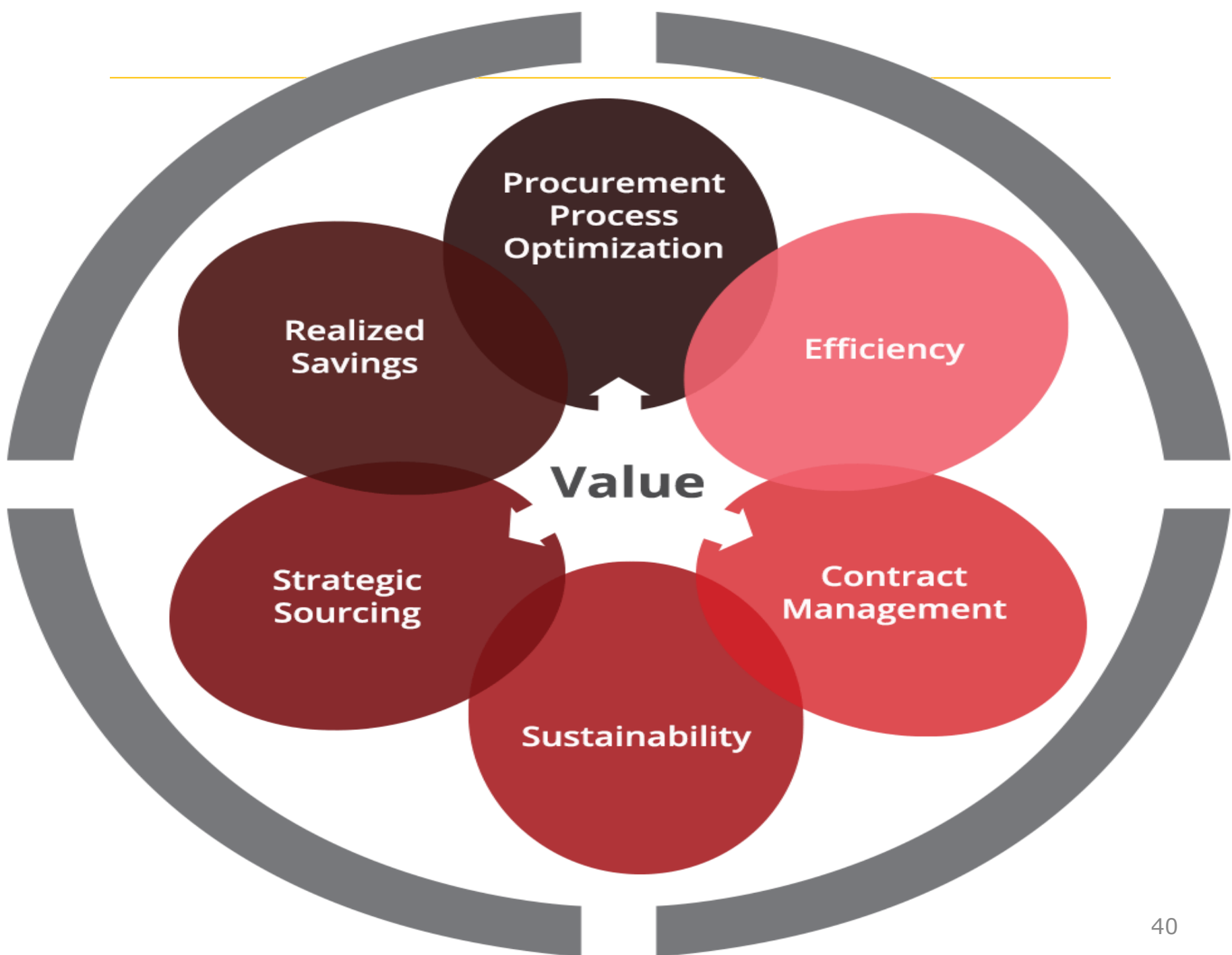






# Procurement Cycle





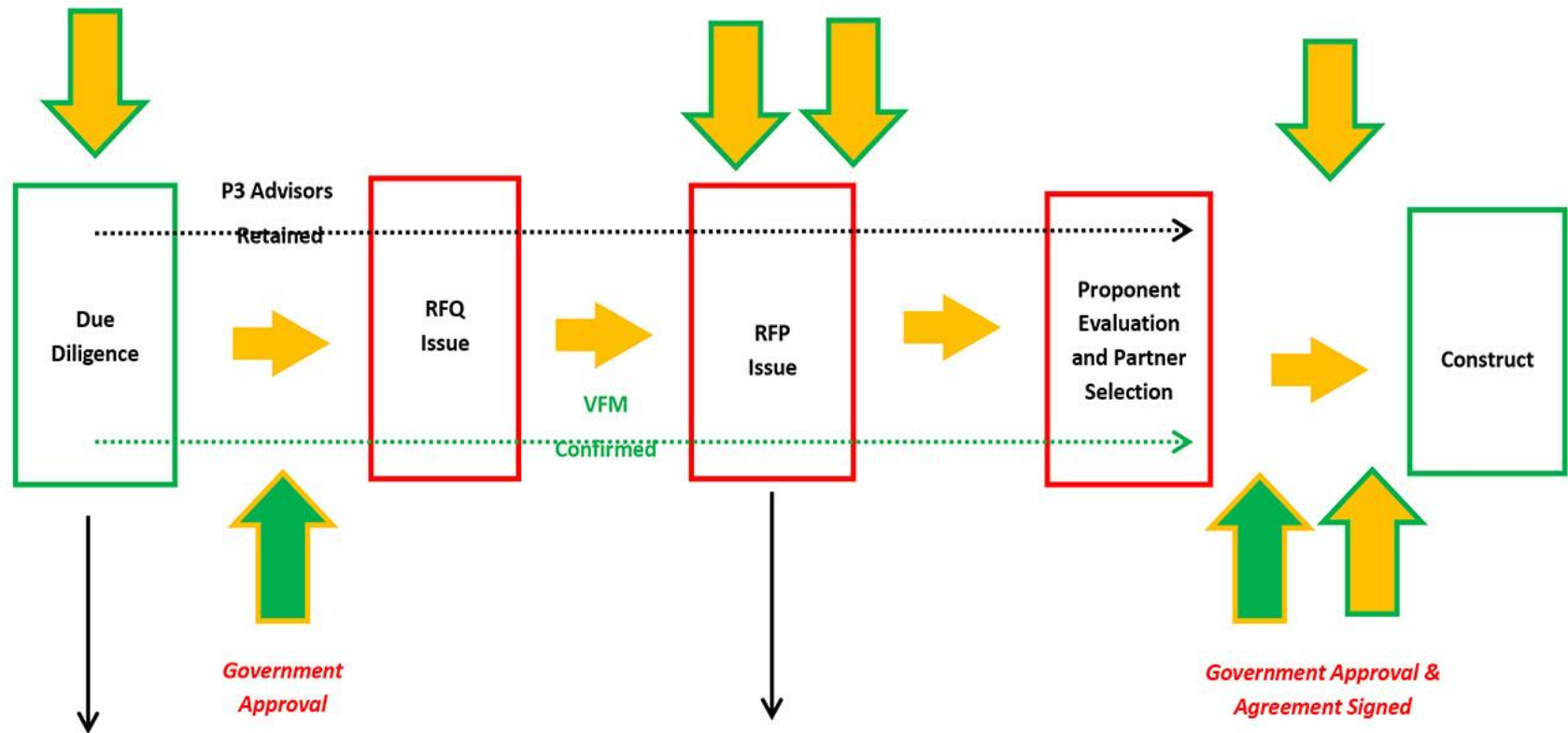
# Saskatchewan Procurement Process:

## Accountability and Transparency

*Market sounding to test interest and get feedback*

*Proponent short-list and 1<sup>st</sup> Fairness Advisor Report released*

*Value for Money Report and 2<sup>nd</sup> Fairness Advisor Report released*



### Projects:

- 9 Joint-use elementary schools

### Projects:

- Swift Current Long-Term Care Centre
- Saskatchewan Hospital North Battleford – Integrated Correctional Facility
- Regina Bypass



## ***Main Procurement Cycle Documents***

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- **Purchase Requisition**

- **Request for Quotation**

- **Quotation**

- **Outline Agreements**

- **Contract**

- **Scheduling Agreement**

- **Purchase Order**

- **Goods Receipt**

- **Invoice Verification**

- **Vendor Payment**

## **4) Industry Specific Procurement**

### **Examples**

# Procurement Examples

## Non-disclosure agreement (NDA):

- . It is quite normal to request vendors to sign an NDA prior to engaging with them.
- . This protects the organization where sensitive information is shared with multiple potential vendors ahead of releasing detailed requirements which often point to strategic decisions a firm has taken.

# Procurement Examples

## Συμφωνία εμπιστευτικότητας (NDA):

- Είναι αρκετά φυσιολογικό να ζητάτε από τους προμηθευτές να υπογράψουν μια NDA πριν από την επικοινωνία μαζί τους.
- Αυτό προστατεύει τον οργανισμό σε περίπτωση που κοινοποιούνται ευαίσθητες πληροφορίες σε πολλούς πιθανούς προμηθευτές πριν από την δημοσίευση λεπτομερών απαιτήσεων που συχνά υποδεικνύουν στρατηγικές αποφάσεις που έχει λάβει μια εταιρεία.

# Procurement Examples

## ➤ Public procurement

- Public procurement generally is an important sector of the economy. In Europe, public procurement accounts for 16.3% of the Community GDP.

## ➤ Green public procurement

- In green public procurement (GPP), contracting authorities and entities take environmental issues into account when tendering for goods or services.
- The goal is to reduce the impact of the procurement on human health and the environment.
- In the European Union, the Commission has adopted its communication on public procurement for a better environment, where proposes a political target of 50% Green public procurement to be reached by the Member States by the year 2010.

# Procurement Examples

## Δημόσιες συμβάσεις

Οι δημόσιες συμβάσεις αποτελούν γενικά έναν σημαντικό τομέα της οικονομίας. Στην Ευρώπη, οι δημόσιες συμβάσεις αντιπροσωπεύουν το 16,3% του ΑΕΠ της Κοινότητας.

## Πράσινες δημόσιες συμβάσεις

Στις πράσινες δημόσιες συμβάσεις (ΠΔΣ), οι αναθέτουσες αρχές και οι αναθέτοντες φορείς λαμβάνουν υπόψη τα περιβαλλοντικά ζητήματα κατά την υποβολή προσφορών για αγαθά ή υπηρεσίες.

Ο στόχος είναι η μείωση του αντίκτυπου των συμβάσεων στην ανθρώπινη υγεία και το περιβάλλον.

Στην Ευρωπαϊκή Ένωση, η Επιτροπή ενέκρινε την ανακοίνωσή της σχετικά με τις δημόσιες συμβάσεις για ένα καλύτερο περιβάλλον, όπου προτείνεται ένας πολιτικός στόχος για 50% πράσινες δημόσιες συμβάσεις που πρέπει να επιτευχθεί από τα κράτη μέλη έως το έτος 2010.

# Industry Specific Procurement

PROCUREMENT AND TRAVEL CARDS

MAKING THE TECHNOLOGY WORK FOR YOU!



# Travel Procurement

THE SOURCE FOR MANAGED TRAVEL INSIGHT

## SQUEEZING SAVINGS

Lockheed Martin travels smarter, not less

Lockheed Martin's Mark Stumppert

Autodesk Says No To Travel 2.0

Demanding More From Demand Management

Microsoft Turns To Taxes To Reduce Emissions

# Travel Procurement

THE SOURCE FOR MANAGED TRAVEL INSIGHT

## THE OUTSOURCERS

Accenture, IBM and Procurian say they're not after your jobs



Marsh & McLennan  
Greens Traveler Behavior

Hotel Internet Pricing  
Models Evolve

Cates Foundation Cuts  
Air Costs With New Tech

From left, Procurian's Mike Lynch,  
Howard Brooks and Allan Brown

## SUBTLE REMINDERS

Volvo Group Drives Ubiquitous Air Discounts

Multiyear Hotel Deals On The Rise

Required Reading At Novo Nordisk

Accenture's Mary Bastrentaz

## Reading Required

### Novo Nordisk Ensures Employees Can't Claim Meetings Policy Ignorance

Employees can't be expected to follow policies if they don't know what they are. It's why large companies, especially, spend countless hours and dollars devising multi-platform communication strategies to reach as many employees as possible to alert them to travel and meetings policies, preferred suppliers and possible alternatives.

Tom Tolvé took that concept a step further. As associate director of meeting management for the Princeton, N.J.-based U.S. operations of Danish pharmaceutical firm Novo Nordisk, Tolvé this year secured a mandate from senior management to include meetings policy details in the company's standard operating procedure—a list of company policies that is required reading for all new hires and employees in key roles.

The move ensured that the details of Novo Nordisk's mature, centralized U.S. meetings program, built from scratch during the past decade by Tolvé and his team, is presented in front of anyone who has or will have responsibility for spending company dollars on meetings and events.

"Since it wasn't mandatory reading, unless you were smart enough to say, 'I want to do a meeting; Oh, I wonder if we have a policy on that,' or knew me or someone on our team," there was no guarantee the policy would be followed or even read, Tolvé said. "Working with our SOP enforcement group, we identified that anyone in an administrator role or who sits in a marketing, sales, training" or other associated role needed to acknowledge they had read the policy.

"One of the best wins came maybe two months after it became SOP," Tolvé said. "I was walking down the hall and there was a VP walking with her team members. Out of the blue, I

heard her say, 'The policy is 30 rooms, and you have to register the meeting.' I thought, oh my God, people are reading the SOP and they're retaining it. And she's a VP, bringing it to her team. Just one moment when you realize people are getting it."

Securing senior management approval of the mandate wasn't a huge hurdle, given that the department had established internal credibility with the successful construction and rollout of Novo Nordisk's centralized meetings sourcing program.

#### Birth Of A Program

After working at Bristol-Myers Squibb, a fellow pharmaceutical company that for years had operated a consolidated meetings management program, Tolvé in 2002 joined Novo Nordisk, a company then with no real meetings management strategy. "I came here with the mindset that this would happen for us here," he said.

Tolvé's first opportunity to begin construction came a few years later when, similar to the genesis of many corporate strategic meetings management programs, senior management asked questions about meetings volume that couldn't immediately be answered due to the lack of centralized

spending data. Tolvé ran with the opportunity the unfulfilled request offered by assessing the meetings-management needs of the company, benchmarking practices with similar firms, analyzing tech products and eventually developing Novo Nordisk's first meetings policy.

"We wanted to start by establishing criteria for registration of a meeting," he explained. "We knew that we weren't capturing what people were doing. There was no consolidation, so whether it was a third-party agency booking a meeting on our behalf or someone booking internally, there were all these different contacts out there. Nobody knew who Novo Nordisk was and nobody really cared."

As a first step in determining who was planning and paying for meetings, Tolvé worked with Novo Nordisk's strategic sourcing and finance departments to search paid invoices for large hotel chains. With most stakeholders identified, Tolvé's department commissioned an internal pilot group to help construct the pillars of the policy and program. The company decided to introduce the program in phases, roughly to one of Novo Nordisk's nine main departments per month.

#### SNAPSHOT

**Organization:** The U.S. operations of Danish pharmaceutical firm Novo Nordisk, a parent company with operations or affiliates in 89 countries and 2011 sales of 66.3 billion Danish kroner (US\$11.5 billion)

**Volume:** \$60 million in 2011 meetings volume for U.S. operations

**Challenge:** Boost compliance to registration requirements of mature U.S. meetings sourcing program

**Approach:** Ensure meetings policy reaches all applicable stakeholders

**Solution:** Include policy in a package of companywide documents that are required reading for administrators

The first policy included what Tolvé called the "50-50-50" rule: Any Novo Nordisk meeting that included 50 attendees, 50 cumulative hotel room nights or a \$50,000 budget had to be registered through the meetings department. A meeting request form, based on technology purchased from meetings technology firm StarCite, was installed on the company intranet. When a request was received, either through the intranet or through offline channels, Tolvé's department would begin a sourcing process with all appropriate hotels in the requested destination.

But soon after the program debuted to wide acceptance, Tolvé noticed that high compliance came with a few unanticipated quirks: Some meetings were being registered that didn't really require much sourcing, but the high volume of those that did began to overwhelm Tolvé's seven-person department.

"We had all these people who were asking to book a two-hour day meeting because the department had 55 people in it," Tolvé said. The company addressed the situation by policy a few times to require registration of meetings with 50 people at least 10 room nights. But the number of requests for sourcing tapered a more comprehensive

After conducting a formal for-proposal process to select meetings management company Novo Nordisk selected Robbinsville, N.J.-based Meeting Alliance. That company's director of sourcing, Mary Jo Kouch, is a "full-time person in the office, an employee of the agency but who sits in Princeton," Tolvé said.

#### Keyword: Flexibility

Outside of sourcing, Novo Nordisk's meetings program isn't the most rigid. There is no requirement to use the online meeting request form nor a role played by the meetings department to ensure meet-

ings are approved. There also is no obligation for meetings to be placed in preferred transient hotels. (In fact, there's no link at all with the company's transient travel management program.) That's by design, befitting the culture of rapidly growing Novo Nordisk, Tolvé said.



TOM TOLVÉ

"Our process is the same as five years ago, and the one motto we've always maintained is that we have to be flexible," he said, noting the policy further has been revised to now require

a local hotel by an inexperienced stakeholder. "Sure enough, for a 12-person meeting for three nights, the hotel had a \$7,600 food and beverage minimum that the person didn't see in the contract, and Mary Jo caught it," he said. "Turns out the hotel cut and passed from another contract, and it was an innocent mistake, but it's an example of the value of having someone do this for a living. This woman would have signed this contract holding her to the \$7,600. So this minimized the risk, and here's one more person with a deeper allegiance to the program."

After successfully negotiating that clause to a \$1,000 minimum, Tolvé's team can count that as \$6,600 in cost avoidance, part of the formula he uses to determine the program's effectiveness. Tolvé compiles all hard-dollar negotiated savings from the hotel sourcing process with those negotiated in the logistical planning process (for services like ground transportation) and savings generated with master service agreements with other suppliers, like audiovisual vendors.

All told the program in 2011 gener-

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are within, Tolvé said, relating a story about a recent meeting that was placed outside of the department's purview at

but I'll still tell the one who saves and dices a lot more," Tolvé said, "for my own curiosity."

**Request for quotation (RFQ)**  
**"Travel Management Services"**

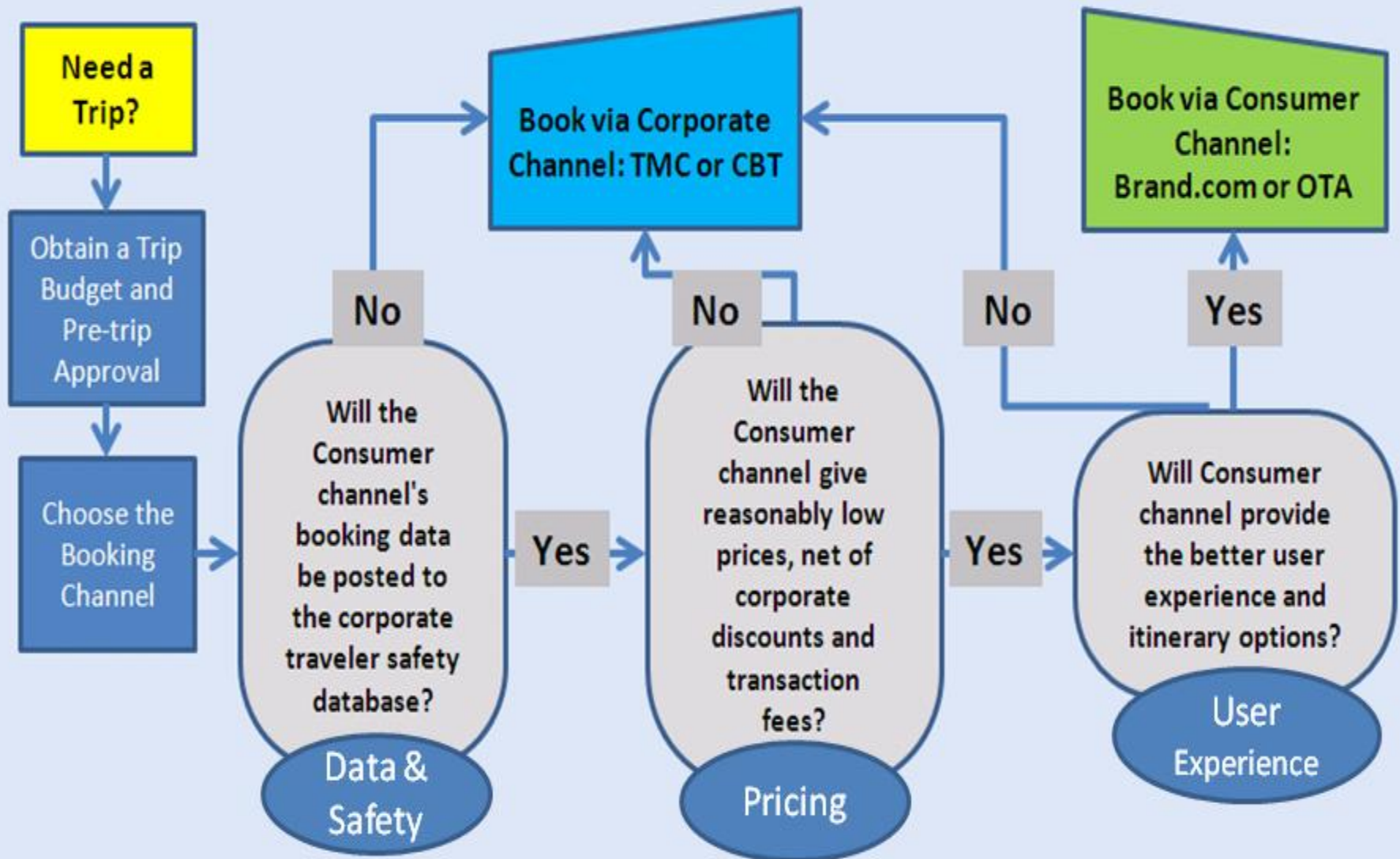
|                        |                             |
|------------------------|-----------------------------|
| NAME & ADDRESS OF FIRM | DATE: 12th April 2015       |
|                        | REFERENCE: UNDP/RFQ/09/2015 |

Dear Sir /Madam:

1. We kindly request you to submit your quotation for **Travel Management Services**. As detailed in Section 2 of this RFQ. When preparing your quotation, please be guided by the form attached hereto as Section 3.
2. To assist in preparing the quotation, the following documents are attached:
  - a. "Statement of compliance with terms and conditions" (Section 1).
  - b. "Terms of Reference" (Section 2)
  - c. "Price Schedule Sheet" (Section 3)
  - d. "General Terms and Conditions for Purchase Orders
3. **Submittals.** The following should be submitted as part of any quotation:
  - a. A duly completed copy of "Statement of compliance with terms and conditions" (Section 1)
  - b. A duly completed copy of the Price Schedule (Section 3).
  - c. Company profile including business registration.
  - d. Listing at least 2 clients and Reference Letters to whom similar requirements have been provided.
4. **Deadline.** Quotations must be received at the latest by: **19<sup>th</sup> April 2014 at 15:00 hours** [Local time] and **submitted to the Email should be sent to the following:**  
**[procurement.ly@undp.org](mailto:procurement.ly@undp.org)**
5. **Evaluation.** Quotations will be evaluated on compliance with the following basis:
  - I. Compliance with terms and conditions of the RFQ including required submissions
  - II. Technical responsiveness/Full compliance to requirements
  - III. Compliance with delivery schedule
  - IV. Previous Experience (minimum 2 similar projects completed)

# Managed Travel 2.0's Booking Path

Version A



Source: Gillespie's Guide to Travel+Procurement

---

# SUSTAINABLE PROCUREMENT

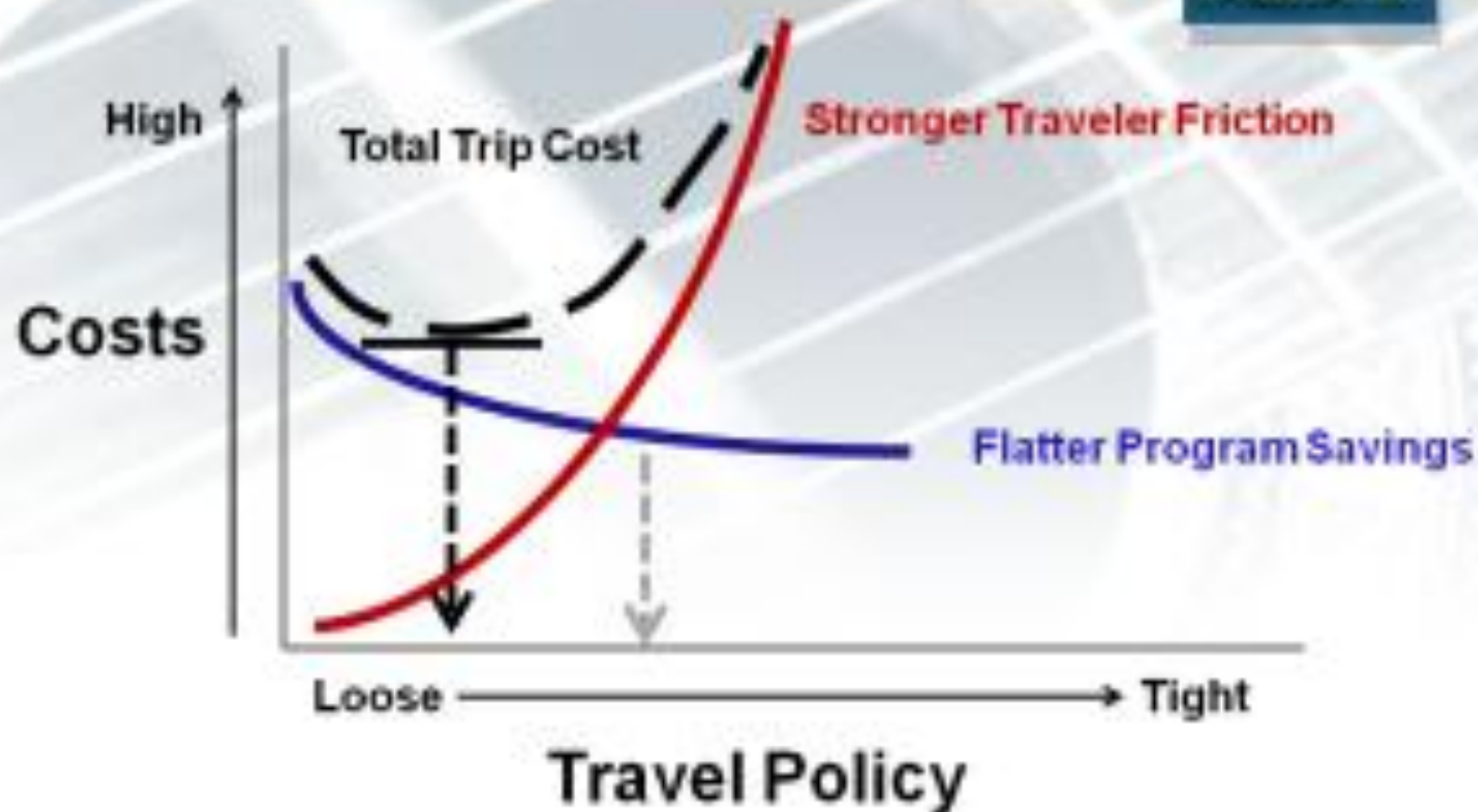
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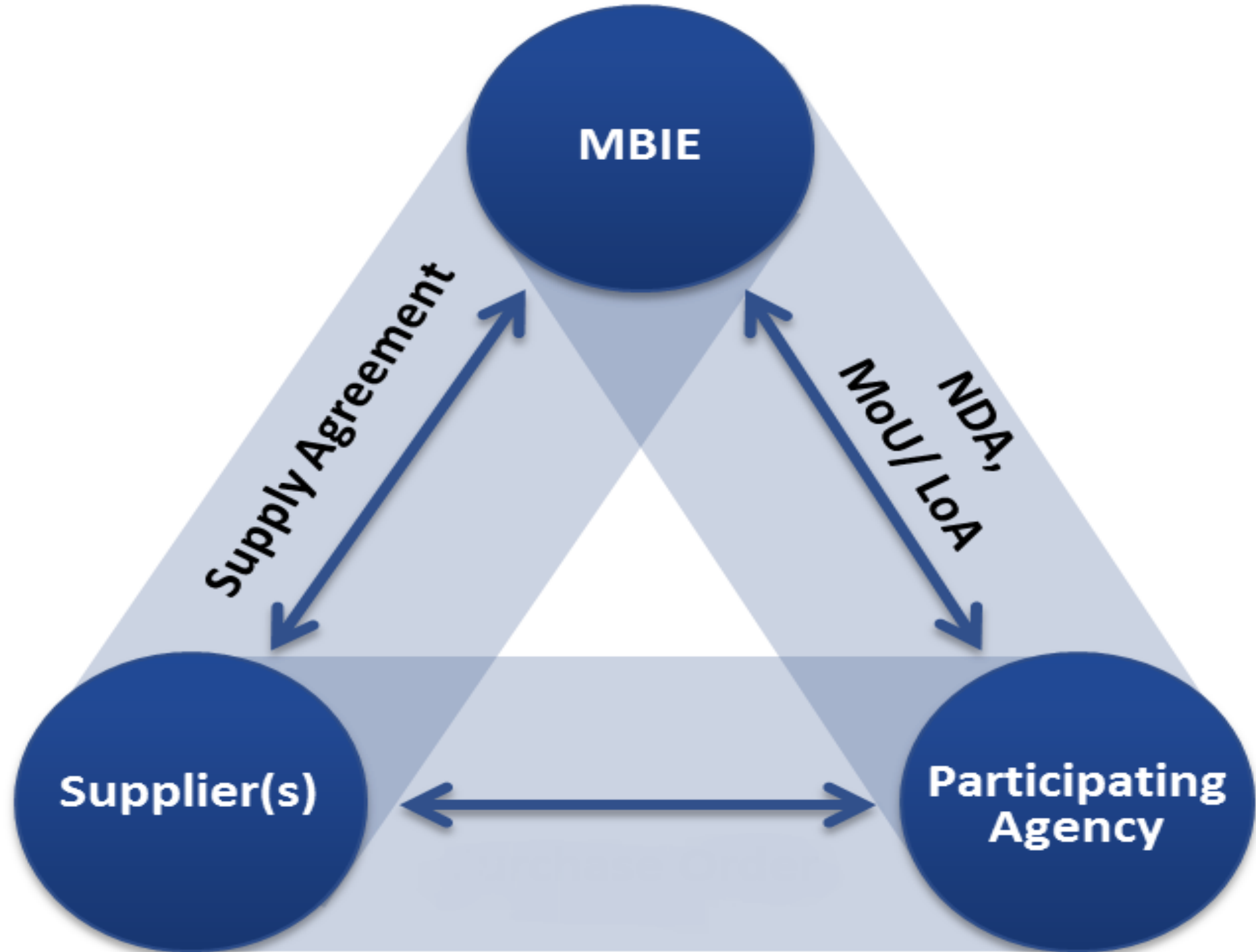


# Social Capital Seekers - Purchasing behaviour at a glance

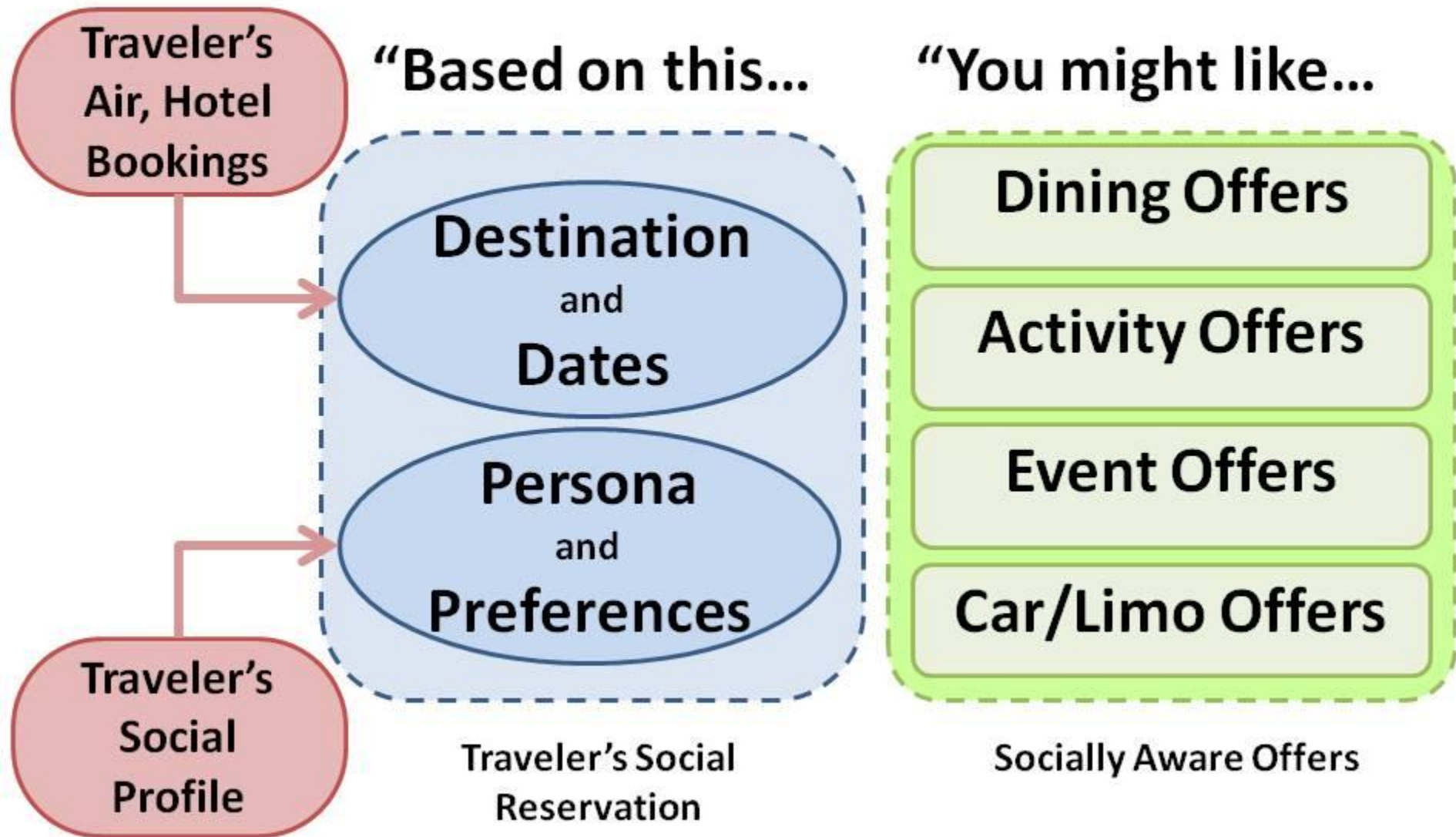
|                                                                                                            |                     |          |                       |                      |              |            |
|------------------------------------------------------------------------------------------------------------|---------------------|----------|-----------------------|----------------------|--------------|------------|
|  Opportunity to influence  | Inspire             | Shopping | Booking               | Close to time of use | Any time     |            |
|  Degree of personalisation | Very low            | Low      | Medium                | High                 | Very high    |            |
|  Purchasing experience     | Bundle              |          | À la carte            |                      | Both         |            |
|  Level of contact          | Very low            | Low      | Medium                | High                 | Very high    |            |
|  Touchpoint devices      | Inspiration-centric |          | Information-centric   |                      | Any          |            |
|  Types of experience     | Convenience         | Local    | Luxury & productivity | Luxury & wellness    | Productivity | Ecological |

# Economic Rationale for MT 2.0





# The Social Reservation



**Travel and procurement decision makers:  
Essential elements of car-service duty of care  
are of the highest importance.**



Source: BostonCoach Travel & Procurement Thought Leaders study, March 2022.

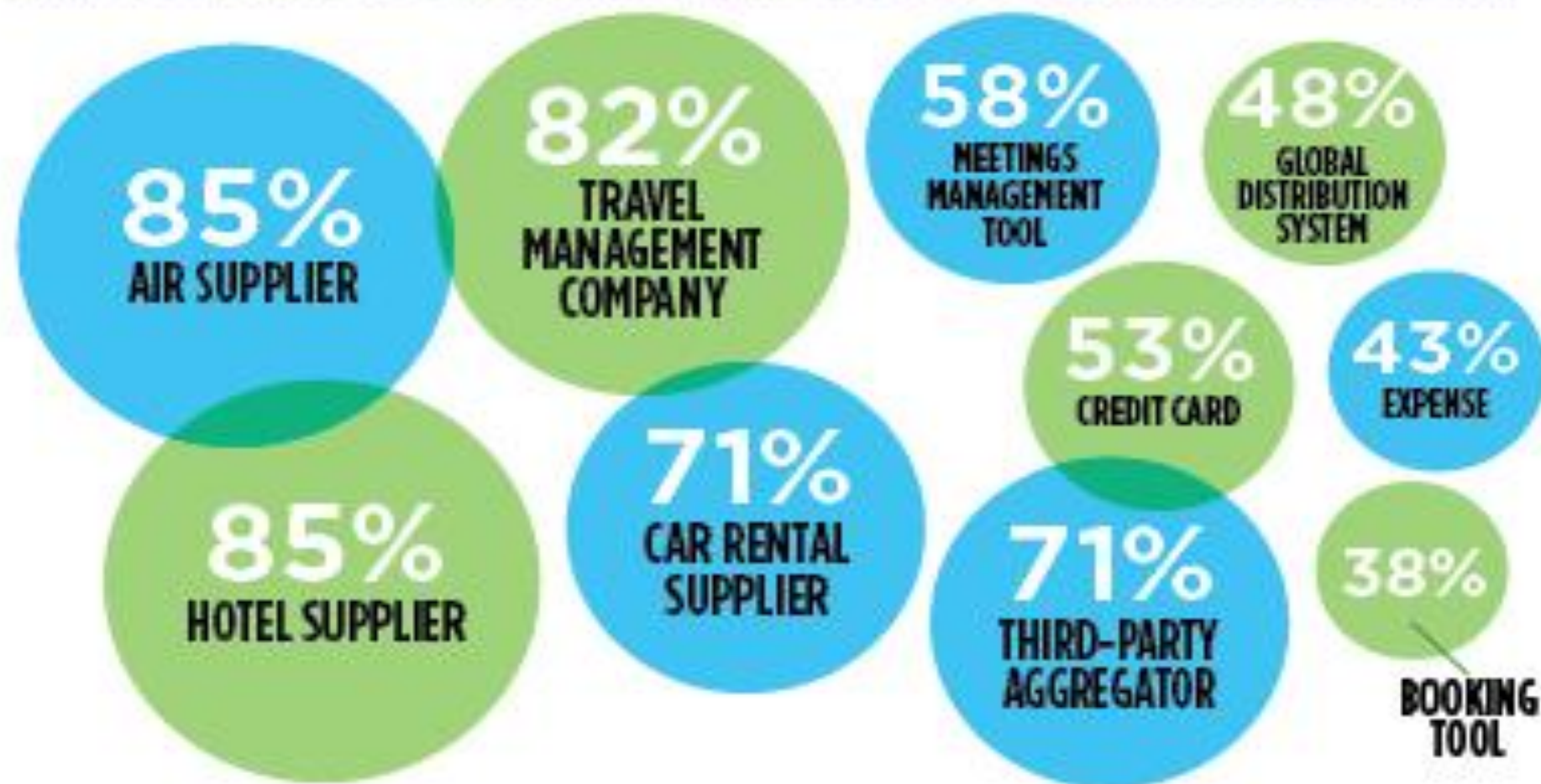
## PURCHASING TRAVEL ON A MOBILE DEVICE

*Which of the following would you consider booking or buying on your wireless device?*



# THE DATA SOURCES TRAVEL BUYERS USE FOR SUPPLIER NEGOTIATIONS

Among the travel buyers who use each data source in the course of their jobs, here are the number who use it for supplier negotiations.

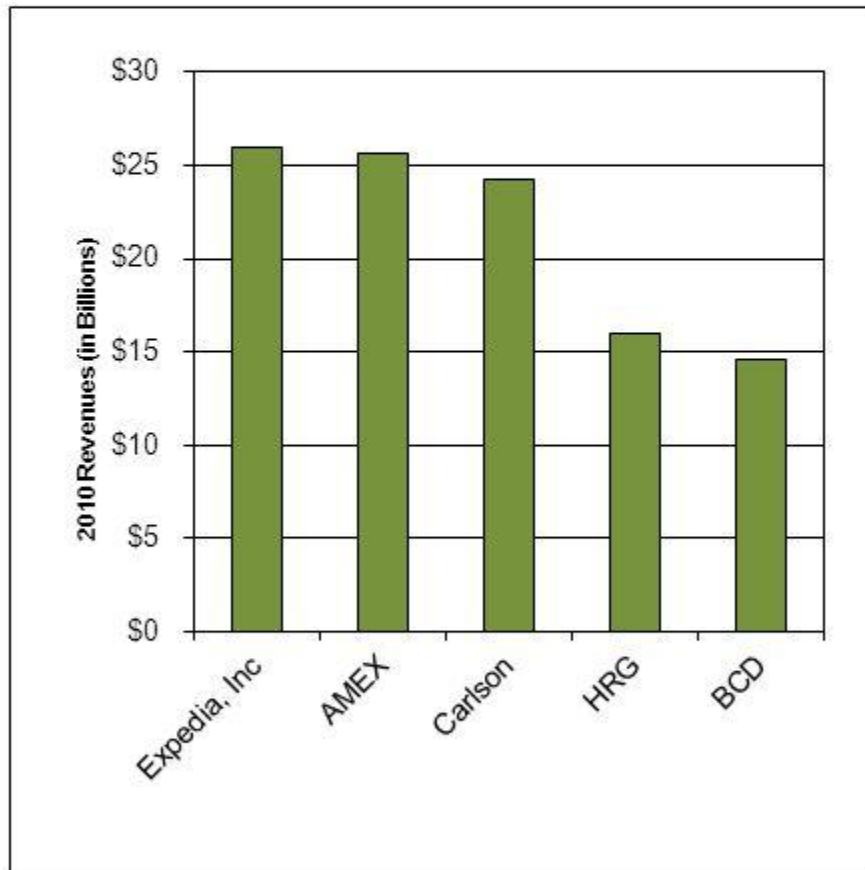


Source: *BTN* survey of 172 travel buyers, fielded in August & September 2016

# Travel Management Industry: Overview

The Top 50 travel management companies represent over \$155 billion in sale revenue

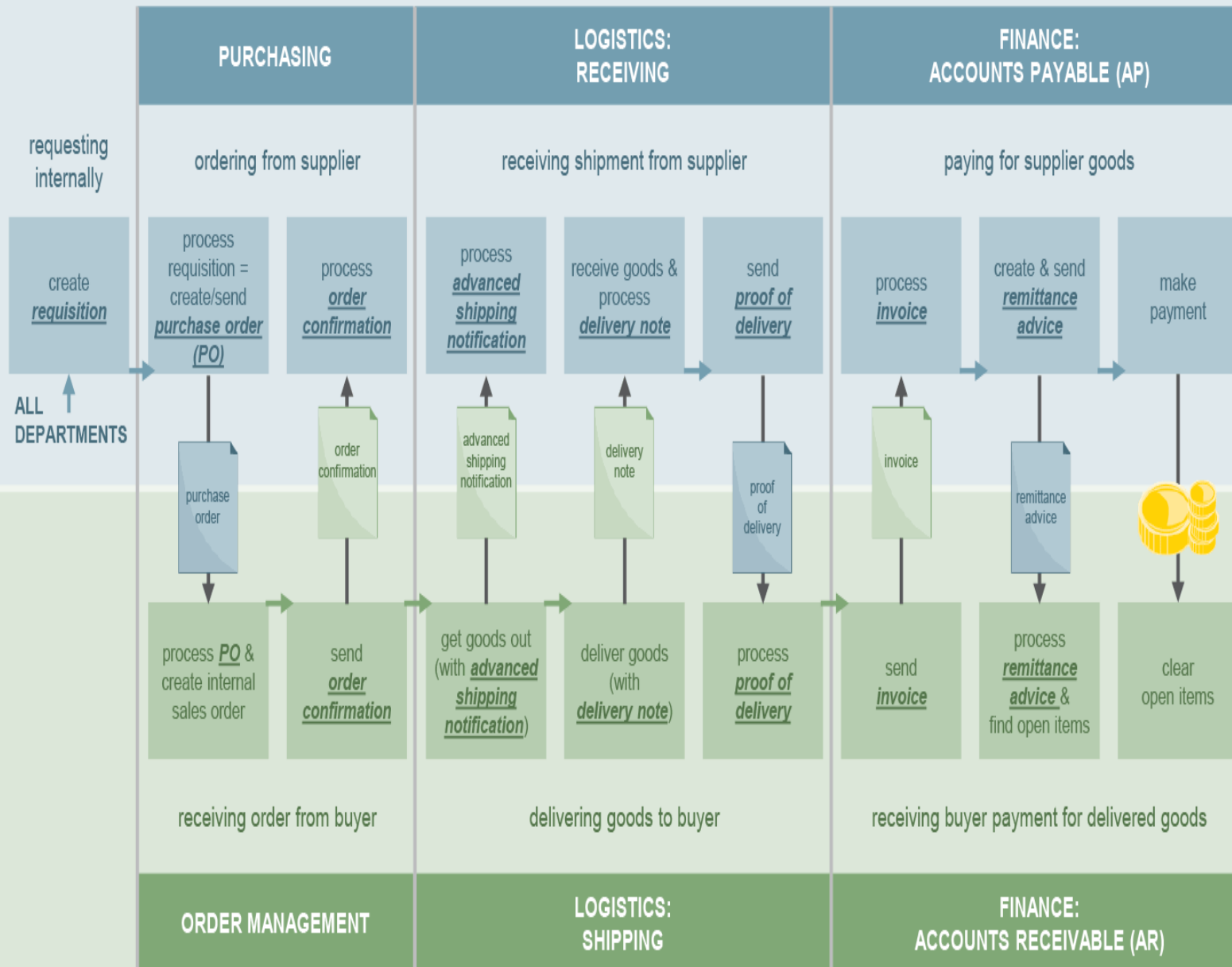
## 2010 Top 5 (over \$1B in revenue) Travel Management Co's By Revenues



## Key Points

- The top 50 travel management companies represent over \$155 billion in sales revenue in 2010.
- The top 14 travel management companies earned over \$1 billion in sales revenue, or 92% of the sales revenue in 2010, a top heavy industry.
- Expedia, Orbitz, Priceline, AAA Travel, and Travelong receive 90% or more sales revenue from the leisure market. Travel Leaders earns 26% of their sales revenue from the leisure market (down from 48%).
- Agency after agency on the Travel Weekly's Power List 2011 registered increases over their 2009 results. In many cases, the increases brought them back to where they were before the recession.
- Second time since the Travel Weekly Power List commenced (1992), AMEX did not occupy the top spot.

