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The Revenue & Profit Operating System

How to create an RFP process to choose the right RMS

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01. Introduction

Selecting a revenue management system (RMS) is a critical decision for any hotelier, but the decision-making process itself can often be overwhelming.

With dozens of vendors offering a wide range of features and promises, how do you make sure you're comparing apples to apples?

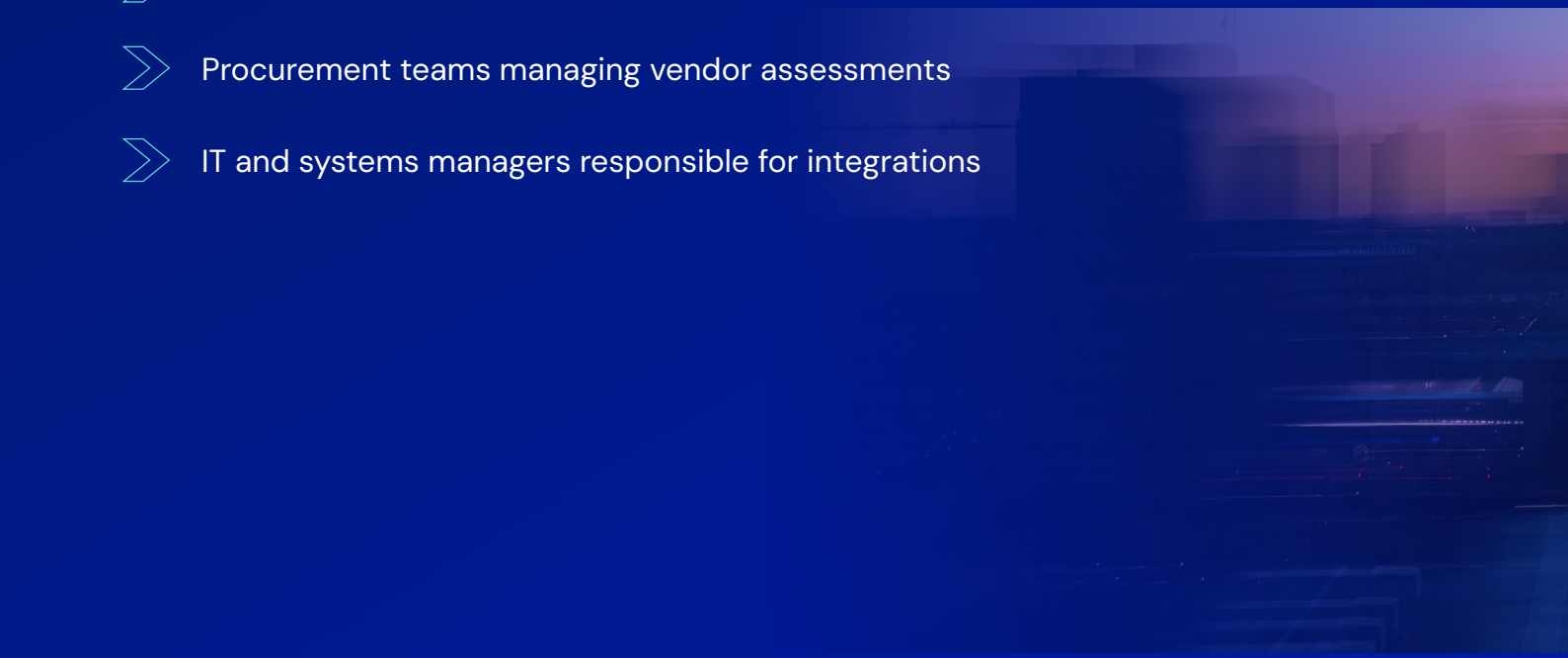
That's where a request for proposal (RFP) comes in.

This guide is designed to help you run a structured, transparent, and objective RMS selection process using an RFP. Inside, you'll find a step-by-step framework for creating your RFP, including how to align requirements with business goals, and evaluating RMSs objectively using best practices. We've also included some downloadable templates and scoring tools to simplify the process.

Whether you're evaluating an RMS for the first time or replacing an outdated system, a solid RFP brings clarity to the chaos, aligns internal stakeholders, and helps you make a confident decision.

