

# Improving Your RFP Process

Don't buy groceries when you're hungry.

BY TIMOTHY W. BODEN, CMPE

This article is reprinted from *Physician Leadership Journal*, 2021, Volume 8, Issue 1, pages 232-233 Copyright © 2021 by American Association for Physician Leadership\* by permission.

Everybody knows (don't they?) that it's a bad idea to hurry out to the grocery store because you couldn't find anything for lunch in your pantry. The people who design the layout at the store have studied you and the rest of the population very carefully. For example, since most people turn to the right when they come in the front door, you'll often see snacks, desserts, and junk food in that first aisle.

Of course, the shopper who carefully plans each trip to the grocery store will be better able to defend against the impulse buying that depletes the budget (and one's good health). You have to go to the store at the right time, armed with a written shopping list, and exercise self-discipline to stick to the list.

## Major Business Purchases

In the same way, managers and owners who face major purchases—like computer systems, medical equipment, or a new office building—must take control of the process from the beginning. If you start entertaining vendor reps and reviewing slick promotional literature without doing your homework, you risk falling victim to high-dollar impulse buying.

In the business "big leagues", they refer to the purchase-planning end product as a request for a proposal (RFP). Those particularly enamored of formal processes and three-letter acronyms (TLAs) have an intermediate step, too: a request for information (RFI). Smaller and mid-sized physician practices, however, don't usually spend the time and effort to assemble and submit RFPs.



And while that doesn't necessarily lead to disaster—or even significant dissatisfaction—it should leave you wondering, "Did we get exactly what we wanted and needed at the best price?"

If you want to be able to answer that question, you'll have to ask it before you

including the number of physicians and other providers, their specialties, practice locations, staff size, patient volume, and other data that will have either a direct or indirect impact on your purchase decision.

2) **SWOT Analysis:** Describe the practice's Strengths, Weaknesses, Opportunities and Threats as they relate to the purchase under consideration. You can include the practice's general market position and its overall goals and objectives, but focus on the proposed purchase.

3) **Key Issues:** Describe your current situation in objective, critical terms. Tell exactly what's wrong and

## You need a clear description of the issues you're trying to address and what you expect from the vendors.

start listening to sales pitches and demos. Otherwise, it's like the Cheshire cat's response to Alice's request for directions. She didn't care much where she ended up, so he said, "It doesn't matter which way you go." The questions to ask beforehand include: What do we need and why? How soon do we need it? What can we afford? The answers to those questions form the heart of an RFP.

Don't blanch at the idea—you need not produce a book-sized RFP full of technical specifications and professional-looking flow charts. All you need, really, is a clear description of the issues you're trying to address and what you expect from the vendors who will respond to your request. An RFP that will get the job done should include these seven components:

1) **Practice Overview:** Describe the size and scope of your practice,

what's right with your current systems, operations, facilities, staffing, and any other area of concern that your purchase is anticipated to address.

4) **Purchase Description:** Describe what you think you want in the product or service you're considering. The more thoroughly you've done your research, the better you'll understand your options and the more detail you can include in your description. The greater your detail, the more accurate your vendors' responses will be.

5) **Requirements and Deal-Breakers:** List for the vendors those features you consider "must-haves." Again, you'll have to do your homework in order to put together an accurate and thorough list. Try to prioritize the requirements, listing the absolute deal-breakers first.

Continued on page 60

*RFP Process (from page 59)*

It helps the vendors further understand your needs and requirements.

**6) Vendor Requirements:** Insist that the vendors include information about their companies and their approaches to implementation:

look for practices of similar size, specialty, and practice setting.

**7) Pricing:** When comparing vendors, you'll find that pricing philosophy varies a great deal. Therefore, create a standard pricing guide that includes expense categories that make sense to you. Require each ven-

the practice, you probably don't need physicians on the committee. If you're shopping for a new in-office hematology analyzer, you don't need an insurance biller in the workgroup.

Make sure the committee understands its roles and your goals. Give them the tools they need to gather information and finalize a list of vendors to receive an RFP. And, by all means, provide them with a deadline—including time "milestones" for large, complicated projects. Monitor their progress, and be ready to provide plenty of hand-holding for .....

---

## When comparing vendors, you'll find that pricing philosophy varies a great deal.

---

a. Company profile: information about the company, its ownership and history, market share, and number of medical practice clients already served by the product line under consideration;

b. Implementation strategy: timeline and description of client and vendor roles in the process and what support and training is included in the installation price; and

c. References and testimonials: list of clients similar to your practice;

dor to translate its pricing to fit in your matrix to make it easier to compare one company to the next.

### Task Force Assignments

To create an effective (if less-than-formal) RFP, start by selecting a team to come up with the data needed for the request. The purchase under consideration will determine the size and scope of your task force. If you're looking at copier/printer solutions for

less experienced participants. This will not only improve your chances for an effective RFP, it will also provide the mentoring and training for these same workers to serve on similar project committees in the future. **PM**



**Timothy Boden** is Freelance Journalist; email: [tboden@aol.com](mailto:tboden@aol.com).