# BUYER

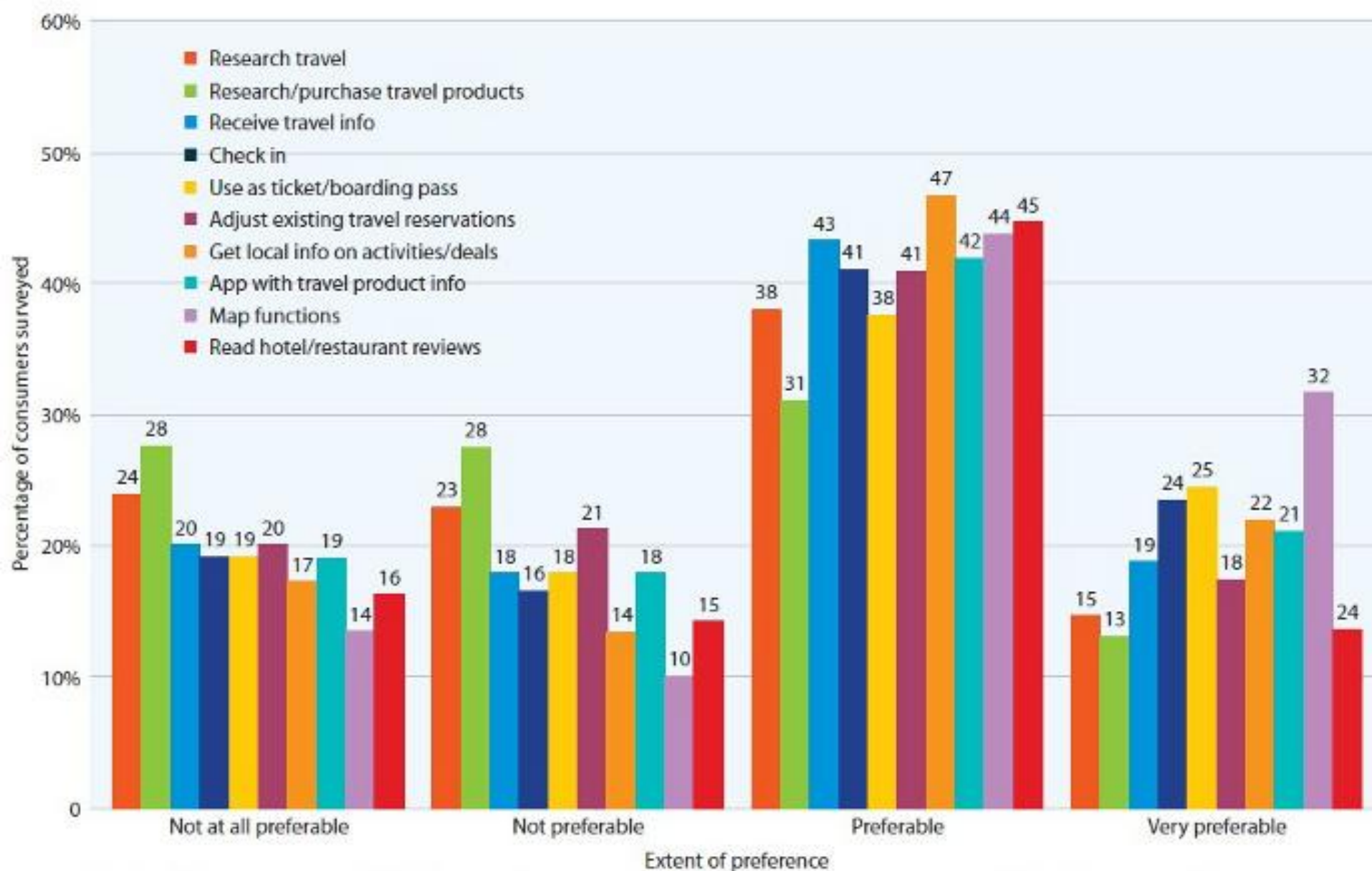


Purchase  
to  
Pay

Order  
to  
Cash

# SUPPLIER

**Figure 48: United States travel consumer preferred purpose for interacting with travel brands on mobile**



# Applying Procurement Best Practices to Travel and Entertainment Reporting

**Brian Tarble**

*Sr. Director Global Product, Insight & Intelligence, Concur*

**Rochelle Klee**

*Sr. Director Global Payments Services, United HealthGroup*

*April 8, 2015*

**ARIBA**<sup>2015</sup>**Live**  
The Future of Business Commerce



 #AribaLIVE  
@ariba

# Global Procurement Fraud Master Class Tour 2014

## TOUR DATES and HOST COUNTRIES:



### **Singapore:**

26-28 March 2014



### **South Africa:**

31 March - 2 April 2014



### **Hong Kong:**

16-18 June 2014



### **Ghana:**

10-12 September 2014



### **Brazil:**

15-17 September 2014



### **Dubai:**

20-22 October 2014

Supported by:





# MATERIAL MANAGEMENT INVENTORY AND PROCUREMENT SYSTEM



BSIT 4106  
Airline Travel System 11 - A

## 5) Category Management

- A. What is Category Management**
- B. Category Management Framework**
- C. Category Management Process**
- D. Category Management Strategies**

# Remember that.....Procurement Process

**1. Identify the  
Need**

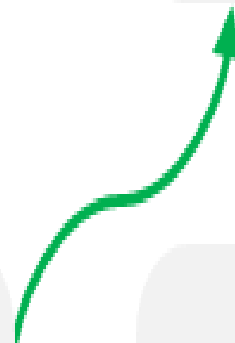
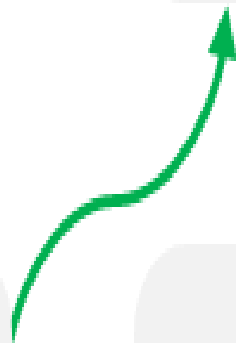
**3. Communicate  
with Suppliers**

**5. Liaison**

**2. Identify the  
Supplier**

**4. Negotiate**

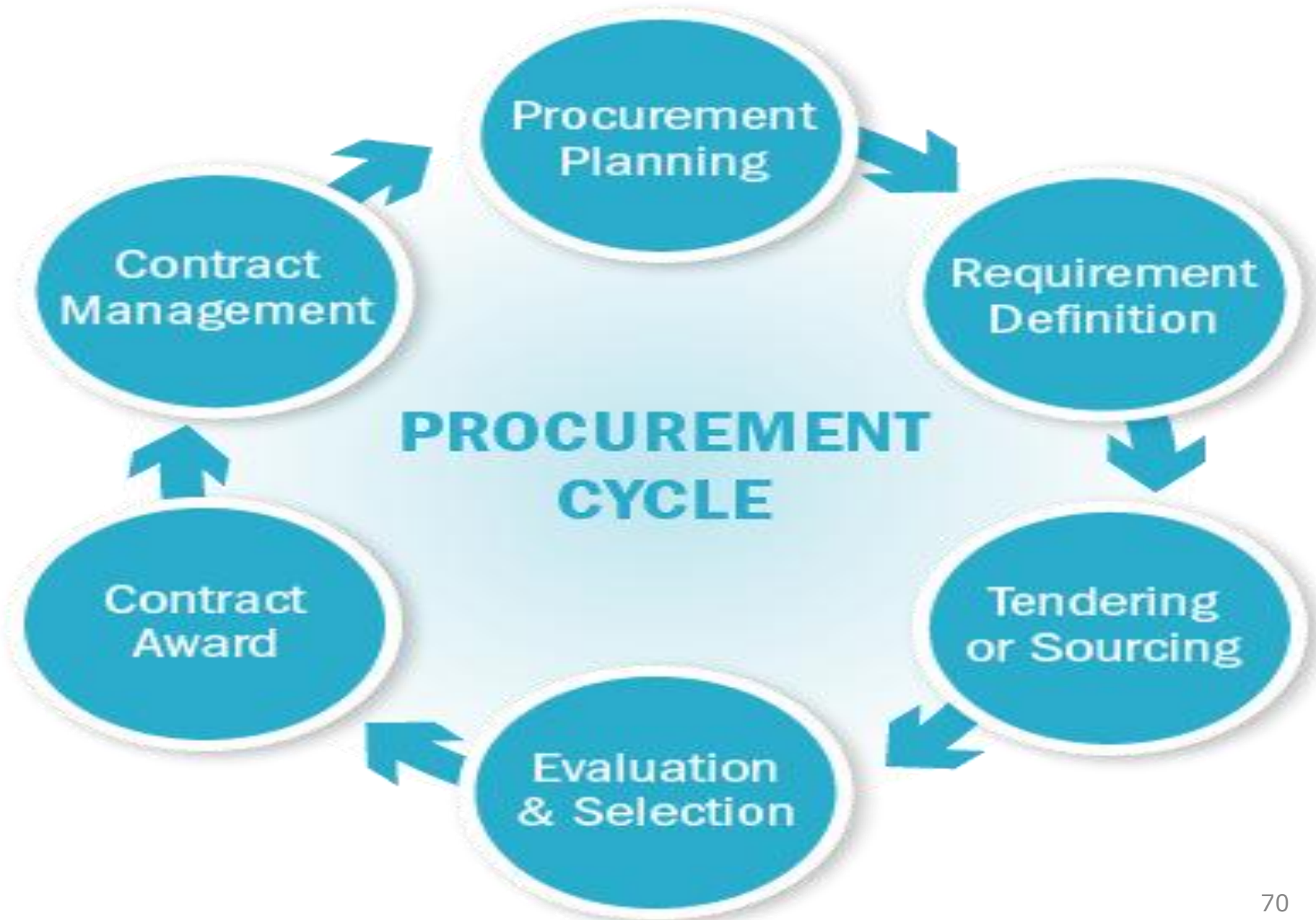
**6. Logistics  
Management**



# Procurement types

| Direct procurement and indirect procurement |           |                                   |                                                          |                              |
|---------------------------------------------|-----------|-----------------------------------|----------------------------------------------------------|------------------------------|
|                                             |           | Types                             |                                                          |                              |
|                                             |           | Direct procurement                | Indirect procurement                                     |                              |
|                                             |           | Raw material and production goods | Maintenance, repair, and operating supplies, outsourcing | Capital goods and services   |
| F E A T U R E S                             | Quantity  | Large                             | Low                                                      | Low                          |
|                                             | Frequency | High                              | Relatively high                                          | Low                          |
|                                             | Value     | Industry-specific                 | Low                                                      | High                         |
|                                             | Nature    | Operational                       | Tactical                                                 | Strategic                    |
|                                             | Examples  | Crude oil in petroleum industry   | Lubricants, spare parts                                  | Crude oil storage facilities |

# Procurement Cycle





# ***Main Procurement Cycle Documents***

---

- **Purchase Requisition**

- Request for Quotation
- Quotation
- Outline Agreements
  - Contract
  - Scheduling Agreement

- **Purchase Order**

- **Goods Receipt**

- **Invoice Verification**

- **Vendor Payment**

# 100 WAYS TO IMPROVE PROCUREMENT

BY GROUPING OF PRODUCTS ACCORDING TO  
THEIR CHARACTERISTICS.

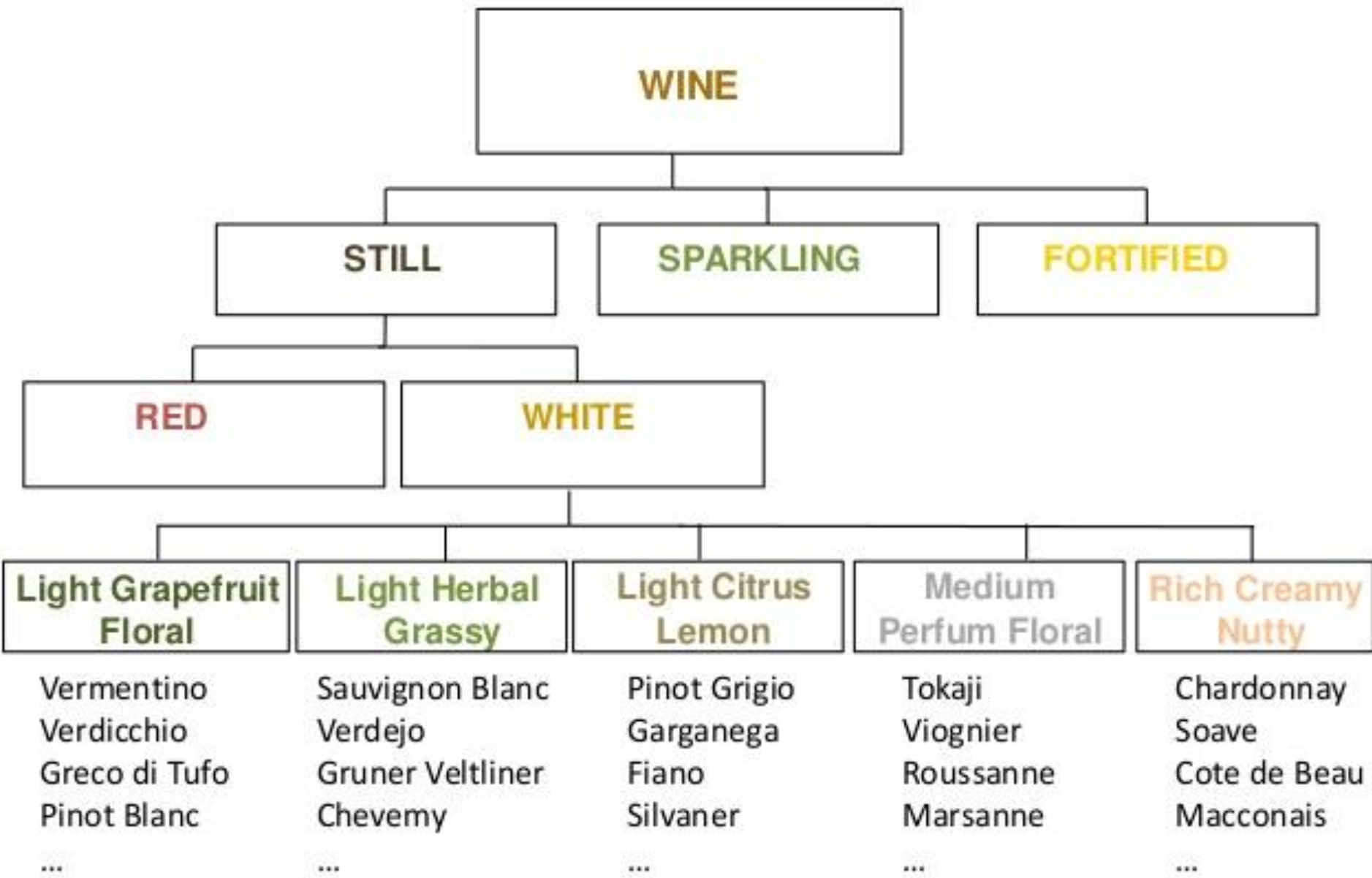
## A) What is Category Management?

## Definition

*“Category Management is the **strategic management of product groups** through trade partnerships, which aims to **maximise sales and profit** by satisfying **shopper and consumer needs.**”*

[Source : IGD]

# Definition:



# Why Category Management?

- Consumer Trends

- Complex consumer demographics
- Population growth rates have declined

- Competitive Pressure

- New store formats
  - Warehouse clubs & mass merchandisers
- New product introductions

# The Concept of Category Management

- ③ Categories are managed as strategic business units
- ③ Categories are managed strategically through category plans and strategic roles
- ③ Category Managers control their share of company assets
- ③ Asset Returns measure performance and establish priorities

## ... TO CATEGORY ORIENTED TEAMS LEAD BY CATEGORY MANAGERS



# What is Category Management?

DEMO

1

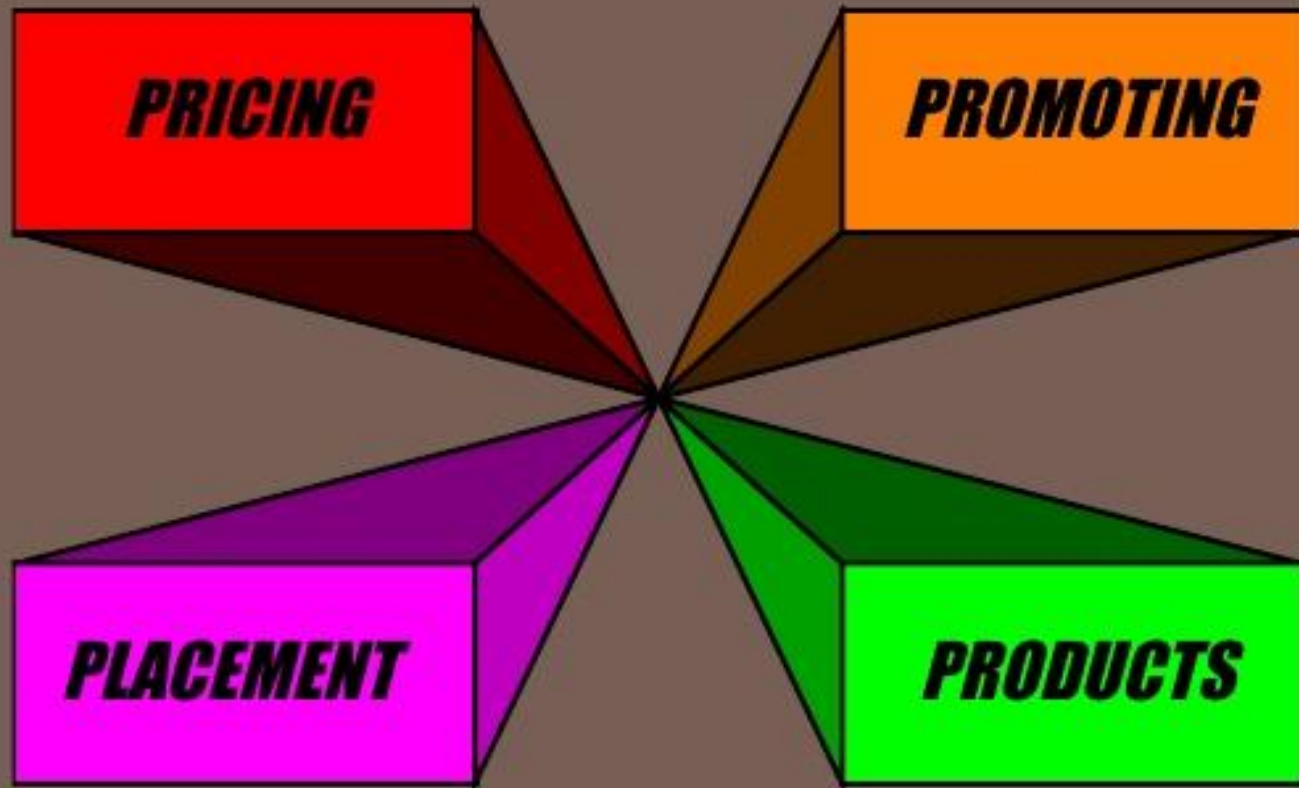
- So, 'Category Management' is a process of maximizing sales and profits while enhancing product value and customer experience.

2

- The main aim of category management is to gain a better understanding of consumer needs which would ultimately form the basis for retailers' & suppliers' strategies, goal and work processes.

# CATEGORY MANAGEMENT

INVOLVES BUILDING A BUSINESS PLAN AROUND THE 4 P'S



## © **CATEGORY MANAGEMENT**

- is a distributor/supplier process of managing categories as strategic business units, producing enhanced business results by focusing on delivering consumer value

# Category Management



End to End Supply Chain Process



Category Management

Levers

**Strategic Sourcing & Demand Management**

Deep knowledge of external supply markets and internal demand profile

**Process Improvement**

Systematic application and design of streamlined processes to drive compliance and maximize value

Enablers

**Change Management**

Process with organization stakeholders to align requirements and generate innovative alternatives

**Technology Enablement**

Complement processes with technology

Strategic Sourcing & Demand Management Process

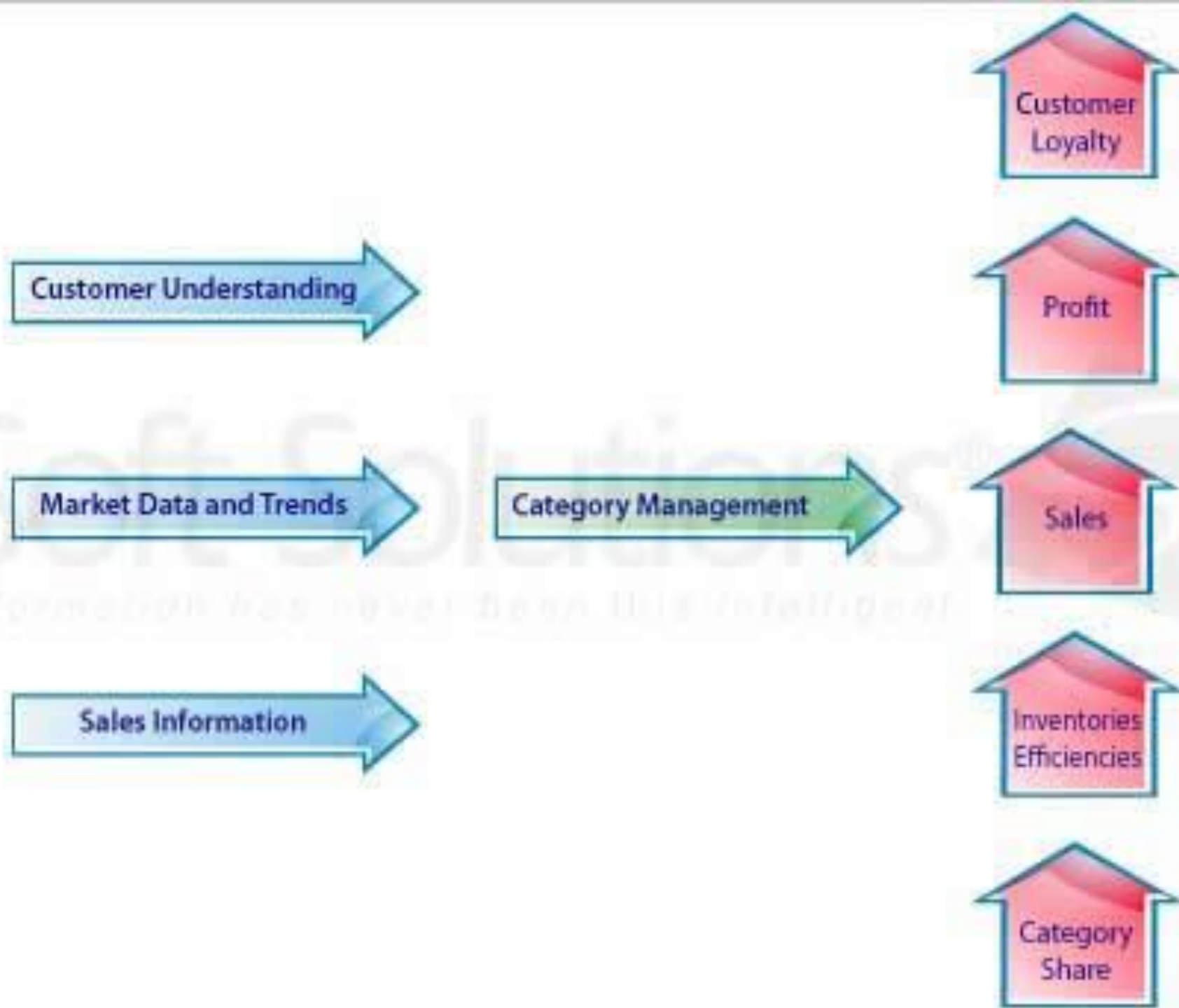


# Category management is ... “a platform”

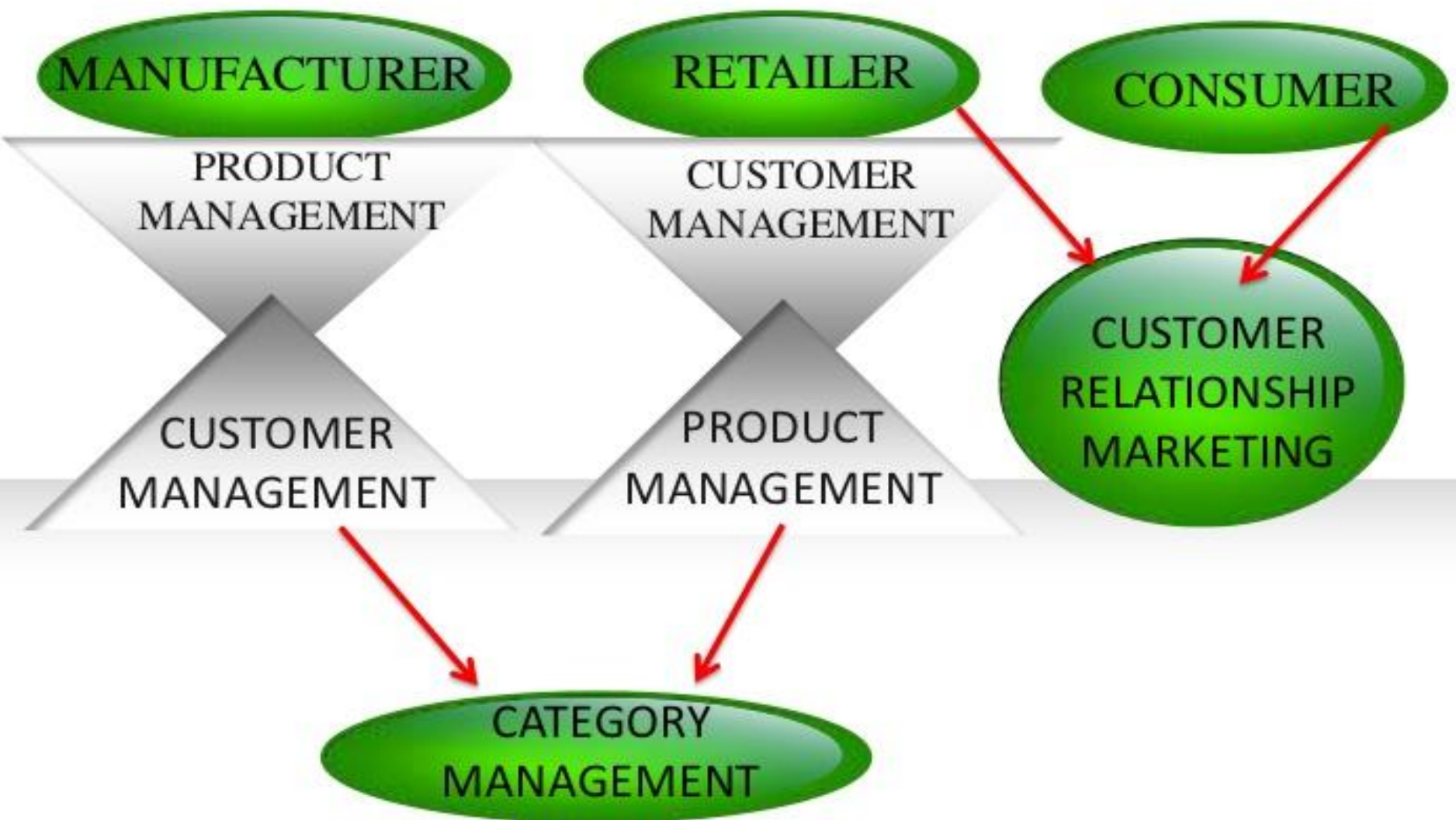
Supports all participants – a site for communication and the integration of information and divergent perspectives

- Knowledge platform
- Relationship platform
- Process platform
- Communication platform

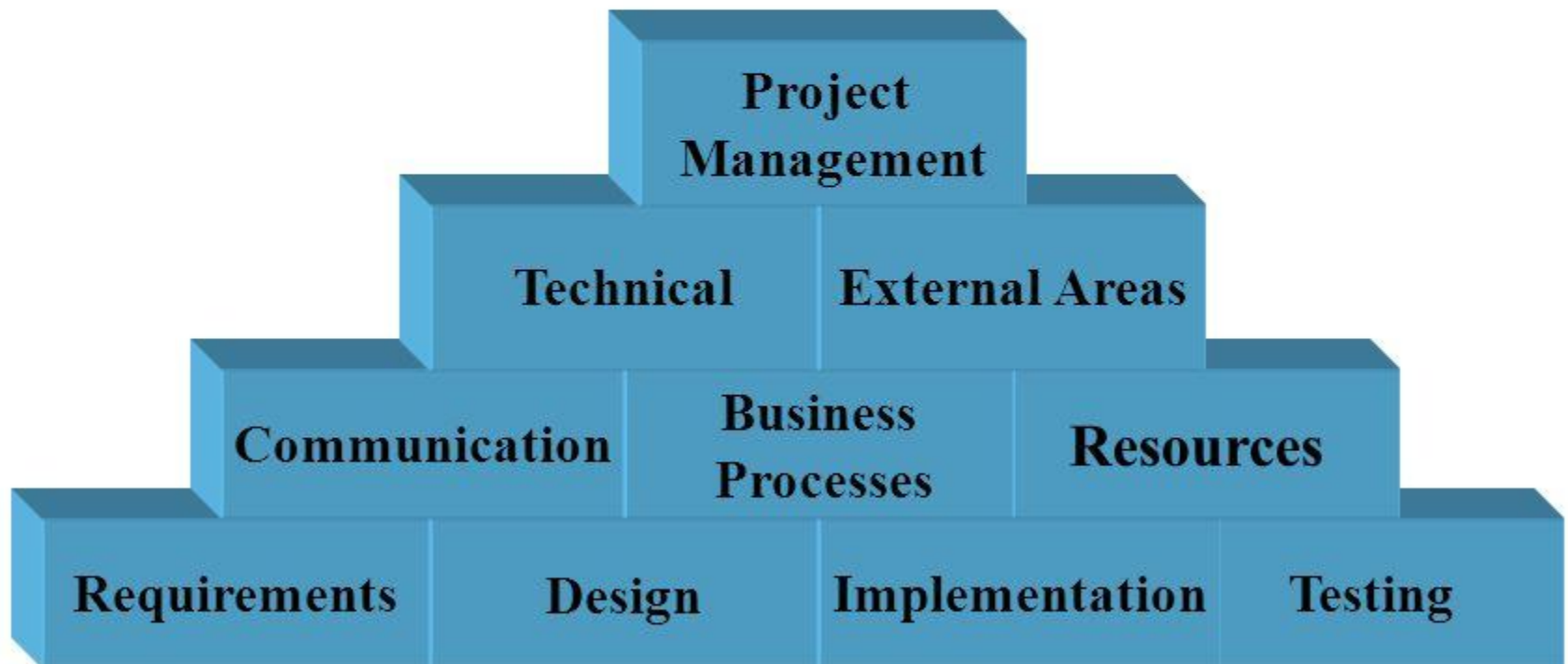




# PRODUCT/CUSTOMER MANAGEMENT: A CONCEPTUAL MODEL



# Categories



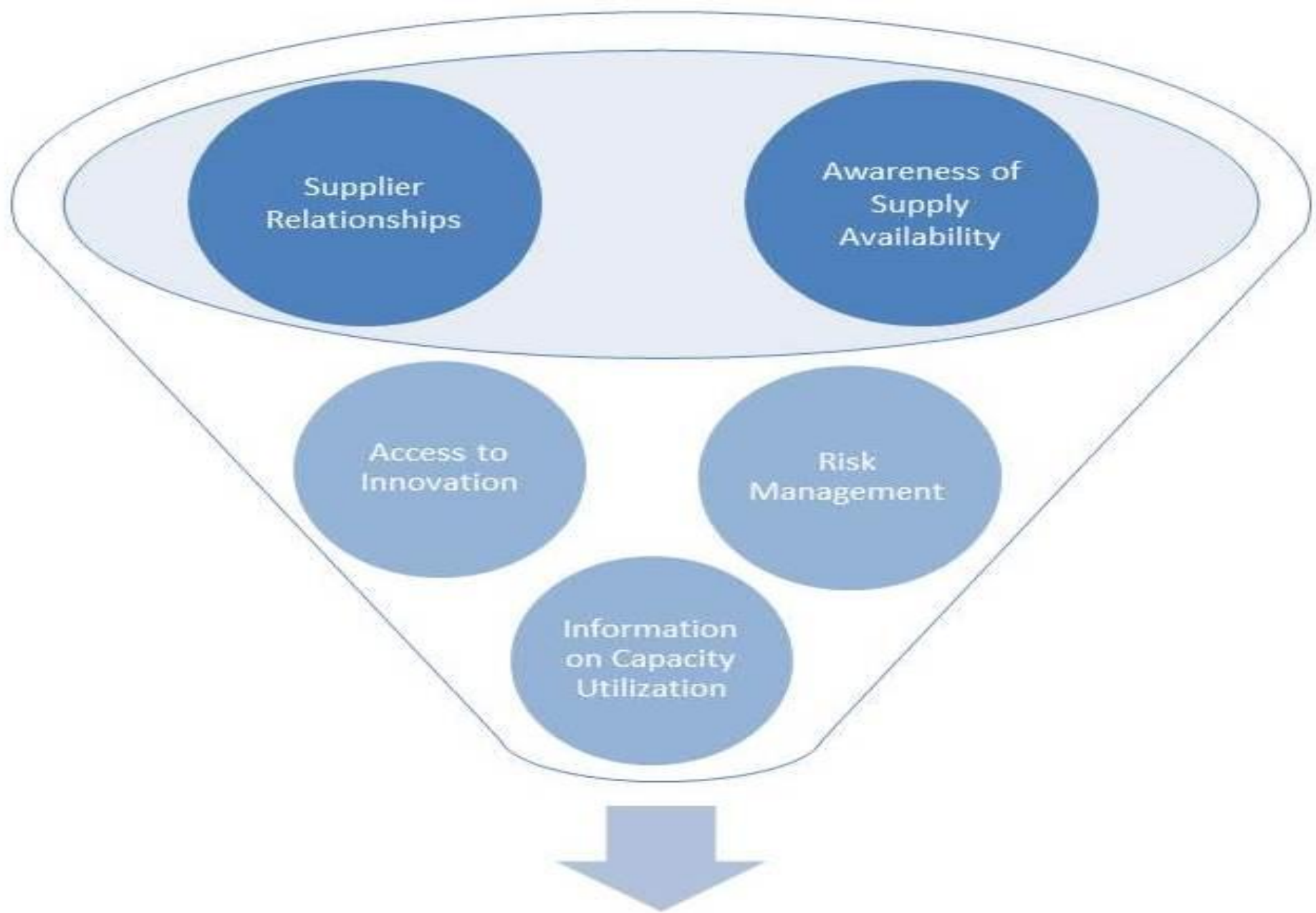
## **CATEGORY**

A distinct, manageable group of products/services that consumers perceive to be interrelated and/or substitutable in meeting a consumer's needs.

## **Category Management**

The distributor/supplier process of managing categories as strategic business units, producing enhanced business results by focusing on delivering consumer value.





**Category Management**

# Category management

*Go broader and deeper for more value*

## Category value objectives link to stakeholder objectives

| Reduce TCO                    |                              | Increase revenue                  | Support other goals                         |
|-------------------------------|------------------------------|-----------------------------------|---------------------------------------------|
| Reduce purchased costs        | Improve cost quality         | Improve marketing effectiveness   | Improve flexibility/responsiveness/delivery |
| Reduce cost of risk           | Reduce working capital       | Alternate new product development | Variabilize asset structure                 |
| Reduce internal process costs | Improve delivery performance | Enter new markets                 | Support sustainability goals                |
| Reduce fixed costs            | Reshape consumption          | Enable new business capabilities  | Strengthen the brand                        |

## Category strategies pull multiple value levers

| Category sourcing         | Product/service   | Process                 | Supply base                            | Overall                             |
|---------------------------|-------------------|-------------------------|----------------------------------------|-------------------------------------|
| Strategic sourcing        | Value engineering | Compliance management   | SRM                                    | Risk management                     |
| Low-cost country sourcing | Design for supply | Demand management       | Supplier stratification and governance | Performance management              |
| Outsourcing/make vs. buy  |                   | Purchase-to-pay support | Supplier collaboration and development | Value chain network reconfiguration |
|                           |                   | Waste elimination       | Tier 2 supply base management          |                                     |

## SOURCING

- 1 Initiate Project
- 2 Research & Analyse
- 3 Develop Strategy
- 4 Implement Strategy
- 5 Implement Contract

## CATEGORY PLANNING

- 1 Review Benefits
- 2 Engage Business
- 3 Prioritise Projects

## SUPPLIER MANAGEMENT

- 1 Initiate Supplier Management
- 2 Analyse Relationship
- 3 Manage Performance
- 4 Develop Supplier
- 5 Restructure Relationship

# Spend Control & eProcurement

## Source-to-Contract (Value Creation)

Sourcing

Supplier Management

Contract Management

Catalogue Management

**PROACTIS**

## Purchase-to-Pay (Value Capture)

Purchasing

Invoice Receipt

Invoice Matching

Employee Expenses

Transition  
Services

Advisory  
Services

Category  
Services

Managed  
Services

# Therefore ,Category Management..

**Category Management is a process of maximizing sales and profits while enhancing product value and customer experience**

- It is achieved through active involvement of all stake holders Manufacturer, retailer and customer
- While it is a business requirement for the retailer and manufacturer to partner with each other, the customer is engaged by the retailer in order to understand buying behavior and preferences to achieve more from less.
- The value thus captured is retained partially by the retailer and is passed on in good measure to the customer to gain competitive advantage
- Category management is not an event but a continuous process of course correction through performance measurement and action

| Retailer Benefits              | Improvement |
|--------------------------------|-------------|
| Better Store Shelf Stock Rates | 2% to 8%    |
| Lower Inventory Levels         | 10% to 40%  |
| Higher Sales                   | 5% to 20%   |
| Lower Logistics Costs          | 3% to 4%    |
| Manufacturer Benefits          | Improvement |
| Lower Inventory Levels         | 10% to 40%  |
| Faster Replenishment Cycles    | 12% to 30%  |
| Higher Sales                   | 2% to 10%   |
| Better Customer Service        | 5% to 10%   |
| Source: AMR Research           |             |



# CATEGORY MANAGEMENT OUTSOURCING

## THE PATHWAY TO STRATEGIC PROCUREMENT

## B) Category Management Framework

# Category Management Framework

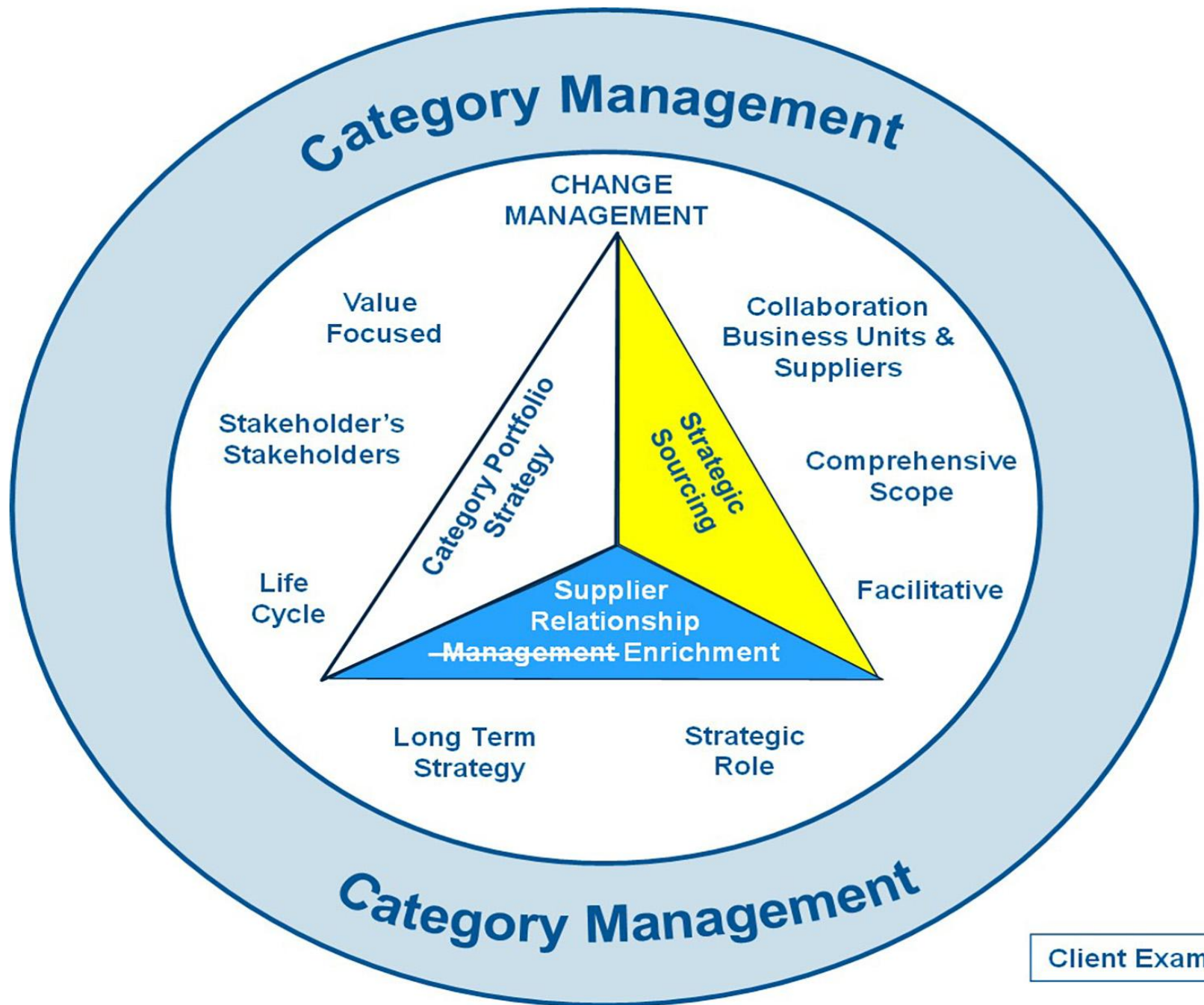
The image given below shows the overview of the category management framework.



