

# A Step-by-Step Guide To Developing RFPs

Get your RFPs right and take Human Capital Management to the next level

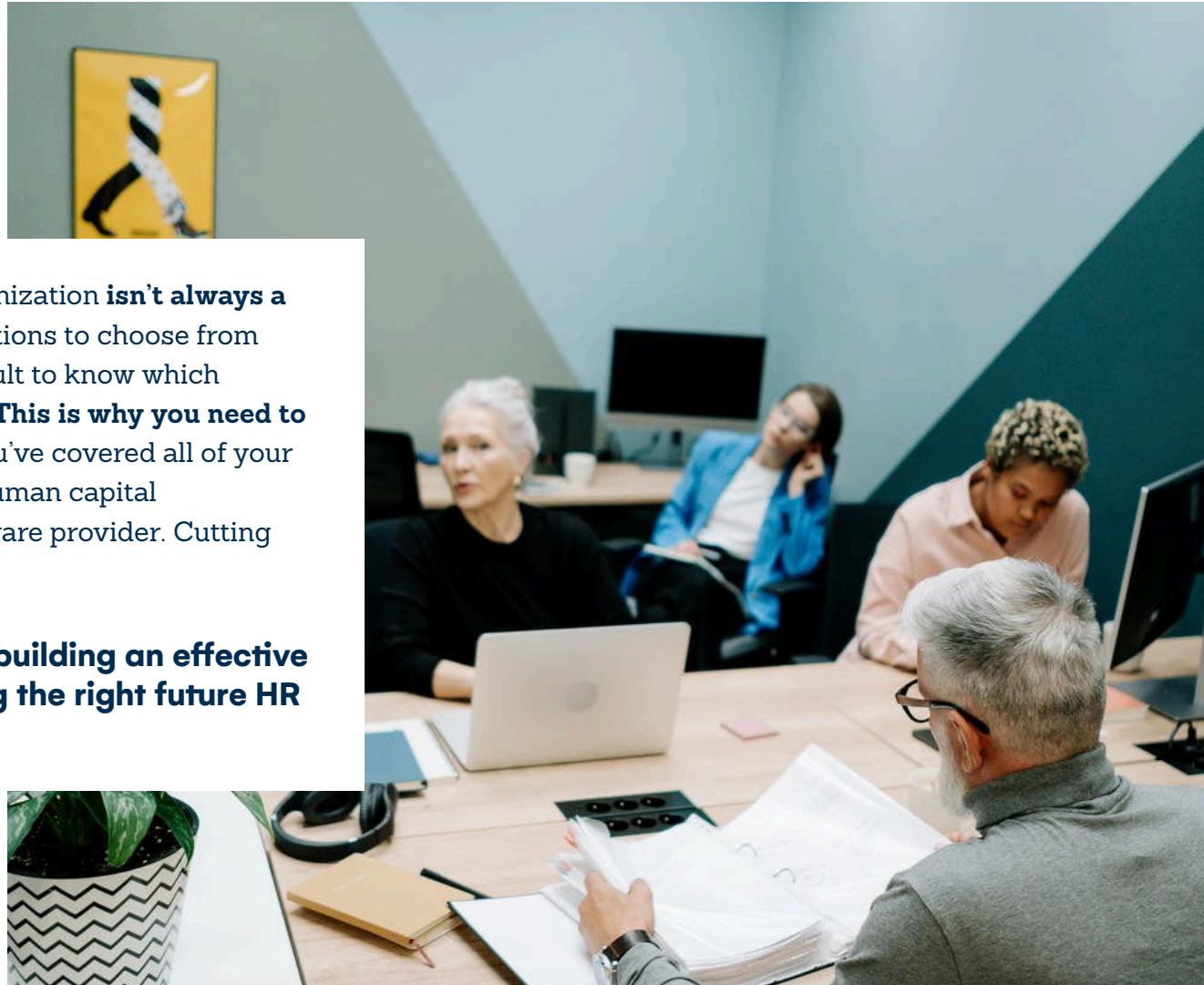
A professional woman with dark hair tied back, wearing a dark blazer over a white collared shirt, looks thoughtfully upwards and to her left. In the blurred background, a man with glasses and a light-colored shirt is visible. The overall atmosphere is one of focus and contemplation.

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hoosing **the right HR software** for your organization **isn't always a straightforward process**. There are more options to choose from today than ever before, which makes it difficult to know which solutions are best suited for your organization's needs. **This is why you need to conduct a thorough RFP:** It's the only way to ensure you've covered all of your bases—and have addressed all of your organization's human capital management needs—before landing on a final HR software provider. Cutting corners here is definitely not an option.

**So to help, we've created this handy guide for building an effective RFP, so you can get one step closer to selecting the right future HR software vendor for your organization.**





## What exactly is an RFP?

And what is it not?

**T**here are a lot of different acronyms that get thrown around to describe the vendor vetting process. Oftentimes they get used interchangeably, even though they don't all mean the same thing or represent the same part of the vendor review process.

**To clear up any confusion, here's a quick overview of the different acronyms you might encounter somewhere along the way:**



## 1 RFI (Request for Information)

**This is what you send before shortlisting vendors.** Think of it as a document inviting them to fill in any informational gaps that you might not be able to find on your own— either on their website or via other marketing materials. The goal here is to gather enough preliminary information to determine whether 1) a vendor is a good fit for your business and 2) should be invited to pitch.



## 2 RFP (Request for Proposal)

**This is what you send to a shortlist of vendors you'd like to consider.** It should provide a detailed outline of your organization's HR software needs, including the mandatory features and functionalities you need to take your talent management efforts to the next level. It should also clearly state the criteria by which vendors will be evaluated. The goal here is to **ensure that all vendors receive the same information so that the proposals submitted can be reviewed objectively.**

