QorusDocs

8th Annual Proposal Management
Benchmark Survey:

An industry snapshot to
fuel success in 2024

A Message from QorusDocs' CEO, Ray Meiring

2023 was an unpredictable year, with the U.S. economy both defying the recession forecast and growing GDP beyond projections. Inflation decelerated after peaking in summer 2022—but only after 11 (!) interest rate hikes as the Fed fought to cool inflation. In other positive news, supply chain disruptions eased last year as lingering pandemic-related logistics challenges receded, while investment in manufacturing reached historic highs.

Not everything was rosy though. 2023 was a historic year for bank failures, kicking off with the demise of Silicon Valley Bank and culminating in the largest value of combined assets lost—$548.7 billion—in a single year. The cryptocurrency market took a big hit as well, as the industry's golden boy, FTX co-founder Sam Bankman-Fried, was convicted of stealing billions from customers.

In the midst of this tumultuous economic landscape, U.S. businesses were forced to contend with labor shortages and rising labor costs in an increasingly competitive talent war, ever-increasing customer expectations, and the impact of AI and digital disruption—including the industry drama that unfolded when OpenAI CEO Sam Altman was abruptly ousted and subsequently welcomed back into the fold within the space of a few days.
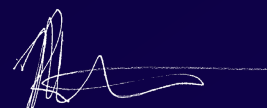
The good news is, despite the chaotic state of business, companies were still sending out Request for Proposals (RFPs) in support of new projects, with RFP volume increasing slightly in 2023. The majority of businesses we surveyed reported an 11%-20% increase in RFP volume coming through their door.

Interestingly, RFP win rates from existing customers outpaced new business wins. Against the backdrop of economic and operational challenges, companies went on the offensive in 2023 and focused on pitching their services and solutions to prospective clients. Indeed, pitches were the star of the show last year, with pitch volume increasing 61% year-over-year (YoY) and the majority of respondents completing up to 250 pitches per year.

In 2023, companies focused on increasing the efficiency and productivity of their business processes to reduce operating costs and differentiate their offerings. With organizations tasked with streamlining and automating operations, AI vaulted into the limelight—and proposal and response management felt the impact.

Notably, the majority of the businesses we surveyed acknowledged that generative AI will be important to the future of proposal management. In fact, when we took the pulse of our B2B cohort, some companies were already using AI-powered tools to fuel their response process, whether researching, writing, or summarizing content.

As we welcome the new year, my hope is that our 8th Annual 2024 Benchmark Research Survey gives you and your organization valuable data and actionable insights to help optimize your proposal, RFP response, and pursuit processes as you hone your competitive advantage in 2024.

Contents

Key Takeaways:

Generative AI is here

With the majority of respondents claiming generative AI will be important to the future of proposal management, some companies are already using AI-powered tools to research, write, and summarize content.

RFPs up slightly despite tough economy

Despite high inflation and economic uncertainty in 2023, RFP volume increased slightly from 2022. However, more companies in 2023 experienced no YoY RFP growth compared to last year.

Pitch volume surged

Companies were proactive in 2023, seeking out new business opportunities and building on existing business. Pitch volume increased YoY by 61%, with the majority completing ≤250 pitches per year.

Existing customer focus

While new business win rates were down in 2023, win rates from existing business held steady. The majority say RFP win rates from new business were a disappointing 30% or less.

Time is money

The majority of respondents reported that it can take more than one business week to complete an RFP, with the average time creeping up YoY.

Microsoft Word is the clear favorite

An even greater percentage of respondents than last year (70% vs. 50%) preferred MS Word as their primary application for generating response documents.

About this survey

For this year's industry snapshot, 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, due diligence questionnaires, or security questionnaires. The cohort encompassed companies of varying sizes—the majority with more than 1,000 employees and greater than $100M revenue (2022)—from multiple industries.

Special thanks to our valued customers for their contribution to this research report.

