Infographic: 9 Steps to Improve Your CRM RFP by Capitalizing on Collaboration

Published 21 December 2020 - ID G00730271 - 3 min read

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Initiatives: CRM Strategy and Customer Experience

CRM RFPs often lack the necessary information needed for vendors to respond successfully. This infographic identifies nine steps that application leaders supporting CRM should take to improve their RFPs, which in turn will help vendors better communicate throughout the process.
9 Steps to Improve Your CRM RFP by Capitalizing on Collaboration

Application leaders supporting CRM and other CRM leaders need to work together with business unit and procurement leaders for effective CRM RFPs.
1. **Background Information**
   - Identify the focus area of CRM.
   - Outline the business goal.
   - Provide industry knowledge.
   - Identify the industry accelerator of the vendor.
   - Explain the key drivers and expected business outcomes of CRM.
   - Supply the volumetric data and KPI drivers.

2. **Requirements**
   - Document the CRM product, service and process requirements.
   - Avoid specifying the technical solution.
   - Outline of your transformative requirements.
   - Share the details and shortcomings of the current CRM system.
   - Define the integration, architectural and change management.
   - Define the out-of-scope work.

3. **Vendor’s Qualifications**
   - Ask for the vendor’s vision, risk and delivery approach.
   - Ask for the vendor’s proposed team members.
   - Track the vendor’s record and verify the vendor’s claim from reference customers.

4. **Vendor Evaluation Process**
   - Provide the timeline of the RFP process.
   - Detail the instructions of the submission process.
   - Detail the customer-facing process to be demonstrated during the POC.
   - Determine the POC demonstration’s format.

5. **Evaluation Criteria**
   - Include the high-level evaluation criteria of your CRM program.
   - Set the level of importance for each evaluation criteria.
   - Ask for key differentiation against competition.
   - Specify the disqualification or termination circumstances.

6. **Commercial Requirements**
   - Highlight the commercial T&Cs.
   - Specify the commercial requirement.
   - Identify key contractual T&Cs of the vendor.
   - Ask for the rate cards separately.
   - Detail the expected project timelines, delivery quality and deadlines.

7. **Rules of Engagement**
   - Define the RFP’s rules of engagement to avoid any conflicts of interest, lobbying or communication with the media.
   - Delineate the formal communication channels, global procurement policies, confidentiality and legal statements.
   - Outline various conflicts of interests, and approach to errors and omissions.
   - Outline the withdrawal process and decoupling details.

8. **Vendor Response Template**
   - Build common vendor response templates.
   - Correlate each section of template with evaluation criteria.
   - Ask for any technical or functional or commercial assumptions.
   - Ask for the itemized cost breakdown.

9. **Document Structure**
   - Create a storyline to provide the necessary context and business needs.
   - Make the RFP concise and readable.
   - Create a provision for alternative
In addition to the above infographic, we have further described some checklist items with examples:

1. **Provide the background information:**
   - Supply the volumetric data such as number of customer records, number of source system integrations, number of power users and number of system users.
   - Supply key performance indicator (KPI) drivers such as win rate, marketing campaign effectiveness, first-contact resolution, response time and average order value for properly sizing the team.

2. **Document the scope of requirements:**
   - Outline the transformative requirements that focus on the business outcome, such as adding a new focus on small and midsize B2B customers by providing digital commerce technologies to satisfy sales. Or, by moving the B2B customer from contact center to self-service portals, supporting the independence of these customers and making your products and services available 24/7.
   - Share the current organizational challenges such as limitations of out-of-the-box integration with existing systems, limited mobile application capabilities and scarce uses of machine learning and artificial intelligence in the customer-facing processes.

3. **Build the vendor’s qualifications:**
   - Each vendor’s vision should include a short-term product roadmap and long-term strategy to improve the product.
   - Ask for the time to deploy the customer relationship management (CRM) application into the organization and clarification on the process to accept various customizations.

4. **Clarify the vendor evaluation process:**
   - Provide the timeline of the request for proposal (RFP) process in terms of reference checks, due diligence, presentations, proof of concept (POC) and site visit schedule. This will help the vendor and your organization to prepare for the upcoming processes, and to reach the consensus on the process timeline.
5. Document the **evaluation criteria**:

- Ask for key differentiation against competition for easy comparison of multiple RFPs. Often, organizations struggle to identify the difference between the multiple RFP responses that lead to additional efforts.

- Specify the disqualification or termination circumstances such as breach of data confidence and privacy rules, breach of contract, misrepresentation of functionalities, and event of default by either of the parties.

6. Outline the **commercial requirements**:

- Highlight the commercial terms and conditions (T&Cs) such as payment terms, liability or loss due to product failures, tax implication due to purchase of product, claim raised due to delays and ownership of generated intellectual property (IP).

- Identify the uplift cost of licensing.

7. Clarify the **rules of engagement**:

- To build trust and transparency, outline the withdrawal process and decoupling details; for example, destruction of the RFP response and any confidential data therein.

8. Provide a **vendor response template**:

- Provide each vendor with a commercial response template to receive the itemized cost breakdown.

9. Check the **document structure**:

- Make the RFP concise and readable by providing appendices with detailed functional requirements, technical requirements and volumetric data.

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**About This Research**

Application leaders supporting CRM strategy who are sourcing new CRM applications should use this infographic as a checklist and process assessment of their RFP before releasing it to potential suppliers. The nine steps for improving the RFP process are divided into three sections:

- **Architect a solution**: The steps in this section will help you to document a clear statement of requirement that aligns with your business goals and outcomes. This, in turn, will help the vendor to quickly qualify whether it can meet your requirements and then architect, design, cost and price a viable solution accordingly.
Prioritize activities: The steps in this section will help each vendor to understand how it will be evaluated and what it should focus on when responding. It will also inform the vendor about the key tasks and deadlines of the RFP process.

Be consistent in response: The steps in this section will help you to agree with the vendor on a common set of rules of engagement and will provide the supplier with guidance for responding to the RFP.

Recommended by the Authors

CRM Application Functionality Starfish

Select the Best-Suited CRM Solution With Gartner's Evaluation Model

Toolkit: Evaluate CRM Software Using Gartner's Five Request for Information Templates — Vision, Viability, Services, Costs and Usability

The Elusive CRM Magic Quadrant

How to Decide Whether to Issue an RFI Prior to an RFP in CRM Evaluations