



**DEATH BY RFP**  
**TIME FOR A CHANGE**



Requests For Proposal (RFPs) have been the main tendering tool for technology solutions for the last few decades and are still used by the majority of large and public companies.

However, it may be time to review the whole RFP concept, as often, the value of the technology purchased has so significantly reduced, that the amount of time and manpower required to prepare, issue and evaluate them outweighs the cost savings achievable as a result.

Even worse, it is often the case for the total cost of running the RFP process to surpass the value of what is actually procured.

The same applies for the actors at the other end of this process, the vendors, who must dedicate massive resources to complete these RFPs and defend them. In general, an average of five contenders take part, meaning that the chance of winning is slim, around 20% all being equal. In other words, vendors waste their time 80% of the time.

### **The time has come for a new procurement reality**

Bearing in mind that maturing technologies are well understood by communication service providers, and that technology awareness or competences in general have grown within these organizations, isn't it time for a more streamlined vendor selection process to be considered?

Also, since there are already, in many cases, Requests For Information (RFIs) preceding

RFPs, service providers most probably already have a good understanding of vendors' solutions and technical competences to determine potential partners most suitable to engage in a cooperative R&D engagements, without the need for an RFP process.

Additionally, should the engagement model change completely, considering that vendors often offer a generic solution available to all, hence removing large operators' possible competitive edge?

To differentiate themselves from competitors, more often than not these days, service providers are finally in a position to define their own service and the resulting technical requirements, rather than rely on what vendors have on offer out-of-the-box.

As a matter of fact, standard equipment, no matter how vast their feature set, will always have gaps. This means that operators might only need certain standard functions, while requiring others to be tailored to meet their own desired user experience. Gone are the days when operators were being limited by what the vendor had to offer.

Keeping this in mind, we believe that R&D engagements with vendors, empowering fast and cost effective feature creation or variation, is the way to go when procuring new technology. This, rather than building one size fits all technology monsters, which end up not really meeting anyone's needs.



On the contrary, we at Cataleya see our future role as a vendor as being an integral part of our customers' service development and as a key contributor in what we understand best – the technology.

In addition, we are prepared to share the risk and cost of development with our customers to allow them to launch and trial new services or approaches, as well as new markets, fast and without the imbalance of upfront investment that comes with success uncertainty.

### The new lean and mean vendor structure

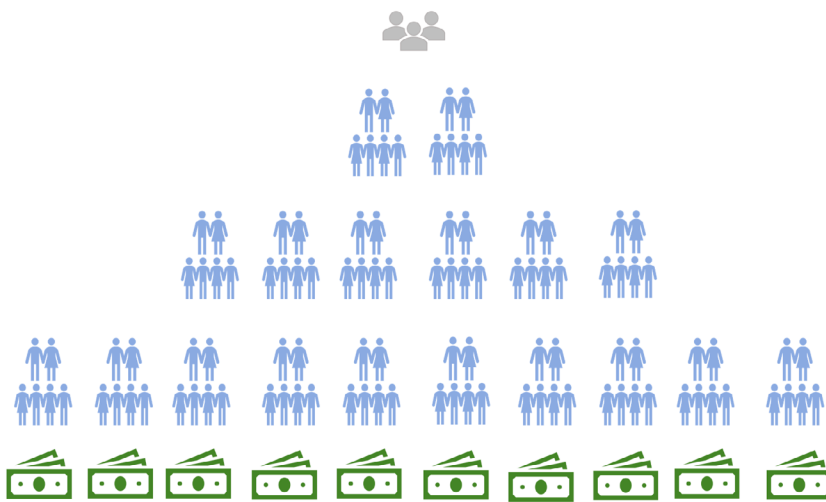
We also believe that to fulfil these new expectations, a dynamic and agile vendor organization is required, rather

than the traditional monolithic vendor structure, which has too many layers and people, consequently driving costs through the roof. This new lean vendor structure will in return give telecom service providers direct access to R&D and product specialists.

Only a sleek and functional non-location based organization can meet the agility and low-cost required by today's service providers, as it enables them to remove unnecessary organizational layers and avoid the geographical duplication or multiplication which drives the cost of their solution higher than necessary.

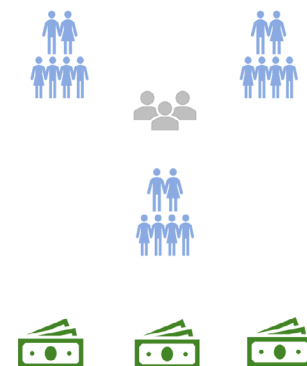
However, the reality is that customers still expect the same presence and engagement processes as they have always enjoyed, but now want to pay a

#### Location based functions and hierarchical vendor engagement model



Siloed organization, with single or dual client interfaces (sales, marketing and professional services) largely regionally or nationally established, besides core R&D and support functions

#### Functional non-location based non-hierarchical engagement model



Direct customer engagement between marketing, R&D and professional services – distributed globally



mere 10% of what they were willing to pay 10 years ago.

By all means, I cannot make the numbers work, if we continue to use the RFP concept for technology procurement in this fast-paced, dynamic and innovative environment in which we work in today.

So, the only way forward is a cooperative approach, where innovative vendors become an integral part of communication service providers' service definition, creation and deployment process.

We are keen to understand your challenges and struggles, so we can improve and adjust how we support your current and future innovations by creating a streamlined, less costly, more efficient procurement process.

Share your thoughts on this topic and let us know how your organization intends to tackle the technology procurement challenge.

**Contact us for more information about our replacement program:**  
[info@cataleya.com](mailto:info@cataleya.com)

## ABOUT CATALEYA

Cataleya provides the most tailored, reliable and easy to integrate real-time communications switching, service creation and analytics platforms in the industry. Our solutions are aimed at communications service providers, mobile operators and unified communications companies looking to offer cutting edge IP services.

Our portfolio ranges from build-your-own SBC or class 4 switch for interconnect and access solutions to built-in analytics and fraud detection. We also offer a fully-fledged voice wholesale business platform as a service.

Service and application enablement for SIP-trunking, call recording and many other features allow our customers to put their customers in control when it comes to service creation.

For more information, please visit [www.cataleya.com](http://www.cataleya.com)