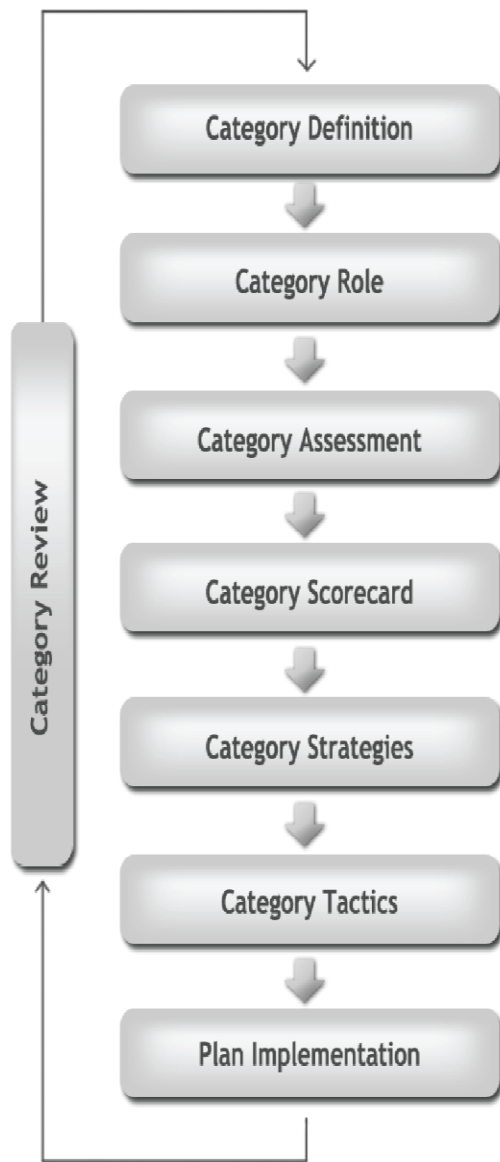
← SUPPORTED BY POLICIES, GOVERNANCE & PROCESS →



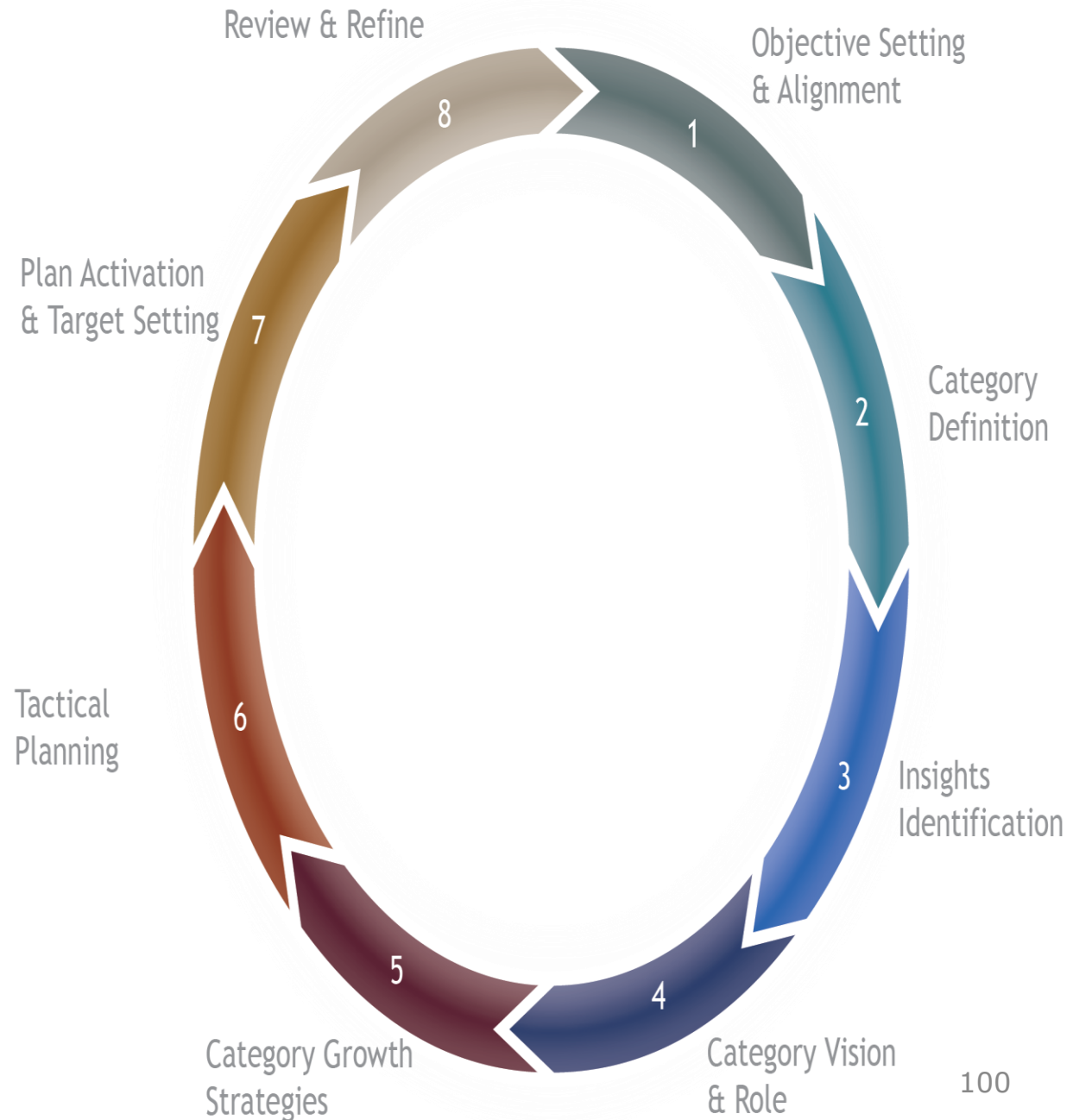
← ENABLED BY THE RIGHT PEOPLE, TOOLS & TECHNOLOGY →

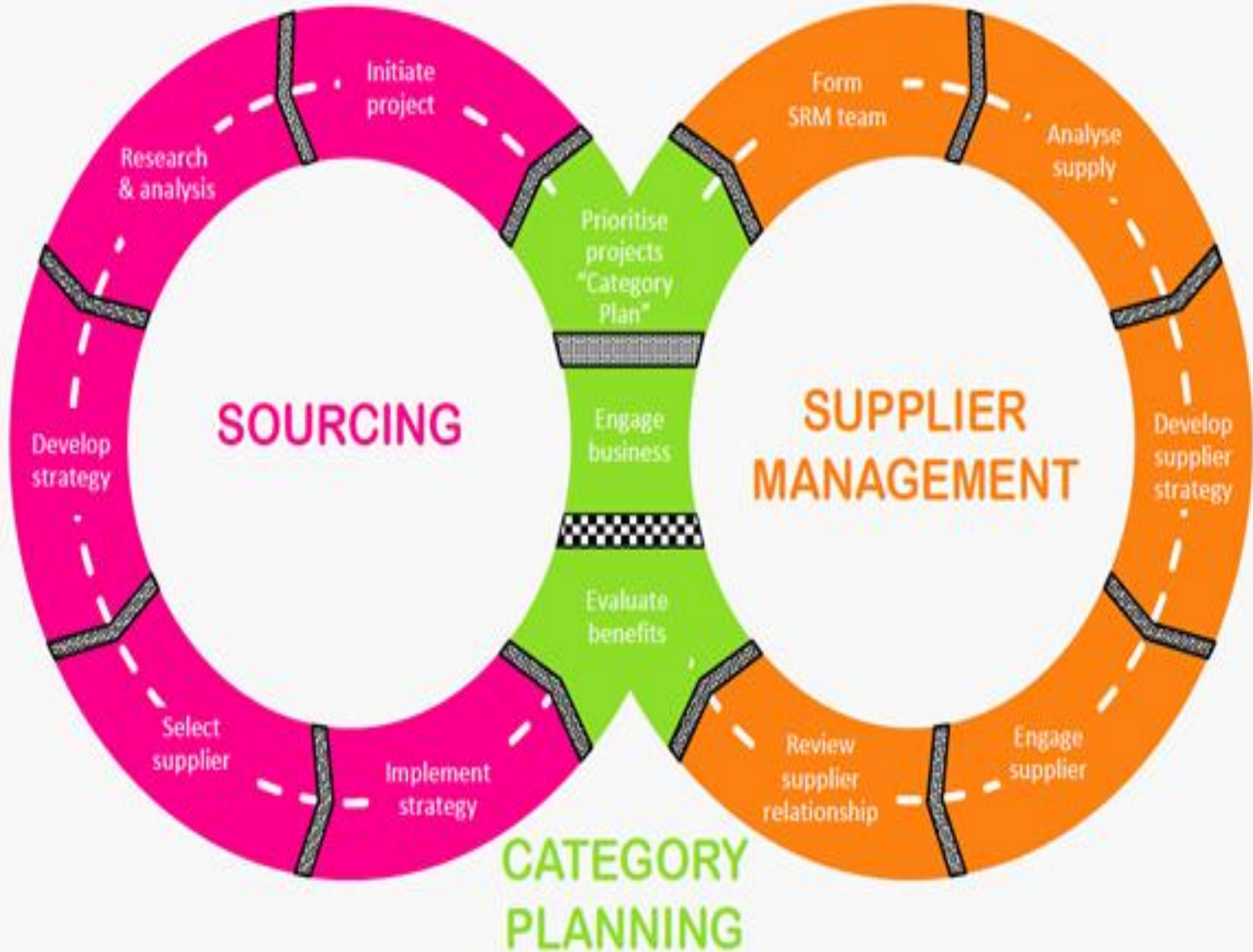


## Old Category Management Process

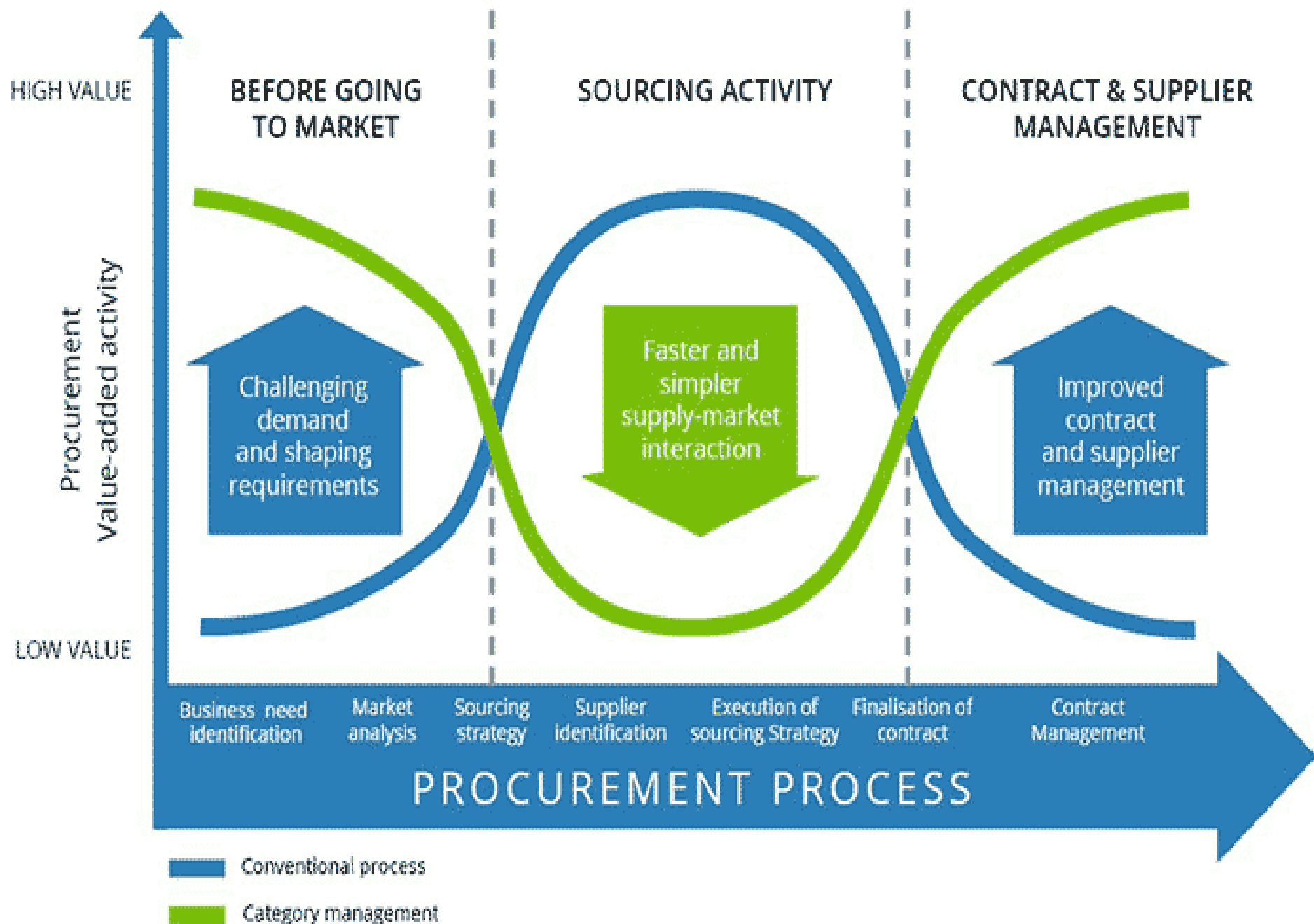


## Today's Category Management Process





## C) Category Management Process



The industry standard model for category management is the 8-step process, or 8-step cycle

- Define the category (i.e. what products are included/excluded).
- Define the role of the category within the retailer.
- Assess the current performance.
- Set objectives and targets for the category.
- Devise an overall Strategy.
- Devise specific tactics.
- Implementation.
- The eighth step is one of review which takes us back to step 1.

Category Management 8 step cycle



# Category Management 4-Step Process

Category Plans are developed once the Retailer Strategies are defined and articulated



# Category Management Process

To implement Category Management it is necessary to have a standardized business process:



**Benefits include:** Providing a model for valuable business and market information, develops competitive advantage via information and understanding, an opportunity to build relationships with supply markets and increased profitability.

## 1:BUILD

Design a fit for purpose category management process & toolkit

Rated their category management tools as excellent

5%

**74% of respondents rate their Category Management as "Basic" or "Improving"**

## 2:LEARN

Build procurement team skills & educate stakeholders on support needed

Agreed that their team were excellent at applying category management

32%

**26% of respondents rate their Category Management as "Embedded" or "Optimised"**

## 3:LEAD

Align programme with business & secure executive sponsorship

Made some of their category management activities mandatory

35%

## 4:APPLY

Assure delivery through rigorous prioritisation & programme management

Feel that category management is strongly supported by exec stakeholders

38%

**36% of respondents feel that their Procurement team has clear unambiguous roles & responsibilities**

## 5:DELIVER

Secure more value - savings, service, innovation & lower risk

Agreed that their category strategies were excellent

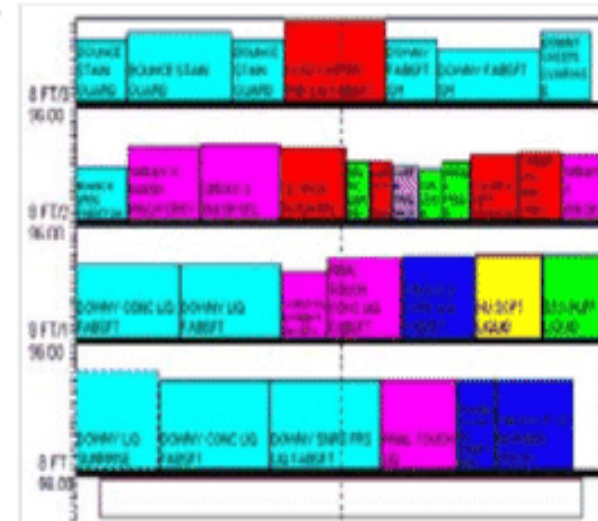
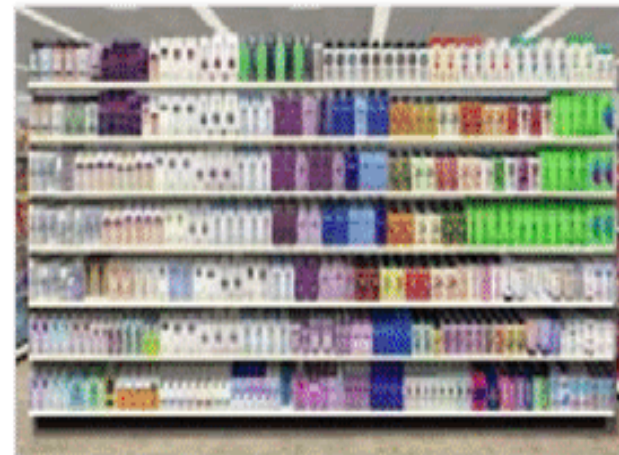
24%

# Category management

## process



## Shelf Planograms



# 7 STAGE CATEGORY MANAGEMENT PROCESS

**STAGE 1**

STAKEHOLDER  
ENGAGEMENT

**STAGE 2**

CATEGORY  
MAPPING

**STAGE 3**

PERFORMANCE  
REVIEW

**STAGE 4**

MARKET  
ASSESSMENT

**STAGE 5**

STRATEGIC  
REVIEW

**STAGE 6**

CATEGORY  
VISION

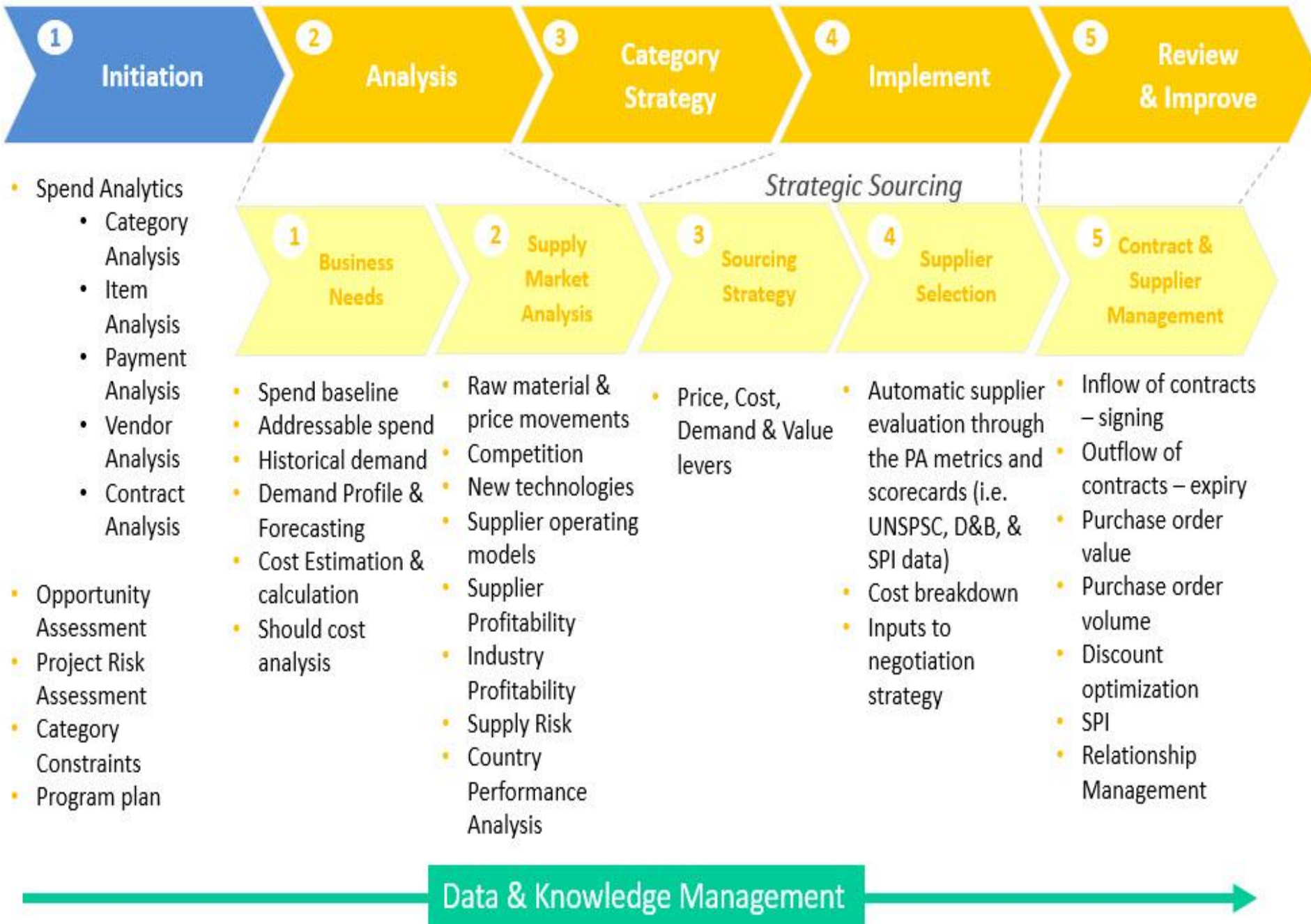
**STAGE 7**

PROJECT  
PORTFOLIO

# CPP Category Management: Identify, Prove, Deliver



# CPP Category Management Process with Procurement Analytics

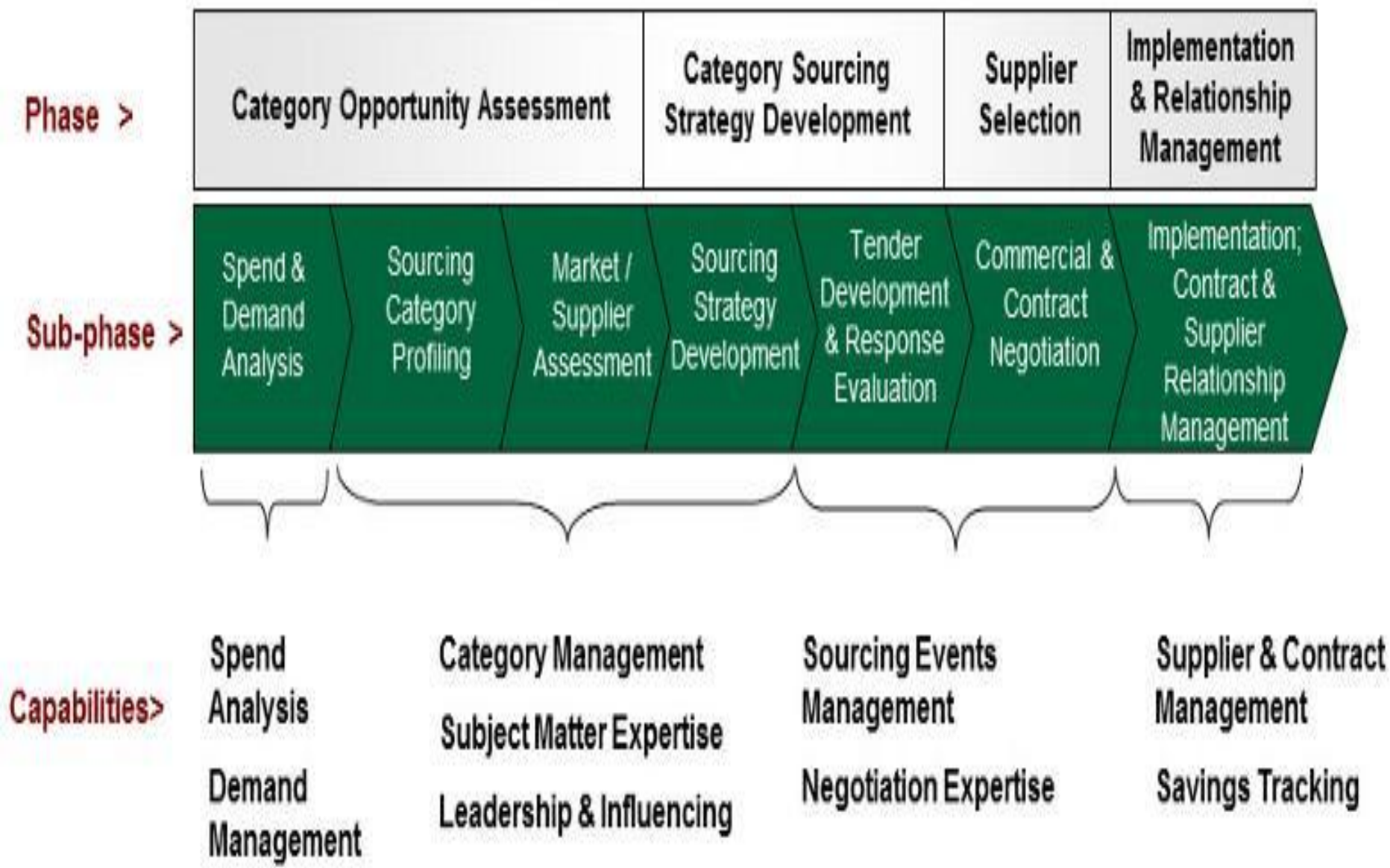




# Category Development Process



# The Strategic Procurement Lifecycle



## D) Category Management Strategies

# Best Practice Category Management Strategies

(The Partnering Group Model)

## Best Practice Category Strategies

## Intent

## Product Characteristics



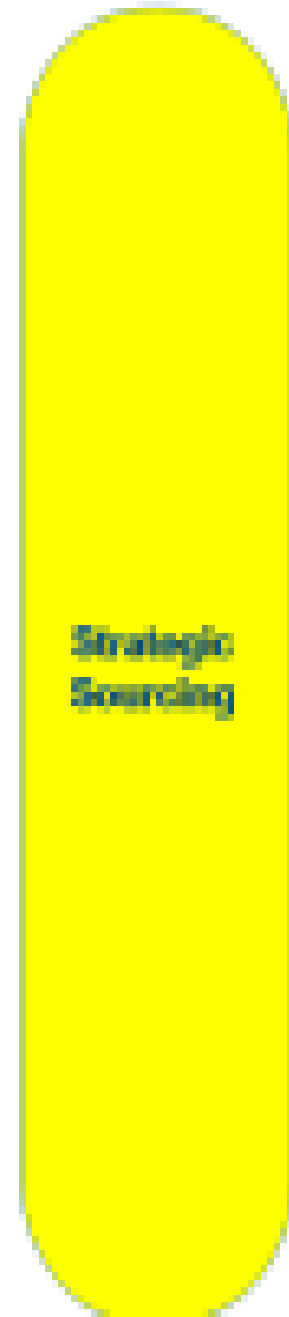
# CATEGORY TACTICS(Tactogram)

| Category    | Assortment                                    | Pricing                                            | Shelf placement                                             | Promotion                                            |
|-------------|-----------------------------------------------|----------------------------------------------------|-------------------------------------------------------------|------------------------------------------------------|
| Casual wear | wide variety<br>Competitive in market         | Fixed price range<br>starting from 199 to 2999 INR | main store location,<br>Higher shelf space                  | Advertising ,<br>In store promos,<br>Hoarding,TV ads |
| Party wear  | Wide breadth but narrow depth of the category | Competitive                                        | In the store isles and the center display unit of the store | Catchy window display                                |

# Category Management vs. Strategic Sourcing



|                         |                           |                   |
|-------------------------|---------------------------|-------------------|
| Long Term               | Time Horizon              | Short Term        |
| Portfolio of Categories | Scope                     | Single Category   |
| Value                   | Objective                 | TCO / Cost        |
| SfH~SfH~SfHs            | Stakeholders              | Front Line        |
| High                    | Change Management Effort  | Medium            |
| Strategic               | Competency Required       | Functional        |
| Collaborative           | Attitude Toward Suppliers | Adversarial       |
| Context                 | Approach                  | Event / Process   |
| Proactive               | Executive Support         | Passive           |
| C-Level                 | Procurement Leadership    | Mid-level Manager |



Category  
Management

Strategic  
Sourcing

## **Category Plan**

Category Profile & Strategy Document

### **Category Strategy**

Opportunity Areas  
Demand side

Opportunity Areas  
Total Cost Management

Opportunity Areas  
Supply side

### **Category profiling**

Internal Analysis

Total Cost  
Management

External Analysis

# Actions:



## Category Plan

ASSORTMENT

Number of products,  
Wideness of category,  
Deepness of category

PROMOTIONS

mechanics,  
frequency,  
deepness

VISUAL  
MERCHANDISING

Shelf  
Extra Shelf  
Promotional

PRICES

high competitiveness,  
medium competitiveness,  
low competitiveness

| Business                                                                                                          | Stakeholders                                                                      | Procurement                                                                                                                                       | Suppliers                                      |
|-------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|
| Value focused<br>Breakthrough savings, typically 10-30% delivery                                                  | Driven by business needs                                                          | Raises the profile and competency of procurement across the organization, from an operationally focused function to a "primary business process". | Single point of entry into the organization    |
| Results in efficiency and effectiveness improvements in service levels, quality, availability and value for money | Process is:<br>- inclusive<br>- Exhaustive<br>- Fact-based<br>- Compliant         | Applies a proven world class approach to managing spend used by class leading organizations                                                       | Qualitative & quantitative benefits calculated |
| Identifies and mitigates risk in the supply chain                                                                 | Access to market expertise                                                        | Develops robust sourcing strategies                                                                                                               | Aggregation of clearly defined requirements    |
| Very effective use of resources—high payback ratio                                                                | Access to capability                                                              | Delivers strategic sourcing initiatives                                                                                                           | Certainty of what is to be delivered           |
| Stakeholder buy-in to results                                                                                     | Increased value delivery:<br>- Visibility of benefits<br>- Management information | Enables procurement to capture and measure contribution to the business                                                                           | Performance feedback                           |
| Delivers world-class procurement solutions                                                                        | Releases value to stakeholders                                                    | Based upon continuous improvement                                                                                                                 | Co-ordinated engagement with the organization  |
| Supports development of supplier capability                                                                       |                                                                                   |                                                                                                                                                   |                                                |

# Good Category Management Requires a Breadth of Skills





## **In Sum ... Category Management**

# The Faculty's Category Management Framework



# Retailer Category Management

Category Information/Insights presented through a CPG Best Practice Business Process

## Traditional



## New

### Key Points:

- Definition & Role rarely change.
- Category Assessment on-going
- Scorecard on-going
- Focus more on Shoppers not Category

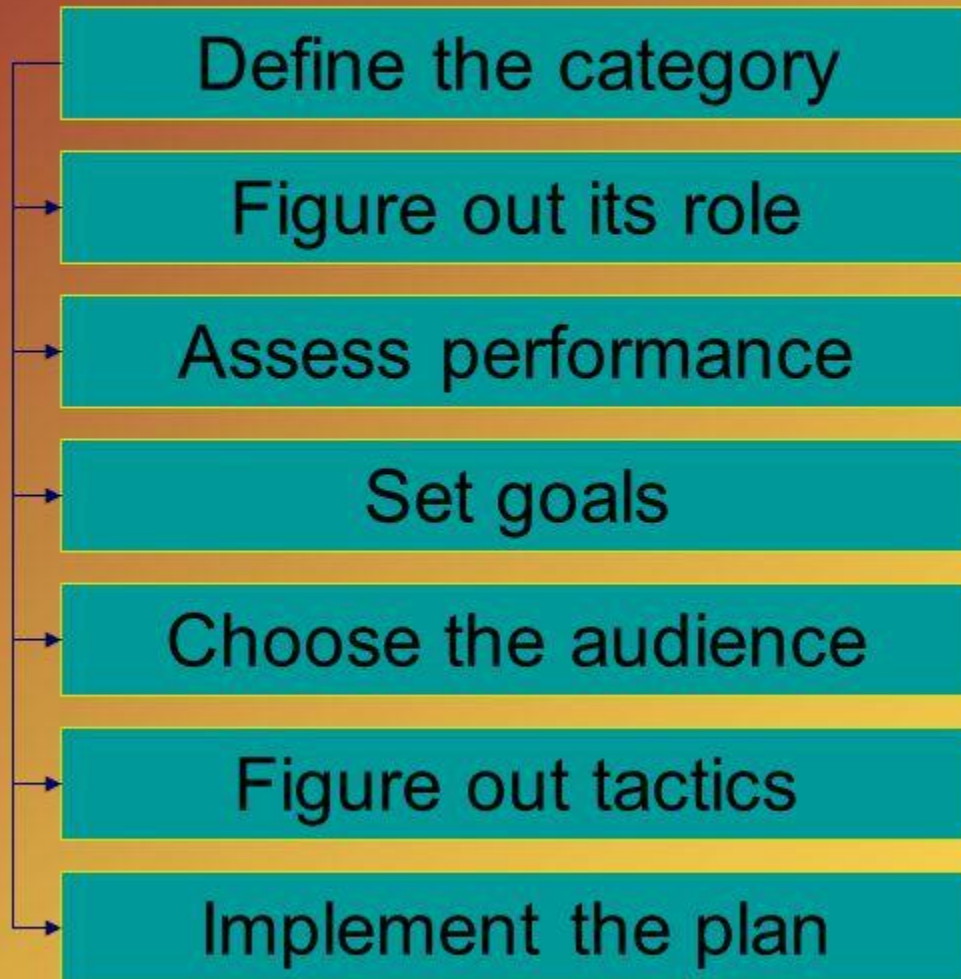


Agenda

Not Covered Today

Changed to New

# Retail Category Management



## **6) Strategic Sourcing**

## a) Procurement & Strategic Sourcing

**Procurement** is the process of

- **finding,**
- **agreeing terms** and
- **acquiring goods, services or works**

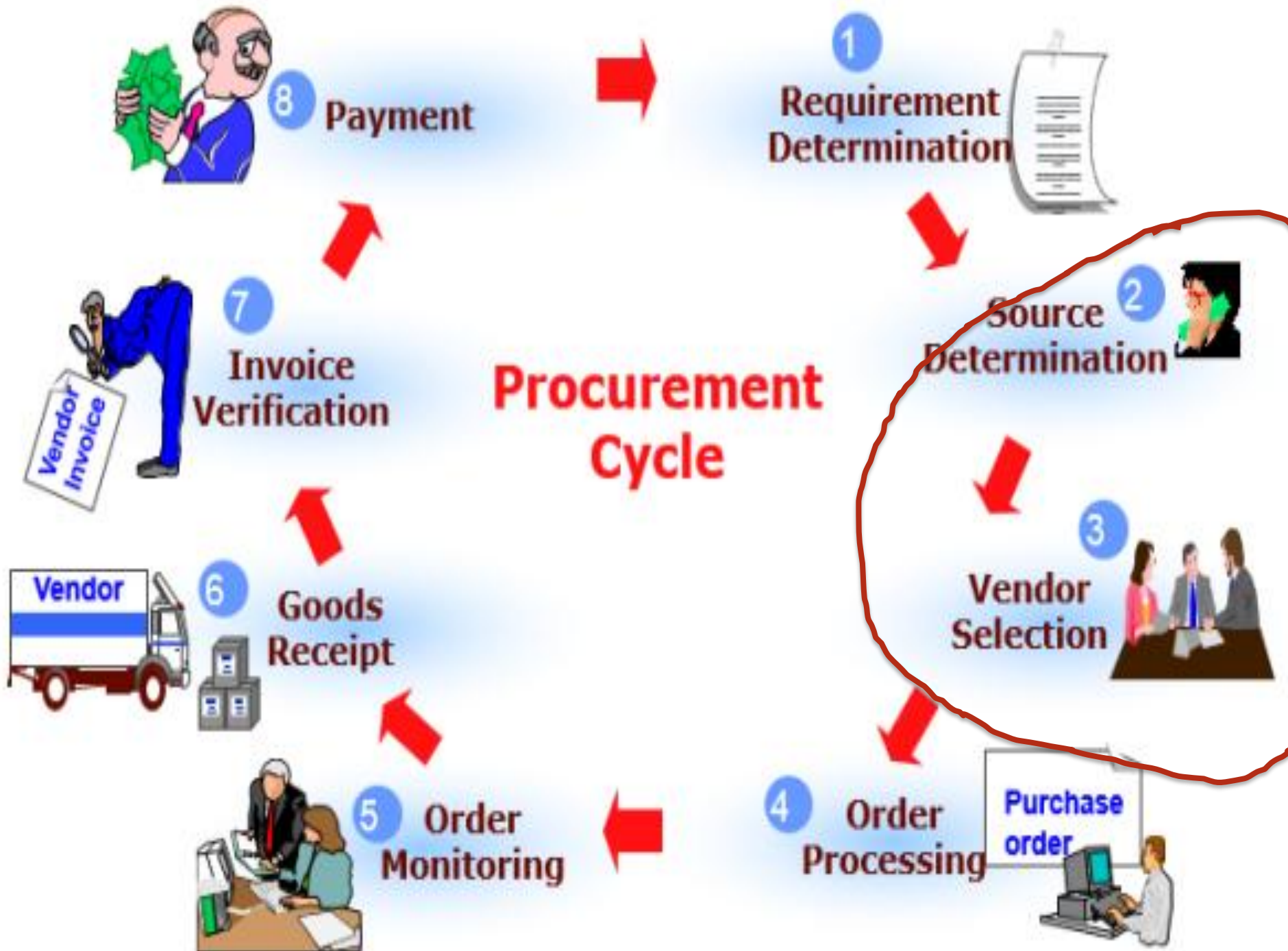
**from an external source,**

often via a

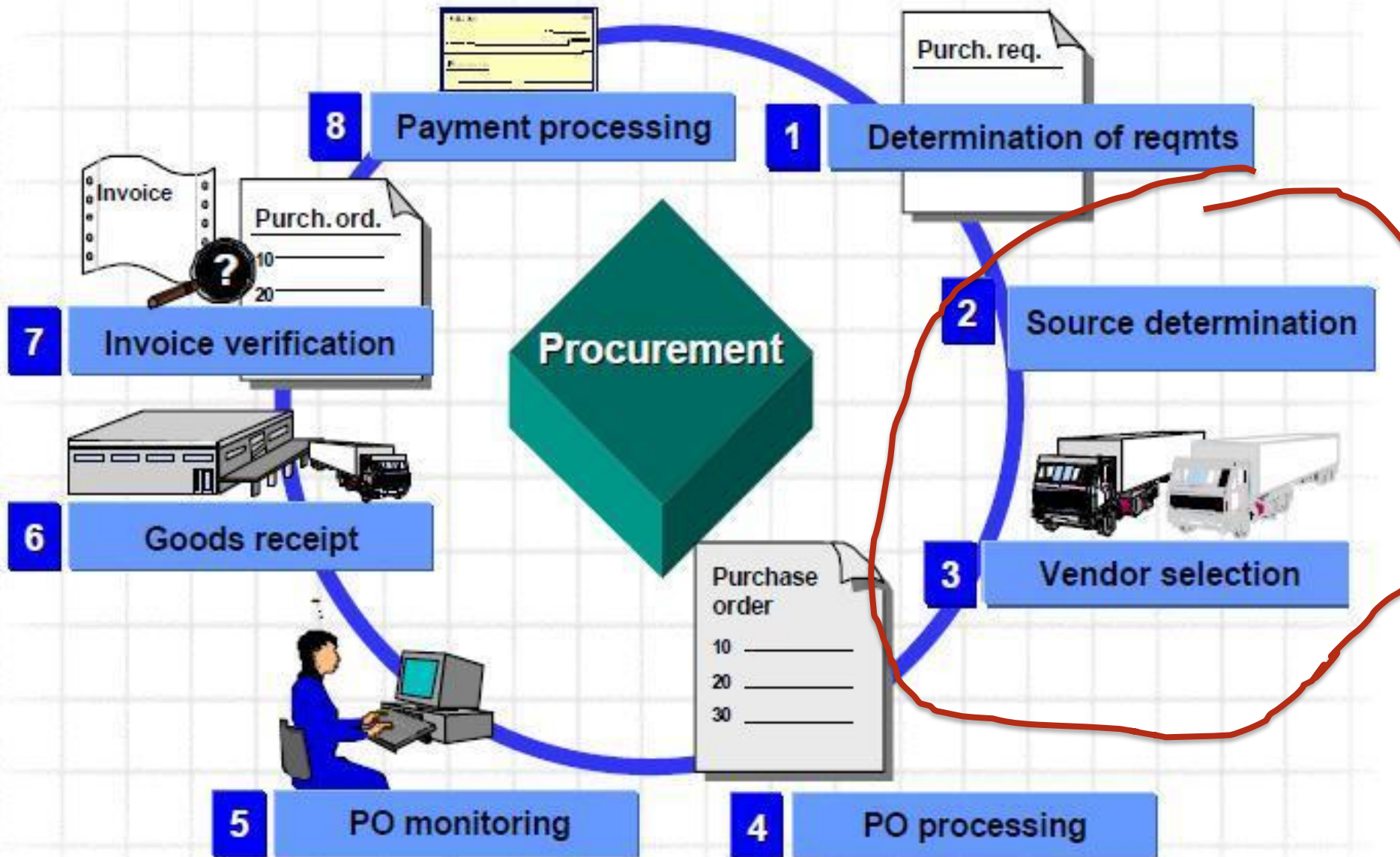
- ❑ tendering or
- ❑ competitive bidding process.

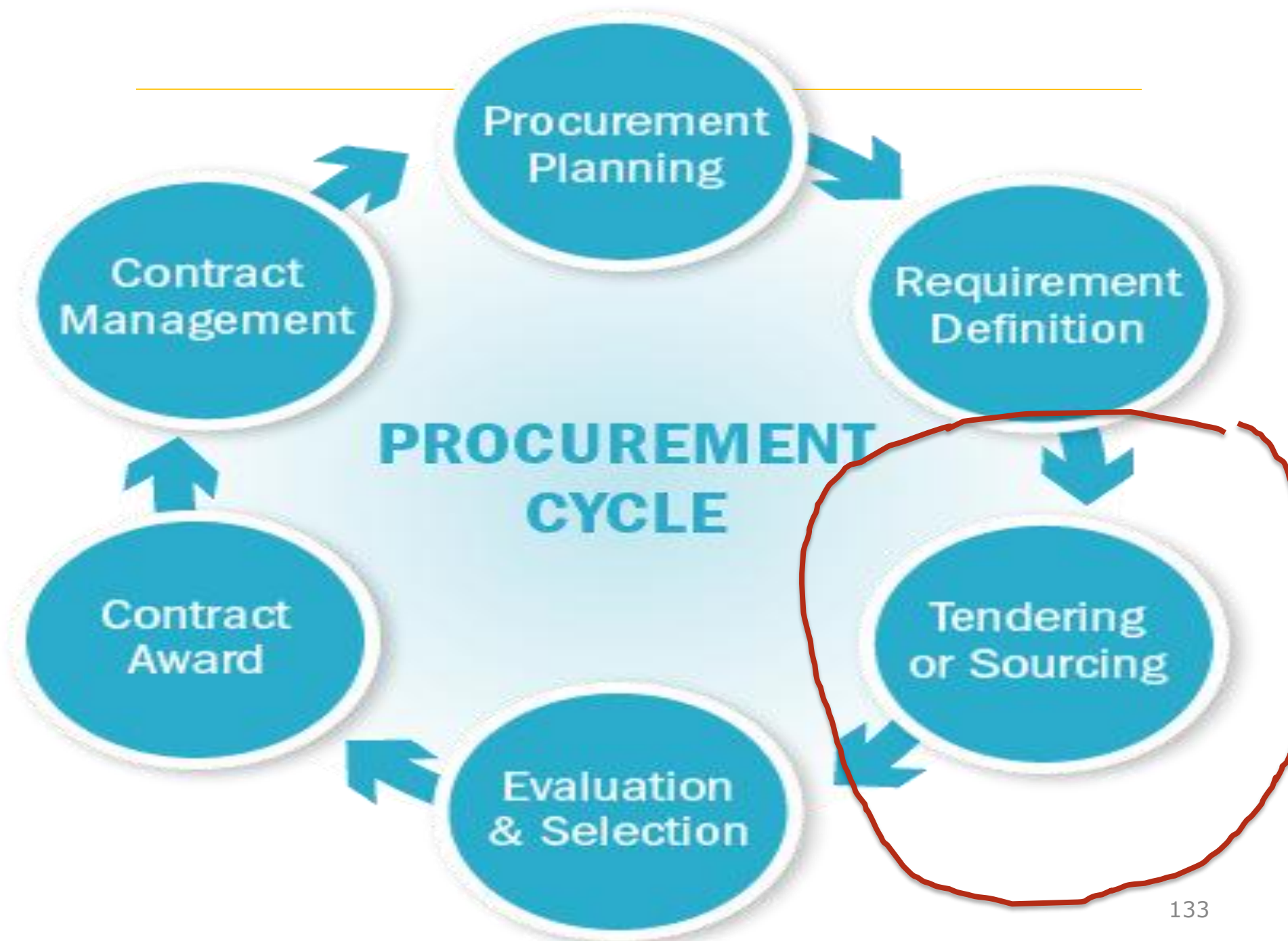
## a) Procurement & Strategic Sourcing

Η προμήθεια είναι η διαδικασία  
εύρεσης,  
συμφωνίας όρων και  
απόκτησης αγαθών, υπηρεσιών ή έργων  
από εξωτερική πηγή,  
συχνά μέσω  
διαγωνισμού ή  
ανταγωνιστικής διαδικασίας υποβολής



# Procurement Cycle





Following this model.....





## b) What is ..... Strategic Sourcing?

# Strategic Sourcing

An analytical acquisition approach to achieve best value through standardization and leverage that results in significant savings and fulfillment of socio-economic and environmental requirements.

# What is Strategic Sourcing?

**Definition:** A systematic and fact-based approach for optimizing an organization's supply base and improving the overall value proposition.

| What it is                                                                                                             | What it is NOT                                                     |
|------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| Focused on the Total Cost of Ownership (TCO) incorporating customer needs, organizational goals, and market conditions | Focused ONLY on cost                                               |
| Getting the best product/service at the best value                                                                     | Getting the cheapest product/service                               |
| Driven by a rigorous and collaborative approach                                                                        | Ad-hoc activities involving only purchasing                        |
| Addresses all levers for savings                                                                                       | Focused on "beating up suppliers"                                  |
| Decisions based on fact based analysis and market intelligence                                                         | Decisions based on opinion, unjustified preference, or complacency |
| A continuous process                                                                                                   | A one-time project or decision                                     |

# Strategic Sourcing Defined

- A strategy that ensures successful delivery of talented and diverse candidates via optimization of tools and resources available and reduces the cost to recruit them.
- A process of continuous improvement as the needs of the market, candidate, recruiter and business evolve.

# SOURCING

```
graph TD; S((SOURCING)) --- 1[1. Identify potential suppliers]; S --- 2[2. Supplier nomination]; S --- 3[3. RFQ]; S --- 4[4. Negotiation]; S --- 5[5. Supplier audit and validation]; S --- 6[6. Receive and analyze quotes]; S --- 7[7. ];
```

Identify potential suppliers

Supplier nomination

RFQ

Negotiation

Supplier audit and validation

Receive and analyze quotes

# STRATEGIC SOURCING

```
graph TD; SO[Sourcing Objectives] --- 1[1 Planning & Situation Analysis]; 1 --- 2[2 Market Assessment]; 2 --- 3[3 Strategy Creation]; 3 --- 4[4 Strategy Initiation]; 4 --- 5[5 Opportunity Evaluation & Selection]; 5 --- 6[6 Implementation]; 6 --- 7[7 Management]; 7 --- SO;
```

**7**

**Management**

**1**

**Planning &  
Situation  
Analysis**

**2**

**Market  
Assessment**

**6**

**Implementation**

**Sourcing  
Objectives**

**3**

**Strategy  
Creation**

**5**

**Opportunity  
Evaluation &  
Selection**

**4**

**Strategy  
Initiation**



# Why focus on Strategic Sourcing?

## Strategic Sourcing

A coherent strategy aligned to business priorities, with procurement linked to business performance

Improved supplier planning, management and performance underpinned by deep relationships

A sustainable, professional procurement organisation that delivers value to the business

Part of our established suite of Professionalizing your organisation methodologies and tools.



# Category Management

## Spend Analysis

- Aggregate Data
- Classify by Category\*
- Establish Baseline
- Review Contracts
- Identify Opportunities
- Validate Opportunities

## Strategic Sourcing

- Define Requirements
- Sourcing Strategy
- Solicit Bids
- Evaluate Bids
- Negotiate Contracts
- Supplier Implementation

## Procure to Pay\*

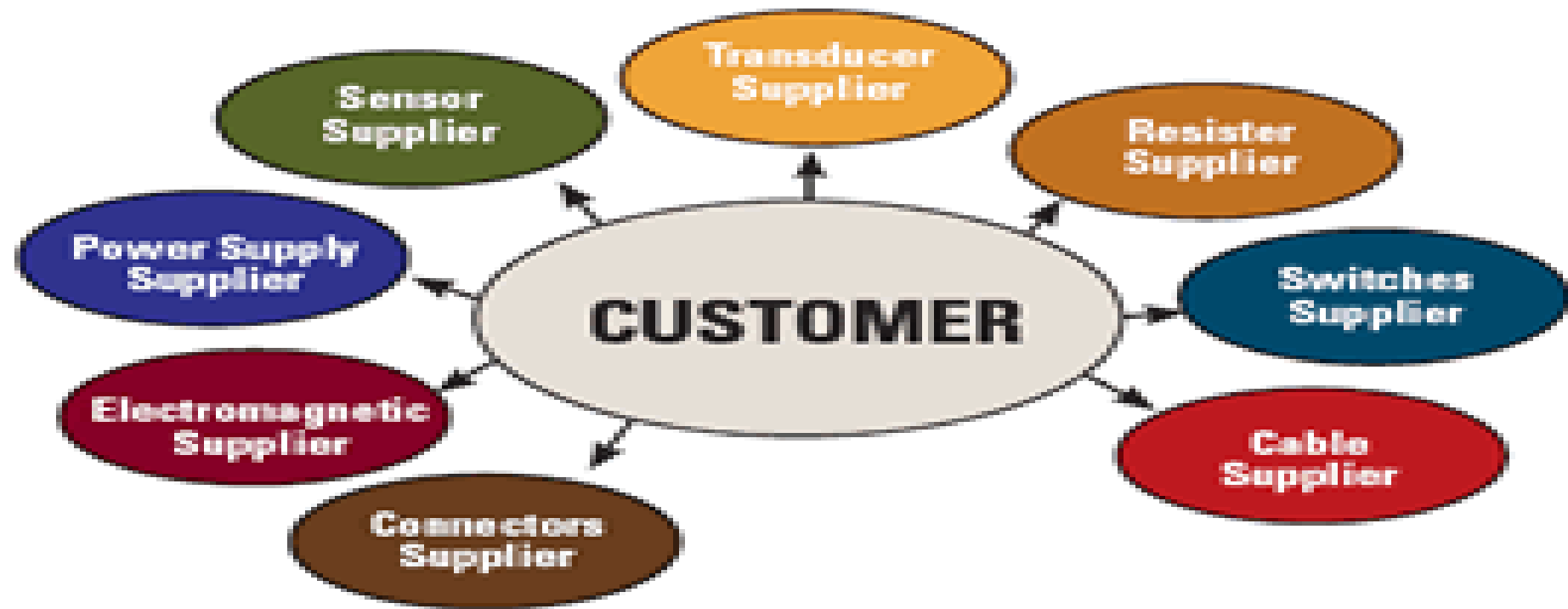
- PO Processing
- P card transactions
- Open order management
- Expediting
- AP resolution
- Master data update

## Performance Management

- Supplier Management
- Demand Management
- Industry Strategy
- Stakeholder Collaboration
- Category Strategy
- Stakeholder Satisfaction

# Continuous Improvement

**Fig. 3. The traditional purchasing model involves many suppliers specializing in one focus area. This is NOT Strategic Sourcing.**



**Fig. 4. Moving toward a single source supplier for all electrical purchases (for example) would produce a number of benefits.**



# Strategic Sourcing is Evolving

ADMA-OPCO

Traditional  
Purchasing

Strategic  
Sourcing

Global Supply  
Management

| Paradigm   | Transaction                                        | Project                                                                                       | Enablement                                                                                         |
|------------|----------------------------------------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|
| Focus      | Price,<br>Transaction<br>management,<br>Compliance | Supplier rationalization,<br>Spend consolidation,<br>Cycle-time reduction,<br>Standardization | Balancing Total System<br>Cost;<br>Maximizing shareholder<br>value; Enabling product<br>innovation |
| Reach      | Local;<br>Many suppliers                           | Multi-regional,<br>Some collaboration<br>with related functions                               | Global; Highly collaborative<br>across the enterprise and<br>visible at executive levels           |
| Technology | Spreadsheets                                       | Auctions, eSourcing,<br>Basic optimization                                                    | Technology enablement<br>across all strategic sourcing<br>processes                                |
| People     | Decentralized<br>Buyers                            | Commodity Teams,<br>Center-led or<br>centralized                                              | Cross-functional teams<br>Global                                                                   |

# Define Strategic Sourcing

## Business Framework

# Strategic Sourcing Framework

Strategic sourcing will allow an organization to realize significant savings. This document details a 4-phase framework to Procurement Strategy, outlining time frames, activities, and outputs.

