



EBOOK

RFP scoring

Best practices for vendor selection

Table of contents

1	Introduction
2	RFP scoring basics
3	RFP process overview and timing
4	Before you score
6	RFP scoring methodologies
8	Tools for efficient scoring
9	RFP scoring best practices
11	Next steps
12	Conclusion

Even among procurement professionals, RFP scoring isn't high on most people's list of favorite tasks.

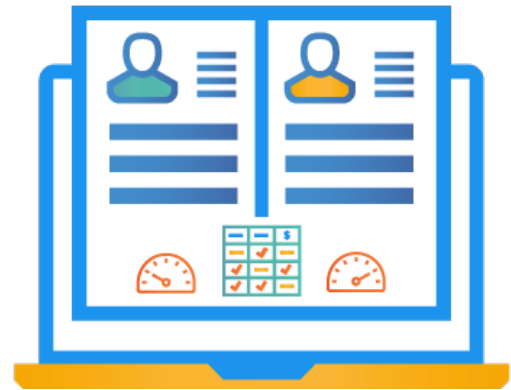
It's understandable, because the process is often complex, confusing and time consuming.

However, when it comes to finding the right vendor and minimizing risk for your business, careful and accurate proposal scoring is absolutely crucial.

Most people issue RFPs with the best of intentions. Indeed, one of the biggest advantages of the RFP process is the ability to make data-based, confident and objective decisions.

But, no matter how well written and thoughtful your RFP is, if your scoring process is inconsistent or unclear, can you really trust your results?

The importance of proper RFP scoring is clear, but how to get there may not be as obvious.



Luckily, this book explores everything you need to know to make your RFP scoring process efficient and effective.

What is RFP scoring?



Request for proposal (RFP) scoring, sometimes called proposal scoring, is the process of assigning numerical values to each answer provided in an RFP response.

As part of the proposal evaluation process, RFP scoring provides a data-based approach to support fair and unbiased vendor selection.

While most of this ebook will refer to RFPs, the principles discussed here can be applied to any RFX document. For instance, you can apply these best practices to any request for quotation, request for qualifications, request for information, request for offer and more.

The benefits of RFX scoring

Just as RFPs are a tool to help you collect information from vendors, RFP scoring is the way you quantify and evaluate that information. Using a thoughtful and consistent scoring strategy improves process efficiency and reduces the risk of selecting the wrong vendor — making it an essential part of any effective RFP process with many benefits.

Vendor comparisons

RFX responses provide a wealth of vendor information. Scoring enables you to create clear comparisons between those responses. Therefore, allowing you to more confidently select the right vendor.

Simplify complex answers

Scoring is particularly important in strategic sourcing which often involves questions that are open ended. Consequently, RFP scoring provides a way to summarize the quality of the response, no matter how long and complex.

Consistency in evaluation

Beyond making selection easier, it makes it more fair. By establishing a standardized scoring system, you ensure that each vendor is measured by the same ruler.

Reduced risk

When it comes to high-value, strategic purchases, RFP scoring can be the difference between success and failure. Using RFP scoring best practices enables you to document your decision process in the event an audit is needed.

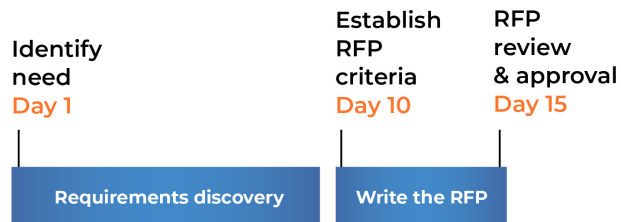
RFP process: Overview and timing

While we're focused on the scoring and evaluation, it's important to understand how it fits into the overall RFP process. Indeed, following best practices throughout the process has a significant impact on the success of RFP scoring.

