

# RFP Guide for Spend Analytics

WHITEPAPER

*Sievo*



# About this guide

**At Sievo, we've received and answered hundreds of Requests for Proposals (RFPs) from leading procurement organizations around the world.**

This guide is based on our research into the most well-structured RFPs we've received, containing hundreds of different types of questions. We created this comprehensive guide for establishing a best-in-class RFP based on our practical learnings.

A good RFP should enable the vendors to give clear and precise answers to your key concerns. You maximize your odds of choosing the right vendor by providing candidates with supporting information.

When vendors understand what you are looking for and in what context, you will have a more efficient process overall. Duplication of effort is reduced for all parties, and the evaluation of the responses is much easier.

Are you looking for an analytics solution, but struggling with evaluating and comparing potential vendors? This guide will show you how to structure an RFP, what to expect in the process, and tips on how to get the best results.

We hope you enjoy the read and get some fresh perspective in your next analytics RFP!

# Definitions: RFP vs. RFQ

Most are familiar with the abbreviations RFP and RFQ, but not all understand their practical differences. The type of method to use depends on the product or service required and the desired outcome.

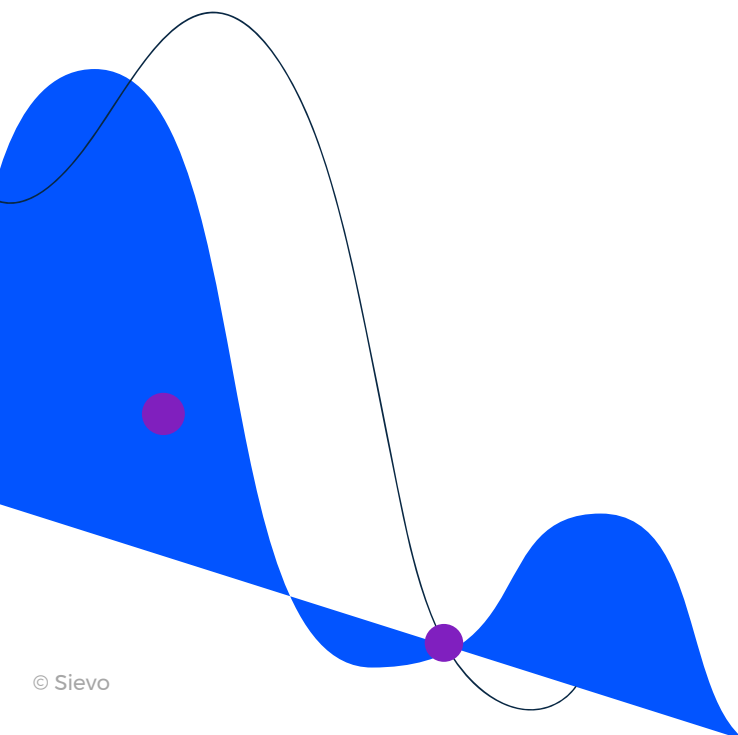
Let's break down each one.

## Request for proposal

An RFP is a formal method of receiving detailed and comparable proposals from different suppliers for a specified product or service. It is a comprehensive document that should provide all the required information to make an informed purchasing decision.

## Request for quotation

An RFQ is a competitive bid document that invites suppliers or contractors to submit a price bid, usually for products or services where the requirements are standardized or produced in repetitive quantities. An RFQ is often used for high-volume/low-value items and can be completed more quickly than an RFP. This document may also be called an 'Invitation to Bid' or 'Invitation to Tender.'



# The RFP process

What to expect



# The RFP process in 7 steps

- 1** Identifying new opportunities.
- 2** Scope and specification.
- 3** RFP preparation.
- 4** Receiving responses.
- 5** Evaluation and supplier selection.
- 6** Negotiation and contracting.
- 7** Implementation and handover.

# An overview of the RFP process: 7 steps

Before we dive deep into RFP essentials, we'll go over what you can expect in general from the RFP process from start to finish.

