# Getting to Faster Business Results with Strategic Response Management

AI-powered response management solutions for RFPs, RFIs, security questionnaires, and more are helping companies increase win rates, reduce risks, and better enable their teams.

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**Topic:** Strategic Response Management

**Issues:** What is Strategic Response Management and how will the market evolve?

## SUMMARY

The manual and time-consuming process of responding to requests for information (RFPs, RFIs, bids, tenders, due diligence questionnaires, security questionnaires, and more) is undergoing a major transformation. Strategic Response Management is a new category that will automate the entire process, generate higher quality results, and have a larger impact on the bottom line.

# RESEARCH NOTE

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## Introduction

Response teams are under pressure to create responses that satisfy and win customers, but they are not set up for success. Manual response is a time-consuming, scattered process that makes it nearly impossible to handle high volumes of requests for information or complex requests. It also leaves room for ample human errors and inaccuracies due to inconsistencies in the information that stems from the lack of a cohesive strategy and centralized knowledge base. All of these can factor into low win rates and can cause an enterprise's reputation to suffer. The Strategic Response Management (SRM) category is emerging due to this critical need. SRM platforms give response and sales teams both a process and a platform to assess and respond to opportunities quickly and with accuracy. Technologies such as content automation, content AI, and workflow power these platforms. This Research Note will introduce the pressing need for Strategic Response Management platforms, identify the capabilities of these platforms, and discuss how enterprises can begin transforming how they respond to requests for information.

## Digital Businesses Are Focusing on Transformation

Digital businesses understand they must shift away from manual processes—this is especially true for processes that have a major impact on the bottom line. This is the case with most legacy approaches to response management. Up until today, the burden has been on individuals or teams to craft winning responses on their own. This process is painstaking. Each time a bid or request for information comes in, it must be read in detail. The individual must then scramble to find the information they might not have or have access to—such as answers to new product updates, roadmaps, detailed security questions, and more—and hastily cobble together a reply. Relying on this manual process from start to finish prevents businesses from quickly reacting and executing. This results in numerous lost revenue opportunities because customers are left waiting for a reply, and when they receive that reply, it may fall short of their expectations.

The good news is providers are responding to this need. With a Strategic Response Management platform, enterprises will be able to automate time-consuming parts of the response process. Potential customers will get error-free, near-immediate responses to their information requests. This is the kind of experience they demand and expect.

## Enterprises Require More Automation for Key Business Processes

Time is a scarce resource in today's world. Despite this, employees often spend hours of time looking for the right information to get their jobs done—whether that's how to troubleshoot a technology issue or how to respond to a customer query. Automating the time spent searching for information and making sense of that information will give employees and customers valuable time back, especially when that information is currently locked inside unstructured documents. These documents are often the backbone of many high-volume, high-repetition business processes.

Using content AI, algorithms can read documents and understand the text and images inside those documents. They can also then quickly assemble the right content for new needs based

on the information ingested. Businesses that are able to successfully automate their document-based processes will be more agile than their competitors.

## What Is Strategic Response Management and Why Does It Matter?

When a business receives a request for information or a request for a proposal, they often lack a streamlined way to complete the response. Teams often work in silos, and the content they need to access, and people they need to communicate with are often siloed as well. Teams also feel they have to respond to every request that comes in, or else a deal could be left on the table. Customers are left waiting hours or days to hear back. The answers they receive may lack the most up-to-date product information or may even fail to completely address complex questions asked—such as those questions involving security. Today, a different approach is required.

Strategic Response Management platforms streamline the entire lifecycle of external requests and improve the quality of responses to quickly get answers back to customers. Using intelligence, they empower teams to prioritize the requests that they are most likely to win. Personalized responses can be generated faster by accessing all up-to-date company information in seconds. The platform automates the review process to keep responses from getting slowed down. By eliminating the need for ad hoc, cumbersome approaches, Strategic Response Management platforms give enterprises the ability to handle even greater volumes of external requests across departments.