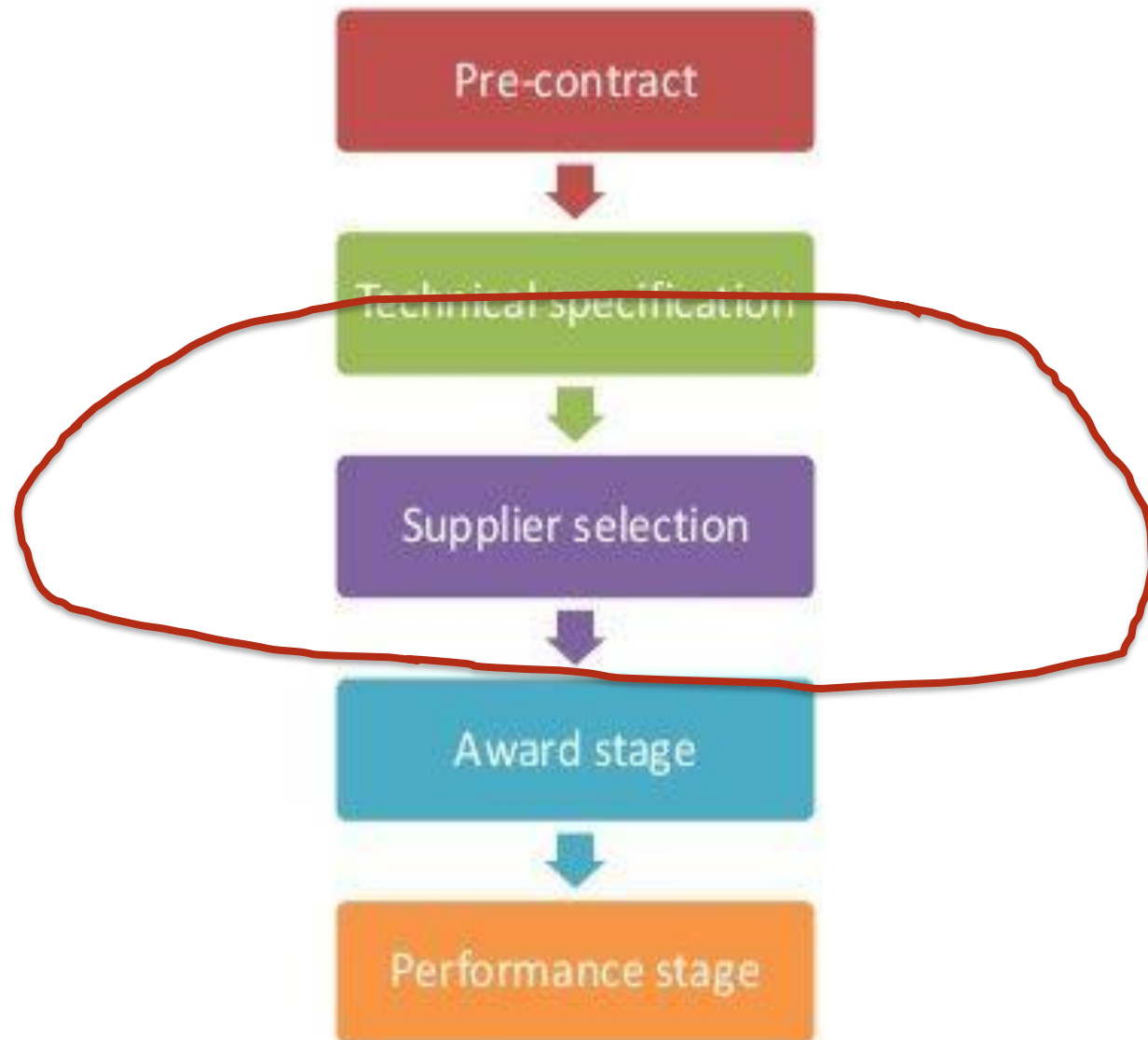


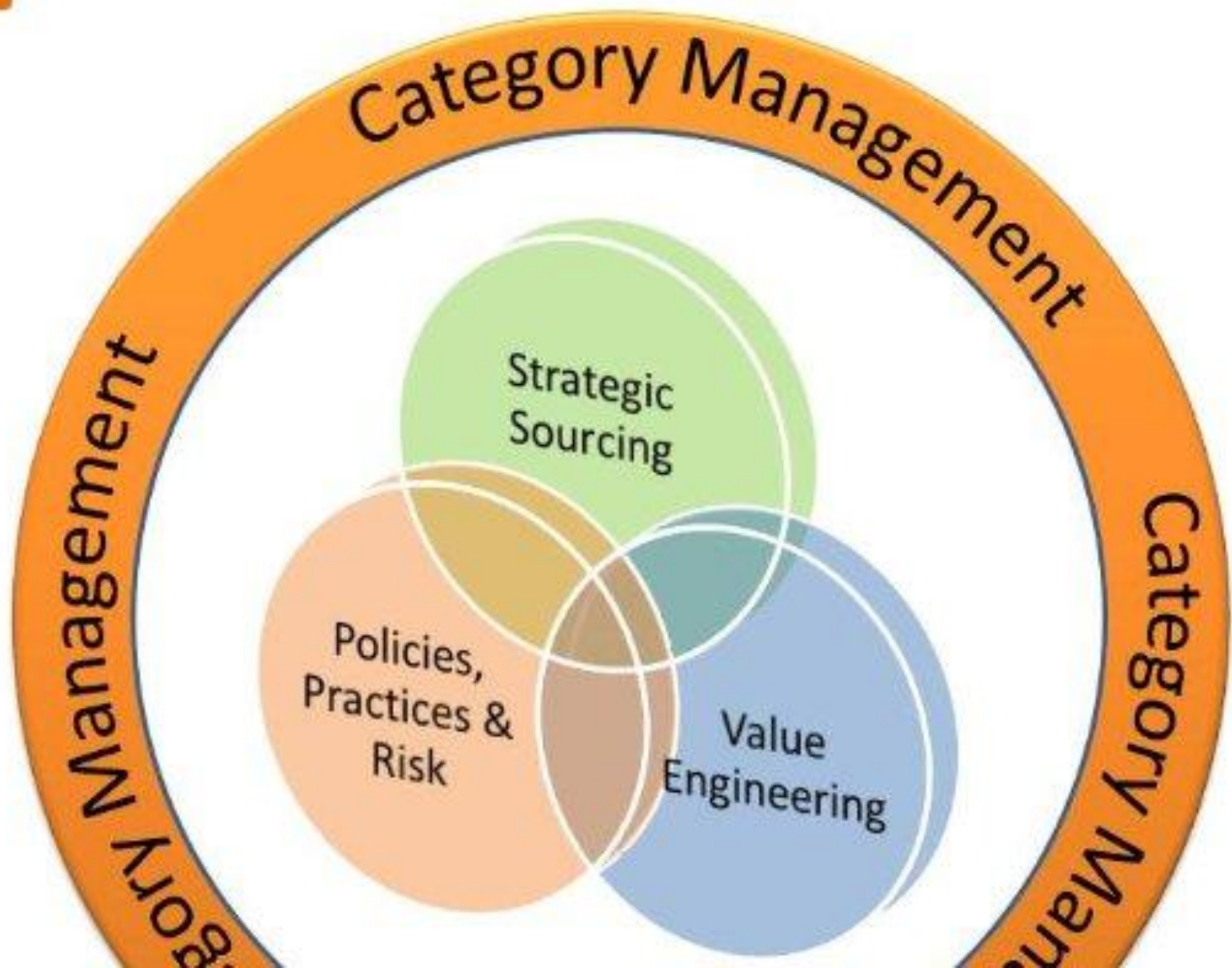
# Procurement vs. sourcing vs. acquisition

Procurement is one component of the broader concept of sourcing and acquisition.

- ❑ **Procurement** is viewed as more tactical in nature (the process of physically buying a product or service)
- ❑ **Sourcing and acquisition** are viewed as more strategic and encompassing.

# Stages of the procurement process





# Category Management Vs. Strategic Sourcing

## CATEGORY MANAGEMENT

## STRATEGIC SOURCING

Total organizational/mission spend

Scope

Spend within a specific sourcing area

Maximize organizational/mission value of managed categories of spending, including total cost of ownership, risk, operational performance, innovation and life cycle management etc.

Goal

Reduce costs, manage total cost of ownership improve outcomes for a good or service for specific sourcing event(s)

Understand spend with multiple suppliers across markets for entire categories

Intel Required

Understand spend within a single sourcing area and suppliers and market related to the sourcing event(s)

Organization-wide category strategy derived from procurement strategy derived from organizational or government-wide mission strategy

Based on

Strategy of the appropriate category of expenditure

Demand and contract management; supplier relationship management; strategic sourcing; contract optimization; supplier negotiation;

Tools

Aggregating and disaggregating demand, creating new contracts, modifying existing contracts, transactional contracting for low-cost/ low-importance goods or services

Validated savings and increased organizational/mission value from third-party spend within and across categories

Outcome

Reduced prices, improved terms, increased value / outcomes for specific good or service

# Strategic Sourcing vs. Tactical Buy

## Strategic Sourcing Process Flow

Strategy

Create  
Sourcing Team  
and Strategy

Create Clear  
Scope and  
Requirements

Industry,  
Market, &  
Suppliers

Decision

Implement  
Sourcing  
Tactics

Clarify Bids,  
Price and  
Quality Data

Award  
Business

Performance

Contract  
Creation

Contract  
Negotiation

Contract  
Compliance



Strategic Sourcing vs. Tactical Buying - differences

## Traditional Sourcing

Cost

Focus

Ad hoc with individual suppliers

Approach

National

Playing Field

Cost

Motives

Turnover

Suppliers' Motives

Numerous

Number of suppliers

Contract

Relationship

Individual

Risk

Standard,

Activities

## Strategic Sourcing

Competencie

Network

Global

Strategic

Customer

Few

Trust

Shared

Specific,



## c) Strategic Sourcing Objectives

**Strategic Sourcing is a collaborative and systematic process**

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**The goal is to simultaneously:**

- 1** Reducing total cost of materials and services for an organisation while increasing quality and service
- 2** Leveraging internal expenditures while rationalising the supply base
- 3** Optimising the internal and external supply chain while managing inventory levels on a commodity by commodity basis (not “one size” strategy fits all)
- 4** **Improving organisational awareness of the “Total Cost of Ownership” while reducing excessive levels of requisitioning and complexity**
- 5** Building the organisation’s competitive position through continuous improvement and supplier added-value

# Strategic Sourcing Objectives



*Establish close, collaborative relationships with key suppliers.*



Finding and building ongoing relationships with supply partners that account for the majority of an organization's purchasing spend and that provide goods or services that are critical in the production and delivery of the final product or service

*Ensure reliable quality and delivery of materials.* Increasing the availability of high quality materials and components by working closely with suppliers' manufacturing and delivery processes



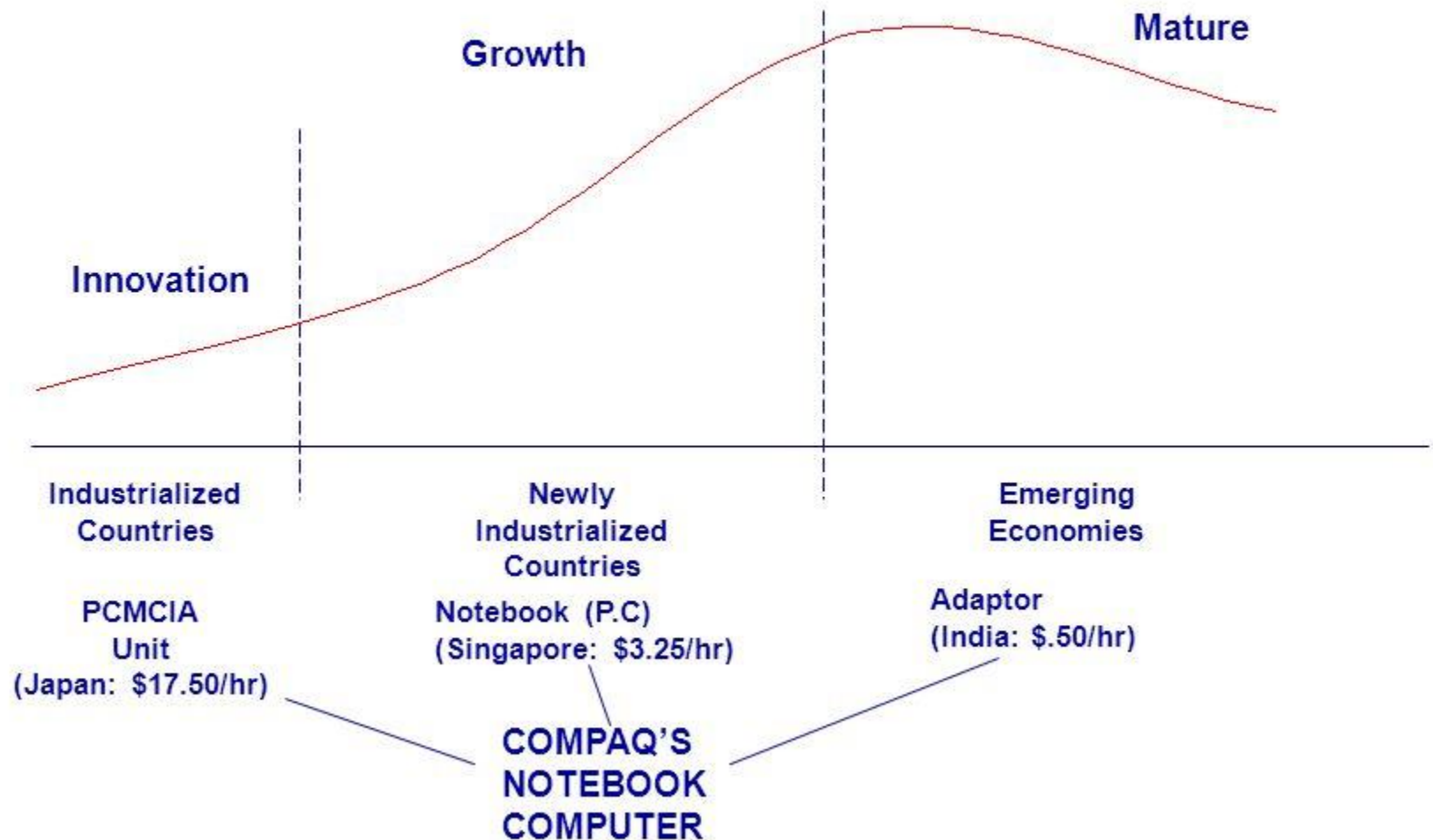
*Reduce supply risk.* Creating mechanisms that reduce risks in product and service supply arising from the actions of competitors or problems experienced by suppliers in production or delivery



*Establish a smaller, flexible, responsive supplier base.* Ability to work with a small core of suppliers that are interested in developing deep, collaborative partnerships



## STRATEGIC GLOBAL SOURCING (Building a global network of capabilities)





# d) Strategic Sourcing Models

ways to perform IT activities

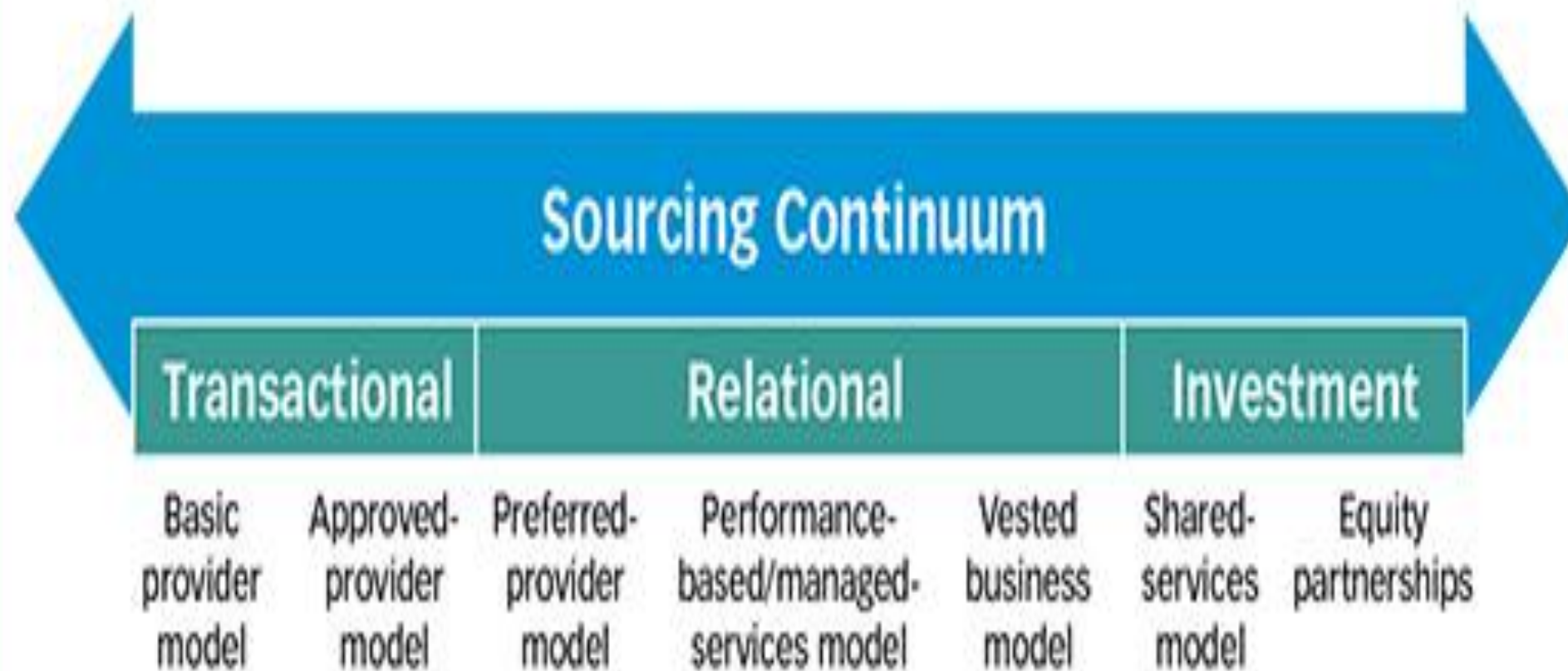
## Sourcing Models

...helps to achieve measurable improvement in the value IT delivers to the business through a clear **sourcing strategy**, **partnership ecosystem** and **focus on business goals**.

### KEY CHARACTERISTICS

| MODEL TYPE                                                                                                                                                                                            | PROFILE                                                                                                                                                                                                                                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>INSOURCING</b><br>A few companies still remain focus on this traditional method. Removes dependency of organization on external partners.                                                          | <ul style="list-style-type: none"><li>• Developing inhouse skills and capabilities</li><li>• Most of the activities by default done internally</li><li>• Traditional way</li></ul>                                                          |
| <b>MULTISOURCING</b><br>Selective outsourcing among multiple partners. Both inhouse and outsourced partner co exists to meet business goals.                                                          | <ul style="list-style-type: none"><li>• Blend of multiple partners from internal teams and external service providers</li><li>• Reducing risk and taking benefits of multi partner competition</li><li>• Balanced way of sourcing</li></ul> |
| <b>OUTSOURCING</b><br>A long tenure single contract with single partner. Both the parties put their skin in game. Works well for supplier in long run and only if customer business grow as expected. | <ul style="list-style-type: none"><li>• Many a times a single partner act as Single service aggregator</li><li>• Pushing more and more activities to external partners</li><li>• Long term waiting requires to know the outcome</li></ul>   |

# [FIGURE 1] THE SEVEN SOURCING BUSINESS MODELS





# Optimized Global Sourcing Model

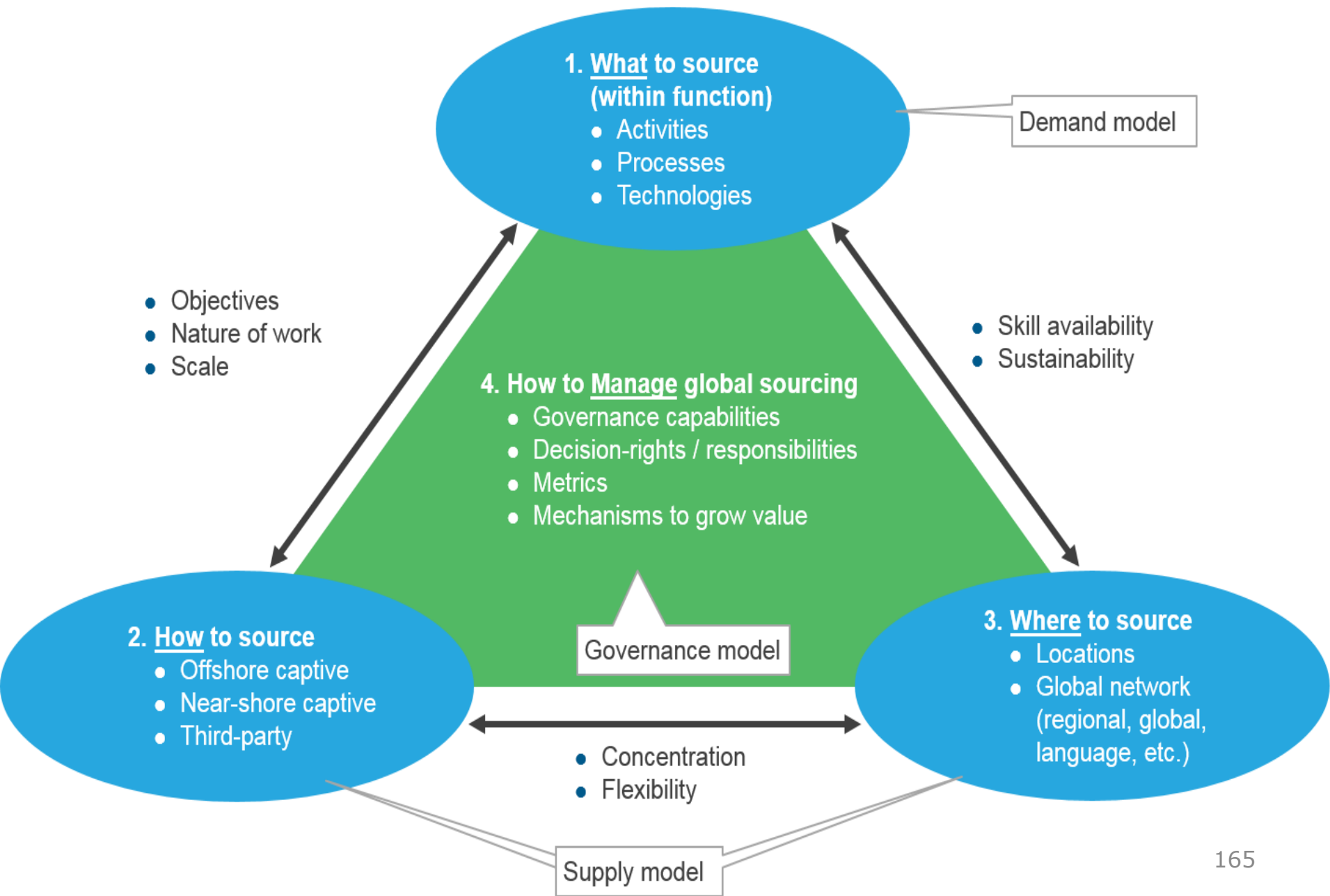




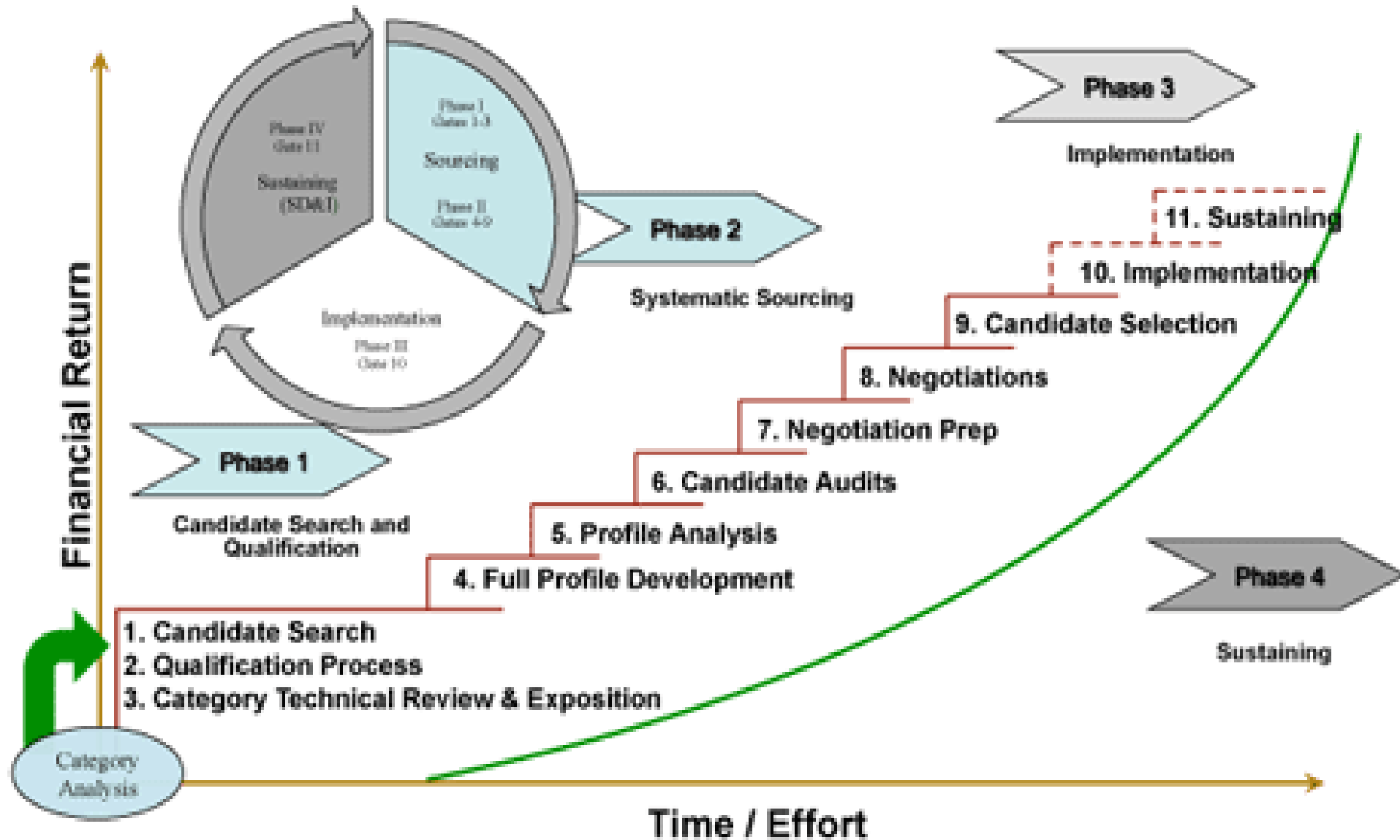
Fig. 1. The Strategic Sourcing Model



# Essential components of sourcing services strategy



# APO Sourcing Support Roles



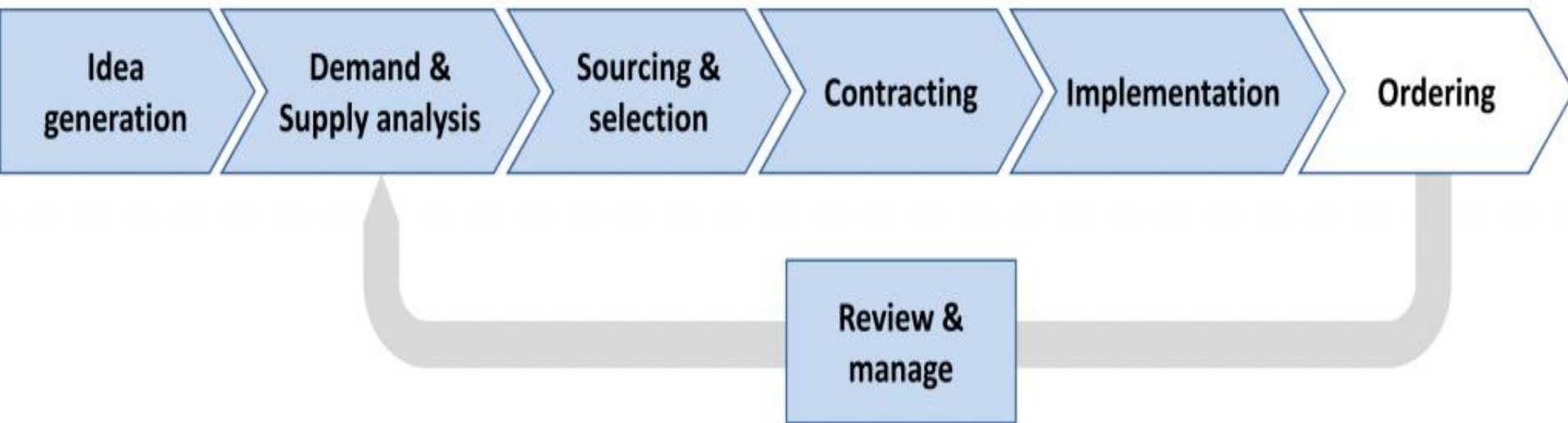
# The 6 Strategic Sourcing Tactics





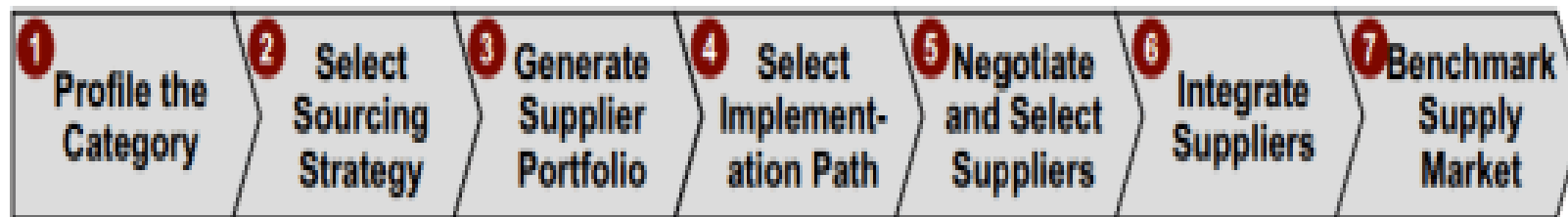
# e) Strategic Sourcing Process

## A Typical Strategic Sourcing Process



*ATKEARNEY*

**Figure 1. The 7-Step strategic sourcing process**



Performance

Spend  
Analysis

Supplier  
Management

Strategic  
Sourcing  
Process

Sourcing

Contract  
Management

Spend  
Analysis

- Prioritize Spend Categories
- Form Commodity Teams
- Develop Sourcing Strategies

Sourcing

- Conduct RFQ Process
- Evaluate Suppliers
- Negotiate and Award

Contract  
Management

- Create Contracts
- Capture, maintain and store
- Create Audit Trail
- Measure and Monitor

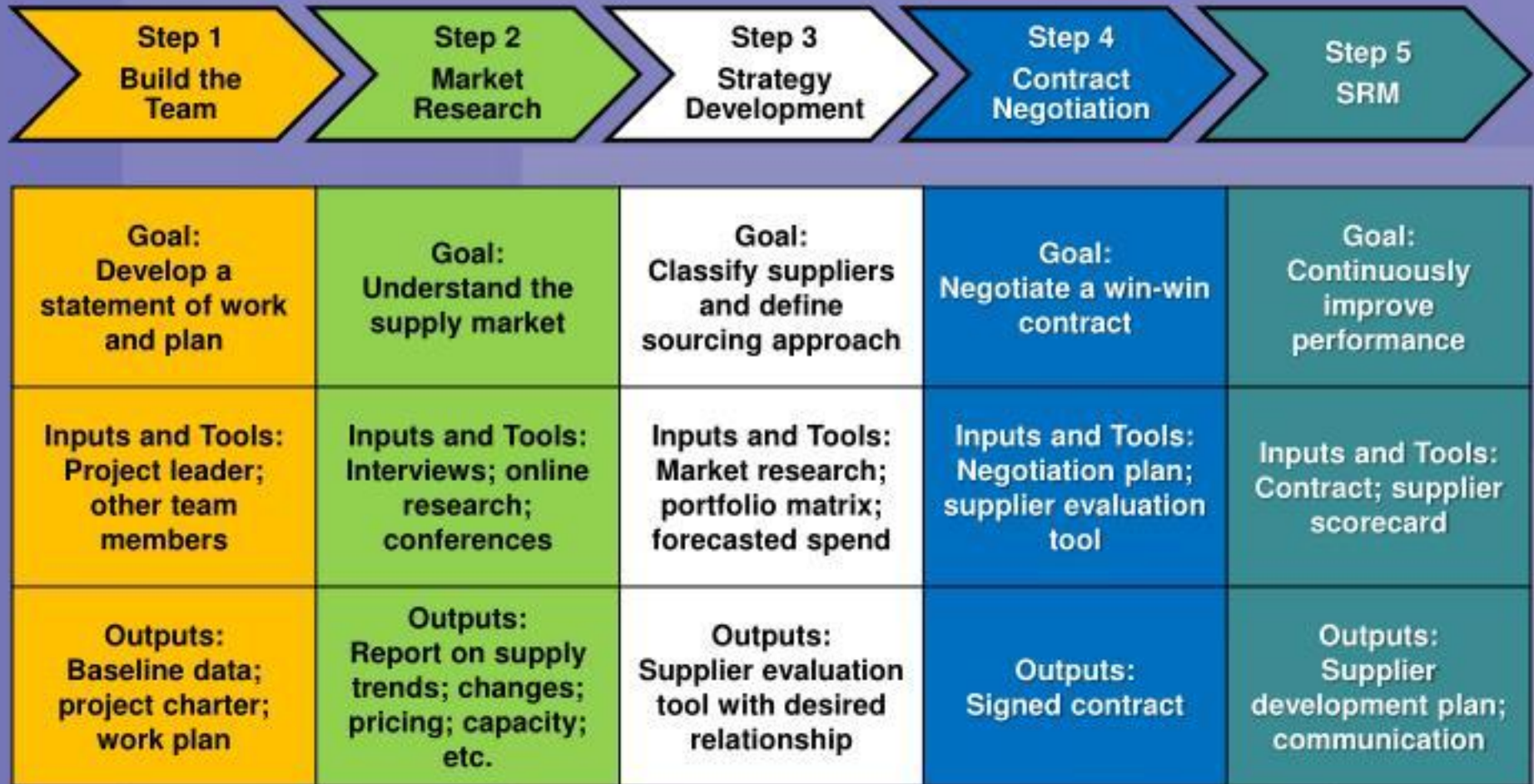
Supplier  
Management

- Leverage approved supplier list
- Create Supplier Scorecard
- Monitor Supplier Compliances

Performance

- Define KPI's
- Define Business rule-based alerts
- Create Executive Dashboard

# *The Strategic Sourcing Process*



# Strategic Sourcing Process

Develop the sourcing strategy

Execute the sourcing strategy

1

Business  
Needs  
Analysis

2

Supply  
Market  
Analysis

3

Sourcing  
Strategy

4

Supplier  
Selection

5

Implement

Governance Review Gates

# SOURCING PROCESS

MANAGE CATEGORY

MAKE / DESIGN /  
BUY ANALYSIS

PREPARE

RFx

NEGOTIATE

IMPLEMENT  
AGREEMENT

CALL OFF

INVOICE TO  
PAYMENT

MANAGE SUPPLIER

STRATEGIC SOURCING

TRANSACTIONAL SOURCING

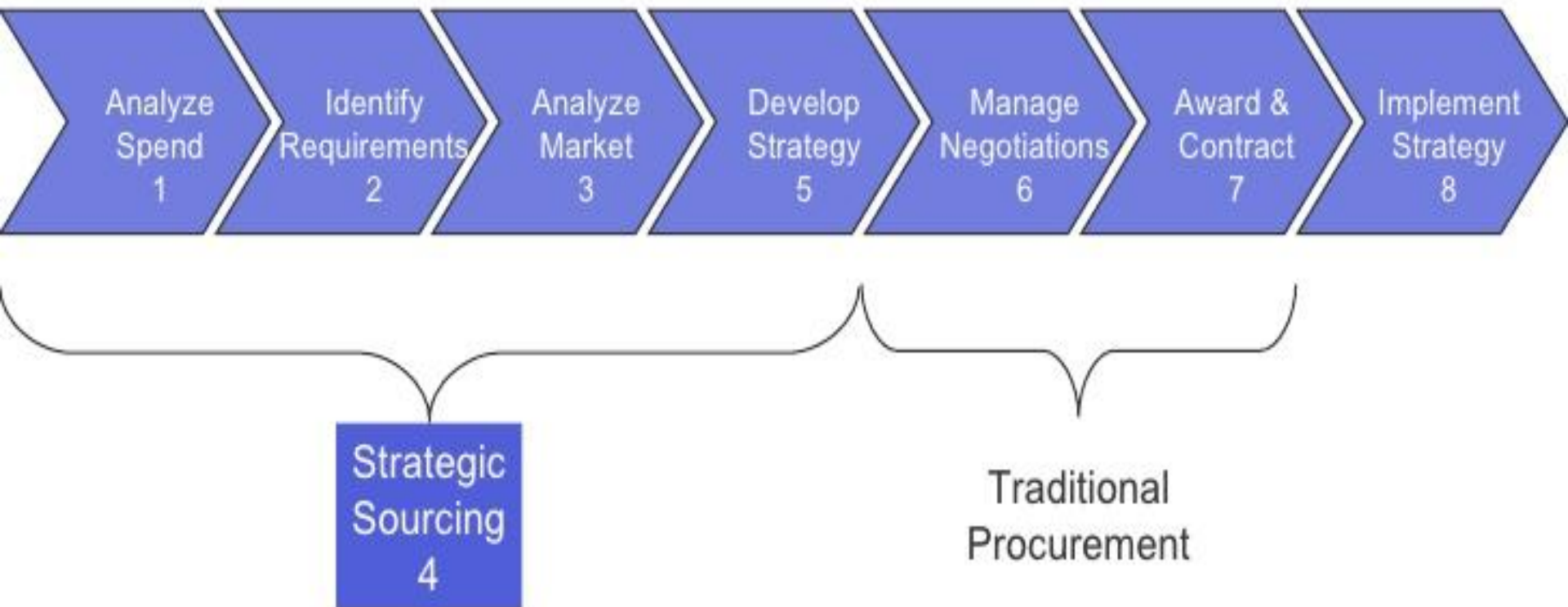
# 6 Approaches to Strategic Sourcing

1. **E-negotiation and supplier vetting/selection** — tender management, negotiation and possibly a reverse auction (or another form of “e-auction”)
2. **Traditional strategic sourcing** — including analytics, tender management, RFX and/or auctions
3. **Sourcing optimization** — which requires many (ideally all) of the elements of (1) and (2) and adds new levels of flexible bid collection / flexible supplier offers, application of single or multiple buyer constraints and scenario analysis
4. **Sourcing and contract management** — which requires (1) and (2) and adds contract negotiation and contract
5. **Supplier management-enhanced sourcing** — which requires (1) and (2) and supplier performance management
6. **Source-to-pay** — inclusive of (1) and (2), as well as supplier contract, performance and transaction management



# Strategic Sourcing Process

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# OVERVIEW: STRATEGIC SOURCING PROCESS

Strategic Sourcing is a procurement-led process that continuously improves the purchasing power of a company through the consistent use of specific tools and activities that clarify the internal business requirements and leverage the supply base.

## OVERVIEW: PROCURE-TO-PAY PROCESS

### PROCURE-TO-PAY PROCESS CONSIDERATIONS

- 1 Budget
- 2 Cost Estimate
- 3 Vendor Registration and Approval
- 4 Purchase Requisition  
Purchase Order Creation and Dispatch  
Purchase Order Administration
- 5 Change Order  
Matched Exception  
Invoice Approval  
Invoice Payment
- 6 Trend Analysis



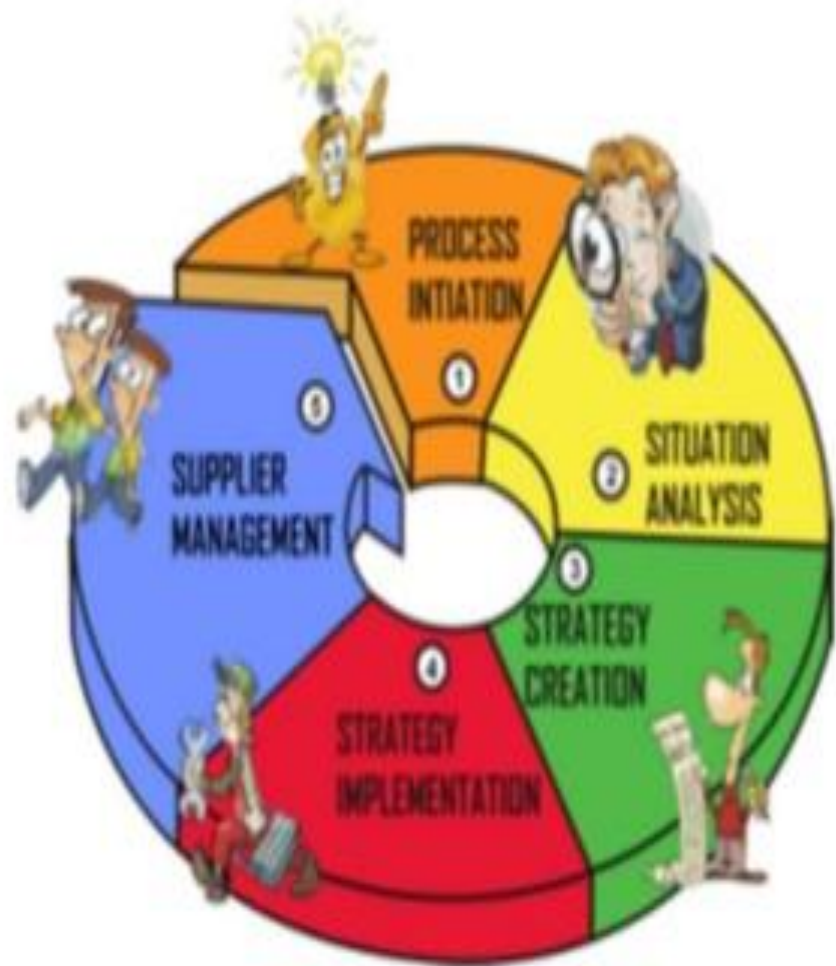
☀ EFFECTIVE Collaboration Makes This Possible! ☀

### STRATEGIC SOURCING PROCESS CONSIDERATIONS

- 1 PROCESS INITIATION
  - What is the opportunity?
  - What procurement is in and out of scope regarding the opportunity?
  - How will we operate as a team?
- 2 SITUATION ANALYSIS
  - INTERNAL
    - What are the current practices within LCRA regarding this opportunity?
    - What are the business requirements regarding this opportunity going forward?
    - What are the business needs versus wants?
  - EXTERNAL
    - What are the market dynamics regarding this opportunity?
    - How does the LCRA opportunity match the market?
- 3 STRATEGY CREATION
  - What are the sourcing options?
  - How do we evaluate and make decisions based on these options?
  - What is the sourcing strategy after analysis of these options?
- 4 STRATEGY IMPLEMENTATION
  - What are the implementation steps?
  - Who is responsible for implementing the steps?
  - Evaluation
  - Contract Negotiation
  - Conform Contract
  - Approvals
  - Contract Execution
- 5 SUPPLIER MANAGEMENT
  - How do we administer contracts to hold vendors accountable to contract terms and conditions?
  - How do we drive more value from the supplier relationship?
  - How do we reduce our cost of total ownership?
  - How can we improve corporate responsibility?

# Strategic Sourcing - Activities

- ☐ Spend Management, Pareto analysis
- ☐ Market supply analysis, supplier scorecard
- ☐ RFI/RFQ/RFP process
- ☐ Cost Analysis
- ☐ Supplier Audits, Quality inspections
- ☐ Negotiation & contract finalization
- ☐ APQP and PPAP support
- ☐ Monitor & control production
- ☐ Risk Management
- ☐ Packaging & Logistic support



```
graph LR; A[Client Brief] --> B[Job Tendered]; B --> C[Client Approval]; C --> D[Order Placement]; D --> E[Quality Check]; E --> F[Delivery Tracking]; F --> G[Delivery and Storage];
```

Client Brief

Job  
Tendered

Client  
Approval

Order  
Placement

Quality  
Check

Delivery  
Tracking

Delivery  
and  
Storage

# KEY POINT SOURCING

## **1. Who we are:**

- Manufacturer
- Services business
- Trading company
- Government institution
- Non Profit Organization

## **2. Categories of Order:**

- Repeat Order
- Project Procurement
- Emergency Order

## **3. Criteria of Order:**

- Product
- Services
- Combining of product & services

## **4. Sources of Vendor :**

- Sole sourcing
- Single sourcing
- Multiple sourcing

## **5. Environment of Markets:**

- Monopoly
- Oligopoly
- Regulated market
- Competitive market

## **6. Nature of Orders:**

- Fixed order or blanket order
- Inventory based order
- Distributed materials
- Comprehensive order
- Back to back order
- Trial order or transition order
- Short terms or long terms order

# Strategic Sourcing Decision Making

## *Supplier Selection and Evaluation*

### Decisions about:

1. Selecting a competent group of suppliers
2. Evaluation suppliers to develop short- term and long- term relationship
3. Restructuring the supplier network
4. Supply base rationalization
5. Supply based reduction

### Decision Makers:

1. Sourcing Manager
2. Purchasing Manager
3. Contract Manager
4. Strategic Sourcing Analyst
5. Global Strategic Sourcing Manager



Ally?



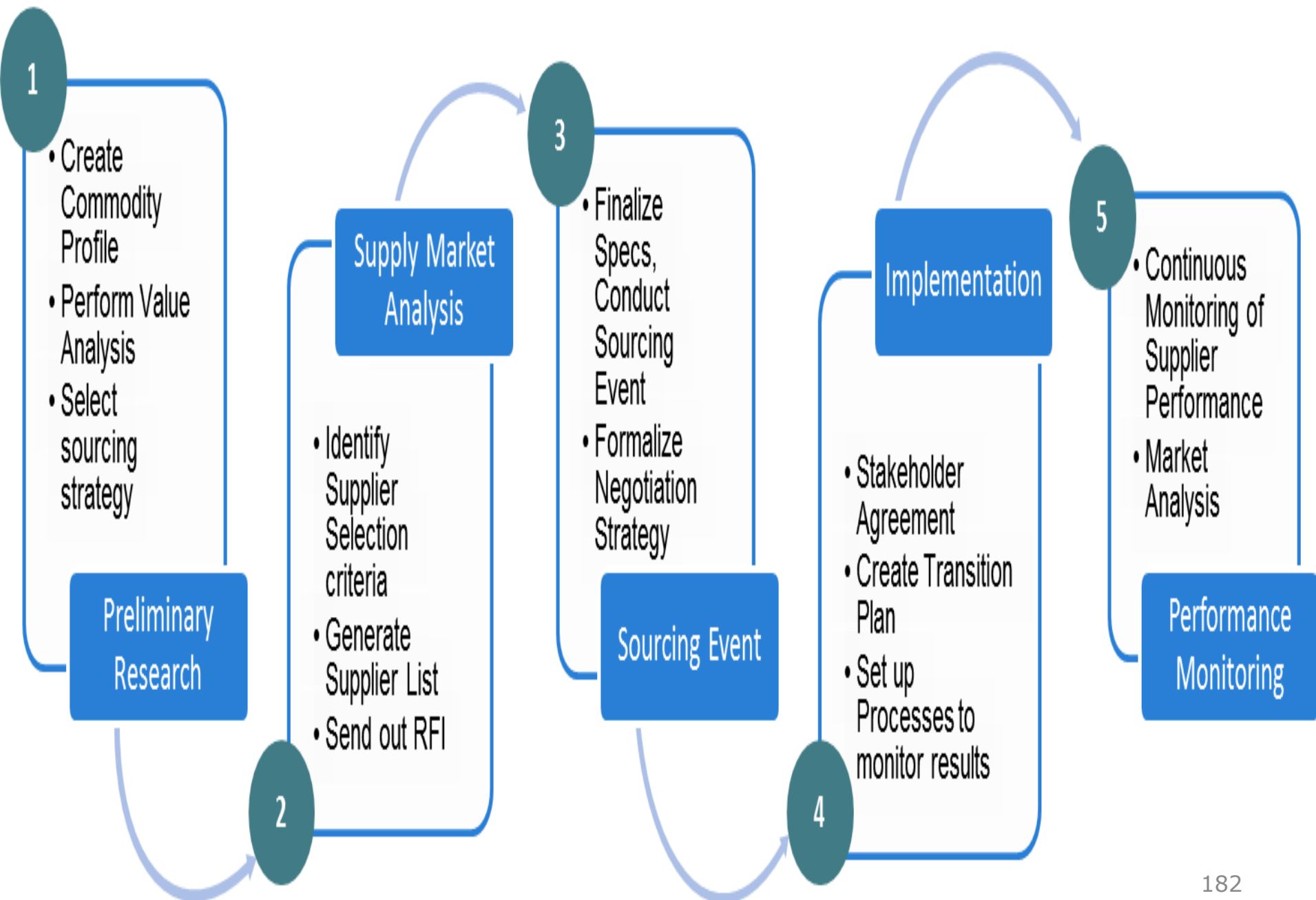
Make?



