

# Creating the Ideal RFP

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Several years ago, there were shocking stories about abuses in government spending, such as the \$900 toilet seat or the box of Band Aids purchased for \$100. The public was outraged at how irresponsible the bureaucracy had become at spending our hard-earned tax dollars. Since then, the problem has been alleviated somewhat by stricter regulation on government spending.

Thank heavens we don't experience similar problems as training professionals...or do we? Have you ever wondered if you are paying too much for outsourced training products and services? As organizations license sophisticated, technological infrastructures for delivering blended learning solutions, hundreds of thousands of dollars, if not millions of dollars, are changing hands on these transactions. In many cases, the range of features of these systems extends well beyond what the organization will ever use, resulting in wasted expenses (similar to the \$900 toilet seat). So, how does this happen? There isn't a central bureaucracy to blame for this one. One of the main reasons frequently lies in our own inability to provide proper scope and balance when creating a request for proposal (RFP) that adequately describes our real training needs.

## **The \$2 Million Dollar Solution**

Case and Point: Recently, a financial services organization went about the task of purchasing a learning management system. They wanted one that would not only automate their traditional classroom-based enrollment, but also would allow them to easily create self-paced learning modules for widespread distribution. The company created an e-learning task force to document the business requirements and write an RFP to solicit potential bidders. Because the company has a decentralized training department, a training representative was sent from each of the company's eight lines of business to participate on the task force. In the very first meeting, expectations were set about the scope of the project and the team determined that their budget for the whole solution could be no greater than \$850,000. Over the next several weeks, ideas came fast and furious from each of the representatives. Little compromise was given as the list of desired LMS functionality grew from their conservative basic needs to include all the bells and whistles now associated with e-learning, including newly identified, advanced requirements such as PALM distribution of learning content, advanced skill-gap analysis associated with skill-based content modules, real-time linking between their ERP system (Peoplesoft) and the learning management system data, an elaborate schema to share content between their structured learning and a brand-new knowledge management practice, and the list went on like this for several pages.

To make a long story short, they used this unfiltered information to draft and distribute an RFP, explaining their needs to potential bidders. As a result, they received several bids from obviously interested vendors, who each submitted a bid of around \$2 Million dollars for their proposed solution.

What went wrong? The team met in a series of follow-up meetings that included much hand wringing, stress, and even some finger pointing. Their first reaction was that they had perhaps not done a good job of pre-qualifying the bidders or that all of the bids must represent some of the highest-priced solutions on the market. They decided that things had gotten completely out of hand and at this point they decided to call in a consultant to help them work through their dilemma.

This is where we first entered the picture. As a consultant assigned to this project, it didn't take long to realize what went wrong. Scope creep had run rampant throughout the entire project planning cycle. According to industry metrics, we quickly helped them see how they had literally designed and documented a \$2 Million dollar training problem. We spent hours pouring over their original charter, meeting notes, the RFP, and meeting with team members to understand the problem space. We reverse

engineered the process and re-focused on critical needs according to their original goals. We went through detailed prioritization exercises, dividing the “must-have” features from the “nice-to-haves.” We identified several big-ticket items that were only mentioned as afterthoughts, with no clear link to the big picture. For example, we discovered that only one member of the team had mentioned advanced skill-gap analysis, and even that team member acknowledged that this was just a desire for long-term future functionality. In the end, the task force was able to redraft the RFP with appropriate expectations. Before re-issuing the RFP, we again used industry metrics to scope the expected dollar amount of the solution at about \$580,000. The range of actual bids received on the 2<sup>nd</sup> issuance was between \$300,000 and \$700,000. Big difference.

## **RFP: The Blueprint for Tactical Execution of Your Learning Strategy**

Many people see an RFP as simply a legal document that describes the desired contractual and working relationship between the supplier and the consumer to secure a bid for a given project, designed to protect themselves from bad deals and vendors that might fall into bankruptcy. I suggest to you that an RFP is much more than that. It represents a critical point in the process that literally requires you to document your training needs using completely unambiguous narrative text, so that every member of your strategy team, other stakeholders, and potential vendors will understand exactly what you are trying to accomplish.

The RFP shouldn't be a replacement for more all-encompassing documents, such as an e-learning strategy document or distance learning plan. Rather, several RFPs may be generated over the life cycle of your strategy documents as resources and budget are allocated to outsource some of the work for each major phase of your plan. A single company-wide strategic learning plan may encompass the licensing of a learning management system, content development tools, virtual classroom software, outsourced custom courseware development, and additional training resources. Each RFP serves as a blueprint for tactical execution of your strategy.

Because of the significant role played by the RFP, we thought it might be helpful to discuss time-tested tips and techniques that will help ensure success when creating a balanced and descriptive RFP:

### **#1 – Before writing the RFP - have a clear vision of your overall learning strategy**

In the case study, the financial organization learned a valuable lesson about placing the cart before the horse. In their initial meetings, focus shifted immediately toward technology selection and the bevy of LMS features and functionality and away from their primary needs. Because they didn't have a central e-learning strategy, they skipped an important part of the process. Having a master strategy is of primary importance, especially in cases where the strategy effects multiple departments inside a single organization. You will save considerable time and money by gaining consensus on critical issues before making them part of your bid requirements.

