

A poor process for selecting a partner



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As a Lean consultant, I believe it is important that my business processes model what I teach:

- When quoting, I understand my business well enough to offer three simple rates (daily onsite, hourly onsite and at-home hourly) with no add-on travel or other expenses. This simplifies my bookkeeping and provides more predictability for clients.

- I use electronic documents and email for invoicing, which saves postage and reduces payment cycle time.

- When available with a regular client, I take advantage of direct deposit payments to further reduce the payment cycle and save a trip to the bank.

And, I don't do request for prices or quotes.

Those are an antiquated process that should have gone the way of flashbulbs and carburetors for all but the purchasing of easily compared commodities. But some organizations, particularly governmental entities continue to use them, even when selecting relationship-based services.

Here's the problem. The customers start by spending considerable time preparing a document outlining their understanding of their needs, but unaware of what they don't know — that's why they're searching for a consultant.

Prospective suppliers try to interpret the document, essentially guessing at the intended needs. The exchange is limited to a series of ineffective and inefficient one-way written communication episodes.

Questions can be directed back to the customer (in writing), and these are collected and typically answered en masse to all potential respondents with the intent of keeping the playing field level.

Think about that. Consultants are hired to ask intelligent questions. But instead of using this key skill as part of the selection criteria, rigid practices are put in place to neutralize or discourage it in the spirit of "fairness."

Worst of all, the process robs both parties of the rich communication that comes from face-to-face dialogue. Much more valuable information can

be gleaned by both client and consultant during a 90-minute discussion than the hours spent originating and responding to a request.

Technology today makes it possible for us to get "face-to-face" with someone located thousands of miles away. But this advantage is ignored in favor of dry, one-way written communication.

Ultimately, the success of the endeavor will depend on the relationship. Why not start to evaluate the potential for that relationship as part of the selection process?

RICK SAYS

RFPs are a lousy way to begin what should be a partnership. Want ads and resumes are not a particularly effective way for choosing a spouse ... or a consultant.

Finally, although electronic submissions are becoming more accepted, some require multiple paper copies. (What? Paper? I think I'm feeling nauseous).

Early in my consulting career I spent hours, sometimes even days, preparing a response to an RFP. It was discouraging to receive absolutely no feedback from the potential client on how it was perceived.

In a couple of cases, I strongly suspected that the eventual winner was preselected and the entire process was a sham to simply comply with an organizational policy or to use others' pricing for negotiation purposes with the winner.

Fortunately, I'm a quick learner. After two or three attempts, I decided my time was better spent marketing to organizations willing to work in the 21st century.

Since its formation, Brimeyer LLC has provided several hundred thousands of dollars in services with exactly zero originating from an RFQ/RFP.

In fact, more than 85 percent of revenues haven't even involved a formal contract, just a simple handshake. As the senior leader of my longest-tenured client occasionally reminds me, "You know what I like about you? I can fire you anytime." It's a humbling (and motivating) thought, one that has led to a terrific, lasting relationship.

In short, RFPs are a lousy way to begin what should be a partnership. Want ads and resumes are not a particularly effective way for choosing a spouse ... or a consultant.