

2021 Benchmark Report: Proposal Management

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Winning RFP responses is critical to the success of B2B businesses.

To understand the factors that affect proposal-generated revenue, this report compiled and analyzed data from proposal teams across industries—offering data-driven insights to guide proposal strategy for 2021 and beyond.

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A note from RFPIO's CEO, Ganesh Shankar

RFPIO was started with a simple mission: Help teams efficiently create winning responses.

We are committed to building team and a product focused on democratizing knowledge and empowering others to do their best work. We believe that response management can be a competitive advantage for those that embrace it.

From data and insights, to analysis and trends, it is my hope that this report helps you navigate the inevitable changes happening in the B2B landscape, especially in proposal management.

Whether you are an industry veteran, or new to response management, I wish you a successful year ahead.

Sincerely,

Ganesh Shankar



About the report

Winning RFP responses is critical to the success of millions of B2B businesses. That's why RFPIO has invested so much energy into becoming the industry leader in RFP and proposal technology. We know how valuable proposal teams are to their organizations, and we want to do everything in our power to make their work easier and more efficient.

From internal data, we know that in 2020, RFPIO helped over 150,000 users (representing 1,000+ companies) complete more than 32,000 projects, with more than US \$12 trillion of potential revenue on the line. Each project included, on average, 3.5 collaborators. The median number of projects created in 2020 was 14 per company, with some large enterprise companies creating hundreds (even thousands) of projects. But it made us curious about the rest of the industry. For those not using RFPIO, how were they managing proposals? How were their processes serving their business needs?

To find out, RFPIO surveyed members of the Association of Proposal Management Professionals (APMP) about their proposal response process. We have compiled the results into this 2021 Benchmark Report: Proposal Management.

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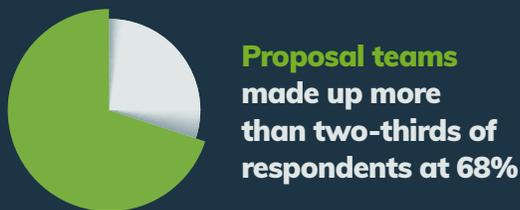


The state of proposal management and what's in store for 2021

Proposal management has been undergoing a digital transformation that was accelerated by the events of 2020. Add to that evolving buyer expectations, and the demands on B2B sales and proposal management are mounting. Through the 2021 Benchmark Report: Proposal Management, RFPIO sought to understand the impact of these changes through proposal managers and sales professionals and to provide insights that will help organizations navigate the continually evolving landscape.

Participant Demographics

Data was collected from respondents representing more than 10 industries and a wide range of company sizes and job levels. *Note: 33% of respondents elected not to provide any company-identifying information.*



Partner Organizations

In order to understand how technology is aiding the RFP response process for the wider industry — not just for RFPIO customers — we promoted our survey on a voluntary basis to members of partner organizations including the Association of Proposal Management Professionals (APMP). APMP has over 30 years of experience as the worldwide authority for proposal professionals in the commercial, governmental, and academic areas, who work in any part of the proposal, bid, tender, business development, and capture process, so we targeted their members to help secure strong representation of the larger industry.

The tension between speed and customization

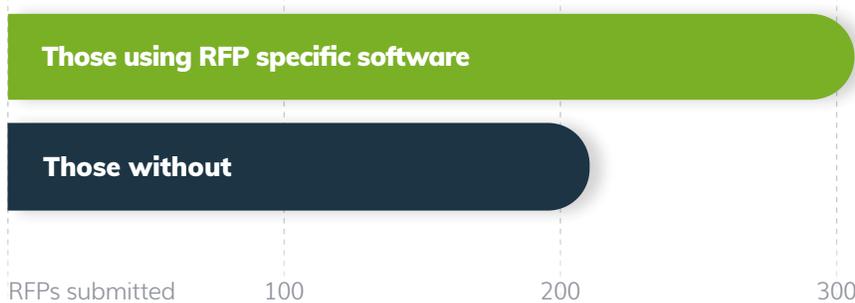
With RFP competition predicted to increase drastically in 2021, personalizing proposal content will become a distinguishing characteristic that helps organizations win deals — or not. Gone are the days when generic proposals will make the short-list. In 2021, winning organizations will need to do two things:

- **Increase number of proposals they submit**
- **Personalize proposals to issuers' specific use cases**

Increasingly ambitious goals require increased efficiency

Three-quarters of companies plan to increase the numbers of proposals they submit in 2021, but only 37% plan to increase staffing. Proposal teams must learn to do more with less. Investments in technology and automation are a logical path forward. But is technology alone enough? In some ways, yes.

