

BEST PRACTICES IN AGENCY SEARCH FOR THE NFP SECTOR

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Whether you're a small Not-for-Profit (NFP) looking for ways to bring in new ideas and generate more revenue, a large NFP trying to find efficiencies or ways to breathe life into your program or a public sector organization developing a public campaign, at some point you're going to be involved in a Request for Proposal (RFP) process.

While there are similarities between RFPs in the private, NFP and public sectors, some differences can be significant and therefore deserve attention. For example, NFPs must remain accountable to their donors and provide the most value for their cause.

BUDGETING

It's no secret that most NFPs have reduced budgets that need to be streamlined as much as possible. When dealing with an RFP process, it is quite common for charities to ask for pro bono services and reduced rates from agencies that are quoting on the business (or a combination of the two). By providing a tiered quoting process, agencies can help NFPs access top-level services while still allowing them to have enough funds remaining in their operating budget to maximize the effects of successful campaigns.

INDUSTRY COMPETITION

Something that is unique to NFPs is that they are more likely to use the same agency as their "competitors", even though they are vying for the same donor dollars. Some will read this and immediately think that there would be a conflict of interest, but quite often, NFPs are able to capitalize on industry and donor trends by working with an agency that has ties to a similar organization.

Agencies that have more than one NFP client in the same field are often able to fine-tune their strategies, targeting donors that will be more aligned with a certain brand. It is also beneficial to have agencies with experience in your area of competition as they will be able to provide you with added insight regarding the historical success of a variety of campaigns.

QUOTING PROCESS

As NFPs do their best to focus on efficiency and transparency within their organizations, it becomes necessary for them to receive multiple submissions to RFPs. Submissions need to be comprehensive, providing details outlining steps, timelines and any other information that has been requested to allow the NFP to source comparable quotes across agencies. While the number of quotes necessary will vary depending on the organization's structure, it is not unreasonable to expect the competition to be between at least five organizations.

The criteria used to measure the received proposals will also vary depending on the organization, with some organizations being more granular than others. Some governmental organizations have a very rigorous process, with standard templates applied across the organization. For example, in some government bodies, evaluation is based on four criteria:

1. Has the agency demonstrated insight;
2. Have they worked on similar cases;

3. The team they propose to bring forward; and
4. Price.

The NFP requesting proposals will use a standardized practice to source multiple quotes and then move forward with the evaluation, demonstrating an objective and transparent process.

POST-SELECTION

After the process has been completed and an agency has been selected, it is encouraged to provide feedback to each of the agencies that submitted a proposal. This is important as some agencies will not have had extensive experience submitting NFP proposals and feedback will help them develop more fulsome and complete work. For those agencies that do have experience in this area, providing them with feedback will help them learn more about the intricacies of the organization and keep them in tune with the changing NFP landscape.