



Dealing with RFPs, Purchasing Agents, and Other Formal Buying Processes

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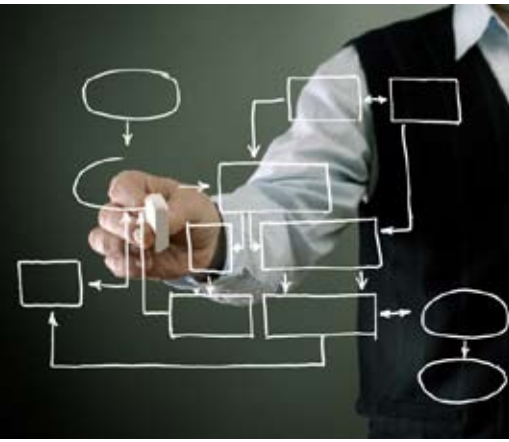
[The Trouble with Buying Processes](#)

Have you been told by a client that your services will henceforth be purchased through an RFP (request for proposal) process? Or that your service offering is now lumped together with those categories covered by the purchasing department? Or that your client has engaged the services of a consultant to help manage the services buying process?

You are not alone. For a number of reasons, the phenomenon is rapidly increasing. Doing something about it requires at least some understanding of why it is happening. There are several reasons, including:

- declining half-life of intellectual capital, leading to more competition
- increased comfort with outsourcing and ubiquitous opportunities to do so
- increased professional mobility and solo practitioners
- increased economic pressure on client value chains
- increased buyer mistrust and cynicism.

The last reason may be the greatest. And sellers have largely themselves to blame. Buyers don't become cynical without reason; they have a propensity to trust, unless their trust is abused—as it too often is.



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Buyers resort to RFPs and other formalized processes because they are afraid. They are either directly afraid (of being duped) or indirectly afraid (of being accused of being duped, or of being too closely allied to sellers).

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Ironically, the greatest value for the client comes when they work with a service provider in order to shape the best outcome. And clients can't possibly stipulate all their needs through a third party. Yet absent trust, buyers will pass on that value. The rise of formalized buying processes is a systemic failure of trust—one that costs all parties.

HOW NOT TO APPROACH FORMALIZED BUYING PROCESSES

The stated purpose of formalized buying processes is to optimize services and prices

through fair and open competition. But their unstated, real purpose is to deal with sellers that are neither trusted nor seen as trustworthy. The resort to a formalized buying process is a late-stage indication of systemic trust failure. The worst thing to do is further feed the mistrust. Here are eight things not to do.

EIGHT THINGS NOT TO DO

- quibble with the design of the process
- hint at ways to end-run the process
- seek special favors based on past relationships
- withhold any part of the responses required by the process
- challenge the validity of formalized buying processes
- tell your client how much the work means to you
- snipe at the process in a passive-aggressive manner
- include pot shots at your competitors.

These approaches all have one thing in common—they are clearly aimed at improving the seller's situation. But the very impetus for new processes comes from a perception



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(often valid) that the seller is “in it for himself.” More of the same, particularly when a company has already taken the strong step of adopting formalized buying processes, is simply adding nails to the relationship coffin.

8 STEPS TO APPROACHING FORMALIZED BUYING PROCESSES

If formalized buying processes are a result of fear, then the only antidote is a massive dose of trustworthiness.

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The key principles of trustworthiness are **collaboration**, **transparency**, **client focus**, and a **long-term perspective**.

Applying those principles to a client who has initiated formalized buying processes requires certain mindsets, and certain specific actions. Here are 8 steps you can take—assuming you still have some measure of contact with the client.

- 1. Comply fully with the process.** Fill out all forms, meet with all requested people, and don't talk to those who are put out of

bounds. Put your emphasis on compliance, not on getting credit for complying—the client will notice.

- 2. Accept the client perspective.** If the client gets a better job for a better price from a competitor—then the client should accept that proposal. Deal with it.
- 3. Make major client-helpful suggestions.** But be honest. Only make process suggestions that clearly benefit the client, and be very direct. If you can't find suggestions that help the client much more than they help you, don't mention them.
- 4. Accept competitor parity.** If you suggest a process interaction with the client, then suggest the client have exactly the same interaction with your competitors.
- 5. Ask for permission, not forgiveness.** Before sending extra data, or answering unasked questions, or providing additional references—ask permission. Assumptions in this situation aren't seen as helpful, but as arrogant. Now is the time to show respect.
- 6. Think and talk long-term.** This transaction is hopefully just one of many. Talk to the



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client about which RFPs or bids you think best suit you. If you think this bid is a long shot, say so. It shows you value the relationship, not the transaction, and that you can be objective about your capabilities.

7. Suggest a post-decision process debrief.

Offer the client a chance to hear your views about how to improve the process after the decision has been made. And make

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sure you suggest the client hear from your competitors as well.

8. Offer total transparency.

Offer the client the chance to sit in with you on all discussions about project design, staffing and price. If they accept, tell them you fully assume they will ask other bidders for the same transparency, and that you accept the buyer's professionalism in dealing with the situation. Then, do not abuse that professionalism by picking at the edges for advantage.

Clients resort to formalized buying processes out of fear. Fear is defeated only by trust, and not overnight. If you believe in client relationships, then by definition you're in it for the long haul. Behave accordingly.

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