

**IT'S A LONG TERM "MARRIAGE"**

- PURPOSE OF A CONTRACT IS TO ALLOCATE RISKS
- Standard large system contract tends to favor Vendors
- Contract language often incomplete, ambiguous, one-sided
- Contract requires appreciation others' views, beliefs, objectives
- Generally produces much better working relationship & dispute resolution during surprise/emergency situations that will arise

**RFP REFERENCE CHECKS (Mitigate/Accept Risk)**

- Perhaps >50% of the whole process!

**Questions to Vendors (the Benchmark):**

- WHO TO SPEAK TO? Industry; Geography; Size: same/larger
- Have you U it before? How will U do it here?
- How will ours be different? Impact on Risk?
- Who were key Mgrs. (PM, Test, BPR, Go-Live)?
- Who will you assign to my project and why?
- Lessons learned? How do U address them?
- Were you on budget and schedule?
- What % of the "reqmts" did you deliver?
- Was it a relatively smooth implementation?
- Show your sched of releases/new capability
- What methodology will you use and why?
- What are you most afraid of?
- What can U do/show to make us comfortable
- Demo; CRP; PROOF of Concept? Post G/L suppt?

**MANY STAKEHOLDERS w DIFFERENT PERSPECTIVES**

**USERS:** Partners; Persons most knowledgeable; SMEs; User classes; Developers; Integrators; Consultants; Acquirers; Regulators; Legal; Auditors; Operations/Maint; Doc. specialist;  
**STEERING COMMITTEE:** Project Manager; Test Mgr; Sales; Support Staff; Trainers; Architects; Tech teams; Proj Champion; Biz Change Analyst; Polit Corr; Mktg; Field Support; Help Desk  
**MY MIT genius; smart niece; crazy Bro-in-law**

