



RESOURCE GUIDE: How to Create a Winning Business Intelligence RFP

CONTENTS

Learn What You Need.....	2
Phase 1: Discovery.....	3
Phase 2: Composition.....	5
Phase 3: Distribution.....	6
Phase 4: Making a Decision.....	7
Conclusion.....	7
About Dimensional Insight®.....	8

LEARN WHAT YOU NEED to consider during the RFP process so you select the right business intelligence solution that will drive insights and outcomes.

When it's time to put together a business intelligence RFP, it's not always clear where you should begin.

- ☑ **What are your requirements?**
- ☑ **Where in your organization will you be using business intelligence?**
- ☑ **Who are the decision-makers in your organization?**
- ☑ **What are your "must-have" features in a business intelligence solution?**

Knowing the answers to these (and other) questions will help the RFP process go much more smoothly.

With an average of 5.4 decision makers for each software purchase (Source: CEB), it's easy to have competing priorities and different ideas as to what's most important in a business intelligence solution. That's why when it comes to putting together your RFP, the more focused you and your team are, the more smoothly the process will go.

In this resource guide, **we'll examine what you need to consider when you are assembling your business intelligence RFP.** By focusing on the right areas, you can ensure that the business intelligence solution you purchase will be the one best able to help you meet your organizational goals and improve business outcomes.

PHASE 1: **DISCOVERY**

In the discovery phase, your job is to learn as much as you can—about both business intelligence in general and your specific needs. If you are successful at accomplishing these tasks, you have a much better shot of getting exactly what you want out of your business intelligence implementation.

Here are some specifics of what you need to know ⇨⇨⇨

RESEARCH THE “BEST OF BREED” PRODUCTS

It's important to know the different business intelligence vendors and products so that you can narrow the list to those that best suit your organization's needs. Look beyond just the big names, as their solutions aren't always ideal for your specifications. It's wise to seek out those solutions with high customer ratings, as these vendors are committed to customer success. Also look for any solutions that have a particular focus in your organization's vertical, as they will understand the nuances of your industry.

KNOW WHO THE KEY DECISION MAKERS ARE

It can be incredibly frustrating for you when you've gone through all the hard work of finding a business intelligence vendor, and just when you've found the one that meets your needs, you find out that someone else needs to weigh in as well. Add to that, that person has different priorities than you do. Determine at the outset who the decision makers are, and together determine your requirements. That way, you'll know where to focus your search at the outset and reduce the potential for delays down the road.

UNDERSTAND THE DIFFERENCE BETWEEN AN RFI AND AN RFP

An RFI is a request for information, while an RFP is a request for proposal. An RFI is a request to see if products meet certain specifications, and is less time intensive than an RFP is. If you're seeking out information from a broad range of vendors, consider sending out an RFI first to gather initial information, then send out an RFP once you've narrowed down your choices.

DETERMINE THE SCOPE OF THE PROJECT

Before you send out your RFP, it's best to figure out which departments and facilities are going to use business intelligence. Will you be using it just for finance? Or just for sales? Or will it be an enterprise-wide implementation? Define the problems you want to solve. Once you've defined them, you can naturally narrow down your choices of BI vendors to those that are the best fits.

PHASE 1: **DISCOVERY**

Resource:

The annual Wisdom of Crowds Business Intelligence Market Study provides detailed user ratings on BI vendors for easy comparison. Download the latest [Wisdom of Crowds report here](#).

BENCHMARK YOUR METRICS FOR BI IMPLEMENTATION SUCCESS

How are you planning to measure the success of your business intelligence implementation? Are there certain steps along the way that you are planning to measure progress? Determine these during the discovery phase so that you can craft your RFP questions to ensure that vendors are able to adhere to your requirements for success.

ASSESS YOUR EXISTING TECHNOLOGY RESOURCES

It's important to know what technology you have in place and how your business intelligence solution will fit into that. From which data sources will you be extracting information? Are you looking for an on-premises solution or a software-as-a-service (SaaS) solution? Do you need a mobile layer? Knowing the answers to these questions will help you figure out how business intelligence factors into your technology mix.

MAKE SURE YOU'RE COMMITTED

The discovery phase is a good time to gauge how committed your organization is to a business intelligence project, both from a time and resources perspective and from a budget perspective. Many BI projects get delayed before a vendor is ever selected, which is a drain on your time and on vendors' time. Make sure before you send out the RFP that your organization is committed to the investment in a business intelligence solution.

PHASE 2: COMPOSITION

Once you have done the early leg work, it's time to compose your RFP. There are several templates available on the web that you can use. These can provide a start, but it's important that you customize any RFP to your particular business needs. There are a few things that you need to keep in mind when composing your RFP.

*"You also need to make sure that you **understand exactly what you are asking for**. This is where organizations that rely on RFP templates can get into trouble."*

DETERMINE THE RFP FORMAT

There are a few different formats that you can use for your RFP. The first is the more traditional **"questionnaire style"** format. The benefits of this format are that you can ask questions that directly relate to what you are seeking in a business intelligence solution and can pinpoint the most important areas that any solution needs to address.