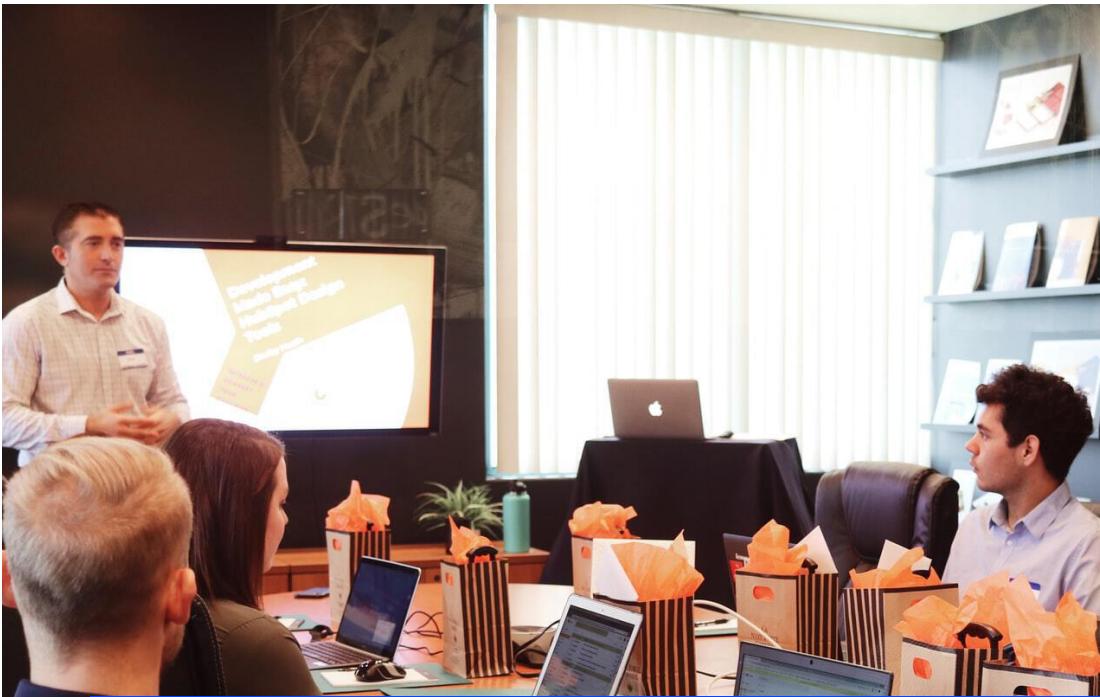


## 3 RFQ (Request for Quote)

**This is what you send to your final shortlist after completing the RFP process.** The goal here is to get detailed information on pricing, tech specifications, payment terms, implementation timelines, service-level agreements, and other more administrative matters to help allocate budgets and resources

### PRO TIP

You can launch an RFI “Request for Information” prior to launching an RFP. This will allow you to have high-level and one-on-one visibility on what you are looking for. Avoid simply asking for RFQs “Requests for Quotes” as pricing can vary based on your specific needs. “Ballpark pricing” may change completely after a vendor understands your absolute needs.



**Before putting together any of these documents, be sure to take a step back and think through your business's strategic objectives.** This must be the 'north star' guiding your vendor review process.

After all, as you review different vendor proposals, it can be all too easy to compare them based on features and functionality alone. But you should really ask yourself, "**Will this vendor be the partner I need to take my HR goals and strategy to the next level?**" Features are just one part of the equation. Alignment with business strategies is absolutely critical here, too.

So now that we've covered the basics, let's take a closer look at the essential building blocks of an effective HR software **RFP**.

Failing to go through this process correctly can waste a lot of time and energy—and even worse, make it harder for you to draw clear and objective comparisons between competing solutions and vendors.

### Have you written an RFP before?

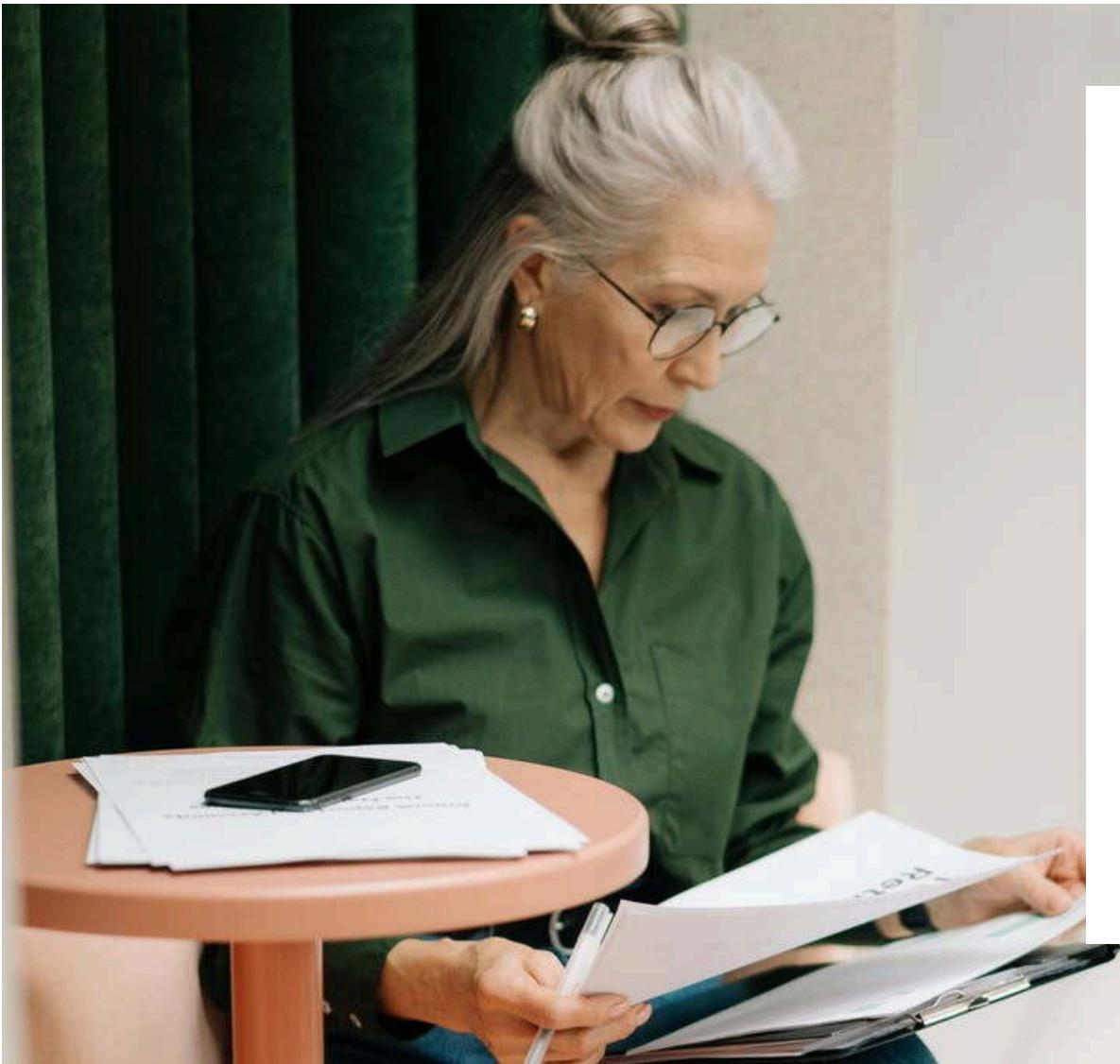
- Never! I need help
- Yes, but only 1
- I have a few under my belt

