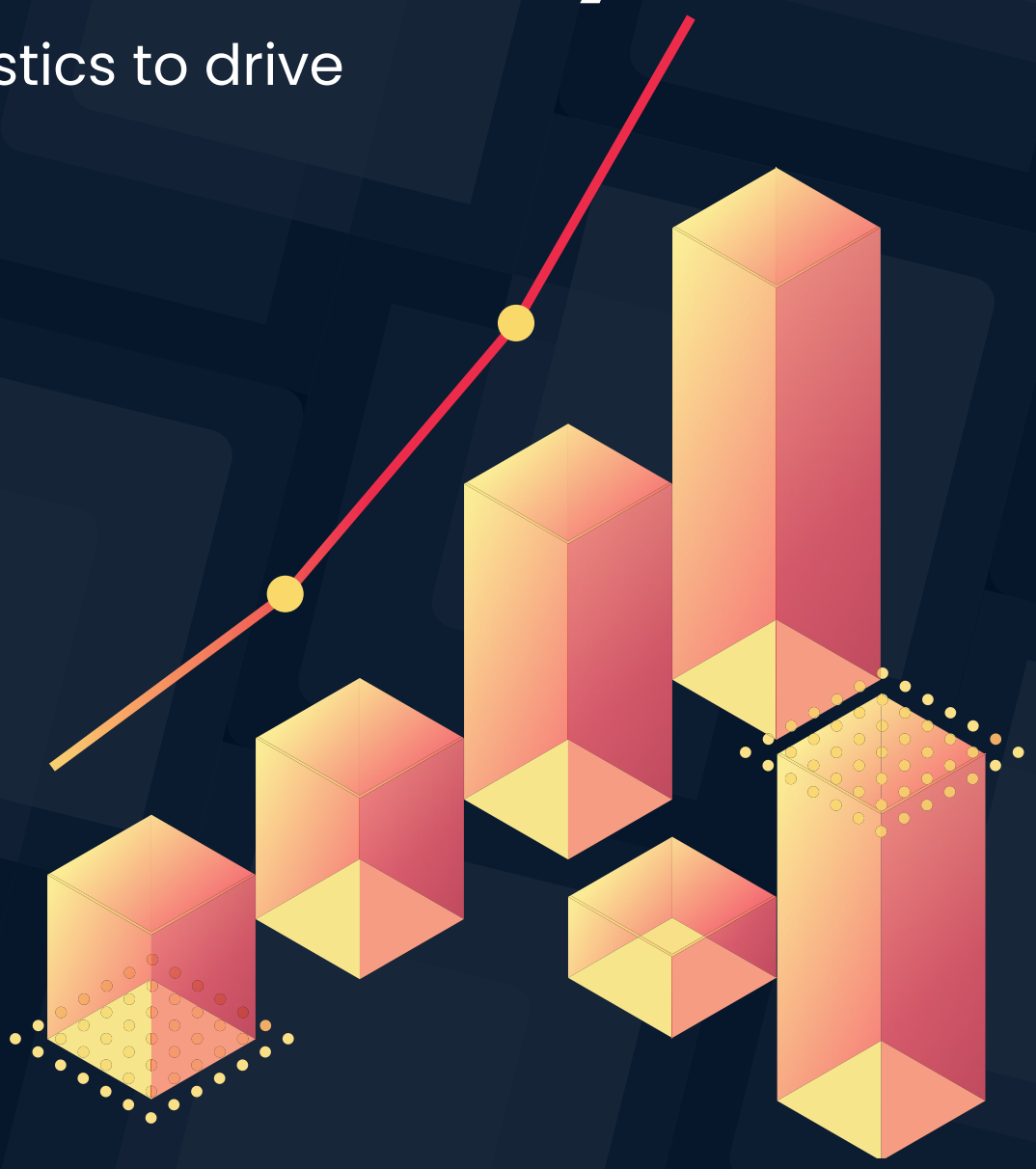
7th Annual QorusDocs Proposal Management Benchmark Study

Insider statistics to drive wins in 2023



QorusDocs

A Message from QorusDocs' CEO, Ray Meiring

2022 has been a tumultuous year for business, to say the least. We experienced great excitement as the pandemic restrictions were slowly lifted and the promise of normalcy was gradually realized. But the lingering fallout from the pandemic caught up with many companies as they continued to struggle with supply chain disruptions and escalating costs. At the same time, the ongoing exodus of the Great Resignation strained operations for many enterprises, heightening the impact of the growing talent shortage. And as signs of a looming recession crept in mid-year, some CFOs pushed for hiring and budget freezes, compromising marketing efforts, stalling sales velocity, and slowing the flow of revenue.

Yet, despite the challenging business landscape, companies were still sending out large numbers of Request for Proposals (RFPs) in support of new projects in 2022. In fact, our survey found that more than 50% of respondents received a higher volume of requests compared to last year, with 48% achieving higher win rates (although win rates fell from 2021 levels).

As we head into 2023, with inflation on the rise and the threat of recession on everyone's minds, companies are looking for any edge to help them weather the storm. We've found many of our clients are focused on heightening operational efficiency—optimizing their processes across the enterprise to increase productivity, reduce costs, and hone differentiation—to boost performance and bolster the bottom line during these uncertain times.

With companies seeking to streamline their competitive advantage in a precarious economic climate, this year's benchmark research report gives them food for thought as they look for ways to optimize their proposal and RFP response process. This report offers statistics and actionable insights to help businesses manage high volumes of RFPs and create effective pitches and proposals—and keep those win rates moving in the right direction. Onwards and upwards for 2023!

Sincerely,

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Key Takeaways

RFPs keep coming

Despite the economic, geopolitical, and business challenges of 2022, more than 50% of respondents experienced an increase in RFPs this year.

Win rates have room for improvements

While the average annual win rate for new business is 40% and 62% for existing business (both down from 2021), the good news is that 48% of companies saw an increase in win rates for new business.

Inability to respond is costly

One quarter of companies (26%) lost an estimated $1M+ in annual revenue (9% lost more than $5M!) because they were unable to respond to RFPs, whether due to time constraints or other factors.

Microsoft 365 is the landslide winner

Half the proposal, bid and sales professionals we surveyed want to utilize Microsoft Word as their primary software application when creating proposals and RFx responses. In fact, 80% of respondents use Microsoft applications to complete requests: Microsoft Word (50%), Microsoft Excel (16%), and Microsoft PowerPoint (14%).

Seamless collaboration is critical

On average, 22 people—from Subject Matter Experts (SMEs) across multiple departments to dedicated proposal professionals and business development teams—are involved in responding to RFx requests. Without a way to collaborate on responses, the proposal process can become a logistics nightmare.

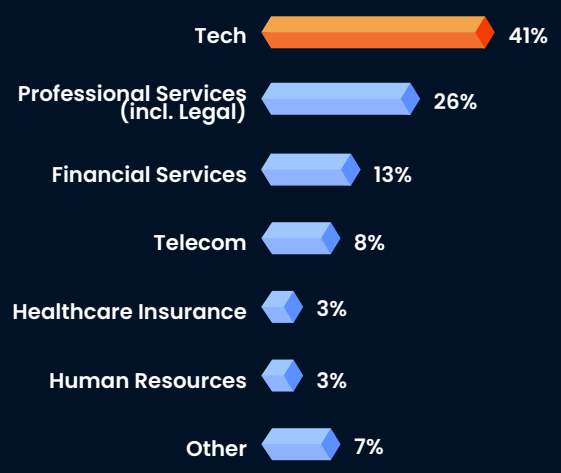
Technology for the win

Companies using proposal management software reported positive impacts across multiple metrics. By automating their response process, organizations increased their deal velocity and win rates, reduced the time spent creating responses, streamlined collaboration, and processed greater volumes of responses—all benefiting the bottom line.

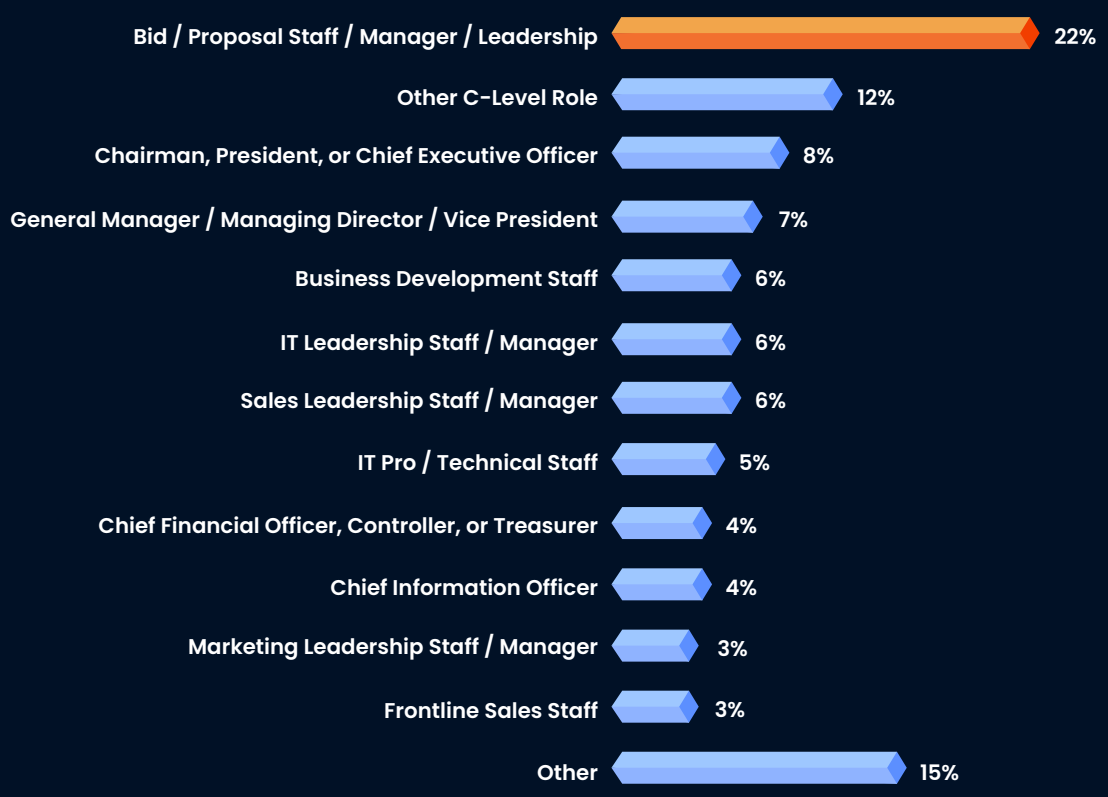
About this survey

For this year's survey, we reached out to professionals in proposal, IT, business development, and C-suite roles who are involved in creating proposals or responding to RFPs, RFIs, DDQs, or security questionnaires. The cohort encompassed companies of varying sizes from multiple industries and across a wide range of revenue levels. The majority of companies represented the technology, professional services, and financial services industries, with 25% of surveyed firms earning more than $100M in revenue (2021).