The second format is a **narrative style**, in which you give vendors the latitude to tell you what they think is most important in your BI implementation. By asking vendors to provide a lengthy response, you might be better able to see the positives and negatives of a solution since you will not have "canned" responses. You might also be able to get a better sense as to a vendor's "personality" and see what it finds most important in business intelligence. However, it can be hard with a narrative to get exactly what you need since a vendor's response might not squarely address what you are looking for.

The third format is a **hybrid RFP** that combines a questionnaire and narrative. With this format, you can get answers to specific requirements as well as gain the benefits of a narrative format.

DEVELOP THE RIGHT QUESTIONS

When you're figuring out the questions to ask, you need to **make sure you target the questions to your needs**. You also need to make sure that you understand exactly what you are asking for. This is where organizations that rely on RFP templates can get into trouble. It's okay to use a template for guidance, but ultimately, the questions need to address the specifics of your technology environment. If the questions are not tightly aligned to your needs, you'll find that you might spend more money down the road in implementation costs or the costs of a failed deployment. Spend the time upfront to properly assess your environment and what you are aiming to get out of your business intelligence deployment.

UNDERSTAND HOW YOU WILL ASSESS VENDORS

Once you have responses from vendors, how will you evaluate them? Will there be a single person assessing responses or a committee of people? Will you use a rating scale? Will you be asking for demos from vendors? If so, how many? What are your expectations? Again, putting the time in before the RFP responses are collected will save lots of time, effort, and money down the road.

PHASE 3: DISTRIBUTION

You've done your research and composed the right RFP. Now it's time to distribute it. But don't hit the "send" button quite yet—there are a few things you need to make sure of first.

TARGET SPECIFIC VENDORS

Many companies will send out an RFP to a broad array of business intelligence vendors without any rhyme or reason. What will you get in return if you take this approach? A whole bunch of irrelevant RFPs that you'll need to slog through. Save yourself a whole lot of time by targeting specific vendors that you believe will best be able to address your needs.

PROVIDE SUFFICIENT TIME FOR VENDORS TO RESPOND

It's natural to want the RFP back as quickly as possible so you can start to narrow down your selection. But it's better to provide vendors with an appropriate amount of time to respond to your questions. If you rush the process, you'll get rushed answers, not the thoughtful responses you're looking for. Ideally, plan to allow at least 4 weeks for vendors to send back the RFP. It will be worth the wait.

SET GENEROUS BUT FIRM TIMELINES

Beyond setting the due date for the RFP, make sure you also have clear timelines about the rest of the process. Use the time that vendors are filling out the RFP to make sure your resources are aligned with the review process. When would demos be required? How lengthy should they be? When are you planning to make a decision? Don't make your schedule too ambitious, otherwise the project is bound to be delayed.

PHASE 4: **MAKING A DECISION**

You have your RFP responses from vendors, you've winnowed down your choices, and you called in final candidates for demos. Now it's time to make a decision. Before selecting your vendor, make sure you do your due diligence.

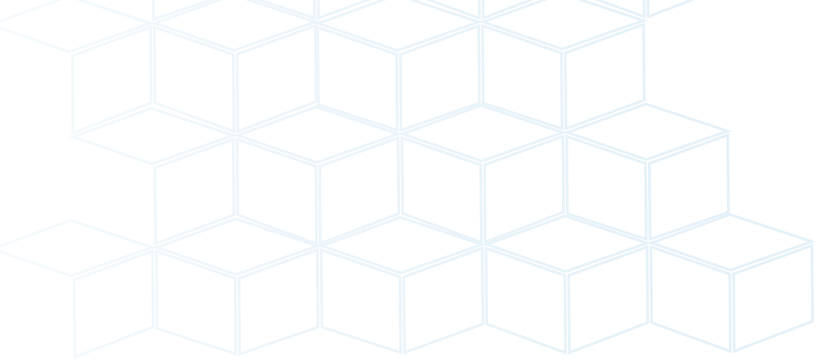
- Do you know exactly what resources will be tied up on your end?**
- Do you have a clear sense as to how implementation will go?**
- What information will the vendors need to kick off the BI project?**

Make sure you understand these up front. Consultants bill for their time, and neglecting to understand these points right now will lead to more money that your organization will end up being billed during the project.

CONCLUSION

Business intelligence can make a tremendous impact on your organization, enabling greater insights that can translate into increased revenue, improved operations, and better business outcomes.

However, the costs of a failed BI implementation are great. By putting time and thought into the RFP process, you can ensure that your organization buys the right business intelligence product for your needs, enabling you to get the results to improve your business.



ABOUT DIMENSIONAL INSIGHT

Dimensional Insight® is a leading provider of analytics, data management, and performance management solutions, offering a complete portfolio of capabilities ranging from data integration and modeling to sophisticated reporting, analytics, and dashboards. Founded in 1989, Dimensional Insight has thousands of customer organizations worldwide. Dimensional Insight consistently ranks as a top performing analytics organization by customers and industry analysts in its core market segments including healthcare, manufacturing, and beverage alcohol.

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