**POST ANSWER**

## Step 1: Define the RFP process

It's time to set the ground rules





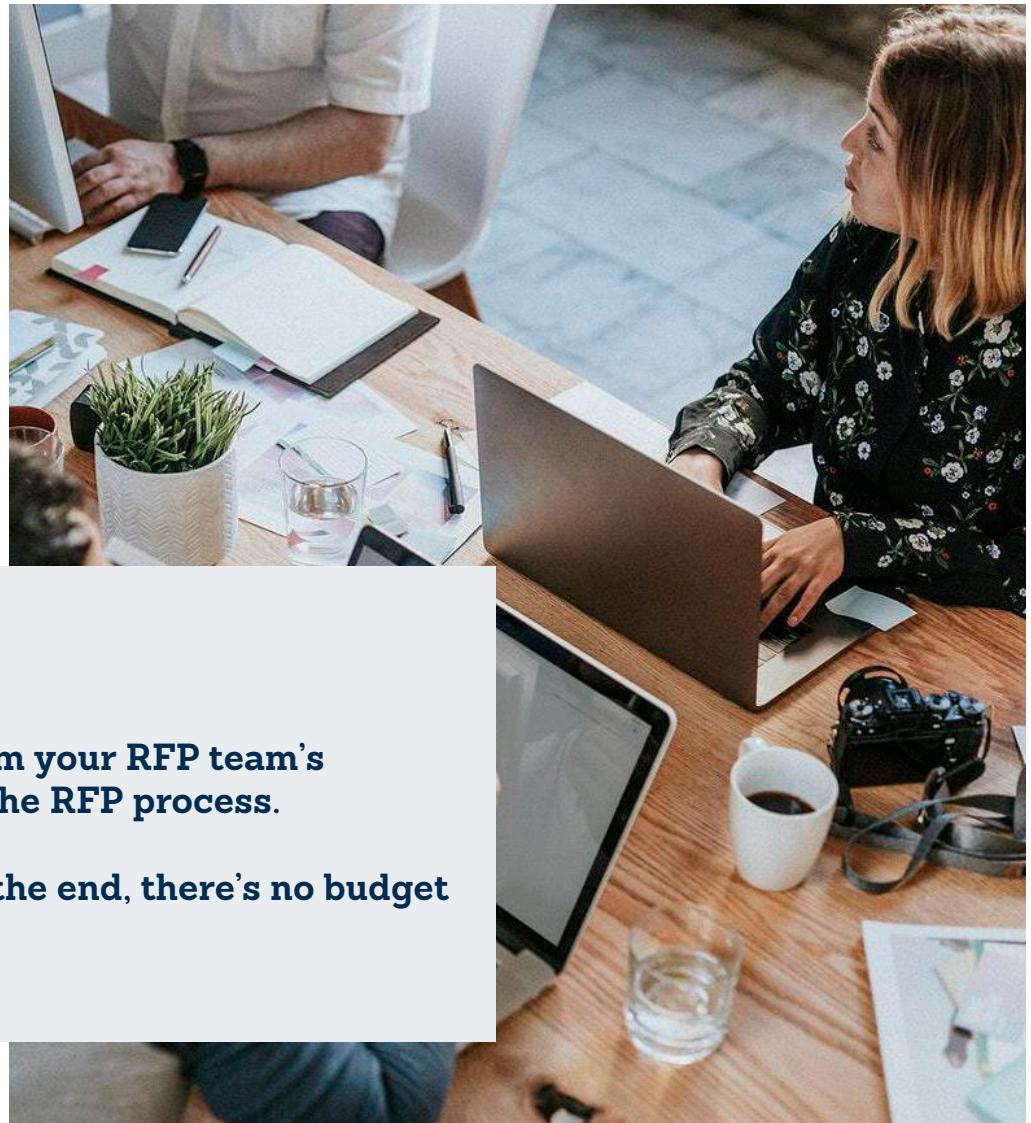
**T**o get the ball rolling on your RFP, **you need to set ground rules for how the end-to-end process will unfold**. Not only will this ensure you evaluate all proposals in **an objective and fair way**, but it will also help everyone on the RFP team **know what to expect from start to finish**.

**Here are a few questions that you will immediately want to address as a team:**

1. How will the RFP document be shared with vendors?
2. How will you choose the vendors that will receive the RFP document?
3. Will vendors need to sign an NDA before receiving the RFP document?
4. In what format should vendors submit their proposals?
5. Is there flexibility to revisit the scope of the RFP as new needs arise?
6. What are the key dates or milestones of the RFP timeline?

The [list of RFP process steps](#) can go on and on. But agreeing on these rules of engagement before the RFP gets written—and certainly before it gets sent out—is **critical for ensuring that everyone involved in the process is on the same page from the very start.**

This is as much about setting ground rules for your vendors as it is about setting ground rules for your team. Failing to set up a clear process early on could leave your RFP team vulnerable to unexpected surprises that can quickly extend the RFP timeline or drive unnecessary inefficiencies.



## Pro Tip

**Be sure to get budget buy-in and resource allocation from your RFP team's primary decision-maker before getting too far along in the RFP process.**

**After all, there's no point in seeing an RFP through if, in the end, there's no budget or resources to see it through.**



## **Step 2: Outline the full scope of the project**

Give your RFP the guardrails it needs to be effective



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ow that you've got a clearer understanding of what the RFP process will look like—and have secured budgets to implement your project—you need to ask the following scoping questions:

## 1. What talent management capabilities do you already have?

This is all about **taking stock of your current situation**. If you don't have any HR software solutions in place—other than manual tools, like spreadsheets—you are basically starting from scratch. But that's not the case for every business. There's a very good chance you've either grown out of your current solutions or simply haven't been satisfied with them to-date. Either way, you need to do some sort of solutions audit.

## 2. What additional features and functionalities do you need?

**There's a fine line between 'want' and 'need.'** This is your opportunity to put everything on the table and create a features wishlist. To get a solid brainstorm going, **you need to deep dive into what's missing, where gaps exist in your current solutions, and what features and functionalities are consistently being asked** for at all levels of your business.

