Welcome to Chapter 6 from, "*How to Hire & Manage Market Research Agencies*." This book is available at Amazon. For bulk orders, please contact Sales@ResearchRockstar.com.

Chapter 6: But I Don't Have Time to Write an RFP!

Taking the time to write an RFP can be problematic, but it's a worthwhile investment for any project over $25,000 (and in the world of custom, primary research—that's most of them). If you don't write an RFP, you will waste much more time on things like the following:

- Trying to compare proposals that are based on entirely different assumptions. When all the proposals are based on the same specifications from the same RFP, comparing them is much easier.
- Issuing an RFP later because none of the proposals met your expectations. You then have wasted one or two weeks waiting for proposals that were, in effect, useless, and you have to start all over anyway.
- Arguing with a research supplier down the road, because it made an assumption that you find objectionable. For example, do you really want to be three weeks into a project only to find out that the supplier's fees were based on the assumption that you were providing the sample? There are many assumptions made in pricing a research study; you really don't want to have to argue about fees once it's underway.

RFP formality varies greatly, depending on the size and scope of your research project. In most cases, it really is fine just to go straight to RFP, to the companies from which you'd like to see proposals. But there are cases when issuing a request for information (RFI) first makes sense. What's the difference?

What about RFIs?

Let's say you're about to do a market segmentation study, and you've identified 10 different companies that all look like potential candidates to meet your needs. You might not want to get 10 actual proposals, because reading and comparing proposals is a very time-consuming process. You might want to add an initial weeding-out phase by sending out an RFI.

The RFI is a form to identify key characteristics of companies in the consideration set, so that you can screen out companies based on important criteria. The goal is to create a manageable short-list of 3 or 4 agencies from the initial larger set (10, in the example above). For example, in the RFI, you might ask in what countries the company has direct offices, or what percent of its work is consumer versus B2B related. That way, if you’re only interested in candidates with offices in three specific countries and that does at least 50% consumer work, you can easily thin the herd.

> *Pssst* … the sneaky thing about an RFI is that it gives you a chance to learn about potential suppliers before tipping your hand as to what you actually want. You can send out an RFI without telling candidates what the ultimate project is about. This way, you are more likely to get an objective profile of their resources and expertise. In contrast, when you send out an RFP for, let’s say, a logo testing study, you get a skewed view. Guess what types of responses you will get? Responses that showcase logo testing expertise—even if a little exaggerated.

RFI information is pretty basic. Typically, the RFI asks for information about agency size, history, and areas of specialty. Often, an RFI also requests customer case studies, references, and biographies of key staff and the executive team members. An example of how common RFI information requests are stated is shown in Table 6-1, along with a description of why each type of information might be important to you. But remember that the content is up to you; just think about it in terms of screening criteria. If you know you will only pick an agency that meets Criterion A, translate that into an RFI question.

Table 6.1 Common RFI Information Requests

Common RFI questions	And why you might ask them
List of countries with direct offices	If you are planning a global study, you might prefer an agency that operates in some of your key markets. This is especially true if localization will be an issue.
Number of full-time equivalents	Is this company primarily relying on subcontractors?
Vertical industry specialties (for B2B)	Some agencies dabble in all industries; others specialize.
Demographic specialties (for consumer research)	Does it specialize in particular segments? For example, some agencies specialize in teens and others in specific ethnic groups.
Methodology specialties	Does it specialize in particular methods? Does it claim a particularly strong skill set in an area of interest to you?
Revenue	You might want to know something about the sales volume, although many agencies are privately held and will not disclose.
Year founded	Has it been around for some time?
Headquarters location	Is it close to you? This is not necessary, but can come in handy for more complex projects.
Links to articles or blogs authored by key employees	Has it published materials that give it relevant credibility? Do their opinions seem well-informed?
Management team list and biographies	Is the company run by researchers? By academics? By business operations professionals? How many have graduate degrees? Do they have backgrounds in your industry? Do their biographies reflect any real passion for research?
Please describe your project management approach	You’ll want to get a sense of how seriously it takes this. Does it have a proactive approach? A unique angle? Any online status tools?
What parts of the research process are outsourced or subcontracted?	Some firms outsource a little; others outsource a lot. Translation is commonly outsourced and data analysis less so (especially if you are dealing with a full-service firm).
Does your firm have focus group moderators on staff?	It’s not a deal breaker, but some firms do outsource focus group moderation. This can mean that it doesn’t do many focus groups. It can also can mean it simply has a network of highly-qualified subcontractors. That said, if your project will use focus groups, you might want to consider your direct relationship with the moderator as one of your selection criteria.