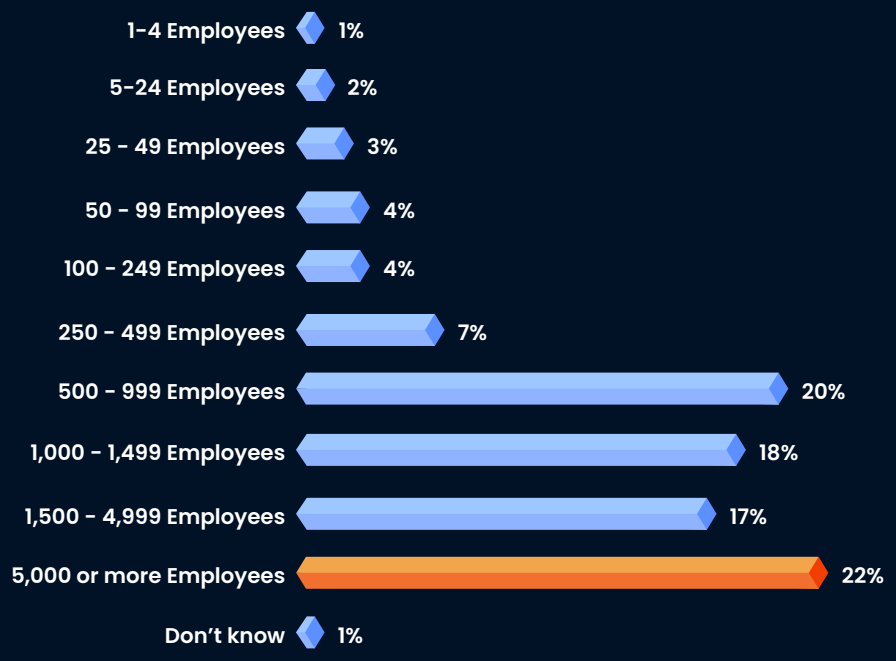
TOP INDUSTRIES



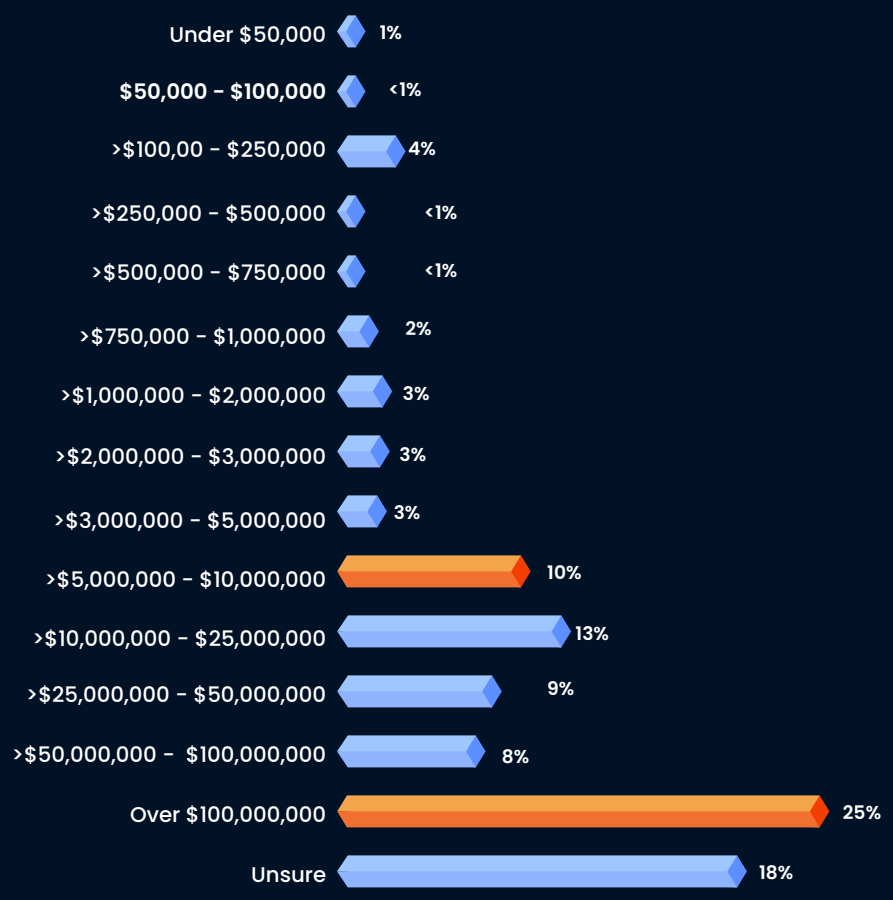
TOP ROLES AND AREAS OF RESPONSIBILITY



OF FULL-TIME EMPLOYEES IN ORGANIZATION



REVENUE IN 2021



We evaluated the current B2B proposal and RFP landscape, bringing you insights on the following factors:

- Number of requests companies received
- Time spent responding to RFPs
- Individuals and departments involved in the process
- Financial and operational impact of automation and proposal management software
- Perceptions and pain points around the existing process

Our research measured the organizational impact of the RFP process, including win rates (for both new and existing business), associated revenue, and missed revenue opportunities resulting from the volume of responses not completed.

By exploring the common challenges involved in the response process, the report highlights opportunities and areas of interest for companies as they continue to improve and refine their operational processes for maximum revenue-generating potential.

Special thanks to MDC Research and Bid Solutions for their contribution to this research report.

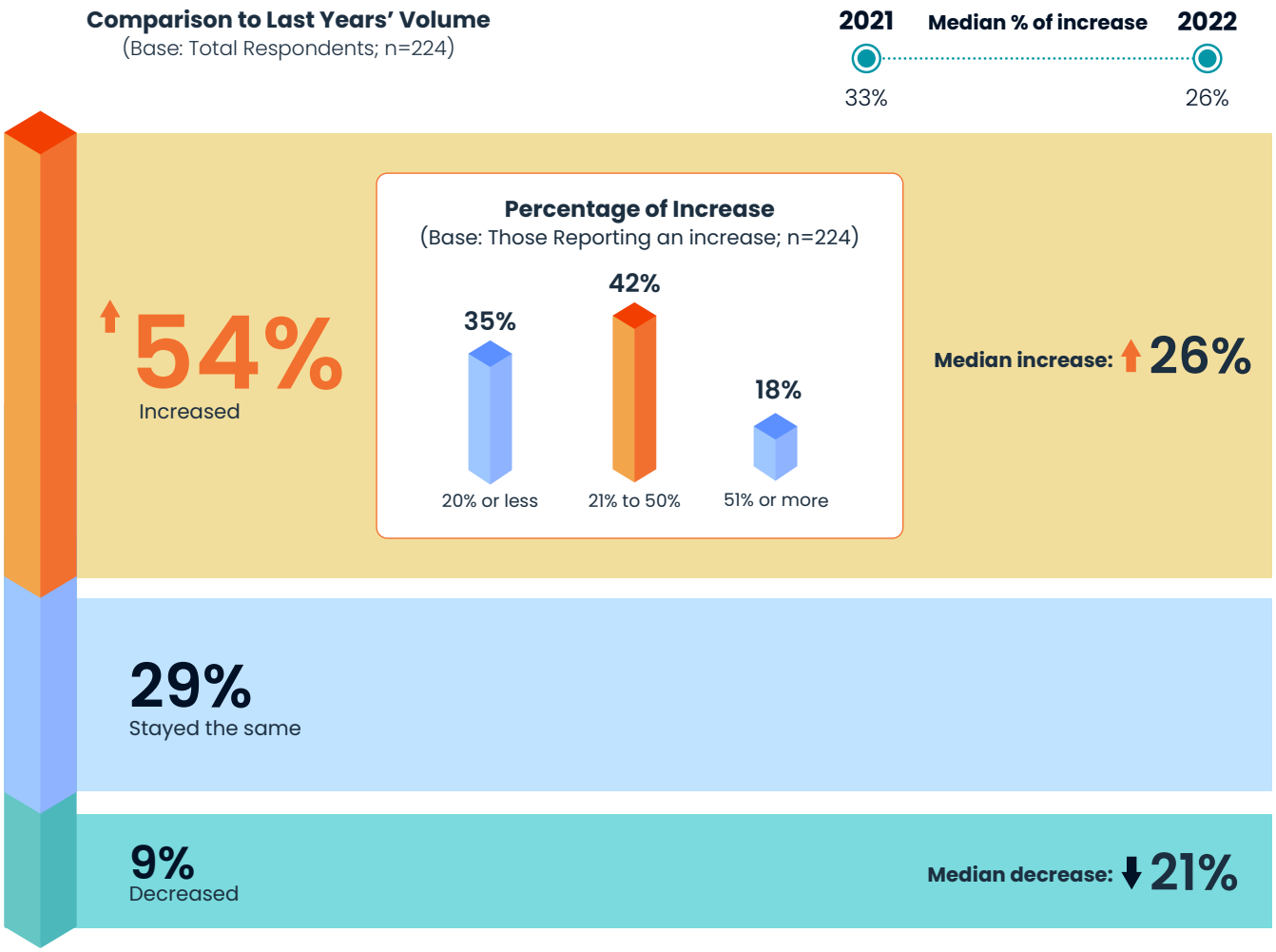
The State of Affairs

The lingering effects of COVID-19, rising inflation rate, and supply chain and geopolitical disruptions created uncertainty and operational and fiscal challenges for many businesses in 2022. But the RFPs continued to flow in and companies rose to the challenge, working hard to build the sales pipeline and create winning RFx responses.

RFPs keep rolling in

Although the volume of the increase in the number of monthly RFPs was not as sizeable as last year (26% median increase vs 33% in 2021), the number of requests was still on the rise. In fact, the majority of companies (54%) reported an increase in the number of RFPs they received in 2022.

