

Guide to Writing an eCommerce RFP

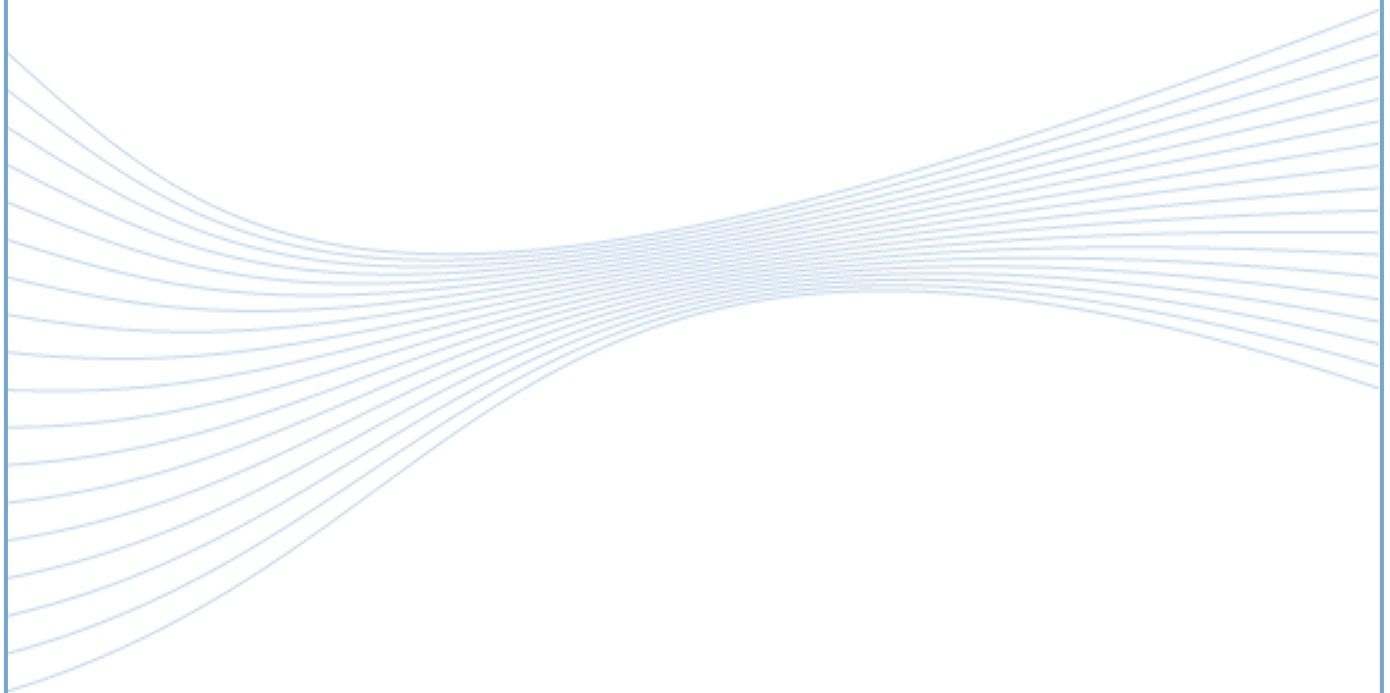


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Introduction

The Request for Proposals (RFP) is intended to help buyers make the best purchase decision as efficiently as possible by collecting all the information they require from all prospective vendors. It is the buyer's opportunity to compare multiple vendors' responses to a set of specific questions in a consistent format rather than relying on the disparate information and formats typically provided by marketing materials.

Planning and writing the RFP is also a natural time to think through your business, evaluate your strategy and opportunities and determine what you require of your platform in order to succeed and grow online.

This paper presents a high-level process for evaluating your business, determining your requirements and writing an ecommerce RFP. It concludes with a sample RFP outline and template. Given the importance of your decision to your business, we recommend you take the time to write a good and thorough RFP.

