



# Why RFP Doesn't Stand For Really Fun Process

AHRI Technology Conference

Melbourne

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# Agenda

- What is a typical RFP Process
- Why this needs to change
- Caltex Case Study
- Outline of how requirements were defined
- Decision-making process
- Lessons learned
- Suggested options

# The Typical RFP

- Outline of the organisation
- Outline of current process
- What is “in scope” and “out of scope”
- Detailed specifications of what is required
- Customer reference sites
- Legal obligations of respondents
- Proposal template for completion

# What is wrong with Typical

- It can become a “wish list” of functions rather than description of “what needs to be achieved”
- It often covers “how” - not “outcome” based. This approach is typical if a system needs to be built, instructions to designers not suppliers
- Specifications often come without the necessary context of organisations culture, business challenges, vision

# About Caltex

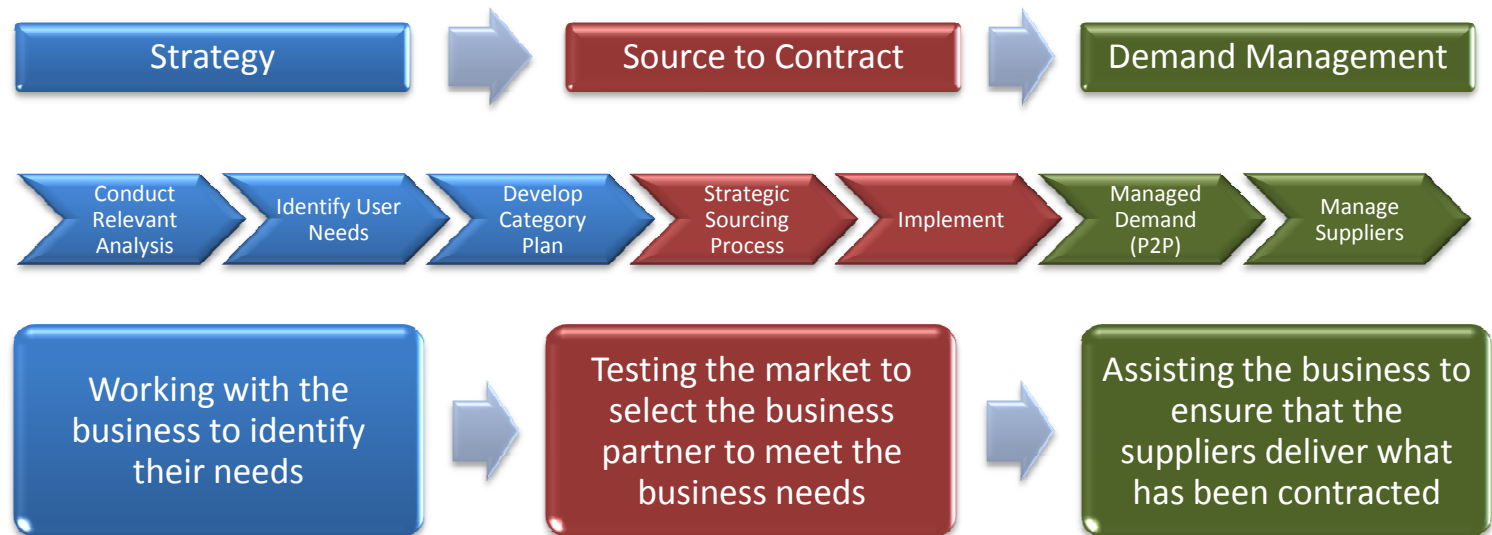
- Caltex is Australia's leading transport fuel supplier and convenience retailer and the only integrated oil refining and marketing company listed on the Australia Securities Exchange.
- Our business value chain incorporates operational excellence throughout supply, refining, logistics and marketing

Our energy builds a brighter future



# The Caltex Category Management Process.....

The below strategy helps Procurement work with the business to understand their long term plans and assist in developing strategies that will deliver their needs.



