

Transforming RfP Management in IT Consulting



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Executive Summary

Answering Requests for Proposals (RfPs) is a labor-intensive process for IT Services and Consulting firms. Though there are now several RfP automation solutions that utilize Large Language Models (LLMs) like ChatGPT these tools fall short when it comes to industry specific requirements. IT Services and Consulting is all about skills, experience, and capacities. This is reflected both in tender requirements and in the information needed to respond to them. In this whitepaper we show how AI language processing can be combined with Skills Management and Professional Services Automation (PSA) to achieve end-to-end RfP automation for IT Services and Consulting.

1. Introduction

RfPs, especially in government contracts, present challenges due to extensive tender documents, strict deadlines, formal requirements, and the large number of published requests.

By law, public sector RfPs must be transparent and allow an objective comparison of proposals. This results in formalized, detailed requirements which aim at calculating a score for each proposal.

It gets complicated when it comes to characteristics that are hard to quantify, like consultants' expertise and past performance. The burden is passed on to the vendor by defining complex evaluation schemas, often related to project experience.

When submitting a proposal, the vendor commits to delivering the proposed services. With limited resources and the risk of missing out on more attractive projects he needs to decide which RfPs he wants to bid on.

The RfP response process can be broken down as follows:

1. Find and qualify RfPs
2. Bid or no-bid
3. Compile information and create proposal

2. Find and qualify RfPs



Public sector tenders are published on various web portals. There are several commercial services that gather RfPs from different sources. In addition, public services like sam.gov in the US or ted.europa.eu in the EU provide a single source for most public tenders. Both provide APIs which make them accessible for third-party applications.

Finding relevant RfPs is mostly a matter of searching and filtering web sources. There are no specific challenges for IT Services and Consulting here, except for integrating the results into the follow-on process.

Identified relevant RfPs must be qualified for a bid / no-bid decision.

We distinguish formal and subject-specific RfP requirements. Formal requirements include contract terms, regulatory requirements, etc. Answering them can be readily automated using LLMs. This is a standard use case for generic RfP automation tools. Subject-specific requirements are about technologies, products, skills and capacities needed to deliver the requested solutions or services. For the vendor the first question to answer is: Will we be able to deliver this in the requested timeframe with an attractive profit margin and an acceptable risk?

For large RfPs another question arises: Who could work on the proposal?

Answering these questions requires information on employees' skills, project experience, capacities, and availabilities. Maintaining this data is a challenge of its own and beyond the scope of generic RfP automation tools.

In a typical setup capacities and availabilities are in the PSA tool or some Excel sheet. Skills are also in Excel, or in the HR application, and project experience is in a collection of Word resumes. Distributed data that is not fit to purpose is the main reason why qualifying RfPs for IT Services is time consuming.

3. Bid or No-bid

Once the RfP is qualified, management needs to decide whether to bid on it or not. The assessment results are transformed into management-friendly PowerPoint presentation, preferably a set of red-amber-green indicators. Since IT Services and Consulting operate under the constraints of the available skills and capacities, the decision is non-local. It needs to consider utilization forecasts and conflicting project schedules. This information must be factored into the presentation. Transforming information into a presentation is a typical use case for generative AI. For seamless automation this requires access to the required data and integration into the RfP process.

4. Compile information and create proposals

After the bid-decision the real work starts. The bid team must gather all the information to answer the RfP, fill out various templates and craft the proposal. A lot of this can be automated using standard LLM techniques; especially questionnaires on formal requirements and capability sheets for solution based RfPs. Generating text to describe your process model or other common proposal sections is also a standard generative AI task.

Answering questions that require aggregations and calculations on large data sets is much more challenging. LLMs and semantic search technologies are not sufficient here and need to be combined with other techniques.

Typical examples are questions about the vendor's delivery capabilities for defined requirements profiles. E.g. "Number of certified Project Managers (PMI/PMP, PRINCE2 or comparable certifications) with at least five years of project management experience in the utilities industry." (Compared to what we see in public sector RfPs this is a simple example.)

To answer this question, we need to identify all employees that have a project management certification and managed projects in the utilities industry; then calculate their project experience from these projects and check if it is at least five years.

- We need up-to-date data on employees' certifications and project histories, including information on applied skills.
- A combination of hard filtering (certified project managers) and fuzzy search (PMI/PMP, PRINCE2 or comparable) is needed.
- Calculations and aggregations on large data sets must be done based on free text instructions.

The manual approach for compiling this information includes reviewing a lot of resumes and building a spreadsheet with extracted data and calculations.

To prove their answers vendors include resumes and project references in the RfP response. And they customize them to ensure the reader can easily validate the requirements.

Proposals typically include a high-level project plan. Since PSA or project management tools don't generate nice presentations for proposals, presales consultants end up drawing project plans in PowerPoint.

The bottom line is that proposal creation involves a lot of manual effort and a lot of copy & paste.

5. Conclusion

In IT Services and Consulting responding to RfPs requires processing of company and domain-specific data that goes beyond searching and summarizing information. Language models such as OpenAI / ChatGPT are not sufficient to automate these tasks. Consultants' expertise and capacities are the defining factors in this industry. RfP automation solutions must not only have access to resumes and schedules but be capable of analyzing, aggregating and presenting this information. This requires an industry-specific solution that combines Professional Services Automation (PSA) with Skills Management and AI proposal automation. The advent of generative AI and LLMs made it possible to process natural language input and generate text output. To bridge the gap in between, a combination of different techniques, industry understanding and an intuitive user interface that keeps humans in the loop are required.

Data Assessment Solutions has been developing solutions for IT Services and Consulting for over 15 years. The focus of our PSA platform decídalo is on Skills and Resource Management. For our customers decídalo has always been the central source of information for answering RfPs. However, before the availability of LLMs like OpenAI significant manual effort was needed to translate text-based requests into structured skills and resource requirements.

To take advantage of technological advances, especially LLMs, we started re-implementing decídalo from scratch in 2022. What we achieved is true end-to-end automation for answering RfPs. But with a clear industry focus. For the reasons described above, RfP automation for IT Services and Consulting requires integration into PSA and skills management. In decídalo RfP automation as an integral part of Professional Services Automation.



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