RFP overview

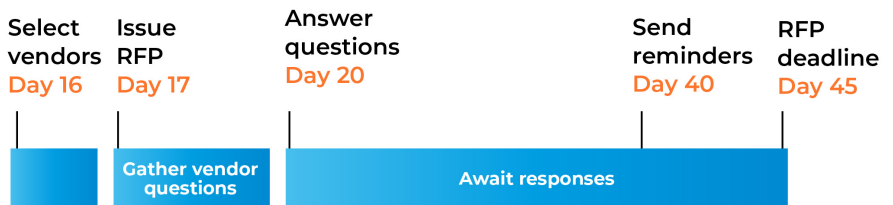
1. Creation

- Identify need
- Requirements discovery
- Establish RFP criteria
- Write the RFP
- RFP review and approval



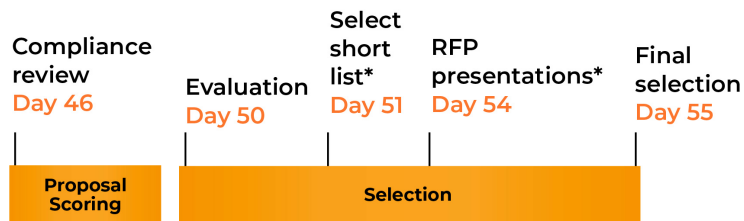
2. Administration

- Select vendors
- Issue RFP
- Gather vendor questions
- Answer questions
- Await responses
- Send reminders
- RFP deadline



3. Evaluation

- Compliance review
- Proposal scoring
- Evaluation
- Selection
- Select short list*
- RFP presentations*
- Final selection



*Optional steps

4. Finalization

- Award notification
- Negotiation
- Contract signing
- Rejection notification
- RFP debrief
- RFP closed



Before you score

Successful RFP scoring starts long before you issue an RFP or receive a single proposal. Indeed, the fate of the supplier selection process is determined during the creation and administration phases of the RFP process.

So, as you write your RFP, think about how you can make scoring as easy as possible for yourself.

Here are a few things to consider.



Define your priorities

Talking to stakeholders during RFP discovery research is an important part of the RFP process. Indeed, it has a big impact on scoring. During this step, you can identify and prioritize factors that will ultimately impact vendor selection. Your RFP should reflect the needs of your decision makers.

RFP evaluation is all about give and take. If you can get exactly what you want in one area, but must sacrifice in another, how does that impact a vendor's score? Your RFP criteria should communicate your priorities.

The best way to do that is to establish values for the most important sections of your RFP. Often, we see capabilities and experience most heavily weighted. Surprisingly, in most cases, price isn't the highest priority.



Ask the right questions

The key to efficient RFP scoring is asking the right questions. By using the high-priority RFP requirements that you've identified during your RFP discovery research, you can focus your questions on the things that matter most to your organization. This will also help you keep your RFP as brief as possible.



Thoughtfully phrase your questions

Scoring is much easier if you write your RFP questions with care. As you begin turning your list of RFP requirements into questions, phrase them in a way that gathers the information you need but is also easy to score.

For example, if you decide that 24-7 access to customer success by phone is a deal-breaker requirement, you could use a close-ended question like: 'Does your customer success team provide 24-7 support by phone?' This question has a yes or no format and will be easy to score.

On the other hand, 'What resources for customer success are available?' is an open-ended question that will be harder to score because it can be interpreted in a number of different ways.



Share your priorities in the RFP

While some buyers hesitate to share the details of their RFP scoring process with vendors, we don't see the down side. After all, the more a supplier knows about your needs, the more they can customize their response.

For instance, if integrations are only worth five percent of the total score, the vendor can provide simple answers rather than paragraphs of detail.

Vendors spend a great deal of time and energy creating proposals. Truly, they want to provide you compelling and relevant responses. However, they need to know what matters most to you.

Therefore, the more you can tell them about your needs and priorities, the better responses you'll get. Include your RFP evaluation criteria in the RFP as well as the weighting you plan to use.

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RFP scoring methodologies

There are two primary approaches to scoring proposals — simple scoring and weighted scoring. Both strategies have pros and cons.

Simple scoring

In this approach, each question is evaluated on a set scale, often from one to five. Evaluators assign the score based on the established scoring criteria.