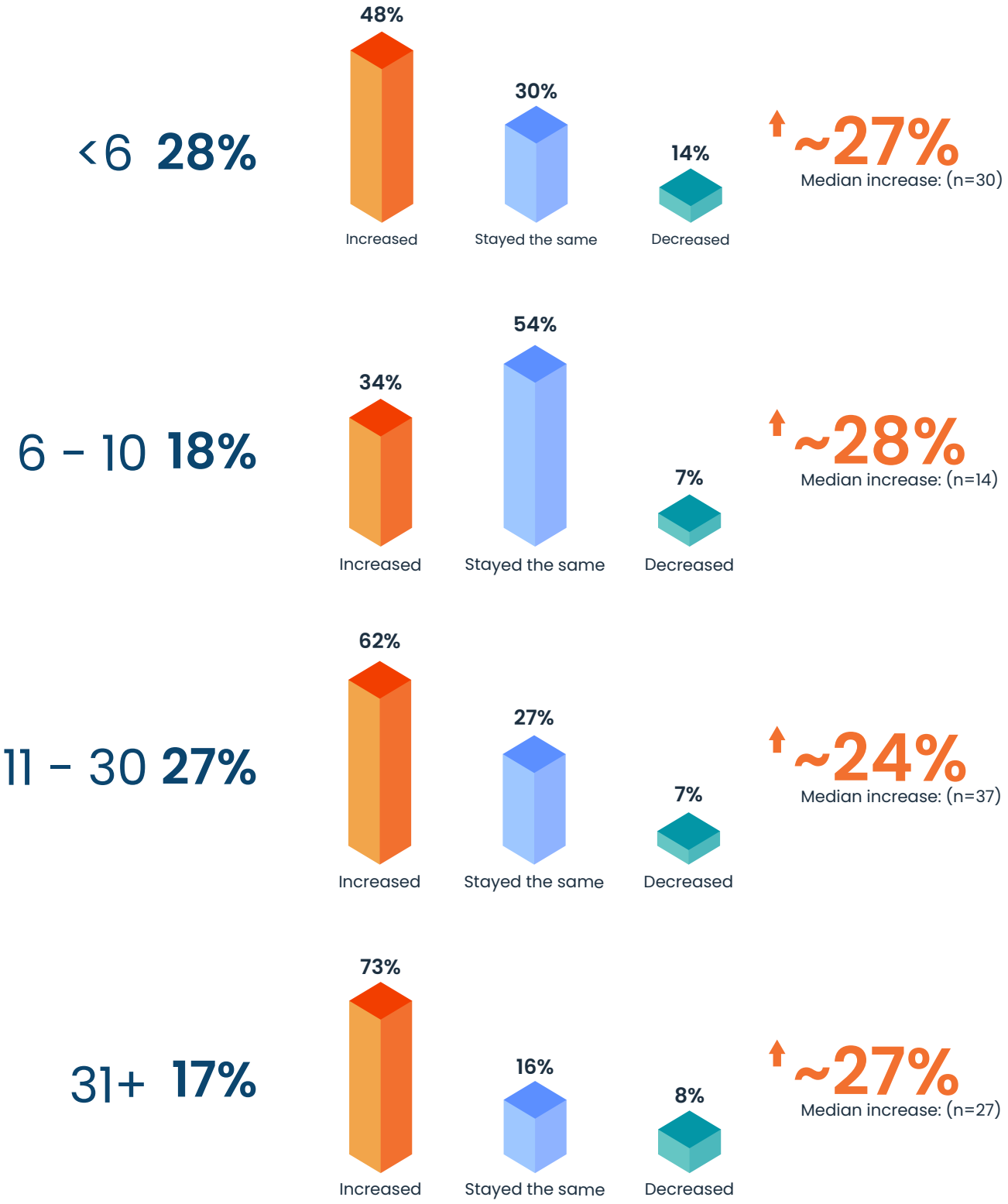
RFP volumes on the rise in 2022



Monthly proposal requests increased for most companies

Current Number of Monthly Requests
(Base: Total Respondents; n=224)

Change in Requests from Last Year
(Caution: individual sample sizes are small)



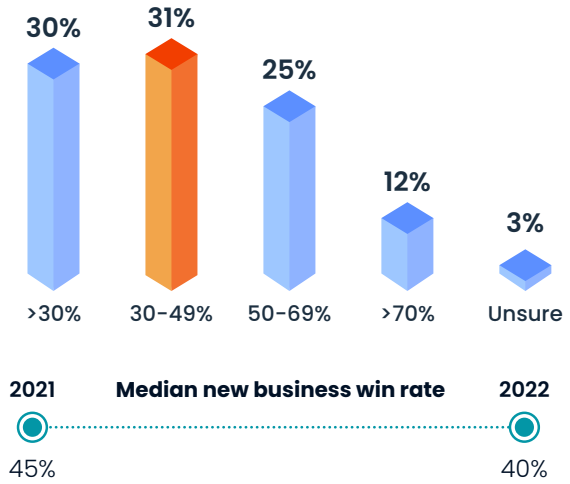
Two sides to the win rate story

A deluge of RFPs is landing in email boxes everywhere—but converting those requests into closed sales is eluding many well-intentioned business development teams. The good news is that the win rate for new business for 48% of companies increased in 2022; the bad news is that the median win rate percentage fell from ~45% to ~40% over the past year.

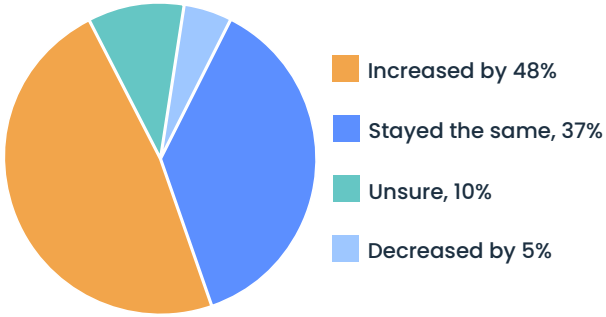
Given that a 5% increase in customer retention can increase company revenue by 25%-95%, bidding on opportunities with existing customers is a smart revenue strategy. For companies bidding on business with **existing clients**, RFP win rates averaged 62%—more than 20% higher than new business bids—but were down from 2021 levels (~66%), with the majority of companies (53%) experiencing no change in their win rate from last year.

RFP win rates: a mixed bag

RFP Win Rate for New Businesses
(Base: Those Personally Working on RFPs; n=145)

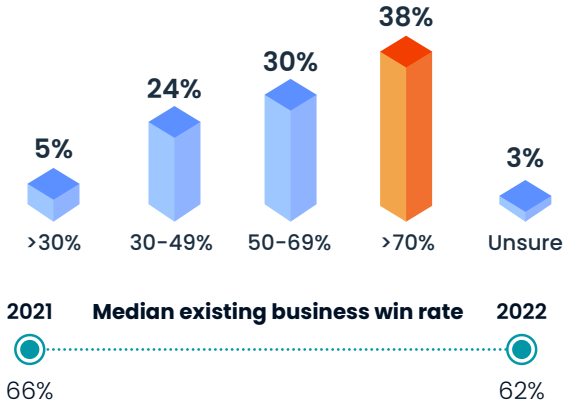


Changes in Win Rate for New Businesses
(Base: Those Working on RFPs; n=145)

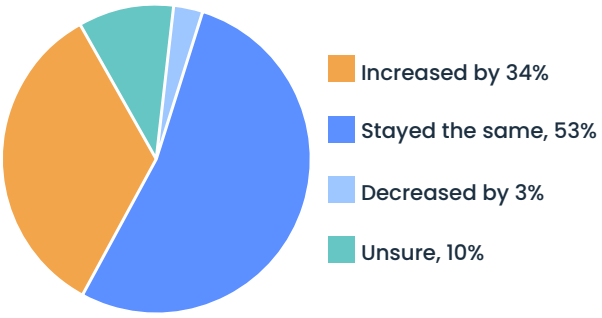


~40%
Median new business win rate

RFP Win Rate for Existing Businesses
(Base: Those Personally Working on RFPs; n=145)



Changes in Win Rate for Existing Businesses
(Base: Those Working on RFPs; n=145)



~62%
Median existing business win rate

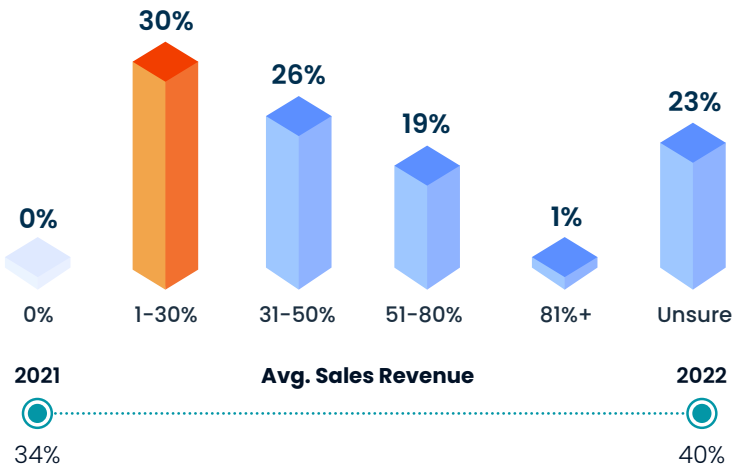
RPFs represent an increasing portion of annual sales revenue

Executing an effective response process paid off for companies in 2022 with year-over-year (YOY) increases. Income attributed to winning RFP responses for **new business** represented an average of 40% of companies' annual sales revenue, up from 34% last year.

The share of RFP revenue from **existing business** rose by even more in 2022, with the average sales revenue from RFPs from existing customers increasing 13% to half of total sales revenue.