This guide is for:

- Revenue leaders evaluating RMS options
- Hotel GMs and Ops leaders involved in tech decisions
- Procurement teams managing vendor assessments
- IT and systems managers responsible for integrations



02. What is an RFP and why does it matter

An RFP is a structured process that allows hotels to evaluate vendors in a fair, consistent, and data-driven way.

In simple terms, an RFP outlines your business requirements and invites vendors to respond with how they meet those needs. It's a structured, multi-step questionnaire that gathers details from several competing vendors, followed by a methodical evaluation.

Why should you use an RFP for your RMS selection?

RMSs vary widely in functionality, integration capabilities, and pricing structures. Sales pitches can sound promising, but without a structured comparison, it's easy to make a decision based on surface-level features.

A well-prepared RFP ensures there's:

- **Structure:**
  It imposes an organized and systematic approach to RMS selection.
- **Clarity:**
  It forces a clear definition of your business needs, expectations, and priorities.
- **Comparison:**
  It enables a side-by-side RMS comparison based on standardized responses.
- **Transparency:**
  It aligns internal stakeholders and provides fair expectations set for vendors.

03. Key considerations before preparing your RMS RFP

An RMS sits at the heart of your revenue strategy.

Unlike other hotel tech systems, it relies on large volumes of real-time data and predictive algorithms to drive pricing and forecasting decisions. That means your RFP must go beyond generic tech requirements and address:

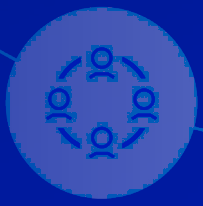
- **Pricing automation capabilities**:
  Evaluate the flexibility, customization options, and automation levels.
- **Forecasting logic and data models:**
  Understand the logic, data inputs, and accuracy of the RMS's forecasting capabilities.
- **Data accuracy and granularity:**
  Understand the tools and data provided for monitoring and responding to demand and market trends.
- **Integration with existing technology:**
  Determine how well it integrates with your existing tech stack.
- **Reporting and analytics capabilities:**
  Analyze the reporting features and actionable insights each RMS provides.
- **Update frequency and innovation pace:**
  Look at how frequently the system evolves.

Understand your hotel's unique needs

Before drafting your RFP, ask yourself what success looks like. Consider factors such as:

- Are you managing multiple properties?
- Do you want full pricing automation?
- Is forecasting accuracy currently a pain point?
- How advanced is your team's knowledge of RMS tools?

Every RFP should be anchored to your business goals and needs, whether it's increasing RevPAR, improving forecasting accuracy, or eliminating dependency on excel sheets.



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04. How to create your RMSs RFP: 6 key steps

STEP 1. EXAMINE YOUR CURRENT SITUATION

Before looking outward, look inward. Identify your current setup and paint points:

- What tools and processes are in place today?
- What's not working?
- Where are the integration or workflow gaps?
- What features are must-haves vs. nice-to-haves?

These answers will be the baseline for improvement and ensure you clearly define your requirements.

STEP 2. DEFINE YOUR REQUIREMENTS

Be clear with what you need. List all the features that you hoped for in the new RMS. But not every feature has the same priority. Once the list has been developed, break it down into:

- Must-have
- Should-have
- Could-have

Here's an example of a list:

Must-have	Dynamic price by segment and channel Two-way integration with my PMS Dedicated customer success manager
Should-have	Custom reports Multi-property management Report collaboration
Could-have	Self-paced training Mobile access

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STEP 3. PREPARE THE RFP QUESTIONNAIRE

Now, it's time to structure your RFP:

The objective is to obtain sufficiently detailed answers to the questions so that you get clear information that's comparable across RMS providers and helps you to make an informed decision.

Key sections to include are:

1. RMS company information
2. Core RMS functionalities questions
3. Additional RMS features questions
4. Implementation process questions
5. Post-implementation, training, and support questions
6. Technical and security questions
7. Client references
8. Pricing breakdown

DOWNLOAD SAMPLE QUESTIONS

STEP 4. DISTRIBUTE THE RFP

Once your RFP is ready, you should:

1. Identify the 5-8 finalists you will send the RFP to. Most hoteliers rely on HotelTechReport to identify RMS options or ask fellow hoteliers for recommendations.