Sharing?



Buy?



# Strategic Sourcing Process Overview

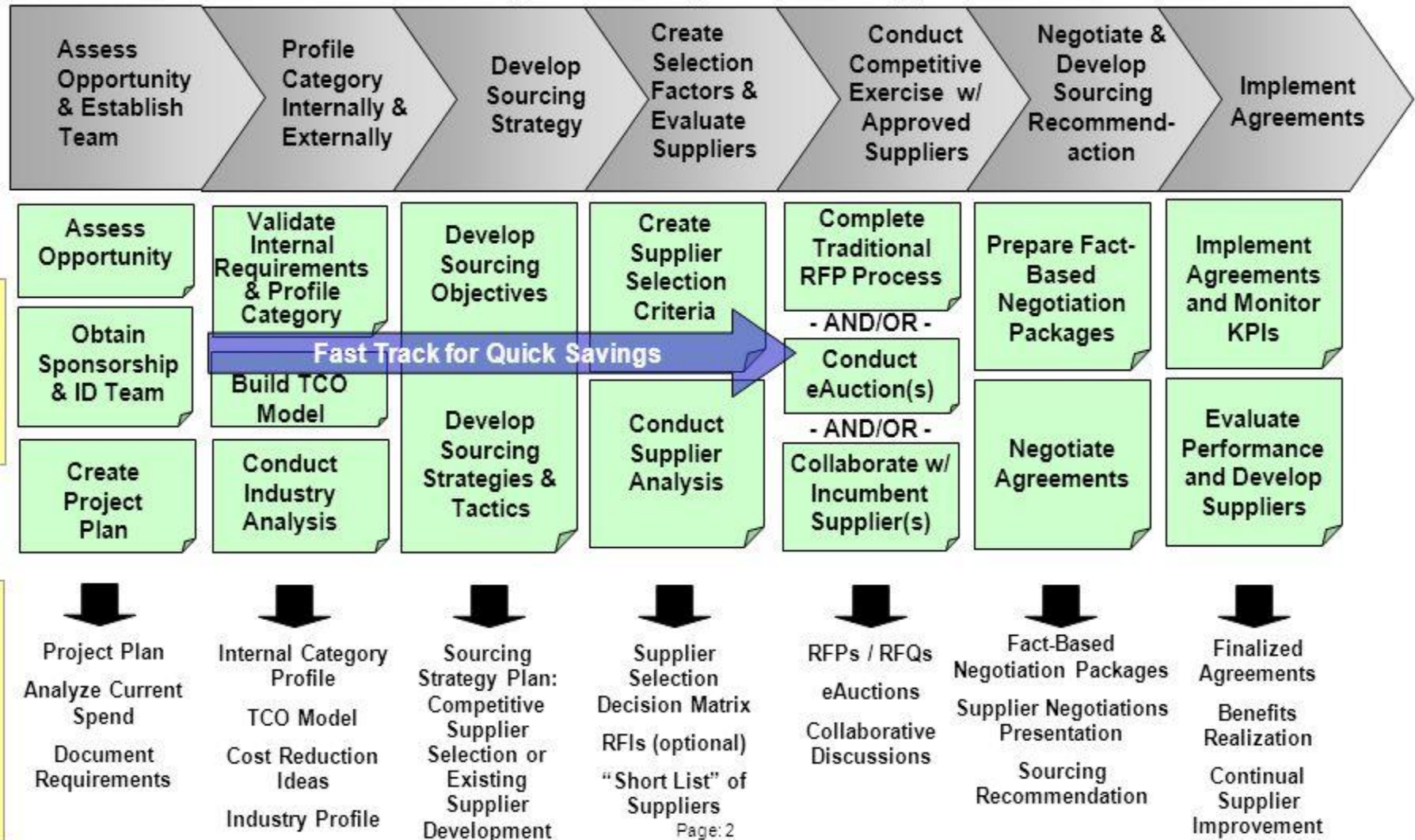
ANALYSIS

STRATEGY

SUPPLIER SELECTION

IMPLEMENTATION

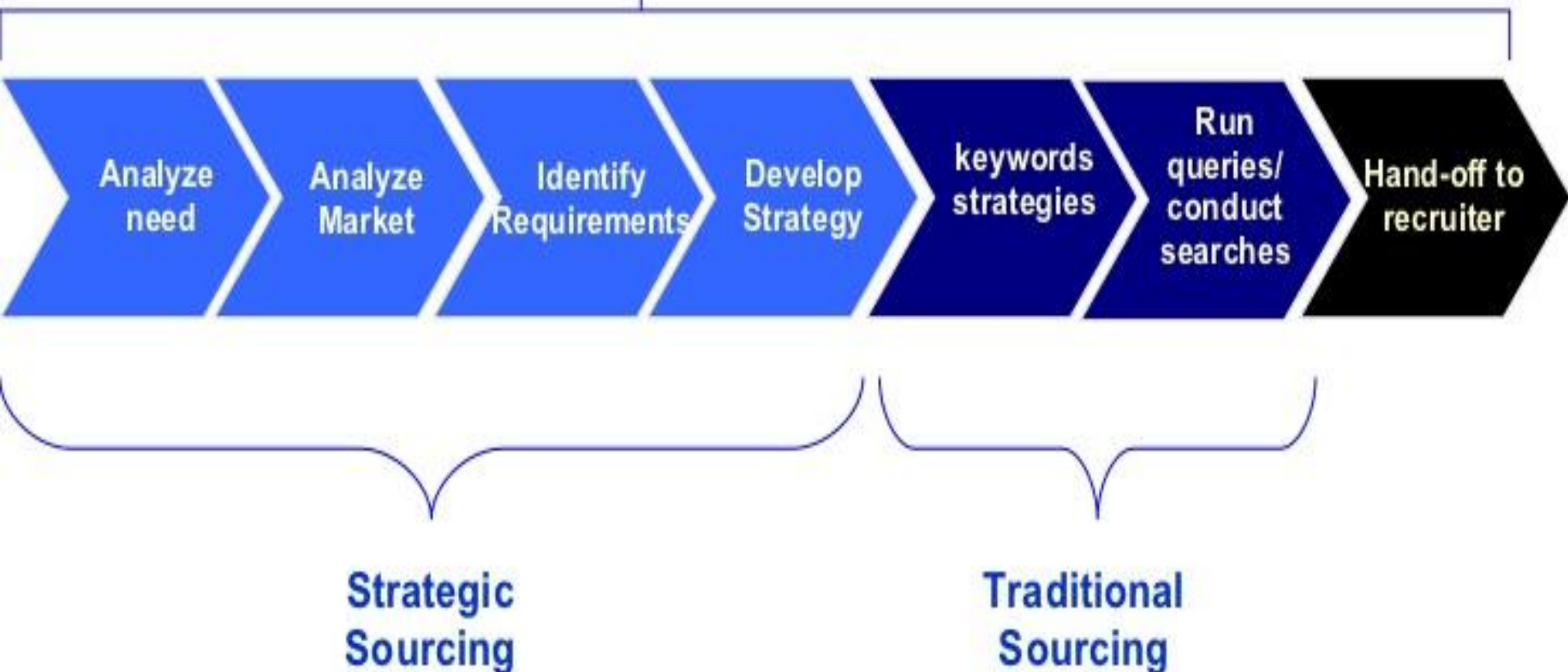
## Strategic Sourcing Methodology



# Strategic Sourcing Process

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## Benchmarking



# Strategic Sourcing

Booz | Allen | Hamilton  
delivering results that endure

PRICEWATERHOUSECOOPERS

Capgemini  
CONSULTING TECHNOLOGY SOLUTIONS

AT&T KEARNEY  
an EDS company

## Diagnostic Launch Prep'n

Stakeholder  
Communication

"Documenting the Buy"

"Segmenting the Buy"

Supplier Conference

### Key Deliverables:

Savings  
Opportunities  
Priorities  
Programme Plan

## Strategy Research

Analysis  
Cost Modelling

Develop Sourcing  
Strategies

Develop Technology  
Strategies

### Key Deliverables:

Sourcing Strategies  
Technology Strategies

## Engagement

RFQs  
Negotiation or  
Reverse Auctions /  
e-Sourcing  
Technical  
Engagement

Formalise  
Contractual  
Relationships

### Key Deliverables:

Negotiated Contracts  
Quick Hits

## Implement

Supplier Qualification

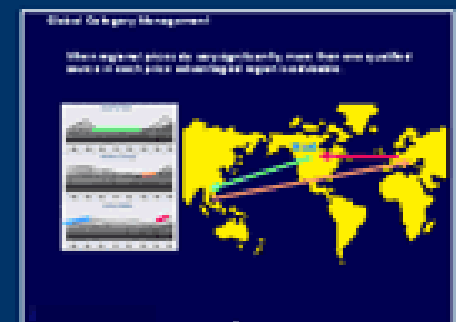
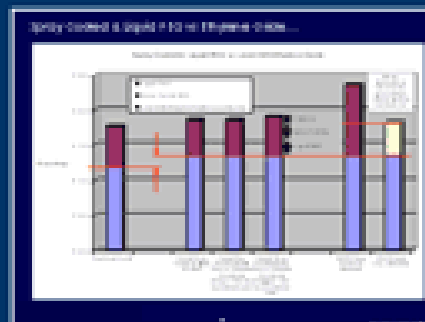
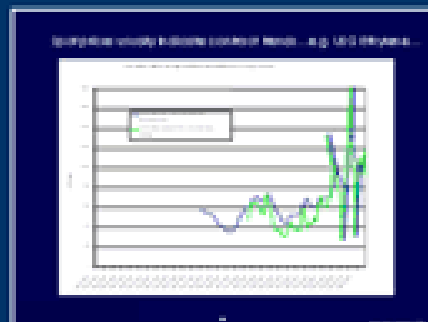
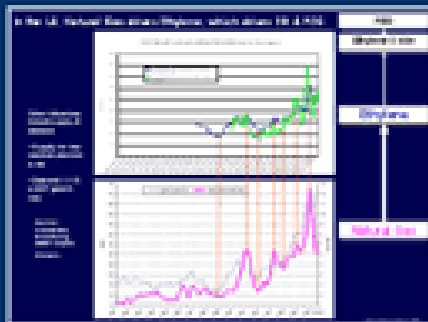
Product Qualification

Supply Migration

Benefits Tracking

### Key Deliverables:

Implemented  
Strategies  
Cost Savings



Savings typically 15-35%

Interim Management: Purchasing

www.interimmanagement-purchasing.com



Savings typically 5-10%



## f) Types of Sourcing



Strategic Sourcing

# Sourcing

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## Strategic Sourcing

- Systematic
  - Long Term
  - Holistic
- 

## Tactical Sourcing

- Short Term
  - Transactional
  - Reactive
-

# Sourcing Services

02

Supplier Determination  
Business Negotiation  
Contract Settlement

At Negotiation  
Stage



03

At Management  
Stage

Production progress and Quality Management  
Logistics Management  
In-time Coordination of Emergencies  
Supplier Relationship Follow-up



01

Supplier Selection  
Manufacturer Inspection Services  
Supplier Assessment Report

At Selection  
Stage

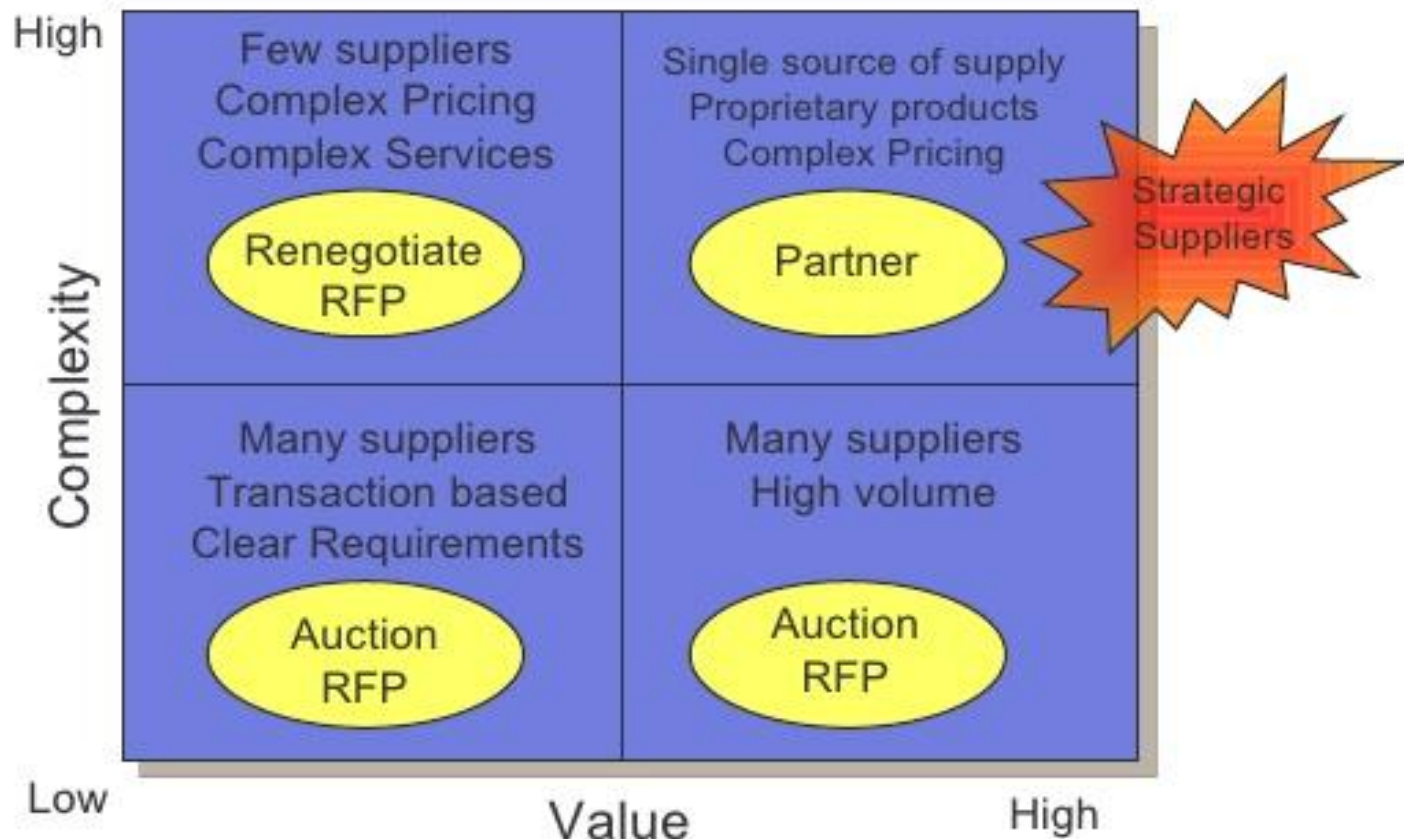


|                                 | TRADITIONAL PURCHASING                                                           | STRATEGIC SOURCING                                                                                        |
|---------------------------------|----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|
| <b>COST</b>                     | Lowest possible cost per unit                                                    | Best possible value and total cost of ownership                                                           |
| <b>QUALITY/<br/>QUANTITY</b>    | High volumes for generating mass discount                                        | Highest possible quality for lowest possible cost                                                         |
| <b>SKILLS SET</b>               | Negotiation, analytical, proficiency skills                                      | Soft negotiating, solving, collaborating, cross-functional skills based on mutual respect and compromises |
| <b>LOCATION</b>                 | Locally known supplier base                                                      | Global supplier network                                                                                   |
| <b>PROCEDURE</b>                | “what to buy and from whom”                                                      | Requesting and comparing for identifying best cost-quality-service-offer                                  |
| <b>RELATIONSHIP</b>             | Based on acquaintanceship                                                        | Intense and sustainable                                                                                   |
| <b>SUPPLIER<br/>PERFORMANCE</b> | Effective (completing activities and achieving goals, by doing the right things) | Efficient (lean approach: achieving high outputs with minimum inputs, by doing the things right)          |
| <b>ADJUSTMENTS</b>              | Reactive approaches for failure improvement                                      | Proactive approaches for failure prevention                                                               |



## g) Sourcing Tools

# Determining the Negotiation Strategy



## Step 5 - Implement Sourcing Strategy

5

Implement  
Sourcing Strategy

### Actions

- Develop supplier solicitation strategy
- Implement supplier solicitation strategy
- Conduct supplier negotiation
- Develop process enhancement strategy
- Obtain final approvals
- Award contract

### Outcomes

- Selection criteria and weightings for supplier selection
- Request for Proposal (RFP) to suppliers
- Short list of suppliers
- Comprehensive evaluation of short-listed suppliers
- Performance measure categories for supplier performance analysis
- Final selection of supplier(s)
- Finalised Standard Agreement, with negotiated pricing and terms
- Communication to all affected stakeholders



## h) Strategic Sourcing Benefits - Results



### **STRATEGIC SOURCING**

For most companies, Global Strategic Sourcing is an opportunity to achieve significant reduction in operating costs.

**Opportunity  
Assessment –  
Goods and/or Services**

## Performance Management

- Monitor internal performance and compliance
- Administer contract (if applicable)
- Integrate supplier relationship mgmt
- Conduct quality analysis

## Strategy Execution

- Rollout/resource strategy
- Issue policy and/or
- Execute demand management and/or
- Follow acquisition process

## Current Strategy Review

- Identify historical requirements and process
- Review past and present business arrangements

## Market Intelligence

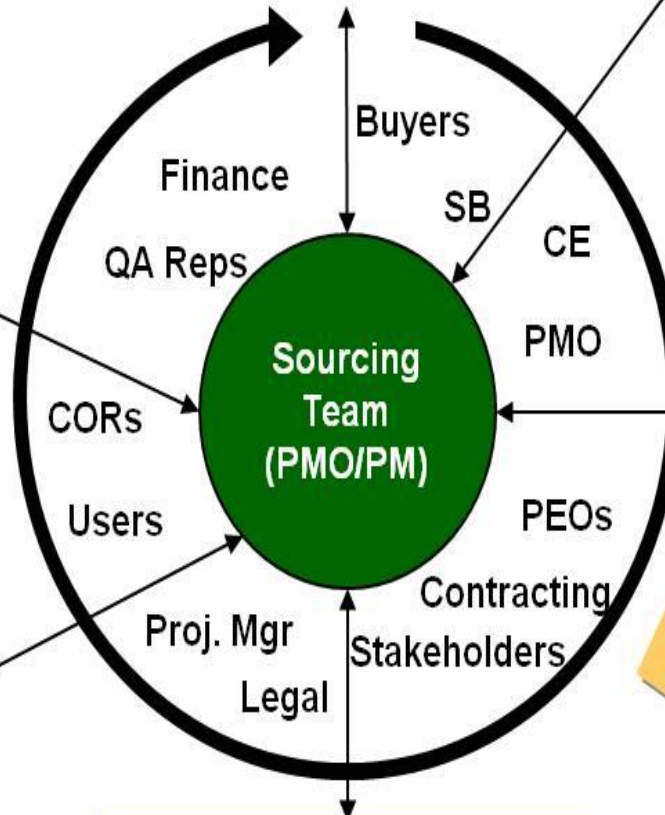
- Identify qualified suppliers
- Understand industry trends and cost structure

## Requirements Definition

- Define requirements
- Standardize requirements

## Sourcing Strategy Development

**Sourcing  
Team  
(PMO/PM)**



**Results**

**Customer  
Warfighter  
Taxpayer**

# 2012 HIGHEST AVERAGE CATEGORY SAVINGS



48%

Transcription  
Services



43%

Hosting  
Services



40%

Telecom  
Services



35%

Printing  
and Forms



29%

Janitorial  
Services



27%

Facility  
Maintenance



22%

Banking  
Services



18%

MRO

With new clients and new subject-matter experts, Source One saw record savings in many categories in 2012, maintaining an average of 18% savings for clients across all categories.

# BENEFITS OF STRATEGIC SOURCING

## Primary Benefits of Strategic Sourcing

### Change in Consumption/ Volume

#### Demand Management

- Eliminate demand
- Reduce consumption
- Encourage substitution
- Change product mix

#### Specification Review

- Eliminate "gold-plating"
- Simplify specifications
- Alternative products

### Reduction in Cost Per Unit

#### Pricing Improvements

- Lower unit price
- Volume rebates
- Payment term discounts

#### Supply Chain Savings

- Cost of capital
- Warehousing costs
- Shipping costs

#### Reduced Lifecycle Costs

- Maintenance costs
- Operating costs
- Disposition costs

### Improved Operating Efficiency

#### Reduced Procurement-Related Operating Expense

- PO Processing
- Accounts Payable
- Receipt/Warehousing
- Standardized procurement process

#### Reduced Non-Procurement Related Operating Expense

- Other operating efficiencies

#### Performance Monitoring

- Structured metrics and periodic review of contractor performance

### Improved Supply Management

#### Socio-economic Goals

- Structured analysis of small/disadvantaged business opportunities

#### Optimized Supplier Relationships

- Improved joint understanding of needs and capabilities
- Increased efficiencies across the entire supply chain



# The value of Strategic Sourcing



## What are the elements of Strategic Sourcing?

- Aligning the procurement approach to business strategy and performance
- Providing a strategic assessment of costs and strategic business processes
- Rationalizing suppliers and governance using a strategic supplier list
- Implementing consistent supplier and procurement performance measurement
- Developing a consistent approach to supplier relationship management
- Ensuring an appropriate mix of suppliers are used for upcoming programs
- Providing governance and support in the supplier selection process

## What are the key benefits?

**Achieve efficiencies, reducing costs and risks**

**Deliver best value from procurement spend**

**Improve supplier relations and establish strategic partnerships**

**Improve performance and achieve a competitive advantage**

**Meeting the sourcing needs of the business**

## Strategy | Develop insight

We challenge our clients to think strategically about how they consume and deliver services, and refine the delivery model to best achieve their strategic outcomes.

## Execution | Drive action

We support our clients in the design and implementation of unique, tailored solutions to build an advantaged services model, leveraging our expertise to establish a robust process and mitigate the risks inherent to any implementation.

## Optimization | Sustain advantage

We work with our clients to continually adapt their service models against evolving market needs and on-going cost, risk and performance pressures to increase agility, flexibility and capabilities.

Our clients seek to dramatically improve their performance – to be more agile and focused when responding to market changes, to reduce operational and financial risks.

We view global services as more than a cost of doing business – they can drive competitive advantage.

Reduce costs

Grow profitably

Mitigate risk

Improve agility

Retain customers

Expand offerings

Develop markets

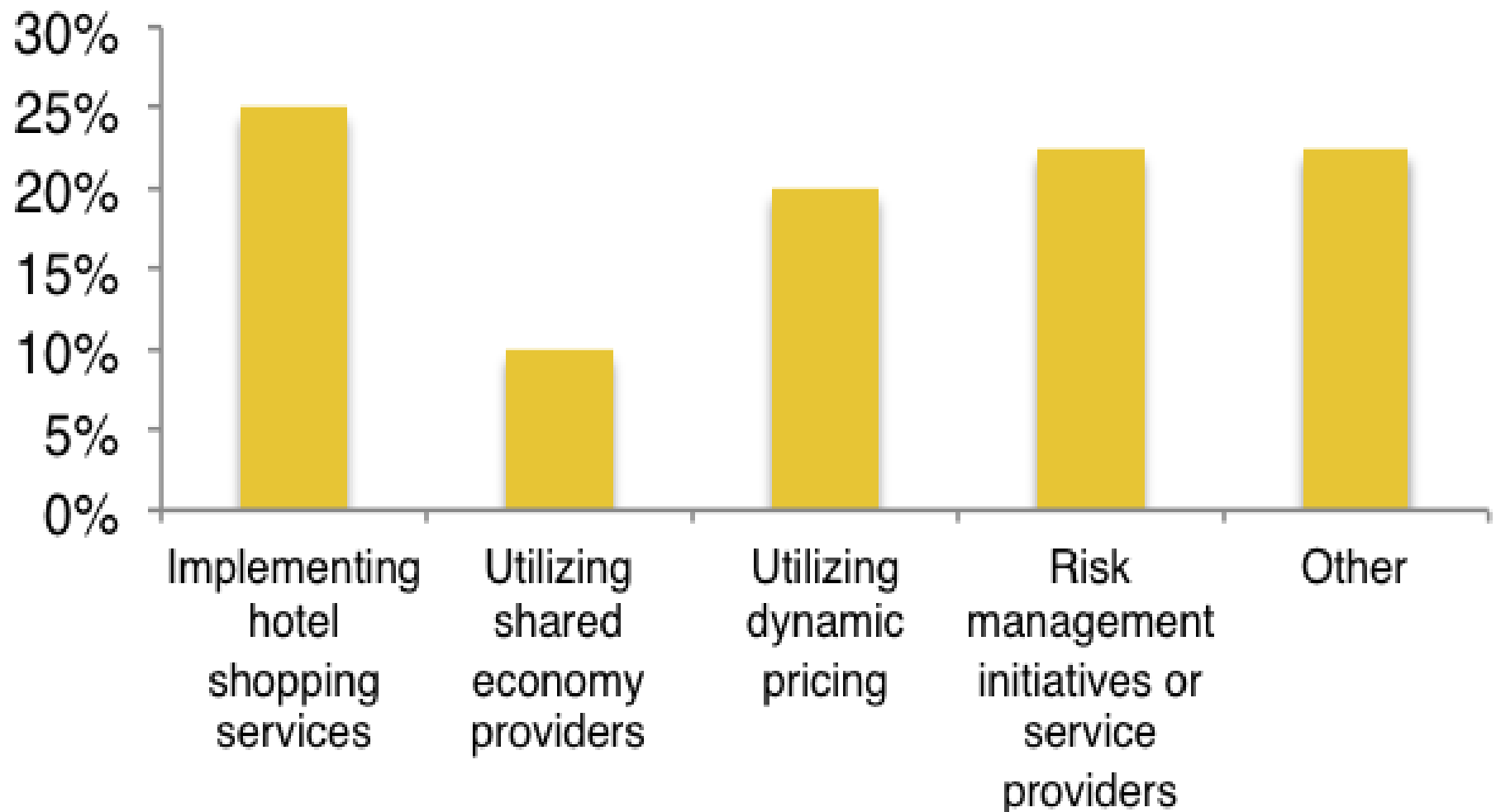
Create advantage

Build long-term shareholder value



## i) Hospitality Strategic Sourcing

**Which areas are you planning on amending your traditional hotel sourcing process for 2017?**



# Sourcing Strategy: Airlines

## Current State

- Travel policies located in Accounts Payable Expenditure Manual – No enforcement
- All departments using one travel agency, however suspect that some Southwest bookings are going directly to Southwest.com
- Travel compliance is not be monitored
- Recently moved corporate headquarters from Detroit, MI to Dallas, TX
- Top 3 airline spend: Northwest, American and Southwest
- Current contract with Northwest only (no discount in Tier 3 and high market share commitment)
- 70% of air spend in Tier 3
- Some international air spend – about 15%

## Sourcing Recommendation

- Create separate travel policy with management enforcement
- Enter into negotiations with Northwest (current contracted supplier) and American Airlines. In addition, pursue possible corporate deal with Southwest Airlines.
  - Stimulate competition between Northwest and American Airlines in multi-hub city pairs
  - Stimulate competition between Northwest and American Airlines for international air spend
  - Negotiate with Southwest and determine if market share can support a formal corporate agreement
- Market dynamics suggest a 2 year contract

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## Results

- Separate travel policy resulting in improved compliance
- Discount in Tier 3 level pricing
- Capture all Southwest spend

# Global Hotel Strategy

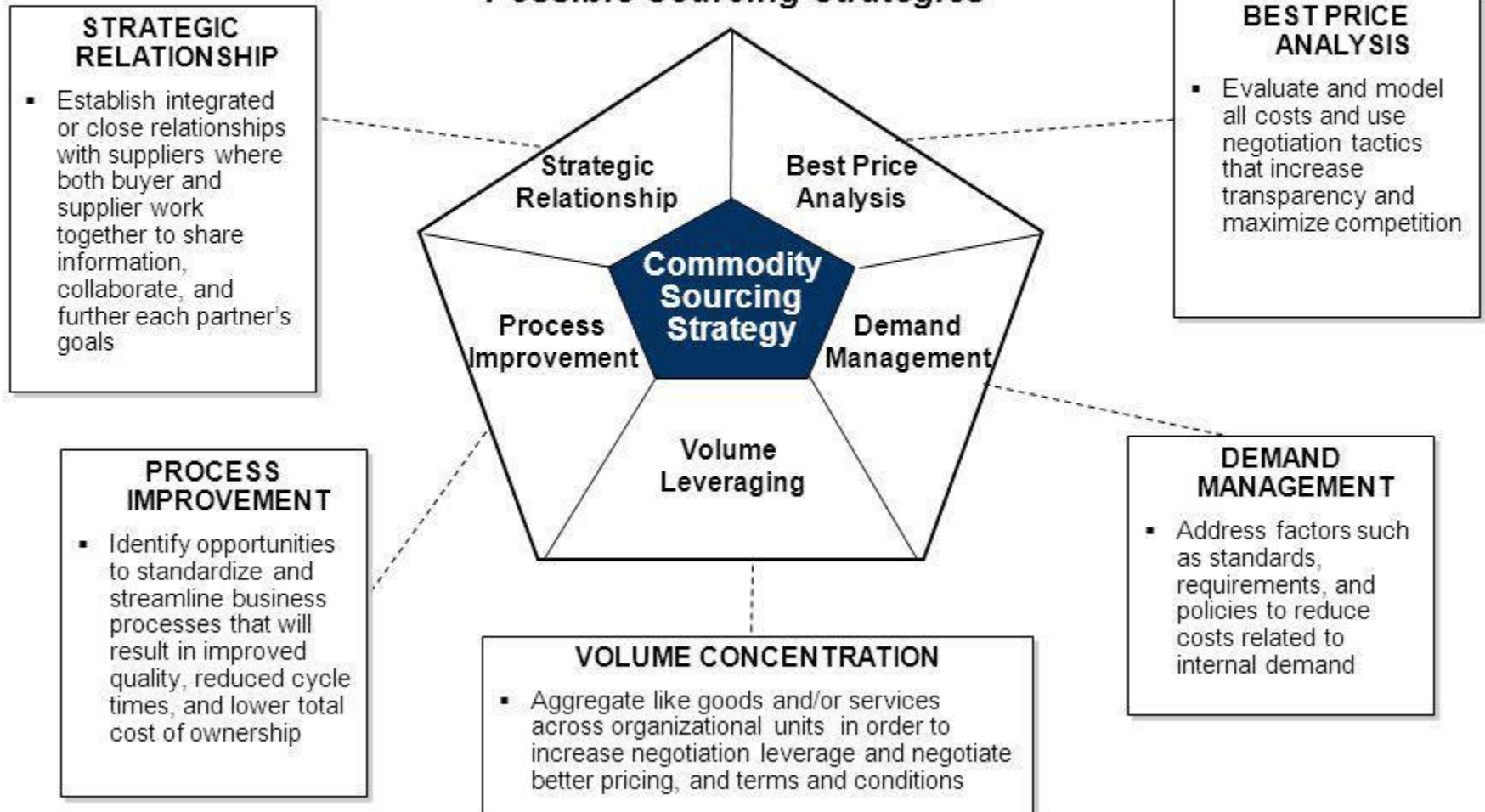
- We outsource the process. We conduct hotel spend analysis using data from Agencies, major hotel chains, credit card and T&E systems.
- Solicit preferred hotel preferences from administrators and top travelers in your key global markets that may not be captured in the data due to direct bookings
  - ✓ Understand your travel profile –
    - ✓ Why do you travel? What type of hotels are needed for the type of travel you have?
    - ✓ What ancillary items are in your hotel folio data that your travelers use and that are expensed?
- Compile a list of all hotels used – Case study: 1400 hotels used and 980 hotels where we had spend in the previous year with over 100 room nights in the market. I combine meetings and events and corporate travel spend to be sure we leverage our contribution.
- RFPs are sent and we narrow the selection. Case study: Narrowed to 410 hotels where we had substantial spend or the property was requested as a preferred by travelers or administrator.



# Sourcing Strategies & Tactics

Several sourcing strategies can be pursued, either separately or together.

## — Possible Sourcing Strategies —



# Sourcing Strategy: Car Rentals

## Current State

- Travel policies located in Accounts Payable Expenditure Manual – No enforcement
- All departments using one travel agency for booking car rentals, however some spend is being booked via another source
- 97% of the car rental spend is with one preferred supplier
- Over 75% of car rental returns are subject to refueling charges
- The top 15 cities, by volume, represent 78% of the rental car spend

## Sourcing Recommendation

- Develop and implement one travel policy for all departments
- Issue a Request for Proposal to the top 5 rental car companies
  - Consolidate volume from all sources to increase bargaining power
  - Request pricing for one primary and one primary and one secondary supplier relationship
  - Negotiate refueling charges, if possible
  - Negotiate city surcharges for the top 15 cities, by volume
- Market dynamics suggest a 2 year contract with the option for a 1 year extension

---

## Results

- One travel policy for all departments resulting in capturing the non-compliance that is being done
- Award contract to one primary or one primary and one secondary supplier, whichever is more advantageous

# ACHIEVING COST SAVINGS THROUGH STRATEGIC SOURCING



# Travel Category Opportunity

## Confirmation of Sourceable Spend

| Sourcing Group Category | Sub-Category                   | Addressable Spend | % Addressable | Sourceable Spend | Est. Mid Saving % | Est. Mid Savings \$ |
|-------------------------|--------------------------------|-------------------|---------------|------------------|-------------------|---------------------|
| Travel                  | Airline                        | \$6,000,000       | 100%          | \$5,500,000      | 3%                | \$165,000           |
| Travel                  | Car Rental                     | \$1,000,000       | 100%          | \$925,000        | 5%                | \$46,250            |
| Travel                  | Hotel                          | \$4,500,000       | 100%          | \$4,400,000      | 5%                | \$220,000           |
| Travel                  | Agency - Agency Fees           | \$170,000         | 100%          | \$0              | 0%                | \$0                 |
| Travel                  | Demand Management (Compliance) | N/A               |               | N/A              |                   | \$700,000           |

## Key Travel Contracts and Expiration Dates

- Hertz Car Rental Agreement – Expiration Date: July 31, 2010
- Northwest Airlines Agreement – Expiration Date: November 30, 2010
- American Express Travel Agency Agreement – Expiration Date: September 30, 2009 – Currently Extended until September 30, 2010, with an additional 1 year extension (2011).

## Preliminary Opportunities to Drive Accelerated Benefit

- Mandated Travel & Entertainment Policy
- Drive Demand Management (Compliance Behavior):
  - On-Line Booking Tool
  - Advance Ticket Purchase
  - Non-Refundable Tickets
  - Preferred Hotel usage
  - Preferred Car Rental usage
- Hotel Competitive Bid
- Negotiate American Airlines contract
- Car Rental Competitive Bid

# Strategic Sourcing of Travel Means Focusing on Road Warriors



**Road warriors** (35+ nights away/yr) are the most important group of travelers

**Travelers** are the most important part of a travel program

**31% of Travelers**  
**67% of Air Spend**  
Source: ARC 2015 Trip Friction database  
covering 110K travelers

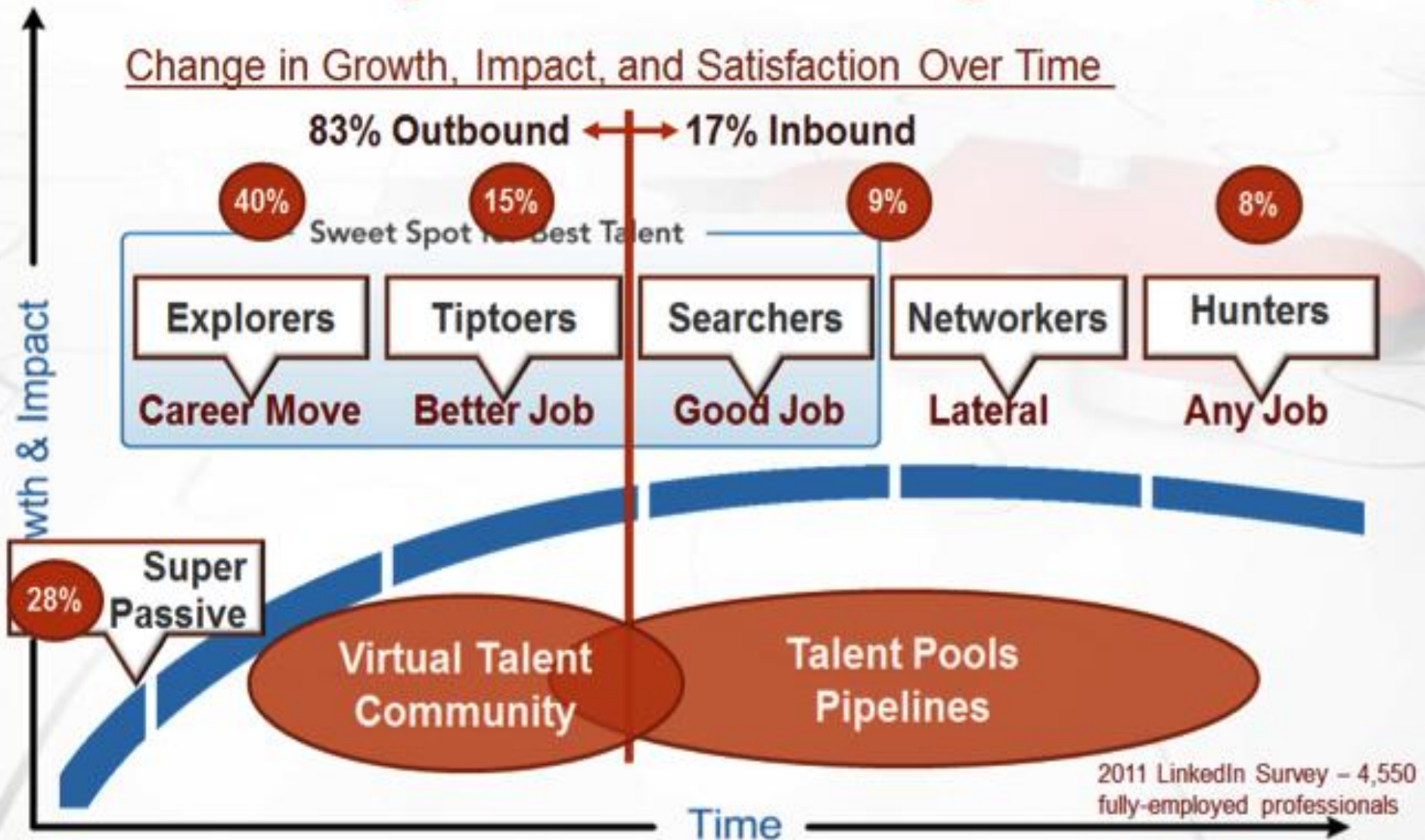
# End-to-end global hotel solutions



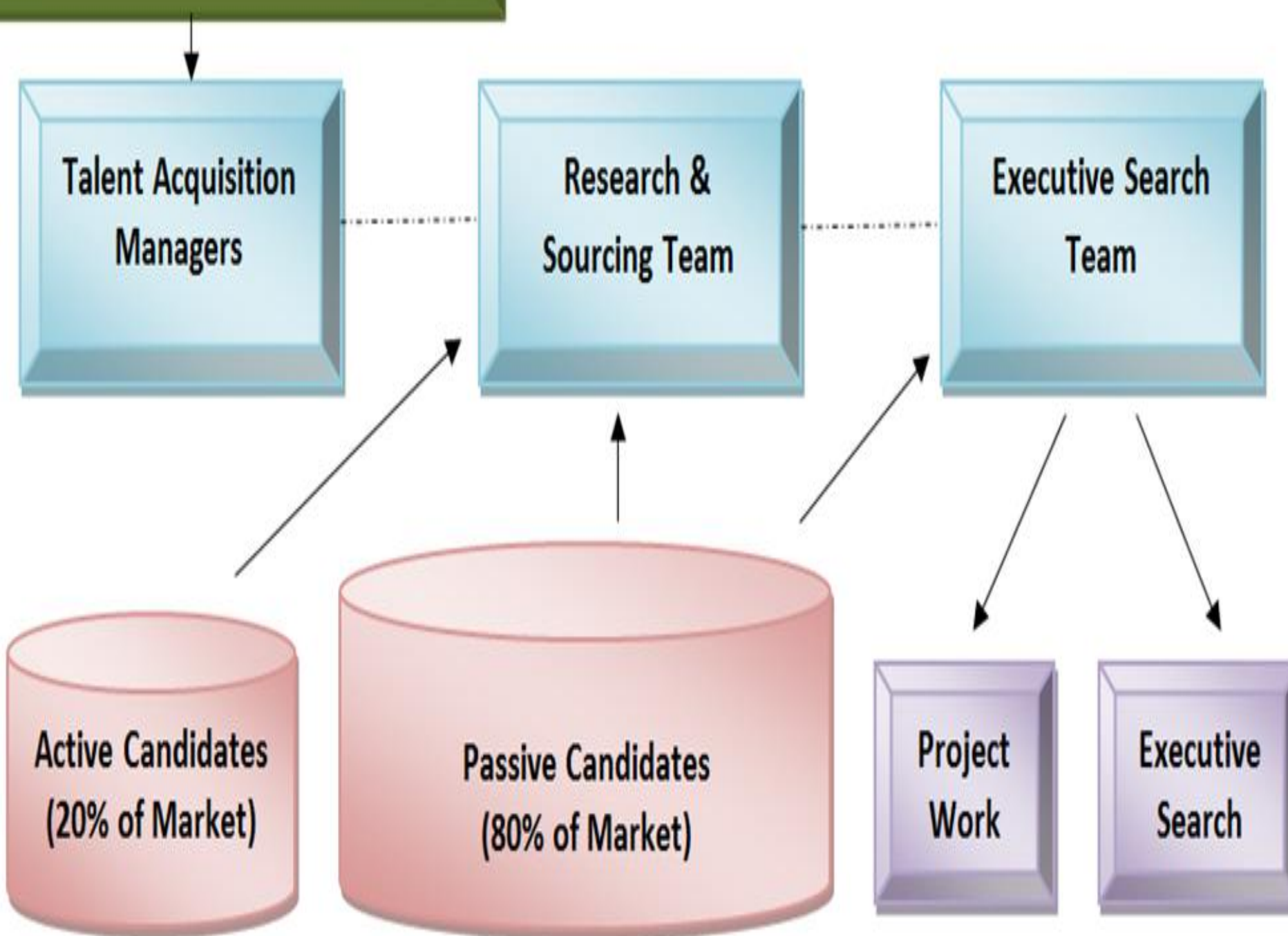


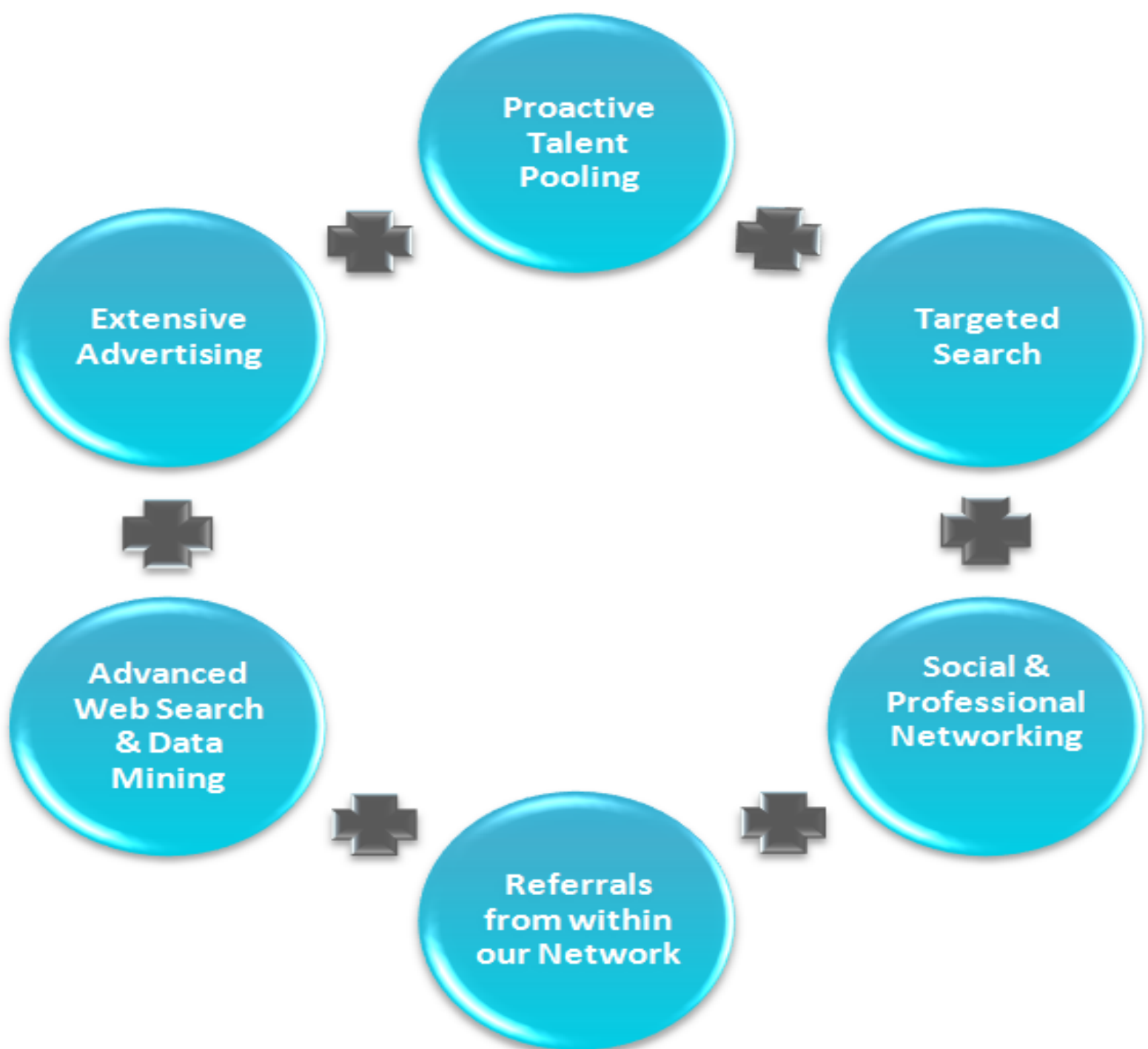
## k) Other.....Sourcing Talent - HR - Associates