Winning RFPs drive sales revenue in 2022

% of Sales Revenue from Winning RFPs from New Businesses
(Base: Those working on RFPs/RFIs; n=145)

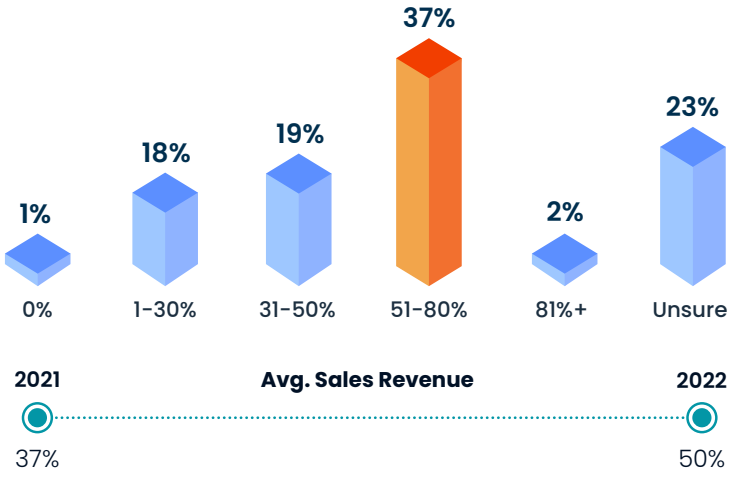


Avg. Sales Revenue from RFPs:

~40%

On average, users of automated proposal management software report nearly the same share of revenue coming from new businesses than those not using such tools (40% vs 41%)

% of Sales Revenue from Winning RFPs from Existing Businesses
(Base: Those working on RFPs/RFIs; n=145)



Avg. Sales Revenue from RFPs:

~50%

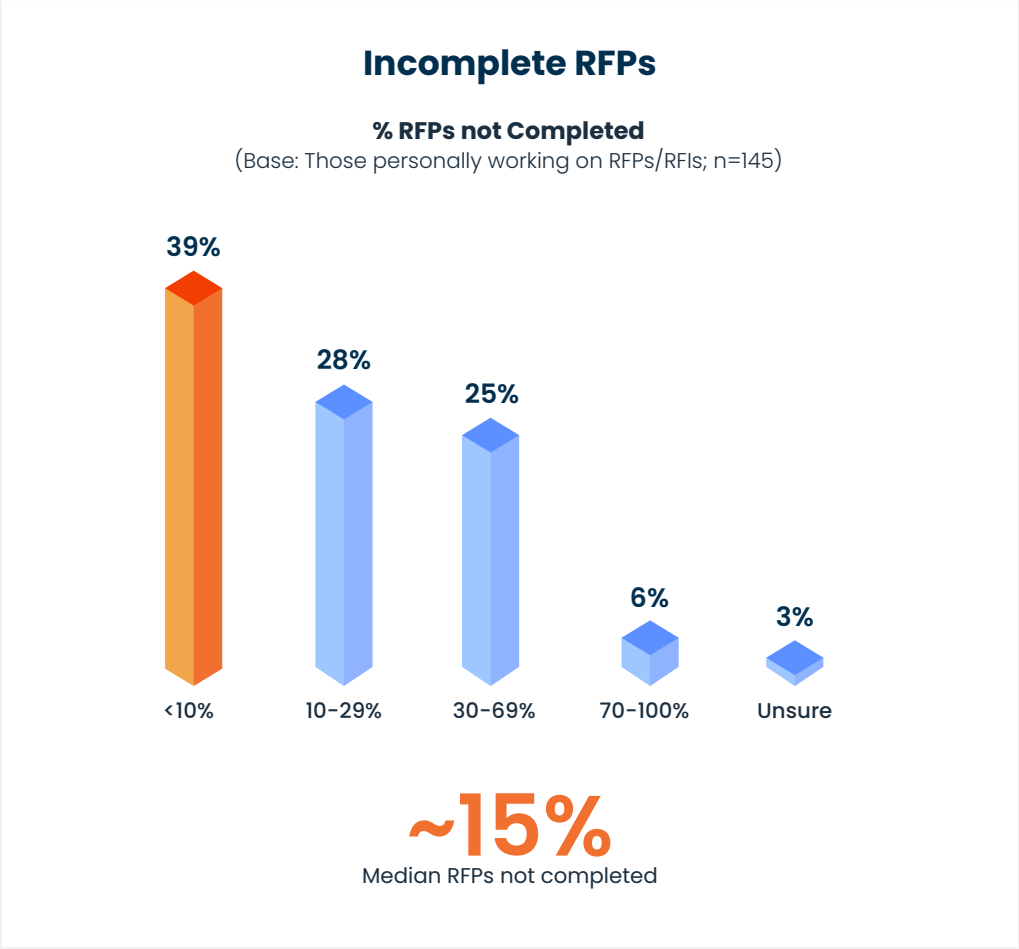
Those not using automated proposal management software are more likely to be unsure than others (39% vs 15%)

Incomplete RFPs = costly missed opportunities

Responding to requests is a complex, resource-intensive, and time-consuming task that can overwhelm bid and proposal teams struggling to manage their RFx response process. Unfortunately, the inability to complete responses can be extremely costly. Whether due to time constraints or other factors, companies unable to respond to RFPs missed out on sizeable revenue opportunities in 2022.

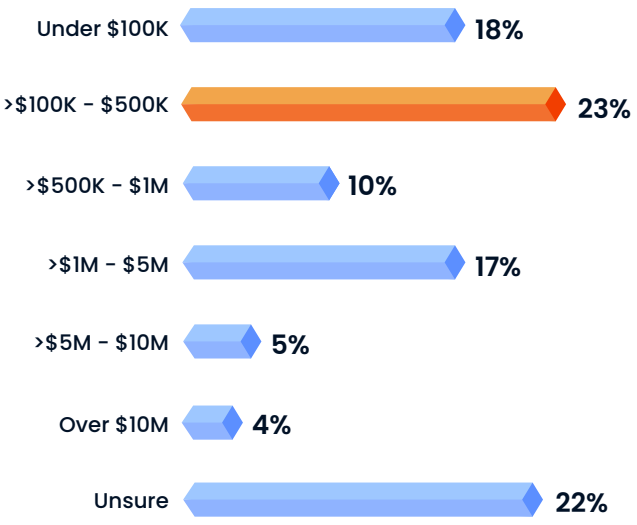
Twenty-five percent of companies were unable to complete one-third to two-thirds (30%-69%) of RFPs that they received—a significant lost opportunity to generate revenue and improve cash flow. The research found that a median 15% of RFP requests were not completed.

The inability to respond to requests is painfully costly, especially in the current economic climate. One quarter (26%) of companies reported losing an estimated $1M+ in annual revenue from unanswered requests, 9% lost more than $5M!



The jaw-dropping cost of not responding to requests

Annual Lost Revenue Due to Not Responding to Requests
(Base: Those working on RFPs/RFIs; n=145)



By Employee Org Size

<1,000 (n=61)	1,000-4,999 (n=53)	5,000+ (n=30)
13%	21%	23%
36%	15%	13%
13%	13%	-
13%	23%	17%
3%	6%	7%
-	8%	7%
21%	15%	33%

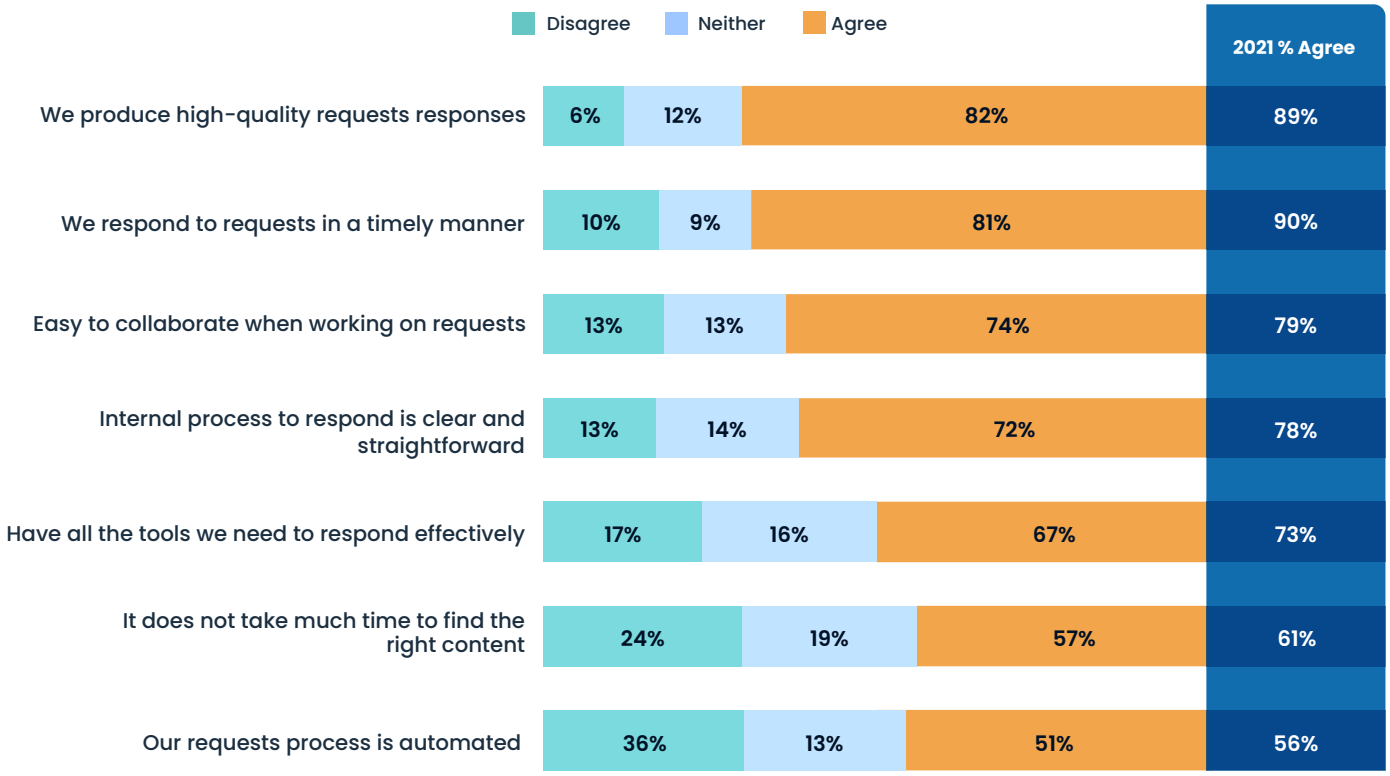
Decreasing satisfaction with request process

A streamlined, efficient, and collaborative response process is vital for generating winning response documents. Although 82% of companies agree that they produce high-quality responses, the percentage of individuals in agreement has decreased from 89% in 2021. In fact, all of this year's survey responses reflect a YOY decline in level of agreement with positive statements related to the request process.