In early strategy development meetings, it is very worthwhile to spend time tackling the larger issues to identify common solutions that will work for each of the stakeholders. Here are a few areas of enterprise e-learning functionality most often requested by organizations, but less-often used once the e-learning infrastructure is in place, mostly because of the significant changes required in an organization to take full advantage of them. Most are spectacular when carried out with vision.

- **Competency Management/Skill Gap Analysis:** An excellent concept, but out of reach for most companies. This is generally not the fault of the technology. Technology makes this relatively easy by creating a three-way link between job-skill competencies, test questions, and modules of instruction; and then serving up the right learning modules to fill in gaps in knowledge. The bigger problem is in the company having resources to write well-defined competencies for each skill position and gaining consensus that the documented competencies

are valid. This skills database has to be groomed and maintained on a regular basis. It is also difficult for most companies to keep up with the content demands to have a one-to-one match between the competencies and the learning content.

- **Regulatory/Compliance Tracking:** Again, this is a great concept and some organizations are literally bound by law to comply. However, the downside is that it also requires significant resources to create valid certification methods and vigilant monitoring of compliance.
- **Performance Management:** In terms of LMS functionality, this translates to online utilities for tasks such as performing 360 degree assessments of employees (each trainee is assessed by their supervisors, peers, and subordinates), employee evaluation sessions carried out online and linked to training records, etc. You need to assess your organizational readiness to embrace this as regular training practices, otherwise the functionality is just overkill.
- **Leveraging Learning Objects Across the Enterprise:** The efficiencies of creating and disseminating instruction as learning objects are remarkable. Yet, if you're not ready to deal with the change management required to help training developers and learners think "learning objects," the functionality to create, store, reuse and deliver learning objects may be wasted.
- **Collaborative Learning:** The technology to add threaded discussion groups, learner-to-learner email, embedded virtual classrooms, etc. is very straightforward. The bigger question is: how to you plan to use these to enhance your instruction? Not as easily solved.
- **Knowledge Management:** The concept of sharing pieces of information outside structured learning is a good one. But again, the harder part of the issue is deciding how the information should be organized, when and to whom it should be accessible, who can contribute to the knowledge base, etc. are more important issues. The fact that many e-learning platform technologies have some built-in KM functionality shouldn't be the driving force in selecting a system unless you have a pretty good idea how you want to use this functionality.

Working out these issues ahead of time will help the RFP process go much smoother.

## **#2 – Before writing the RFP - Create proper scope for the project**

Think of our case study. They did set a budget amount, but the figure was placed on the backburner as the ideas begin to flow. Setting a budget ahead of time will help you align your most critical needs with the most needed features and functionality. Just like buying a house, if you know ahead of time how much you are willing to pay, you will be far more successful in finding a house that will both meet your needs and simultaneously fit within your budget.

## **#3 – Before writing the RFP – Develop a vendor "pre-qualification checklist"**

Most RFP writers assume that because of the complex nature of the project, the only way to get a clear understanding of the needs is to read the entire RFP cover-to-cover. However, the best RFP's include a pre-qualification checklist that serves as an executive summary that will help vendors quickly decide whether their products and/or services will fit. I highly recommend writing this checklist BEFORE writing the RFP. This will help keep you focused on what's the most important.

The checklist is made up of qualifications written in terse, unambiguous declarative statements. This list need not be lengthy, but it should include qualifications for your most critical needs. You should be able to keep the list between 10-20 items. The best pre-qualification checklists include highly differentiating items, as long as they are critical to the success of your project. For example, I was recently helping a company choose a learning management system and through the front-end analysis process we discovered that learning modules needed to be delivered in both Chinese and Korean. Together we wrote the following pre-qualification item:

- The learning management system must be capable of supporting multi-byte Chinese and Korean font sets in the primary learner interface with a built-in schema allowing non-technical administrators to translate the interface. High preference (not required) given to systems that are commercially available (already translated) in both Chinese and Korean.

In this case, several vendors disqualified themselves before wasting their time and the time of the reviewing company because their system didn't support multi-byte character sets.

#### #4 – Before writing the RFP - Create a vendor-selection scorecard for judging responses

Most companies create a scorecard to grade responses from the vendors. However, in most cases this is done after-the-fact. The problem with doing it at the end of the process is that you might still be missing critical information that you neglected to include in the request for information section of the RFP. By creating the scorecard before writing the RFP, you will undoubtedly request the right information to use in the evaluation process.

A well-written scorecard should ensure consistency in grading of responses, especially as several members of the team grade the proposal. To make the grading process easier, consider formatting the scorecard as a series of Likkert-scale questions, having the graders rate each item on a scale of 0 to 5. For example, here is a scoring item from the company that was looking for multi-byte character support in their LMS.

