

Request for Proposal: Enterprise Resource Planning (ERP)

Software and Implementation Services

Template from RFPhub.com. Replace everything in square brackets, adjust the Must-have/Nice-to-have priorities, and delete this note and the instructions section before you issue the RFP.

Instructions for the buyer (delete before issuing)

An ERP touches finance, operations, sales and IT at once, and the software is only half the decision: the other half is the team that implements it. This template asks for both in one response. The example schedule below runs about 22 weeks from kickoff to signed contracts; allow more if you have many entities, countries or plants, or if your processes aren't documented yet.

1. **Map your processes and set scope (weeks 1-4).** Document how work flows today for each core process (record to report, procure to pay, order to cash and, if you make products, plan to produce), where it breaks, and which systems and spreadsheets are involved. Decide which entities, sites and modules are in the first go-live. Record the numbers vendors will price against: users by type, entities, countries, items, and monthly order and invoice volumes.
2. **Assemble the buying team.** Include finance (the controller or equivalent), operations (purchasing, inventory, production or warehouse), sales and customer service, IT (integration, security and data), procurement and legal. Ask internal audit to review the access-control requirements. Appoint an executive sponsor who can settle disagreements between departments, and a project lead who will stay on through implementation.
3. **Decide how to involve implementation partners, and whether you need an RFI (weeks 4-6).** ERP vendors sell and implement directly, through partners (systems integrators), or both. Decide whether you want joint proposals covering software and implementation, which this template assumes, or to choose the software first and run a second RFP for the partner. If your long list has more than five products, or you're unsure

which products fit your industry and size, send a short RFI first about industry fit, deployment model, pricing model and who implements in your region, and use the answers to build a shortlist.

4. **Tailor and issue the RFP (weeks 6-10).** Delete requirements that don't apply, adjust priorities, and add your process maps, volumes and integration list to Section 1. Ask each software vendor to name its proposed implementation partner and submit one joint response. Give vendors four weeks to respond, with a written question-and-answer window in the first two.
5. **Score the responses and shortlist (weeks 10-12).** Have each evaluator score independently against the rubric before comparing notes, and set aside any vendor that misses a Must-have. Check whether each 'yes' is standard functionality, configuration, custom code or a roadmap item. Compare implementation estimates assumption by assumption, not just by the total.
6. **Run scripted demonstrations with two or three vendors (weeks 12-18).** Give every shortlisted vendor the same scripts and sample data: real items, a typical customer order, a supplier invoice with a price variance, and a month-end task. Require the proposed implementation team, not only presales staff, to attend. Interview the partner separately, and call references of similar size and industry, including one implemented by the same partner team.
7. **Negotiate software and services together, then award (weeks 18-22).** Negotiate the subscription and the implementation statement of work at the same time, because each affects the other. Settle renewal caps, a subscription ramp during implementation, key-person terms, acceptance criteria for each milestone and exit terms before you sign, not after.

ERP RFP for manufacturers and distributors

A general ERP RFP covers finance, purchasing and sales. Manufacturers and distributors also depend on operations modules, and those need more detail than a general requirements list gives. If that's you, add requirements that describe how you make, store and ship products, and ask vendors to demonstrate them with your own items, orders and volumes.

Manufacturers should state their production mode (make-to-stock, make-to-order, engineer-to-order, or process and batch manufacturing), because a product that handles one well may handle another poorly. Distributors should describe their warehouses, order channels and trading partners. If a manufacturing execution system (MES) or warehouse management system (WMS) will sit beside the ERP, say so, and treat the integration as a requirement rather than a later project.