Of course, as HR leaders you probably have a clear sense of what your department needs from an HR software solution. However, other parts of the

### Does your organization have a talent management solution in place?

- Yes, and we love it!
- Yes, but we're not completely satisfied
- No, but we're looking for one
- What's a talent management solution?

**POST ANSWER**

business may have different needs from your own that need to be taken into account here as well. So seize this opportunity to eliminate HR bias by soliciting input from other key stakeholders.

### **3. What are the limits or guardrails of this specific project?**

Not everything on your wishlist will make it to the 'mandatory' list. Be sure to **prioritize which features and functionalities will drive the most impact and value across your entire organization**. Building an RFP that aims to achieve a little bit of everything for everyone isn't going to drive long-term success. You need focus.

Be sure to approach this process through the lens of both your business and employee priorities. This will give your RFP the guardrails it needs to be effective. It also doesn't mean that you can't **include some of those nice-to-haves in the RFP** as out-of-scope additions either. Vendors need to **see what your growth trajectory looks like**—and for all you know, they may be able to deliver on those extras at no extra cost.



#### **TIPS**

Before you start writing the request, you need to collect all the necessary raw material relevant to your organization's existing talent management system as well as your HR and IT infrastructure.

Cegid provides a worksheet of jobs to do and raw materials to collect prior to drafting a RFP for an ATS solution.

**YOU CAN ACCESS IT HERE**

**At this point, you're probably wondering who is responsible for answering all these scoping questions and, more importantly, selecting a final HR software vendor when all is said and done.**

As a general RFP best practice, you need to **invite people from outside of HR to be a part of the core decision-making team**.

Knowing that every business is a little different, the stakeholders you ultimately choose to be a part of this team can and will vary. Either way, you'll want to include people who not only represent different business units, but also come from different levels within the organization.

One of the most important players on this team will be your executive sponsor, who can help steer the process and solicit support from the senior leadership team. **But you should have managers and even rank-and-file employees involved in this process as well.** The goal here is to ensure your RFP team adequately represents the needs of your entire business.

Finally, you should empower the stakeholders within the RFP team to go back to their business units and colleagues to solicit input and feedback as well. Part of defining the scope of an HR software RFP is understanding where pain points exist in order to identify the right solutions to overcome them. **This requires deep cross-functional collaboration.**



**A successful HR software RFP must be a collaborative and cross-functional process. Even though the HR team will likely be the biggest benefactors—and power users—of these solutions, the software you choose will likely touch everyone at all levels of the organization.**

# Step 3: Establish vendor evaluation criteria

How to assess your vendors objectively



**T**here's still one more step to tackle before you can jot everything down: establishing the criteria for objectively assessing each vendor's proposal fairly.

Here's why this is important. Although we think we can be objective in how we evaluate different solutions, as humans, we are highly subjective beings by nature. Our preferences, our biases, our misunderstandings, our personal needs—and well beyond—can cloud our judgment. **This is why you need to create a rubric or scorecard** that allows you to assign an objective, numerical value or grade to each section of the vendor proposals that you will review.

By now, you will have already outlined **clear expectations for what information the proposal should include, what format it should be in, and other pertinent details** helping vendors understand your expectations. This doesn't mean vendors can't go above and beyond in their proposals. By all means, let them flex their creative muscles and show off a bit. Even so, baseline criteria need to be established *in advance* to ensure that **all vendors are being held to the same standards and are aware of the criteria that they will be graded against**.

### **This might feel like going back to school.**

The only difference is that now you're the teacher, and you're doing the job of grading each vendor on the strength of their proposals. As you evaluate each vendor, **your evaluation criteria might look something like this:**