Simple scoring response grading example:

Points	Answer quality
1 point	Noncompliant or bad answer
2 points	Minimally compliant or unimpressive answer
3 points	Partially compliant or acceptable answer
4 points	Mostly compliant or good answer
5 points	Fully compliant or perfect answer

+ Pros:

As the name suggests, simple scoring is fairly straightforward. For low-cost, low-impact projects or an RFP lite, you can save time using simple scoring. This approach is easy for scorers to understand and easy to implement.

■ Cons:

This scoring approach gives the same level of consideration to every question. For example, the question ‘Where is your company located?’ could earn the same number of points as ‘What are your key differentiators?’ Unfortunately, this can make an unsuitable vendor seem like the best match if used on the wrong project.

RFP weighted scoring

Weighted scoring is an approach to request for proposal evaluation that uses points and values to calculate the relative importance of various RFP criteria. For strategic sourcing RFPs, this scoring model enables a clearer picture of which vendor offers the best long-term value.

Like simple scoring, answers still receive a score of one to five. However, unlike simple scoring, this approach then applies a weight to the answer or RFP section giving it more or less value in the overall score.

Weighted scoring section value example:

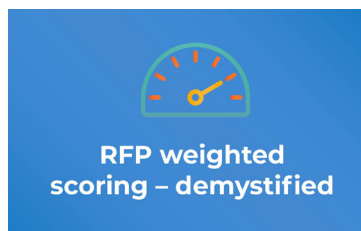
RFP section	Value in overall RFP score
Approach	10%
Experience	25%
Functionality	30%
Innovation	10%
Cost	25%

+ Pros:

You can fully customize the value of each question and section of the RFP. Consequently, sharing this information with your vendors enables them to dedicate more time and attention to the areas of the RFP that are most important to you.

■ Cons:

RFP weighted scoring is admittedly more complex than simple scoring. If done manually in spreadsheets, there is some risk of miscalculation. However, RFP management software automates this process, making it quick and easy.



For a how-to guide on weighted scoring, check out:
[RFP weighted scoring demystified.](#)

Tools for effective RFP scoring

Scoring rubric

Whether you have two evaluators or 10, they each bring their own unique perspective and experiences to proposal scoring. The variety of views is both an advantage and a potential roadblock to reaching a clear decision.

Having multiple scorers reduces the risk of missing important considerations. On the other hand, each scorer may interpret questions and answers differently. Consequently, some of the complexity of proposal evaluation comes from internal ambiguity around scoring expectations.

Before engaging scorers, ensure that you've set scoring expectations using an RFP scoring rubric. For those who rarely participate in the RFP process, this tool acts as a guide for scoring. Specifically, it outlines what types of responses warrant which scores. Use your RFP requirements to write examples of ideal answers or bullet points of considerations which would earn maximum points.



Vendor comparison matrix

When selecting a vendor, it can be difficult to visualize the differences between offers. A vendor comparison matrix is a grid-style tool used during the RFP evaluation process that provides a side-by-side view of vendor proposals. Typically, the matrix lists RFP evaluation criteria down the left hand side (y-axis) with prospective vendors listed across the top (x-axis). However, one of the big benefits of using a vendor matrix is its flexibility to adjust and meet your needs.

RFP technology

There's no getting around it, manual RFP scoring is time consuming. A recent [procurement study](#) revealed that 53 percent of procurement managers who use productivity apps like email, documents and spreadsheets to manage their process spend more than five hours on evaluation and scoring per project.

Fortunately, [RFP management software](#) (like RFP360) makes the process much faster. Built-in algorithms make it easy to invite individual scorers, inspect responses side by side and review visualizations of scores. This results in a more indicative overall score, giving you a shorter evaluation time, fewer opportunities for human error and clearer vendor comparisons.

When you have a high-stakes, high-value RFP, using RFP software for vendor selection can save you hours — and improve your confidence that you're making the right selection.



How to use a vendor comparison matrix

For more information and examples check out: [How to use a vendor comparison matrix.](#)

Proposal scoring best practices

To get accurate, unbiased and reliable results, it's important to follow RFP scoring best practices. These tips will help you ensure fairness, improve efficiency and reduce the time required to score proposals. Consequently, you can keep the cost of procurement as low as possible.