Lines to add to the Functional and Integration requirements:

- Manufacturing: multi-level bills of materials (BOMs) with revision and effective-date control, and routings with work centers, operations, setup and run times.
- Manufacturing: material requirements planning (MRP) that creates planned purchase and work orders from sales orders, forecasts, safety stock and lead times, with exception messages for planners.
- Manufacturing: production planning and scheduling with capacity planning by work center. State whether finite-capacity scheduling is included or an add-on.
- Manufacturing: work orders with material issue or backflushing, labor and machine reporting, scrap, completions, and actual-versus-standard cost variances.
- Manufacturing: shop-floor data collection in the ERP, or integration with our MES for work order release, labor and machine time, and production results.
- Manufacturing: quality management, including inspections at receipt and in production, nonconformance records, quality holds and corrective actions.
- Manufacturing and distribution: lot and serial number traceability from supplier receipt through production to customer shipment, with forward and backward trace reports for recalls.
- Distribution: multi-warehouse inventory with transfer orders, bin locations, replenishment rules and real-time availability across sites.
- Distribution: order management across channels (EDI, e-commerce, sales reps and customer service), with customer-specific pricing, backorders, drop shipments and allocation rules.
- Distribution: EDI with trading partners for purchase orders, acknowledgments, advance ship notices and invoices (X12 850, 855, 856

and 810, or EDIFACT ORDERS, ORDRSP, DESADV and INVOIC), built in or through a named EDI provider, with GS1-128 carton labels where partners require them.

- Distribution: landed cost allocation of freight, duty, insurance and brokerage to received items, using estimated costs at receipt and actual costs when invoiced.
- Distribution: pick, pack and ship with barcode scanning in the ERP, or integration with our WMS and shipping carriers.

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1. Introduction and Background

[Company Name] is seeking proposals for an enterprise resource planning (ERP) system covering finance, procurement, inventory, sales and operations, together with the services to implement it. This RFP describes our requirements, the questions we need answered, and how proposals will be evaluated.

Organization background

- [Describe your organization: industry, size, locations]
- [Regulatory or contractual requirements that apply]
- [Current systems for finance, purchasing, inventory, sales, manufacturing and warehousing, and what each is used for]
- [Legal entities, countries, currencies and accounting standards (for example, US GAAP or IFRS)]
- [Number of users by type: full users, approvers, and occasional or self-service users]

- [Monthly volumes: sales orders, purchase orders, supplier invoices, active items, warehouses, production orders]
- [Systems that must integrate with the ERP: CRM, e-commerce, payroll/HCM, banks, tax, EDI, WMS, MES, BI]

2. Project Objectives

- Replace [current systems] with one ERP for finance and operations
- Shorten the month-end close and produce consolidated results without spreadsheets
- Give finance and operations one current view of orders, inventory, costs and cash
- Strengthen financial controls, including segregation of duties and audit trails
- Support growth in entities, locations and volumes without re-implementing
- Reduce custom code and manual integrations

3. Scope of Work

The selected vendor will be responsible for:

- Subscription to the proposed ERP modules for [number] users across [number] entities
- Implementation services (design, configuration, extensions, integrations and reports) delivered by [the vendor / the named implementation partner] in phases agreed with [Company Name]
- Migration of master data, open transactions and [number] years of general ledger balances
- Testing support, cutover planning and execution, and hypercare after go-live
- Training for end users, administrators and internal trainers
- Ongoing support and service management for the contract term

4. Requirements

For each requirement, enter a response code and a short explanation. Y = available today in the proposed edition; P = partially met or needs configuration/services (explain); R = on the roadmap (give a date); N = not supported. Must-have requirements are pass/fail; Nice-to-have requirements add points.

4.1 Functional

ID	Requirement	Priority	Response	Vendor comments
F1	General ledger with a configurable chart of accounts and reporting dimensions (such as department, location, product line and project), so we can report on any combination without adding accounts.	Must		
F2	Multiple legal entities and currencies in one system, with exchange-rate management, currency revaluation, and intercompany transactions that post matching entries in both entities.	Must		
F3	Consolidation across entities with intercompany eliminations, currency translation and consolidated financial statements. State which consolidation scenarios would need a separate tool.	Must		
F4	Period-end close tools: recurring, reversing and allocation journals, accruals, period locking by module and entity, and a close checklist showing task status by entity.	Must		
F5	Accounts payable: two- and three-way matching of supplier invoices against purchase orders and receipts, approval routing, payment runs by [check, ACH, wire, card], and supplier tax reporting where required (for example, Form 1099 in the US).	Must		
F6	Accounts receivable: customer invoicing, cash application with automatic matching of bank receipts to invoices, credit limits and holds, collections follow-up, customer statements and aging reports.	Must		
F7	Fixed assets: an asset register fed from payables, depreciation by method and by book (for example, financial and tax books), transfers and disposals, with journal entries created automatically.	Must		
F8	Revenue recognition for contracts with multiple performance obligations under ASC 606 or IFRS 15, with revenue schedules and deferred revenue reporting. Make this Must-have if you sell subscriptions, bundles of products and services, or long-term contracts.	Nice		
F9	Procurement: purchase requisitions, approval by amount and cost center, purchase orders and blanket orders, receiving, and supplier records with payment terms, tax details and delivery performance.	Must		