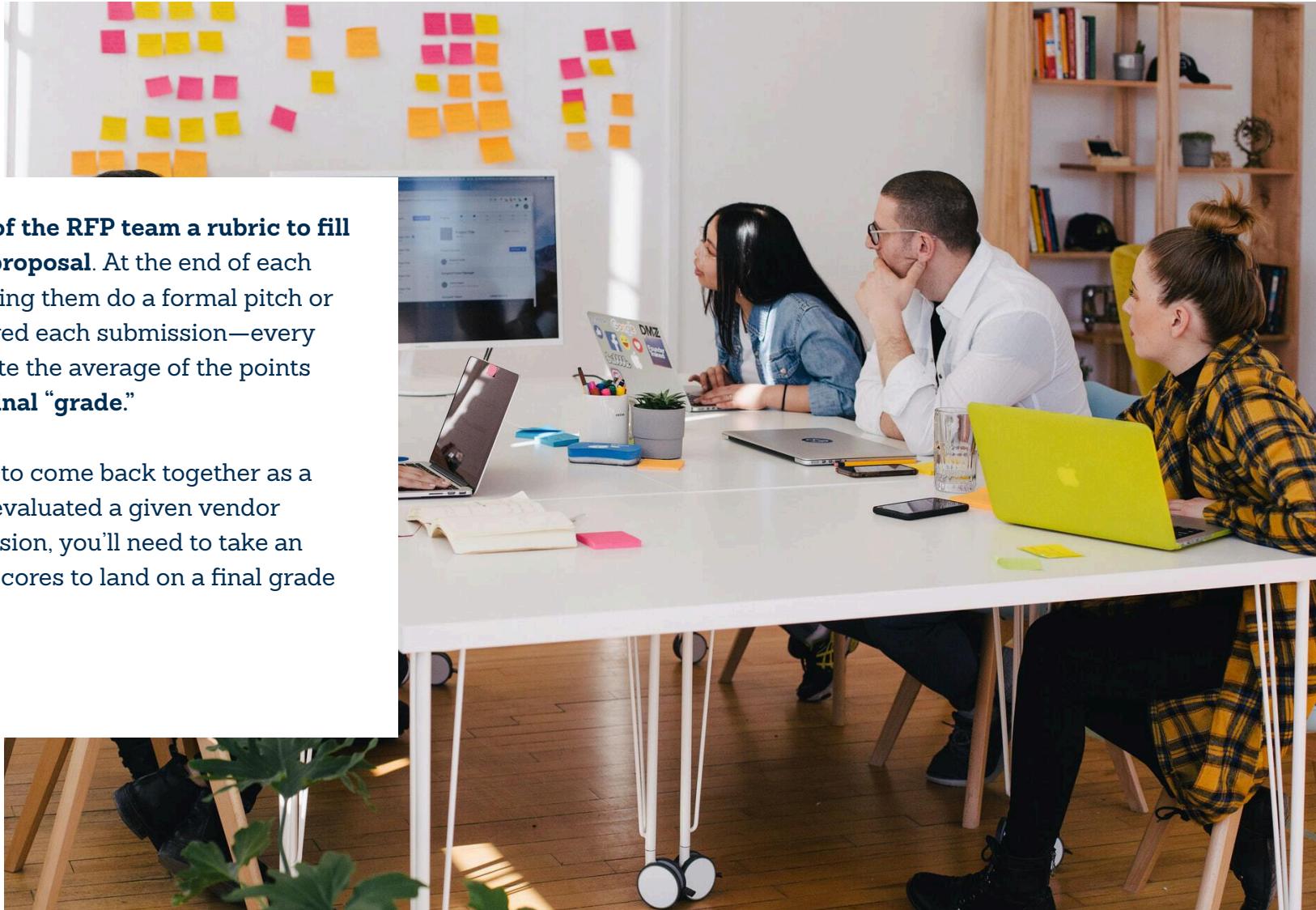
**0 points:** Did not meet requirements

**1 point:** Partially meets requirements

**2 points:** Mostly meets requirements

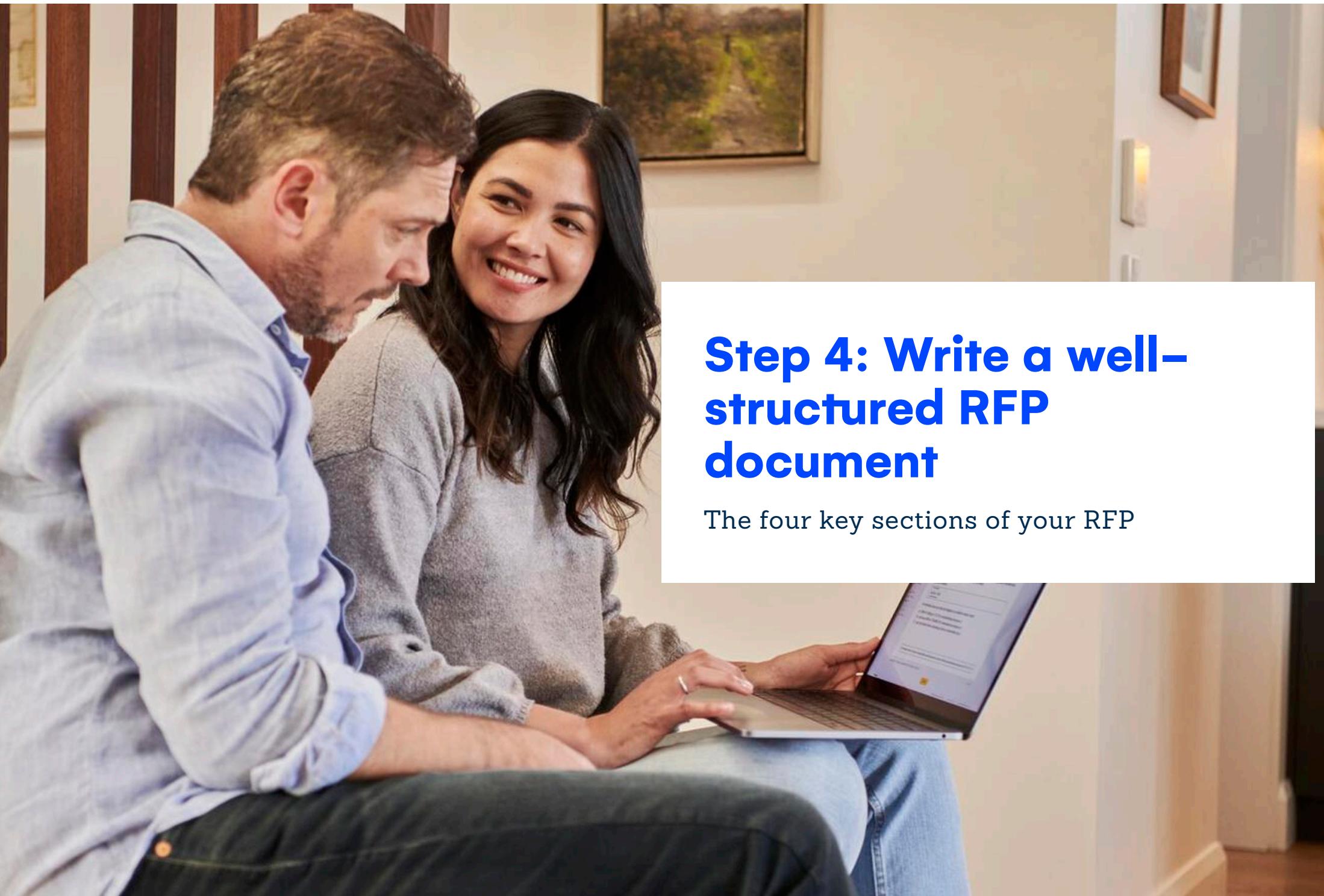
**3 points:** Fully meets requirements

**4 points:** Exceeds requirements



You'll want to give **each member of the RFP team a rubric to fill out as they review each vendor proposal**. At the end of each presentation—whether you're having them do a formal pitch or after you've independently reviewed each submission—every RFP team member should calculate the average of the points allocated in order to **calculate a final “grade.”**

Once this has been done, it's time to come back together as a team to discuss how each of you evaluated a given vendor proposal. At the end of this discussion, you'll need to take an average of everyone's individual scores to land on a final grade for each vendor.



## Step 4: Write a well-structured RFP document

The four key sections of your RFP

**F**inally, the time has come to bring all of these pieces together into a single RFP document. If you've followed closely the preliminary steps above, then this part should be fairly straightforward. You just need to set aside some time to write it.

**There are a few ways to structure this document. More often than not, however, the content you provide in the RFP will generally fall into these four key categories:**

## **1 Information about your company**

## **2 Details about project requirement**

## **3 Easy to follow vendor instructions**

## **4 Specifics about evaluation criteria**

# Information about your company

**Remember, just because you know your business inside and out doesn't mean that the vendors you've shortlisted do. It's your job to give them some context.**

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So, in building out this section you should aim to provide the following information:

## Brief Introduction:

Clearly explain **what your company does** and, if relevant, add a few details about your company's history. You don't need to go into too much detail here, but at the same time you want to present your business in a thoughtful way. The goal is to **set the tone and provide some context around your current business** to-date as well as where it's going in the future based on aforementioned business and HR strategies.

## Business Context:

This is where you state **why you're conducting this RFP** in the first place and **how the end result of this RFP process will allow you to deliver on your business's strategic goals and objectives**. As part of this, you should be crystal clear about the current talent management challenges you're looking to overcome, the gaps you've had with past solutions, and the results you're hoping to achieve in the future.

