

Offshore Outsourcing - Building a RFP (Part 8)

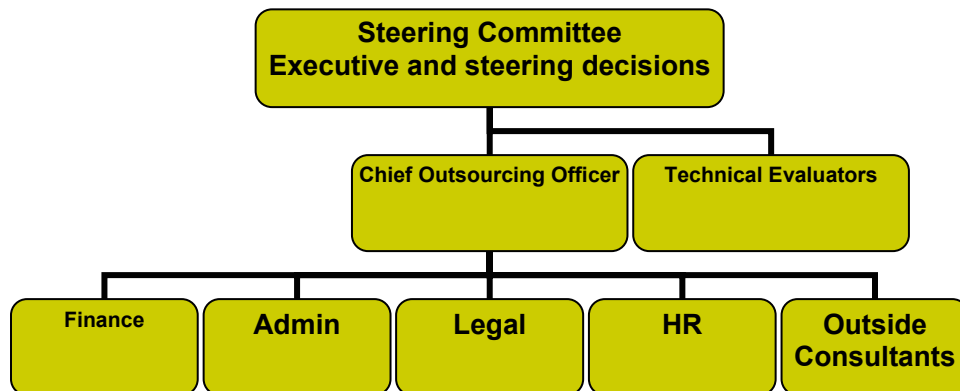
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An RFP opens a window into your world. The RFP has to distribute to multiple vendors- it is important how much you would like the OSP to peek. Too much, could lead to competitors potentially and possibly gaining vital information, too little could make it difficult for the OSP to seriously bid for the project. Companies go thru a two step process:

- STAGE 1 a Request for Information
- STAGE 2 a Request for Proposal

The RFI allows the company to narrow down the list of potential OSPs to manageable levels.

Create a task force that will help build the RFI or RFP. Each member of this task force will contribute to issues that are important to you as an Organization.



The Steering Committee should meet more often as the RFP develops so that it can contribute to issues that are important to Senior Management and should reflect in the RFI. The Steering Committee can also approve budgets and provide the project clearance. It's involvement provides the highest level commitment to Outsourcing.

The Chief Outsourcing Officer would be responsible to create the RFI/RFP and identify service providers who should respond to the RFI. He would be responsible for arranging vendor clarifications and vendor presentations. He would be the single point of contact to receive the responses and distribute it internally.

Technical Evaluators would provide technical requirements for the RFP and collect information on existing service levels. They would assist in establishing required base-lines for vendor performance. They would help in building the RFP.

Finance would provide financial analysis support; legal will provide support for contract as well as assess vendor's conflicts of interests and other issues; HR would be needed to manage Outside Consultants contracts, training and Visa related documentations, Administration would be needed to help with procurement, logistics, visas, hotel, travel etc.

Outside consultants could assist with the RFP process, SLA identification, building processes for outsourcing, change management, cultural training, identifying suitable projects, identify suitable vendors, vendor evaluation, contract negotiation and transitioning.

An RFP should NEVER be project specific. It should be Relationship specific. Establish what is important from a relationship standpoint, approach, scope and overall objectives. Understand your risks and ensure that you elicit responses that address these risks. Finally make no assumptions define what has to be priced and what does not have to be priced (you may, for example, provide certain hardware, software and tools - list all that you would provide and those that you would not)

There are two aspects of the RFP/RFI document. The RFI/RFP document:

1. Defines requirements that are absolutely essential for you - Mandatory Requirements
2. Defines features that will help you assess individual vendors

Some mandatory requirements would include:

Vendor Financials	Vendor position in Industry
Vendor Customer Base	Vendor years in business
Vendors' position in its Industry	Any ongoing litigations with customers
Vendors Expertise and skills availability	Type of Experience
Customers in your space	Experience with your technology
Processes Used/ Any Certifications	Any M&A in process

Mandatory requirements can help you make a Go/No Go decision

Essential Features allow you to narrow the pack:

Profile of employees	Certifications
Awards and Rewards	Disaster Planning processes
Compliance to standards	Approach - ramp up and transition plan
Customer references	Ability to support your geographical teams
Relationship Management processes	Change Management Processes
Project management Processes	Ability to support locally
Problem Management process	Escalation management
Service Base lining process	Metrics in place
Hiring Practices	Management Practices
Center Management practices	Physical and Data security processes
Rewarding Mechanisms	Demographics - Project Managers/ Project Leaders/ Senior Developers/ Developers
Training programs - essential and voluntary	Infrastructure processes
Approach	What value can they add to you

Each of these can be categorized into Sections such as:

- Financial Qualifications
- Technical Qualifications
- Strengths
- Business Strategies
- Management Practices and Procedures
- Capabilities

Each Section can carry a certain weightage and the items within the section may have individual weights.

A calculator can help you rate vendor response to the RFI/RFP and help you assess short listed vendors.

The RFP will provide more information to the selected vendors to respond. This includes:

- Description of the business
- Description of the problem and the processing environment
- Your current issues and what you want to be solved
- Your IT directions
- Service levels expected from the Outsourcing vendor
- What benefits you expect from the relationship
- Evaluation process with a description of each phase
- Timelines for response, each phase and decisions

It is not unusual to have a single RFI/RFP process.