## 1. Identifying sourcing opportunity

An RFP generally starts by identifying sourcing opportunity. Spend analysis can reveal needs and opportunities for consolidation. Sometimes you are requested to conduct an RFP, and other times you recognize a need. Either way, before kicking off the RFP, you must figure out if there is a potential return on investment. An experienced procurement professional will get to know their market domain by doing market research in advance. You need to ensure market availability for the product or service you had in mind. A good way of scoping the market is to have intro calls with potential suppliers. This will allow you to increase your understanding of the offering, and you might find elements you did not consider before.

## 2. Scope and specification

Spending time on defining the scope before creating an RFP is vital. Organize a kick-off meeting with your internal stakeholders to ensure total commitment and alignment.

Harness the know-how of your organization in drafting specifications and key business requirements. Stakeholders, subject matter experts (SMEs), and end-users need to align on the desired outcome fully. Your stakeholders most likely hold valuable market intelligence and information on potential suppliers to involve. Poor strategic alignment derails many sourcing initiatives. If you are having difficulty defining the scope, go back to the stakeholders and get clarity.

Ensure the availability of your RFP team upfront. Book meeting slots in advance with SMEs and senior management for reviewing the scope, processing the responses, supplier presentations, evaluation, and potential negotiations.

## 3. RFP preparation

As we lay out in this guide, the RFP should explain who you are and why this product or service is important to you. Tell the candidates everything they need to know about your current

# An overview of the RFP process: 7 steps

state and desired outcome. Turn the specifications, key requirements, and user needs into great RFP questions. The better prepared your RFP is, the easier the whole process will be.

## 4. Receiving responses

Usually, vendors are given a couple of weeks to provide their responses. If you are tendering a simple product or service that can be catalog priced, the time allotted for submitting responses may be shorter. You may not receive enough high-quality proposals if you provide the vendor with a too-tight deadline. The level of familiarity with the RFP candidates can also impact the time required. If vendors are familiar with your company, processes, and requirements, they may have an easier time submitting a response compared to vendors that need to familiarize themselves with your company before submitting a proposal.

Awaiting the responses should not be time wasted. Use this time to plan and prepare for the following steps. Provide one week for candidates to ask clarifying questions and make sure their questions are answered promptly. It is advisable to

share the Q&A with all candidates for the sake of fairness.

## 5. Evaluation and supplier selection

For fairness and transparency, evaluation criteria must be agreed upon before sending out the RFP. Before receiving responses, you should have agreed on the weighting of answers. Open-ended questions often require more human attention. Human effort is needed for qualifying responses and making the decision. This phase can include more detailed supplier qualifications, such as site visits, presentations, financial audits, or product testing. You may want to consider setting up a [proof of concept \(POC\)](#) project to see the potential solution in action.

## 6. Negotiation and contracting

Before negotiations, short-listed candidates may be requested to provide more details and clarify specific questions. Best and final offer (BAFO) negotiation may take place with several shortlisted candidates.



# An overview of the RFP process: 7 steps

Finally, contract negotiation happens with the preferred candidate. It's fair to say that complex negotiation can take weeks if there is unclarity on specifications, service requirement levels, and responsibilities.

Negotiations can cause significant delays if they are not pre-scheduled and the target of the negotiation is unclear.

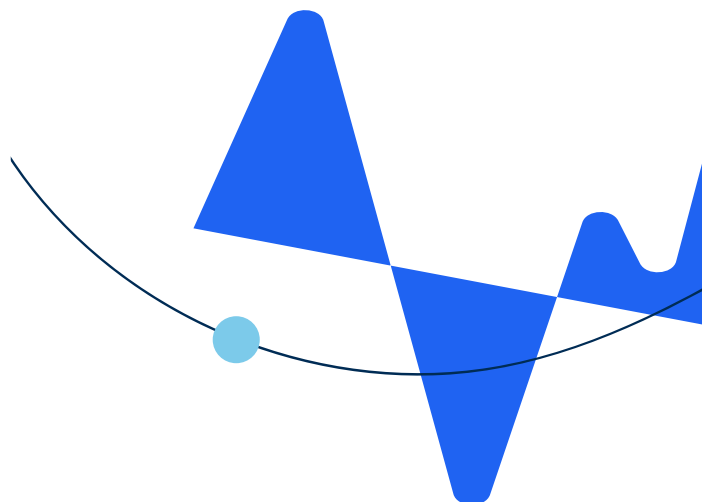
Preparation is vital: ask your internal team what is considered a "minimum viable contract" before engaging with the supplier. Ensure both parties have their legal and subject matter expert reserved for the scheduled negotiation time. To speed up the process, allow everyone access to the same data, latest documents, and defined role of each person on the negotiating team.

