

Date: October 9, 2003

Topic: Contractual/RFP Issues

How did you accomplish this topic during your implementation?

Lucent implemented a standardized cross-Lucent process for reviewing the quality and customer satisfaction requirements in Requests for Proposal (RFP), Request for Information (RFI) and Customer Contracts. The purpose was to ensure we provided accurate and consistent data for inclusion within these documents, that we ensured that we were fully knowledgeable of any quality-related requirements and/or registration commitments, that we ensured full compliance with all our contractual commitments, and that we streamlined and improved the time it took to review and respond to RFPs and Contracts. To do this we established a single global point of contact for receipt and review of all RFPs, RFIs and proposed contracts that had quality requirements. In addition to expedite the response, we developed a two-page "State of Quality" document for each unit and for Lucent as a whole. These State of Quality documents contained information that is normally asked in RFP/RFIs and Contracts. We find that about 80% of the RPS and contracts can be answered on the same day of the request using the information in these documents. We negotiated this process with our entire contract and capture managers worldwide on a trial basis with a view to evaluate after 6 months. The review proved the process was working well and is now deployed about 1 ½ years. A flow chart of the process is attached.

What resources/tools/vendors were used to accomplish this task?

This was very low cost and actually required no budget. An existing person developed the process, negotiated it and took on the role as point of contact. There is also a quality contact in each of the units to address any need for information beyond what is carried in the "State of Quality" document. The Lucent single point of contact coordinates all responses and provides them to the appropriate requestor. There is some data tracked, e.g., number of bids, any losses because of quality issues, size of the bid if lost, number of bids and companies requiring either TL or ISO registrations. This data is tracked manually via an Excel spreadsheet.

Was there any benchmarking activity?

No

What lead you to use this method?

Lucent had many people responding to RFPs, RFIs and contracts without a consistent process or timetable for responses. This was both inefficient and sometimes resulted in conflicting information. It also did not give Lucent a "heads-up" on companies requiring certain quality registrations.

What worked and what didn't work?

The single point of contact had worked very well. We have received many complements on how it has made the contract and capture manager's job easier. It also ensures that we provide consistent responses.

- The State of Quality documents have worked very well in that the answers to probably 80% of the questions asked on RFPs are right at our finger tips already answered. It also pointed out inconsistencies across the units which we could then address.
- Since this is a global process, we got early warning on new TL requirements outside the US , e.g., Mobistar, that we may have not found out about until much later with the old process.
- Once the industry slump ends and volume increases, we will have to keep a watch on whether one person can handle this as a part time responsibility
- It does take reminders every 4 or 5 months to the contract and capture management groups to ensure they follow the single point of contact process. Although exceptions now after about 18 months of implementation are getting much fewer

What recommendations do you have for others attempting to use your method?

Just make sure you have a single point of contact in your contract and RFP groups to start the negotiation and that can open the doors to all the rest of the groups. Advertise some early successes.

How did you measure the effectiveness of this method?

We track how many we handle, we track feedback we get, and we track any bids lost due to quality issues.

Process for Responding to RFPs, RFIs, Contracts, etc. that contain Quality Requirements (and/or Performance Management questions)