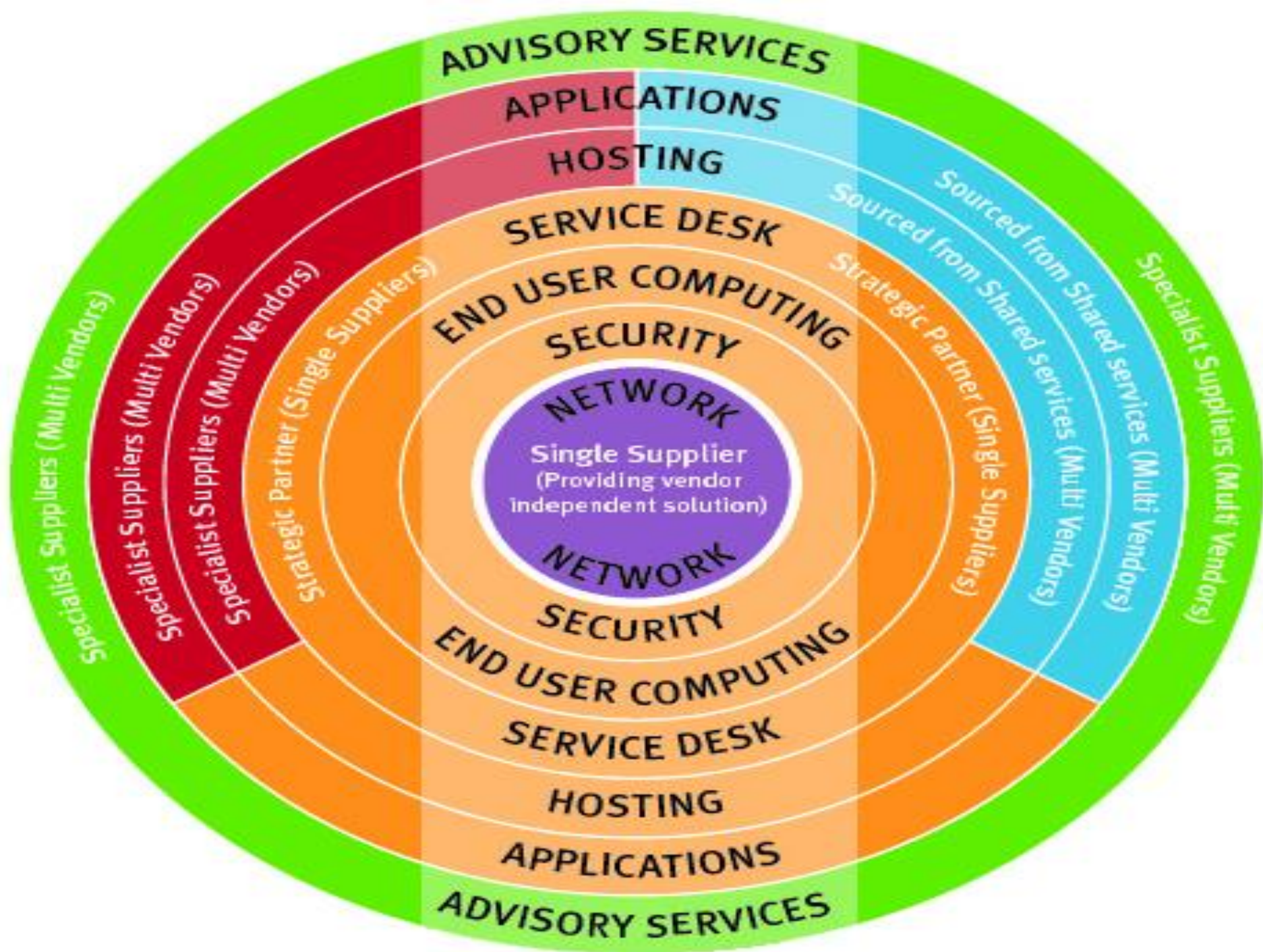
# The Early-bird Sourcing Strategy



# The Business







Customer Needs Definition

Market Analysis

Sourcing Strategy Development

**WHAT**  
exactly you need?

**WHO**  
could supply it?

**HOW**  
will you do it?

**Implementation**

**BAU** run

**WHAT**  
exactly you need?



# Global Procurement Processes

## Day-to-Day Purchasing Process



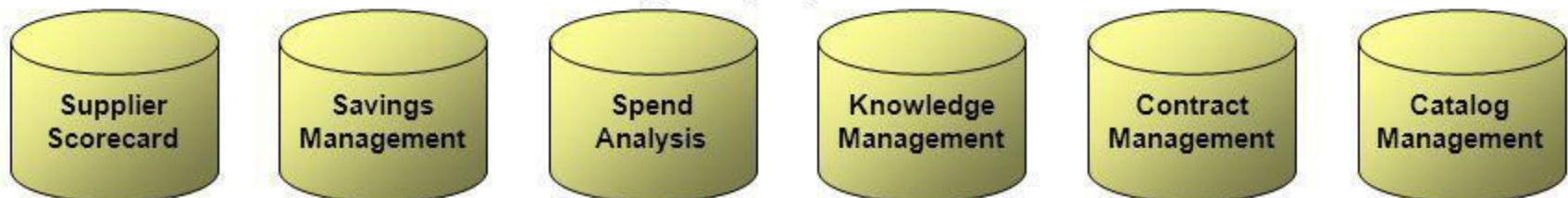
## Strategic Sourcing Process



## Supplier Relationship Management Process



## Core Supporting Capabilities

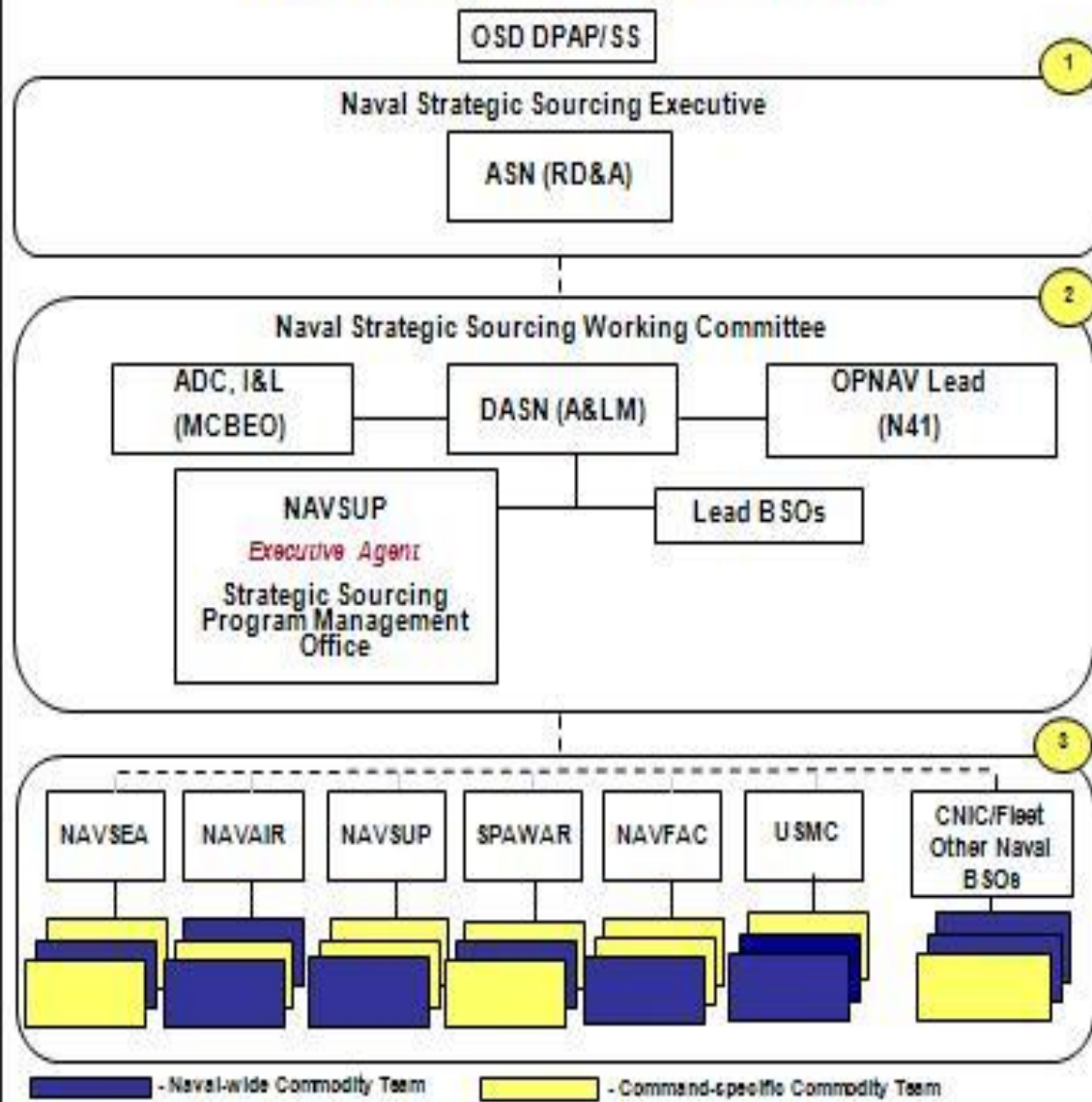




# I) Examples

## Naval Strategic Sourcing Governance Structure

### Naval Strategic Sourcing Governance



### High-Level Overview

#### 1.Strategic Sourcing Executive:

- Establish strategic goals and objectives
- Approve Naval-wide rollout strategies
- Issues implementation of business rules

#### 2.Working Committee:

- Determines commodities for sourcing
- Assigns commodity lead/ownership
- Coordinates Strategic Sourcing activities
- Monitors metrics
- Standardizes policies & processes

#### 3.Naval Budget Submitting Offices (BSOs) & Commodity Teams (CT):

- Identify strategic sourcing opportunities
- Lead BSOs operate & manage CTs
- CTs staffed by Lead BSO/stakeholder BSOs
- Development and implementation of sourcing strategies and contract execution
- Facilitate implementation of policies

- Deputy Secretary of Pennsylvania Department of General Services (2003-2005)
- Responsibilities:
  - Statewide procurement (\$4B in annual spend)
  - Fleet management (17,000 vehicles)
  - Inventory management (17 warehouses)
  - Print
- Accomplishments:
  - \$360 million in annual procurement savings
  - Quadrupling of state's MWBE participation rate
  - Warehouse consolidation, closing 14 warehouses
  - Eliminated 1,000 vehicles from fleet

## **7) RFP**

# **Request For Proposal**



# RFP objective?

**Approved Requirements**



**Purchasing**



**Terms and Conditions**



**Legal**



**Financing**



**Accounting**



**Formatting**



**Purchasing**



**Company Info**



**Public Relations**



**Date Requirements**



**Operations**



**Purchasing**



# RFP Creation

“Preparing a document that gets you the information you need without burning your eyes out”

# RFI, RFP, RFQ

- **RFI**-Request for Information-document that requires respondents to provide information on their product, service or solution and typically provide budgetary pricing
- **RFP**-Request for Proposal-typically used for service type requests; consulting, engineering, project management and the like. Firm numbers and commitments made by respondents
- **RFQ**-Request for Quotation-typically used for equipment, hard-assets and services to furnish and install

## 2. Purpose of a Proposal

A project proposal is much like a business plan. It is usually prepared for people who are not familiar with either your organization or your project. The project plan will give the reader all the information needed about you and the activity you have in mind.

In the same way a bank would like to see your business plan before it offers you a loan, a funder asks for a project proposal. Unlike a bank, development agencies are not only interested in the management and financial parts of your business or project - they are also interested in the development aims. So there are two areas in which your proposal must convince the funder that you deserve its support:

1. You will contribute to development in your community.
2. You are capable of managing the resources needed to meet your dream.

**NOTE!** Think of the following guide as a business or "project" plan. Do not think just about what the funder wants to hear, think about what you need to do to manage your project effectively. If you have a solid project plan, you are likely to have both a successful project proposal and project.

## *Picture Forming*

Present the Issue

Define the Problem

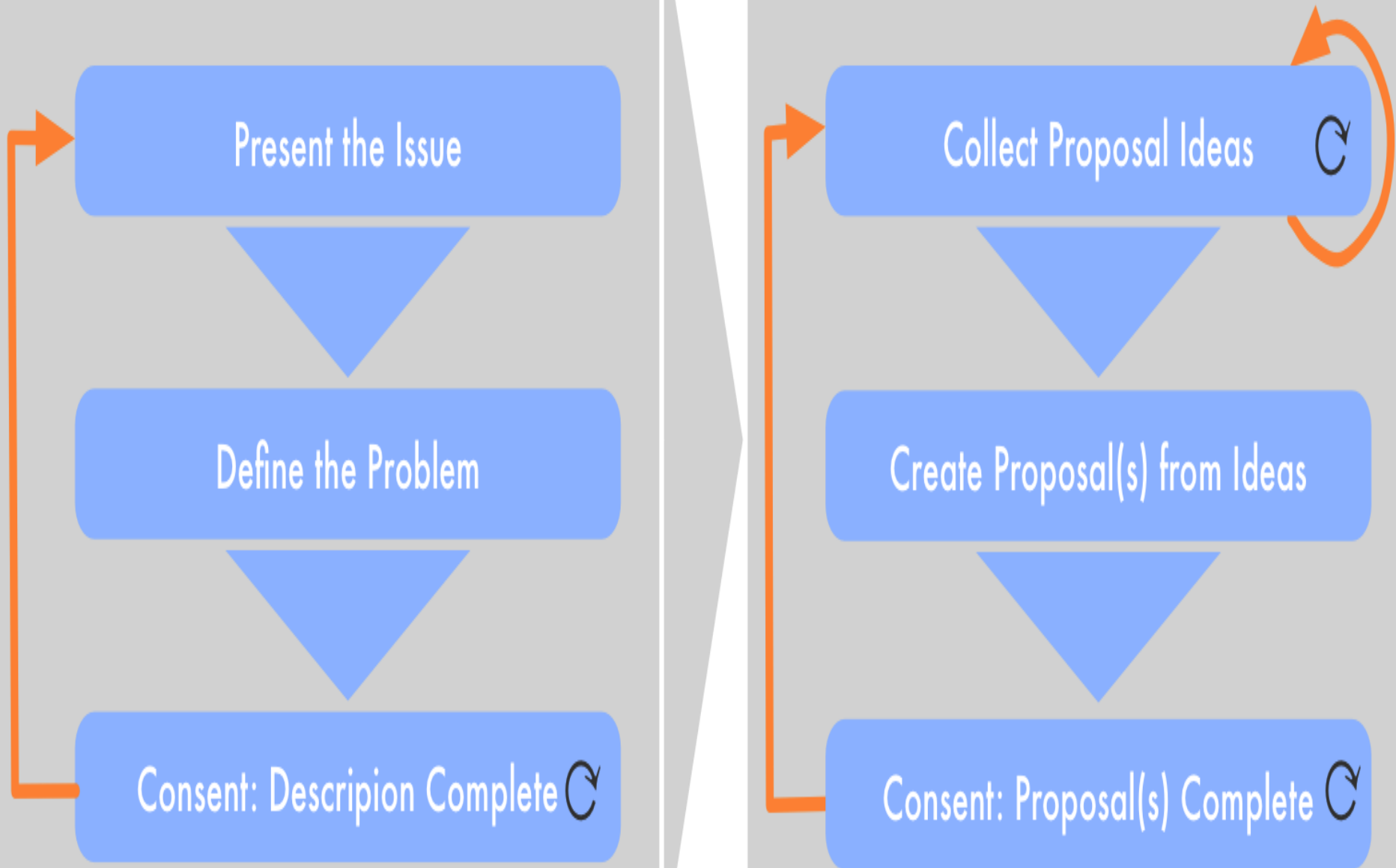
Consent: Description Complete ↻

## *Proposal Shaping*

Collect Proposal Ideas ↻

Create Proposal(s) from Ideas

Consent: Proposal(s) Complete ↻



# Asking the Right Questions

- Ask open questions that require respondents to provide more than a yes or no response
- Provide a space for response that keeps questions in an order that makes it easier to analyze
- Place your questions in an order that mimics your decision matrix

# **The RFP will describe requirements in use case form**

Describing the UI Modernization requirements in use cases increases the chances that bidding vendors will respond accurately to our needs. This is because use cases enable us to:

- Express the behavior of a system (functional requirements) in a manner that both technical and non-technical people can understand the desired behavior
- Provide a single common format to document both user requirements and system requirements
  - This minimizes errors that can occur in translating user requirements (for non-technical audiences) into system requirements (for technical audiences)
  - This enables a higher probability that misunderstandings between the business and the software team are resolved earlier (before the development is well under way) and so avoiding costly re-work late in the development lifecycle

In addition, creating the use cases early (during the RFP phase) will also provide us with dividends later:

- They provide the basis for the whole software lifecycle including architecture, design and development
- They help testing efforts by facilitating the creation of test cases
  - Use cases already provide requirements in a sequence, so testers do not have to guess at the order and content of user actions

# Types of RFP

- RFI - Request for Information: (pre-RFP) Gain information on available solutions by vendors.
  - RFI is not a prerequisite to RFP. RFI is used by buyers to gain more insights, usually when there is ambiguity around a project/product.
- RFP : Formal requests that communicate a company's requirements and invites solutions from suppliers.

## Study

- Requirements Analysis
- Baseline Definition
- Target Definition

## RFI

- Supplier Interest
- Key Supplier Information
- Non-Disclosure Agreement

## RFP/RFQ

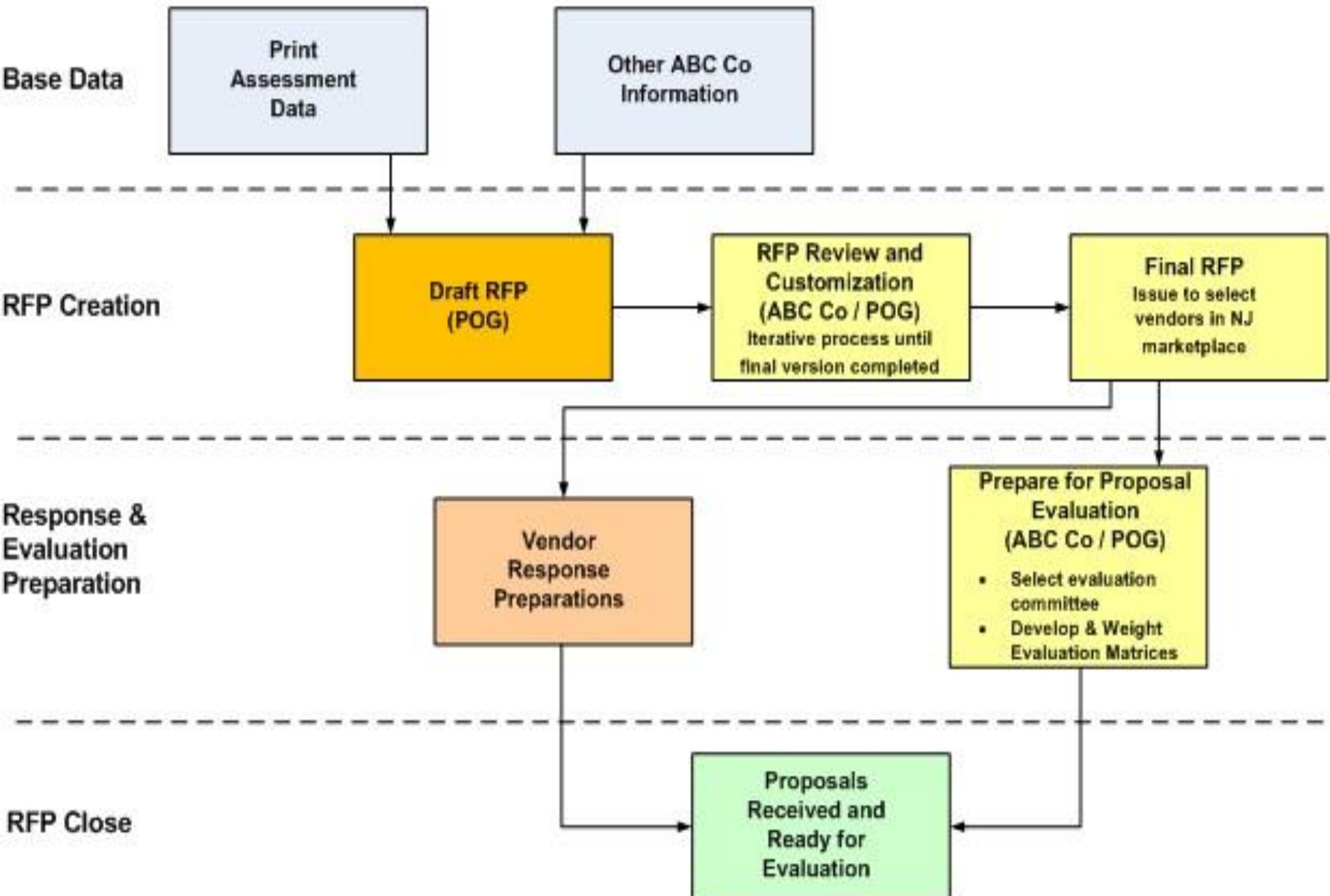
- RFP : Open-Ended Questions to Solicit Solution Designs
- RFQ ; Clear Cut Baseline & Requirements
- Selection
  - Choose the vendor depending on the indicated criteria
  - Contract Negotiations

## Project

- Due Dilligence
- Project Kick-Off

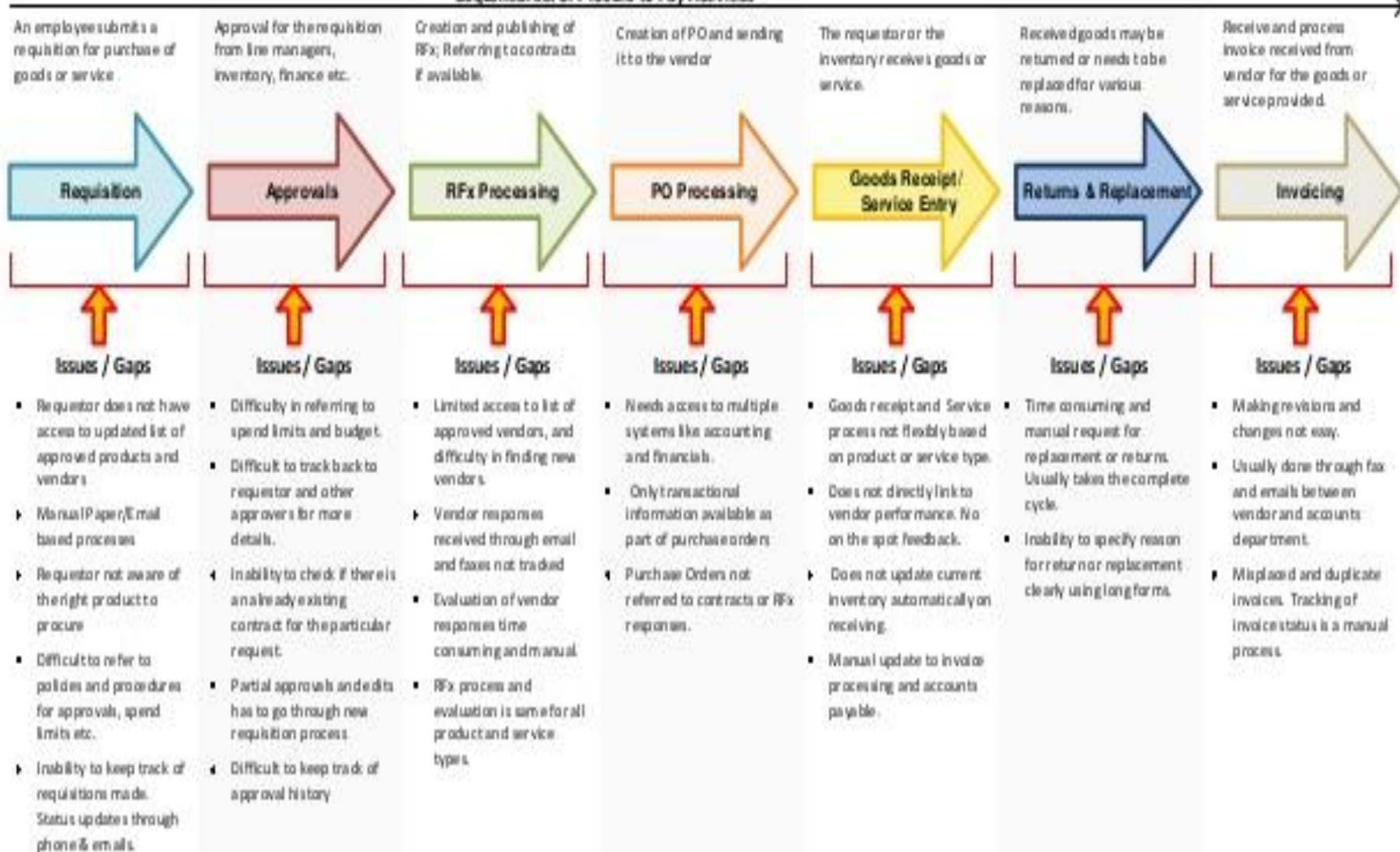
Operational Baseline

# RFP Creation Process



# Gaps in traditional Procurement Processes

## Sequential set of Procure to Pay Activities



# Capture Activities

(Concurrent with Proposal Creation)



## Gates

1. Opportunity Assessment
2. Strategy and Capture Plan

## Review

3. Readiness Review
4. Submit (Go/No-Go) Review

NOTE: Gate Reviews are Strategic Management reviews and DO NOT contribute directly to the proposal's quality.

# Go to Haves!

- Description of Project
  - Community Information
  - Previous work completed
- Expected Outcomes/Requirements
- Three Broad Categories to cover in an RFP:
  - Expertise of Vendor
  - Process Vendor will use to complete project
  - Pricing and Legal
- Evaluation Criteria and Rating

# Vendor Matrix Rankings

| <u>Category/Sub Category</u> | <u>% Weighting</u> |     | <u>Vendor 1</u> | <u>Vendor 2</u> | <u>Vendor 3</u> | <u>Vendor 4</u> | <u>Vendor 5</u> |
|------------------------------|--------------------|-----|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Expertise</b>             | <b>50%</b>         |     | <b>47%</b>      | <b>39%</b>      | <b>36%</b>      | <b>27%</b>      | <b>49%</b>      |
| Network                      |                    | 15% | 13%             | 9%              | 11%             | 7%              | 15%             |
| Operations                   |                    | 15% | 15%             | 13%             | 12%             | 9%              | 14%             |
| Financial                    |                    | 20% | 19%             | 14%             | 13%             | 12%             | 20%             |
| Sales/Marketing              |                    | 15% | 13%             | 14%             | 13%             | 8%              | 15%             |
| Regulatory/Legal             |                    | 15% | 15%             | 12%             | 11%             | 7%              | 14%             |
| Services                     |                    | 20% | 19%             | 15%             | 14%             | 10%             | 20%             |
| <b>Process</b>               | <b>25%</b>         |     | <b>25%</b>      | <b>19%</b>      | <b>18%</b>      | <b>12%</b>      | <b>24%</b>      |
| Timeline                     |                    | 25% | 25%             | 20%             | 19%             | 13%             | 23%             |
| Description of Process       |                    | 50% | 50%             | 37%             | 38%             | 24%             | 50%             |
| Previous Experience          |                    | 25% | 25%             | 20%             | 17%             | 13%             | 24%             |
| <b>Pricing</b>               | <b>25%</b>         |     | <b>23%</b>      | <b>24%</b>      | <b>22%</b>      | <b>20%</b>      | <b>23%</b>      |
| Price                        |                    | 80% | 73%             | 80%             | 69%             | 64%             | 73%             |
| Insurance Requirements       |                    | 10% | 10%             | 8%              | 9%              | 7%              | 10%             |
| Licensing Requirements       |                    | 10% | 10%             | 8%              | 9%              | 7%              | 10%             |
| <b>TOTAL</b>                 | <b>100%</b>        |     | <b>95.2%</b>    | <b>82.5%</b>    | <b>76.6%</b>    | <b>58.4%</b>    | <b>97.0%</b>    |



## RFP Contents.....

# Tech. & Management part Response

Technical &  
Management  
Proposal

Cover Letter

Executive Summary

Response to administrative requirements

Technical solution & description

Project management description

Solution Demonstration requirements description (if needed)

Additional Info.

# Proposal Cover Letter

Your Cover Letter will include the following items:

Name

Address of the bidder,

RFP contact name, phone and email

Signature of a duly authorized officer or agent of the respondent submitting the proposal.

Bidder's authorized officer or agent shall certify in writing that:

- Proposal is genuine; not made in the interest of, or on behalf of, any undisclosed person, firm, or corporation; and is not submitted in conformity with any anti-competitive agreement or rules.
- Respondent has not directly or indirectly induced or solicited any other respondent to submit a false or sham proposal.
- The respondent has not solicited or induced any other person, firm, or corporation to refrain from proposing, or has not sought by collusion to obtain for himself/herself any advantage over any other respondent.
- No reassignment of proposals will occur during the evaluation or negotiation stage unless authorized by PSE and that in the event respondent and PSE negotiate and execute a contract based on respondent's proposal, the contract and obligations therein shall not be sold, transferred or assigned or pledged as security or collateral for any obligation without the prior written permission of PSE which permission shall not be unreasonably withheld. Any project lender who takes an assignment of the contract for security and exercises any rights under such agreements will be bound to perform such agreements to the same extent.
- Conflict of Interest: All respondents shall disclose in their proposal any and all relationships between themselves, the project and/or members of their project team and PSE, its employees, its customers, or members of PSE's Conservation Resource Advisory Group (CRAG).

# Cover Letter

- 3-parts
  - Read and Understood the requirements
  - Accepted conditions stated in RFP
  - Committing the company to products & prices included in proposal.

# RFP support

Creation of Request for  
Proposal, Vendor Selection,  
Assistance in ERP Implementation  
and ERP Audit



# RFP Responds

## Effective and Quick Requirements gathering

Shortlist and prioritize the features and functions you need instead of preparing a list from scratch

Easily add your company's unique CRM requirements

Find out Vendors capability and their implementation and support strategy

## Analysing CRM RFP Responses

Apple to apple comparison can be done amongst various products and vendors

Make sure that vendors understand and can support all your requirements

## Getting a Clear Picture of the end-to-end deployment

Get a clear picture of required customizations, integrations and additional cost

Compare your existing systems to the winning solution

# Expectations from a RFP Response

- Demonstrate clear understanding of all technical & non-technical issues mentioned in RFP
- How your suggested solution will address each of the issues/requirements raised in RFP?
- Method of doing business (team, risk management, training, support etc.)

# Why do we know anything?

- Have created and responded to Requests in the Telecommunications Industry including:
  - Infrastructure
  - Equipment
  - Telecom Services
  - Consulting Services
  - Operational Support Systems

# RFP Process



# Process

- Timeline
  - How long will it take the vendor to complete the project
  - Asking for a project chart to represent this is always a good idea
- Description of Process
  - How will the vendor gather information, work with you, compile the information and provide a final product
  - Another important piece is what expectations the vendor has regarding your involvement in the process
  - What you are looking for here is good project management practices and thoroughness of the process
- Previous Experience
  - References of Previous Projects
  - Other telecommunications background and projects

# Approaches to Evaluating External & In-Company Training

## In Company Training

Ultimate Value Approach

Trainee Centered Approach

Trainee Centered Approach

Cost Benefit Criteria

Organization Development criteria

Job Behavior Criteria

Learning Criteria

Reach criteria  
Transfer Criteria

## External Training

Client Centered Approach

Trainee Centered A

Trainee Centered A



# Proposal - Your Storyboard

---

## **Your Understanding**

- Proposal information
- Bid request information

## **Your Analysis**

- Compliance

## **Your key Visuals**

- Graphs / Trends
- Title / Captions
- Action Pointers

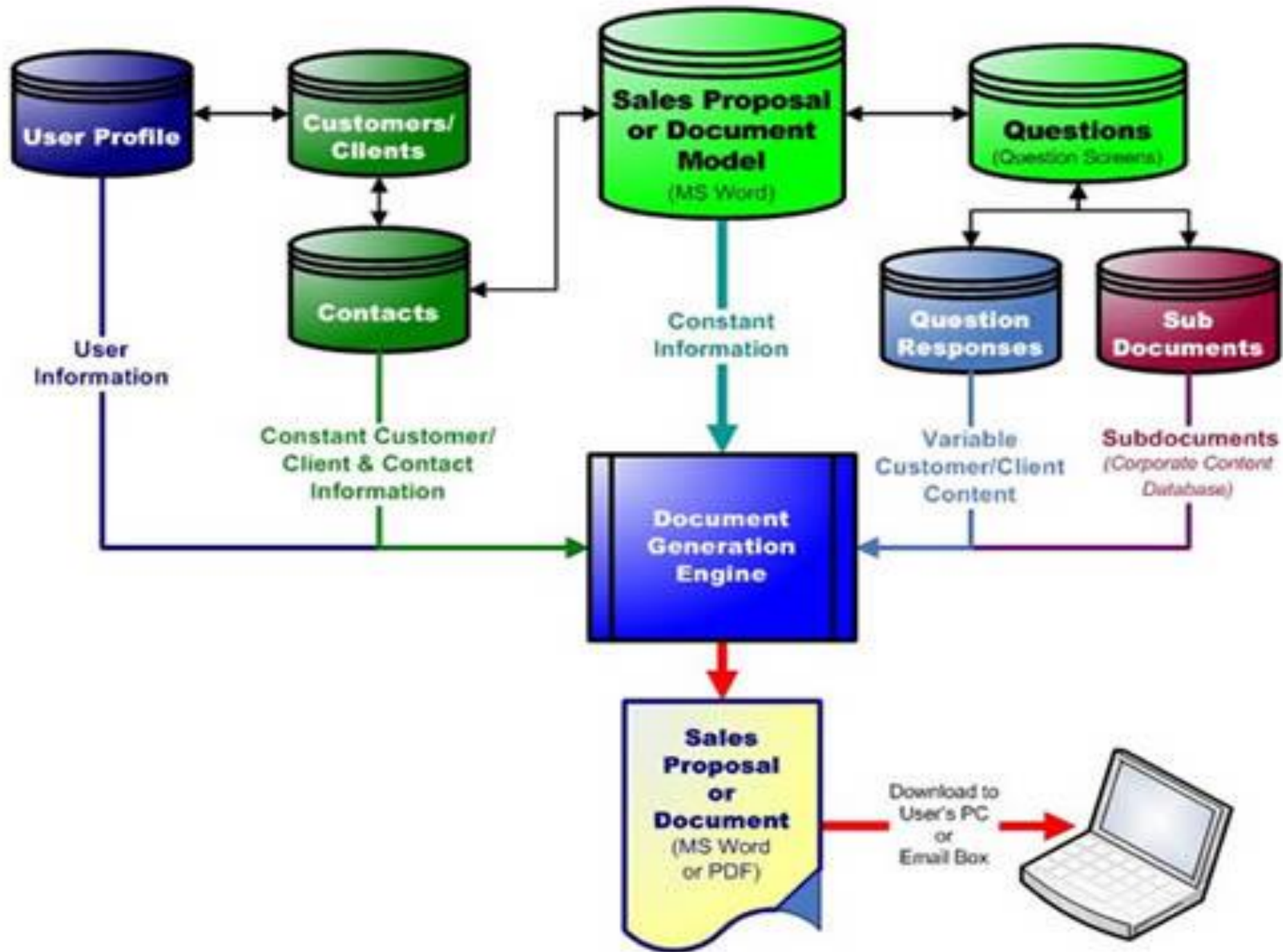
# **Storyboard**

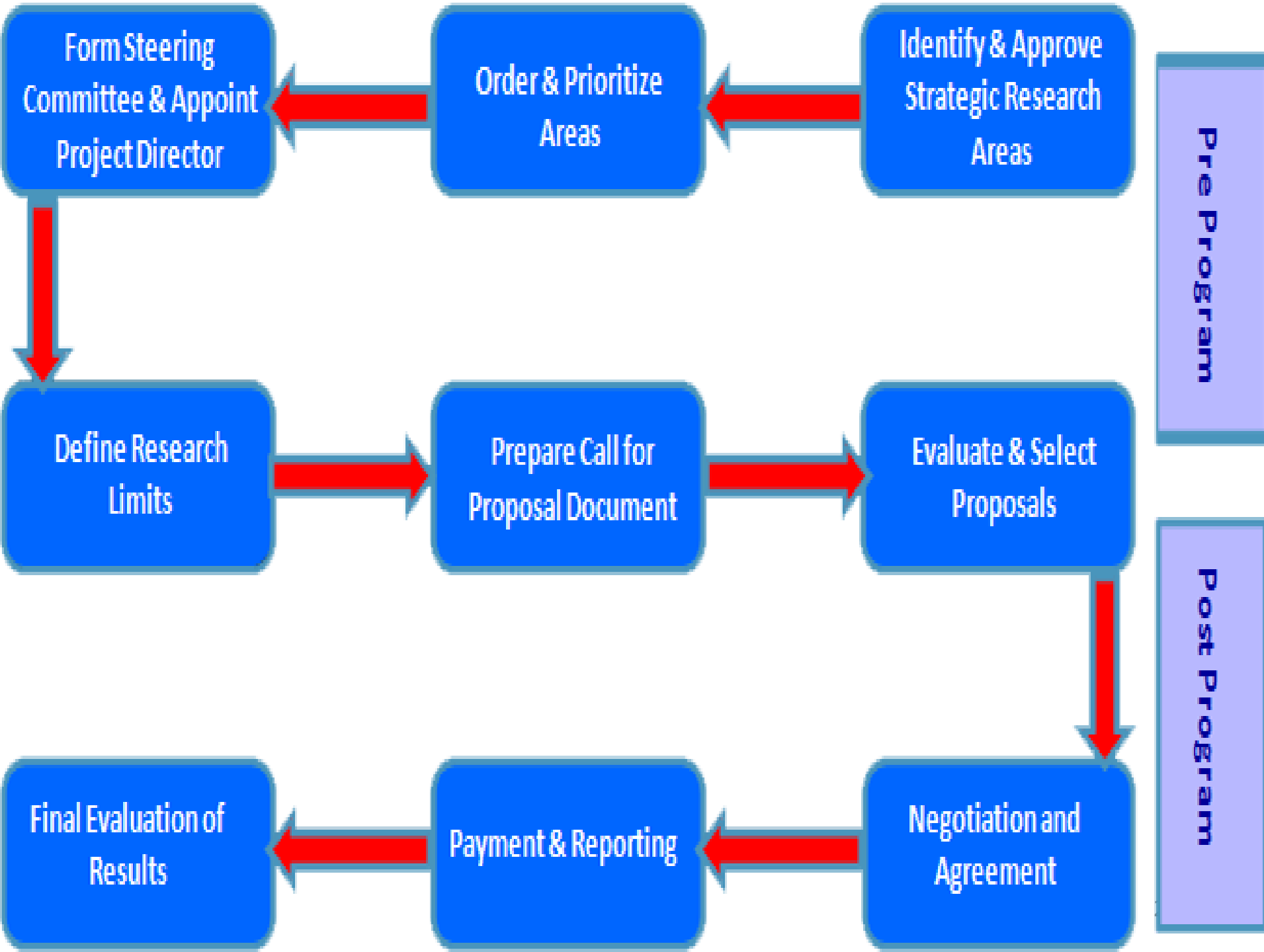
## **Your Offer Definition**

- Major issues
- SWOT analysis
- Approach
- Features & benefits
- Risk management
- Past performance

## **Your Strategy**

- Section discriminators
- Volume strategy
- Section strategy
- Section theme





## Create a New Proposal



Content enhancement proposal



Propose adding a new entity (as a child of the current)



Propose deleting the current entity



Propose complex hierarchical changes

## Sample RFP Short Form

**1. GENERAL**Objective / Purpose

Provide a statement of company purpose and objectives.

Key Dates

List key dates and a description of what will occur within those timelines.

**2. BACKGROUND**History

Provide a brief history of events leading up to the RFP.

**3. SERVICE / WORK REQUIREMENTS**Expectations

- Explain important work relationship issues and what both parties are expected to bring to the agreement.
- Provide a clear description of problem to be solved or services required.
- Spell out details concerning quality and performance standards required.
- Provide an indication of the timelines, i.e. seasonal window, milestones / target dates related to delivery of the services.

Mandatory Requirements

Identify any mandatory requirements that, if not met, will result in proposal rejection (e.g. past experience, qualifications, equipment, etc.)

Pricing

Indicate how the proponent should state their price proposal (e.g. fixed price, price per hour / day, usually with a specific ceiling, including or excluding out of pocket expenses, time and materials, etc.). Optionally, at the discretion of the [Your Company], the budget or maximum contract value may be disclosed.)

**4. SUBMISSION GUIDELINES**Proponent Organization / Profile / Technical Skills / Experience

Proponents shall identify relevant management, administrative and financial capabilities as well as technical and necessary skills, qualifications and experience that they consider appropriate to the evaluation of their ability to successfully undertake the proposed contract and meet all RFP objectives.

# **HARRIS COUNTY**

## **REQUEST FOR PROPOSAL**

### **Cover Sheet**

**Job No. 98/0494**

**Date Due: January 5, 1999**

**DUE NO LATER THAN 1:00 P.M.**

**Proposals received later than the date  
and time above will not be considered.**

**PROPOSAL FOR: Lease/Purchase of Office Space for Harris County**

#### **OFFERORS NOTE!!**

Carefully read all instructions, requirements and specifications. Fill out all forms properly and completely. Submit your proposal with all appropriate supplements and/or samples.

Please return proposal in the envelope provided or in a comparable size envelope. Be sure that return envelope shows the Job Number, Description and is marked "SEALED PROPOSAL."

**RETURN PROPOSAL TO:  
HARRIS COUNTY PURCHASING AGENT  
1001 PRESTON AVENUE, SUITE 670  
HOUSTON, TEXAS 77002**

For additional information, contact Alfonso Saldivar at (713) 755- 6803

**You must sign below in INK; failure to sign WILL disqualify the offer. All prices must be typewritten or written in ink.**

Total Amount of Proposal \$ \_\_\_\_\_

Company Name: \_\_\_\_\_

Company Address: \_\_\_\_\_

Telephone No. \_\_\_\_\_ FAX No. \_\_\_\_\_

Print Name: \_\_\_\_\_

Signature: \_\_\_\_\_

**[Your signature attests to your offer to provide the goods and/or services in this proposal according to the published provisions of this Job. Contract is not valid until Purchase Order is issued.]**

**ACCEPTED BY:** \_\_\_\_\_  
HARRIS COUNTY JUDGE ROBERT ECKELS

**Date:** \_\_\_\_\_

# Time & Attendance Software Requirements Checklist with Fit-GAP Analysis

|                                                                                                                                                                                  | Importance/Priority | Process (Category) | GAP Analysis | GAP Source (Location) | Requirement Type                   | GAP Score | Comments |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------------------|--------------|-----------------------|------------------------------------|-----------|----------|
| For HELP, place the cursor in desired column cell on this row:                                                                                                                   |                     |                    |              |                       |                                    |           |          |
|                                                                                                                                                                                  |                     |                    |              |                       |                                    |           |          |
|                                                                                                                                                                                  |                     |                    |              |                       |                                    |           |          |
| Attendance Tracking                                                                                                                                                              |                     |                    |              |                       |                                    |           |          |
| Do you need to identify employees that are clocked in and track hours over user definable periods.                                                                               | 4                   | T                  | PG           | S                     | UI                                 | 1.00      |          |
| Do you need flex time, split shifts, departmental transfers, etc..                                                                                                               | 5                   | T                  | PG           | BP                    |                                    | 1.00      |          |
| Do you need to track attendance records showing late days, absences etc..                                                                                                        |                     |                    |              |                       | <div> F<br/>UI<br/>T<br/>RC </div> |           |          |
| Do you need to automatically alert management of impending events such as breaks, lunches, shift changes, etc. as they are approached, met and exceeded in user defined periods. |                     |                    |              |                       |                                    |           |          |
| Do you need to manually enter/audit time and attendance data as necessary.                                                                                                       |                     |                    |              |                       |                                    |           |          |

**Requirement Type**  
Indicates if GAP is in  
Functions/features, User interface,  
Technical, or Regulatory/compliance  
  
F = Functionality  
UI = User Interface  
T = Technical  
RC = Regulatory/Compliance



# Proposal

## Design Proposal for Compudyne Winfosystems Ltd.

>Lorem ipsum dolor sit amet, consectetur adipiscing elit. Cras sit amet diam. Sed euismod, semper turpis ut, nulla turpis. Utam eget tur  
consectetur.

Prepared for

**John Abraham**

Cleveland Ltd

Reminders Dr - 12th, Los Angeles - 1533

P: +011 323 456 789

E: info@cleveland.com

Document of Confidentiality

Prepared for use at

12/01/2014

Prepared Valid for

12/08/2014

Lorem ipsum dolor sit amet, consectetur adipiscing elit. Phasellus nisl ligula, nunc quis diam sit amet, ultrices Blandit. Donec ut  
semper utu. Quam quam idon sit amet, consectetur adipiscing elit. Vivamus ante ipsum,

# RFP Guidelines

These Guidelines contain:

- General RFP guidelines
- RFP Information and Approval form
- Issue and Timeline Information form

## GENERAL GUIDELINES

### Required documentation/forms:

- RFP Information and Approval form, should be completely filled out.
- Include the funding information as a COFRS RX. If no appropriation exists, then the approving official should explain funding in a memo.
- Timeline form with your estimated dates.
- DRAFT of RFP, as explained below. We highly encourage you to involve us with your needs prior to completing the first draft. With our experience we can give you suggestions on how to get what you need, following the correct procedures.

### RFP Components \* \* \* Be sure to paginate your document \* \* \*

#### I. **Issue and Timeline Information** (filled out from the form described in the previous section)

Your RFP document begins with this page, the dates and times should be estimates only, to be finalized with the Purchasing Agent.

#### II. **Background, Overview and Goals**

A **BRIEF** Summary (**1/2 – 1 page**) of the services the program provides and goals for this RFP.

#### III. **Requirements**

These are the services you want the offeror to provide.