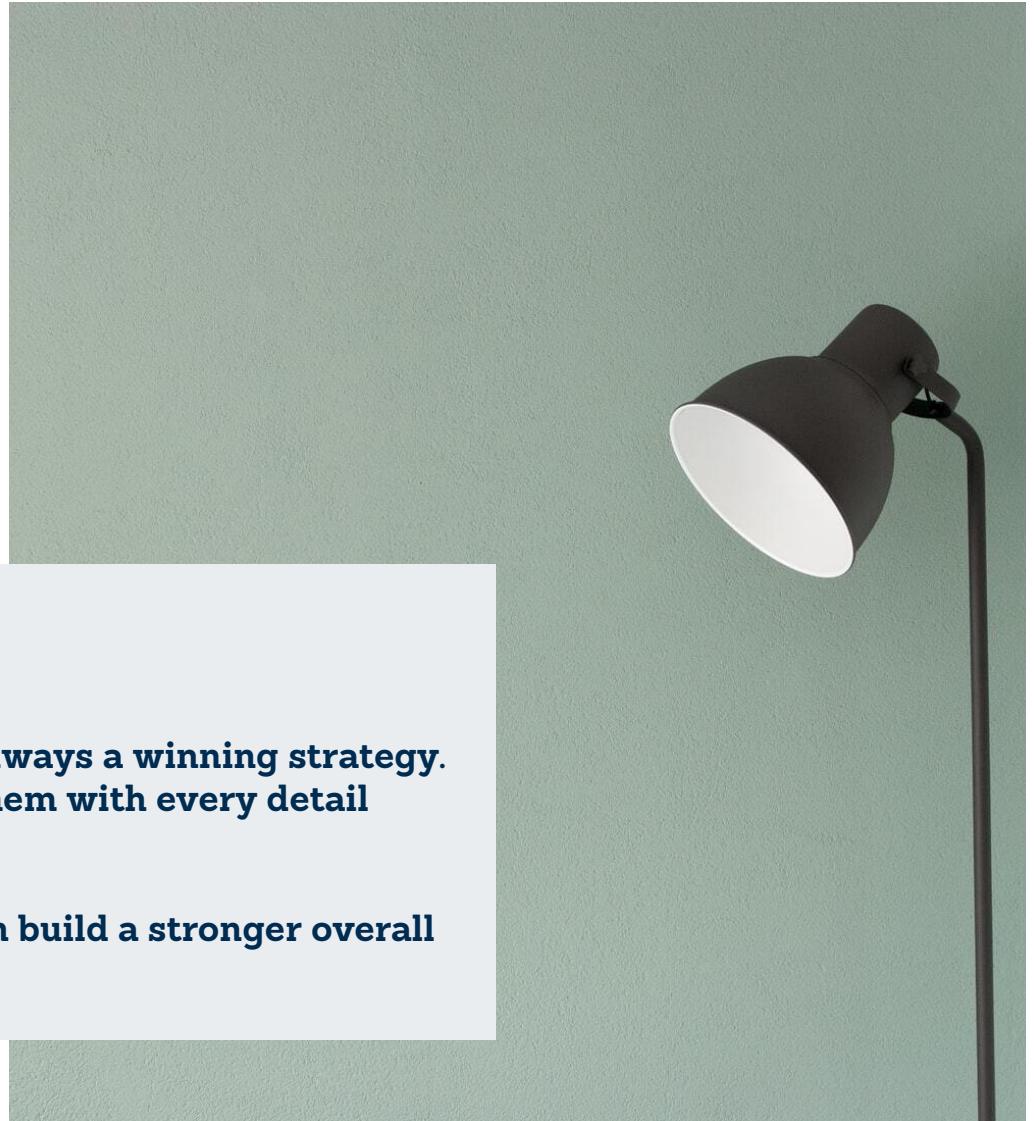
You may also want to include details about your business's vision and mission, key industry and sector trends causing you to evolve your HR (software) strategy, or upcoming growth initiatives and expansion efforts you've got planned.

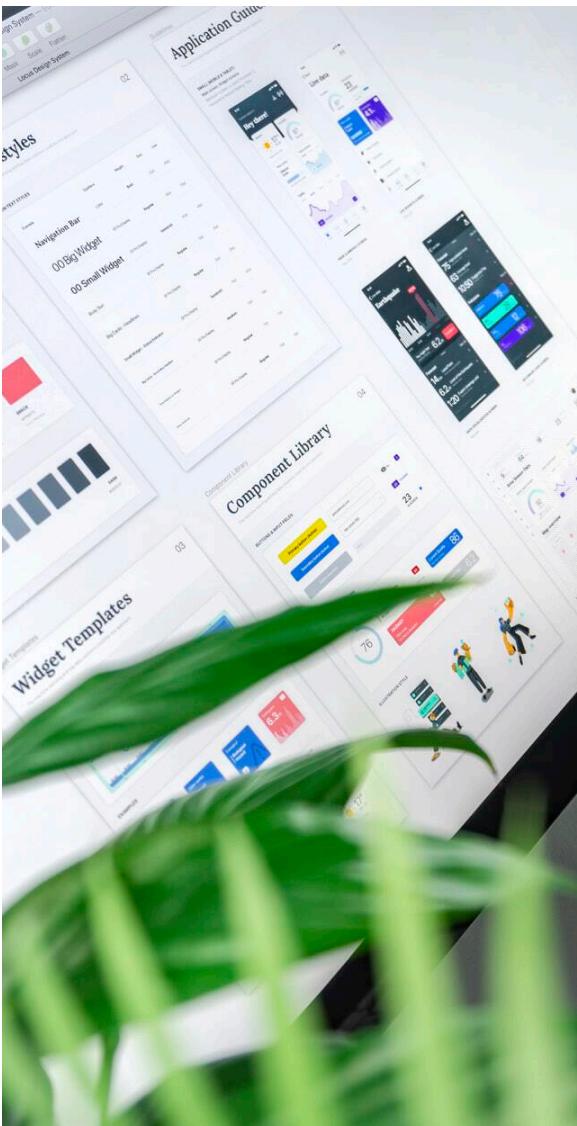
In other words, **this is all about painting a picture to help vendors understand your needs**, so they can step into your shoes as they put together their proposals for you.

## Pro Tip

**When writing this section, a “less is more” approach is always a winning strategy. You want to give vendors a launchpad, not overwhelm them with every detail imaginable.**

**Provide only the most essential information to help them build a stronger overall proposal.**





# Details about project requirements

This is where you get into your wishlist of features and functionalities as well as what your implementation or integration limitations are from a technical perspective.