## 7. Implementation and handover

Communicate the award to internal stakeholders and the winning candidate. Explain the scope, contract terms, SLA, and KPIs to relevant stakeholders and end-users. It's worth it to nominate a contract owner to monitor the KPIs and collaborate with the supplier.

Ensure supplier is activated in relevant systems. Agree on future procurement involvement and governance arrangements. Agree on practices related to validating prices along the contract period. Here're some keys to success in [handover](#).

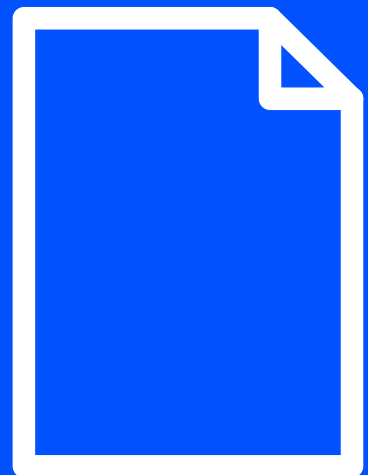
Communicate tender award decisions and reasoning for other candidates as well. It's polite to provide the rejected candidates with some feedback in return for their time investment.





# Before you start an RFP

Best practices



# Thinking about the vendor's point of view

Before choosing a vendor, the vendor must choose you as a potential business partner. A well-constructed RFP should open with an introduction to the company and a statement of your need.

In essence, an RFP is a template designed to elicit the complete information required to select a vendor in a format that allows for easy comparison. Time spent in preparation will save frustration later on.

## An RFP is a two-way street

The RFP process can be seen from two points of view. From a more traditional point of view, an RFP is used for comparing the capabilities of different vendors to meet your organization's needs and demands. But from alternative perspective, the RFP process can be seen as a method for marketing your company as a potential business partner. In competitive market spaces with monopolistic

characteristics, buying companies are starting to consider the RFP experience from the RFP attendee perspective. Considering the vendor experience can help you stand out from the competition. This is called *reverse marketing* (marketing to your suppliers rather than your customers).

With a well-prepared RFP, you give your company a professional image and attract the best vendors to respond. This is a strategic advantage in the long run.

# Before starting an RFP for **spend analytics**

## Define your scope

Before starting the RFP process, narrow down the scope to only include relevant vendors for you. Be careful of comparing apples to oranges! It is good to research the market and consider what services and solutions you would need first. Shortlisting vendors and booking demo sessions is an excellent way to get a basic understanding of their solutions.

As an example, procurement analytics software providers have different focus areas. As a rule of thumb, procurement application vendors can be divided into two categories: **best-of-breed** and **full-suite** providers. Best-of-breed vendors focus on a specific niche, while full-suite providers aim at having all procurement applications under one platform. Each would require a different RFP and wouldn't be in the same scope.

## Align internally

While defining a scope, you should include all stakeholders in your organization that have needs from the software. For instance, Procurement, IT, and Finance should internally align

on their requirements for the software. Including relevant people in your organization helps in formulating RFP questions. If you don't know what you need from the software, it is difficult for the vendor to guess what type of solution your organization is looking for. They might provide you with irrelevant information, which is time-consuming to review. By defining your scope and aligning needs internally, you are on your way to a successful RFP process.

### Example



Instead of...

- Forming the RFP with little background and no information on why vendors should choose you as potential partner to work with.

You might want to consider...

- Letting the vendors know about your vision and mission.
- Give insight on your financial health and future outlooks.
- Include awards, testimonials or industry recognition to give a "reason to believe" you are an ideal company for them to partner-up with.

# 3

# Elements of a successful RFP

## 1. Relevant background information

It's crucial to provide the vendors with background information that helps them understand your current situation, your organization's needs, and the challenge you are trying to solve. The RFP should clearly state the purpose of the sourcing and timeline and details relevant to the project.