Step 1: Think through your business and what will be required of your ecommerce platform

Before sitting down to write the RFP, take the time to understand and document your business in as much detail as possible to determine at a high level how the proposed system will fit and what it will have to provide. If you haven't already done this when planning your online store, it is probably a good exercise even if you're not issuing an RFP! Questions include:

- How will new shoppers come to my store?
 - Natural search
 - Paid search
 - Email campaigns
 - Shopping engines (price comparison engines)
 - Online marketplace
 - Affiliates
 - Social media marketing (e.g. widgets on social networking sites)
 - Direct type-in traffic
 - Offline marketing programs

- Why will new shoppers buy from my online store? What will differentiate my store from competitors?
 - Unique products not available elsewhere
 - Price advantage versus other sites & stores
 - Easier/faster/more enjoyable/better informed shopping experience (navigation, search, product reviews & recommendations etc.)
 - Superior post-sale support
 - Friends' recommendations

- Why will existing in-store customers make their first online purchase?
 - Products only available online
 - Price advantage versus in-store

- Greater selection versus in-store
- More informed shopping experience – product reviews, recommendations etc.
- More convenient – less time & effort, know availability in advance etc.
- Friends' recommendations

- How will I address different market segments, geographies, product categories or brands?
 - All products in one language in a single store
 - Single store supporting multiple languages and/or currencies
 - Multiple stores
 - Geography-specific
 - Brand-specific
 - Category-specific
 - Customer/segment-specific

- What offline customer interactions are expected?
 - Telephone orders (from catalogs, fliers, in-store browsing etc.)
 - Changes to pending orders
 - Returns, exchanges and refunds
 - Repeat purchases (recurring orders, automatic or manual)

- Why will customers make repeat purchases?
 - Loyalty program (how will it work?)
 - Trusted shopping advisor
 - Strong product support
 - Positive returns experience
 - Follow-up marketing & promotions
 - Convenience

Step 2: Determine the fundamental technical requirements (“table stakes”)

Before writing the RFP, take time to determine the "table stakes" – the absolute requirements for a product to even be considered. This does not yet refer to specific functions but rather to general attributes such as underlying technologies and platform support. In most cases, these will be determined by the technologies you already use, the skills you have available and perhaps your general “philosophical” stance. Vendors that do not meet these requirements should not even be invited to respond to your RFP because their responses will merely complicate your process and waste both your time and theirs. However, if you discover that your table stakes eliminate promising options, you may decide to reconsider your approach and what you are willing to work with.

For example, if your IT staff is skilled only in Java and you will consider only Java platforms, vendors of PHP or .Net platforms should not even receive your RFP. Basic attributes such as platform technology, infrastructure support (e.g. Windows, Linux, Oracle, MySQL, Apache etc.) and delivery options (e.g. licensed product or software-as-a-service) are easily determined by talking to prospective vendors before the RFP is issued. If not, ensure such requirements are very clear in the RFP with phrases like "the system must" or "the system will;" vendors will likely either call to verify or simply not respond.

This is also a good time to decide whether you want an all-in-one solution (all functionality in one product) or if you are willing to integrate with third-party products and services for specific functions. The trade-off is typically cost and/or complexity versus capability and your decision may be determined by the stage of your business and your available resources. Small retailers or those just starting out may want an all-in-one to minimize cost or complexity; larger retailers typically recognize that no product can be the best at everything and are willing to work with specialists to get the best capabilities. Again, if you insist that the platform provide specific functions out-of-the-box (versus through integration), either ask the vendor about them before issuing the RFP or make your all-in-one stance clear up-front in the RFP.

Finally, if you already have systems in place that will have to be integrated with the new platform (e.g. order management, CRM), tell the vendors about the systems and ask about integration; if you use home-grown or obscure systems, you will likely have to provide integration details.

Step 3: Translate your high-level requirements into specific functional requirements

With the answers to the Step 1 questions in hand, you are prepared to determine what specific capabilities your ecommerce platform must provide. These are best grouped by functional area (e.g. merchandising, customer support) and written by the manager or most knowledgeable user in that area.

Although you should plan for anticipated growth and future requirements, try to be realistic about your needs. It may be tempting to request every imaginable feature, but you may end up paying for things you never use. Furthermore, every feature can bloat the product, making it more difficult for both users and development staff to work with, increasing training needs and possibly discouraging or preventing your staff from making changes. Finally, insisting on features that you won't use may eliminate products that do a better job on the important things that you will actually use.