Requirements must be structured in such a way to enable them to be quantified wherever possible. (This forms the basic language of the resulting Contract.) Requirements should:

Be clearly stated

Be contractually sound

Be unbiased and free of prejudice towards any particular offeror(s)

Encourage innovative solutions to the requirement

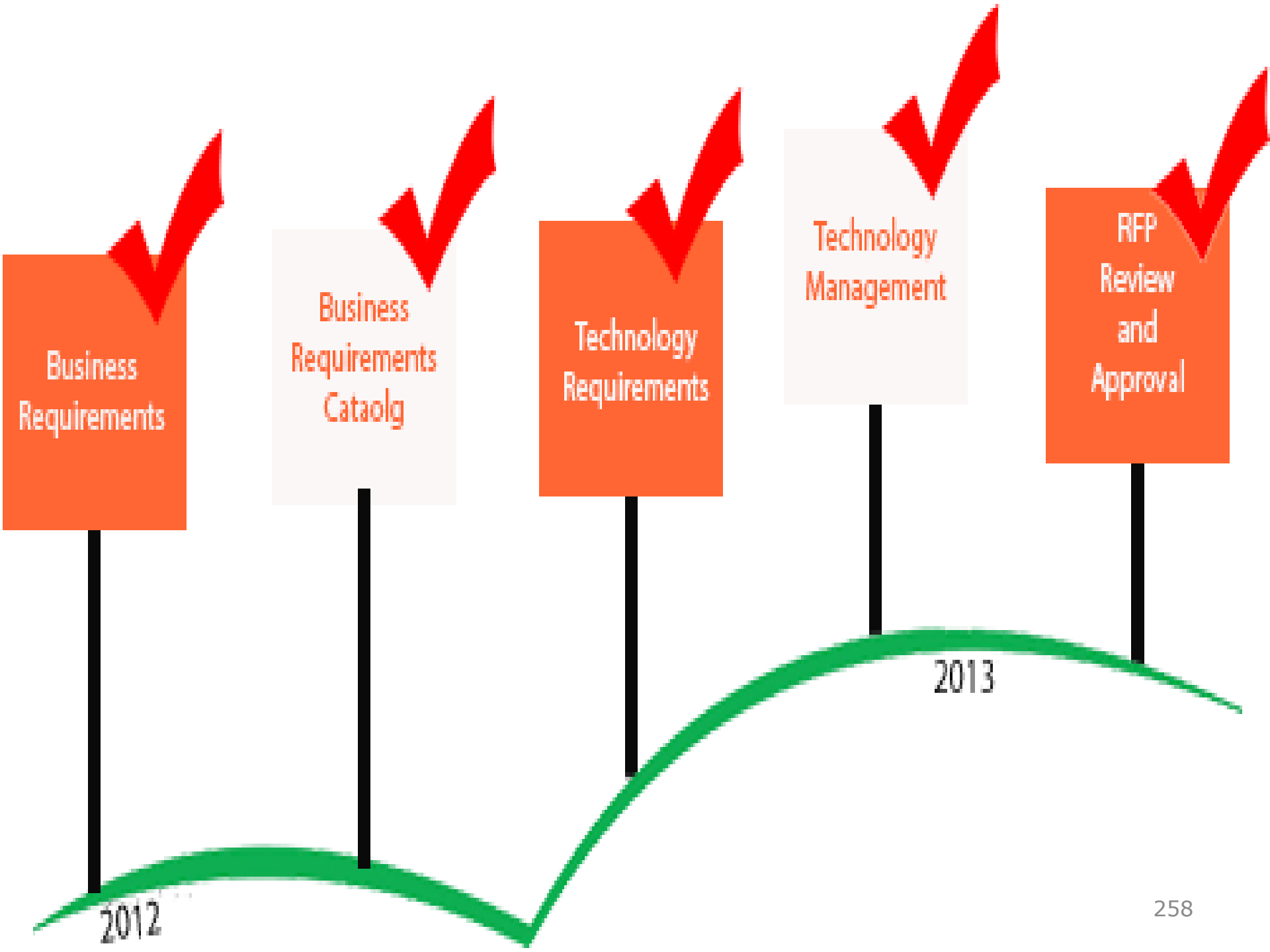
Permit free and open competition to the extent reasonably possible

### \* \* \* Organize your requirements with numbering or lettering for ease of referencing \* \* \*

Be careful of 'mandatory' requirements. If you use the words like 'must' or 'shall', the offeror **MUST** submit these in order to be deemed responsive. For example: If you say, "Your proposal must not exceed 50 pages." What if they send 52 pages, are you willing to eliminate this vendor?

# Pricing

- Scope as Understood by Vendor
- Pricing for the project
  - Not to exceed?
  - Change orders?
  - Other Hourly services?
- Insurance coverage
- Other financial qualifications-want to make sure they will be around



01

## Define

Based on your BRD and FRD, define the scope of your needs by a list of questions to compare each vendor on their stability, the features of their product, the schedule of implementation, and budget.

02

## Invite

Send your RFI/ RFP to the selected vendors with a specific timeline expectation, along with any Company Confidentiality requirements.

03

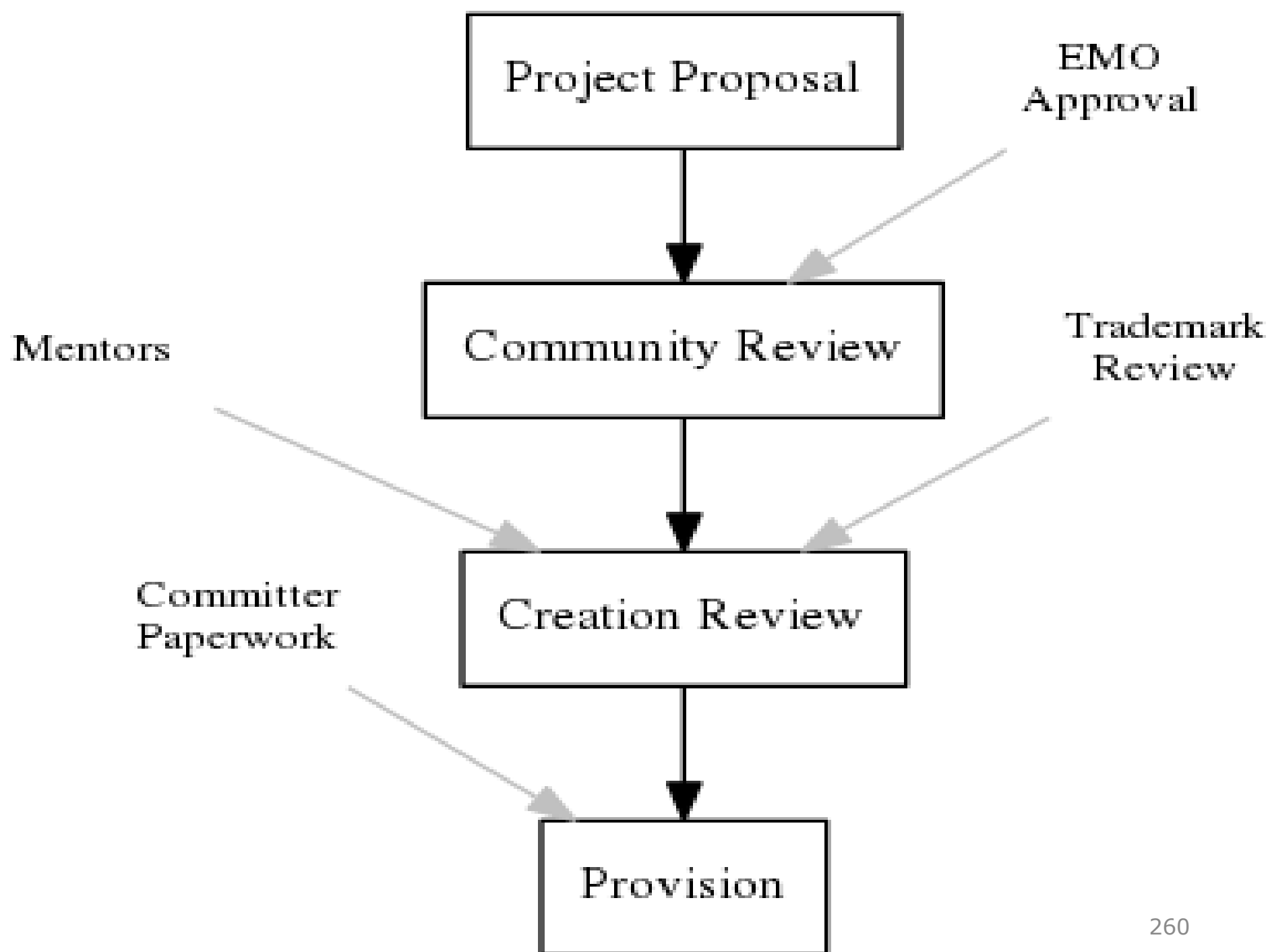
## Monitor

Ensure that the vendors are respecting the schedule of expectations that you provided, and once the information has been submitted for your review, confirm that they haven't omitted anything.

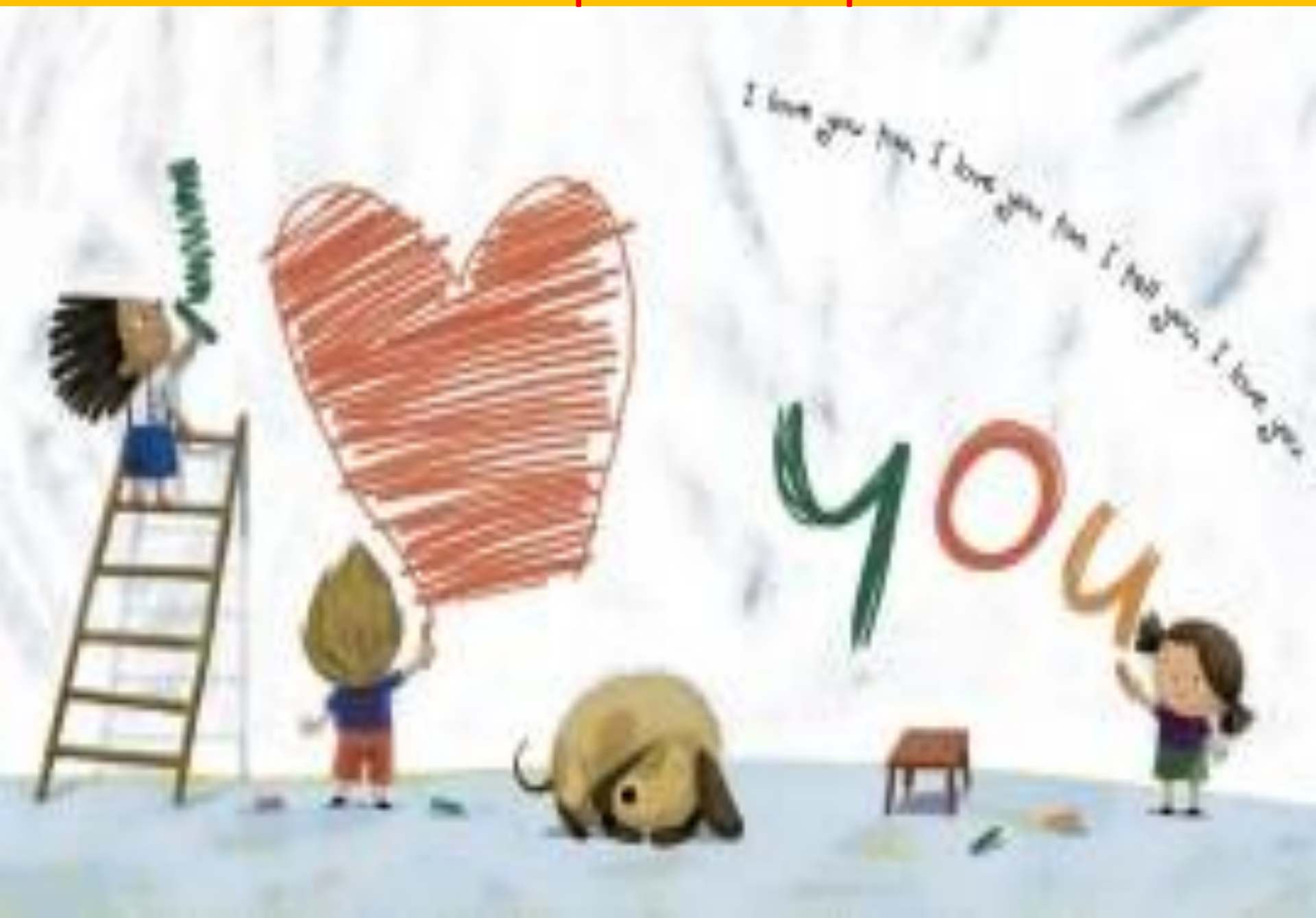
04

## Analyze

Once the information or proposal has been provided, prepare your review objectively making sure to properly score each vendor based on their response, and how that aligns with your needs.



# RFP Proposal Samples









PLEASE HELP!



## Needs Assessment

- Faculty
- Residents
- Regulating Agencies

## Program development

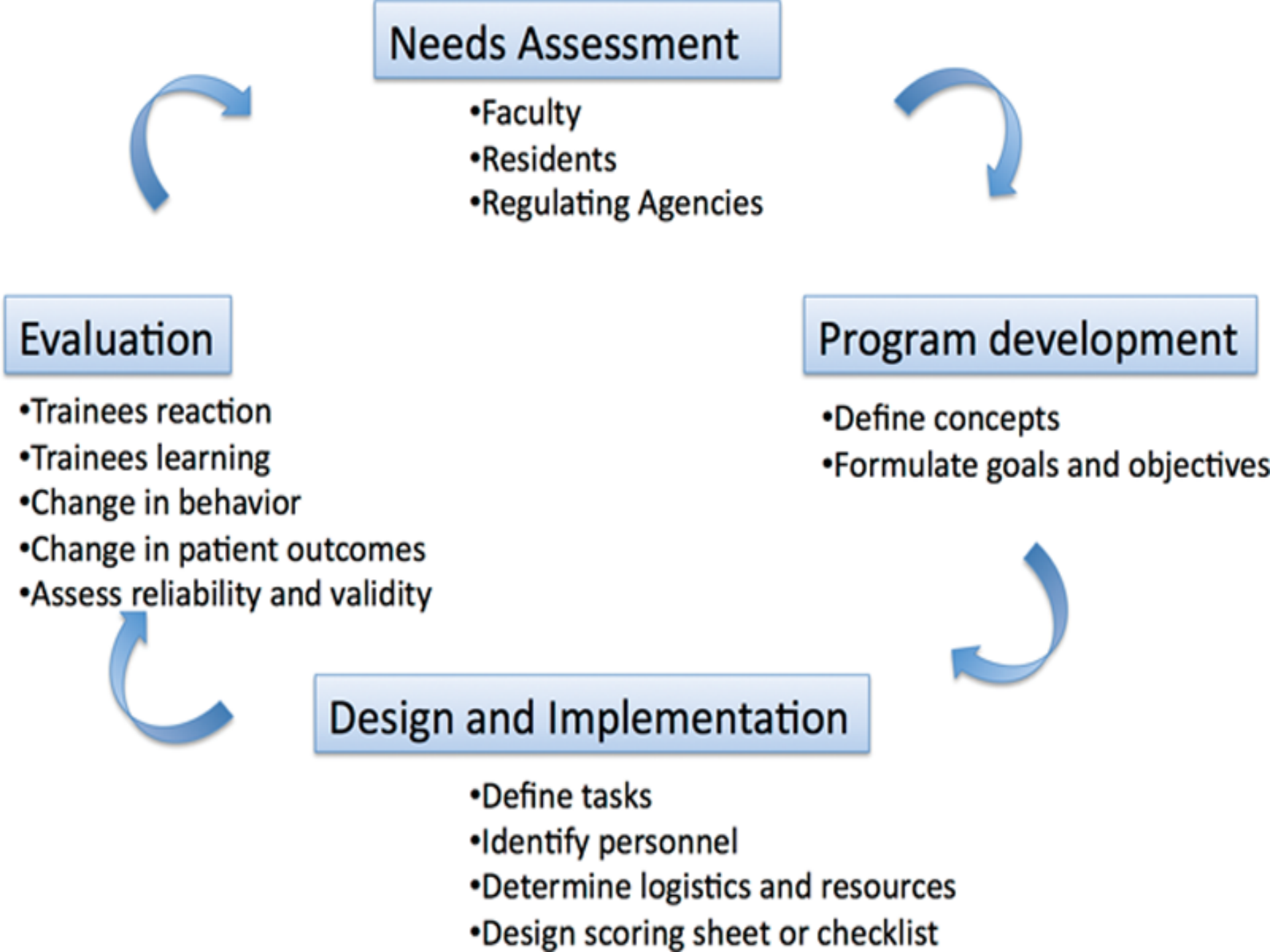
- Define concepts
- Formulate goals and objectives

## Design and Implementation

- Define tasks
- Identify personnel
- Determine logistics and resources
- Design scoring sheet or checklist

## Evaluation

- Trainees reaction
- Trainees learning
- Change in behavior
- Change in patient outcomes
- Assess reliability and validity



# Proposals

Waiting for approval (2)

Approved

On Hold

Drafts

Completed

Rejected



## Proposals waiting for approval

Description

1 [Sample proposal: New website](#)

 Sent about 2 hours ago by Justin



2 [AppStorm - Quote for Writing Services](#)

 Sent 36 minutes ago by Justin

# Request for Proposal/Quotation

For [your service, material or assembly]

[Insert today's date here]

[Type your company name]

[Type your company address]

A placeholder for a logo, consisting of a light gray square with a black border. Inside the square, the words "your" and "logo" are written in a bold, black, sans-serif font, stacked vertically. The word "your" is on the top line and "logo" is on the bottom line. The text is slightly offset to the left within the square.

**your  
logo**

***"On-Call" Civil Engineering Services***  
**REQUEST FOR PROPOSAL**  
**VENDOR APPLICATION FORM**

TYPE OF APPLICANT: ☐ NEW ☐ CURRENT VENDOR

Legal Contractual Name of Corporation: \_\_\_\_\_

Contact Person for Agreement: \_\_\_\_\_

Corporate Mailing Address: \_\_\_\_\_

City, State and Zip Code: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

Contact Person for Proposals: \_\_\_\_\_

Title: \_\_\_\_\_ E-Mail Address: \_\_\_\_\_

Business Telephone: \_\_\_\_\_ Business Fax: \_\_\_\_\_

Is your business: (check one)

☐ NON PROFIT CORPORATION

☐ FOR PROFIT CORPORATION

Is your business: (check one)

☐ CORPORATION

☐ LIMITED LIABILITY PARTNERSHIP

☐ INDIVIDUAL

☐ SOLE PROPRIETORSHIP

☐ PARTNERSHIP

☐ UNINCORPORATED ASSOCIATION

Names & Titles of Corporate Board Members

(Also list Names & Titles of persons with written authorization/resolution to sign contracts)

Names

Title

Phone

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

# Request For Proposal

Today's Date: \_\_\_\_\_

Title: \_\_\_\_\_

RFP Number (if applicable): \_\_\_\_\_

Scope of Work: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Project Budget (if applicable): \_\_\_\_\_

Requirements: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Evaluation criteria: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Legal statements (if applicable): \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Additional information: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## IMPORTANT DATES

RFP announcement date: \_\_\_\_\_

Intent to bid date: \_\_\_\_\_

Deadline to submit questions: \_\_\_\_\_

Answers to questions posted: \_\_\_\_\_

RFP submission deadline: \_\_\_\_\_

RFP award date: \_\_\_\_\_

Project to be completed: \_\_\_\_\_

## HOW TO APPLY

Mail RFP submissions to: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Apply by email: \_\_\_\_\_

Apply by fax: \_\_\_\_\_

## RFP QUESTIONS

Please contact: \_\_\_\_\_

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

Email: \_\_\_\_\_

## COMPANY PROFILE

Company name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

Website: \_\_\_\_\_

Company background: \_\_\_\_\_

\_\_\_\_\_

# Event Proposal

[Event Title]

To:

\_\_\_\_\_ (name of the person to whom the proposal is being submitted)

\_\_\_\_\_ (proposed date of the event in DD/MM/YYYY format)

**Event outline:**

\_\_\_\_\_ (name of the event)

\_\_\_\_\_ (topic on which the event is based)

\_\_\_\_\_ (estimated duration of the event)

**List of activities**

**Budget**

|       |
|-------|
| _____ |
| _____ |
| _____ |
| _____ |
| _____ |
| _____ |
| _____ |
| _____ |

|       |
|-------|
| _____ |
| _____ |
| _____ |
| _____ |
| _____ |
| _____ |
| _____ |
| _____ |

**Total:** \_\_\_\_\_ [total cost]

\_\_\_\_\_ (Signature)

# THE RESEARCH PROPOSAL TEMPLATE

## **Proposal for Market Research for Corn Marketing Program of Michigan**

from

**Kirk Heinze  
Murari Survedi  
ANRECS Center for Evaluative Studies  
Michigan State University**

This proposal is a response to the April 26, 2000 "Request for Proposal for Corn Marketing Program of Michigan" sent to Kirk Heinze/Murari Survedi by Beth Ann Stuever.

### **Introduction**

The Corn Marketing Program of Michigan (CMPM) is requesting proposals for market research in order to set a baseline of current activities and facilitate strategic planning sessions that will take place in December 2000. The CMPM is the state checkoff program that funds education, promotion, research, market development and industry communications.

This proposal is to conduct a survey of Michigan Corn Growers Association members as well as growers who are not members. There are nearly 16,000 corn growers in Michigan. Of the nearly 16,000 corn growers in Michigan, less than 500 are association members.

The purpose of this survey is to solicit the perceptions and opinions of Michigan corn growers regarding their educational and informational needs. Specifically, this survey will:

- Assess the reasons people choose to become member of Michigan Corn Growers Association. (The flip side, of course, is to assess why others have not joined the association.)
- Determine the best method(s) of communicating association news and checkoff-related project information to the farmer audience.
- Determine members and non-members perceptions of the most important issues facing the industry.
- Assess growers' feelings about the checkoff and how it impacts their farm.

### **Proposed Approach**

Our methodology to develop survey instrument will combine literature review and a focus group interview process. Survey questions will be designed after a careful review of related literature. In addition, a focus group interview will be conducted. The purpose of the focus group would be to gather and explore perceptions, thoughts, opinions and feelings about the CMPM. With the help of CMPM staff, we will invite selected members of the present and past Michigan Corn Growers Association and related industry personnel participate in the focus group. These participants are involved in and knowledgeable about CMPM, and will represent a balance of farmers, researchers, extensionists, and industry representatives. The purpose of the focus group will be to seek the group's input into the CMPM programs and activities. The findings of the literature review and the inputs from the focus group interview will be synthesized to develop the survey questionnaire.

# **Customer Service Company Training Proposal**

## **Description**

This highly interactive training workshop provides a toolbox of skills for effectively and efficiently handling all types of customer interactions. Participants will learn customer service skills to help improve their performance and present a professional, knowledgeable image that reflects well on your company. At the program's conclusion, you should be able to:

- Describe exceptional customer service.
- Identify the benefits of great customer service.
- Recognize barriers to the delivery of outstanding customer service.
- Adapt to specific customer behavior styles.
- Demonstrate how to measure customer-satisfaction levels and take corrective action if needed.
- Describe techniques for dealing with angry or upset customers.
- Develop a personal action plan to improve customer-service skills.

## **Course Outline – Developing Outstanding Customer Skills**

### **Myers-Briggs Personality Assessment**

- The MBTI instrument, meaning of “preferences”
- MBTI definitions, with self-assessment
- Individual results and verification
- Experiential activities

### **Customer Service Excellence – How To Deliver Exceptional Customer Service**

- Focus on Customer Service Success
- Benefits of Great Customer Service
- Effective Communication & Listening Skills

### **Managing Customer Expectations by Personality Style**

- Understand Yourself and Your Own Personality Style
- Understand and Identify the Personality Style of Others
- Avoid Taking Things Personally
- Expand Your Communication Skills to Get Along Easily with More Customers

### **The Good, the Bad, and the Ugly: Dealing with Difficult Customers**

- Recognize and Respond Effectively to Specific Customer Behaviors
- Understand the Physiology of Anger
- Listen to an Angry Customer So That They Calm Down



## PRODUCT PROPOSAL – SENIOR PROJECT

**Student Name** Katie Chambless

**SENIOR PROJECT** English teacher

Clyburn

**Date** 9-4-12

**Designated Timeline** Fall

1. What skills will you develop during the course of your Senior Project?

During the course of my Senior Project, I will utilize many skills. Some of these are organization, planning, designing and assembling jewelry. I will have to incorporate patience as I will be working with small materials.

2. How will you use these skills in the future? You must explain how these skills will serve you in a future career and/or endeavor.

Once these skills are mastered, I can incorporate them in any project or challenges I encounter in the future. To reach any objective one must identify the objective, plan how to reach it and organize the process to accomplish the objective.

3. What will be the end result of the application of the skills you acquire? (Name your product in the first sentence of your response.) Will you produce a tangible product, such as a piece of furniture or a set of blueprints? Will you use your skills to produce an intangible product, such as an event, a performance, a certification, a donation (include the name of the charity), service to the community, or a combination of these?

The end result of my project will be the ability to make jewelry. I will produce pieces of jewelry throughout my project. These pieces could include necklaces, bracelets or earrings. The jewelry will be made out of semi-precious stones, seashells, pearls, copper wire, crystals, and beads. The jewelry might also have silver wiring or sterling silver wiring.

4. Why have you chosen this product?

Traditionally, jewelry has been a way to decorate our bodies and accent our clothing. Hopefully, the products I make will be accepted by people who think the addition of my jewelry will be noticed by other people and complimented for wearing it.

## **DCH Briefing on Housing and Regeneration Bill**

**20 November 2007**

### **Summary of government proposals**

1. The Bill establishes a new quango (the Homes and Communities Agency) to oversee the supply of new housing; and the creation of a new regulator for 'social housing' to be called OFTENANT.

2. But the bill also breaks new ground in a number of important areas. Our main concerns after an initial analysis are proposals to:

- Define eligibility to 'low cost' housing based on income
- Transfer key responsibilities from elected Ministers and government departments to an unaccountable regulator
- Give the regulator powers to determine criteria for allocating accommodation, terms of tenancies and levels of rent
- The break-up of the national Housing Revenue Account without long-term guarantees for funding council housing
- The right for tenant groups to force their council to carry out a ballot on transfer

### **Analysis**

#### **A. Defining and Regulating 'low cost' housing**

##### **Key Proposals**

3. The Bill creates the Office for Tenants and Social Landlords (OFTENANT) - a new regulator which will take over the Housing Corporation's regulatory functions for Registered Social Landlords. Councils are specifically excluded from the Bill but over the next two years, an advisory panel is to assess how councils can be included.

4. It provides a new definition of 'low cost' housing.

"68 Low cost rental Accommodation is low cost rental accommodation if—

(a) it is made available for rent, (b) the rent is below the market rate, and...(c) the accommodation is made available in accordance with rules for eligibility designed to ensure that it is occupied by people who cannot afford to buy or rent at market rate."

5. OFTENANT will have the right to set, and enforce, standards on:

"(a) the nature of the housing demands to be addressed, (b) the extent to which demand is to be supplied, (c) criteria for allocating accommodation, (d) terms of tenancies, (e) levels of rent (and the rules may, in particular, include provision for minimum or maximum levels of rent or levels of increase or decrease of rent), (f) maintenance, (g) procedures for addressing complaints by tenants against landlords, (h) methods for consulting and informing tenants, (i) methods of enabling tenants to influence or control the management of their accommodation and environment, (j) anti-social behaviour, (k) landlords' contribution to the environmental, social and economic well-being of the areas in which their property is situated, and (l) estate management."

6. Profit-making companies will be allowed for the first time to register as social landlords under a lighter burden of regulation.

##### **Issues**

7. A new definition of 'social housing' is set out in the Bill which is presumably intended to subsume council housing with housing association rented housing under the term 'low

# Design Proposal Letter

To

Marianne De Costa

Managing Director

Future Group of Interior Designing

**Subject:** Proposal for designing home and office interiors

14<sup>th</sup> December, 2011

Respected Ma'am,

This letter is being sent as a proposal for the design project we have planned to conduct with the help of your company. It is an extensive range of design ideas that we have intended to implement both indoors and outdoors, that is at home as well as in office and corporate sectors.

Our team of design planning and management employees has deliberately worked on the issue and all possible dimensions that can be explored to suit all classes of people. The documents of these analyses have been provided herewith; kindly have a look at them.

We propose you a variety of designs, as deemed suitable by our experts, which would go well with the need and the context – personal or professional. We want you to help us in the implementation of the design ideas.

Kindly go through the enclosed documents in this design proposal, wherein we have tried to provide all details of the pattern of design, colour code, materials, etc. that we intend to use. We are earnestly looking forward to your suggestions and approval.

Thanking You,

Jennifer Gomes

More proposals at [sampleproposal.org](http://sampleproposal.org)

# WEBSITE DESIGN PROPOSAL and LETTER OF AGREEMENT

SBI-Website-Builder.com is pleased to submit a proposal for the development of a website to "Client". The terms of this proposal are valid for thirty (30) days prior to commencement of work and then for the length of the project.

## BACKGROUND

SBI-Website-Builder.com is a web development business located in Idaho, but serving clients all over the world. We specialize in creating attractive and effective yet affordable websites based on the Site Build It model for business.

## STATEMENT OF WORK

Develop an Internet site for Client. Create a clean, organized, and professional looking site. Develop a consistent theme with the use of the company logo, colors, heading and footers, and buttons.

## WEBSITE DEVELOPMENT

### Purpose of Website

The exact purpose of the website is \_\_\_\_\_, and will include providing content and information focused around a specific niche.

### Design Methodology

It is essential to establish a polished and professional look for the website. SBI-Website-Builder.com will create up to 3 "look and feel" designs compatible with the SBI Page Builder. When a design concept is selected that is preferred the most, SBI-Website-Builder.com will start developing a consistent look for section headings and footers, logo, and navigation buttons.

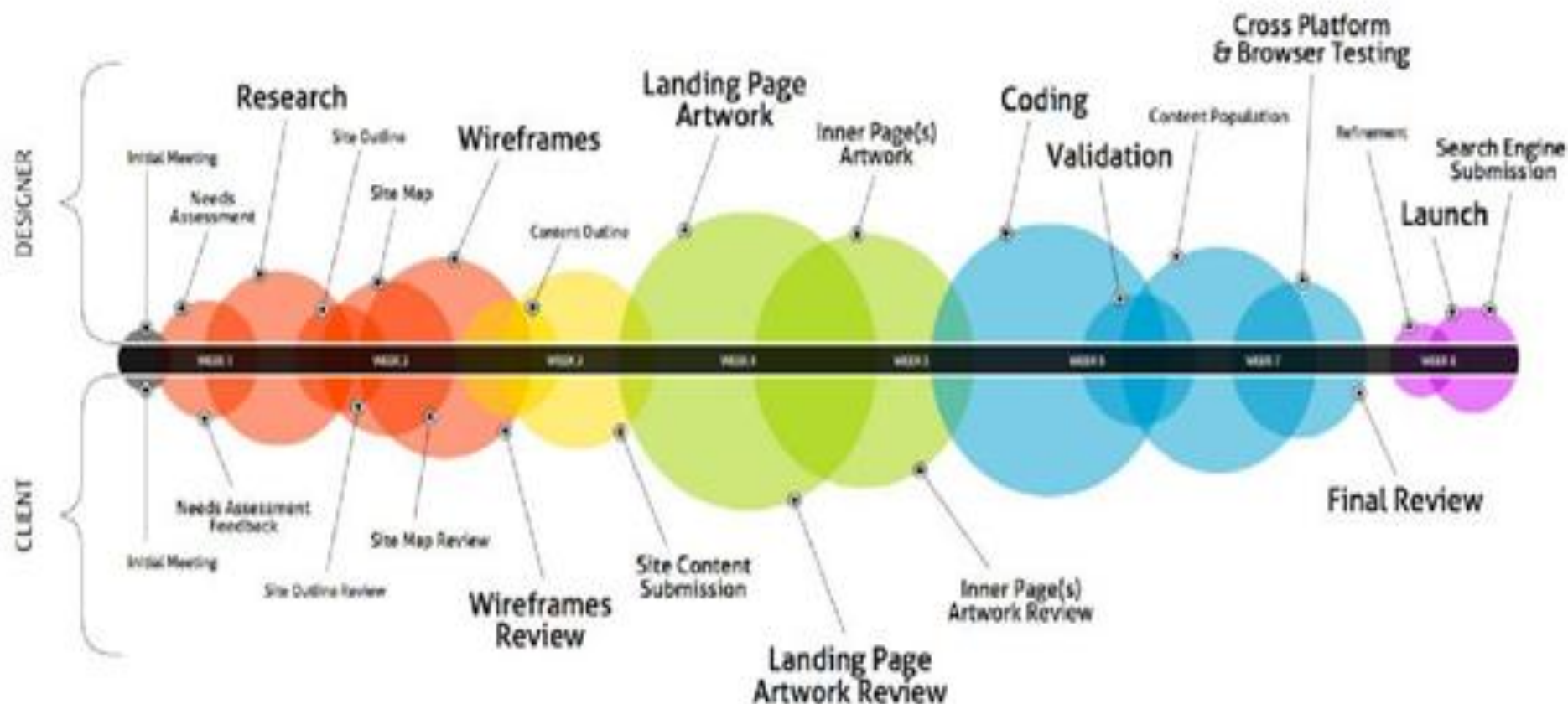
### Site Content

With an approved consistent look established, the next step is to add content to the site. Site content is added to pages that have a consistent theme and look in terms of headers, footers, and accent graphics such as buttons and bullets.

Development of the content will primarily be done by SBI-Website-Builder.com as follows:

# A Web Site Designed

MILESTONES, INVOLVEMENT, IMPORTANCE & TIMELINE



MILESTONES

Milestone Occurrence

INVOLVEMENT

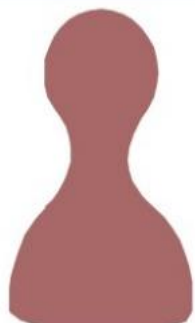
Less  
More

IMPORTANCE

Average  
Greater

PHASE





### Researcher (Field A)

Research proposal

- (1) Research topic in Field A (to be conducted by the applicant)
- (2) Collaborative topic with Field B (including the individual roles and synergistic effect)

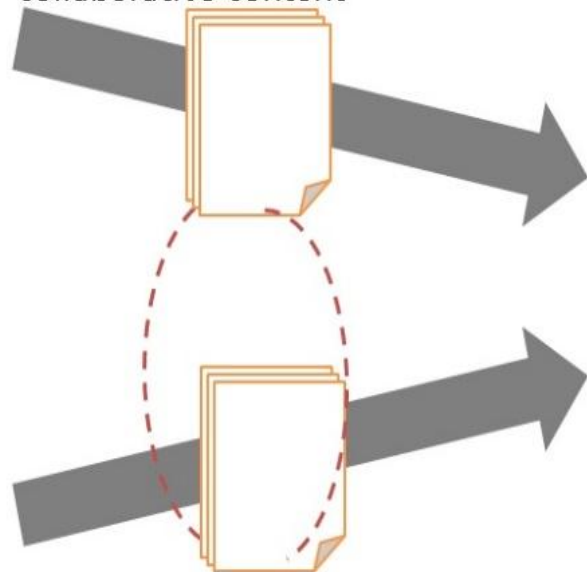


### Researcher (Field B)

Research proposal

- (1) Research topic in Field B (to be conducted by the applicant)
- (2) Collaborative topic with Field A (including the individual roles and synergistic effect)

Proposals are submitted individually to PRESTO, but the proposal form (**Form 3: Research Initiative**) includes collaborative content



**Proposal for this Research Area**

#### Considerations

- This example of research in Field A and Field B envisions a collaboration between information science and agriculture / plant science. However, information science type approaches by engineering researchers in fields other than information science are also welcome.
- Naturally, the standard type of proposal in which a single researcher is in charge of the entire proposed research will also be accepted. (There is no need for the proposal to be a collaborative one.)

# ELEMENTS OF A CAMPAIGN





Your Logo

# SOCIAL MEDIA PROPOSAL

Specific, Measurable, Achievable

[www.sociallove.com](http://www.sociallove.com)

# Construction Enterprise Resource Management (ERP) Requirements w/GAP-Fit Analysis

For HELP, place the cursor in desired column cell on this row:

[\(Return to Top\)](#)

## POSITION TRACKING & CONTROL

Does the system automatically Increment requisition numbers?

Does the system allow for batch input of mass data changes (area codes, cost centers, etc.) typically caused by reorganization?

Does the system integrate with a (salary) budget development module and the general ledger?

Does the system integrate with a payroll applications and the general ledger?

Importance Level

GAP

Categories

Requirements

GAP Score

### Importance Level

Indicates HOW IMPORTANT the item described in column B is to the customer. These values are not used in scoring a response. A blank has no value, but a response is still required.

M = Mandatory

P = Planned

N = Nice to Have

C = Currently in Use

M

P

N

C

Proposed Budget - External

☒ Funding Agency: Department of Agriculture ☐ College/Dept



| Category                                                | Year 1                  | Year 2                  | Year 3                  | Cumulative Mod Total |
|---------------------------------------------------------|-------------------------|-------------------------|-------------------------|----------------------|
| 611XXX Faculty/Regular                                  | \$ <input type="text"/> | \$ <input type="text"/> | \$ <input type="text"/> | \$0.00               |
| 611XXX Faculty/Temporary                                | \$ <input type="text"/> | \$ <input type="text"/> | \$ <input type="text"/> | \$0.00               |
| 611XXX Faculty/Federal                                  | \$ <input type="text"/> | \$ <input type="text"/> | \$ <input type="text"/> | \$0.00               |
| *613XXX Non-Exempt<br>Administrative<br>Support/Regular | \$ <input type="text"/> | \$ <input type="text"/> | \$ <input type="text"/> | \$0.00               |
| *613XXX Non-Exempt<br>Administrative                    | \$ <input type="text"/> | \$ <input type="text"/> | \$ <input type="text"/> | \$0.00               |

To,

.....

.....

.....

.....

(Addressed to the applicant)

Dear Sir,

**Your loan proposal dated.....for Rs.....**

We refer to your above noted loan proposal. After due consideration, the proposal for finance has not been approved for the under noted reason/s:

- (i) The Bank has reservations on the loan servicing capacity of the project/venture.
- (ii) The proposal is not in tune with the credit policy/ credit quality requirement of the Bank.
- (iii) You do not reside/ your project is not located within the service area of the branch.
- (iv) You have failed to produce No Dues Certificate/ No Objection Certificate from.....Branch/ Bank.

Yours faithfully,

# **Sample Engineer Job Proposal**

Name of the company: Scottish Engineers and Co

Proposal prepared by: Mr. Dennis Lewinsky

Human Resource Management- Job Position and Talent Acquisition

About us:

Scottish engineers and co. is one of the globally recognized companies popularly known for providing engineering solution in the area of steel and aluminum manufacturing. Our services include pneumatic and strategic handling of powdered material or fly ash produced, Pyroprocessing, beneficiation of minerals, efficient industrial water supply etc. In last few years we have expanded our business in various countries and achieved great appreciation for our work. We have a strong clientele base who effectively participates and join hands in our every venture.

Objective behind the proposal:

We have a strong intention behind framing the proposal. As our business is propagating we are planning to create few new job opportunities which would not only pave the way of our success but young minds can help to generate new ideas as well. Job positions would be discussed with the clients accepting the proposal on further meetings.

Estimated budgets for creating new job positions: \$50000-\$60000 approximately

Last date for accepting the proposal: 8<sup>th</sup> of December 2011

[Kindly note that proposal acceptance would not remain after the last date of acceptance]

# Submission and Evaluation of Proposals Assent Disclaimer

Please read and accept this disclaimer to proceed with the creation of your draft proposal:

## Proposal pre-registration data

1. In order to plan the evaluations, the Commission services need access to a limited amount of information about your draft proposal (the so called pre-registration data) prior to call deadline. The pre-registration data is limited to: call, topic, type of action, Participant Identification (PIC) code of the participating organisation(s), project acronym, short summary and - where applicable - panel and keywords. **Neither the Part B nor any annexe(s) form part of the pre-registration data that can be accessed by the European Commission services before the call deadline.**
2. You do not have to list sensitive/confidential information in the 'Short Summary' (entered on Step 3). Where relevant, sensitive/confidential information can be added to the 'Abstract' field in the Part A administrative form at a later stage in the submission process; this Abstract is not included in the pre-registration data. Therefore, please provide as the 'short summary' the relevant information (keywords, non-confidential information) for the planning of the evaluation.

- ☒ *I agree that the pre-registration data becomes available to the European Commission services prior to call closure.*
- ☐ *I wish that the pre-registration data does not become available to the European Commission services prior to call closure. (Applicants are advised to use this option only in well justified cases, as it hinders the planning of the evaluation process and the timely processing of proposals).*

## Part B

3. **File format:** For the Technical Annex (part B) you must use exclusively PDF ("portable document format", compatible with Adobe Acrobat version 5 or higher, with embedded fonts). Annexes might have an obligatory page limit. Please check for the number and type of mandatory or optional annexes for the call in the relevant call documentation. Annexes with excess pages where page limit applies, will receive a watermark upon upload to the system. Users will receive a warning when trying to submit an annex with excess pages.
4. **Time constraints:** Preparation and uploading of the PDF formatted technical annex may take some time. You should ensure that this has been completed in time, well before the call closure deadline.

## Submission

5. Proposals must be submitted prior to the call closure deadline. Likewise, modifications to proposals or uploaded attachments are also required to be submitted prior to the call closure deadline or they will not be taken into account. Proposals may be submitted or withdrawn at any time prior to the call closure deadline. There is only ever one version of a submitted proposal, as submission over-writes the previous version.

## Personal Data

6. We will process personal data in accordance with Regulation No 45/2001 and according to the "notifications of the processing operations" to the Data Protection Officer (DPO) of the Commission/Agency (publicly accessible in the DPO register). Read more on the [Legal Notice of the Participant Portal](#).

accept

decline



# Project Proposal

## **Applied Accounting Services**

12250 NE 131st Way, Suite 305  
Kirkland, WA 98034  
(PH) 425-740-8478  
(FX) 425-740-8479  
AAServices.com

August 20, 20xx

## **[Project Title]**

### **Provision of Accounting and Payroll Services**

**Prepared for:** Rachel Kenberry  
General Manager  
Valley Fitness, Inc.

**Prepared by:** Marty Trasker  
President  
AAS Inc.

## **[Description]**

Valley Fitness, Inc is in need of Accounting and Payroll services to take over for an overburdened owner/manager. With limited office staff, the accounting and payroll functions have been suffering. Outsourcing these office activities to AAS will allow the owners/management to focus on the core aspects of their business.

**Proposal Number: 534-20xx**

RFP



REQUEST  
**RFP**  
FOR PROPOSALS

THE  
**PROPOSAL**  
WWW.ENTERTAINMENTWALLPAPER.COM



# RFP

**REQUIREMENTS**  
**SCOPE OF SERVICES**  
**EVALUATION FRAMEWORK**  
**PROPOSAL CONTENT**  
**REFERENCE CHECKS**  
**CONTRACT TERMS**  
**DELIVERABLES**  
**FORMS**

**Planning**

**Issuance**

**Evaluation**

**Selection**



### **PART 1** Proposal Forms & Documents

#### Statement of Work



### **PART 2** General Requirements



### **PART 3** Project Program



### **PART 4** Performance Technical Specifications



### **PART 5** Prescriptive Specifications



### **PART 6** Attachments



**DAY 1**

RFP Issued

**DAY 5**

Vendor  
Questions  
Deadline

**DAY 21**

Submission  
Due

**DAY 31**

Shortlist Top  
Contenders

**DAY 46**

Select  
Vendor

**DAY 4**

Intent to Reply  
Deadline

**DAY 9**

Answers  
Distributed

**DAY 22-30**

Review  
Process

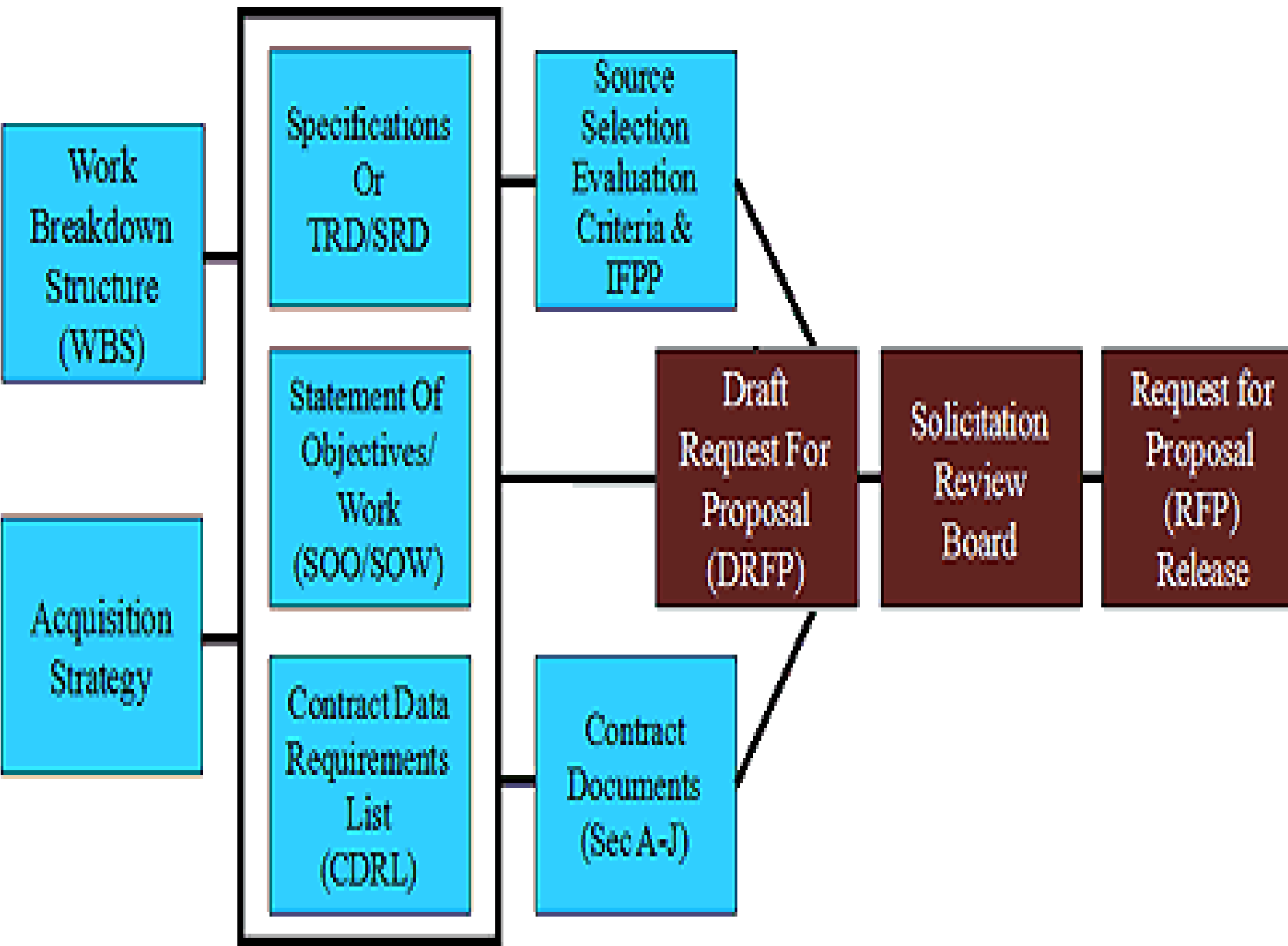
**DAY 32-45**

Site Visits of  
Shortlisted  
Vendors

# RFP



- ✓ Courier Complete Order Management
- ✓ Local, National, International Service
- ✓ Many Same Day Service Options
- ✓ Professional Customer Service
- ✓ Code of Business Conduct
- ✓ Privacy Policy
- ✓ Business Continuity Plan
- ✓ Many Billing Options
- ✓ Invoice Up-loadable to Accounting System
- ✓ No Waybills to Complete
- ✓ Distribution and Warehousing
- ✓ 24 x 7 x 365 Service
- ✓ Excellent Value
- ✓ Corporate References



## Needs Analysis

- Establish 'as is'
- Determine 'needs'
- Develop document for review and approval

## RFI

- Request for Information from potential providers
- Opportunity to investigate technology options/providers

## RFP

- Formal requirements document for submittal to potential providers
- Bidders' Conference

## Proposal Review

- Comparative analysis of bidders' responses
- Recommendation

## Selection Process

- Final provider reviews
- Final Selection

## Contract

- Contract Negotiations
- Final Acceptance

## Implementation

- Schedule
- Project Management

## ***Structure of an RFP***

### ***1.1. Key sections of an RFP***

You can easily identify the key sections you should include in your RFP by simply answering each and any of the following questions:

1. **Why?** Reasons why your organization need to buy a new solution.
2. **Who?** Description of your organization.
3. **What?** Nature of your project.
4. **How?**  
Contract.  
Information needed from suppliers.  
Proposal evaluation criteria.  
Contract award criteria.
5. **When?**  
Selection process timeframe and deadlines.  
Persons to contact.

### ***1.2. Statement of Purpose***

Describe the extent of products and services your organization is looking for, as well as, the overall objectives of the contract.

### ***1.3. Background Information***

Present a brief overview of your organization and its operations, using statistics, customer demographics, and psychographics. State your strengths and weaknesses honestly. Don't forget to include comprehensive information on the people who will handle future correspondence.

### ***1.4. Scope of Work***

Enumerate the specific duties to be performed by the provider and the expected outcomes. Include a detailed listing of responsibilities, particularly when sub-contractors are involved.