## How Large Is the Market for SRM?

As a business category that until now has not existed, Aragon expects the total addressable market for Strategic Response Management will grow from US $3.34B in 2022 to $22.74 Billion by 2028 with a CAGR of 35%. Part of the reason for the growth is the sheer need for these capabilities that automate one of the most tedious and repetitive parts of an enterprise that, until now, required the purchase of a number of distinct software offerings.
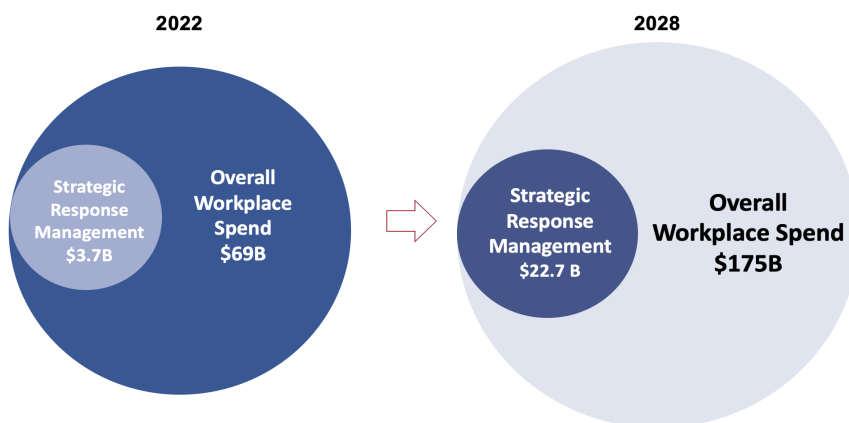


*Figure 1: The Growth of SRM market is tied to the growth of software spend for digital work to get done.*

**The Key Elements of Strategic Response Management**

Strategic Response Management combines content automation with collaboration, knowledge, and **project** management—infused with intelligence—to streamline the entire external request lifecycle. This includes when the request is first received to when it is delivered back to the customer.



*Figure 2: The key elements of a Strategic Response Management platform.*

Strategic Response Management eliminates the need for antiquated approaches to response management. It leverages key capabilities, including:

- **Content Automation:** RFPs, security questionnaires, DDQs, and other request documents are completed with the help of AI. Algorithms identify fields where a response is required, interpret what is being asked, and generate draft responses throughout the document. These responses are derived by AI from responses to previous requests for information.
- **Collaboration**: users can work on projects simultaneously and collaborate through comments, messaging, and mentions when working together on responses. Integrations with popular CRM, chat, and product management solutions enable collaboration across the organization.
- **Document Generation**: streamlined document creation tools enable front-line teams to leverage SRM content and AI intelligence to create proactive responses such as proposals and fact sheets.

- **Knowledge Management**: the most up-to-date and relevant content is pre-approved and at the fingertips of front-line teams through integrations with popular web browsers, chat apps, sales enablement tools, and productivity suites, saving employees valuable time and allowing for increased precision and widespread accuracy across the enterprise.
- **Project Management:** keep responses and productivity on track by assigning tasks and sharing updates on response status. Allow simultaneous feedback, review, and approval to occur via automated workflows.
- **Analytics**: understand the velocity of requests, workload allocation, and content effectiveness through dashboards, custom reporting, and bidirectional data sharing with other solutions.

Strategic Response Management is designed to be used by business teams, so there is little to no programming required. It is meant to be integrated into the existing sales technology stack to utilize the information inside of CRMs, cloud storage, and other sales enablement technologies.

## Why Is SRM Making a Difference for Enterprises?

A request for proposal has two possible outcomes for a business: win or lose. Businesses are often bogged down with attempting to respond to all requests that come in for fear of leaving a deal on the table. Strategic Response Management allows enterprises to work smarter—not harder. All of the cumbersome, manual tasks required for response management are eliminated with an SRM platform. The biggest wins an SRM platform gives enterprises include the following:

- Scalability: teams are able to respond to more requests because they can create responses faster than ever before.
- Higher win rates: With SRM, teams increase win rates by responding faster and more effectively to requests for information. In effect, they get much better at consistently putting their organization's best foot forward. In addition, they're able to focus more effectively on opportunities they are most likely to win and avoid wasting time on requests that are not a good fit for the business.
- Increased productivity: the efficiency an SRM platform provides allows even small teams to handle numerous requests at the same time. Project management features keep teams accountable and on track.
- Increased employee morale: teams are given time back with an SRM platform. They no longer have to spend hours or days looking for the right information to put together responses or burden other employees across the organization with repetitive requests for similar information.

## How SRM Is Different from Knowledge Management Solutions of the Past

Strategic Responses Management systems can serve as a very compelling knowledge management solution, providing employees with easy access to a given company's most up-to-date information across the enterprise. Why are modern SRM solutions able to succeed as a knowledge management resource, whereas traditional KM systems invariably fail? The key difference is that modern SRM solutions serve as a repository of a given organization's most current, accurate, and vetted responses to real and business-impacting requests for information.

The knowledge in an SRM system is derived from the company's numerous responses to specific questions - responses that have been pulled either from previous "best of" responses or answers to new, recent questions. Traditional KM systems, on the other hand, didn't serve the purpose of enabling organizations to ingest requests for info, automatically respond to questions with "best of" answers, or facilitate internal collaboration for getting answers.