Average number of RFPs submitted annually



Those using RFP-specific software are 25% more likely to agree they have more time to personalize proposals.

Technology increases efficiency, freeing time for personalization

Those with RFP-specific technology (43%) submitted 43% more proposals than those without a designated RFP tool (57%) in 2020.

The data shows that increasing the number of submissions did not necessarily lead to increased win rates—suggesting technology enhances efficiency before improving efficacy. But the two can go hand-in-hand.

Those using RFP-specific software are 25% more likely to agree that their processes are streamlined enough to make time to tailor their proposals to the issuers' the specific use-cases, compared to those without.

2021: The year of efficiency and effectiveness

In 2021, the majority of companies are planning to increase their RFP submissions, training, and proactive submissions to acquire and retain revenue. But they are not planning to increase headcount.

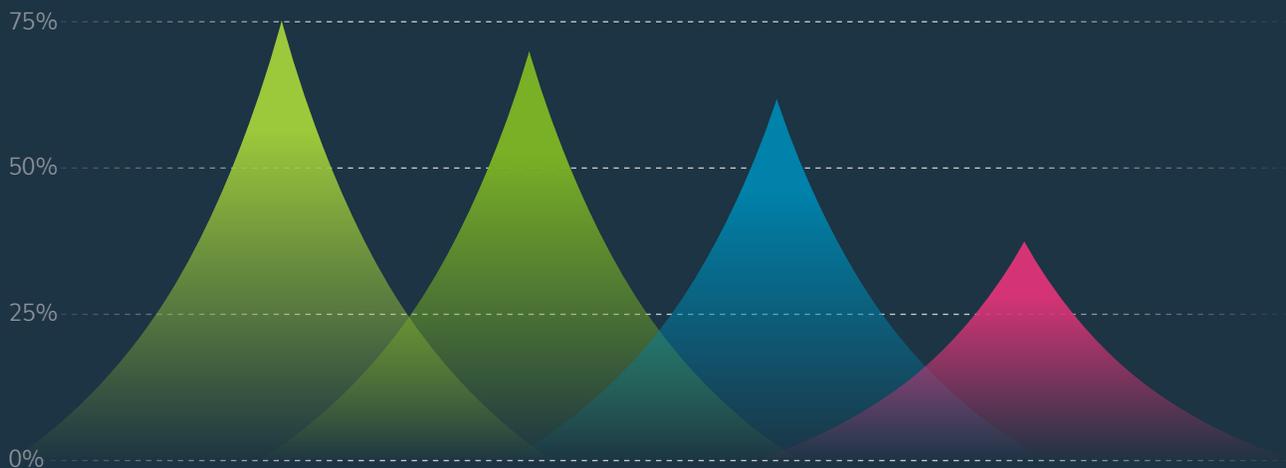
Investments in technology and automation are a logical path forward to mitigate this imbalance. Will technology alone be enough to keep organizations competitive?

In 2021, most organizations plan to increase RFP submissions, without increasing headcount.

The trend of maintaining headcount at 2020-levels (when many teams around the world saw reduction in headcount in 2020) is troubling.

With RFP competition predicted to increase, and teams already being challenged to do more with less, keeping proposal team staffing at 2020-levels only adds pressure. Proposal teams will need to invest in technology and automation to scale their responses, enhance efficiency, and maximize output.

Trends for 2021



Respond to more

75% plan to respond to more RFPs in 2021 than they did in 2020.

Seek out more

72% plan to increase the number of RFPs they proactively seek out.

Increase training

63% are planning to increase team training on RFP response

Increase staff

Only 37% plan to hire more staff

Organizations with dedicated proposal professionals submitted 3.5x more responses in 2020

Organizations with a dedicated proposal manager or team responded to, on average, 265 RFPs, while those without a designated owner completed closer to 76 RFPs. This means organizations with a dedicated proposal manager or team submitted close to 3.5x more responses in 2020 than those without.

This indicates that the value of investing in proposal talent is significant. With the average deal size in RFPIO clocking in between US \$1-3 million, organizations that lack a designated RFP owner are missing out on tens of millions of dollars in potential revenue. This will only be exacerbated in light of new pressures of 2021.

