

# How to Run an RFP for a Distributed Marketing Solution



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Selecting a **Distributed Marketing software** solution — also known as a Through Channel Marketing Automation (TCMA) platform — can seem complex and difficult. In fact, the **Request for Proposal (RFP)** process can involve many stakeholders, including marketing, sales, channel, IT, data security and procurement.

Making the correct decision is important to meet the current strategic goals of your business, which are driving this investment. But it's critical, not only to assess your candidates' current capabilities, but also to assess their ability to continue to innovate and grow with your business, because such an investment is difficult to unwind.

For use with this ebook, download the **SproutLoud RFP Template:**

[Download Now](#)

The RFP Template is a spreadsheet file, prebuilt and ready for your use.

Unlike traditional marketing automation tools that have a limited user base in your corporation, Distributed Marketing platforms affect a much larger audience of users. And once such investments are made, they are difficult to replace.

Choosing the wrong Distributed Marketing software solution can, therefore, be costly. It is important to get the decision right the first time.

The following methodology is a tried and true recommended process on how to run an evaluation process to buy a Distributed Marketing platform. The process is broken down into eight stages:

- 1 Pre-Request for Information Demo:** A non-guided demo on a broad range of candidates.
- 2 Needs Assessment and Budget.**
- 3 Request for Information:** A limited time investment in evaluating a narrowed range of candidates.
- 4 RFI Demo:** A further narrowed candidate pool.
- 5 Request for Proposal:** Building your business case and navigating the process to formalize a budget before running an RFP.
- 6 RFP Demo:** A detailed set of use-cases and business requirements specific to the business for deep evaluation.
- 7 Pricing:** Finalizing pricing and provider trade-offs.
- 8 Contracting, Discovery and Proof of Concept:** A process to finalize commitment to an RFP finalist and proof of capabilities.

Based on your needs assessment, consider your budget and resources you have available. The above process is meant to be followed for companies investing over six figures annually for the solution. The importance of the solution and the relative size of the investment for the organization is critical. As such, this process is meant to be exhaustive and may need to be tailored specifically for your budget. Some providers may also automatically price higher during the RFP, as they reserve the process for enterprise customers only.

Therefore, if your use-cases and budget are limited, it may be best to make a decision without the formality of this process in order to save time, money and overall cost of the solutions.

# 1. Pre-Request for Information Demo

**As you prepare for the Request for Information (RFI) process, you should plan to view at least five to eight candidates.**

**The goal is to determine which valid candidates should be included in the RFI process. To accomplish this, it's necessary to build education and awareness of market capabilities to include criteria in RFI. Within your internal team of evaluators, remember to include one or two business stakeholders as well.**

During this stage, you've most likely gathered a set of candidates from your research. The main question to ask, at this stage, is whether your business sells to an end user that is a business (B2B2B), consumer (B2B2C) or both. The methods used to advertise to businesses are very different from advertising to consumers. It takes six times the amount of money when targeting a consumer, and therefore, the tactics and spend deployed is fundamentally different. This is why many Distributed Marketing platforms tend to focus on one of two flavors — either B2B2B or B2B2C. Some Distributed Marketing providers support both. These areas of product focus are crucial to understand in order to avoid wasting time evaluating providers that don't fit your business needs.

**At a high level, you should also understand the challenges to your business that you are focused on solving. They could include:**

- Brand compliance.
- Speed to market.
- Improving marketing spend through Co-Op Advertising, MDF and/or local budgeted programs.
- Improving visibility into use of funds and local marketing performance.
- Local sales and marketing enablement.
- Marketing fraud.
- Ease of doing business with brands.
- Influencing marketing behavior at the channel partner level.

In B2B2B sales cycles, you may see more Account-Based Marketing features, or marketing that connects more strongly to specific deal flow and deal registration. The tactics deployed may focus more on webinars, email marketing automation and some digital marketing for targeting purposes.

For B2B2C sales cycles, you may need traditional advertising enablement (TV, radio, newspaper, magazine, outdoor ads), as well as digital marketing, social media marketing and local presence management.

**Take a look at your candidate client roster, and ask each candidate:**

- Who do most of the partners on their platform sell to: businesses or consumers?
- Do they focus on any specific industries?

If you have a direct-to-end-user marketing team, model out your current instruments for connecting to your end user to figure out your needs assessment on how you are going to need to enable your channel? Do you have an intranet site or Partner Relationship Management system? Another opportunity is to look at "point-solutions" currently deployed — do you have one or more systems enabling your channel with a certain tactic, such as email marketing, print, digital marketing and/or social media marketing?

Figuring this out may help you better understand opportunities to centralize disparate systems into one solution to better leverage data and outcomes — and save money in the process.