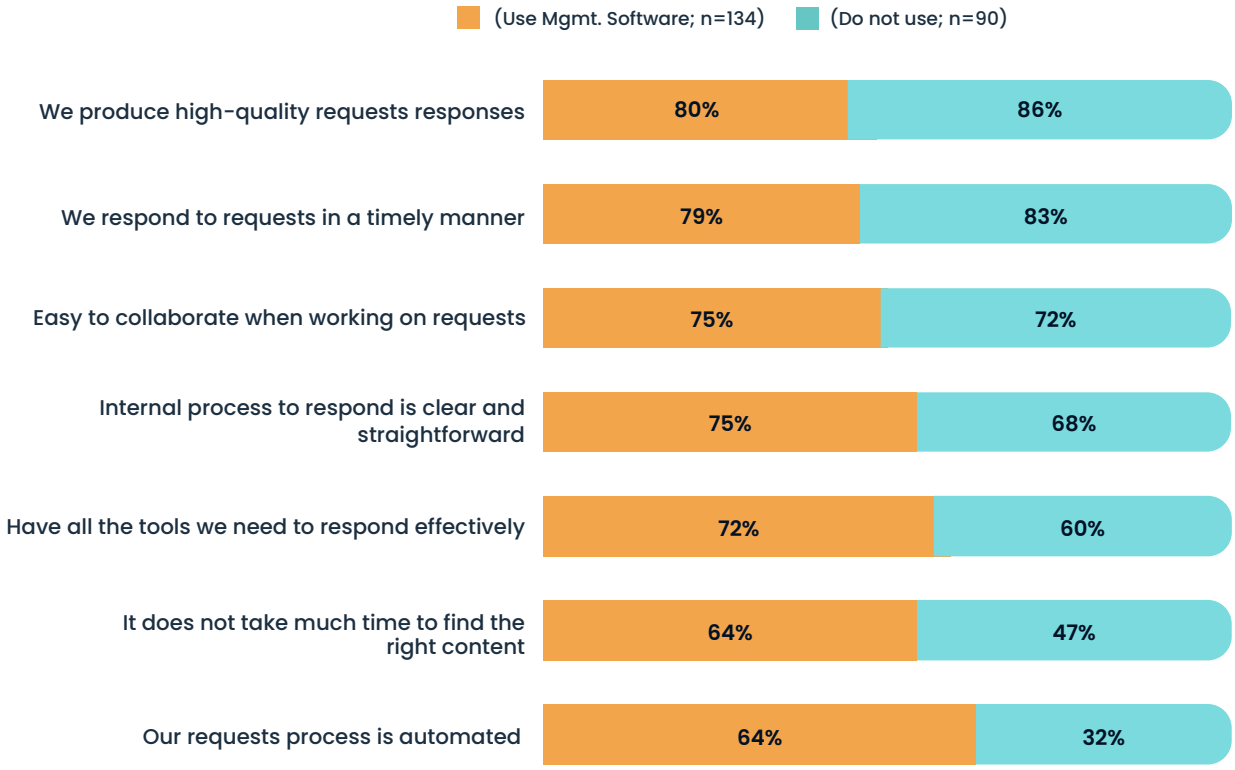
For most of the statements about their request process, companies using proposal management software reported a higher degree of agreement than those not using an automated solution. The exceptions were statements regarding producing high-quality responses (80% software users agreed vs. 86% without software) and responding to requests in a timely manner (79% software users agreed vs. 83% non-users).

A statistically significant discrepancy exists between software users and non-users was regarding time spent locating content. Sixty-four percent of companies using proposal management software agreed that it doesn't take much time to find the right content, while only 47% of those not using software agreed with that statement.

Agreement with Statements Regarding Request Process
(Base: Total Respondents; n=224)



% Agreement with Statements

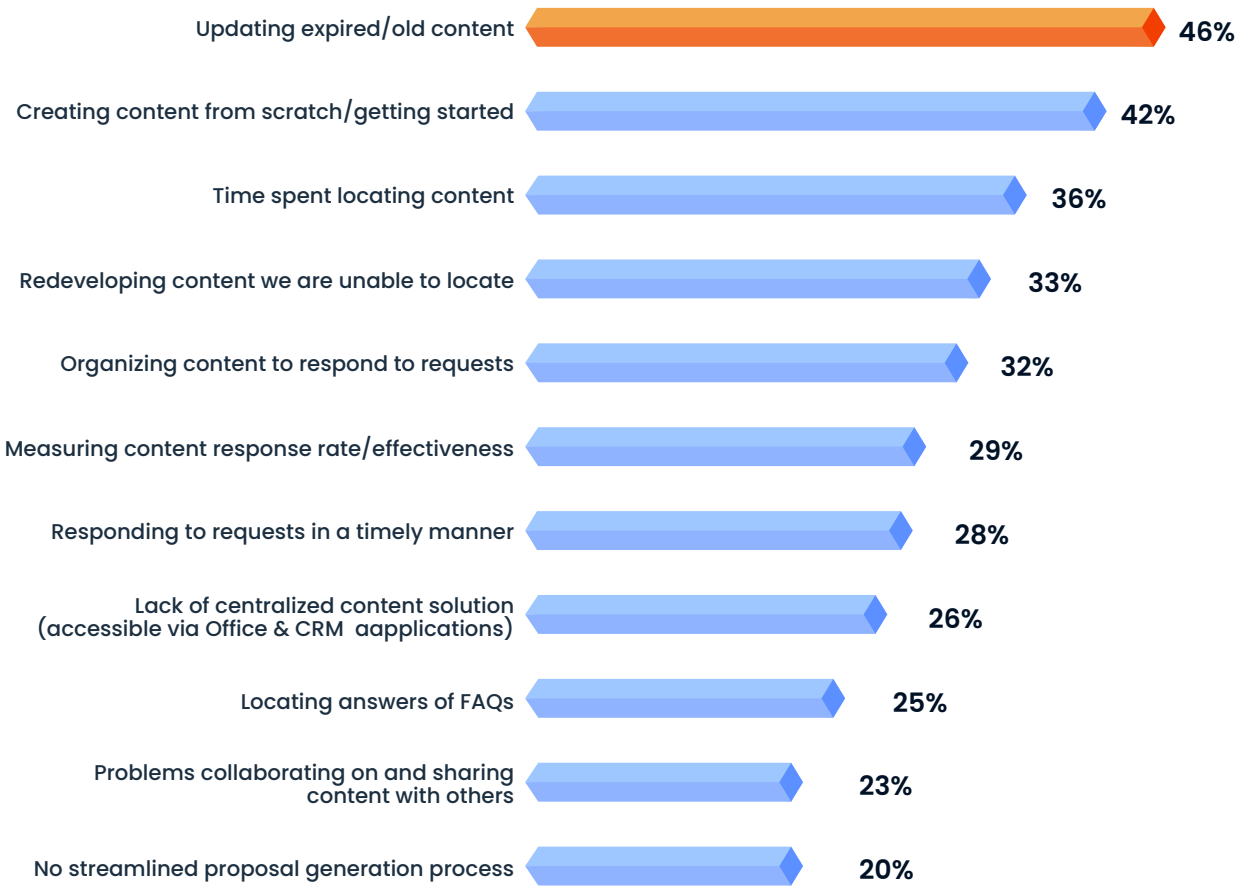


Challenges

While the cost of not responding to RFP requests can be substantial, the process of creating RFx responses, proposals, sales presentations, and questionnaires can be a complex and challenging task involving multiple contributors, tight turnaround, and content scattered across the organization.

Major challenges when completing requests

Challenges when working on requests
(Base: Total Respondents; n=224)



Automated Proposal Management Software

38% vs 24%

Those who use automated proposal management software listed **redeveloping lost content** as a significantly higher challenge than those who do not use proposal management software.

The major challenges proposal teams face when working on requests are related to content development—no surprise there. Updating expired and old content was the biggest challenge (46%) for companies in 2022, followed by creating new content from scratch (42%).

The ability to locate, organize, and share content in a timely manner continued to hamper the response process this year. Companies wasted time locating content (36%) and redeveloping the content they couldn't locate (33%), while struggling to organize content to respond to requests (32%) and collaborate effectively (23%). Spending unnecessary time and resources to create proposals, pitches, and RFP responses is detrimental to top- and bottom-line performance.

The Response Process

The players

The number of companies with a dedicated proposal team decreased from 62% in 2021 to 51% in 2022. According to this year's research, other teams involved in responding to requests include the sales team (46% of companies), business development (46%) and presales (43%). In an enterprise-wide collaborative effort, additional players—account managers, research team, client services, channel sales, industry group lead, IT, dedicated security team—also contributed to the RFP response process.

The number of individuals involved in responding to requests within an organization varies considerably—from less than 10 people to more than 60 employees—with an average of 22 people across the organization contributing to the process. The process also varies across industries, with professional services organizations averaging 20 people, tech companies averaging 23, and financial services firms involving 27 people in the response process.

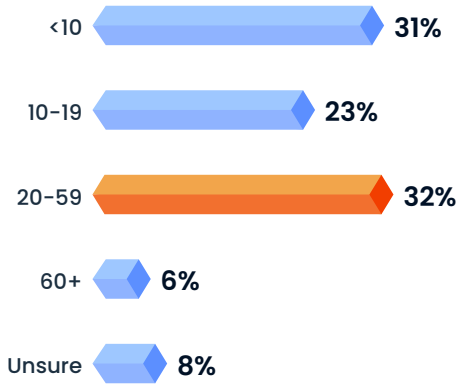
The Revenue Team

Teams Responding to Requests
(Base: Total Respondents; n=224)

Those with a dedicated proposal/bid team are significantly more likely to be organizations with over 5,000 employees (66%)

In 2021, 62% claimed dedicated proposal/bid teams.

Number of people involved in Responding to Requests
(Base: Total Respondents; n=224)



Avg. # of people involved in responding to requests

~22%

Types of requests vary by industry

The response process involves the creation of a variety of sales documents: RFP responses, sales proposals, pitches, presentations, Statement of Work (SOW), Request for Information (RFI), Request for Quote (RFQ), security questionnaires, and more.

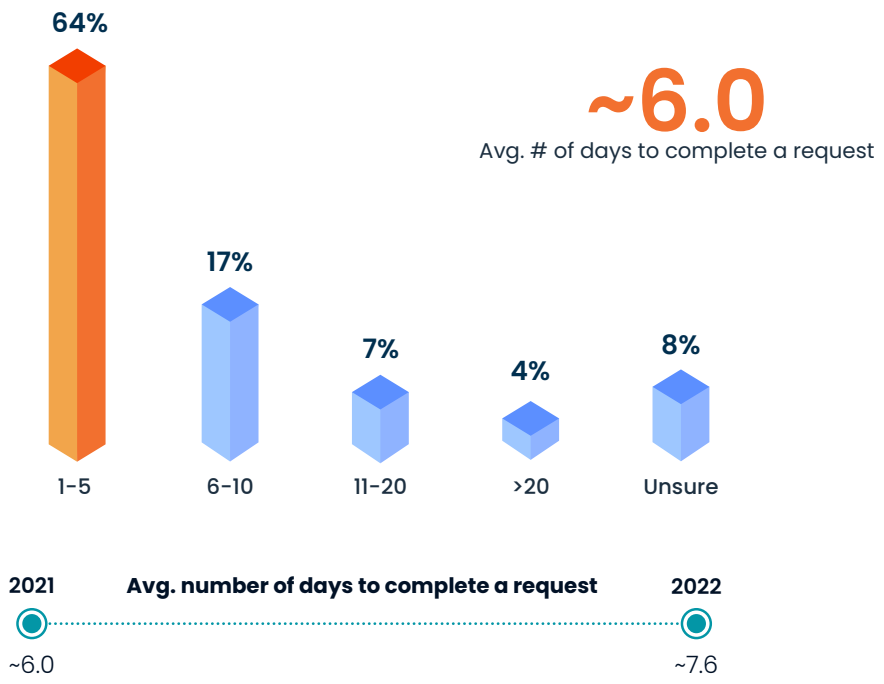
Companies in the tech industry were highly involved in responding to RFPs, RFIs, and RFQs (91%) compared to professional services (88%) or financial services firms (82%). Conversely, financial services organizations were more likely to be involved with preparing documentation of work (SOWs, contracts, etc.) than tech or professional services companies (64% vs. 34% and 41%, respectively).

