

Creating An RFQ That Gets Results

The RFQ (request for quote) is a fundamental building block for establishing profitable partnerships between a contract manufacturer or job shop and a product developer. It's the key to getting "your product, your way."

By Frank Russo

The most successful supplier relationships are forged from mutually beneficial partnerships between you and your contract manufacturers. They work closely with you to understand your specific requirements and deliver your products in the most efficient, cost-effective method. In many cases, suppliers are an integral part of the product development process, providing critical assistance in part design, effective manufacturing methods and material selection. The most valuable suppliers have experience in your industry's applications, and collaborate with you to solve manufacturing and product challenges.

Communicate Your Expectations

Creating an RFQ (request for quote) or RFP (request for proposal) is the first step in selecting a new or existing supplier to produce a high quality part with a reasonable price point at your time of need. An RFQ is your initial communication with potential suppliers to express your expectations for a job. A well-crafted RFQ is essential to the sourcing process and must provide crucial details to contract manufacturers who will determine if they can perform the job. Detailed RFQs allow suppliers to prepare accurate quotes that minimize the potential for cost overruns, delivery delays and products that don't meet your requirements. A comprehensive RFQ also allows you to evaluate the value of different

suppliers, because sourcing a part is not just about price. And last, but not least, a solid RFQ opens a dialog between you and prospective suppliers to address design and manufacturing issues, as well as material options.

At a high level, an RFQ is a communication tool presenting an immediate business need that requires a solution from a participating supply chain, allowing manufacturers to respond to those requirements during the same timeframe. This process provides a level playing field for potential suppliers. And, when utilizing a standardized RFQ platform, buyers can efficiently compare quotes, since they are prepared by suppliers using the same procedure and format.

The Buyer Dashboard at Fabricating.com gives a subscribing job shop customer an overview of part sourcing activity. The prominence of the RFQ is evident. The REQUEST pane in upper left of the screen launches tools for creating and managing RFQs.

Building the RFQ

Creating a complete, informative RFQ takes time and effort. Investing that time and effort upfront will save you heartache downstream during the bidding and manufacturing process. You will end up with competitive, comparable quotes, and a choice of proficient suppliers with the qualifications and capacity to produce your product to spec...saving time, expense, and your product quality.

Your industry-standard RFQ must include key ingredients to communicate your requirements.

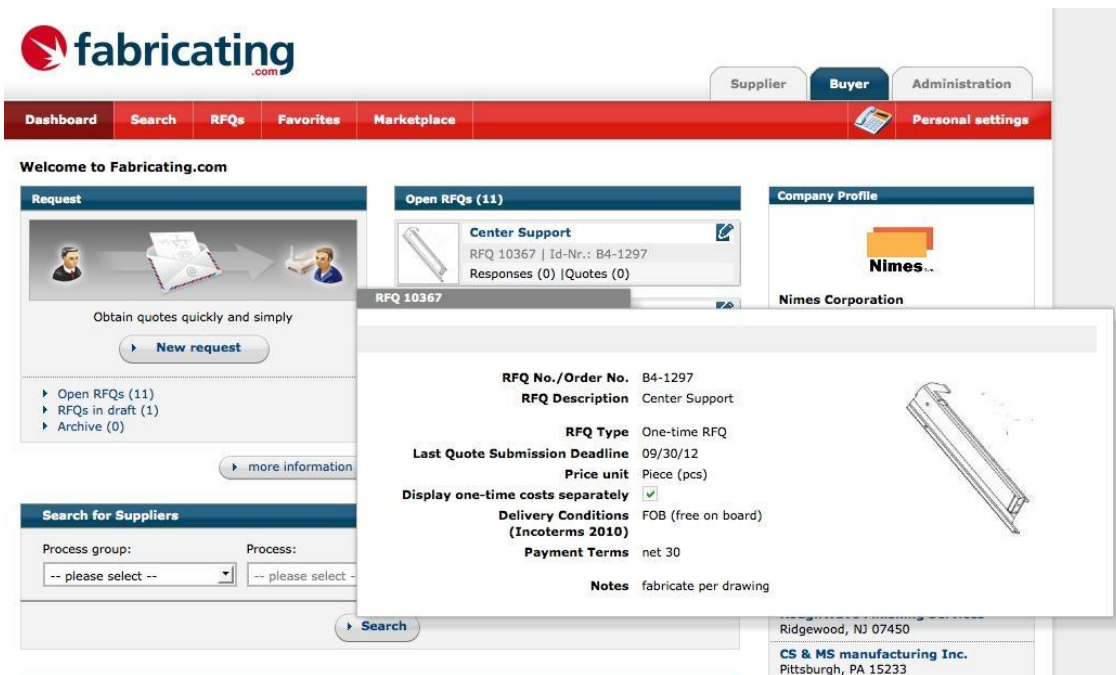
Those elements are:

- Introduction and Executive Summary – This section describes the overall requirements and expectations for the job, including the end use of the product. Overall company and market information is usually included here. Even though it is the first section, it is often written last because it is a top level summary of your requirements.
- Business Overview (RFQ Header) – The business overview includes more detail about the intended end use for the product and any standards and certifications that must be met. Order details, quality requirements and delivery information should also be incorporated.
- Detailed Specifications – This section is the “meat” of the proposal. Cover all product details and requirements in this section, such as product drawings, engineering tolerances, milestones, deliverables and timelines, technical or business requirements.
- Terms and Conditions – Add terms from your standard contracts regarding payments, financing, warranties, delivery penalties and other terms suppliers need to be aware of prior to quoting. If you have specific terms and conditions for this job, include them here.
- Selection Criteria – Articulate your priorities and the criteria used for supplier selection. If you have specifications that must be met, record them here, even if they were listed in another section. These fine points would include the supplier’s ability to meet regulatory or industry standards, their experience in manufacturing products for your industry, or meeting a tight deadline.

- Contact Information – List company and contact information for questions and clarifications.

Also state how you will communicate any updates to the RFQ, so suppliers can verify they are responding to the most current quote.

- Submission Information – Provide the deadlines and method for submitting quotes.



Clicking on a part listed in the OPEN RFQs pane brings up a summary of details about a part for which the buyer has issued an RFQ.

Five Tips for the Quoting Process

A well-written RFQ puts you in charge of the quoting process. Here are five tips to put you on the fast track to the right supplier for the job.

1) *Customize Each RFQ* – Create an individual RFQ specifically for each project. While some information, such as company and contact information will be the same in different RFQs, be sure to customize the requirements for each job. Do not run the risk of copying details from another RFQ that are not

applicable to the current job. This action can ultimately result in incorrect quotes, and worse, products that will not meet your needs.

Don't burden the RFQ with boilerplate information. Using a template format helps your team input all the pertinent information and makes it easier for suppliers to comprehend your requirements. An RFQ using too much boilerplate information or not enough customized information communicates to suppliers that you don't care about your products.

2) Be Specific about your Product – Be specific and thorough when describing your product. Make sure the supplier understands the end use of the part or product, the features you require, the materials you want to use, the manufacturing process and the tolerances you require. If you have regulatory or industry standards you need to meet, be clear about those also.

3) Organize Your Information– The RFQ should be well organized so suppliers can locate pertinent information easily. Make sure the data included resides in the appropriate section of the RFQ. If you mention materials in the section on process, be sure to include it again in the materials section.

Use common terms and explain uncommon language. Every company has acronyms and terms unique to its products and processes. Don't assume people outside of your plant understand your lingo, so the best policy is to avoid using those words. When you use industry standards acronyms, as a rule you should write the full phrase and associate it with its acronym at the first instance you use it. For example, coordinate measuring machine (CMM).

4) Articulate the Nuances – Your end product has a specific application use, so be clear about the product requirements for that use. Be sure to fully discuss the implications of your requirements throughout the RFQ. For example, if your part needs to perform well in salt water environments, include the information in your materials section and the process section. It is also important for the

supplier to recognize that special fabricating and welding methods are required, in addition to specific alloys suited to salt water environments.

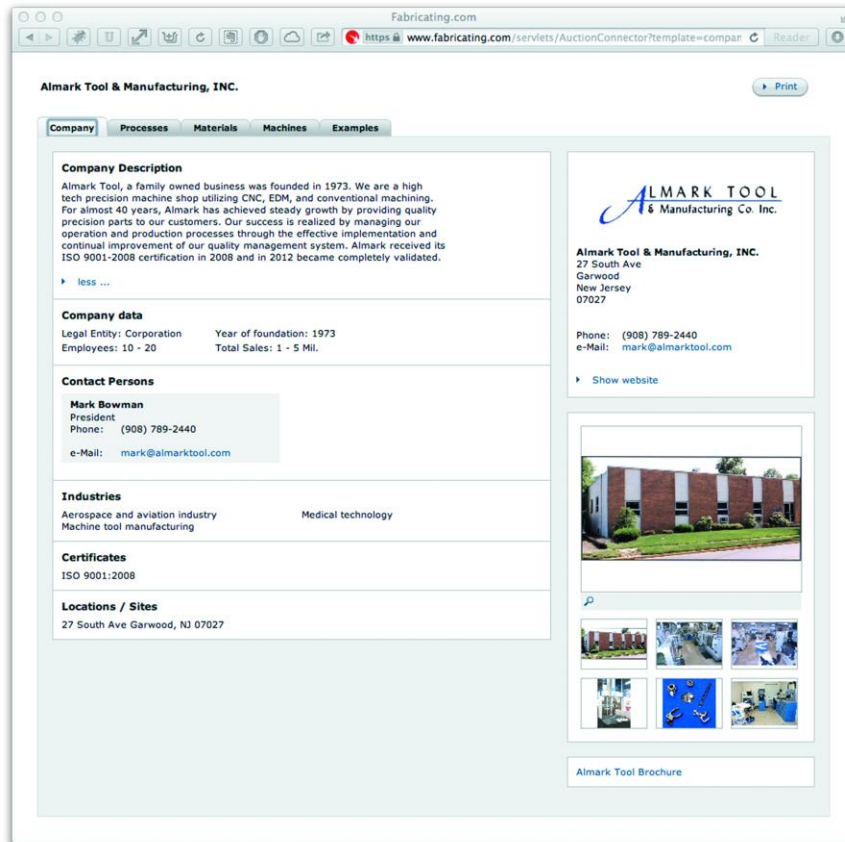
5) Make Your RFQ Data-rich – In the case of an RFQ, more data is clearly better. Be sure to include detailed specifications, engineering drawings, requirements and any other information about the product and end use. Does your part need to perform well in extreme temperatures? Then state the upper or lower temperature limits. Does the part need to accommodate heavy loads? Then include the load limits. Is your part a seal to be used in valve? Attach the drawings for the seal and the valve.