The RFI process can be very valuable, but in many cases, it's overkill. You can ask for a lot of the same information in a proposal, so if you're under the gun in terms of schedule, and there are only four firms under consideration anyway, it is more efficient to proceed immediately to RFP.

Market Research RFPs

RFPs range widely in terms of their level of sophistication and complexity.
If your need is for a simple project, do yourself a favor: keep your RFP simple. It will save you a lot of time when the proposals come back and you actually have to read them.

At minimum, a market research RFP states parameters and requests responses to the basic questions:

- Statement of objectives
- Target population (B2B, B2C)
    - Perhaps with quotas within each sub-target
- Statement of geographic scope
- Sample source: Are you providing it, or is the agency?
- Statement of preference for qualitative or quantitative methodologies, if any
- Deliverables required at project conclusion
- Timeline requirements
- Qualifications required

Figure 6.1 is an example of a simple RFP. The level of brevity in this example is perfectly fine for many projects. Note that the RFP also states when and how to respond. It may seem trivial, but it's important to state that clearly; you don't want agencies making their own assumptions about deadlines or formats.

Figure 6.1: Simple RFP for a Specialty Foods Manufacturer

Request for Proposal: Specialty Foods Study

RFP Reponses: Please send responses in electronic format to abcde@4321xyz.com no later than November 15, 2010. Only complete responses will be considered.

Objectives: Our goal is to identify customer groups that would be most likely to try a new food bar product with specific flavor characteristics. To do this, we want to measure satisfaction with, and purchase behaviors for, the food bar sector. Which food bars are best liked? Which are liked primarily because of their flavor? Are people loyal to their preferred bars, or are they strongly influenced by price promotions? Are certain flavor and ingredient combinations likely to entice them to try a new bar?

Hypotheses: We believe that brand switching potential varies notably by gender, income, and urban vs. suburban households. We think that interest in specific new flavor and ingredient combinations will vary by gender, age, and activity profiles.

Geographic Scope: This is a U.S. study, although we would like an option to conduct a follow-up phase in Canada.

Sample Source: To be provided by the agency.

Population: We are interested in conducting this research with adults who are physically active (engage in exercise at least three times per week), between the ages of 21 and 65. We want a mix of runners, bikers, rock climbers, skiers, and triathletes.

Methodology: We are open to agency recommendations for methodology, but we have a slight preference for quantitative research because we want some hard numbers as input to our marketing plan.

Deliverables Required: Upon completion, we will want a brief report in Keynote, a complete set of data tables, and an on-site presentation.

Qualifications: Please describe your experience in the specialty foods business that may be relevant. Include the biographies of proposed project staff.

Fee: Please state your fee as a total fee, and with an option for tables only (no slide deck). Also provide a separate option for adding Canada as a Phase 2.

Timeline: Please state your proposed timeline by stage (definition/kickoff, design, data collection, analysis/reporting).

Table 6.2: Elements for an RFP

Please provide information about your firm’s relevant industry experience.
Provide biographies for the key team members you would assign to this project.
Describe your methodology recommendation and how it will address our objectives.
Provide details of your quality assurance (QA) practices.
How will you ensure sample qualifications?
(For international studies) Please describe your experience collecting data in the target countries.
Please list the critical success factors and risks you see for this project.
Please describe the expected timeline for this project, including key milestones.
Given our objectives, what screening criteria and quotas do you recommend?
(For quantitative studies) What types of data analysis will you conduct?
(For international studies) Please provide pricing as follows: All requested countries; Countries A and B only; Countries A, B, and C only.
How will you keep us informed of project status? In what format and with what frequency? Will I have a dedicated project manager?
Our internal audience requires some education about MR in order to prepare them for the results. How can you address this?
Include at least three examples of report excerpts or visuals (content is understandably confidential, so please provide any sanitized versions available).
Please describe your questionnaire design process.
What project steps will be outsourced?
Is your firm currently engaged with any of our competitors?
Is your agency a member of AAPOR, CASRO, ESOMAR, the MRA or other professional associations?
What deliverables will be included in this project? And in what format?
What type of support do you offer after report delivery?