By laying out necessary technical details and requirements early, you will prevent roadblocks in the later stages of the project. Giving the vendors as much relevant information as possible at this point saves you time answering questions later.

The information on the right shows what spend analytics vendors generally need to know before providing a price estimate. The level of details can vary between vendors, but the more information, the more accurate the price estimates.



# 3

# Elements of a successful RFP

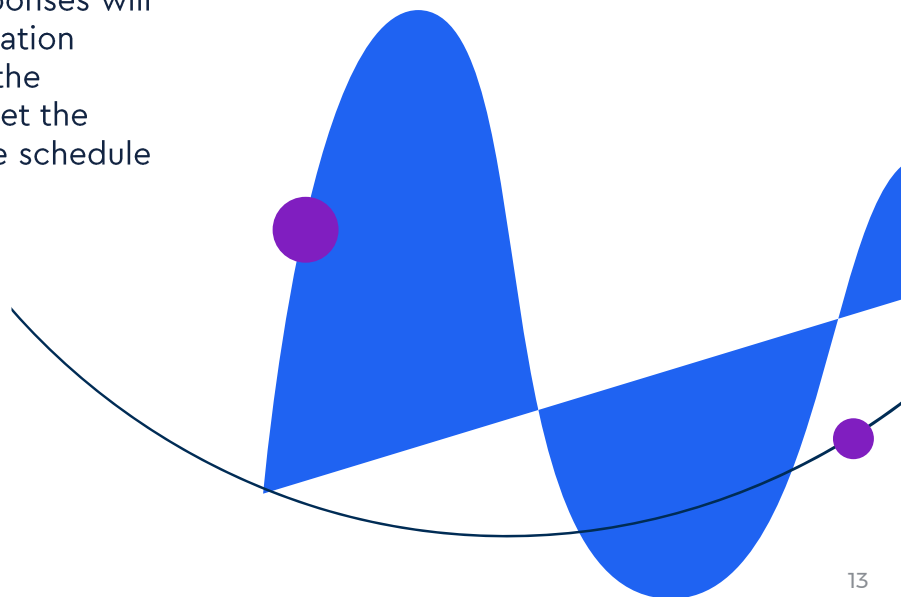
## 2. Clear instructions

Be very clear about instructions.

Explain the RFP deadline and the preferred submission format. The format can be an Excel spreadsheet, a response via an e-sourcing tool, or a PDF file sent via email. Define the ideal length of the response you expect. Let the vendors know if additional appendices are welcomed or if further details are requested as needed. Standard format RFP responses enable you to make comparisons across vendors while also letting the vendors know how detailed their answers should be.

## 3. Next steps and clarity

Tell the vendors about the expected schedule for the next steps. Let the vendors know how their responses will be assessed and which evaluation criteria will be used. Should the process delay, it is polite to let the vendors know about possible schedule changes.



# Best practices for RFP questions

## Clarity is key!

Asking clear and specific questions allows for concise and informative answers. Do your best to formulate the questions so that all vendors answer and understand the question in the same way. Clarify the areas where you'd like more detailed descriptions with elaborations and where simple yes or no answers will suffice. Additionally, let people know if sending appendices as a part of the response is allowed.

## Organize your questions into sections

If you send your RFP questions in an Excel file, make separate sheets for each question area. In a procurement analytics software RFP, the question areas (sheets) could include:

- General questions
- Data management
- Analytics and usability
- Implementation
- Continuous use and service
- Etc.



### Example

Instead of asking your potential vendors...

*"How do you describe your solution?"*

You might want to ask something like...

*"Can you extract data from multiple ERP systems within our organization?"*

The first question doesn't let vendors know exactly what aspect to focus on or in what level of detail. If you're using an Excel template, beware that you might receive an appendix of 50 pages explaining all the technical details (or one overstuffed Excel cell) when asking for a detailed description.

TIP: Download this [RFP questions template](#) with a broad set of questions or this [spend analytics RFP template](#) with more fine-tuned questions.

**200+ questions for your spend analytics RFP!**

# Writing your RFP

Contents and structure





# Writing your RFP document: start here

## Submission format?

RFP questions can be issued in different ways, but an Excel file is still the most popular format. Mature procurement organizations may be using e-sourcing tools to collect responses, but the answers are often compared and distributed in Excel format.