## 2. Needs Assessment and Budget

For the next step in preparing for an RFP, it's important to finalize a needs assessment and write the criteria for the Request for Information (RFI). It is important to include at least two business stakeholders on the internal team in charge of the needs assessment.

From the Pre-RFI Demo stage, you should be able to identify your preliminary needs assessment. Do you need the full capabilities of a Distributed Marketing platform? Or do you just need a way to arm your sales channels with marketing content? This is an important distinction because the latter would be priced and solutioned very differently from a fully functional Distributed Marketing platform.

It is helpful to review the Pre-RFI demo candidates that your team preferred. Ask your preferred candidates to weigh in on the needs assessments before you finalize it. Here are a few questions to ask them:

- Would pricing change?
- Would the solution change?
- How do they respond in the event their clients' needs change over time?

While it is important to ensure that you are not bloating the scope of the project, you do need visibility on how you want the Distributed Marketing software provider to grow with your company over time, for a second or third phase of the project and its implementation.

Regarding your budget for a Distributed Marketing platform, it's helpful to keep in mind that now is the time to eliminate those providers that fall outside of your budget.

## 3. Request for Information (RFI)

When you consider your preparation for the Request for Proposal (RFP) process and the Request for Information (RFI) Demo process, there are two primary goals:

- Gather enough information for your business case and budgeting process.
- Narrow your list to three preferred candidates that you would like to invest time to learn more about, during the RFP process.

Your internal team for the RFI should be limited to the buying team and may only consist of business stakeholders.

Refer to the **SproutLoud RFP Template** and review the "RFI Template" tab for instructions. The purpose of this section is to minimize your team's time investment and avoid evaluating too many providers. By limiting the number of questions and demos, you can choose the providers that seem to match your business and business model. This will allow you to invest the majority of your time in a deeper analysis of questions and use-cases to make the proper technology investment and decision.

Be mindful that the goal of this process is to limit the amount of time you invest on a broad audience. Conversely, you should limit the amount of information you ask for from your candidate pool.

Still, some may ask: Should we skip the RFI process and head straight to an RFP? That is entirely up to each company's buying team to decide. It is important to keep in mind that RFPs that include too many candidates create issues for buying committees. Asking buying committees to analyze responses for more than three companies can sometimes lead to fatigue and members short-cutting the process, which leads to a less effective outcome.

An RFI ensures that you are asking your buying committee to focus only on the best candidates that you feel truly matter. It also establishes initial pricing guidance to determine budgets that may be needed.

A substitute may be an informal RFI where you check-off requirements, capabilities and pricing in building an expedited shortlist for the RFP.

## 4. RFI Demo Stage

Keep your two primary goals at the forefront as you proceed in your work for an RFI Demo:

- Gather enough information for your business case and budgeting process.
- Narrow your list to three preferred candidates that you would like to invest time to learn more about, during the RFP process.

Your RFI internal team will continue to consist of a limited buying team, which may only include business stakeholders. The purpose of this stage is to align your RFI candidates to guided scenarios to understand how their technology may better solve your challenges.

In this stage, you may want to focus your energy on providing guidance to the demo around the scenarios outlined. This ensures you do not ask candidates to reinvent what you know, but provide education on how they would solve the problems you've identified.

Here are some questions your buying team should be asking about the candidates in the evaluation process:

- Did the Distributed Marketing provider adequately describe not only their capabilities but also what differentiates them from their competitors?
- How well does the candidate solve the challenges outlined in your scenarios?
- How easy to use does the software look? Keep in mind that the user experience on a Distributed Marketing platform has a significant impact on partner adoption.
- Does the Distributed Marketing software provider need to bring in partners or third-party systems in order to solve your challenges? If so, carefully examine the experience to ensure that it is adequate for your company's needs.
- What areas of integration are supported to make the platform compatible with your systems?
- What professional services can you utilize from the platform provider to ensure program engagement and adoption of the technology?

To make this demo more targeted, introduce specific scenarios you would like to see.  
See the “RFI Demo Use Case Scenarios” tab on the **SproutLoud RFP Template** for more information.

## 5. Request for Proposal (RFP)

The primary goal of the Request for Proposal process, combined with the RFP Demo, is to arrive at a final decision on awarding the contract to the best candidate.

The internal team for the RFP should consist of all stakeholders, including business, IT and procurement.

Please refer to the “RFP Instructions” tab on the **SproutLoud RFP Template** for more details on the recommended format. By using this format, you can choose Distributed Marketing platform providers that

seem to match your business and business model. This will allow you to invest the majority of your time on a deeper analysis of questions and use-cases, to ensure that your company makes a sound decision on the proper technology investment to meet your needs.

As mentioned when discussing the RFI process, it is important to remember: *RFPs that include too many candidates create issues for the buying committees. Asking buying committees to analyze responses for more than three companies can sometimes lead to fatigue and*

members short-cutting the process, which leads to a less effective outcome. To avoid these pitfalls, consider shortening the list of Distributed Marketing platform providers through a minimized time commitment in an RFI process.