A Note on Legalese

All companies have specific purchasing and contract terms, so be sure to check with your accounting or accounts payable, and legal departments for guidelines.

Common items in market research RFPs include the following:

- Statement that a nondisclosure agreement (NDA) must be executed prior to engagement.
    - In some cases, you might want an NDA before you even send out an RFP. For example, if you are issuing an RFP that contains proprietary company information because it is key context, you want to execute an NDA first.
- Statement about need for, or process to get, approved vendor status.
- Payment terms. Does your company have a policy that it pays net 45? Or that it only issues checks on the 10th of each month? Do you have a strict process for how all invoices must be submitted? Do you require anything else from the agency before a purchase order can be issued? Tell the agency in case its terms or expectations are different.
    - These payment process items might seem trivial. But planning for them early on will prevent avoidable delays. Who wants to see an important project delayed two weeks because someone forgot to get the purchase order processed?

Specifying Deliverables

It is always important to precisely state what deliverables you require. Of course, you can always ask the firms responding to your RFP to advise you as to what deliverables they think would be most useful. But if you know what you want, it's in your best interest to say that in the RFP to make sure these deliverables are covered in the fee and timeline estimates that you get back.

For example, let's say you know you will want at least these three items at project conclusion:

- Five banners of cross-tabs
- An on-site presentation to an executive-level audience
- An online reporting tool

All of those things should be stated in the RFP. So, how do you decide what types of deliverables you need?

First, take a moment to think about your internal audience members. Recall how you assessed your audience on these items, back in Chapter 3:

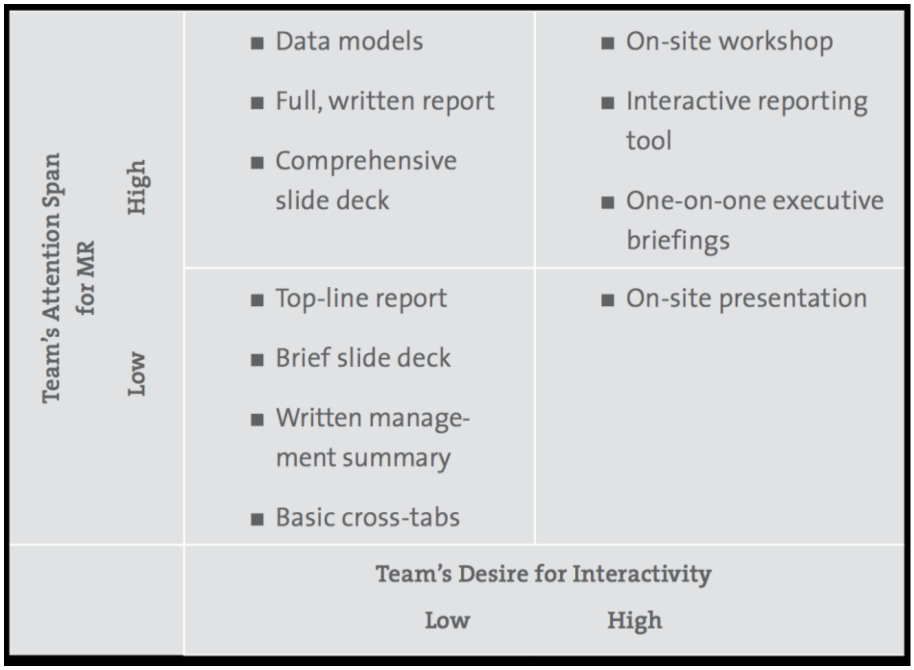
- Receptivity
- Data type preferences
- Sophistication
- Attention span

Keeping that assessment of your audience’s unique characteristics in mind, you can also reflect on their reporting preferences. How much interactivity do they like? Are they usually satisfied getting information from a static set of slides (PowerPoint, Keynote, etc.)? Do they like a text document in a more academically written format? Are they an interactive group—will they want a highly interactive presentation or workshop? Will some analytical colleagues want to gets hands-on with the data?