Describing your Requirements

There are two general approaches to soliciting functional information; you may use either one or a combination of both:

- You can list all the required functions and the specific requirements of each function; this may be best if you are knowledgeable and know exactly what you want. For example:
 - Search Engine Optimization
 - Clean URLs with no session ID or stopper characters
 - Full control over page title tags
 - Full control over page description and meta-description tags
 - Site map
 - Customer Support
 - Customer service reps (CSRs) can create orders on behalf of customers
 - New orders can be created for both new and existing customers
 - CSRs can change existing orders (items, payment details or shipping details)
 - CSRs can process returns, exchanges and refunds, both with and without physical merchandise return
 - CSRs can perform all tasks without seeing or requiring any sensitive customer information (e.g. passwords, credit card numbers)
 - All order updates (including time and CSR) are logged to a secure database or log file

This approach has the obvious advantage that you can specify precisely the functions you want to know about. However, such a list may also discourage or prevent vendors from mentioning related capabilities of which you are unaware or different (possibly better) ways to accomplish the same goals; of course, some vendors will infer your goals and explain how they can be accomplished.

- Alternatively, you can describe the tasks you anticipate performing or the experiences you want your customers to have at a high level and let the vendors explain how their products support those “use cases.” For example:
 - **Search Engine Optimization:** Explain how your platform provides strong natural search rankings. Which aspects are generated automatically, which are controlled manually and which can be generated automatically but offer manual override control?
 - **Customer Support:** Customer service representatives must be able to create and modify orders (including returns, exchanges and refunds) for new and existing customers. All such operations must be secure and all changes to orders must be recorded to prevent fraud and for potential dispute resolution.

This gives vendors more flexibility to explain how their products may meet or exceed your needs, perhaps offering capabilities with which you are not familiar. However, vendors may also use this flexibility to oversell their capabilities.

Presenting your Requirements in the RFP

As with everything else, there are several ways to present your requirements; below are three examples depicting a combination of different ways to describe and present requirements:

Option #1: Open-ended responses to use cases in paragraph format

<p>Customer Support</p> <ol style="list-style-type: none">1. Customer contacts the call center to purchase an item seen in a catalog. CSR must handle the call without compromising security (credit card or password info). Customer may or may not be registered with the online store. 2. Customer contacts the call center wishing to return an item for either exchange (if another color is available) or refund. CSR must handle the call, potentially tracking a merchandise return and/or issuing a refund to the customer's credit card. Operations should be logged to resolve potential dispute.
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Option #2: Yes/No with open-ended comments or description in table format

Area / Question	Yes/No	Vendor Comments/Explanation/Details
Customer Support		
CSRs can create and modify orders (including returns, exchanges and refunds). All such operations must be secure and all changes to orders must be recorded		

Option #3: Out-of-the-box, customization or integration with comments, in table format

If you use this format, try to define minor and major customization (e.g. developer days, cost etc.).

	Yes	Minor Custom'n	Major Custom'n	Partner Integration	Vendor Comments
Customer Support					
CSRs create orders for customers					
Modify existing orders					
Process returns & exchanges					
Process refunds & generate credit card authorization					
Security – CSRs so no personal info					
Security – all order changes logged					

Determining and Communicating Priorities

When outlining your requirements, assign relative priorities to the various areas or functions and plan to communicate these to the vendors; this will help the vendors address your top concerns adequately. Typically, your key pains or issues – your reasons for seeking a new platform in the first place – are the highest priority, followed by functions required for future growth initiatives and then other functions that you've always thought would be "nice to have." When writing the RFP, there are several ways to indicate your priorities:

- Present the requirements in priority order
- Group the requirements logically but indicate priority with a number or other indicator
- Present your overall ecommerce project in phases, with the first phase addressing the key requirements or most pressing problems (often the reasons for the project) and subsequent phases delivering initiatives for future growth or enhancements. This is especially important if your RFP requires the vendors to plan or perform the implementation.

Step 4: Decide what else you want to know about your prospective vendor

Although the RFP is typically focused on the product, remember that you can request company information that you feel will help you make the best purchase decision. Although you probably won't be interested in all the details (and some might be confidential), the RFP is your opportunity to ask about:

- Licensing terms and conditions
- What support options are offered
- What professional services the company offers
- What verticals the vendor specializes in
- Whether the product is developed entirely in-house or with outsourced resources
- Whether the platform is used by vendors in your vertical or of a similar size
- The company's vision and plans for both itself and its product

Step 5: Decide how you will evaluate the proposals

While you are planning your RFP and figuring out what questions to ask, you should also think about how you are going to evaluate the proposals and select a winner or short list of finalists.