For the purpose of writing your RFP, consider strictly adhering to the format outlined in the “RFP Instructions” tab of the **SproutLoud RFP Template**. The reason for this is that the breadth and depth of a Distributed Marketing software solution means that it is sometimes difficult to understand how these features are sourced and the trade-offs involved in living with one feature as opposed to another. By asking about a Distributed Marketing software provider’s readiness to meet the requirements, you are asking them to be clear on what they have versus what they are pricing in to deliver this capability. This will better help you in your final stage based on your hard requirements and timing aspirations.

You can use the *trust-but-verify* approach, by asking a Distributed Marketing software provider to demonstrate any of the responses they provide in the RFP, when it is time for the RFP Demo presentation.

## 6. RFP Demo

When you have arrived at the **Request for Proposal Demo**, you are close to reaching your primary goal: Awarding the contract to the best Distributed Marketing software provider that can provide the right platform for your company’s needs.

At this stage, the internal team should include all stakeholders, including those from business, IT and procurement. The purpose of this stage is to align your final RFP candidates to very targeted demonstrations to illustrate how their technology may better solve your challenges.

To better qualify your candidates, make sure to provide detailed scenarios that are most relevant to your company’s needs. More specifically, ask your candidates

### Here are the main takeaways to identify during this process:

- What professional services does the candidate offer to improve user adoption of your tools?
- Do you want the company you hire to be full-service in platform set-up and administration? Or do you want your team handling this? Understand the capabilities that align with your service objectives.
- How is the candidate financially aligned to your success?
- Ask to see your providers data security documents - including a Data Processing Agreement, Data Security Policies, etc. The IT security review process may significantly slow the contracting process — so it’s important to have your team evaluate the provider at this stage.
- Do you have very strict and more customized legal and/or data security requirements? Ensure these requirements are known to your candidate pool upfront.

**If you need more specific help with a detailed requirements list for your RFP, [click here to contact a SproutLoud expert](#), and we can provide you with information tailored to your needs.**

to demonstrate specific answers to your RFP document that intrigue you the most. This also ensures you “*trust but verify*” their answers.

**Here are a few considerations to keep in mind, as you evaluate the candidates:**

**Consider the amount of automation to bring functionality to bear.**

**Choose the one or two top challenges you are trying to solve with this solution, and ask your candidates to explain how and why they are the best at addressing those specific challenges.**

# 7. Pricing

Let's take a moment to get a better understanding of pricing for a Distributed Marketing software solution by comparing three pricing models:

## a) The Results-focused Provider Model

## b) The Self-Service Client Provider Model

## c) The "Hybrid" Model

### a) The Results-focused Provider Model

The Results-focused provider model is a Software-as-a-Service (SaaS) model that includes platform software and integrations with a platform, meaning integrated providers offer marketing tactic fulfillment for things like email marketing, print ads, media buys, digital ads, social content syndication, etc.

Let's review the main features, pros and cons of the Results-focused provider:

#### MAIN FEATURES

- The Results-focused provider is focused on driving utilization of marketing tactics by end users — including channel partners, retailers, resellers, dealers, distributors, agents, franchisees, local branch locations, etc.
- With this type of pricing model, there is separate billing for software, templating, brand support and end user support.
- The Results-focused provider contractually manages the vendors who provide marketing tactics through the platform.
- The Results-focused provider has flexibility to integrate a brand's preferred vendors when such requirements or trade-offs exist. Be sure to discuss this point in detail with the candidates included in your RFP. The way candidates

respond to questions about the possible loss of in-platform comprehensive reporting, or increased software and management fees, or continued OpEx fee increases with increased manual management overhead, etc., will help your internal team in their evaluations.

#### PROS of the Results-focused Provider:

- "Free market" tactic pricing to partners, where integrated vendors must price to drive retailer engagement and tactic adoption.
- Usually offers lower pricing than historical pricing from "Free Models," demonstrating immediate benefit to partners to engage.
- Technology plug-and-play flexibility allows the Distributed Marketing platform provider to swap-out marketing tactic vendors that are not competitively priced or that no longer offer leading-edge services (i.e., digital marketing advances quickly).
- Pressure for competitive pricing on marketing tactics reduces dissatisfaction among partners and drives engagement.
- Adding additional services and marketing tactics are easily implemented.
- High transactional volume due to multi-client large networks of partners offer costs rebate potential to individual clients.
- You don't pay for what you don't use — no per-user fees means your TCMA provider is more focused on driving engagement in the platform.

#### CONS of the Results-focused Provider:

- "Full-service" support to help partners optimize, and to drive engagement and results. But this often requires a professional services budget, in order to provide customer service support to a network of retailers.