## Feature Requirements:

Remember that wishlist you created in Step 1? This is where you finally get to expand upon it. This part of the RFP is not just a matter of identifying desired features and functionality in an endless list. You need to **curate it a bit more by organizing those features around key HR areas of focus**, like Recruitment, Talent Management, Performance Management, and Learning and Development.

## Prioritize your desired features:

You may also want to consider adding a brief explanation around why each feature will be valuable for your business and how employees will use it on a day-to-day basis.

Finally, if there are any integration or configurability requirements that vendors need to be mindful of at a per-feature level, it's a good idea to call that out here as well.

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## What questions to ask?

Now that it's time to formulate your questions, know that the answers you will receive will only be as good as the questions you ask.

To guide you, here is a full list of 60 top ATS questions and functionalities to include in your RFP.

[DOWNLOAD](#)

## Technical Requirements:

Every business comes with its own technical baggage. The vendors you've asked to pitch need to know early on **what technical challenges—from implementation to end-user optimization—they'll need to account for.**

Not only will this help address costs, timing, and other aspects of the RFP, but it will also allow them to see any potential roadblocks that could get in the way of delivering on this request.

As a starting point, be sure to **specify how you plan to deploy these new HR software solutions.** Are you looking for something cloud-based? Or would you prefer to have the implementation done on-site?

Then, you've got to be clear on how you anticipate users accessing and using these new solutions. Will this be a uniquely desktop experience? Do you need a mobile app?

There are likely a number of other technical requirements and considerations that you'll need to include in your RFP. This will help guarantee that vendor solutions pitched can actually work with your existing tech infrastructure.

As a general best practice, have your IT team weigh in on this part of the RFP document before sending it out to vendors.



# Easy-to-follow vendor instructions

To make this as objective of a process as possible, you need to **outline exactly what you expect to see in each vendor proposal**. Consider their rules of engagement. Failing to set clear guidelines will make it harder for your RFP team to review, compare, and assess each proposal in a fair way.

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**As a starting point, be sure to provide vendors with the following proposal specifics:**

## Timeline:

The vendors that you've invited to pitch **need to be aware of the key process milestones upfront**. This includes the deadline for proposal submissions, timing around in-person or virtual presentations, and the date when a vendor will be officially chosen. The RFP timeline should also leave some space for vendors to be able to reach out and ask clarifying questions before submitting their final proposal.

## Format:

You may want to see a PowerPoint presentation. You may prefer to receive video proposal submissions. You may want vendors to organize their proposal around specific sections that directly align with your evaluation criteria. **If you expect to see proposals submitted in a specific way, you need to make that clear right from the start.**

## Pro Tip

**When you submit an RFP, you want to see proposals that have been adapted to your business's unique needs and goals. A vendor that turns around a proposal a week or two after receiving the RFP has probably just given you a "cookie-cutter" response. Give vendors enough time—typically between four to six weeks—to think through the RFP and put together a proposal that shows they want your business.**

Once you've set these basic guidelines, be sure to call out the specific details you want to see:



## Staffing

Who's on the vendor's team?  
What's their prior experience?  
How much time will each team member allocate to this project?  
**The goal here is to get line of sight into who will be working on your business.** Software implementation requires a lot of team collaboration on both the business's and vendor's end. You need to feel confident that the vendor has adequately staffed up to ensure that your software implementation goes smoothly.



## Costs

Although costs alone should not be the deciding factor of an RFP, you need to know how each vendor's projected expenses—from licensing fees to integration costs to ongoing support and maintenance—will fit within your budget. **Be sure to specify that you expect them to provide a full and detailed cost breakdown in their proposal.**



## Viability

To ensure you don't end up buying a solution from a vendor that could potentially fold within a year, be sure to **request proof of financial viability.**