Time is of the essence

Responding to RFPs and creating proposals and pitches is a resource-intensive and time-consuming endeavor. The majority of companies indicated that they take a business week or less to complete each request, while working on an average of 20 responses per month. On average, it takes six eight-hour days to complete a request, reflecting a YOY improvement (6.0 vs. 7.6 days) in processing speed. Enterprise companies averaged 10.7 days to complete a request, compared to 4.8 days for small-to-medium businesses (SMBs).

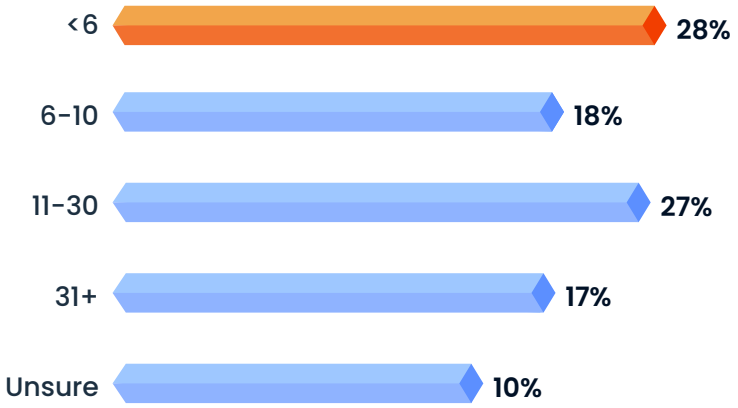
Time-consuming RFP process

Number of days to complete a request
(Base: Those personally working on requests; n=145)



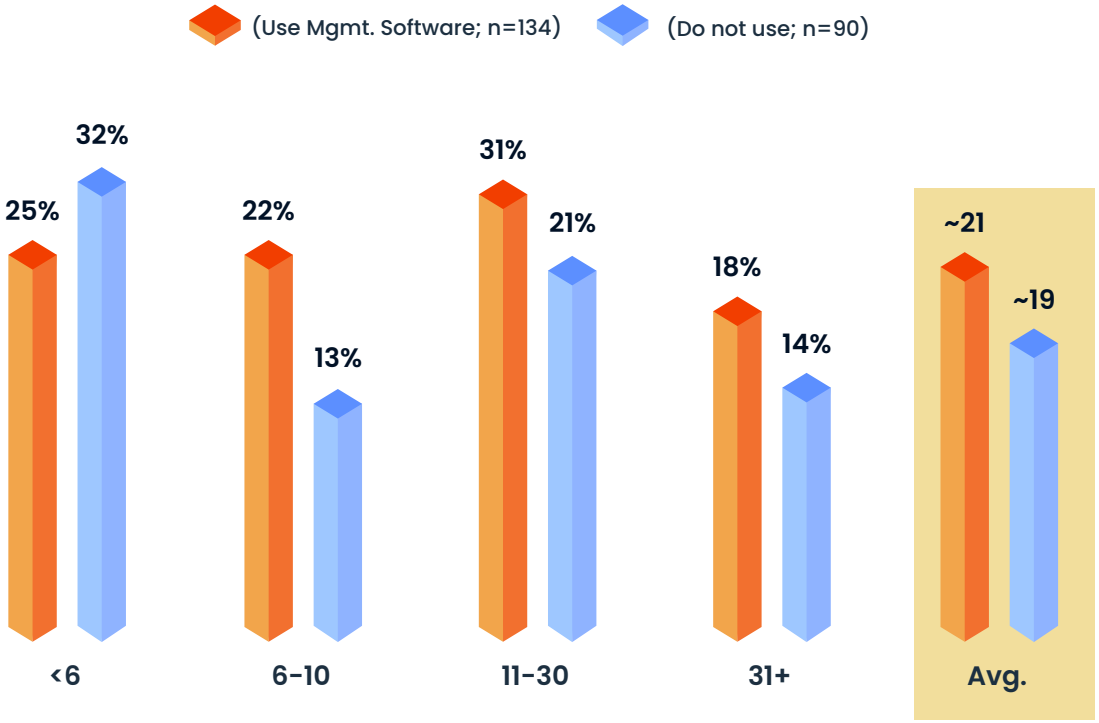
Monthly volume of requests

Estimated Number of Monthly Requests
(Base: Total Respondents; n=224)



~20
Avg. # of requests personally worked on

Estimated Monthly Requests by Software use



Monthly volumes varied somewhat depending on the industry and size of the organization. Professional services firms processed a median of 18 requests per month, technology companies handled a median of 22 requests per month, and financial services companies reported a median of 31 monthly requests. Large enterprises averaged 14 requests per month, midsize companies processed 20 requests per month, and small businesses had 23 requests per month.

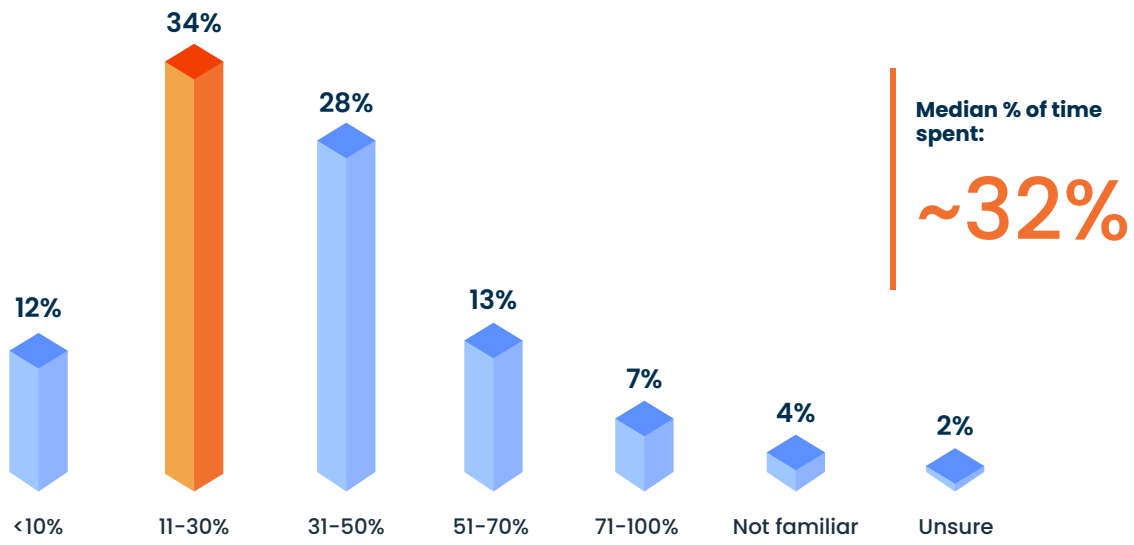
Notably, individuals using proposal management software generally process a higher volume of monthly requests than respondents not automating their response process.

Beyond the RFP

RFP responses are not the only critical piece of the bid process. For many organizations, sales proposals, pitches, and presentations play a crucial role in closing the deal. When working on a bid, survey companies spent a median of 32% of their time preparing sales proposals, pitches, and presentations in 2022. This time commitment accounted for a sizeable portion of the bid process for many companies, with 48% of companies spending more than 30% of their time on this sales-focused task.

Sales documents vital to bid process

% Time Spent on Preparing Sales Proposals Pitches/Presentations
(Base: Total Respondents; n=224)



Content creation

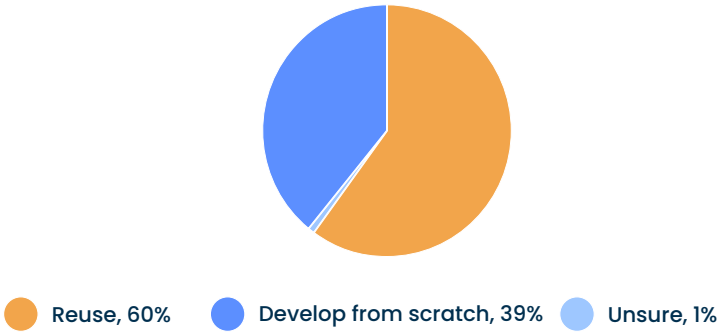
Effective, efficient content development is the foundation of a winning proposal. The goal is to create engaging, personalized content that resonates with the prospect and, ultimately, wins the business. Where are bid teams sourcing their content?

Our research found that more than 60% of companies, on average, re-used existing content when responding to requests, although 3% did not have a dedicated content library; two-thirds of those surveyed reused more than 50% of their content.

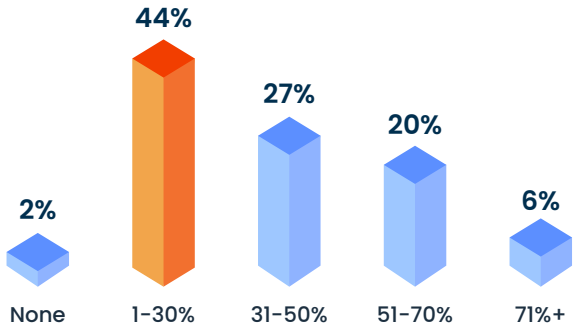
Nearly 40% of companies developed content for their proposals from scratch in 2022, with one in four organizations creating more than 50% original content. Small-to-medium businesses (SMBs) developing more content from scratch than larger enterprises.