2. Notify RMS vendors 3 weeks in advance that the RFP is coming.

3. Send the RFP and provide a clear submission deadline. The standard is 3-4 weeks.

4. Be ready to answer clarification questions if there are any.

STEP 5. GATHER AND ANALYZE RESPONSES

Once responses are in, it's time to examine, grade and compare:

Key sections to include are:

Vendor comparison matrix

Create a comparison matrix that scores each RFP response on a scale of 0 to 5. A score of 5 indicates that the product capability exceeds expectations, while lower scores reflect limitations. A score of 0 means no answer was provided.

Next, assign a weight to each requirement based on its priority. "Must-have" items will receive a higher weight than "could-have" items.

Then, multiply the score by its assigned weight to reflect its importance in the decision-making. Finally, sum the weighted scores to calculate a total score for each vendor to objectively compare across all RMSs.

DOWNLOAD COMPARISON MATRIX TEMPLATE

Strengths and weaknesses comparison

Summarize the pros and cons in a 1-2 page document, combining RFP responses with your general familiarity with each RMS.

Price comparison matrix

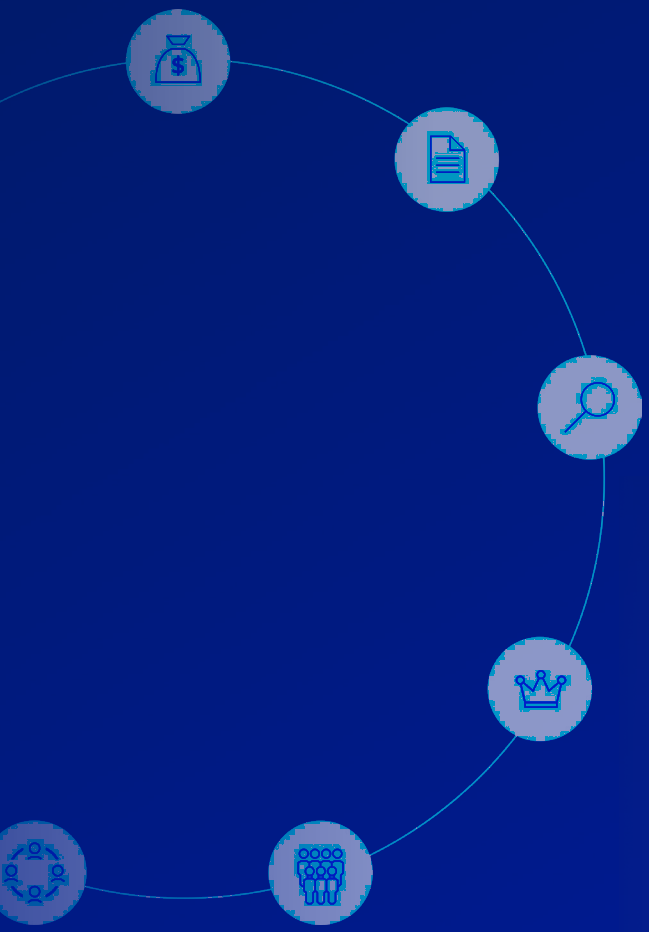
Create a price comparison matrix that includes one-time initial fees, fees for year 1, and fees for year 2, broken down by annual, periodic, and transaction fees. Showcase the total charge for each item, which may vary depending on your hotel size. At the bottom of the summary, group these fees and include a grand total of the three subtotals.

Agree internally

Involve internal stakeholders and narrow down the list to 2-3 finalists to proceed with the product demos.

STEP 6. FINAL SELECTION AND NEXT STEPS

- Schedule demos and Q&A sessions with the finalists.
- Negotiate pricing, contract terms, SLAs and onboarding timelines.
- Set up your implementation team.
- Create a communication and training plan.
- Define success metrics.



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RFP process: An example

Let's walk through how a 5-star hotel group with six properties might use the RFP process to select the right RMS.

HOTEL OVERVIEW: 6 luxury hotels located in major European cities.

TEAM INVOLVED: Revenue director, group GM, and IT manager.

