

The Value is in the Process

By Jeanne L. Allert

When it comes to vendor selection, “do it right” the first time—so you don’t have to “do it over.”

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If you follow the Technology Section listserver, you probably find yourself rolling your eyes or thumping your forehead on your desk each time someone posts a request for a “quick and dirty answer” to some complex technology problem. Doesn’t he or she know that a “quick and dirty” response is likely to be “rash and wrong”?

You can’t put a solution in place until you fully understand the problem. What might be right for one organization may not be right for another. Without knowing an association’s infrastructure, staffing, budget, and business needs, it’s difficult to even begin to offer appropriate solutions to complex problems. While it’s tempting to select a vendor based on someone else’s recommendation, it’s important to make sure that solution will work for your unique association.

In addition to wading through a sea of products, add-ons, and new vendors that have cropped up since the last time you looked, and selecting an appropriate solution, you still have to face one more difficult task: bringing the whole organization in consensus with you.

To ensure you fully explore all of the appropriate options and achieve buy-in from your co-workers, below are the high-level steps to selecting a vendor.

Stage 1: Set project goals.

The old adage rings true: If you don’t know where you are going, you will probably end up somewhere else. The goal of the initial stage is to determine if all affected parties within the organization are united in what they are trying to achieve. It may be important to speak with several departments to get their perspectives on the situation (and the potential solution) and then bring all those disparate perspectives together to work to a set of common, documented goals.

Excessive vagueness in this area raises the yellow flag of potential failure. Prompt staff within your organization with questions like these:

- What is the impetus for this new product or vendor relationship? What is the imperative?
- What is the problem you are trying to solve or the opportunity you are trying to realize?
- Can you clearly articulate the goals or outcomes you are seeking?
- How will you measure success?

Stage 2: Define the “requirements.”

Depending on the complexity of the problem (and your organization), the “requirements definition” stage can be time-consuming. It may involve many hours analyzing business processes and interviewing users and other stakeholders. Yet the quality of work done for this task will set the stage for ease or difficulty when it comes time for vendor selection.

The questions to be asked during this stage are as varied as the projects, and each functional business unit may have its own set of unique questions to address. Still, there are some critical questions to put forth:

- What is not working with the current system or business process? What’s “broken”?
- What additional functionality would make your job better or improve your service to members or quality of product?
- What changes would significantly alter how you work, within your business function and in interactions with other business units?
- Can you clearly distinguish those features that are “essential” (you cannot do your job without them) versus “enhancements” (your performance would improve with these features) versus “bonuses” (they would be nice, but you could work just as well without them)? Being able to place your requirements into these three buckets can have a significant impact on your project budget.

- What are the needs of our customers? How will this new product or service affect our service and relationship to them? Have we determined their requirements as well?

Stage 3: Develop the RFP.

The actual writing of the RFP should be the shortest (and easiest) part of the entire process. If you have a clear sense of purpose and direction for the project (Stage 1) and have carefully ferreted out and prioritized the requirements (Stage 2), the RFP should write itself. We strongly advise against using someone else's RFP as a template (for the reasons emphasized here). Below are some guidelines for RFP development:

- Don't spend pages describing your organization. Point the vendors to your Web site. Provide background only as it relates to the problem or opportunity.
- Put forth your project goals and criteria for success. You want your vendor on board with the same set of goals you have. Put yours on the table.
- Devote the bulk of the RFP to describing the requirements, preferably in two formats: an overall narrative that describes what you want to accomplish and a matrix itemizing the details. Clearly communicate the priority of each requirement to give the vendor room to work within your budget.
- Everyone debates the merits of including a project budget in the RFP. We advocate—and vendors will support—that communicating your financial boundaries up front can save a lot of time. If you're not sure what your budget should be, do some research.
- Communicate your other known constraints: internal timeline, target deadlines, staffing limitations, etc.
- Outline the optional services you expect from the vendor.
- Describe the process you will require of the vendors for making your selection. Provide a timeline and your expectations for how they will work within this process.

Remember, the RFP is not the contract. You don't need to let the lawyers wrestle this document to the ground. Use it to communicate your current thinking about what you need, but be prepared to have your ideas expanded, challenged, and revised based on what you learn in the vendor selection process.

Stage 4: Select a vendor.

This stage is "the dating phase" between you and the prospective provider. In the previous stages, you determined, "Do we know what we want, and can we communicate it?" In the proposal process you learned, "Can you provide what we need?" In this final stage you want to answer the question, "Can we work well together?" This stage should be a series of steps that bring the vendor and client gradually closer together in communications and interactions, with clear junctures where the client is given the opportunity to narrow down the pool of options.

Take your time in the vendor selection process, and engage all of those staff who will be involved in this vendor relationship. Make sure you meet the vendor's project manager, understand the vendor's project management approach, learn what the vendor will expect from you, and begin to build a rapport. You'll probably spend a great deal of time and money on this relationship—it's worth moving forward with measured steps.

In short, the true merit of a methodical approach to vendor selection is not only the end result of a better decision, but the palpable benefits of taking your organization through a process. In each stage, you are educating the leadership and staff, engaging them in the decisions that will affect their work, and building support from the people upon whom the success of this project will depend. It takes more time and requires more input, but remember another adage: Would you rather do it right, or do it over?

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