### ***1.5. Outcome and Performance Standards***

Specify the outcome targets, minimal performance standards expected from the contractor, and methods for monitoring performance and process for



SupplyLead Academy  
www.SupplyLeadersAcademy.com

# REQUEST FOR PROPOSALS

# Differences....

A green circle with the letters 'RFI' in white, set against a light gray hexagonal background.

**RFI**

**REQUEST FOR PROPOSAL:**  
A SERVICE-TYPE REQUEST  
SUCH AS CONSULTING  
AND ENGINEERING

An orange circle with the letters 'RFP' in white, set against a light gray hexagonal background.

**RFP**

**REQUEST FOR  
INFORMATION:**  
REQUEST FOR PRODUCT,  
SERVICES & SOLUTIONS  
INFO & PRICING

A purple circle with the letters 'RFQ' in white, set against a light gray hexagonal background.

**RFQ**

**REQUEST FOR QUOTATION:**  
REQUEST FOR EQUIPMENT,  
HARD ASSETS & SERVICES INFO

| Where to start                           | RFI<br>(survey)    | RFP<br>(proposal) | RFP<br>(quote) |
|------------------------------------------|--------------------|-------------------|----------------|
| Availability of corporate requirements   | known &<br>unknown | unknown           | known          |
| Availability of supplier capability data | known &<br>unknown | unknown           | known          |
| Level of stakeholder collaboration       | encourag ed        | required          | completed      |
| Level of supplier collaboration          | encourag ed        | required          | completed      |
| Need for detailed pricing information    | Yes & No           | NO*               | Yes            |

\* Could lead to an RFQ/bidding event as requirements and supplier information become specified if other project factors are favorable.

# RFP or RFI or RFQ or WTF?

| Category<br>Characteristics                                                                                                                                                                                                                                                  | Reverse<br>Auction                                                                   | Sealed<br>Bid                                                                         | RFI                                                                                   | RFP                                                                                   |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| Commercially attractive                                                                                                                                                                                                                                                      |    |    |    |    |
| Definable requirements                                                                                                                                                                                                                                                       |    |    |    |    |
| Competitive supplier base                                                                                                                                                                                                                                                    |    |    |    |    |
| Savings opportunities                                                                                                                                                                                                                                                        |    |    |    |    |
| Inherent risk                                                                                                                                                                                                                                                                |  |  |  |  |
|  High  Medium  Low |                                                                                      |                                                                                       |                                                                                       |                                                                                       |



|                           | <b>RFI (stage 1)</b>                             | <b>EOI, RFI (stage 2)</b>       | <b>RFI (stage 3)</b>                    | <b>RFP / RFO</b>                                 | <b>RFT / RFQ</b>                                                                                   |
|---------------------------|--------------------------------------------------|---------------------------------|-----------------------------------------|--------------------------------------------------|----------------------------------------------------------------------------------------------------|
| <b>Determines:</b>        | Stakeholder requirements                         | Supplier participation interest | Supplier pre-qualification              | Problem definition / solution enquiry            | Clearly defined specifications                                                                     |
| <b>Purpose / outcome:</b> | Product needs<br>Service needs<br>Supplier lists | Supplier interest               | Product and service capability profiles | Open-ended questions to solicit solution designs | Product & service requirements (defined need)<br><br>process definition for bid assessment & award |

# RFP vs. RFI

Ask  
SPECIFIC  
Questions.

Perfect for when you're  
ready to shop.



Advantage:  
thorough comparison  
of vendors.

It's formal.  
Like a dinner  
date.



When you know exactly  
What you want.



Perfect for "Fishing"  
for information.



Ask GENERAL  
Questions.



It's casual.  
Like grabbing  
a drink.



When you're  
not sure what  
you're looking  
for...



Advantage:  
they're  
fast.

**"That RFP process was so fun,  
let's do it again next year."**



**- No One, Ever**

More????



**RFPs**



RFP

Proposal project

RFP Response  
Challenge

Screen & Review

- Initial Setup of Proposal site
- Plan RFP Challenge with specific taxonomy relevant to RFP
- Open challenge
- Screen responses
- Pull into Proposal project
- Continued collaboration with contributors
- Work through proposal response process

- Short-team challenge specific to RFP
- Either broad (open) or private (smaller group of invited participants)
- Capture contributor ideas with supporting information
- User group rate, comment, augment, add documents

- Reviewers screen the input
- They engage in a collaborative back and forth with contributors
- They select them and push them into the proposal project to work with
- Contributors are keep updated with status notifications

# The RFP Letter of Intent

The *request for proposal* (RFP) **letter of intent** tells the company issuing the RFP that you are interested not only in submitting a proposal in response, but also in receiving all RFP updates and modifications.

The RFP letter of intent is presented on the next page.

It is highly recommended to read the recommendations below in order to properly and successfully use the letter of intent.

1. Use a formal letterhead and do not handwrite the letter of intent.
2. First, **indicate your interest** in the RFP you received, and acknowledge the deadline for the proposal you will submit.
3. Next, remind the RFP issuer that you are, at the same time, **interested in being kept informed** about any modification related to this project, i.e. the RFP document itself.
4. Finally, **close the letter formally** with "sincerely" or a similar polite expression. Sign your name and title. Be sure to provide the correct, complete **contact and reference information** for future correspondence.
5. Do not forget to send the letter of intent via **certified mail**.
6. Since things sometimes get a little more complicated than usual, remember to consult a lawyer for further information before doing anything.

## 2.2 Organization Overview

**Instructions:** In the following sections Vendor must provide all information requested regarding Vendor's unique capabilities as an information technology (IT) Vendor.

### 2.2.1 Vendor Company Overview

Table 2. Company Overview

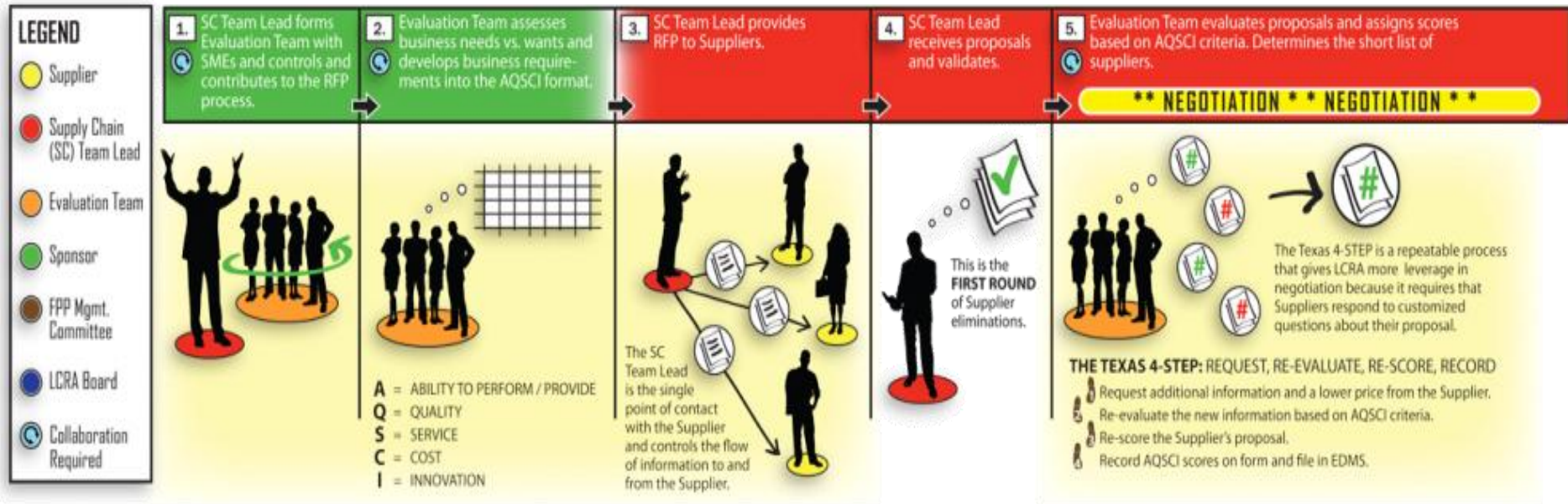
|                                                                                                                                                            |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| Company name                                                                                                                                               |  |
| RFP Response lead/account executive name, title and contact information:                                                                                   |  |
| Industry (NAICS) (North American Industry Classification System)                                                                                           |  |
| Federal Tax Identification Number                                                                                                                          |  |
| Fiscal 2011 company revenue                                                                                                                                |  |
| Fiscal 2011 company net income                                                                                                                             |  |
| Headquarters Location                                                                                                                                      |  |
| Date Founded                                                                                                                                               |  |
| Company Ownership (i.e. private/public, joint venture)                                                                                                     |  |
| Number of years Vendor has been providing Application Deployment and Application User Training services                                                    |  |
| Number of employees:<br>Total:<br>Deployment Services:                                                                                                     |  |
| Service Delivery Locations in the Continental United States                                                                                                |  |
| Name, title, address, telephone number, and email address of the individual who will act as Proposer's designated representative for purposes of this RFP. |  |
| End of Table                                                                                                                                               |  |

Table 3. Details of Revenue Stream

| Service Category                             | Revenue in US \$ |
|----------------------------------------------|------------------|
| Business Process Outsourcing Services Total  |                  |
| IT Outsourcing Services Revenue Total        |                  |
| Deployment Services Revenue                  |                  |
| Network, Desktop Management Services Revenue |                  |
| Network Management Services Revenue          |                  |
| Applications Development Services Revenue    |                  |
| Application Maintenance Services Revenue     |                  |

# REQUEST-FOR-PROPOSAL EVALUATION PROCESS

The RFP Evaluation Process is a procurement-led, consistent, repeatable and fair process of evaluating Suppliers' responses to an RFP. Because this process is based on facts and data, it results in excellent sourcing decisions for LCRA.



## COMPANY OVERVIEW

This section introduces your company. Briefly tell who you are, what you do, size of company, current url, and what your overarching corporate vision or mission statement is.



## PROJECT OVERVIEW

Describe in plain English your current web site situation (if you have one), and give us an overview of what the project is going to entail.

*we are here...*



## GOALS AND OBJECTIVES

This section is the spot to list your short term and long term objectives for the project, as well as your motivation for investing in your web site. It aims to answer the question "Why are you here?".



## TECHNICAL PARAMETERS

These parameters range from the basics (how many pages and unique layouts do you need; do you need hosting or domain name) to more advanced questions (do you require programming in specific language).



## FUNCTIONAL PARAMETERS

In layman's terms, this section asks the question, "What do you want your website to DO?" We need you outline the features and functionality you'll be wanting to see on your site.



Along with the listed information you should include your:

- ✓ **CONTACT INFORMATION**
- ✓ **BUDGET**
- ✓ **TIMEFRAME**

brought to you  
by



# CRM RFP Template

## Before you Start

This CRM RFP Template provides a guideline for customizing your RFP. It is impossible to predict every purchasing company's unique requirements, but many of the most common CRM functionality requirements have been identified.

In preparing this CRM RFP Template, we've focused on the needs of small and midsize businesses. Generally, we have asked for more information from the bidding companies, rather than less. If some of the information is not necessary to make your decision, simply take it out.

You can use this CRM RFP Template as an internal guide as you evaluate CRM systems, or distribute it to your short list of CRM software vendors for completion.

## How to Use the CRM RFP Template

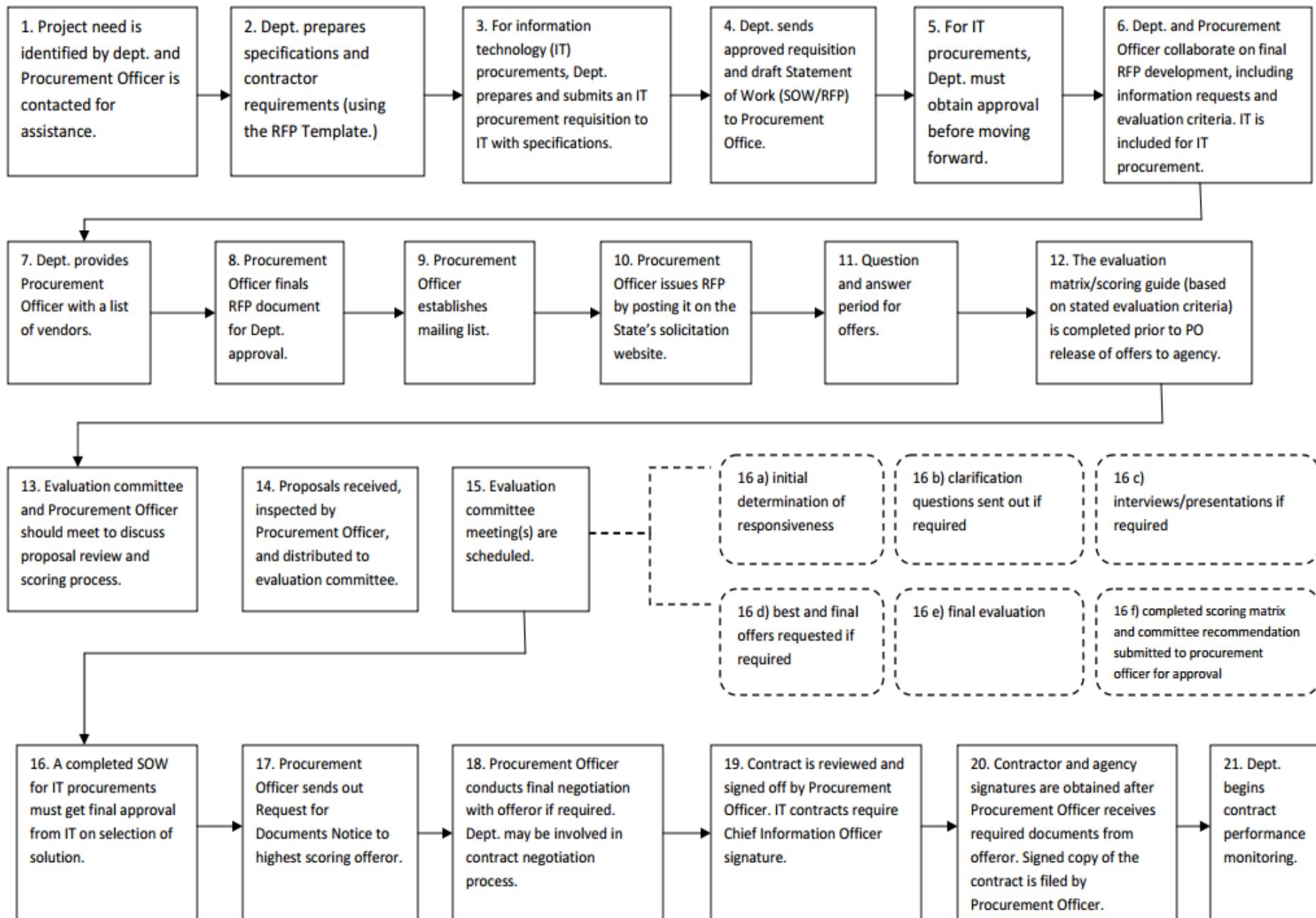
- Please read through the entire template before you distribute.
- Carefully review the functionality section carefully, adding and deleting table rows to fit your unique requirement. Please note that you must add information for your system and integration requirements.
- To insert your company name throughout the document, do a find and replace for "Your Company Name".
- Areas where you need to insert information are in gray. The gray placeholder text gives you ideas of the type of details to provide. When you revise, turn the text to black, and then send out to vendors.
- Generally, sections 1 and 2 contain details about the company issuing the RFP. Sections 3-10 are for the bidding vendor to complete.
- To update page numbers in the Table of Contents section, right click your mouse, select "update field", and select "update page numbers only". To update the entire table with new text and sections, select "update entire table".
- Delete this page before you distribute!

Good luck in your search. We hope this RFP template makes your evaluation process easier, and that you find the ideal CRM solution for your needs.



**"I DON'T CARE WHAT ARRANGEMENT  
YOU HAVE WITH SANTA, THIS  
NEEDS FILLING OUT."**

## THE REQUEST FOR PROPOSAL (RFP) PROCESS



*"What do you mean you  
didn't see the RFP?  
I tweeted it out!"*



# REQUEST FOR PROPOSAL

## RFP COVER SHEET

### Administrative Information:

|                                                                                                                                                                                                                                                           |              |                                              |                                  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|----------------------------------------------|----------------------------------|
| <b>TITLE OF RFP:</b>                                                                                                                                                                                                                                      |              | <b>RFP Number:</b>                           |                                  |
| <b>Agency:</b>                                                                                                                                                                                                                                            |              |                                              |                                  |
| <b>State seeks to purchase:</b>                                                                                                                                                                                                                           |              | <b>Available to Political Subdivisions?</b>  |                                  |
| <b>Number of <u>mos.</u> or <u>yrs.</u> of the initial term of the contract:</b>                                                                                                                                                                          |              | <b>Number of possible annual extensions:</b> |                                  |
| <b>Initial Contract term beginning:</b>                                                                                                                                                                                                                   | <b>Date:</b> | <b>Ending:</b>                               | <b>Date:</b>                     |
| <b>State Issuing Officer:</b>                                                                                                                                                                                                                             |              |                                              |                                  |
| <b>Name:</b>                                                                                                                                                                                                                                              |              |                                              |                                  |
| <b>Phone e-Mail and Fax:</b>                                                                                                                                                                                                                              |              |                                              |                                  |
| <b>Mailing Address:</b>                                                                                                                                                                                                                                   |              |                                              |                                  |
| <b>PROCUREMENT TIMETABLE—Event or Action:</b>                                                                                                                                                                                                             |              |                                              | <b>Date/Time (Central Time):</b> |
| State Posts Notice of RFP on TSB website                                                                                                                                                                                                                  |              |                                              | <b>Date/Time</b>                 |
| State Issues RFP                                                                                                                                                                                                                                          |              |                                              | <b>Date/Time</b>                 |
| <b>(optional, delete this section if not needed)</b>                                                                                                                                                                                                      |              |                                              |                                  |
| Resource Information                                                                                                                                                                                                                                      |              |                                              |                                  |
| <input type="checkbox"/> A Resource Room, accessible by appointment through the Issuing Officer on the following business days:                      between the hours of 8:00 a.m. to 4:00 p.m., Central Standard Time. The Resource Room is located at: |              |                                              |                                  |
| <input type="checkbox"/> Electronic Resources available on:                                                                                                                                                                                               |              |                                              |                                  |
| <input type="checkbox"/> CD available upon request of the Issuing Officer.                                                                                                                                                                                |              |                                              |                                  |
| <b>(optional, delete this section if not needed)</b>                                                                                                                                                                                                      |              |                                              | <b>Intent to Bid Due Date</b>    |
| Letters of Intent to Bid                                                                                                                                                                                                                                  |              |                                              |                                  |
| <b>(optional, delete this section if not needed)</b>                                                                                                                                                                                                      |              |                                              |                                  |
| <b>Site Visit Location and Address:</b>                                                                                                                                                                                                                   |              |                                              |                                  |
| If a map is needed, contact the Issuing Officer. Is Site Visit mandatory? <b>Yes or No</b>                                                                                                                                                                |              |                                              |                                  |
| <b>(optional, delete this section if not needed)</b>                                                                                                                                                                                                      |              |                                              |                                  |
| <b>Pre-Proposal Conference Location and Address:</b>                                                                                                                                                                                                      |              |                                              |                                  |



What the customer initially thought they needed



What the customer really needed



How the RFP documented the requirements



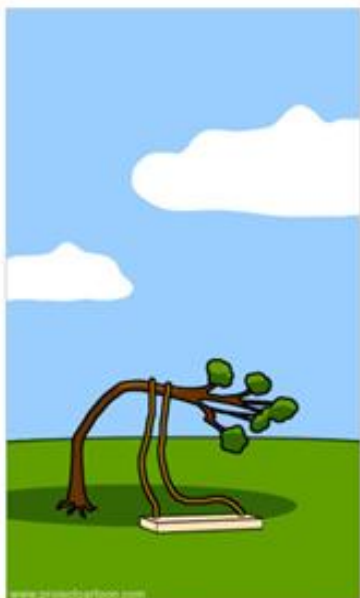
How the sales person sold it



What was actually bought



How the implementation consultants configured it



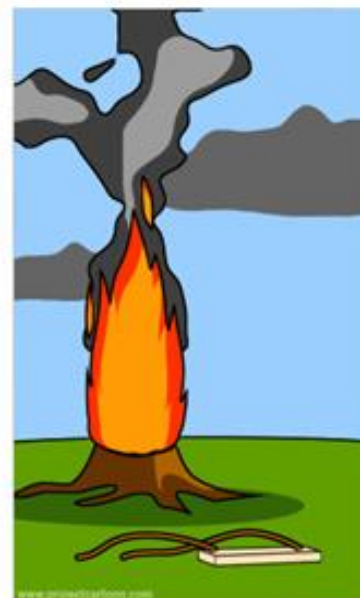
What was delivered on the promised delivery date



When the full system was finally delivered



How it performed in practice



What the users thought of it

**BASIC RFP EXAMPLE**  
**Request for Proposal (RFP)**  
**COMPANY Shareowner Services**

**1. Purpose of RFP Solicitation**

COMPANY requests your formal, sealed proposal to provide stock transfer and other shareowner services, as described in the Scope of Services section of this document. The contract would be for a three-year period beginning MONTH DAY, YEAR with the right to extend the contractual.

**2. Evaluation Criteria**

Responses to the RFP will be evaluated on the following criteria:

- A.** Proposed approach and plan to support COMPANY
- B.** Quality of services
- C.** Comprehensiveness of services offered
- D.** Fees & costs
- E.** Effective application of technology to improve service

Transfer agents are strongly encouraged to be brief and concise in their responses and to use the format provided in the RFP for fee quotes. Attach exhibits only when necessary. In some cases COMPANY may request a site visit, follow-up presentations or discussions for further clarification of your proposal.

**3. Questions and Timeframe**

Questions concerning the RFP should be e-mailed to PERSON NAME. COMPANY will attempt to respond back via e-mail within 24 hours. A copy of all questions/responses will be e-mailed to all bidders. To allow adequate time for COMPANY to research and respond, all questions should be submitted no later than **MONTH DAY, YEAR**

**Timeframe:** Two hard copies of the proposal must be received by Company at the following location no later than **2:00 P.M. (EDT) on Month Day, Year.**

Person Name  
COMPANY  
Street Address  
City, State Zip Code  
xxx-xxx-xxxx phone  
xxx-xxx-xxxx fax

**4. Proposed Fees and Format**

Please provide all of your proposed fees that would be charged to either COMPANY or COMPANY shareowners, using the schedule and format provided in Exhibit 1 – Shareowner Service Fees.

**5. COMPANY Information and Shareowner Statistics**

COMPANY is a type of industry company headquartered in City, State. As of Month, Year XXX registered shareowner accounts of which XXXX are dividend reinvestment accounts. A spreadsheet (Exhibit 2 – COMPANY Shareowner Volume Statistics) is enclosed providing shareowner volumes for pertinent items/transactions. The attached prospectus (Exhibit 4) for the COMPANY Investor Services Program ("The Program"), which is a bank sponsored plan, describes the features of the direct stock purchase/dividend reinvestment plan. Proposals must assume that the current plan will be maintained as described.

# The RFP Cover Letter

The *request for proposal* (RFP) **cover letter** should accompany the RFP questionnaire. Why write a cover letter? Beyond being polite and presenting your project, the RFP cover letter gives you a unique opportunity to emphasize the timeline of your state-of-the-art RFP-based selection process, particularly the dates on which different documents are due.

The RFP cover letter is presented on the next page.

It is highly recommended that you to read the suggestions below in order to properly and successfully use the RFP cover letter.

1. Use a formal letterhead and do not handwrite the RFP cover letter.
2. First, **invite the provider to submit a proposal** based on the requirements defined in the RFP document you will attach to the cover letter.
3. Next, **present your company** with a brief description of your principal business, objectives, and location, and a link to your web site.
4. Then, **describe your existing systems**, your project (size, budget, scope, etc.), and how you want the project to be aligned with your business objectives.
5. **Present your project timeline.** The success of your process may depend on properly communicating both the critical steps of your process and the deadlines the providers should meet in order to have their proposal considered. Missed due dates are the main cause of delays. Therefore, the more emphasis you put on deadlines, the shorter your process will be.

Highlight the major events and the due dates for submitting information:

- The **pre-proposal meeting**, whether or not you choose to make it mandatory
- **Reservation** of spots for the pre-proposal meeting. Decide whether or not vendors must reserve spots for the pre-proposal meeting.

## RFP Completion Checklist

| Ref      | RFP Criteria                                                                              | Yes | No | Don't Know |
|----------|-------------------------------------------------------------------------------------------|-----|----|------------|
|          |                                                                                           |     |    |            |
| <b>4</b> | <b>Instructions for Suppliers/Vendors Replying to this RFP</b>                            |     |    |            |
|          |                                                                                           |     |    |            |
|          | Have you included in your instructions:                                                   |     |    |            |
| 4.1      | - An outline of your RFP process                                                          |     |    |            |
| 4.2      | - Time scales / time line                                                                 |     |    |            |
| 4.3      | - A request for vendors to confirm whether they intend to respond                         |     |    |            |
| 4.4      | - Details of how you will handle any questions                                            |     |    |            |
| 4.5      | - Your RFP terms and conditions                                                           |     |    |            |
| 4.6      | - RFP disclaimer(s)                                                                       |     |    |            |
| 4.7      | - A schedule of additional information you wish to request                                |     |    |            |
| 4.8      | - Details of how you wish vendors to respond                                              |     |    |            |
| 4.9      | - The format of the response                                                              |     |    |            |
| 4.10     | - How many pages for the response – minimum and maximum allowed                           |     |    |            |
| 4.11     | - An indication of whether you will accept responses which deviate from your requirements |     |    |            |

BIDDING  
PROCESS



COMMODITY

SELECTION  
PROCEDURE



BUSINESS  
PROPOSALS



**RFP**

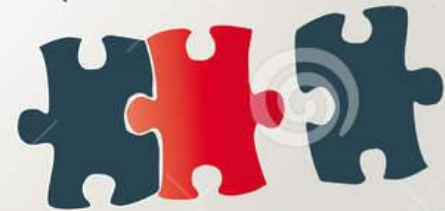
**REQUEST FOR  
PROPOSAL**



SUPPLIER



PROCUREMENT



PRELIMINARY

# RFP Templates

## MODEL REQUEST FOR PROPOSAL

An RFP is made up of several elements, which may vary depending upon the particular RFP. This model RFP is designed to help agencies in the preparation of the body of the RFP. Detailed information on how to develop an RFP can be found on the Division of Purchasing website, [www2.state.id.us/adm/purchasing](http://www2.state.id.us/adm/purchasing), in the publication *Guidelines for Developing and Evaluating a Request for Proposal*. Care should be taken during the development as the RFP document and the offeror's response to it will form the essential part of the final contract. All language needs to be precise and complete.

The following is a typical RFP layout.

### **1 Cover Letter**

The Division of Purchasing will supply the RFP cover letter. It is automatically generated by the Division of Purchasing electronic purchasing system at the time of RFP release. The cover letter contains instructions to vendors such as the RFP closing/opening date and time, procedures and requirements for vendor questions, number of RFP copies required, state of domicile information, information regarding trade secrets, F.O.B. requirements, and reference to the Idaho Standard Terms and Conditions. Information regarding Proposal Discussions (Best and Final Offers) and Negotiations are also supplied by the Division of Purchasing in the cover letter.

### **2 Signature Page**

While some RFP's issued by the Division of Purchasing may be responded to electronically via the internet-based system, the majority of the proposals are submitted manually. The Division of Purchasing includes a signature page that an offeror must manually sign, in ink, and return with the proposal response. Manually submitted RFP's without a signature page are rejected. RFP's submitted electronically via Purchasing internet-based system possess a digitally encrypted signature and are acceptable without the signature page.

### **3 Title Page**

A simple, single page that identifies the title of the RFP and issuing entity.

### **4 Table of Contents**

A Table of Contents should be supplied with the RFP that outlines information included within. The Table of Contents should include at the minimum the following information:

- Schedule of Events
- Standard and Special Terms and Conditions

## RFP TEMPLATE

### TITLE

### INTRODUCTION

The City of Minneapolis ("City") is seeking development proposals for certain property [owned/to be acquired] by the City and located at \_\_\_\_\_. The City's development objectives for the property are \_\_\_\_\_.

**SITE FACTS** [e.g., zoning, comprehensive plan, utilities/services, environmental condition, EMV, outstanding special assessments, legal description/title matters, historical significance, surrounding conditions]

### ESTIMATED FAIR REUSE VALUE OR ASKING PRICE

An estimated fair reuse value of the site has been determined, estimating the value at \$\_\_\_\_\_ or approximately \$\_\_\_\_\_ per square foot. The City reserves the right to re-value the site based on responses to the RFP and the specific proposals submitted.

**DEVELOPMENT GOALS** [e.g., identification of adopted development objectives or design guidelines, if any; discussion of current zoning and comprehensive plan plus any intent to change; reference to or excerpts from existing small area, NRP, redevelopment or similar plans]

### PROPOSAL DEADLINE

#### Proposal submission

Proposers must submit copies of their proposals as follows: **one unbound copy, ten bound copies and one electronic version** in Microsoft compatible or PDF format on diskette or CD. Proposals must be on standard 8 ½" by 11" paper. All supporting documentation must be on paper no larger than 11' by 17". Proposals and supporting documentation must be submitted in a sealed envelope labeled "\_\_\_\_\_ Development." Telefaxed proposals will not be accepted. Proposers may choose to provide additional sets if and when invited to do so for presentation purposes. Submissions will not be returned.

Proposals shall be delivered to the City on or before:

[Date]

[Time]

To:

**Contract Services  
Department of CPED  
105 Fifth Avenue South, Suite 200  
Minneapolis, MN 55401**

## Project Proposal Template

|                                                                                                                                                                                                                                                                                                                                                                                                               |  |                               |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-------------------------------|--|
| <b>PROJECT NAME:</b>                                                                                                                                                                                                                                                                                                                                                                                          |  |                               |  |
| <b>Project type:</b>                                                                                                                                                                                                                                                                                                                                                                                          |  | <b>Proposal Rev and Date:</b> |  |
| <b>Project Sponsor:</b>                                                                                                                                                                                                                                                                                                                                                                                       |  | <b>Project Manager:</b>       |  |
| <b>Target Completion:</b>                                                                                                                                                                                                                                                                                                                                                                                     |  | <b>Total Budget Est:</b>      |  |
| <b>Project Overview:</b>                                                                                                                                                                                                                                                                                                                                                                                      |  |                               |  |
| <p><b>Project Objectives Statement:</b><br/>           Succinct statement expressing the bottom line goals including key parameters in area of time, scope, resources/cost, e.g. "The goal of this project is to deliver xxxx to market in yyyy form no later than [date], working with [partner1, partner2....]. Problem to be solved, service or product to be offered, cost reduction to be made, etc.</p> |  |                               |  |
| <p><b>Business Justification:</b> Why should our company do it now? How does it align with our strategy? What is the perceived impact if we don't do it now?</p> <p><b>Should this project's schedule be accelerated? Why?</b> (E.g. to meet a market window, to respond to or beat competition, to achieve a desired ROI, etc.)?</p>                                                                         |  |                               |  |
| <p><b>Key Stakeholders:</b> Identify the major people, groups, entities that are / will in the future have an interest in the project</p>                                                                                                                                                                                                                                                                     |  |                               |  |

# Sample Hotel RFP

## TENTATIVE FUNCTION PROFILE

| Time                   | Function             | # of Persons | Room Set-up                                  | Room |
|------------------------|----------------------|--------------|----------------------------------------------|------|
| <b>Saturday 7/6/02</b> |                      |              |                                              |      |
| 6:30am – 24 hours      | Staff Office         | 15pp         | Conference                                   |      |
| 3:00pm – 6:00pm        | Registration Set-up  | Flow         | Counters                                     |      |
| <b>Sunday 7/7/02</b>   |                      |              |                                              |      |
| 6:30am – 24 hours      | Staff Office         | 15pp         | Conference                                   |      |
| 8:00am – 6:00pm        | Poster Set-up        | Flow         | 30 4'x8' 2/sided self standing poster boards |      |
| 12:00pm – 5:00pm       | Registration         | Flow         |                                              |      |
| 8:00am – 10:00pm       | Short Courses        | 70pp         | Classroom                                    |      |
| 8:00am – 10:00pm       | Short Courses        | 70pp         | Classroom                                    |      |
| <b>Monday 7/8/02</b>   |                      |              |                                              |      |
| 24hr hold              | Office               | Flow         |                                              |      |
| 24hr hold              | Registration         | Flow         |                                              |      |
| 8:00am – 6:00pm        | Poster Set-up        | Flow         | 30 4'x8' 2/sided self standing poster boards |      |
| 8:00am – 7:30pm        | General Session      | 325pp        | Theater                                      |      |
| 10:00am – 10:30am      | AM Refreshment Break | 300pp        | Flow                                         |      |
| 3:00pm – 3:30pm        | PM Refreshment Break | 300pp        | Flow                                         |      |
| <b>Tuesday 7/9/02</b>  |                      |              |                                              |      |
| 24hr hold              | Office               | Flow         |                                              |      |
| 24hr hold              | Registration         | Flow         |                                              |      |
| 8:00am – 6:00pm        | Poster Session       | Flow         | 30 4'x8' 2/sided self standing poster boards |      |
| 8:00am – 7:30pm        | General Session      | 325pp        | Theater                                      |      |
| 10:00am – 10:30am      | AM Refreshment Break | 300pp        | Flow                                         |      |
| 12:00pm – 1:30pm       | Committee Lunch      | 15pp         | Conference                                   |      |
| 3:00pm – 3:30pm        | PM Refreshment Break | 300pp        | Flow                                         |      |
| 6:30pm – 8:30pm        | Reception            | 125pp        | Cocktail Rounds                              |      |

# Sample Request for Proposal

## 1. SUMMARY

The AGENCY XYZ of Rock Hopper County is accepting proposals to design, the Association's web site. This will be a concept to completion production. The RFP is to provide a fair evaluation for all candidates and to provide the candidates evaluation criteria against which they will be judged.

The existing AGENCY XYZ web site was originally designed and produced in 2001 slightly in 2003 (see screen print attached). The site is maintained with in-house

## 2. PROPOSAL GUIDELINES AND REQUIREMENTS

This is an open and competitive process.

Proposals received after 12:00pm/noon PST, Wednesday, June 4, 2003, will not be will be returned unopened.

The proposal must contain the signature of a duly authorized officer or agent of the submitting the proposal.

If you wish to submit alternate solutions, please do so.

The price you quote should be inclusive. If your price excludes certain fees or provide a detailed list of excluded fees with a complete explanation of the nature of

If the execution of work to be performed by your company requires the hiring of you must clearly state this in your proposal. Sub-contractors must be identified and will perform must be defined. In your proposal please provide the name, address, sub-contractor. The AGENCY XYZ of Rock Hopper County will not refuse a upon the use of sub-contractors; however we retain the right to refuse the sub selected.

## **RFP Response Template**

As stated in Part II of the RFP, the Offeror's response to this RFP must consist of three (3) separately sealed submittals. The submittals are as follows: (a) Technical Submittal, (b) Disadvantaged Business Submittal, and (c) Cost Submittal. A response to this request for proposals is considered to be complete if it includes the following documents:

1. Proposal Cover Sheet
2. Technical Submittal
  - o Completed RFP Response Template in tabbed order
  - o Completed and signed Confirmation Certificate
3. Disadvantaged Business Submittal
4. Cost Proposal (sealed separately)

### **1. Preparation of Proposal Cover Sheet (Appendix C)**

The cover sheet must include: Offeror's name, mailing address, and website; contact person, contact person's phone number, facsimile number, and email address; and Offeror's federal ID number in addition to the RFP name and RFP number. The original should be clearly marked to indicate that it is the original. The Proposal Cover Sheet must be signed by an individual with legal authority to bind the Offeror.

### **2. Preparation of the Technical Submittal**

The Technical Submittal is the most important portion of the response. This is the opportunity for the Offeror to fully describe how it intends to meet the expectations presented in Parts II and IV of this RFP. Provide the Offeror's responses to the requirements in the correct Tab listed in the outlines provided in Parts II and IV of the RFP and reiterated here for easy reference.

|                                                                                                |
|------------------------------------------------------------------------------------------------|
| <p style="text-align: center;"><b>TEMPLATE:<br/>WRITING THE REQUEST FOR PROPOSAL (RFP)</b></p> |
|------------------------------------------------------------------------------------------------|

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## **INTRODUCTION**

# RFP responding.....

*Your organization's or individual letterhead*

**In Response To:** *[RFP Title and Date Issued]*

**Submitted To:** Bureau of Justice Assistance, National Training and Technical Assistance Center

**Submitted By:** *[Name of your organization or your name if not affiliated with an organization]  
[Address line 1]  
[Address line 2]  
[Name of person to contact]  
[Phone number of person to contact]*

## **1. Understanding and Approach**

*[Sections 1.a, 1.b, and 1.c when combined are not to exceed fourpages, doubled-spaced.]*

### **a. Understanding of the Problem**

*[Provide a narrative that describes your knowledge and understanding of the issue(s) described in the RFP, as well as a description of your ability to achieve the objectives of this RFP.]*

### **b. Technical Approach**

*[Provide a narrative that describesyour approach or methodology to achieve the objective(s) and deliverables described in the RFP. The narrative response shall include the quality, comprehensiveness, and feasibility of methods and plans proposed to accomplish the required tasks.]*

### **c. Relevant Experience/Capabilities**

*[Provide a narrative that describesyour relevant experiences and capabilities related to the objective(s) described in the RFP. Highlight your previous experience offering similar services or capabilities.]*

## CHECKLIST

### SAMPLE PROPOSAL FORMAT FOR RESPONDING TO RFP'S

---

There are a lot of experienced business people that are still asking themselves what their response is supposed to look like when they receive a request for proposal (RFP). Here is a proposal template format that you can use to respond to RFPs. The content changes each time based on what the RFP requires so you can fill in that part after figuring out how you will solve the client's requirements:

#### ☐ Background

Briefly go over their general requirements. Example: ABC Company would like a local area network installed to connect all of the computers in their office to share disk space and printers and automatically do tape backups.

#### ☐ Scope

Discuss in detail each item in the RFP and how you intend to tackle it. Use diagrams to illustrate your configuration. This will be the longest section of your proposal and will probably have several subsections.

#### ☐ Schedule

When do you anticipate starting? How long will each task take? Make a table of your expected schedule for completing the project.

#### ☐ Staff

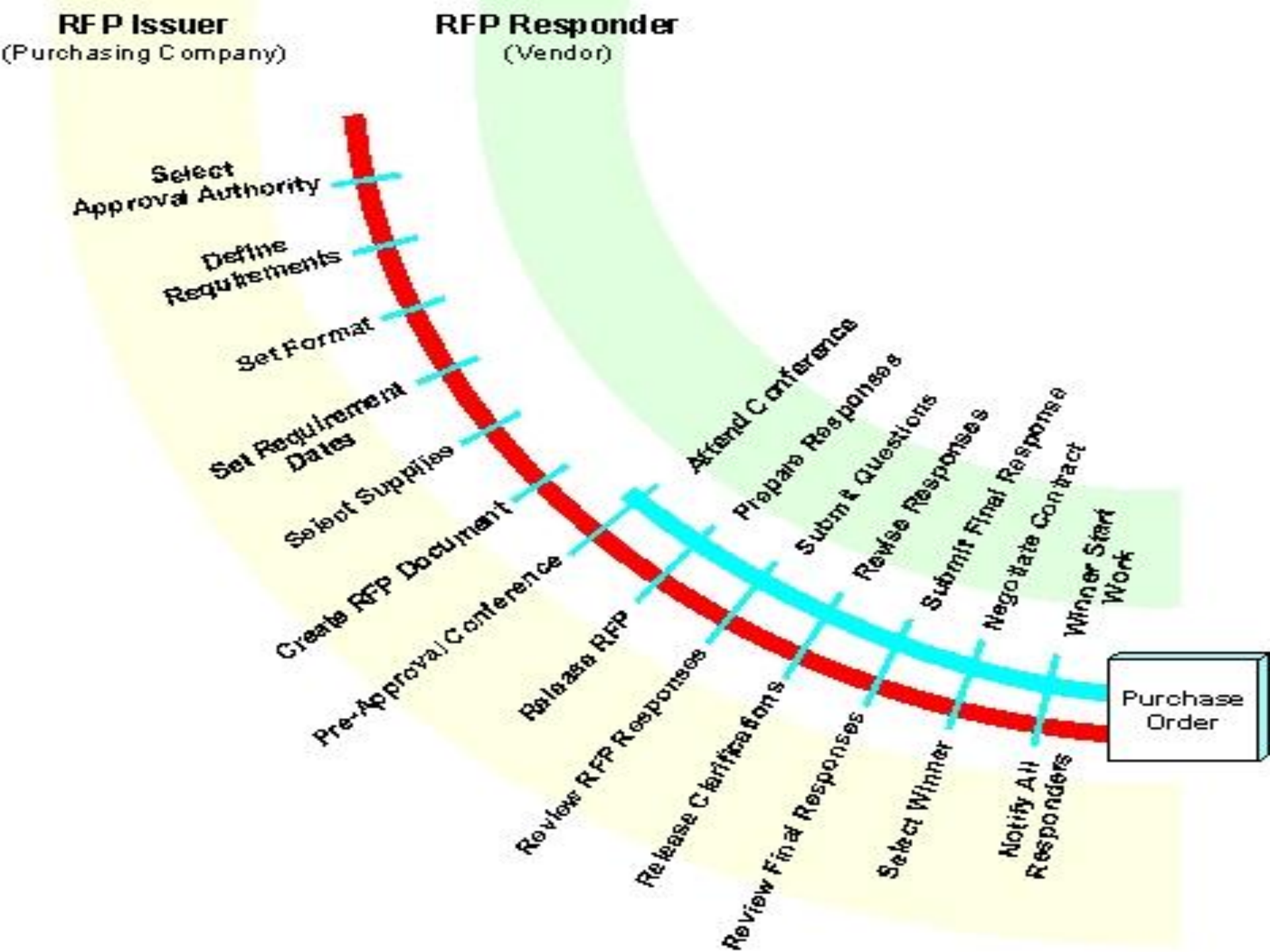
This is an optional section. Some firms like to see who will be working on the project. This is more important for government projects. Put the resumes here.

#### ☐ Cost

Breakdown the cost by equipment and personnel time to come up with your expected budget. Include payment terms, discounts for early payment, and other cost or payment information.

#### ☐ Supporting Information

Add any supporting info here (for example, if you're trying to convince them to use a specific type of networking technology, back up your reasoning here with third-party quotes, research, test results, etc.). You can also add information about similar projects you have completed for other firms and what the results were of those. Include testimonials from clients, clippings from news papers, etc.



# Tips to help you craft a convincing response to an RFP

- Try to grasp what the RFP entails
- Review the components of the RFP
- Review the prospect's requirements. It is imperative that you respond to all questions poised. (Try making a checklist to refer back to.)
- Create a business proposal
- Respond to objections
- Present your Proposal

# RFP amendments....



## REQUEST FOR PROPOSALS (RFP) AMENDMENT

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                    |                                                                                                                                                                               |                                      |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| Amendment No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | RFP No.<br>RFP0503 | Project No.                                                                                                                                                                   | Date Amendment issued<br>May 2, 2005 |
| COMPANY NAME AND ADDRESS (To be completed by Proposer)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                    | Issued By<br><br>METROPOLITAN TRANSIT AUTHORITY<br>Office of Procurement<br>1900 Main St., Suite 2021<br>Houston, Texas 77002<br>P. O. Box 61429<br>Houston, Texas 77208-1429 |                                      |
| The hour and date specified for receipt of Proposals:<br><input type="checkbox"/> is not extended<br><input checked="" type="checkbox"/> is extended to <u>Monday, May 9, 2005, 5:00 PM Local Time.</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                    |                                                                                                                                                                               |                                      |
| <p>Interested Proposers should submit their proposals no later than the close of business (5:00 P.M., Local Time) on <u>Monday, May 9, 2005</u>. Proposals submitted after the stated time and date will not be accepted nor considered by METRO.</p> <p>Please send ten (10) copies of your proposal to:</p> <p>Mr. Todd Mason<br/>V.P., Real Estate Services<br/>Metropolitan Transit Authority<br/>1900 Main Street<br/>Post Office Box 61429<br/>Houston, Texas 77208-1429</p> <p>Except as provided herein, all instructions and provisions of the RFP, as heretofore changed, remain unchanged and in full force and effect.</p> <p>Proposers must acknowledge receipt of this amendment prior to the hour and date specified for the proposal due date, by one of the following methods: (1) By acknowledging receipt of this amendment on the Proposal Form; (2) By signing and returning one (1) copy of this amendment with your Proposal; (3) By separate letter or fax which includes a reference to the Proposal and amendment number(s). FAILURE OF YOUR ACKNOWLEDGEMENT TO BE RECEIVED AT THE PROCUREMENT OFFICE PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR PROPOSAL. If, by virtue of this amendment you desire to change your Proposal already submitted, such change may be made by fax or letter, provided such fax or letter makes reference to the Proposal and this amendment, and is received prior to the due date hour and date specified.</p> |                    |                                                                                                                                                                               |                                      |
| BY PROPOSER _____<br><small>Signature of Person Authorized to Sign</small>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                    | METROPOLITAN TRANSIT AUTHORITY                                                                                                                                                |                                      |
| NAME & TITLE OF SIGNER                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | DATE SIGNED        | BY: _____<br><br>Katharine Barnes, Real Estate Services                                                                                                                       |                                      |

I NEED A \$1,600  
HANDHELD BAR CODE  
SCANNER TO FINISH  
MY LAB TESTS.



www.dilbert.com

scottadams@aol.com

OKAY. APPLY FOR A  
CAPITAL BUDGET  
VARIANCE, PREPARE  
AN RFP, GET THREE  
BIDS, FORM A TEAM  
TO EVALUATE THE BIDS,  
THEN PREPARE A  
PURCHASE ORDER



NEVER MIND. I'LL  
JUST LEARN HOW TO  
READ BAR CODES BY  
SIGHT.



QUITTER.



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# Time & Attendance Software Request for Proposal (RFP)

System Name Display

Delivery Method

Enhancement Cost

For HELP, place the cursor in desired column cell on this row:

RESPONSE

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(Bottom - View Price and Scores

### Company Overview

This section provides an overview of your company, its goals and objectives. [i.e. *ABC Corp.* ([www.ABCCorp.com](http://www.ABCCorp.com)) is seeking media relations proposals to provide public relations, communications and media support. This Request for Proposal (RFP) for presents a corporate background and scope of work, as well as describes the tasks to be accomplished by the agency contracted. If your organization wishes to be considered, *ABC Corp.* is requesting a written proposal that addresses the points detailed in this RFP be submitted no later than Month Date, Year.]

### Product Overview (or Situational Analysis)

This section provides an overview of your company's product line. Sometimes this section will also include a situational overview that outlines the market dynamics, challenges and opportunities the issuing company sees for themselves. [i.e. *ABC Corp.*, manufactures, and markets wireless systems that integrate with an enterprise's existing telephone system to provide communication access anywhere in the workplace. This enables greater workplace mobility, higher productivity and rapid response to customers. *ABC Corp.* Wireless Telephone Systems are recognized as the highest quality, yet most cost effective in the industry, with superior reliability, durability, coverage, and voice quality.]

### Project Description

#### Scope of Work

This section allows the agency to understand what the core program will include. It's helpful for the agency to have details on your basic needs so they can provide added detail for these programs and campaigns in their reply to the questions below. [i.e. *ABC Corp.* is seeking a corporate public relations agency partner with a proven track record for creative excellence in strategic program development and execution. The agency's

# Thank You