## b) The Self-Service Client Provider Model

The Self-Service Client provider model is designed for brands that want to directly manage the retailer experience by integrating their own vendors and revenue rebates. General license fees and ancillary software fees are the primary revenue center for these platform providers. A complimentary vendor ecosystem may be available, but it's typically less polished and not comprehensive because the platform provider has no vested interest in utilization outcomes.

Let's review the main features, pros and cons of the Self-Service Client provider model:

### MAIN FEATURES

- Self-Service Client providers offer integrations of the client's vendors.
- Usually per seat or general license fees and some ancillary fees over software apply.
- The primary provider offers the platform and the brand usually handles much of the responsibility to integrate its own vendors and manage the partner experience.
- Some Self-Service Client providers have a complimentary vendor ecosystem called "marketplaces" that connect users to marketing services in their country, but given the SaaS orientation, integrations and services tend to be less polished and less comprehensive because the SaaS platform provider is less interested in outcomes. Usually limited vendor reporting flows back into the platform and marketplace vendors work disparately with partners without a central, **Marketing Concierge™** consolidated view of partners.

### PROS of a Self-Service Client Provider:

- This is usually a good option when brands want to build their own in-house agency.
- Platforms tend to be more "Do-It-Yourself" (DIY), which may mean professional services are not needed to support program as the heavy lifting is done internally.

### Cons of a Self-Service Client Provider

- The brand must contract, manage and pay all vendors.
- The brand is liable for all vendors.

- Higher software costs.
- Per-user licensing means the brand pays for all non-engaged users (This can be a significant waste of money for brands, because some platforms average 17 percent utilization).
- Vendor integration costs (in many cases).
- The Self-Service Client provider's revenue is not tied to partner utilization of the platform and marketing tactics, consequently local marketing execution and improving results is not a priority.

## c) The "Hybrid" Model

The "Hybrid" Model is a combination of the Results-focused provider model and the Self-Service Client provider model. This can take on several flavors and must be clearly documented in the scope you are providing in the RFP. There are many factors that go into this model and it can present some challenges to many of the providers you are interviewing since it usually requires additional development on the provider and their existing vendors they would like to include. If you are only considering a limited number of additional vendors, refer back to the "Results-focused Provider Model".

Let's review the main features, pros and cons of the "Hybrid" Model.

### MAIN FEATURES

- This model usually appeals to brands that have existing contracts or long standing relationships with specific vendors.

### PROS of the Hybrid Model:

- Provides flexibility in determining a brand's desire to take on some components more than others.
- Brands that have traditionally managed all the end user customer support, such as use cases where the Brands will use the platform to service internal departments as an enterprise Distributed Marketing platform only.

### CONS of the Hybrid Model:

- Brand OpEx fee increases with increased manual management overhead.

- Discovery and software fees are increased due to many variables.
- Existing vendors may not be capable of support or integrations.
- Costs may increase from the other existing vendors.
- Security complexities can be heightened.
- Reporting may not be optimized and consolidated.
- End user satisfaction can be compromised if the support model has multiple parties involved.
- Timeline to build and deploy a program can be lengthened.
- Expect support costs at the brand level to increase.
- Internal brand costs for specific functions may be higher than the providers because of less resources and variable peaks and valleys in the work needed to be done.

## 8. Contracting, Discovery and Proof of Concept (POC)

The *Contracting, Discovery and Proof of Concept* stage of the process has one goal: Minimize risk by asking your provider to stage-gate the implementation and investment process. The internal team should include business stakeholders and procurement.

It's important in this stage to understand the providers' normal processes to help you build a proof of concept (POC) and go-to-market plan, in order to move forward with the provider to service your users quickly.

### Contracting

Consider having your legal and security team review and edit the standard contracting and legal documents of the provider. These documents have been written specifically for the solution at hand.

Working off of standard contracting documents of your company may add significant delays to arrive at finalized documents.

### Here are some other important considerations to keep in mind:

- If you have complex account set-up requirements or complex data integration requirements, consider an optional paid Discovery with the chosen provider.
- An optional paid Discovery process may greatly reduce your risk and confirm the provider can accommodate your requirements.
- Some providers may credit you a portion of the paid amount for Discovery to your initial implementation fee.

No matter what type of platform provider your team chooses, the most important thing is to ensure that the Distributed Marketing platform provider that is awarded the contract is aligned with your company's goals and is capable of delivering what they promise you. At the start, the RFP process — and navigating the features and capabilities of Distributed Marketing platforms — can seem complicated. That's why it's important to have a systematic plan to understand your own company's needs and goals and to thoroughly evaluate the strengths and weaknesses of the candidates you select. The **SproutLoud RFP Template** is designed to walk you through each stage of the process and easily customize it to your company's needs.



For more information about Distributed Marketing software solutions, visit: **SproutLoud.com**