Content development for requests

2022 Avg. Content Development
(Base: Total Respondents; n=224)

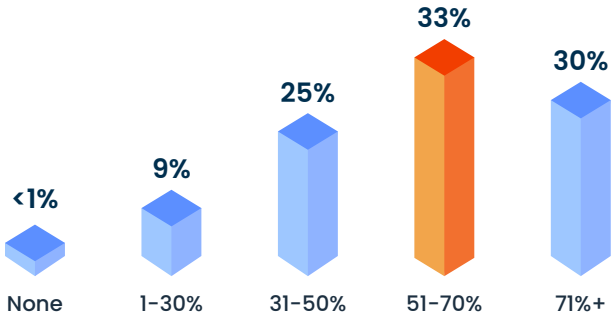


Content Distribution: Developing from Scratch
(Base: Total Respondents; n=224)



Only one in four are creating more than 50% of their content from scratch

Content Distribution: Reusing
(Base: Total Respondents; n=224)



Two thirds report reusing more than 50% of their content

2021 Avg. content development

45%	52%	2%
Scratch	Reuse	Unsure

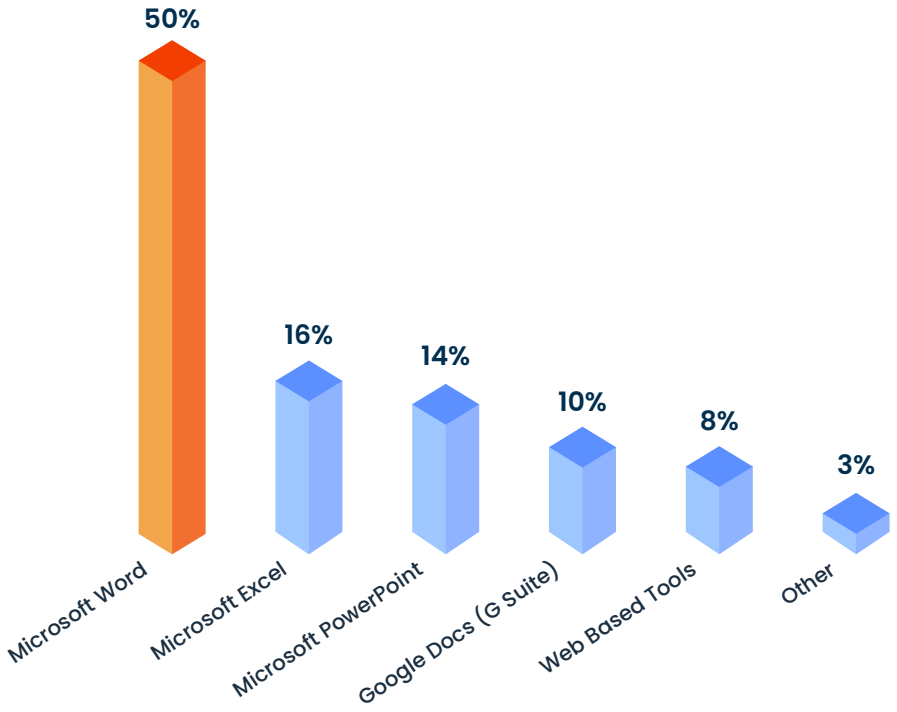
Microsoft tech is the runaway winner

Choosing which software application to use to create response documents impacts the efficacy of the response process. Microsoft Word is the fan favorite of bid and proposal teams, with half of companies wanting to spend as much time within the familiarity of MS Word application as possible. In fact, Microsoft 365 was the clear winner for generating response documents, accounting for 80% of companies' tool of choice: Microsoft Word (50%), Microsoft Excel (16%), and Microsoft PowerPoint (14%).

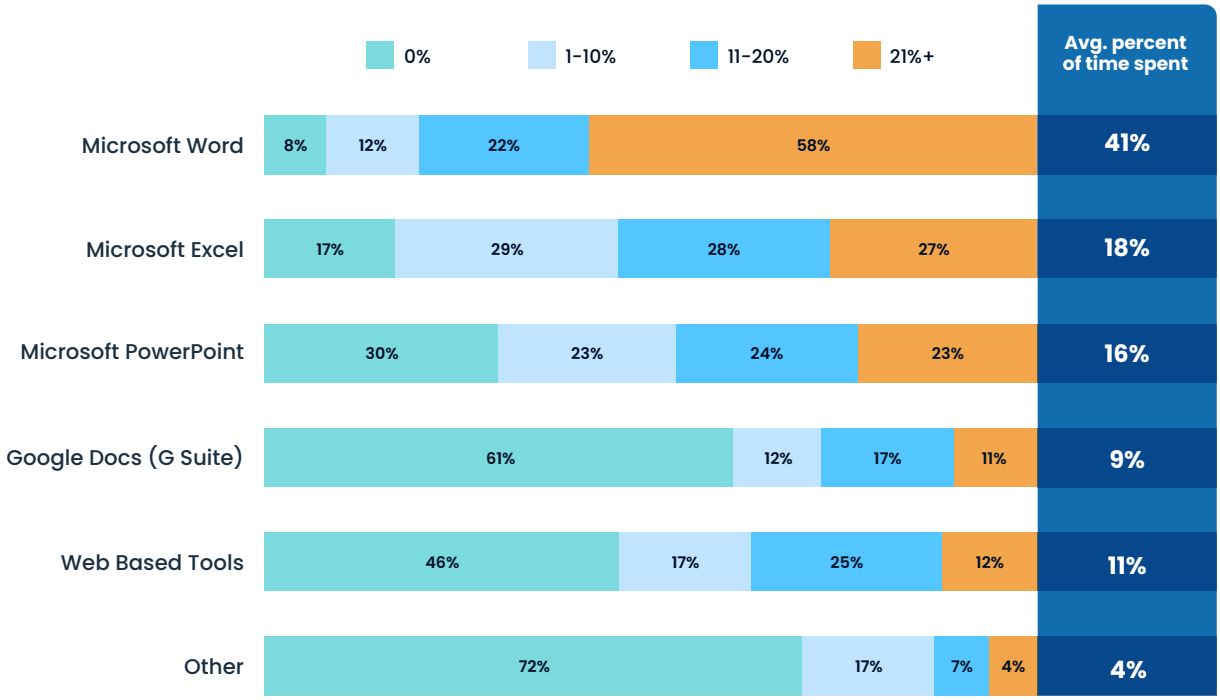
When responding to a request, companies reported spending an average of 41% of their time in Microsoft Word, 18% in Microsoft Excel, and 16% of their time in Microsoft PowerPoint, vs. Spending 9% of their time using Google Docs.

For communication and collaboration between teams and departments, many organizations relied on Microsoft Teams in 2022. Sixty-one percent of companies indicated their use of Teams increased over the past year; nearly half said they don't use Slack or Skype.

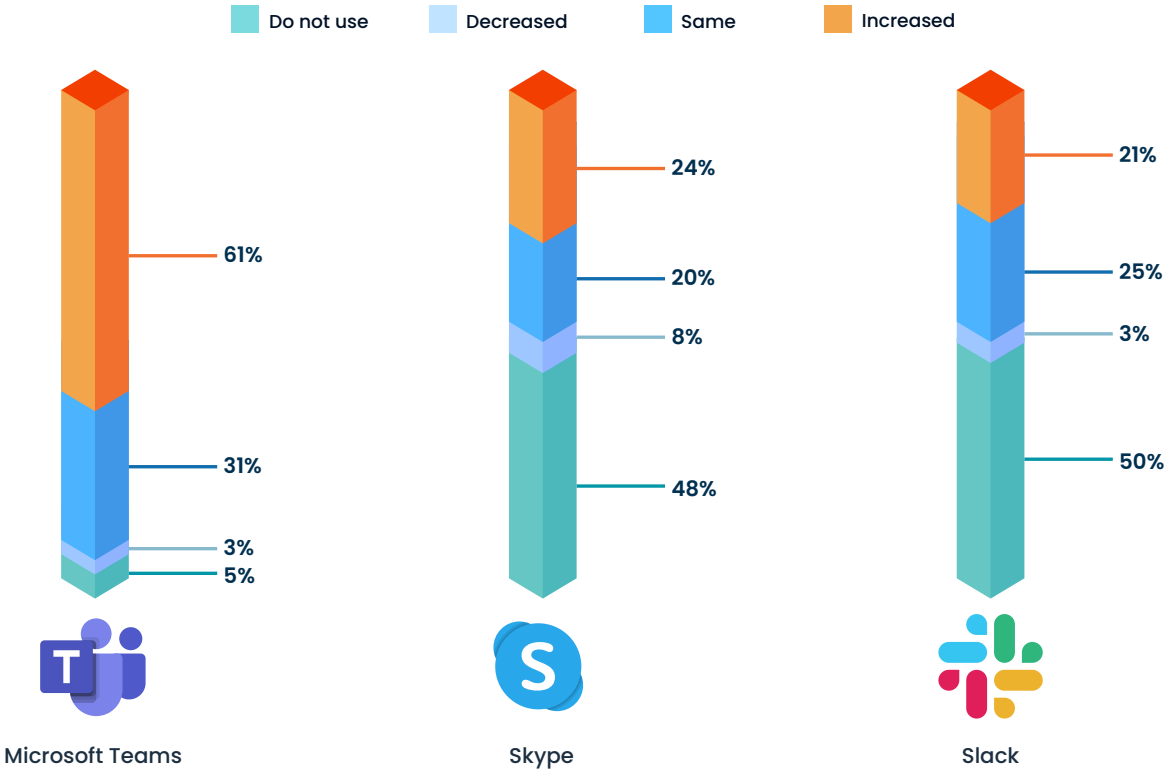
Primary Software Applications Used to Create Responses
(Base: Total Respondents; n=224)



Percent of Time Spent Using Each Application
(Base: Total Respondents; n=224)



Collaboration Tools: Usage Change in Last 12 Months



Technology for the win

The global market for proposal management software was valued at $1.8 billion (USD) in 2021 and is projected to reach $7 billion (USD) in 2031, growing at a CAGR of 14.8% from 2022-2031. Several factors are driving the adoption of proposal management software:

- Growing shift to cloud-based technologies
- Proposal management recognized as an effective tool to increase win rate
- Integration of AI-enabled tools with proposal management software.

Our research found that the vast majority of organizations using proposal management software to automate their response process realized numerous benefits—from how well contributors worked together to build responses and improve the quality of the sales documents to an increase in speed, completed volumes, and win rates.

Streamlining the process to close the deal

Proposal management software improved the efficiency and productivity of the response process for companies in 2022, enabling them to create a larger volume of higher-quality sales response documents, faster and with greater ease.

By automating their critical response process, 77% of companies reduced the amount of time spent responding to requests (40% median improvement), due in part to the reduction in time spent managing content (48% median positive impact).