Keep it brief

When you think about what questions to include in your RFP, carefully consider your deal-breaker criteria. By focusing on the most important decision factors, you can keep the number of questions to a minimum.

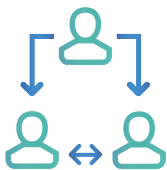


Limit the number of vendors

As you can imagine, managing RFP scoring in spreadsheets gets messy quickly. And, when it comes to complex strategic sourcing projects with more than three vendors, manual evaluation is time consuming — increasing the cost of procurement. If possible, limit your invited vendor shortlist to no more than six options.

Don't deviate from your RFP criteria

Once established, your RFP evaluation criteria should be the foundation and guide to your scoring process. Of course, things happen, so if you need to update your criteria, also make sure all vendors are aware. Avoid awarding extra points to vendors who offer services outside of scope.



Engage the right stakeholders

It's important to ask stakeholders to participate both in requirements gathering as well as scoring. However, carefully consider each participant because the larger the group, the more time will be required. When it's time to score proposals, assign evaluators to the sections and questions relevant to their expertise, rather than having them score the entire response.

Score the proposals individually

Even if you only assign stakeholders the sections relevant to them, there will be some overlap. In that case, ask stakeholders to provide their scores individually. In large groups, RFP evaluation tends to be heavily influenced by the loudest voices or strongest opinions.



Minimize bias

Ideally, using an RFP enables you to make data-based, objective decisions. With that goal in mind, it's important to limit unintentional bias in your vendor selection. So, it's best practice to anonymize your vendor responses. Indeed, this is particularly important if there's an incumbent or preferred vendor prior to issuing the RFP.

Discuss discrepancies

In RFP evaluation, disagreement is normal. Scorers interpret questions differently and score them based on their own understanding. As you review individual scores, watch for any major discrepancies in evaluator scores.

These differences may indicate a question that was unclear or misunderstood by the vendor or evaluator. Collaborate with the scorers to resolve the issue.

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Interpreting the results

Ideally, you'll end the scoring process with a clear winner. However, the highest score isn't always the right choice and your selection shouldn't be automatic. As you review scores, you may find that a second or third place vendor is a better fit for your needs.

Scenarios when the highest score doesn't win

The best option is over budget

If the vendor with the highest score is way too expensive, and another vendor provides services that meet the criteria for significantly less.

It's a tie

If two vendors have similar scores it may come down to responsiveness or company philosophy — factors that may not be reflected in the scoring.

A close call with the incumbent

If your incumbent vendor doesn't have the highest score but the difference is negligible, you must consider the cost of the switch. If it outweighs the projected savings, stick with the incumbent.

If you find yourself regularly selecting vendors that didn't have the best score, consider revisiting your selection criteria or section weights.

Of course, as with all RFP best practices and guidelines, it all depends on your needs. Each industry, organization and RFP is unique.

Possible outcomes: Decide, dig deeper or delay

Decide

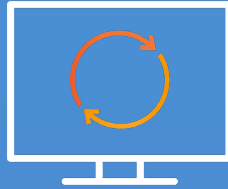
You select your vendor and send an award notification letter. Then, you proceed to negotiations and contracting. Once the contract is executed, send unselected vendors a proposal rejection letter and offer time for a debrief.

Dig deeper

If your decision isn't clear after scoring the RFP responses, you may need to issue additional questions or request RFP presentations. At this step, if you've narrowed your selection to a shortlist, be sure to let other vendors know. Don't leave them hanging if they've been removed from consideration.

Delay

While delaying isn't an ideal outcome, it's sometimes necessary to go back to the drawing board. If circumstances change or the RFP reveals some other need, communicate that with your vendors. It's important to maintain positive relationships, even if your project is on hold.



Conclusion

Ultimately, RFPs are designed to make vendor selection easier. Likewise, establishing an RFP scoring process simplifies your decision. Hopefully with this guide, you're ready to reap the benefits of successful RFP scoring — keeping stakeholders involved, improving vendor engagement and ensuring transparency.

To see how RFP360 can help your
RFP scoring, [request a demo.](#)