STEP 1. CURRENT SITUATION

- Using a legacy RMS
- Limited pricing automation
- Weak integration with their PMS

STEP 2. REQUIREMENTS

- **Must-haves**
  - Pricing optimization by segment
  - 2-way tech stack integration Forecast automation to reduce manual work
- **Should-haves**
  - Native mobile access for the general manager
  - Role-based dashboards for revenue teams
- **Could-haves**
  - On-demand training library

STEP 3. RFP QUESTIONNAIRE

The team creates a tailored set of questions with a focus on:

- Pricing algorithm sophistication
- Integration capabilities
- Forecasting accuracy and reporting
- Support and onboarding experience

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STEP 4. DISTRIBUTION

5 vendors are identified: A, B, C, D, and E. They are sent the questions.

STEP 5. ANSWER ANALYSIS

Each response is scored from 0 to 5.

5 = capability exceeds expectations

3 = meets expectations

0 = no answer

#	Weight
5	Exceptional
4	Superior
3	Industry norm
2	Deficient
1	Absent
0	Not answered

Once all answers are scored:

- The individual scores are multiplied by their assigned weight
  - Pricing optimization by segment
  - 2-way tech stack integration Forecast automation to reduce manual work

- The total score per vendor is then calculated

Vendor	Score
Vendor A - name	928
Vendor B - name	865
Vendor C - name	964
Vendor D - name	931
Vendor E - name	886

STEP 6. FINAL SELECTIONS AND NEXT STEPS

Based on total scores:

- Vendors B and D selected for a live demo and Q&A.
- Vendor D is selected as the best fit.

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Your RMS RFP templates

We've put together a comprehensive toolkit with everything you need to run your RMS RFP. Download the editable template and customize it for your needs.

DOWNLOAD MATERIALS HERE:

1. **RFP questions template:**

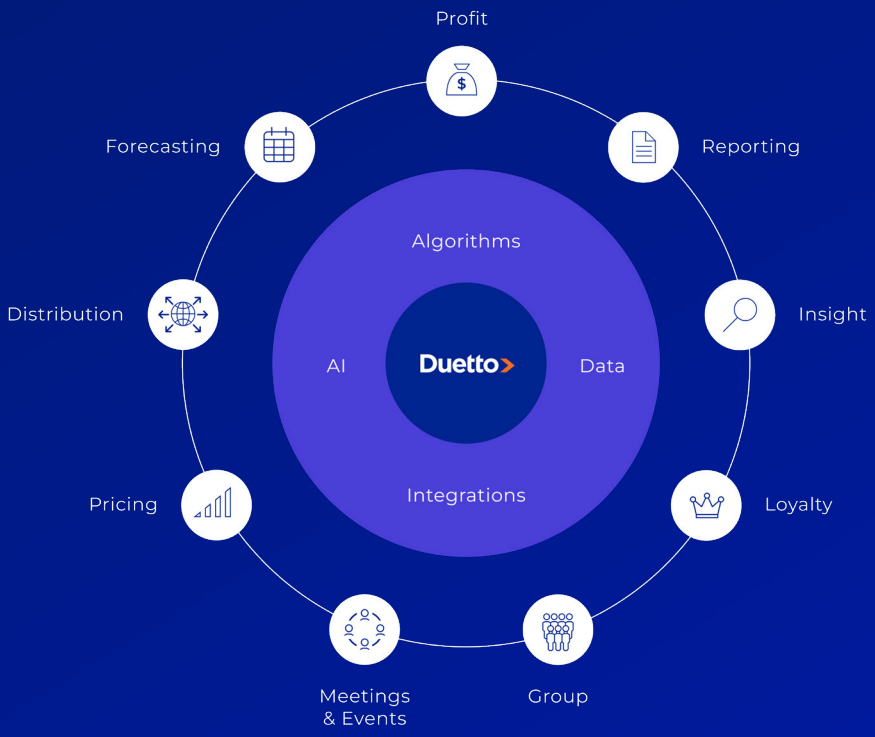
DOWNLOAD HERE

2. **RFP comparison matrix template:**

DOWNLOAD HERE

Want to find the right RMS for your hotel?

SCHEDULE YOUR DEMO TODAY



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