Number of RFPs submitted annually - Dedicated team or not



Personalization will take center stage, as organizations submit more proposals

With three-quarters of companies surveyed planning to respond to more RFPs in 2021, being able to personalize your proposal content becomes a vital strategy to secure new deals and grow revenue amidst the competition.

Of the organizations planning to respond to more RFPs in 2021, 82% will also complete more proactive proposals.

To scale proposals aggressively it is important to harness the power of technology and content expertise together. In doing so, teams can simultaneously increase RFP volume, while leaving time to personalize proposals to buyers' specific needs.

Technology & Personalization

Organizations looking to be successful in 2021 will need to take a critical look at their existing technology stack and determine if they have the right tools in place to scale output, speed up operations, and personalize their proposals.

To get ahead, organizations will need to scale and automate their operations to respond to more RFPs, more efficiently. In doing so, proposal professionals will be able to devote more time to tailoring their responses to buyers' specific needs — ensuring their response stands out from the competition.

Technology is transforming the proposal management landscape

In compiling this report, we wanted to understand how organizations are using technology to complete responses.

Only 43% of respondents report using RFP-specific technology today.

- Organizations with RFP software
- Organizations without RFP software



For the majority of survey respondents (57%) who aren't using RFP-specific technology to complete proposals, what alternative tools do they use to complete proposals?

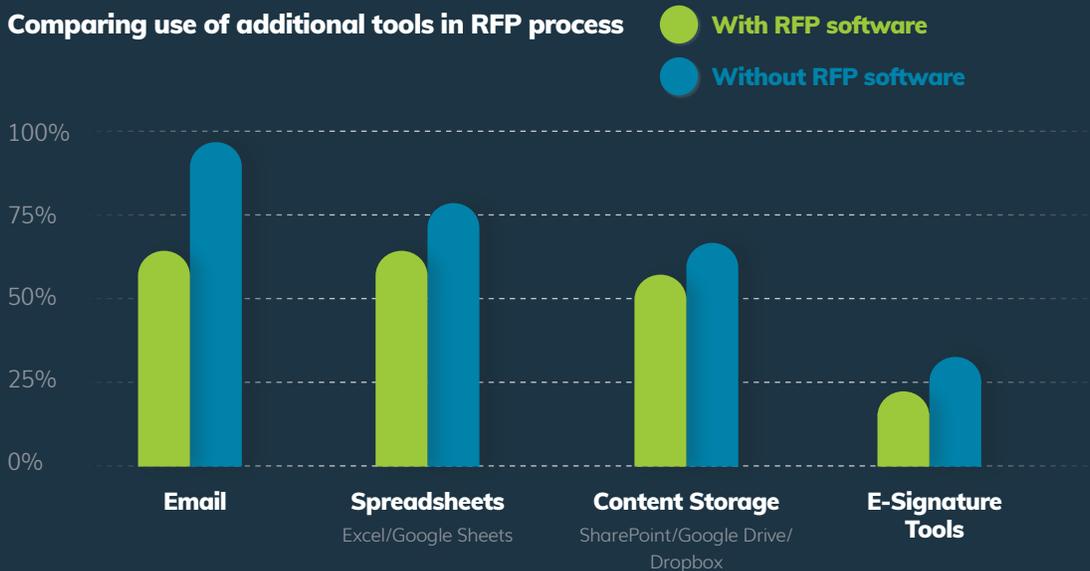
For those who are using RFP-specific technology, what other tools buttress their efforts? This section answers these questions.

Organizations using RFP technology spend less time switching between solutions.

According to a recent report from [RingCentral](#), more than two-third of workers say they waste up to 60 minutes at work per day navigating between apps. The fewer tools teams use, the less time they spend toggling between apps—and the more time they have to spend on high-value activities.

We were surprised to discover that, on average, organizations are using 5 different tools (including RFP-specific tools) to complete proposals. Some are using more than 9. But, teams using RFP-specific software (e.g. RFPIO) to complete proposals reported a lower reliance on additional tools compared to teams with no RFP software.

This indicates that organizations investing in RFP technology might have a more streamlined tech stack to support them, which has the potential to lead to cost-savings and increased efficiencies.