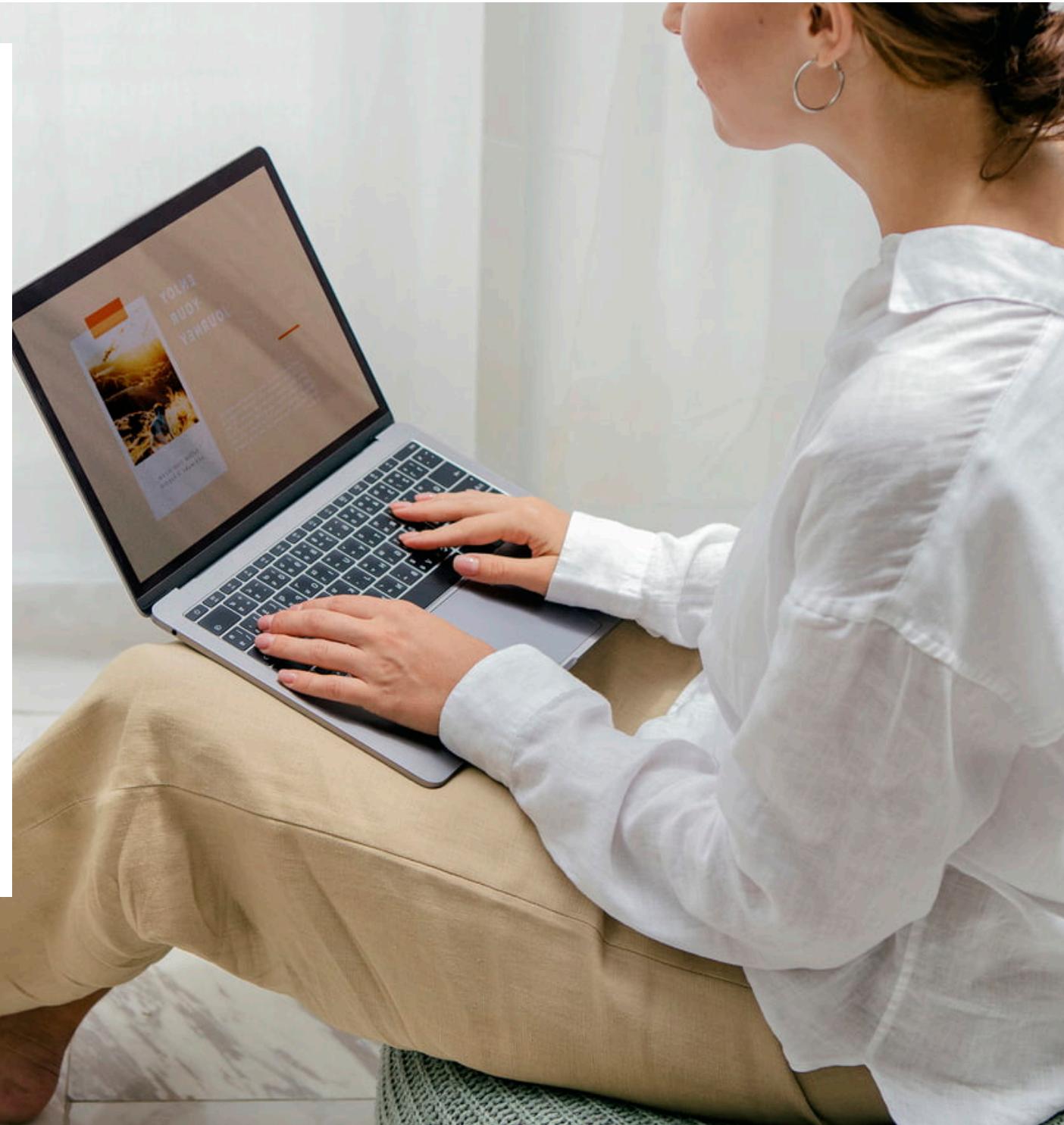


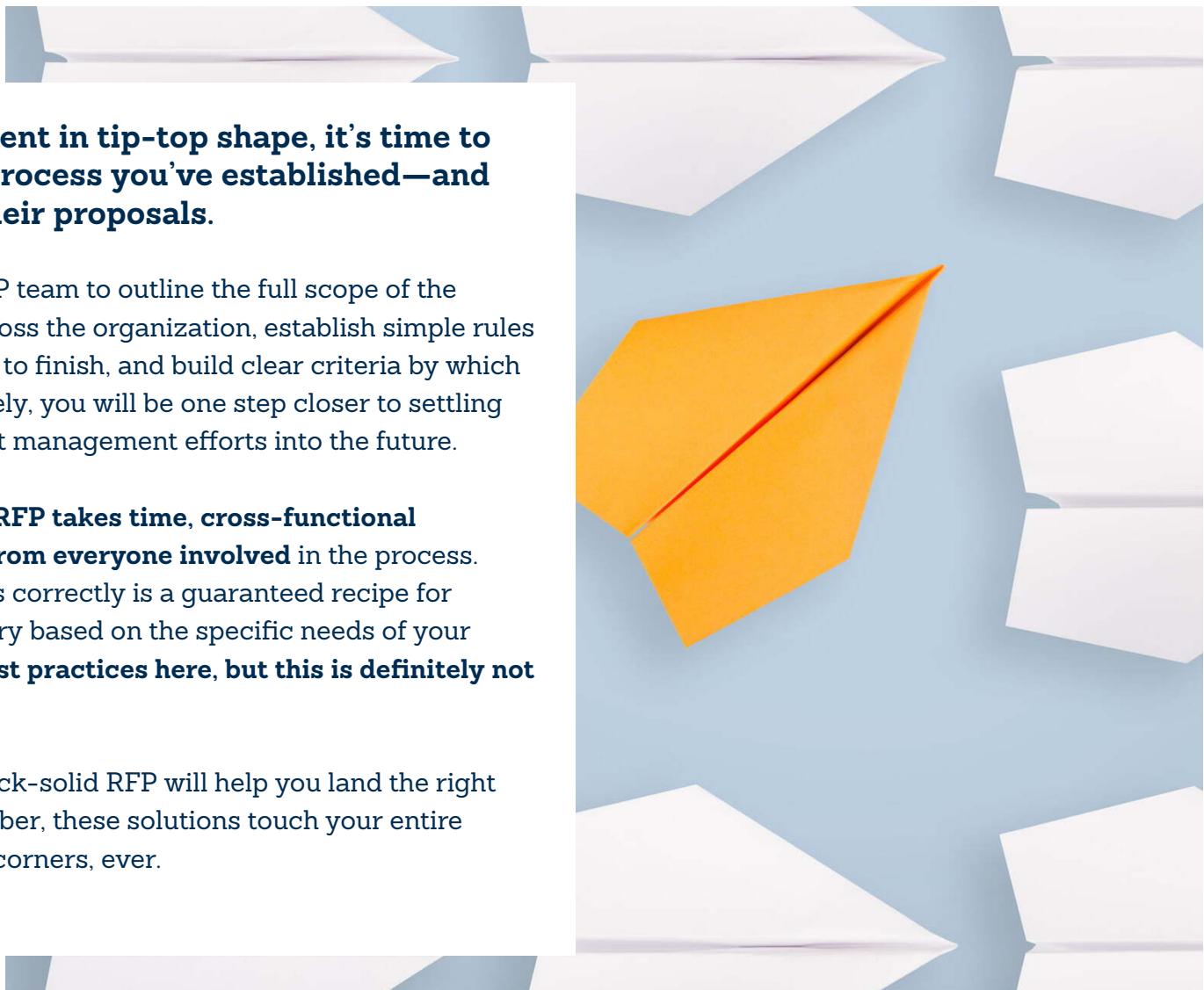
## References

Word-of-mouth carries a tremendous amount of weight in any kind of purchase decision. A vendor RFP is no exception to that rule. Ask the vendors pitching your business to not only **provide references**—in the form of letters from current customers or case studies (or a combination of the two)—but also **provide contact details for a few customers**, preferably in your same industry or sector, who would be willing to be contacted to answer any additional questions you may have.

## Go forth and request those proposals

You're one step closer to settling on new HR software





**Now that you've got your RFP document in tip-top shape, it's time to send it out—in accordance with the process you've established—and then wait for vendors to send back their proposals.**

Once you've done your due diligence as an RFP team to outline the full scope of the project, solicit input from key stakeholders across the organization, establish simple rules of engagement to guide the process from start to finish, and build clear criteria by which you'll review each vendor submission objectively, you will be one step closer to settling on new HR software that will propel your talent management efforts into the future.

**Building a strong and effective HR software RFP takes time, cross-functional collaboration, and thoughtful contributions from everyone involved in the process.** Going through each of the steps of this process correctly is a guaranteed recipe for success. Of course, how you go about it will vary based on the specific needs of your organization. **We've outlined some general best practices here, but this is definitely not a one-size-fits-all activity.**

The time and energy you put into creating a rock-solid RFP will help you land the right HR software vendor for your business. Remember, these solutions touch your entire organization, so this is not the time to cut any corners, ever.

Thank you for reading

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