

5 RFP Pitfalls to Avoid When Searching for the Best Digital Signage Partner

Choosing to issue a digital signage request for proposal (RFP) does more than signal you are entering the market as a buyer. It communicates that you're looking to forge a mutually beneficial relationship with a like-minded solutions provider. As such, issuing an RFP should allow you to separate the sellers from the potential partners.

Navigating RFP best practices can be challenging. Not only must the final document be carefully structured and painstakingly formatted, but it must also give respondents the instruments they need to make the proper case for their offerings. Finally, an RFP is just one phase of an extensive project plan. Subsequent execution depends upon the RFP being a highly functional element of that plan, one that can drive timely, successful task completion in service of a strategic goal.

One of the best ways to prepare for an RFP is to map out the obstacles and hazards that can disrupt your progress from drafting to dissemination to ingesting and vetting proposals. We've identified the five most frequently encountered pitfalls during the RFP process. They also happen to be the ones most likely to leave you wishing you'd struck a deal with a better digital signage provider.



Not Identifying a Clear Business Objective

It may sound surprising given the amount of work involved in setting up an RFP, but it is not uncommon for a hiring organization not to follow through with the project. Why? Because many RFPs are issued prematurely. In this context, “prematurely” translates into “without complete buy-in from the buyer’s C-suite.”

How does the proposed project help your organization meet its goals? Unless your RFP can answer this question, its odds of winning the approval of your organization’s senior-level decision-makers are not as favorable as they could be. In making a case for acquisition, focus on the project details that most clearly demonstrate how digital signage will:

- Generate cost-savings/increase revenue
- Achieve new benchmarks
- Facilitate better experiences for both staff and customers/clientele
- Or some combination of these four.

Doing so will help put your RFP on the path to budget approval.



Issuing Requirements that Lack Differentiated Criteria

The inclusion of differentiated criteria better enables buyers to identify which bidding company can deliver the best results. From a vendor's perspective, this is an opportunity to document key differentiators. Let us show you what we mean.

A retailer seeking a digital signage provider requires that vendors offer a popular ultra-thin display. Their reasoning? They need to control the costs associated with retrofitting and installing the signage across their chain, which consists of 20-plus storefronts. In the first draft of the RFP, the buyer includes only a binary “yes or no” grading system. Does the vendor offer the ultra-thin display, or does it not?

However, it soon becomes apparent that this question is not sufficient. As one stakeholder points out, should five companies submit their proposals and all answer “yes,” additional questions will be necessary to glean any actionable insight.

The final RFP therefore requires vendors to provide evidence demonstrating the scale at which their company can supply, pack, ship, install, and provide ongoing customer support for its ultra-thin displays. This evidence may include references from past projects, testimonials from satisfied clients, and examples that can serve as proof of their capabilities.

In other words, the RFP now incorporates differentiated criteria. These criteria protect the buyer from unsubstantiated claims. However, they also obligate the buyer to perform its due diligence. The hiring organization must be prepared to grade the evidence on a continuum from weakest to strongest, as well as quantify their understanding of what defines best outcomes.

By assessing each differentiated criterion using a five-point scale then tallying the totals, the retailer in our example evaluates the final score for each vendor and is better able to conclude which one is the best candidate for partnership.



Unequal Comparisons

A luxury hotel has decided to implement a digital signage solution to augment its existing white-glove concierge services. Based on the input of many internal stakeholders, all of whom have different responsibilities and interact with the hotel's clientele in various capacities, the RFP is packed with dozens of specifications, features, and capabilities.

It's soon discovered that the sheer number of requirements makes it impossible to make "like for like" comparisons between competing proposals.

This, unfortunately, is a typical issue. Buyers all too often send out RFPs that feature an excess of criteria. This unnecessary complexity creates a situation in which priorities can become jumbled or unbalanced. Further, each new variable introduces new opportunities for error that can prevent contracting firms from making the right business decision.

Optimization is the key to creating an effective RFP. Although it may help to start by documenting an exhaustive wish list, the editing process should focus on identifying only the most essential requirements. If a feature or functionality is not a must-have, its inclusion can place an undue burden on vendors and ultimately inhibit the proper evaluation of what they can offer.

Remember: the goal of the RFP process is to guide buyers in selecting the best available solution. To achieve this goal, your decision-makers need to be able to sort the apples from the oranges.



Eliciting Too Many Responses

When soliciting proposals, buyers should understand that quantity does not equate with quality. Casting a wide net may be tempting, but canvassing only a select number of responses is the more advisable approach.

The goal of your RFP is not to survey the solutions vendor landscape to see “what’s out there.”

Rather, your RFP should articulate a specific need and elicit proposals that are relevant to that need. Ultimately, too many proposals hinder the decision process. Each proposal must be thoroughly reviewed and compared with the others in its pool. With a large number of responses, it becomes difficult for the cream to rise to the top. Consequently, the best partner can easily be overlooked or inadequately evaluated.

Hiring companies can position themselves for a successful search via targeting. Start with referrals. By seeking references, you can determine which suppliers are worthy of further investigation and which can be disregarded. Heuristic techniques such as educated guesses, intuitive judgments, and profiling can also help buyers narrow their lists of suppliers to a manageable field of prospective partners.



Taking the Lowball Offer

Price will naturally play a large role in any decision-making process. A digital signage project with a well-defined business objective is expected to deliver a meaningful ROI. Calculating that ROI depends on firm pricing. However, whether your organization has deep pockets or a slim margin to protect, price cannot be the chief determinant

of which prospective partner receives your business. While pricing should be competitive, outliers at the low end of the scale should be approached with caution. Why? Because a cut-rate quote is often a prime indicator that the vendor does not fully comprehend the project scope and requirements.

A well-constructed RFP is one that can capture value. That means buyers need to concentrate less on avoiding sticker shock and more on stretching their dollars. If a less expensive product or service fails to meet expectations, the opportunity costs can quickly add up. Estimated price ranges provide one set of safeguards and can sort out the figures that are too good to be true.

Ultimately, value is both a subjective and an objective phenomenon. Defining value is a matter of arriving at a complete understanding of what your organization wants and developing a method for quantifying those desires. With those numbers in place, assessing which bid will deliver the best return is transformed from a procedure into an expression of company culture. It's just another way in which your RFP process can bolster your organization's infrastructure.



Navigating the RFP Process

“Know thyself.” The words are Socrates’, and the wisdom they contain is ancient. Nevertheless, the lesson this simple expression teaches us still applies. To find the right business partner to complete a digital signage project, organizations must first look in the mirror and ask themselves who they are—and what they would like to become. Affirming (or reaffirming) this identity requires preparation, persistence, and rigor. A good match is the perfect reward for these efforts, as it can lead to a business relationship that endures for years to come.

As a single-source provider of digital signage with nearly two decades of industry experience, Creative Realities understands the finer points of both issuing RFPs and submitting proposals of our own. Let us know how we can help you navigate the process of selecting the best partner for your digital signage project.

Creative Realities provides strategy, content services, hardware, and media sales, all backed by our market-leading ReflectView™ software platform.