



White Paper

Write Your Own RFP

Like any other WMS vendor I see a lot of RFP's. Some were written by consultants, some were written by other vendors and some are home grown. Rarely do they reflect the real requirements of the business. Some, a very small number, reflect the efforts of a company to address their own requirements in an effort to reduce the number of systems they need to consider. Those ones get special attention and they usually result in a happy outcome for the buyer.

I just received an email message from a competitor offering me a free RFP template – great marketing ploy but how much real value does it have for you? How well do the questions (and their answers) reflect the needs of your business? An RFP is simply a stage in the discovery process. It should come about ½ way through that process, not at the start.

Once you have determined the need for a new system, step one is to look at your own business needs. Start with a clean sheet of paper and map the required processes. Remember that your current processes are constrained by the legacy system in place and don't try to overwrite those constraints with new constraints imposed by a replacement system.

Step two is to decide how long your usage horizon will be for the new system (5-7 years is reasonable, technology and business changes will drive you to review your position again then). Then brainstorm your requirements looking forward to that point. Perhaps you will expand your operations, either vertically (more service offerings) or horizontally (more sites), electronic communications (EDI) will be a factor, as will visibility. Labor costs will increase and customer demands and rates will be constant pressure points. You will need to be more efficient and cost effective.

You should then look at technology. Do you want a deployed solution, either onsite or in a private cloud, or a Software as a Service (SaaS) solution. That decision will narrow the likely offerings but also restrict the functionality you can expect. Both have their value proposition but they also have their limitations (see [here](#) for an article on deployed versus SaaS solutions). You should also decide if you want a best of breed or ERP based solution, again they unique value propositions. List the human capital resources you have and their skills base – if you have a highly skilled IT staff with SQL experience then favor systems that use this platform.

You should also carefully consider the relationship you are seeking from your vendor. Do you want an IT partner who will work with you to grow your business or an arm's length supplier? For some, access to power is important, for others location of the help desk will be a consideration.

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Training and support options need to be clearly understood, as does the relationship with other users. Include questions that will give you the ability to narrow your final selection group as much as possible.

Now you have the data you need to determine a budget, but one that needs to be very flexible, +/- 25% is probably about right. That budget will allow you to further refine your potential audience for the document. You also have all the data points to construct your RFP.

I titled this email "Write Your Own RFP". That is what you need to do to get a true understanding of the fit to your needs. List your requirements, from the process maps and technology needs statement as headings and then address the detail questions, focusing on your process requirements and future roadmap. By all means, if a generic RFP template is in the public domain, take that template and delete all the sections and questions not relevant to your own needs – replacing those with your own questions. Some elements will be 'must have's', some will be 'nice to have's', weight the responses accordingly and don't include irrelevant questions.

RFP's offered by vendors will address the strengths of that vendors offerings and leave out questions that would highlight their weaknesses. There is very little chance of a vendor provided RFP being objective and no chance of one being aimed at your specific requirements. Purchased RFP's written by consultant's will address generic needs of all sectors of the industry and set requirements in multiple areas that are not relevant to your business. They will often put emphasis on areas of particular interest to the consultant. Unless the consultant is contracted to write one specifically for you they will be of marginal value in your decision-making process and introduce distractions to your own selection requirements.

An RFP is intended to answer only three questions:

- Will the offered solution meet my needs?
- Where does it rank beside other potential systems for shortlisting purposes?
- Does it fall within my broad budget limits?

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Once you have drafted your RFP, circulate it widely internally and get feedback from key customers and partners – the selected system must offer value to them as well.

You now have your RFP, who will you invite to respond to it? Some of the decisions you have made will reduce the potential pool – ERP versus Best of Breed, Owned versus SaaS, Database preference etc. As a 3PL you should also consider dropping generic WMS suppliers from your list. Private warehouses have fundamentally different needs to multi-client service providers. Adding a Billing Module to a WMS designed for product owners does not make a 3PL specific system. To be sure you need a very specific question in the document “Is the WMS on offer used for both public and private warehouses?” If the answer is yes then you need to investigate how it handles multi-client elements like ownership transfer, value added service billing etc.

Finally, give the selected vendors adequate time to respond. You spent months preparing the document; don't force vendors to rush through a response process.

There is no such thing as a free lunch, and there is no free RFP for your business. You must live with the selection you make so put the appropriate effort into the process of determining that selection.

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