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Successful RFP Management for Foundations

10 Tips to Select the Best Grantees

The RFP is essential to the way many organizations make grants - so improvements in the RFP process can have a profound impact on grantmaking success. We have helped many foundations and corporate grantmakers develop and manage requests for proposals as they identify the best nonprofits to fund. Over the years, my experience and research have revealed ten steps a funder can take to help make RFPs successful. I'm sharing those ten steps here so you can benefit, too.

1. Be crystal clear on what you want to accomplish with your funding initiative.

This means understanding your vision, your mission, your objectives and strategies, and what dollar amount you want to use to achieve your goals.

2. Envision your ideal applicants.

Who do you want to apply for this funding initiative? What kind of organizations? What skill level and experience do they need to have? Do you want an organization that has been doing this work for a long time – one you can take to the next level – or are you seeking to fund a start-up?

3. Put customer service first.

You have two main customers here. The first is the beneficiary (the person, family, or community that your grantees seek to help); be sure that your approach is of greatest value to that person or group. The second customer is the nonprofit organization that will be responding to your RFP. Treat each of them like customers, not like servants; don't make them jump through unnecessary hoops or give them unrealistic deadlines.

4. Conduct significant outreach to potential applicants.

Your methods may vary depending on whether your RFP is open, meaning anybody can apply, or whether it is by invitation only. If it's an open RFP, how will your ideal applicant learn about it – what networks and associations can help you disseminate the RFP? The critical issue is ensuring that the applicants you want to apply are aware of the RFP in time to actually submit their proposals. Of course, you face similar issues even with a closed RFP: You might need to do some initial research to find the best nonprofits to invite, and they too will need plenty of time to apply.

5. Get honest feedback from people outside your organization.

Share a draft of the RFP with executive directors of organizations similar to your ideal applicant or with funder colleagues from other foundations. Give them permission to give you honest feedback, including criticism that tests your assumptions. You want to ask this of your Red Team (a group of people you've charged with finding out what can go wrong, where the holes are, and why what you're trying to do won't work – to help you make course corrections). You don't want to solicit feedback from people who will just tell you that everything looks great.

Successful RFP Management for Foundations, continued

6. Determine your staffing needs in advance.
You want to think about what resources you're going to need, how to plan and develop them, who will write the RFP, how many proposals you anticipate, and how many people you will need to help you review the proposals. Will you need staff to conduct site visits? How will other people in your organization be involved or impacted? Staff from grants management, communications, and evaluation may all need to be involved in reviewing proposals, so you'll want to think through a plan for engaging all these individuals to help you successfully implement your RFP.

7. Develop your review criteria before issuing the RFP.
This might seem unnecessary now, because of course it will be a while before you're actually reviewing proposals. But it can be helpful and efficient to think about this early on. When those proposals come in, how are you going to review them? Not just in terms of the staffing discussed above, but in terms of what your criteria will be. For example, will you use a scoring system? By developing your review criteria in advance, you can identify gaps and areas of confusion or duplication in your RFP – and correct them – before you disseminate it.

8. Anticipate your expectations for grantee involvement in the funding initiative.
Will there be an evaluation? If so, what data-collection needs will you have? Are there expectations that your grantee will be convened regularly or participate in a learning community? If so, how do you make sure these expectations are clear to the applicants before they apply?

9. Anticipate applicant questions and prepare answers to frequently asked questions (FAQs).
Consider in advance what kinds of questions your applicants may have and where there might be areas of confusion. For example, do terms need to be clarified? I recommend actually creating a FAQs document in advance and issuing it when the RFP is released; then you can update it as needed, as applicant questions start coming in.

10. Debrief once the dust settles.
After you've reviewed the proposals, made funding decisions, issued the grant, and disseminated your press release, take some time to reflect on the process. What could have gone better? What worked well? What would you do differently? Ideally, ask for perspectives from applicants who were declined as well as the grantees that you funded. Make sure you document what you learn and share it with your colleagues at your foundation. And don't forget to refer to it the next time you develop an RFP, to make sure that you've retained the lessons you've learned throughout this process.

Using even a few of these tips will benefit your grantmaking program, but obviously all of them work together and build on one another. As you begin to apply these ideas to your RFP process, they will become a seamless part of your grantmaking and ultimately make a profound impact. My best clients leverage all ten of these points to ensure that their RFPs create the most successful grantmaking programs for their foundations.

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