## Cover letter?

The cover letter is a perfect add-on to the RFP process. When you do it once, you can re-use it during the next RFP with slight modification. The cover letter is a narrative method for introducing your company, requirements, and other relevant information. By providing the vendor with the cover letter, you make answering the RFP easier because the vendor can understand the context, where you are as a company and the purpose of the RFP.

## How long will it take?

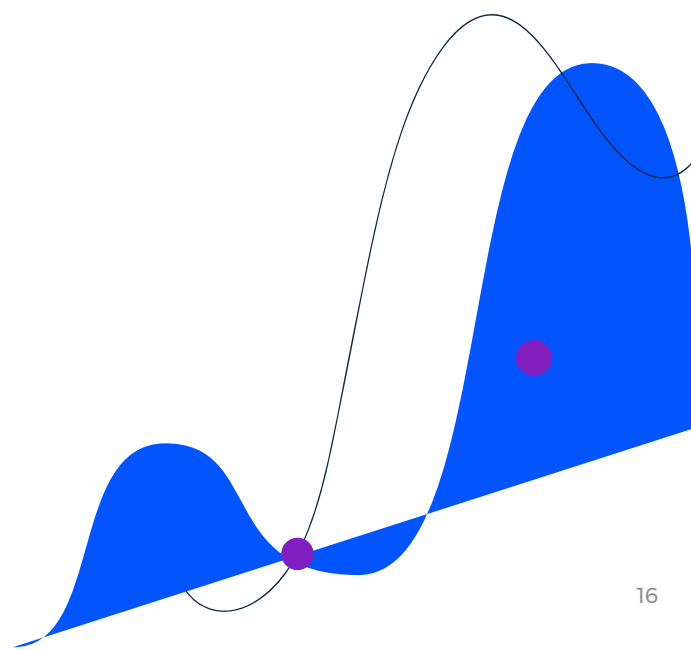
The end-to-end RFP process usually takes a minimum of six weeks. RFP can include multiple rounds and a [proof of concept \(POC\)](#) that will add to the

schedule. We've worked out a streamlined 4-week RFP process, which you can [read about here!](#)