ID	Requirement	Priority	Response	Vendor comments
F10	Inventory across multiple locations, with units of measure, costing methods (standard, average or FIFO), cycle counting, reorder points, and real-time on-hand and available quantities.	Must		
F11	Order to cash: quotes, sales orders, customer-specific price lists and discounts, available-to-promise checks, shipment, invoicing, and returns with credit memos.	Must		
F12	Manufacturing: bills of materials, routings, work orders, material requirements planning (MRP) and production costing for our production mode [make-to-stock / make-to-order / engineer-to-order / process]. [Manufacturers: add the detailed lines from 'ERP RFP for manufacturers and distributors' in this template. Delete this line if you don't manufacture.]	Must		
F13	Distribution: multi-warehouse inventory, transfer orders, landed cost and EDI order processing. [Distributors: add the detailed lines from 'ERP RFP for manufacturers and distributors' in this template. Delete this line if it doesn't apply.]	Must		
F14	Project accounting: project budgets, cost capture from time, expenses and purchases, billing by time and materials, fixed fee or milestone, and project profitability reporting.	Nice		
F15	Financial statements, budget-versus-actual and operational reports with drill-down from any balance to the source transaction, reports and dashboards that finance users can build without IT, and export to spreadsheet formats.	Must		
F16	Configurable approval workflows for purchases, supplier invoices, journals, expenses, and new suppliers and customers, with rules by amount, entity and department, delegation during absences, and approval from mobile devices.	Must		
F17	Built-in automation and AI features, such as invoice data capture, transaction matching, anomaly flags or natural-language questions about our data. State which are generally available, which cost extra, and whether our data is used to train models shared with other customers.	Nice		

4.2 Technical and architecture

ID	Requirement	Priority	Response	Vendor comments
T1	State the deployment model: multi-tenant SaaS, single-tenant cloud, or hosted by the vendor or a partner. Identify who operates the infrastructure, and where our production data and backups are stored. [List required regions.]	Must		
T2	Vendor-managed updates on a published schedule, with release notes in advance and a preview of each release in a sandbox before it reaches production. State the release cadence and whether, and for how long, we can defer an update.	Must		
T3	Extensibility without modifying the core code: custom fields, records, forms, workflows and business logic that carry forward through updates. Describe the tools (configuration, low-code, scripting) and their limits.	Must		
T4	Documented REST or OData APIs covering core records and transactions, with webhooks or event notifications for changes. State API rate limits and any charge for API usage.	Must		
T5	Sandbox environments for configuration, testing and training, refreshable from production on request. State how many are included and the cost of additional ones.	Must		
T6	Backup and disaster recovery with a stated recovery point objective (RPO) and recovery time objective (RTO), and a recovery test at least once a year. Provide a summary of the latest test.	Must		
T7	Localization for each country where we operate [list countries]: languages, tax rules, statutory reports, and electronic invoicing where it is mandated. State which localizations the vendor maintains and which come from partners.	Must		

4.3 Integration

ID	Requirement	Priority	Response	Vendor comments
I1	Single sign-on with our identity provider via SAML 2.0 or OIDC. State whether user provisioning and deprovisioning via SCIM is supported.	Must		
I2	Integration with our current systems: [CRM, e-commerce, payroll/HCM, expense	Must		