Instead, in traditional KM systems, contributors would hypothesize questions and then provide answers. Often, the hypothesized questions/answers were general in nature and weren't helpful for answering more specific questions. In addition, proposed answers would quickly become out of date. Potential users would stop accessing traditional KM systems, given their low utility and accuracy. This situation would be further exacerbated by the lack of regular proactive information management within the system by content contributors after an initial update. With modern SRM solutions, information in the systems is up-to-date, relevant, and pulled from recent "best of" and approved answers, serving as a very valuable resource across an enterprise.

## The Key Areas that Enterprises Need to Understand When It Comes to Communication Automation

SRM will transform the way response teams work on requests—allowing them to answer more proposals with greater effectiveness which will result in revenue growth, decreased liability, and better employee experience. One of the platform's biggest strengths is that it will streamline the communication process from start to finish—from when a bid or request comes in to when it is answered. SRM platforms support internal collaborators and those across departments, business units, and external parties. Response teams can create and assign project teams to handle different proposals, allowing for better organization and allocation of resources. Collaboration capabilities allow team members to notify others via mentions with updates and deadlines to keep progress on track. Creating a successful response is a team effort, and the communication automation features in SRM make this possible.

## The Role of Proposal Automation in SRM

Proposal generation needs to be intuitive and easy to use. SRM platforms leverage content automation to make the process a breeze for response teams. First drafts of responses can be automatically assembled using AI and the content library, allowing response teams to collaborate quickly and focus more of their energy on refining and personalizing their responses. Automation helps teams handle high volumes of requests and ensures consistency across all proposal responses so that they actively reflect the enterprise's ethos and brand.

## RFPs Are Just the Beginning

RFPs are just the beginning when it comes to how SRM can be utilized. While there are several point solutions that currently address specific response use cases, the power of an SRM is that it can address multiple use cases all from one place. A single platform means employees only have to familiarize themselves with one solution. At the backend, a single platform means only one data repository is needed. Security management and integration are more seamless as well.

SRM can be used to address use cases across departments beyond sales, as well as ad hoc requests for information—such as email inquiries. Marketing teams, who are often in charge of creating, updating, and populating sales content, can leverage SRM to update proposal content as needed, ensuring the most relevant content is used in responses. Teams who constantly need to translate queries from one language into another will reap the translation benefits of an SRM solution. These are just some examples of ways an SRM can be used across the enterprise.

## Collaboration Cannot Be Overlooked

SRM platforms empower teams to do their best work by supporting the way they already work.  By integrating with collaboration providers, teams can use and find information via their company Slack, Microsoft Teams productivity suite, web browser, and more. One of the biggest benefits of an SRM platform is that it democratizes work. People can work in real-time simultaneously. Team members can check in to see the status of the response at any time, allowing for more transparency. Stakeholders can be consulted and added to projects quickly. One of the providers offering these capabilities in SRM is RFPIO (see Note 1).

## The Role of Intelligence in SRM: How Generative AI Will Make a Difference

In the past, enterprises leveraged different content analytics tools to interpret and analyze their key documents and digital assets. While such tools were often useful for parsing documents for specific keywords or automating simple content-related processes, they did not achieve the level of understanding provided by a human interpreter. Now, we're in the era of generative AI—going from keyword terms and queries to an AI assistant being able to answer a prompt in human-like conversational language. It can be difficult to discern if a piece of content was written by a human or by generative AI. This is one of the biggest technological revolutions in the modern era. In March of 2023, Microsoft made ChatGPT available through its Azure OpenAI service, allowing enterprises to use generative AI in their chatbots. More and more applications will leverage this technology.

When it comes to responses, SRM platforms will leverage generative AI in the form of assistants to help teams rapidly

**Note 1: RFPIO Overview**

RFPIO is pioneering Strategic Response Management, leveraging AI with its platform for enabling organizations to effectively and efficiently respond to RFPs, RFIs, security questionnaires, due diligence questionnaires, and more. Today it counts nearly 2,000 companies as customers including Adobe, BlackRock, Google, Microsoft, SAP, and Zoom.

**Location**: Beaverton, Oregon

**CEO**: Ganesh Shankar

**Key Use Cases**: RFPIO Strategic Response Management Platform (see Note 2 below).

**Availability**: Available Now

**Website: rfpio.com**

generate drafts of responses for customers and perfect the style and tone of their responses. RFPIO is a pioneer in the SRM space that has added a generative AI assistant that can author a first draft, simplify or expand upon an answer, summarize content, improve readability, and more (see Note 2). Generative AI will save response teams hours of time and get them much closer to a perfect draft of a response in minutes instead of hours or days.