Attention span is also a consideration. Will your audience be willing to spend a few hours delving into the results, or will you be lucky if you get their attention for 30 minutes? Will they only be willing to digest the results during a presentation, or would they also be likely to read and do follow-up?

Figure 6.2 summarizes these considerations. For example, if your audience is primarily people who have a low attention span but do value interactivity, an on-site presentation will be a good match. But if they have a higher attention span, you may find a standard presentation won’t be quite enough; they may prefer a workshop where they have more opportunities to get really immersed in the research. Of course, in reality, your audience may be mixed—and you may need to choose one deliverable for one sub-group, and an additional set of deliverables for others.

Figure 6.2 Matching Deliverables to Audience Needs



Second, be aware of the many diverse deliverable options. Research project deliverables can include one or more of the following:

- Articles for submission to trade or other professional publications
- Interactive workshop
- On-site presentation (If so, will you need more than one?)
- One-on-one briefings for key executives
- Other meetings (will you want the researcher to present to your board of directors, investors, channel partners, strategic suppliers?)
- Slide deck (either brief or comprehensive)
- Text document (usually formatted in Word): Written management summary or executive summary
- Text document (usually formatted in Word): Written top-line report (usually less than 10 pages) or a comprehensive, written report (often 50 or more pages in length)
- Web-based conferences (perhaps one for each regional division of your company)
- White papers (most common in technology fields)

For **quantitative** projects, deliverables may also include:

- Raw data
- Tables (the tables showing all data as cross-tabs)
- Models (for projects using advanced analytics, there might be demand elasticity models, brand switching models, or others)
- Online reporting tools (these vary a great deal, but generally allow you to do basic data analysis on the fly)

For **qualitative** projects, deliverables may also include:

- Video of interviews or focus groups, often synthesized to show only the most important parts
- Audio files
- Transcripts

Third, consider your budget and timeline needs. Some deliverables obviously cost more and take more time to create. If you are torn, you can always state which deliverables are minimally required and ask for pricing options for others as possible add-ons.

RFP Tips

Plan ahead for easy comparisons. You want to make sure that the proposals come back in a format that allows you to easily compare and contrast them. Here are two ways to accomplish this:

- Specify what sections you want, and in what order. For example, write: "In your response, please have separate sections clearly labeled as follows: Pricing, Timeline, Recommended Methods, Recommended Sample plan,
  Key Assumptions, Criteria for Success."
- Ask for a table that summarizes key facts from the proposal, such as price and timeline, by phase. You can even create the table in the RFP, so that you get the same table back from all of the bidders. This will make it easier to quickly compare proposals on the most important parameters.

You might be wondering if it is fair to impose proposal format requirements. It certainly is. You're the customer, and you don't have time to compare proposals written and organized in different ways. It's up to the agencies to make sure that they meet your needs.

Who do I Send this Great RFP to?

If you need suggestions for how to find potential agencies, here's a list to get you started:

- Past suppliers. Has your firm done custom research in the past? Is there a known agency that has credibility within your company? Is there a list of approved agencies?
- Research directories. Quirk's magazine has a directory of research suppliers on its website, as does the New York American Marketing Association (which publishes the well-known GreenBook).
- Professional association sites. Check out the listings at CASRO, ESOMAR, and the Blue Book from the Marketing Research Association (MRA).
- Colleagues or other business associates. Ask for recommendations from internal clients, colleagues, your ad agency or business-oriented social networks. All of these can be great sources.

Between these sources you should be able to identify at least six or seven candidates. That doesn't mean you should send your RFP to all of them—if necessary, use the RFI prescreening process described earlier. Also, you don't want to get in the habit of sending out RFPs to lots of firms, when you already know you are inclined to one or two. The other agencies will soon learn that you are using them to price check—and they will be less likely to take your next RFP seriously. Proposals take time.

What about RFQs?

In the MR business, we don't use requests for quotes (RFQs) very often. The RFQ really comes from other industries, like construction and manufacturing, where you precisely specify what you want and you're simply looking for a price.

About the Author

Over the past 20 years, Kathryn Korostoff has personally directed more than 600 primary market research projects and published over 100 bylined articles in trade magazines. Kathryn is also the author of the book, "How to Hire & Manage Market Research Agencies," available on Amazon.

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