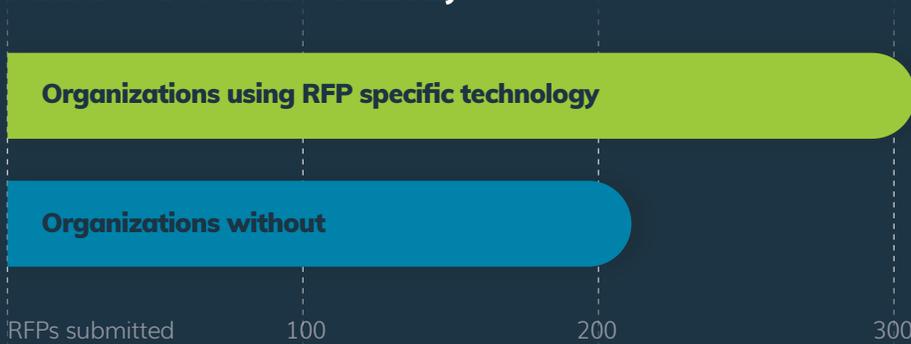
The less time workers spend toggling between apps, the more time they have to focus on high-value activities.

Organizations that use RFP-specific technology, manage more RFPs

From our research, we found that, on average, organizations with a designated RFP technology submit 306 proposals a year, while those without submit only 210 — a difference of 43%. Generally speaking, RFP technology enhances efficiency, resulting in more total annual submissions. However, RFP technology doesn't guarantee improved quality, personalization, or higher win-rates.

When the average RFP deal size is between US \$1-3 million (according to RFPIO data), the total volume of proposals submitted (and won) significantly impacts organizations' bottom lines.

Number of RFPs submitted annually



The more RFPs organizations submit, the more opportunities they have to generate revenue.

According to our survey, organizations won an average of 45% of proposals submitted in 2020. Assuming this average win rate, organizations using RFP technology can be expected to win an average of 137 proposals per year (45% of 306), while those not using RFP technology could expect to win just 94 proposals (45% of 210).

In order to win the same number of deals, without increasing total RFPs submitted, companies not using RFP technology would need to win 65% of proposals submitted—representing a 20% higher than average win-rate.

RFPs won't win on efficiency alone.

Organizations that want to submit RFPs more efficiently, do so by investing in automation and incorporating RFP-specific software. In order to submit RFPs that are also effective, proposal content needs to create a compelling case and explain why your solution is the best-fit.

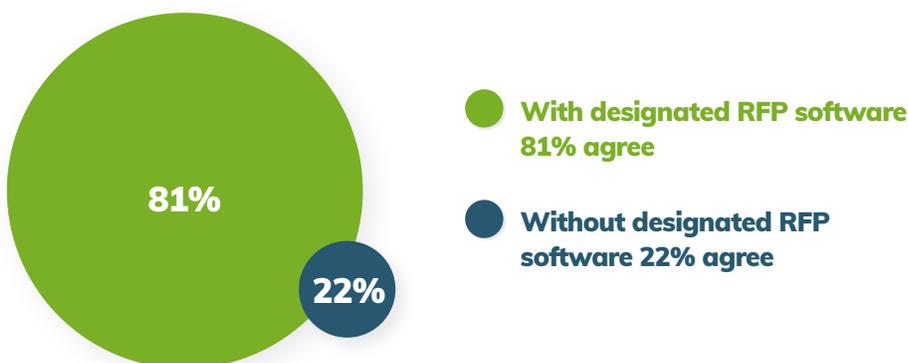
With increasing competition in 2021, organizations must be able to deliver personalized responses while also increasing efficiency.

When teams are operating efficiently they have more time to focus on the quality of content.

Dynamic content libraries save time

Savvy proposal professionals know not to reinvent the wheel for each submission. Instead, they re-use existing content as much as possible. Reusable content lives in content libraries which are then queried either manually or dynamically using technology (sometimes even AI-powered technology, like RFPIO).

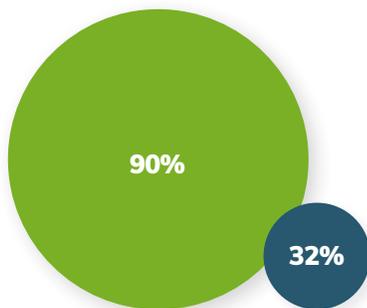
“Previous question & answer pairs live in a dynamic content library that can be accessed easily by myself, my team, and the wider organization.”