## Key Markets Where SRM Will Be Critical

SRM will benefit enterprises in a variety of markets. Enterprises that handle high volumes of customer requests for information will stand to get the most benefits. Some of these include:

- **Technology**: technology companies are inundated with RFPs and security questionnaires on a daily basis. SRM platforms can help sales teams dramatically accelerate and improve the quality of these responses. Large technology enterprises will be able to onboard entire sales departments quickly and can ensure responses are consistent across the company.

- **Professional Services**: enterprises in the professional services space can use SRM platforms to automate their creation of proposals and statements of work, letting the platform do the majority of the work and freeing responders to invest more time in adding personalized touches. Inside the SRM platform, companies can create content collections specific to different areas of the business, brands, products, or services to provide people with only the content they need.

- **Finance**: financial companies such as asset management firms often see a high repetition rate when it comes to requests for due diligence questionnaires (DDQs) and proposals. An SRM platform can help enterprises in the finance sector automate these requests and can ensure compliance by embedding checks into their workflows.

- **Healthcare**: enterprises in the healthcare space need to be able to keep up with a constantly evolving landscape—from pandemics to supply shortages and regulatory changes. Healthcare insurance companies, for example, operate in a highly regulated market where extensive and protracted diligence is part of every opportunity and customer relationship. Quick responses

**Note 2: RPFIO Platform Overview**

**Description:** RFPIO's AI-enabled SRM platform makes it easier for response teams to quickly deliver thorough, accurate responses to their customers by automating key parts of the response process, giving teams the content they need at their fingertips via RFPIO LookUp, and freeing teams up to focus on personalizing customer experiences. RFPIO LookUp enables teams to access company content from wherever they are already working, whether that's the Microsoft Office Suite, Google Chrome, Slack, and more.

**Key Offerings:**

**RFP:** streamlines and automates RFP response processes and give sales teams insight into which proposals are most likely to be won.

**RFI:** allows responders to work in their own easily customizable templates and optimizes the contributors and stakeholders working on a response.

**RFQ:** quickly turn around every RFQ on deadline with all of the pricing, services, and templates content and collaboration tools at your fingertips.

**DDQ:** Shorten the time it takes to respond to due diligence questionaries. Machine learning automaton builds a Content Library based on past successful responses.

are vital to the success of their business, and an SRM platform can help shorten the time it takes to respond.

## How to Get Started with Strategic Response Management

When looking to implement SRM, enterprises need to evaluate their current response process first. Assessment of the response process, the teams involved, and the impact on customers should be included to prioritize where to get started with SRM first and where SRM stands to help the most. Table 1 offers an example way to document this.

| Department/ Teams | Response Process | Customer Impact (High, med, low) | Is the Process Repetitive? (High, med, low) |
|---|---|---|---|
| Response Mgt | RFPs/RFIs | **High** | **High** |
| Sales | Proposals, Custom content, Onboarding | **High** | **High** |
| IT (including Governance, Risk, Compliance (GRC) and Security) | IT RFPs Risk assessments (SIG, CAIQ, ISO 27001) | **Medium** | **High** |
| Finance/Legal | Due Diligence Questionnaires (DDQ), Supplier Onboarding | **High** | **High** |
| Finance/Legal | ESG: Environmental. Data Collection and Reporting: Carbon Emissions, Methane | **High** | **High** |
| Finance/Legal | ESG: Social. DEI, Labor Management, Health and Safety, Supply Chain Standards | **High** | **High** |
| Finance/Legal | ESG: Governance. Board Reporting, Compensation, Corruption, Development and Human Rights | **Medium** | **High** |
| Investor Relations Finance/Legal | Investor inquiries, Mergers, Acquisitions | **Medium-High** | **High** |

*Table 1: SRM assessment matrix.*

Once SRM is implemented, more insight into an enterprise's response process will be gleaned thanks to analytics, automation, and intelligence. Continual refinement in the platform will naturally occur as teams learn what generates the most successful responses.

**Aragon Advisory**

- Strategic Response Management consolidates the technology, content, and people processes into a new business category to get customers and business partners the answers they need promptly and with the most up-to-date information.
- Enterprises should evaluate this new category and its participants as a key part of their business transformation strategy.
- Given so many siloed communications applications, enterprises should conduct an inventory of potential use cases within business units that depend on accurate and timely responses to complex inquiries on communications as part of the service.

**Bottom Line**

Strategic Response Management is quickly emerging as the next "must-have" category of enterprise solutions for go-to-market teams. Organizations are increasingly inundated with mission-critical information requests—RFPs, RFIs, security questionnaires, due diligence questionnaires, and ESG questionnaires. An organization's ability to effectively and efficiently respond to these requests directly impact its ability to win deals, mitigate risk, and enhance employee engagement and satisfaction.