

Business Continuity Services Request for Proposal White Paper

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Executive Summary

Developing a Request for Proposal (RFP) for technology solutions is a well-accepted practice. It is a method for vendors to recommend enabling solutions that may give your company a competitive edge. On the other hand, preparing an RFP for consulting services often is considered unnecessary. This is not the case. Many companies look at bringing in consultants to help implement a Business Continuity Planning (BCP) program without really understanding what their end goals are. Preparing an RFP for consulting services will help you develop the proper scope and objectives, as well as choose the best consultant to do the work.

The table below shows the trend of using outside consultants to assist in the development and maintenance of a BCP program is increasing. The information in this table was taken from this year's survey of 531 companies relative to their business continuity planning program.

Survey Question	1999	1998
Percent of total BCP budget spent on external consultants	8.5%	6.5%
Have you used consulting firms in the last two years	24.3%	19.7%

When it comes to hiring a consultant, we all know it is very important that you feel comfortable with the consultants themselves who will lead the effort. These professionals from outside your organization are expected to obtain some information from you and develop processes and plans for you to maintain and use. If they can't develop these processes and plans in a manner that is compatible with the way you run your business, the project will be a failure. In other words, the priorities and procedures developed must be consistent with your existing "corporate culture". If not, the procedures won't be followed; or if they are, your business, and business relationships may suffer. For example, consider a company where the employee needs are very important in the decision making process. A BCP plan that calls for these employees to work long shifts for extended timeframes, or who are required to travel without consideration to family situations is probably not consistent with the corporate culture. When hiring consultants you're looking for individuals who will share your company's values. However, if they can capture your corporate culture, but don't have the necessary BCP skills, the end product may not be maintainable, testable, or executable. The RFP process will provide the structure necessary to base your decision on specific criteria so you don't fall into the trap of hiring a consulting firm solely because you felt comfortable with the project team.

The purpose of this white paper is to provide relevant information regarding RFPs for BCP consulting services, and also describe specific components to be included in your RFP. The following topics will be discussed:

- Major components of a professional services RFP
- Evaluation criteria

- Points for consideration
- Conclusions

Major components of a Professional Services RFP

This section contains a list of items to consider including in your RFP. Each item is described so you can determine the appropriateness for the type of engagement being planned. There is no point in asking for information in the RFP if it is not to be used in the decision making process. Therefore, for each item you should develop evaluation criteria for the responses.

RFP Instructions

RFP instructions should clearly state the requirements for responding to the RFP, and the rules to be followed during the RFP process.

Intent to Respond Notification: You want to know who intends to respond to the RFP. Otherwise, you may be waiting until the due date to know if anyone is responding to the RFP. If nobody responds, you've wasted time. Also, if nobody is planning to respond, perhaps the RFP is deficient in some respect.

Time Requirements: You need to impose specific deadlines for reporting in fairness to all parties involved.

Response Format: To aid in the dissemination of responses, a format for required information should be specified. In some cases, a formal quotation sheet is provided for responses.

Pricing: The two common fee structures are: fixed fee, and time and material. Governmental agencies often cannot commit funds to later fiscal years. If your organization requires specific terms in contracts, these terms should be specified.

Vendor Questions: A contact person should be provided to answer any RFP related questions. In some cases a formal question and answer session is conducted for all invited vendors. This way everyone hears the same information.

Other Information: The instruction section of the RFP should also include any other administrative type issues associated with the proposal process (e.g. number of copies, etc.). An oral presentation of the proposal is usually required. If not required, indicate if it would be an option available to bidders. It is recommended that the key individuals in the delivery be present during the oral presentation.

Introduction

Background Information: Include information about how this project came to be, the history of BCP within your organization, and planned initiatives for the future that have a bearing on BCP.

Corporate Overview: Basic information about your company, its mission, and important value statements.

Reason for RFP: Reason for looking to the outside for help in completing the project.

Scope of Services: Information regarding the lines of business and locations to be included in the project.

Objectives: Goals and project expectations. Indicate the key criteria for a successful project.

Requirements

Project Scope and Objectives: This section is a further description of the scope and objectives included in the introduction. Information should be detailed sufficiently for the bidding firm to explain their proposed project approach and timeline. Information should include where in the BCP life cycle the project is starting from and where it is ending. This is especially important if you currently have a partial program in place and are looking for

assistance in one or more specific areas (e.g. assessment, strategy development, plan implementation, testing, quality assurance, etc.)

Technical Specifications: If deliverables need to be submitted in a specific format, or based on established IT standards and applications, they would be listed in this section of the RFP.

Key Business Data: Lines of business to be included in the scope of services, size, configuration, and location of remote locations. Include your project resource availability and assumptions; project management status reporting and escalation procedures. A key item within the requirements is the acceptance of deliverables procedures.

Bidders should be expected to describe their project approach, deliverables, and timeline in sufficient detail for you to understand the major tasks, and relative effort involved by both your resources and the consultants.

Qualifications

Bidding Organization Information: Basic information including the firm’s name, address, and qualifications for performing the proposed work.

References: References are very important. You know nobody is going to submit a reference that will say bad things about their firm. When asking for references, you should ask for a general description of the scope of the project, and value achieved by the company. It’s OK to receive references for the individuals on the project team, while they worked for other organizations. After all, it is the consultants who are doing the work; it is their experience you care about. The rest is just applying the firm’s methodology, tools, and resources.