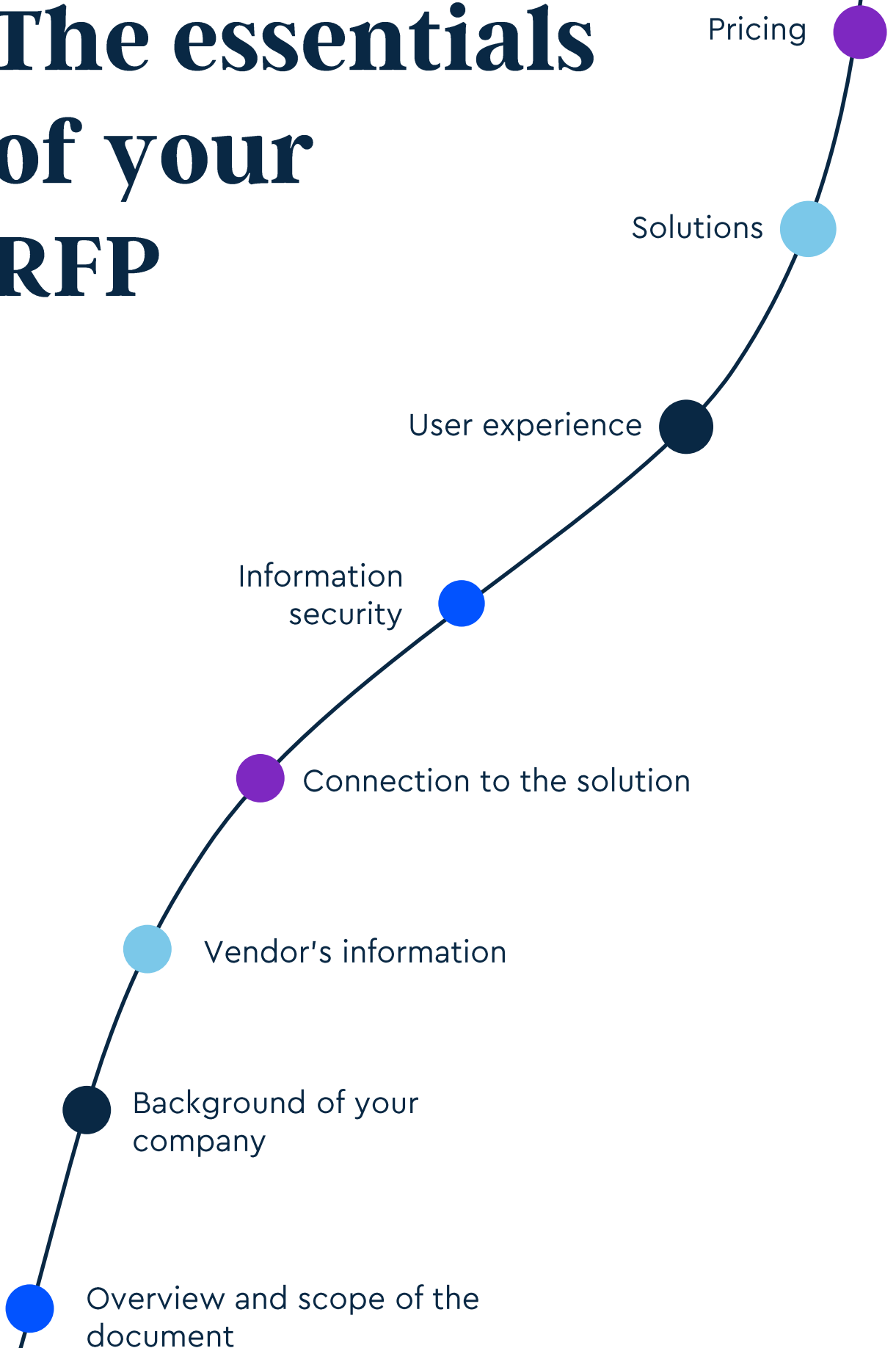
## Ready to get started?

Awesome! Download this [RFP outline template](#) created in collaboration with sales representatives, which gives a general outline and structure for writing your analytics RFP.

Now, let's break down the essentials of your RFP document.



# The essentials of your RFP



# The essentials of your RFP document

## Overview and scope

To begin with, the overview and scope sections provide a high-level view of the RFP document. The overview should clarify the meaning of each section in the document so that respondents can easily find the section that is most relevant to them. The scope describes what is and is not covered.

## Background of your company

Your company background information should describe your ERP landscape and current solutions in place so the vendor can understand the context. You may include any information here that may be relevant for the vendor in the scope of your RFP.

## Vendor's information

This section allows the vendor to introduce themselves. It usually covers general information, products, and key customers. This is an essential part for you when evaluating the vendor's business and its compatibility with your operations. For example,

customer references indicate what type of customers the vendor has catered to in the past.

## Connection to the solution

These questions should cover how the solution will be connected to your systems, what is required in terms of technology and architecture, and the possibilities of connecting third-party data sources to the platform. Questions on integration features, resourcing, and data upload functionalities are a must.

## Information security

It is critical to ensure sooner rather than later that vendors can comply with your requirements for information security. Data privacy, where the data is stored, and how it is handled must be covered as part of the RFP. If a mismatch between how the vendor stores data and your requirements is noticed late in the process, it will terminate the possible collaboration and consume time for both parties involved.

# The essentials of your RFP document

## User experience

These questions consider the operating environment in the solution and the management of users. Questions typically refer to available training materials for users, the support for using the software, and how user accounts and their access is managed.

## Solutions

To accurately assess the vendor, you must have information on the details and functionalities of the solution. For example, when sourcing a spend analysis solution, you might want to know whether you can create your own reports in the platform and on what level of detail (category vs. transactions). Having aligned internally, you should know what specific use cases the solution is needed for.

## Pricing

Pricing questions cover what factors contribute to the price of the solution. But this isn't just a number question: other important details should be covered. The pricing section may address payment terms, billing intervals, and different Service Level Agreements (SLAs) available.