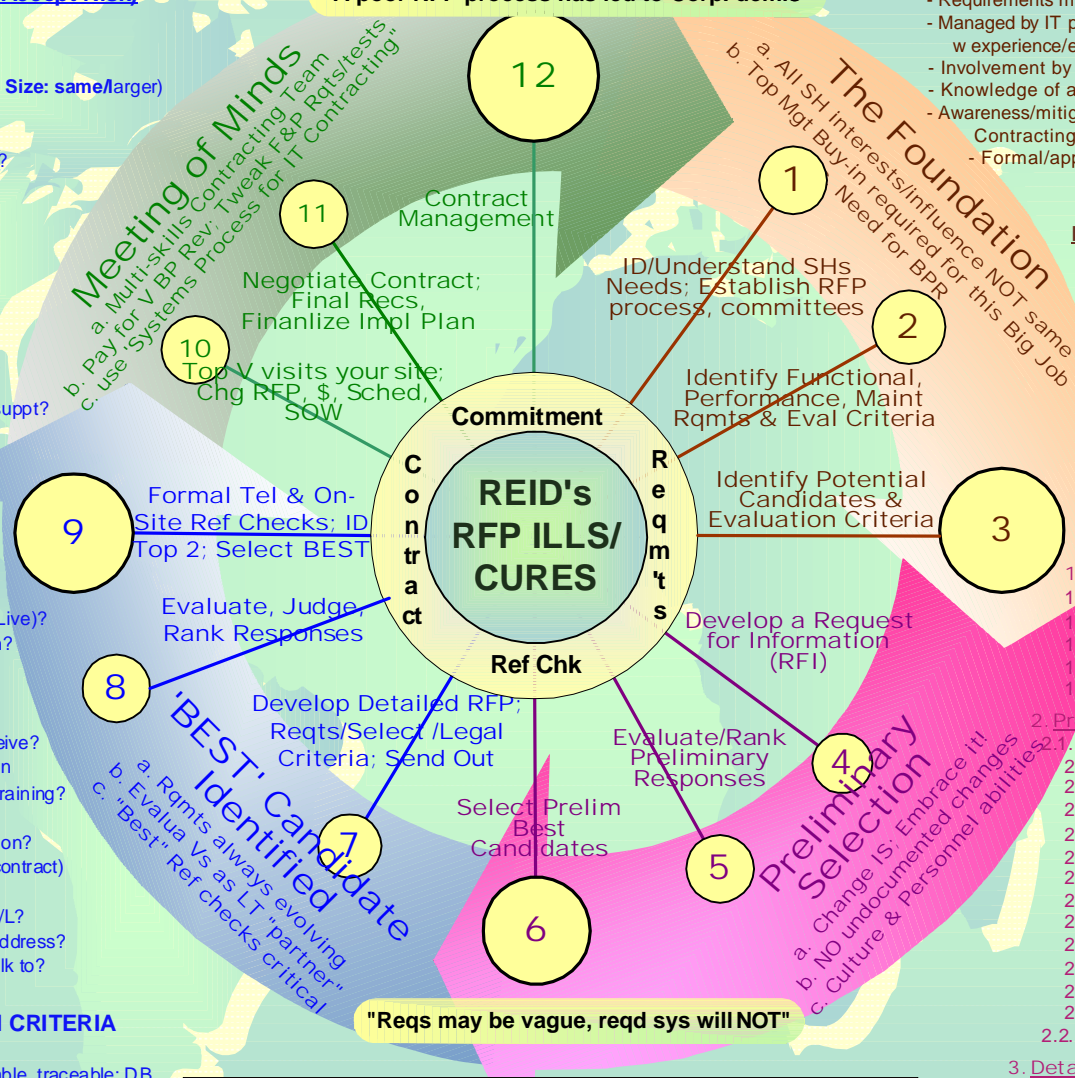
**INHERENT CONFLICTS BETWEEN PLAYERS**

**FOUNDATIONS FOR SUCCESS**

- RFP process is a PROJECT: w a beginning, end, WBS, schedule, \$\$ & resource availability requirements
- Stakeholders must be included
- Appreciation that requirements are inherently difficult
- Requirements must be specific, clear, understood, written
- Managed by IT pros, consultants, procurement pros w experience/expertise in RFP "process & projects"
- Involvement by lawyers from the beginning
- Knowledge of available & upcoming solutions/tech
- Awareness/mitigation of KNOWN RISKS in RFP, Contracting & Implementation processes
- Formal/approved executive/mgmt project buyin

<p><b>USERS:</b></p> <ul style="list-style-type: none"> <li>- Many Features &amp; Functions</li> <li>- Changing /Creeping reqmt's</li> <li>- Applications compatibility</li> <li>- Fixed Contract</li> <li>- Early Availability</li> <li>- High levels of service</li> <li>- Unavailable SME's</li> </ul>	<p><b>ACQUIRERS:</b></p> <ul style="list-style-type: none"> <li>- Mission Cost effectiveness</li> <li>- Limited devel/impl schedule &amp; \$</li> <li>- Rigorous contract</li> <li>- Regulatory Stds. compliance</li> <li>- Privacy &amp; Security</li> <li>- Unrealistic expectations</li> </ul>
<p><b>IN-HOUSE MIS:</b></p> <ul style="list-style-type: none"> <li>- Ease of transition</li> <li>- Ease of Maintenance</li> <li>- Architecture compatibility</li> <li>- Low Total Cost of Ownership</li> <li>- Voice in acquisition</li> <li>- In-House vs. Outsource</li> <li>- Heroics</li> </ul>	<p><b>VENDORS/SIPMS:</b></p> <ul style="list-style-type: none"> <li>- Flexible contract</li> <li>- Easy to meet budget/schedule</li> <li>- Stable requirements</li> <li>- Freedom of choice regarding: Process; Team; COTS</li> <li>- Insufficient Risk Mgt &amp; Estims</li> <li>- Pay on delivery of their work</li> </ul>

"A poor RFP process has led to Corp. demie"



**BEST RFP/PROCESS LOCATES Vendors That:**

- can fully understand your business, functional, GUI, performance & maint needs, problems
- know how to address your problems & reqmts with a winning methodology
- have sterling resources & references that have done "similar projects" before & built on that experience/expertise
- appreciate the "Systems Approach to IT Contracting" & negotiate "fair IT contracts" that incentivize all parties to perform SO...

**SOME KEY RFP ELEMENTS**

- General Information and Scope of Work
  - Intro; Co. overview; How we differ from compet?
  - Issues/opports to address; Proj Obj: 5 "R's"
  - Project scope: In? Later? Out?
  - Relationship/interfaces to other systems
  - Project sched/vendor response deadline; contacts
- Proposal Instructions
  - Expected Proposal Response Format
    - Vendor Profile; LONGEVITY
    - Proposed software/hardware/netware/webware
    - Responses: yes; new release; custom/SS; no
    - SDLC; Project Mgmt stds; Custom mods
    - Technical support services
    - Implement'n services, approaches, roles/resp.
    - Training services, approach, regimen, plans
    - Data migration services, approach, roles/resp.
    - Warranty period; Annual maint (core & custom)
    - WBS; Cost Breakdown; Total Cost (TCO)
    - Vendor terms & conditions; Sample contract
    - Relevant references; company lit.; web sites
  - Detailed Response Instructions
- Detailed Proposal Information
  - Description of current hardware/software & MIS Dept.
  - Listing of Functional & Feature Requirements
  - Listing of Technical Rqmts; Systems Architecture
  - Listing of Performance Rqmts; Growth expectations
  - Desc of proposal criteria & weight given to answers
- Supplemental Information
  - Buyer's Special Terms and Conditions
  - Confidentiality Agreements
  - Contract negotiations and Award