A scientific way to evaluate proposals is use a spreadsheet to score each vendor response on some scale (whatever you feel is both sufficiently granular and realistic, perhaps 1 – 5), then create an aggregate score for each area and for the overall proposal. You can even add weightings to your scores at any level: you can weight each functional area (e.g. merchandising, customer support) equally and then weight overall functionality higher than training; or you can weight specific functional areas differently within functionality in addition to weighting functionality higher than training. One advantage to this approach is that you can review your spreadsheet to determine why your numerical results do not agree with your gut feel: either your scores are inconsistent across the products or your weights do not reflect your true priorities (or your gut is wrong).

A less rigorous but arguably equally effective method may be to simply gather all interested parties and review each proposal section-by-section, selecting the three or four vendors that provided the best responses. Then tally those that consistently gave the best responses (paying particular attention to the areas most important to you) and go from there.

Ensure that all affected parties have some say in their functional area; for example, let the customer support manager or the CSRs themselves review and rate each vendor's customer support responses – this will not only contribute to a better purchase decision but also help ensure buy-in from those that will actually work with the system.

Whatever evaluation method you choose, select your questions and structure your RFP to make your evaluation as straightforward and efficient as possible. Finally, make sure everyone involved in the evaluation understands the goals of the project, the evaluation criteria and the process.

General guidelines for writing the RFP

- Make it easy for the vendors to respond – send the RFP in a standard format (e.g. Word, Excel) with clear guidelines and space for vendors to insert their responses. This will likely result in better responses sooner.
- Try to make your criteria as specific as possible, ideally eliciting numerical or true/false responses – this will make it easier for vendors to respond accurately and for you to evaluate responses. Numerical information also helps vendors estimate hardware and software requirements for your project. For example:
 - How many transactions or page views per day (or peak per hour) you expect
 - How many products or categories you will have in your catalog
 - How many customers or historical order records you expect to retain in the database
 - Does the product encrypt all sensitive information stored in its database?
- Indicate the relative priorities of your requirements to help the vendors address them adequately and/or plan your project (see “Determining and Indicating Priorities” in Step 3)
- Distinguish clearly between requirements (“the system must” or “the system shall”) and options or preferences (“the system may,” “optionally” or “preferred”)
- Lay out the RFP logically with related questions or functions grouped appropriately in tables or clearly defined sections – this will make it easier for vendors to route your questions to the appropriate people and easier for you to evaluate and compare their responses. Tables with spaces for vendor responses make it easy for vendors to spot any missing responses.
- **Give the vendors adequate time to respond properly.** Presumably your platform evaluation is both complex and important to your business, so give the vendors enough time to provide quality, thorough responses. Bear in mind that your questions may require input from several people in the company (technical, sales, support etc.) and they probably can’t drop everything to work solely on your RFP on a moment’s notice. Rushing vendors at this stage may result in a poor responses and a poor purchase decision for your business.

Sample RFP Outline

Begin planning your RFP with an outline. You will probably have the following sections at a minimum; you may combine sections or break topics into multiple sections as you see fit.

- **Introduction:** Describe your business and current situation to the vendors, including why you are seeking a new ecommerce platform and what you wish to accomplish with the system – help the vendors provide the best possible responses. Also provide details about your RFP process including how and where you would like the responses submitted, the due date for submissions (with time zone) and contact information where vendors can get answers or clarification – that will enable them to provide better responses.
- **Vendor Overview:** If you are not familiar with the company or have questions about its operations, this is your chance to find out information that may not be readily available on its website or in its marketing materials. How long has it been in operation? How many employees? Where are they? How many customers and where are they?
- **Product Requirements:** Typically the largest section (for both you and the vendors), this section solicits vendor feedback on your specific functional requirements as described above. This section should be divided into sub-sections such as product functionality, licensing details, scalability & clustering, redundancy/fault tolerance, platform support, integration details, globalization/multi-language support and so forth.
- **Maintenance & Support:** What support options are available? How are patches and fixes issued and how often? How about product education, both technical (integration & customization) and end-user? Does the company offer professional services?
- **Partnerships & Alliances:** Most complete ecommerce solutions today probably involve at least a few third-party companies for specific capabilities such as analytics, payment gateways or dynamic merchandising. How does the vendor cooperate with its partners? How are the systems integrated? How many live deployments are there? How are problems resolved?
- **Details for Bidders:** Spell out whatever other details the vendors should know about your purchase process. This section will likely expand upon the general guidelines in the introduction to outline:
 - Submission guidelines and deadlines
 - Your overall purchase and deployment timeline
 - How you will communicate with the winning vendors
 - What further information or demonstrations will be required of selected bidders
 - How you will select the overall winner
 - and so forth