Your RFQ is Perfect, Now What?

Once you complete your highly detailed RFQ, the next step is to distribute it to potential suppliers. It is also very important to have a method to communicate with them throughout the quoting process. There are a number of tools available to assist in distributing RFQs. Online marketplaces provide sophisticated features and tools to help you manage interactions with suppliers during and after the quoting process, as well as managing dialogue and progress once the job has been awarded. Many of these tools provide additional flexibility for you to access a number of qualified suppliers, with the ability to limit or expand the list of suppliers who receive the quote.

Fabricating.com, an online marketplace that aims to match U.S. suppliers and buyers, has developed a full suite of tools to create detailed RFQs. Its SourceNow system includes a step-by-step RFQ creation tool that guides you through the process, asking key questions about your product, requirements, materials and process. Your account and contact information is automatically populated and can be customized for each RFQ. Fabricating.com's quote management toolset allows you to send your RFQ to select suppliers or a group of qualified suppliers. The system's communication management module ensures that any changes to a quote is broadcast to all the suppliers receiving the RFQ, and

allows suppliers to communicate directly with you if needed. Using Quote Compare functionality, buyers can compare quotes at a detailed level, across all suppliers on the same basis. The final decision will be an informed one.



Suppliers registered with Fabricating.com must enter data to fill this Company Profile page. This information helps buyers discern the suitability of potential suppliers. As part of the registration process, Fabricating.com screens suppliers and verifies submitted information. Only U.S.-based suppliers are eligible for registration.




You're in Business

In the supplier discovery process, a well-crafted RFQ is the key to a profitable partnership for both you and your supplier. When your supplier is crystal clear on your design intent, their work is streamlined. Your groundwork and a comprehensive RFQ will lead to a supplier who can meet your product requirements, and minimize the potential for cost overruns and missed delivery deadlines.





Marketplace

Filter results

Process group: All Region: All
 Process: All Division: All
 Material Category: All State: All
 My RFQs: All Zip Code: All

 RFQ matches 100%
 RFQ doesn't match at 100%
 RFQ doesn't match

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	> RFQ	> End	> Description	> Process	> Company / > ZIP		
	RFQ 12741	06/28/13	Custom Silicone Part Sleeve	1000 pcs	Injection Molding, Extruding Silicone (LSR)	Studio Neat BROOKLYN, NY 11215	no quote
	RFQ 12745	06/28/13	Mild Steel Sleeve Steel Sleeve	90 pcs	Sawing Free-cutting/mild steel	Kevin Fell Industries Phoenix, AZ 85012	3 Quotes
	RFQ 12701	06/30/13	Jar Handle fabricated iron ja...	100000 pcs	Spot welding Iron and casting materials	American Accessorie... Knoxville, TN 37902	1 Quote
	RFQ 12578	06/30/13	Nylon Spur Gear Nylon Spur Gear	100 pcs	Sprocket (wheel) Plastics/synthetic mate...	Geami Raleigh, NC 27607	3 Quotes

Suppliers also benefit when buyers submit full and complete RFQs. This page, the Supplier's Marketplace, shows a list of RFQs that match the supplier's capacity, equipment and capabilities. Data in the RFQ enables Fabricating.com to do this matching with thoroughness and accuracy, this making the procurement process more efficient and effective.

About the author: Frank Russo is chief executive officer of Fabricating.com. Before co-founding Fabricating Partners, Inc., CEO Frank Russo was instrumental in the development of Web-based innovations to connect buyers with suppliers, and create vibrant market spaces, while serving on the management team at Thomas Publishing Company, McGraw-Hill Construction Information, and MFG.com. Mr. Russo has extensive knowledge of metal manufacturing technologies, procurement and supply chain processes, and online marketing techniques. He has more than 20 years of experience in manufacturing. He served as general manager at Custom Metal Manufacturing, one of New Jersey's leading metal fabricating facilities with a large base of commercial, military and industrial customers. Mr. Russo heads the Fabricating.com management team and is responsible for on-demand lead generation, and is the driving force behind the New Generation of E-sourcing technology at Fabricating.com. Mr. Russo holds a BS degree from Stetson University and completed post graduate work at the Pennsylvania State University.