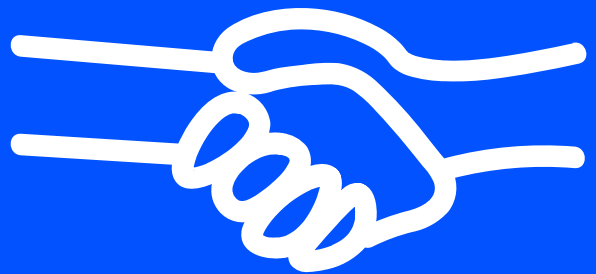
# RFP process time savers & tips

## Final tips to save you time in your RFP process

- Keep the number of candidates limited to focus your efforts.
- Only involve candidates that have a fair chance of winning.
- Consider your time investment in reviewing responses, questions, and comments.
- Provide a cover letter.
- Use pre-drafted RFP questions to assess functionality. Focus on the essential points of information.
- Provide pre-defined forms and tables. This makes the evaluation of responses easier for you later on.
- Introduce your mandatory requirements, compliance forms, terms for non-disclosure, security requirements, and code of conduct upfront.
- Request potential suppliers to submit their SLA for review. Depending on the established industry practice, the suppliers may prefer to use their SLA for all their clients (as in the case of SaaS). Reviewing different SLAs allows you to compare the supplier's service coverage.
- Never assume that suppliers are familiar with all your internal jargon. Introduce internal concepts and acronyms.
- Provide contact details for requesting additional information and a preferred date and time for contact.
- Provide an RFP timeline for potential next steps, such as presentation or negotiation dates.
- Communicate the intended start date for the service.
- Give clear instructions on how to submit the RFP response. Explain what documents you need from the candidates.
- Use e-sourcing and e-signature tools. E-sourcing enables the smooth distribution of RFP materials, audit trail, and storing of responses. E-signing helps you mitigate delays in signing and secures document version control.

# The next steps

Lessons learned &  
contract handover



# Final thoughts and lessons learned

## Providing feedback

Analyze lessons learned and collect feedback from internal stakeholders and candidates. Continuous improvement of the RFP process and alignment of interests will ensure your stakeholders are eager to support your sourcing projects in the future. For suppliers, make sure to provide feedback to unselected candidates on why they were unsuccessful and how they could potentially improve in the future.

## Market criticism

RFPs are still the method of choice when tendering a product or service. Unfortunately, a well-constructed RFP is a rare treat. An RFP may not be the best-fit approach for evaluating specialized competence and sophisticated solutions – at least without a proof of concept (POC). The RFP process, when properly managed, is transparent, objective, and fair. A poorly drafted document causes stress and uncertainty for the candidate, resulting in many clarification questions, multiple iterations, and sub-standard submissions.

## "RFP is too slow for us"

An RFP can be a time-consuming effort that ties organizational resources if not done effectively. The RFP team could have overlapping projects and responsibilities or lack competence and substance understanding. There is no silver bullet, and cutting corners can turn out costly. Without having a structured RFP approach in place, the team could use more time to make the decision or rectify errors.

The elapsed time depends on the project's complexity, the team size (and relevance), number of potential suppliers, number of RFP rounds, amount of information required, and need for contract negotiation. Sourcing a new commodity or service for the first time takes longer than a repeat purchase from approved or preferred suppliers because the definition of requirements (together with business stakeholders) takes its time.

The main problem hindering agile RFPs is often administrative. Many companies are still stuck using manual processes and email-based RFPs despite the wide availability of e-sourcing solutions.



# Final thoughts and lessons learned

## Contract handover

In most organizations, once a contract has been negotiated and signed, it will be handed off to the business owner to manage. After a successful RFP project, you might think it's time to sit back, relax, and enjoy the results. But this is the point at which it can fall apart. The transition phase from contract signature to implementation can make or break your RFP.

It takes time for stakeholders, the contract owner, and end-users to familiarize themselves with the terms and conditions of a new contract. A contract is a meeting of minds between two parties – this critical point is often forgotten. If there is no proper transition or handover plan, there will be no shared understanding between procurement, users, and suppliers.

The main objectives of the handover process are to agree on the roles and responsibilities of each person involved. The contract owner and relationship lead are confirmed at this stage. A face-to-face (or virtual) handover meeting is necessary to communicate all the important elements to ensure a successful kick-off. It is not purely an administrative activity.