# Think New

- Have an open mind
- Don't get caught up in the now
- Consider new ways of doing things - take advantage of **BEST PRACTICE**
- New technology evolves from a need to do something better - can offer better ways of doing things



# Considerations

- Give yourself time - due diligence, new ways, new possibilities
- No harm in letting suppliers know the selection criteria - suppliers will self-select
- Define requirements in terms of outcomes
- Think about the whole process not just the technology part

# Little Nuggets

- Build relationships early
- Know the suppliers SUPPORT team
- Share contracts up front - make clear the must haves
- Contract negotiation is not about winning - about the best for both parties, minimizing risk and holding both parties to account if something goes wrong
- Ease of use v's automation
- If the procurement process is painful with the supplier relationship then chances are its not going to get much better. Think about de-selection

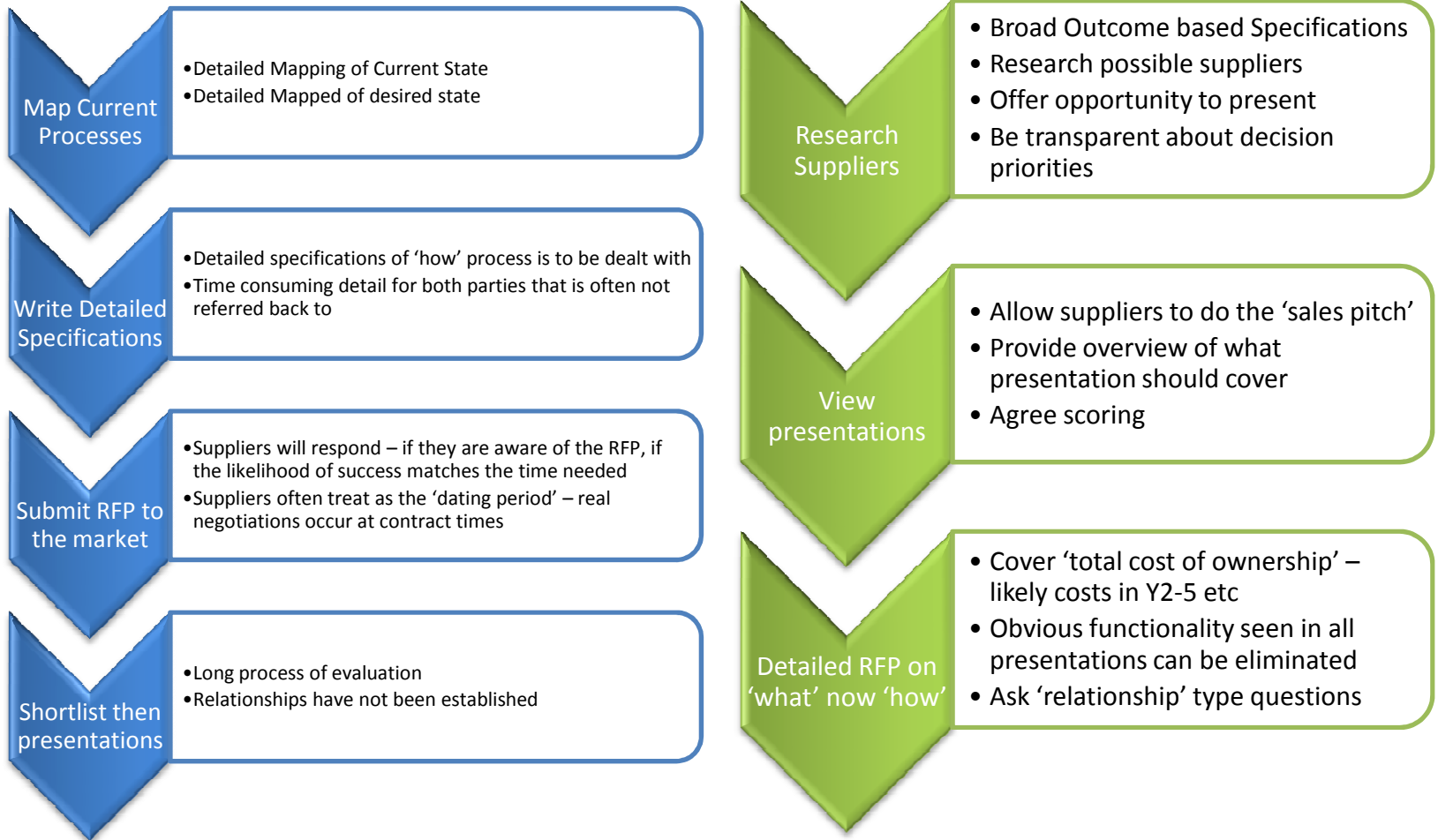
# Try something different

- “Look and feel” is just as important as functionality
- Time is money
- Speed date first - presentations then shortlist
- RFP then only needs to cover those areas where the presentation was not definitive in key areas

# New RFP Content

- Legal requirements of the process
- Policies which must be managed
- Inputs to the process
- Outcomes expected
- Key participants in the process and their roles (a workflow may be appropriate)
- Problems currently being experienced
- “Scoring” criteria

# Conclusion



# Takeaways

- Sample RFP template
- RFP white paper