In checking references some of the important questions to consider are:

- Were they satisfied with the work
- Was it completed on time
- Was there significant scope creep over the course of the engagement
- Was the firm responsive to their needs

Evaluation Criteria

Evaluation criteria are a means for you to compare each proposal received in response to your RFP. You should establish a scoring system for each section of the RFP. It can be as simple as having a scale of one to three. In addition to scoring the consultants for the response to each section of your RFP, you should weigh the importance of

each item in your overall decision process. These evaluation criteria will help to cut through the “fluff” that every consulting firm is going to include.

The table below is a sample form for evaluating each of the bidders. This is not a comprehensive table, it is only meant to show the reader how to assess the importance of each of the sections of the proposal.

Evaluation Criteria		Vendor 1	Vendor 2	Vendor 3
SCOPE AND OBJECTIVES	50			
Encompasses scope and objectives	20			
Methodology	5			
Recommended approach	15			
Timeframe	5			
Internal Resources	5			
QUALIFICATIONS	35			
Relevant experience	25			
References	5			
Oral presentation	5			
PRICE	15			
Professional fees	12			
Other costs	3			
TOTAL POINTS	100			
RELATIVE RANKING				

A suggested approach would be to first determine the relative weighting between the proposal categories (scope and objectives, qualifications, etc.). Then within each category, assign points to the individual items.

Points for Consideration

You should consider the points raised in this section while developing your RFP. Be aware of the issues raised in this section when you’re developing your RFP and evaluating proposals. This awareness will help you phrase your questions and evaluate responses.

In addition to a compatible project team, there are several very important skills needed to maximize the value of consultants. The skills necessary for a successful project will vary widely depending on the scope of the project. The following is a list of major steps to implementing a BCP program:

- Business Impact Assessment
- Resource Requirements

Availability and Recoverability Strategies

- Plan Development
- Maintenance and Change Control
- Exercise Support

An expertise needed to implement a disaster recovery program for information technology solutions is very different than

the business process knowledge necessary to perform a Business Impact Assessment. If a project encompasses all of these steps, a larger consulting firm with a breadth of expertise would be needed. Smaller firms could perform the full range of services if they partnered with other organizations to do the work.

Staffing could also be an issue. The best-suited individuals may not be available when you want to begin the project. If the bidding firm cannot commit to a specific project team, you should insist on resumes for everyone who might be part of the project. If a bidder submits a “sample” of personnel resumes, you should challenge them to be more specific. When you are buying services, you are really buying both the firm and the specific project team. A reputable firm will ensure you are satisfied with the results and the work meets firm quality standards. However if staff needs to be changed, and work redone, nobody is happy. The depth of knowledge on a project is really the individual consultants’. They will be developing solutions and carrying out the work in the manner proposed. You are taking a major risk if you don’t at least get a commitment for the project manager and other important resources with specific expertise that is required.

Project management skill is a critical expertise needed, especially for a project involving multiple business units, in multiple locations. Project management skills need to be able to track a large project, and escalate problem and scoping issues to management ASAP. It would be very unusual if there were no major surprising to the level of effort or the extent of interdependencies involved in a BCP project.

Considerations When Assessing a Consulting Firms Qualifications

- What is the consultant’s track record when it comes to completing projects on time, and within budget?
- Does the firm have adequate depth of resources in the event a project team member must be replaced?

Conclusion

A good RFP will save you and your company time and money in the long run. Understanding your own requirements to the point of developing an RFP will keep you focused during the project. The consultant will have less work to do in the beginning documenting the company and requirements information that have already been provided in the RFP. The chance of

success is far greater if you select the consultant that scores better based on the criteria you established as most important to you.

One of the scariest situations for most organizations working with consultants is “scope creep”. Scope creep should not happen with a well-defined RFP. There may be a conscious change in the scope and objectives based on new information, but this is not the same as scope creep. Scope creep is when the consultant claims the understanding (RFP and resulting contract) were incorrect. The original scope and objectives can be successfully completed if a change is not included in the work. However, scope creeps usually means the project cannot be completed without making changes to the contract.

A BCP strategy or plan development project won't be successful if it's not:

- √ Maintainable
- √ Testable
- √ Executable

One of your problems may be, however, that the project deliverables do not appropriately meet your needs. A bad plan may not be evident until you try to test it and maintain it. It is possible that the recovery strategy you based your plan on is not viable. In many cases a bad plan, or

plan that is not current, is worse than no plan. You certainly do not want to spend your money and time for a BCP plan that won't adequately restore your business processing.

The way to a successful project is:

- Have a clear idea of what needs to be done
- Understand your criteria for a successful project
- Engage a consultant that has a proven record with the type of work to be done and the project management skills to do it

If the engagement is for the development of availability or recoverability requirements (Business Impact Assessment or a recovery alternative analysis), you may not want to engage a consultant that has a bias to a particular solution. This might be the situation when the consultant is associated with actual BCP products. A consultant may tell you they'll be objective. However, any consultant that doesn't believe his firm provides the best solutions probably shouldn't be working for that company. On the other hand, the company is probably more apt to develop a custom solution if they have a more in depth knowledge of your specific requirements. The point here is, if you engage a consultant to help identify your BCP needs, make sure the requirements are not unnecessarily biased to their products.

An RFP is an effective tool, even if you do not intend to seek competitive bids. Some reasons you may not go to bid are:

- You have a business relationship with a qualified consulting firm or vendor
- The dollar value does not warrant a formal bidding process

For the reasons mentioned in this article, I recommend going through the steps for preparing an RFP even if you do not solicit bids. If you do you'll have a more successful project. An RFP process is no different that the project planning exercise you go through to plan and justify internal projects.

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