**THE FOUNDATION: (SCOPE & STEPS)**

- ID problems & opportunities to be addressed
- Prepare "preliminary" Business Case
- All stakeholder interests/influence/vision NOT equal
- Assign SC, PM, SMEs, Proj Mgt System, Proj Timetable
- Hire a consulting "expert"; ID risks & mitigation system
- Prelim research: iterative, incremental approach to prelim requirements: 1/3 internal, 1/3 industry, 1/3 "enablers"

**PRELIMINARY SELECTION:**

- Requirements Elicitation: Why Still So Hard?
  - F&F; Performance; "Partner"; Human/Cultural Factors
  - SMART: Measurable; Achievable; Relevant; Trackable
- Results & Processes vs. Resources & Plans
- Devel working est for RFP process: \$\$, time, resources
- Format Request For Info (RFI): ID ~10+ RFP candidates
- ID RFI Evaluation Criteri: Mandatory - Important - Nice-to-have - Deferrable: M-I-N-D

**"BEST" CANDIDATE SELECTED**

- Review info; Go thru Culling Process; Create 'Short List'
- Invite V's in; Tour ops; Rev MIS; discuss probs/hear recs
- Develop RFP (RFI PLUS!); Send to Short List.
- View demos; meet proposed PM(s); ID real te st scenarios
- REFERENCE CHECKS; Phone & SITE Visit to Refs
- Evaluate PROPOSALS: ID TOP 2
- Select BEST based on Vendor demos, analysis & RFP
- Estab multi-skilled Contract team; Prelim Contract Rev.
  - Proj Mgt & SDLC methodology; Status Rptg; Escalation
  - Staff/Replace (both sides); SWAT/Escalation Procs;
  - Acceptance; Repairs; Warranties; Upgrade delivery

**MEETING OF THE MINDS:**

- ID and Create Multi-Skilled Contracting Team
- Pay for V1 detailed review of Co's readiness to GO; mini BPR rev; mitigate project risks; perform/evaluate Conference Room Pilot w Co prep te st scenarios/ data; Amend/finalize RFP & response & change as required;
- Use "Systems Process for Successful IT Contracting"
  - Software License - Implementation Contract
  - Development Contract - Consulting Contract
  - Staff Augmentation Con - Maintenance Contract
- Develop/implement mutually agreeable:
  - implementation plans, Work Breakdown structure SOW
  - specific team/staff assignments, work space, tool use
  - time collection, evaluation, variance report'g, EVs, CPM
  - issue & defect logs; milestone dates & payment sched

**Questions to References & Ref Site Visits**

- What were you trying to address? Accomplish?
- Did you? How so? How well?
- How did their promises compare to reality?
- Compare our relative Corp & IT sizes/objectives?
- How might our project be diff? Impact on Risk?
- Who were YOUR key Mgrs. (PM, Test, BPR, Go-Live)?
- Who did Vendor assign to project? How was each?
- Lessons learned? How would you address each?
- Were they fair in negotiations/contracting?
- Was project on budget and schedule?
- What % of the "bargained for reqmts" did you receive?
- Was it a relatively smooth implementation? Explain
- Quality/timeliness: deliverables; equip, software, training?
- What would you do differently? What else?
- How did they resolve problems/disputes? Escalation? (e.g. re: deliverables, milestones, staff, scope, contract)
- How well have maint/upgrade/fix services been?
- How was Demo; CRP; Proof of Concept? Post G/L?
- What are you most afraid of now? How will you address?
- Would u use them again? Who else should we talk to?

**PROPOSAL WEIGHTED EVALUATION CRITERIA**

- **Technical Criteria:** Scalable, portable, modifiable, reliable, usable, traceable; DB
- **Software Solution (Suitability):** Customer Refs, Ease of use; Compatibility; FITNESS for USE
- **Implementation Services:** Impl & PM methodology; Data migration, Doc.; Training
- **Management Criteria:** Financial stability; History meeting deadlines; IT Lawsuits
- **Current Outlay & Total Cost of Ownership Criteria**

**The RFP Process for Successful Software & Vendor Selection**  
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