If you feel it will help vendors provide better responses, you can disclose as much as you wish about your evaluation process. Remember, the vendors are probably as time-constrained in their jobs as you are in yours, so helping them respond efficiently may help you reach the best decision.

- **Other sections:** You can create sections for whatever other information you require that doesn't fit into the sections above.

Sample RFP Template

The remaining pages provide a template for a complete ecommerce RFP – add, remove, combine or separate sections as you see fit.

Sample Ecommerce RFP

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Section 1: Introduction

Section 1.1: Project Overview, Purpose & Goals

- Why we are seeking a new ecommerce platform
- What we hope to accomplish with the new platform
 - Better site look, navigation etc.
 - Higher conversion rate
 - Reduced cart abandonment
 - Faster customization
 - Improved customer service

Section 1.2: Company History & Situation

- What does your company do
- What are your primary strategies/channels
- How does your online channel fit in etc?

Section 1.3: Submission Schedule & Guidelines

- How are responses to be submitted, what is the response deadline and decision timeline?

Section 1.4: Contact Information

- Where can vendors get additional information or ask questions?

Section 2: Vendor Overview

- How long has the vendor been in business?
- How long has the vendor provided ecommerce products?
- Does the vendor focus on ecommerce? If not, what is the focus?
- How many retailers use the vendor's ecommerce product?
 - What verticals do the retailers serve?
 - Where are the retailers located?
- How many employees? Where are they?
- Who are key system integrator or technology partners?

Section 3: Product Requirements

Section 3.1: Fundamental Requirements

- Underlying Technologies
- Platform Support
- Technical Requirements
- Peak page views per hour
- Peak transactions per hour
- Product Delivery

Section 3.2: Detailed Functional Requirements

- Functional requirements grouped logically by area
- See “Presenting your Requirements in the RFP” under Step 3 for examples
- Globalization (multi-language, multi-currency)
- Scalability & clustering
- Redundancy & fault tolerance
- Licensing details

Section 3.3: Integration with Supporting Systems

Buyer should provide information on systems that will have to be integrated with the platform (e.g. CRM, order management, inventory management)

For home-grown or obscure systems, buyer will have to explain integration mechanisms

Section 4: Product Support

Section 4.1: Support options

- Available support options
- Standard support procedures

Section 4.2: Patches and maintenance releases

- How frequently are patches and maintenance releases updated?
- How are they made available?

Section 4.3: Product training & education

- Available education materials & classes
- Where are classes held?
- Costs

Section 4.4: Professional services

- What professional services are available for site design, system implementation etc?

Section 5: Partnerships & Alliances

- Who are the key technology partners and what do they provide?
- How are partner solutions integrated?
- Do we work directly with the partner or is there a resell arrangement?
- How are partner solutions supported? How are problems resolved?

Section 6: Details for Bidders

- Detailed submission guidelines and deadlines
- Detailed project timeline
- Evaluation criteria
- Notification of bid status
- Follow-on requirements of selected bidders
- Negotiation with selected bidders



About Elastic Path Software

Elastic Path Software pioneered flexible ecommerce software designed to help online retailers sell more and work less. Elastic Path Commerce provides a unique combination of proven out-of-the-box features to attack online retailers' key challenges and unrivalled flexibility to facilitate unlimited store integration and customization. Worldwide, companies such as Samsonite, Aeroplan, Garmin, Ted Baker, Random House, Bond & Bond, the Vancouver 2010 Olympic Store and Xerox use Elastic Path Commerce to maximize their ecommerce success.

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