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The Catch-22 of RFPs

Do you have a blind spot in contract renewals?



Most sales organizations manage sales projections and plans in terms of new business and existing business. It's a great year when the recurring numbers are a high percentage of your plan. But, those existing accounts all go through a point of renewal and often an RFP process. That process introduces some risk into your most valued relationships.

Sales leaders know this; seasoned salespeople know this, and everyone hears something like the following:

- **"Don't let this come down to the wire."**
- **"Strengthen the relationship so that our client doesn't put the business out for bid."**
- **"Treat every year as if it is a renewal year."**

We work with many sales organizations who are proactive with renewals. They double down on resources in heavy renewal years, they increase customer visits and they strengthen the support bench to make sure these renewal clients know that they value the contract. But inevitably, salespeople still fall into the Catch-22 of renewals.

It's that murky area where you're solving today's challenges, and new vendors step in with tomorrow's opportunities. Suddenly, you seem to be the short-sighted one and other vendors seem to be the visionaries. They seem to have gotten the upper hand. How can that be?

Well, it's easier to sail in on a promise and it's much easier to tell a forward-looking story. There are no problems to solve, no bumps to remember and the slate is clean in terms of delivering on expectations. As the existing vendor, you have to balance what you'd like to do with why you haven't done it and every forward thought is measured against your last deliverable.

It's not fair. But, it's real. When clients enter an RFP scenario, the rules seem to change overnight. You're in a race that you never signed up for. And suddenly, things they've never asked for seem to be front and center.

The sound bites above are true. Renewals should be planned for, existing vendors should avoid an RFP at all costs and it helps to always have the thought of renewal top of mind.

But, there's another part to the equation that we've had great success in helping sales teams implement. And, that's the concept of changing up the storyline.

Long before an RFP competition, salespeople can adjust the view of their organization by sharing a more compelling storyline that delivers on where you are today and where you will be tomorrow. We rarely see a new talk track built into a renewal process. That's a mistake, and that's the blind spot.

Because this is what we hear from the client side of the table.

- **“While costs may be where we end up with contract renewals, it isn’t where we start.”**
- **“We have to balance disruption with enablement.”**
- **“No one buys technology in terms of what it does today. It’s always a question of what it could do next.”**

As you can see, renewals are a forward thinking decision. That’s where many existing vendors miss the mark. Yes, you’re solving today’s challenge and being responsive to their needs. That’s valuable. But, it doesn’t show them what you plan to do next or where you think the marketplace is going. That’s in the other vendor’s deck.

RFPs have morphed a good bit. And, technology may be to blame for it. Every sale has technology as a disrupter or an enabler. That can be a good thing if it’s hard to unravel your technology for another one. But, it’s also a forward looking decision. Clients buy technology to get ahead more than to stay in step. So, they are more drawn to a forward-looking message than one that focuses on what’s been accomplished to date.

And too often, we see the existing vendors show up with a message about what they’ve done rather than what they planned to do next.

Our experience on both sides has revealed that it’s critical for salespeople to keep positioning the overall vision of their company even if your client isn’t currently interested in that total vision. The vision and look ahead needs to be a part of every sales process so that those who work with you can balance both aspects of your story.

We teach many sales teams how to balance a conversation that needs to solve for current challenges but should also position future opportunities. We overhaul sales messages to make sure that customers always have line of sight to today AND tomorrow. And, we bring a good perspective in helping sales groups recognize their blind spot when it comes to positioning a compelling message. That’s the best way to ensure those valued customers never roll into an RFP.

Renewals don’t have to be a Catch-22. But, it does take an intentional strategy to strengthen the storyline and help your customers see beyond today’s results. It can be as easy as offering perspective on what your materials say today or helping you position yourself against a new competitor who seems to be telling a better story.

Is it time for your group to change up your storyline?

Call us when you need us!



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