

Title: Vendor Evaluation: Three Years of Lessons

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Summary:

ES Research Group has been helping end-users evaluate and select sales performance improvement methods and technologies. This ESR/Insight™ brief summarizes our findings.

Commentary:

The RFP Process

The first step in the vendor selection is to objectively and comprehensively assess your situation and define your requirements. You can read more about the requirements definition process in [Understanding, Defining and Meeting Your Sales Training Requirements](#).

The main challenge is that most organizations do little or nothing with respect to requirements definition at all, relying on word-of-mouth recommendations from business associates and sales personnel regarding performance improvement vendors. Many other companies solicit input from training vendors with respect to their requirements. (In general, this is a big mistake. Although some training vendors are capable of an unbiased assessment of a prospective client's challenges and opportunities, most often the vendors are predisposed to finding issues for which they have existing solutions.)

The key areas of requirements are:

- **Methodology:** Do you have a well-defined sales methodology? If not, then building one (or buying one), implementing it, training your staff in the process and supporting it with tools are crucial requirements.
- **Basic Skills:** Is your team made up of experienced sales people? Do they have the basic listening and questioning skills, presentation skills, product knowledge, lead qualification, etc?
- **Advanced Skills:** Do your sales people know how to call at the right level in the organization? Can they speak the language of the executives upon whom they are calling? Can they construct a value proposition specifically to the client or customer?
- **Reinforcement:** How are you going to assure that the processes you put in place and the skills you teach are going to be put into practice?
 - **Skill Drills:** Methods to drill sales personnel in best practices
 - **Testing:** Methods to capture what has been retained and what needs to be further reinforced

Notes

Core Issue

What tools and methods will improve sales performance?

Additional Reading

Just before this ESR/Insight™ brief went to press, *The Memory Master*, an article, appeared in Issue 16.05 (May 2008) of **Wired Magazine** citing some of the same empirical data on learning retention that we have cited in preparing this brief.

- **Analysis:** Methods to determine additional skills that need to be coached or learned
- **Measurement:** How are you going to objectively measure the results? It is rare that a single intervention, without modification, yields the projected results. Do you have some measures of current performance? Do you have trends over time (last 4 quarters, 8 quarters)? Do you have an established goal or target for each of those measures?
 - **Target:** What do you want to achieve?
 - **Rate of Change:** How fast do you want to achieve it?
- **Coaching:** Do you have a process in place to inspect what sales personnel are doing? Do you have guidelines for how to change their behavior? Do you have performance standards for each step of your methodology?
- **Tools:** What tools will be employed to teach, reinforce, coach and measure the sales team and their management?
- **Geography & Deployment:** How will your intervention be deployed? Can you bring your sales force together? Can you train them regionally?

Once you have established your requirements, you can put them in writing in the form of an RFP. Vendors will convince you that you don't need an RFP. We strongly believe you do.

The Role of the Vendor

One problem with RFPs is that many organizations base their requirements on either a past intervention, or develop the requirements under the influence of a particular vendor.

To achieve maximum performance and the optimum solution, it is important to leave the vendor(s) out of the requirements process. Many vendors will not reply to an RFP. Most, especially training vendors, feel that RFPs were "wired" for a particular vendor.

To gain maximum participation among invited vendors it is important to state that you have independently developed the RFP without vendor participation and that all vendors have an equal chance to participate.

Vendor Briefings

Once you have identified the "long list," of vendors for distribution of your RFP and selected your "short list," from the responses, it is important to interview the vendors. What seems to work best is:

- Schedule a one- to three-day period 30 to 60 days out where your evaluation team will meet with vendors.
- Invite the vendor(s) to make a 45- to 90-minute presentation and take 15 minutes of Q & A.
- Schedule at least 45 minutes between vendor presentations (15 minutes for over-run on the Q&A and 30 minutes for discussion)

Your key objectives in the briefings are to see how well the selected vendors present to you based on the RFP to which they replied. Key questions to address after each presentation are:

- Did the vendor map the presentation to the RFP?
- Did the vendor address each of the key requirements?
 - Methodology
 - Basic and Advanced Skills
 - Reinforcement
 - Measurement
 - Coaching
 - Tools
 - Geography
 - Technology support

- Can the vendor tailor the methodology and programs to your specific business?
 - Do they have a formal process for customization?
 - Is this an extra fee?

Challenge the vendors. Seek clarification on any points. Notice who attends. Most sales training companies are small, if your deal is \$25K or more, a key player should be involved.

The Selection Process

The optimal selection process is to have a team of 3 to 8 people who review the RFPs, attend the vendor briefings and score the vendors on a weighted score basis (see the attached [Vendor Scoring Spreadsheet](#)).

On the spreadsheet:

- **RFP Category** is the line item for your evaluation
- **Weight** is the relative importance of this category vs. all other categories. The higher the weight, the more important. For example a weight of 10 means it's 10 times as important as something weighted 1. You set your weights one-time.
- **Raw Score** is the score some scale (you pick the scale) such as 1 to 5 or 1 to 10 where higher is better. Each column under Raw Score represents a different vendor's score.
- **Weighted Score** is simply the raw score times the weight.
- **Total Score** under the Weighted Score columns gives you the final score for each vendor.

Note – everything under the Weighted Score heading is computed. Even the vendor names (automatically copied from the Raw Score columns).

We suggest that, during each briefing, the participants rate the vendors (you may select a subset of key categories). Aggregate the scores of the participants in the evaluation.

An Alternative Process

Sometimes it is difficult to rank a series of vendors when you're seeing their presentations sequentially. In this case, rank your first vendor as you feel is correct. Rank each vendor against the prior rated vendor. Is this vendor Higher or Lower than the prior vendor for this category than the vendor I just reviewed? After all vendors have been reviewed on the first pass, do this again. Re-rank vendors in each category until you don't make ANY changes on one pass. This is called the "bubble sort" process. The highest ranked vendor "bubbles" to the top.

Common Mistakes

There are several common mistakes made in the evaluation process:

- **Biasing the requirements** based on input from vendor(s) rather than exclusively basing the input on your own sales team, management, or independent consultant(s) who have no vested interest in the outcome.
- **Not trusting the numbers.** In the evaluation process, if your team members are scoring vendors, trust the numbers. If someone says "I just don't understand why Vendor C is so low ..." this can have unintended consequences, like swaying other people's opinions. When in doubt, as a group, review each SCORE for that vendor and adjust vis-à-vis the other vendors as appropriate.

- **Not including the right mix of evaluators.** Your evaluation team should include corporate training (if you have it), sales managers and sales personnel. Each perspective is important.
- **Limiting your final solution to one vendor.** It may well be that you have one vendor that can supply 99% of your needs, but another (perhaps smaller) vendor has some skill set on which it trains, which is important. Design your solution to include both.

To the Point:

An organized evaluation of vendors is important, and often overlooked. There is a much higher probability of achieving your goals by following a process of Requirements > RFP Delivery > Vendor Interview > Final Selection

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