

# RFP—Request for Pain... or Pleasure?

by Steve Harvey

Picture the scene. A customer enters a car showroom to be met by an enthusiastic salesman.

"I'd like to buy a car."

"Yes sir, of course. Do you have a specification?"

"Well, actually yes. I'd like a car with an engine, four wheels, seats, a trunk, a gearbox and a steering wheel—oh and yes, doors would be nice."

"Well sir, I've got just the car for you. It's the Mercedes S class, a magnificent car with a superb 5 litre V8 engine, computer controlled braking, leather seats, climate control. All in all a beautiful motor and a snip at \$110,000."

"I agree it's a great car, but my budget is only \$15,000!"

Now the same scene with a different customer.

"I'd like to buy a car."

"Yes sir, of course. Do you have a specification?"

"Well, actually yes. I'd like a car with an engine, four wheels, seats, a trunk, a gearbox and a steering wheel—oh and yes, doors would be nice."

"Well sir, I've got just the car for you. It's a lovely little runner, a 1989 Nissan, and goes like a dream. Don't worry about the dent in the wing. We'll sort that out and clean up the dog hairs off the back seat. Give me \$2,000, and I'll even throw in a tank of gas."

"Actually I'm a company CEO and you've just wasted ten minutes of my valuable time!"

Sounds a little far fetched, yet it happens all the time in the wonderful world of the "RFP"—the "Request For Proposal" or the "RFQ"—the "Request for Quotation." It's the standard way for airlines to select suppliers.

Inflight Productions is one of the world's largest and most successful providers of inflight entertainment to airlines. One of the many services we offer is the production of audio programmes. We supply large carriers like Cathay Pacific, Swissair, Lufthansa and Continental Airlines. We also supply relatively small carriers like Qatar Airways, Dragonair and Tarom. The RFPs for all these carriers are remarkably similar yet, understandably, their budgets are not.

Producing an audio programme for an airline can include client liaison, research, obtaining records, recording interviews, hiring and briefing presenters, writing scripts, arranging guests, studio time, editing, sourcing publicity material, compiling listings, producing review cassettes, and dealing with copyright issues.

In the case of a large carrier, the cost of an audio programme can be amortised across a fleet of maybe 200 aircraft, and the cost per passenger is relatively small. In the case of a small carrier, the cost of that audio programme is much greater on a per passenger basis.

So it stands to reason that a large airline may often be prepared

to invest considerably more on audio programming than a small carrier, yet it is almost impossible to deduce this from the RFP. Only once in twenty years of responding to RFPs for audio has an airline provided a projected budget.

Many years back we put together a very elaborate proposal for a major US airline that had heard about our reputation and was very keen to employ us. As soon as he received our proposal, the airline's inflight entertainment manager was on the phone singing our praises and complimenting us on our very creative ideas. He was also curious to know how we could supply such a great line-up at such a reasonable price? We compared notes and it finally clicked that the budget we quoted was for a two month programme cycle whereas he had assumed that was our budget for the year!

As you might expect, the conversation came to an abrupt halt, and both sides ended up wasting a great deal of time. How much simpler it would have been to have quoted a guideline budget with some idea of leeway.

How, you ask, is it possible to supply programming services at a wide range of prices? Well, let's go back to the car analogy. On the surface cars perform much the same function—that is to get you from A to B comfortably and safely. Yet, there are a myriad of cars on the market from the humblest baby Hyundai to a top of the range Rolls

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Royce. When meeting a potential customer, the car salesman will first want to establish a guideline budget. Once the budget is known, then it's possible to steer the customer towards a range of models that are within or near to the budget, thus saving a lot of time and potential embarrassment.

It is also possible to put together a very basic unrepresented or unnarrated audio programme in a relatively short time at a reasonable cost. Introduce a presenter, arrange for guests to be interviewed, develop special features, and your passengers will enjoy a Rolls Royce programme... but it will inevitably cost more.

When planning your RFP, why not provide a guideline budget along with the specification? For example, a request for ten ninety-minute audio programmes could produce bids ranging anywhere from \$5,000 to \$20,000. How much more productive for an airline to suggest a guideline budget of \$8,000-\$10,000 and ask suppliers to outline what they can provide for this type of budget. This should entail that all the bids are in roughly the same ballpark.

The same logic applies to RFPs for both short subject video and movie acquisition.

After twenty years in the business, I think it is unlikely that the process of issuing RFPs will change, but I've always been an optimist and nothing ventured, nothing gained. So, for airlines seeking suppliers of inflight entertainment, here's my ten point guide for an RFP utopia:

- Plan ahead. Contact potential suppliers in advance of issuing an RFP. Tell them what you're up to and invite expressions of interest.

Advise key dates for issue, completion, presentations, and award of contract. This will enable suppliers to plan ahead, re-organise vacations, and work trips around your RFP schedule.

- Take suppliers into your confidence when compiling your RFP. We realise that you need to solicit information for purposes of comparison and can sometimes suggest refinements to the RFP to make it easier to understand and compare information.
- Give us sufficient time to do a good job. Proposals have to be fitted in between working commitments to existing customers. Sometimes key staff are absent on business travel or vacation. One month should be the minimum time for the submission of a proposal.
- If possible, try to indicate a budget range with an indication of the relative importance of price, creativity, technical standards, on time delivery, and so on.
- Provide as much background information as possible on your airline, passenger numbers and demographics, hardware, existing programming, future plans, and so on.
- Try to encourage suppliers to be creative in their presentations rather than just replicate an existing service. Often there are better and more efficient ways of creating good inflight entertainment.
- Provide a contact person who can discuss the RFP and provide guidance and interpretation.
- Make it easy for suppliers to get their proposals to you. Be prepared to accept proposals initially

by fax and please make sure your fax machine is switched on!

- Invite companies to make presentations to enable both sides to discuss the proposal and clear up any ambiguities.
- Follow up the decision with a briefing for unsuccessful suppliers. We need to learn from our mistakes in order to improve our service. Feedback is a vital part of the process.

Another problem often associated with the issuing of RFPs is that of scheduling. In London you can sometimes wait for ages for a bus, then three come along together! Well, RFPs are often the same. It's possible to go for several months without receiving an RFP. Then, all of a sudden, three land on your desk together. There is then a mad rush to respond to each RFP within the allotted time, and the proposals that go out suffer as a result.

Perhaps the WAEA could start an RFP co-ordination diary where an airline could check whether other RFPs are active at the same time and reserve a clear slot. This would ensure a smoother flow of RFPs and reduce bunching at certain times of the year.

RFPs are a way of life for both airlines and suppliers. In my twenty years as Managing Director of Inflight Productions, I've received RFPs that have been superb and some that are diabolical! Some RFPs run to 40 pages, others consist of a couple of lines. They are an important part of our industry and need to be taken seriously.

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