We recommend that procurement takes the lead in presenting the contract and SLA and explains the implications of these commitments not being met. Procurement will be aware of the finer details within a contract. The handover should focus on the SLA and KPIs - how success is measured, the reporting process, and what happens if service levels are not met. Continuous improvement of the relationship and services is a critical area of the collaboration and thus, the agreement. Other areas to acknowledge are conflict resolution, corrective actions, and escalation.

The handover must be confirmed in writing. While the method of documentation may vary, the handover document needs to be understandable, unambiguous, and relevant to each responsible person. A fully functional and successfully implemented contract means that:

- Internal stakeholders are satisfied and familiar with relevant contract terms
- The supplier relationship is collaborative and responsive
- Problems are solved early
- Changes are managed frequently
- The product or service is fit-for-purpose
- Both parties are vested in each other's success

# About the authors



(Left to right)

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Aku is a sales professional focusing on helping procurement teams get the most out of their data, mainly in the European market. He is interested in driving communications of procurement analytics in a clearer and more entertaining direction.

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Aino is experienced in business development, leadership, and B2B Sales. She has a keen interest in go-to-market strategies and international growth. Aino is currently heading Sievo's global Sales Excellence team and is discovering untapped growth potential by connecting marketing and sales.

## **Jasmiina Toikka** Head of Content

Jasmiina is an experienced sourcing professional who has managed hundreds of RFPs and sourcing projects. She has a passion for better customer experiences, agile procurement, corporate responsibility, and developing collaborative business relationships.

# Get started on your spend analytics RFP

Free resources mentioned in this guide:

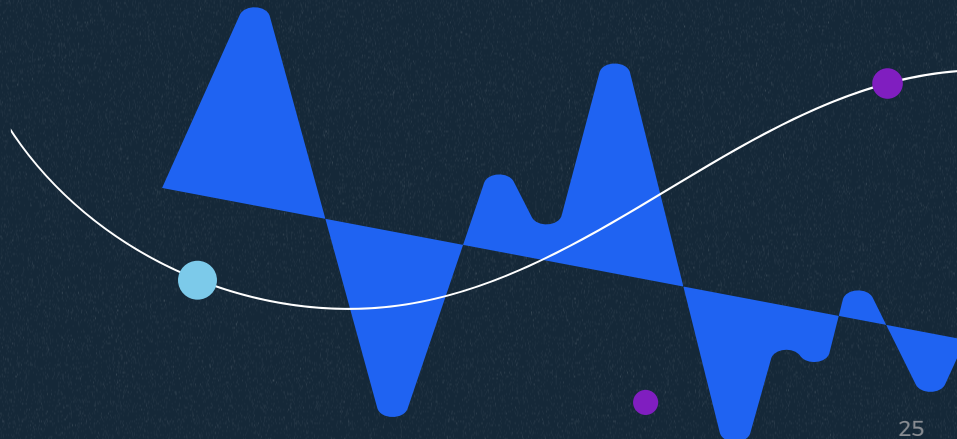
[RFP questions template](#) 

[Spend analytics RFP template](#) 

[RFP outline template](#)

[Proof of Concept in Spend Analytics](#)

[Book a demo](#)



About

# Sievo

**Sievo provides  
actionable procurement  
analytics based on data  
you can trust.**

Designed for large enterprises with \$1B+ in revenue, loved by global companies featuring Mars, Levi's, and Deutsche Telekom, and praised by key analysts, we provide a future-proof solution with immediate ROI.

We empower Procurement, Finance, IT, and Sustainability teams to overcome their data chaos and capture all insights, drive bottom-line savings, improve ESG performance, and streamline budgeting and forecasting.

Sievo goes beyond world-class analytics and dashboards. We help our customers close the data-to-action gap with reliable insights, recommendations, and benchmarks by combining internal, third-party, and cross-customer data.

By processing spend data equivalent to 2% of the world's GDP annually, we enable fast, informed decision-making and deliver the industry's highest data quality with end-to-end data accountability.

**We call it procurement excellence —  
but you can call it Sievo.**