

Viewpoint

Some lessons from RFP projects: How contractors win and lose

Dining Insights, Winter 2019

We've participated in several food service contractor selection processes over the past year or so and some of the experiences are worth sharing. The clients included a variety of companies and universities in different areas and situations. There were some common threads, although not common outcomes.

In each case, we invited several food service companies, more than were needed for an effective competition, because we'd learned that one and sometimes two companies would decline to participate or later drop out. In every instance, there were one or two dropouts.

Why? Sometimes defeatism: "We'll never win." Often, some internal issue.

For private companies, the expected investment might be too big to handle. That's unfortunate because sometimes a smaller company will be more adept and responsive. The privately-owned company doesn't answer to outside shareholders focused only on profitability and growth.

When the four to six proposals come in, it's easy to separate the ones worth considering from the pack. The others will be off the mark in understanding the client's requirements or expectations and/or offer unrealistic financial projections or terms.

Why do companies, even the major ones, fail in a competition? Often, it's because they didn't do their homework – didn't spend the time on-site to understand the operation and the interests of the student or employee customers or of the client.

Their proposals then are just boilerplate; canned concepts, often unrelated to the customers' preferences or the client's wants. Successful proposers spend the time to learn not just what the client said it wanted, but offer solutions to unspoken needs.

One independent company in a close race offered a solution to the problem of declining catering sales that the incumbent national company hadn't even tried to address. It also offered solutions to issues not expressed in the Request for Proposals that were of value to the client. They'd done their homework and thought outside the proverbial box to offer unique values.

The outcomes: One company and one university retained their incumbents. The others risked change, either because continuing with the incumbent was intolerable or the new company offered advantages the incumbent didn't.

- Tom Mac Dermott

What's the key
to a successful
proposal?
Good homework
and creative
solutions.

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