Well-moderated content builds trust

Having a dynamic content library is most helpful when it is well-moderated. Team members are more likely to trust information stored in a library that is accurate and up-to-date. Companies with a designated RFP solution are 32% more likely to have strong content moderation procedures in place, with 90% reporting this being a priority for them compared to only 58% of teams without a designated tool.

Content moderation improves accuracy, making it easier to personalize content, strengthen responses, and win more deals.

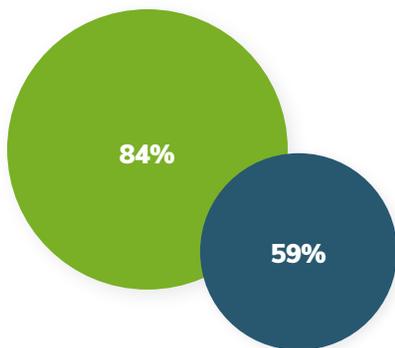


“Is content moderation a priority for you?”

- With designated RFP software 90% said yes
- Without designated RFP software 32% said yes

The winning combination: Strong content moderation + a dynamic content library

High-performing teams use a dynamic content library, supported by strong content moderation systems. The path forward in 2021 points to strong content moderation feeding a dynamic content library, reducing time needed to create first proposal drafts at scale. Organizations that do so will free up proposal professionals, so they have more time to focus on customizing submissions to buyers' specific needs.



“We have streamlined creating the first draft, and then use the remaining time to personalize proposals to specific use cases.”

- With designated RFP software 84% agreed
- Without designated RFP software 59% agreed

Technology adoption and content personalization are key to winning business in 2021.

Four things organizations must do to succeed in 2021



Invest in technology

Proposal teams are planning on responding to more RFPs in 2021, but have no plans to increase headcount. Leaner staff and higher goals means the possibility for burnout is higher than before. According to an [August 2020 survey](#), 40% of workers experienced burnout in 2020 alone. To avoid burnout in 2021, and achieve ambitious revenue goals, companies must increase efficiency by turning to technology and automation.



Create a single source of truth

According to a [McKinsey report](#), employees spend nearly 20% of their time looking for internal information or tracking down colleagues who can help with specific tasks. By aggregating knowledge and making content accessible to all employees, you can deliver value to your entire organization, and create efficiencies across the board.



Learn from the past

A recent [survey from Deloitte](#) found that 70% of respondents expected business analytics to be more important in the next three years than it is now. Stay ahead of the curve by collecting and analyzing data on the bids you're winning, and what content is working. Use that data to optimize your process—and make 2021 your strongest year yet.



Focus on people

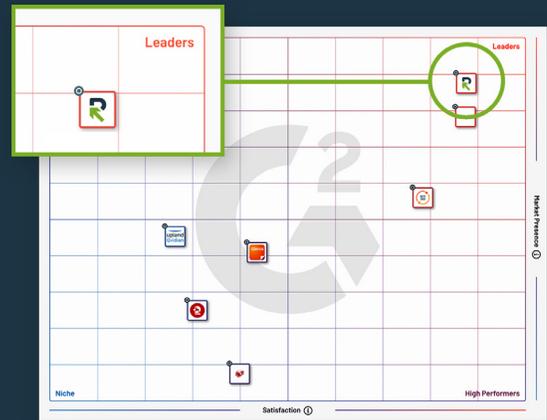
According to a [survey conducted by Professor Boris Groysberg of Harvard Business School](#), many executives estimate that 20% of their skills become obsolete annually. That estimate is twice what it was ten years ago. In 2021, successful proposal teams will prioritize professional development for all team members, to ensure everyone has the skills and knowledge necessary to a rapidly changing business landscape.

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About us

RFPIO is the market leader in response management software, trusted by some of the world's smartest companies to support RFP and Security questionnaire response, create and manage sales proposals, and resolve inefficiencies rooted in decentralized and inaccessible content and knowledge. The software's robust and bi-directional integrations, along with an open API, allow teams to digitally transform response management processes and to harness the power of the knowledge and content across their teams. RFPIO supports response management for growing organizations of all sizes including Google, Adobe, Atlassian, Microsoft, Tenable, Zoom Video and others. For more information, visit rfpio.com or follow [@rfpioinc](https://twitter.com/rfpoinc) on Twitter.



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