<p>Support for Chinese and Korean character sets.</p>	<p>Rate the response on the following scale:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> 5 points – Vendor verifies that LMS is commercially available in both Chinese and Korean (as well as English)</li> <li><input type="checkbox"/> 4 points – LMS is available in one of the target languages ...or the vendor has done a custom implementation in either language</li> <li><input type="checkbox"/> 3 points – Vendor has done a similar conversion project in another multi-byte language</li> <li><input type="checkbox"/> 2 points – LMS has multi-byte support although the vendor hasn't done any implementations in multi-byte character sets</li> <li><input type="checkbox"/> 1 point – Vendor has recommended a workaround solution</li> <li><input type="checkbox"/> 0 points – LMS lacks multi-byte support</li> </ul>
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When writing the RFP, each item in the scorecard can be written into the request for information section. However, in most cases, you will want to keep the scoring information and weighting private for your own internal evaluation. It is very easy to set up automatic scoring with variable weighting in Excel or other spreadsheet programs.

#### #5 – Use a well-defined template for greater efficiency in creating an RFP

It is always much easier to use a template to create your RFP. Check with others in your company to see if such an RFP template already exists, even one that might have been used for non-training purchases. Often these templates have already been cleared through your legal department and altered over time as errors have been identified.

The RFP should be as detailed as necessary to fully communicate your project needs. Here are some of the sections most often found in training-related RFPs:

- **Pre-qualification Checklist** – See tip #3
- **Detailed description of the opportunity** – outlining known requirements and highlighting open requirements yet to be determined
- **Description of your company background and culture**
- **Scope of Project**
- **Detailed Statement of Work**
- **Detailed instructions on how to respond to the RFP**
- **Schedule for the entire RFP and selection process with Milestones**
- **Basis of the Award**
- **Definition of level of service required**
- **Request for Additional Information** – based on prescriptive use cases
- **Confidentiality Agreements**
- **Other Sections**, as needed

#### **#6 – Avoid overstating the positive side of the opportunity, likewise avoid understating the negative side**

Far too many RFP writers focus on making the opportunity sound more attractive than it really is in order to entice the best vendors to reply. This is sometimes done by omitting potential downsides for the project. You will better serve the needs of your project by speaking candidly about the opportunity. Vendors will appreciate the candor in determining their suitability for the project.

#### **#7 – Design a request for information questionnaire that will help your team evaluate the responses and populate the scorecard grading exercise**

The heart of your RFP will be the way you go about asking the vendor how well their products and/or services match your project needs. If you have taken the time to create a vendor-selection scorecard ahead of time, you simply need to convert each scorable item into a clearly worded, explicit question to the vendor.

Use these questions to find out additional information about the vendor's background, team experience, individual staff member experience, and reference account information. With the sagging economy, we've been seeing more and more questions asking the vendor to outline their plan for long-term financial viability, to help alleviate concerns about whether the vendor will be there over the lifecycle of the project.

The bulk of the questions will be directly related to the needs of your project, such as requesting information about product features needed, questions about the length of implementation given your product requirements, levels of service required for the project, instructional design methodologies for courseware development projects, etc.

Although many of the questions will be designed to have concrete, unambiguous responses, we have found that the most useful questions are to present the vendor with scenarios describing prescriptive use cases of how specific learners, instructors, and administrators will interact with the system; and then letting the vendor provide an open response to how their solution would best meet the needs of each scenario. This will augment the other factual information and give you a clearer picture of how you might work with a specific vendor.

## **#8 – Allow sufficient time for responses**

A false notion has been circulating around that in order to find the most qualified candidate you should give vendors a very short time to respond to the RFP to weed out serious applicants from the field. In reality, the companies you want to respond will be those who take the time to carefully analyze the requirements and prepare a detailed response. The vendors you are most likely to attract with a short turnaround are those who are desperate for work. In general, you should give at least two to three weeks for most standard projects.

## **Conclusion**

You may have noticed that half of the tips given are things that you can do ahead of time to prepare for the actual writing of the RFP. If you spend adequate time doing due diligence in the creation of your organization's learning strategy, determining the scope for your outsourced project, creating a pre-qualification checklist, and preparing tools to assist in the selection process; the actual writing of the RFP simply becomes a mechanical effort to document and clearly identify your needs to outside vendors and, more importantly, to all stakeholders involved in the project. Finding this balance is the key to a successful RFP and subsequently a successful learning initiative.

## **About the Author**

Bryan Chapman is Chief Learning Strategist at Chapman Alliance, LLC; a provider of research-centric consulting solutions that assist organizations in defining, operating and optimizing their strategic learning initiatives. As a veteran in the industry, he has over 20 years experience and has worked with such organizations as American Express, Shell, Kodak, Sprint, Sharp Electronics, Honda, IBM, Microsoft, Avon, UNICEF, The Food and Drug Administration, U.S. State Department, and many others; to help them optimize learning efficiency through the use of innovative learning techniques and technologies.

Bryan was formerly the Director of Research and Strategy for independent research and consulting firm Brandon Hall Research, where he served as the primary author and researcher on high profile projects such as the LMS Knowledgebase, LCMS Comparative Analysis Report, Comparison of Simulation Products and Services, and a comprehensive study of custom content developers in the industry. In addition, Bryan was responsible for structuring Brandon Hall Research's consulting practice.

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