



Ten Keys to a Successful RFP

The Request for Proposal is a great opportunity for treasury departments and for the vendors that support them. For treasury it is the chance to ensure that services align with current needs at a good price. For vendors it is an opening to acquire new customers or cement relationships with current ones. Following are ten keys that will help you make the most of the RFP process.

- 1. Business requirements come first.** Provide prospective vendors with clear statements of your objectives and the requirements that will support these objectives. Let them know what is driving the project and what your decision criteria will be. You are looking for the vendor with the best solution, not the one best able to read your mind.
- 2. Encourage vendor creativity.** It is important that you have a basic vision for the type of solution required and the approach you would like to take. It is wise to allow prospective vendors to suggest other approaches to the same goal. Vendors know their products and services well and may offer a solution you might not have known of, or thought of.
- 3. Keep it simple.** The RFP is not your last chance to ask questions of vendors. It is a major step in the procurement process that will direct you to the vendor that will most closely meet your needs. If the answer to a question will not be a showstopper or a key point of discrimination, do not ask the question. Vendors will quickly realize what is important to you.
- 4. Do not use standard RFP templates.** Vendors have stock answers to stock questions. They also employ highly skilled experts to develop unique solutions for their clients. Make sure that the RFP questions are specific to your situation so that they go to the experts and not the RFP machine.
- 5. Provide a realistic timeline.** The RFP is a chance to choose the best basket of products and services, not a game to see how quickly the vendor can assemble a team to provide a proposal and follow a complex set of instructions. Let your vendors know that an RFP is



coming so that they can assemble an appropriate team and give them enough time to put together a thorough response in a sensible format.

- 6. Communicate.** There will always be confusion during an RFP about what is meant by a particular question or the need for additional details to prepare a response. Answer all questions in detail promptly and share your answers with all RFP respondents. When the RFP is over, thank all participants and offer any details you can share about your decision-making. Treasury is a small community and you will cross paths with many of the participants again so fairness and courtesy are important.
- 7. Use a viable short list.** RFPs are costly for both the issuer and the respondents and vendors are careful about where they devote scarce and expensive resources. If the prospective vendor is not one capable of delivering the required services or a business you would deal with, why bother sending them an RFP?
- 8. Ask discriminating questions.** Make sure that the questions you ask will identify the differences between vendors and not just their ability to meet your business requirements. You have handled part of this in creating the short list but need to focus scarce analytical time on the questions that matter.
- 9. Provide the necessary details.** Vendors, even those well established with your company, may lack all of the details they will need to respond effectively to an RFP. Treasury is a detail-oriented profession so identify the business operations that will participate in the solution as well as the volumes, values and product details that will be required. The greater and more accurate your level of detail, the better the responses and more demanding you can be in negotiations.
- 10. Make collaboration easy.** Responding to an RFP is a team effort by most vendors. Help them mobilize and communicate with their best team by putting required information in a digital package that can be shared among all vendor stakeholders. Unless there are special legal requirements send and receive RFP materials in digital form.



The preceding list is not an exhaustive guide to the RFP process. There are other resources for your reference including a Treasury Alliance Group White Paper: "The RFP Process—A Treasurer's Guide" that can be downloaded without charge from treasuryalliance.com.

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