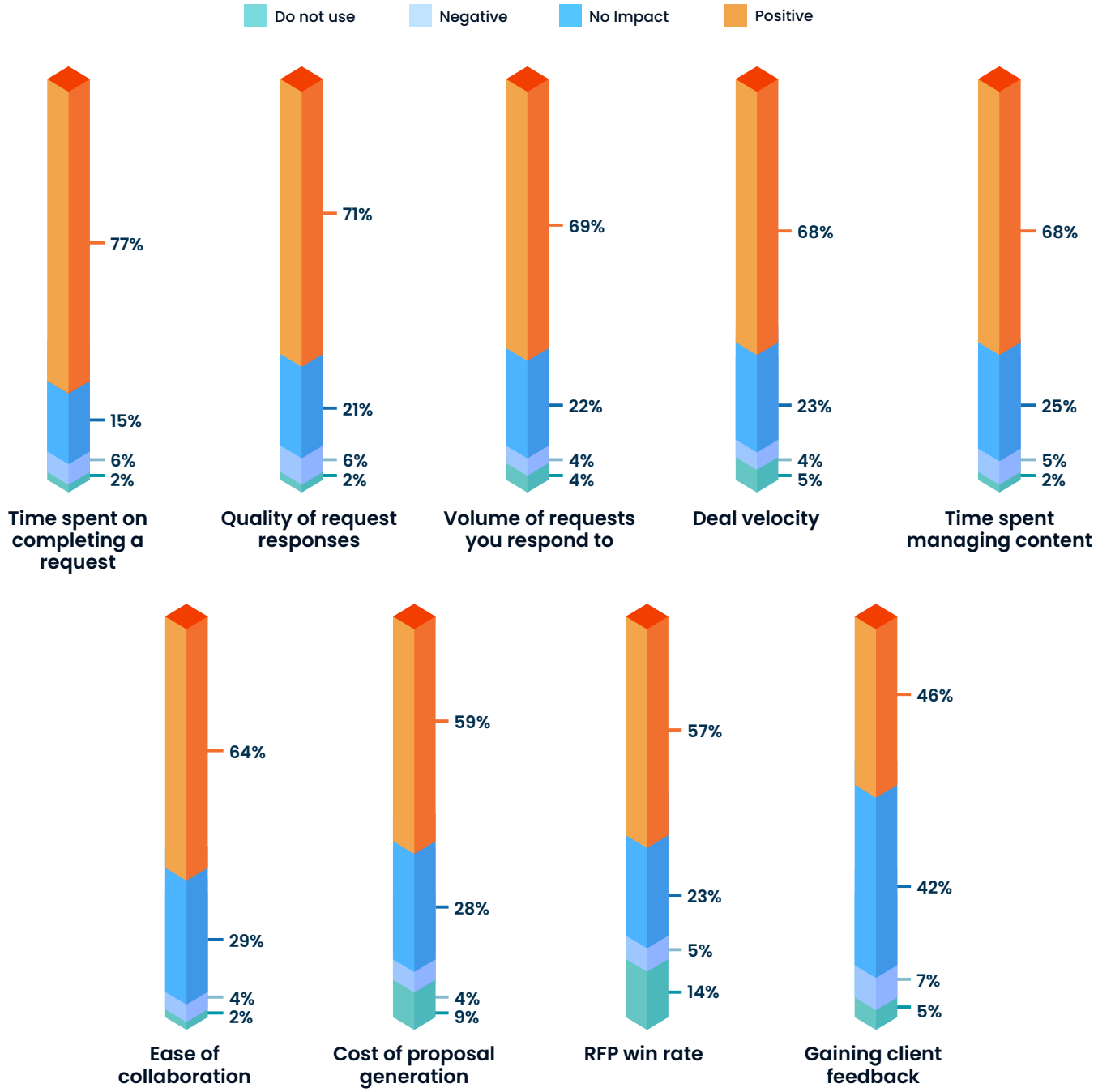
Notably, 64% of respondents with an automated proposal solution agreed that "it does not take much time to find the right content" vs. 47% of those not using proposal management software.

Proposal management software helped organizations process a higher volume of requests. Sixty-nine percent of companies completed more requests (40% median volume increase) in 2022, while 71% improved the quality of their response documents (46% median positive impact).

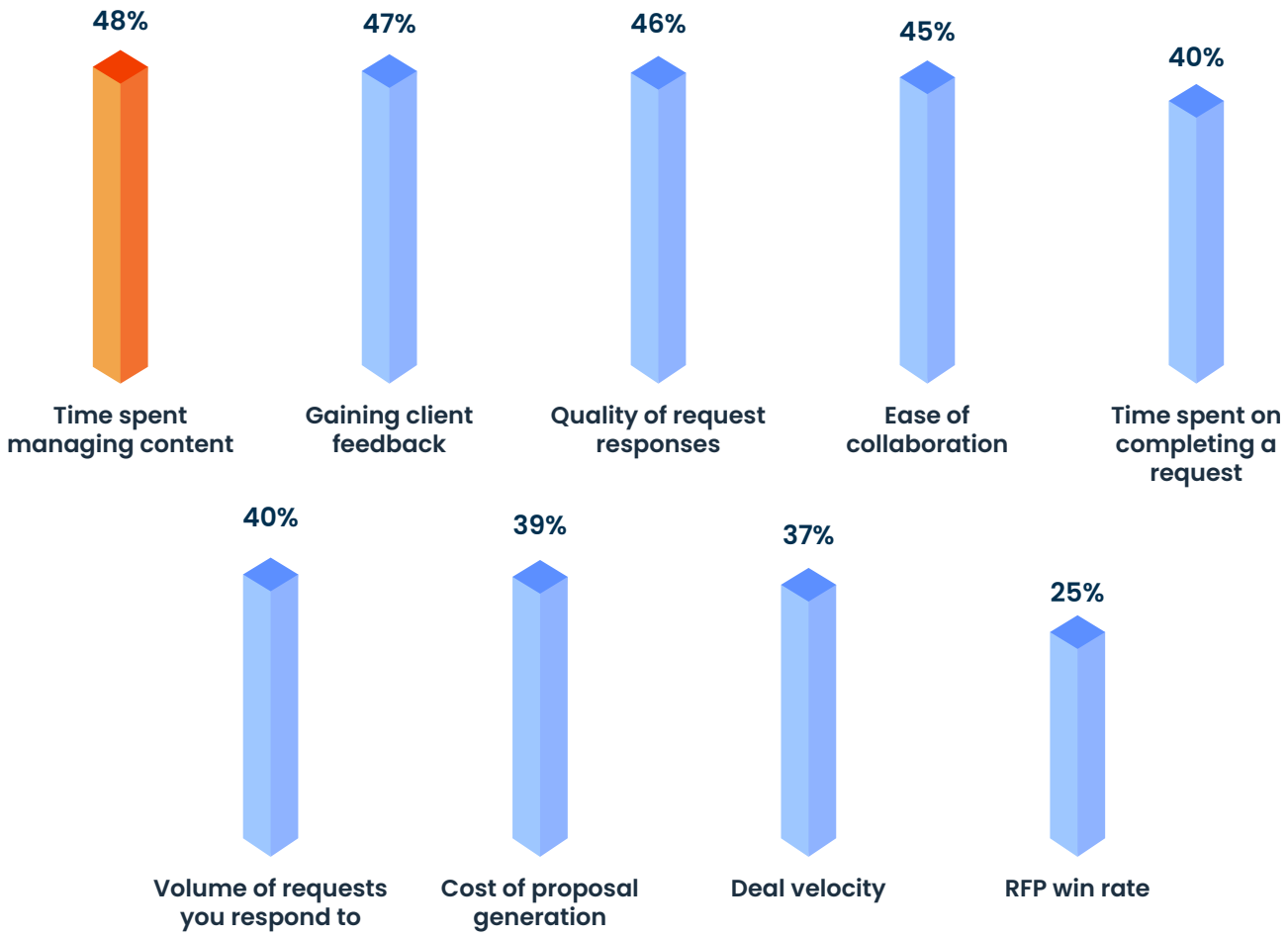
The benchmark study also found that collaborating with SMEs and other content contributors is easier for individuals using proposal management software. Sixty-four percent of companies reported a positive change (45% median improvement) in the ease of collaboration.

Similarly, 75% of companies with an automated proposal solution felt their internal response process was "clear and straightforward," compared to 68% of those not using proposal management software.

The impact of proposal management software on the response process



Median Positive Impact of Proposal Management Software



Those with dedicated requests teams report higher positive change than those without dedicated teams (50% vs 40%)

Sealing the deal

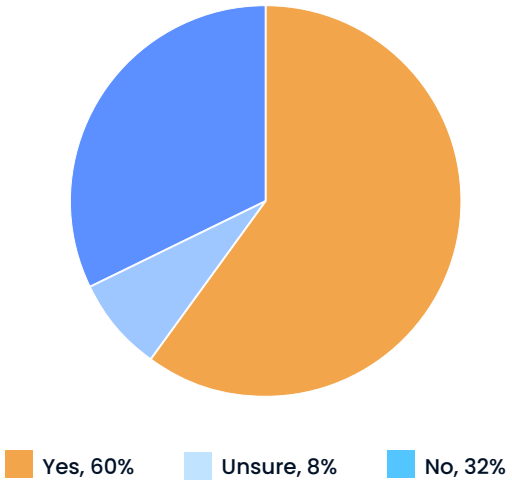
Driving win rates up is the goal of every bid and proposal team—and creating professional, accurate, and personalized response documents is the crux of a successful bid. This year's survey found that 71% of companies using proposal management software had a positive impact on the quality of their responses (46% median improvement). Client communication also improved, with 46% of those surveyed reporting a positive impact on the ability to gain client feedback (47% median improvement).

From a bottom-line viewpoint, our research found that proposal management software had a positive impact. In fact, 68% of companies using proposal automation software increased their deal velocity (37% mean increase). Similarly, 57% of those surveyed boosted win rates, with a median increase of 25%. In addition, 59% of companies were able to reduce the overall cost of proposal generation (39% median reduction) to help maximize net profits.

Objections to using proposal management software

Despite the benefits of automating the response process, 32% of survey companies are not using proposal management software in 2022. Those companies not using an automated system to drive their RFP response process cited the lack of knowledge about proposal management software (20%), a lack of budget (22%), and the belief that they can keep up manually (29%) as the primary reasons for not implementing a proposal management solution.

Automated Proposal Management Software Usage
(Base: Total Respondents; n=145)



About QorusDocs

QorusDocs is AI-powered proposal development software that automates the creation of strategic sales responses that stand out and win deals. Personalized for each prospect, proposals are professional, on brand, and error free, and include data insights proven to lead to better win rates. Easily produce high quality proposals that give your team the best chance to win.

See QorusDocs in action!

Fast/Automated/AI-powered responses that win.

Request a demo

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