TOP INDUSTRIES

Industry	Percentage
Tech	38%
Legal Services	21%
AEC	14%
Professional Services	13%
Healthcare	6%
Financial Services	4%
Other	4%

OF FULL-TIME EMPLOYEES IN ORGANIZATION

Employees	Percentage
1-99 employees	17%
100-250 employees	4%
251-500 employees	6%
501-1000 employees	10%
1001-5000 employees	23%
5001+ employees	40%

GROSS REVENUE IN 2023

Revenue Range	Percentage
<$500,000	4%
>$500,000 – $1,000,000	0%
>$1,000,000 – $5,000,000	2%
>$5,000,000 – $10,000,000	2%
>$10,000,000 – $25,000,000	4%
>$25,000,000 – $50,000,000	0%
>$50,000,000 – $100,000,000	11%
>$100,000,000	62%
Unsure	15%
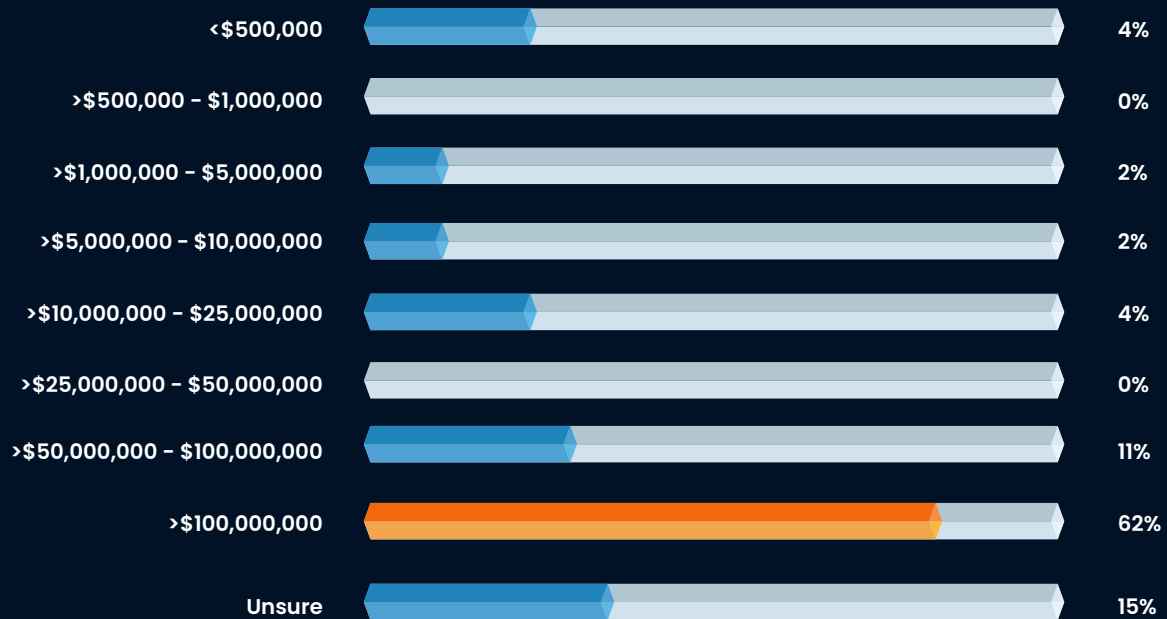
This 8th annual benchmark survey takes the pulse of the current B2B proposal and RFP landscape, with a focus on service industries (e.g., professional services, legal, technical services) that complete more complex pursuits and pitches.

As in past years, we evaluated the organizational impact of the RFP process, measuring win rates (for both new and existing business), associated revenue, and missed revenue opportunities due to the volume of responses not completed. We also gauged the use of automated proposal management software and investigated early views on artificial intelligence (AI) and its role in the response process.

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

The State of Affairs

2023 was a bit of a wild one for businesses across all industries, with multiple interest rate hikes, failing banks and labor shortages set against projection-busting GDP, unprecedented manufacturing investment, and declining inflation. Despite the unpredictable economic landscape, U.S. businesses held their own in 2023 as they focused on finding ways to increase efficiency, curtail costs, and drive revenue.

AI is making waves

The news is filled with reports on AI and its widespread adoption by enterprises aiming to increase operational efficiency and reduce labor costs. Generative AI-powered tools are starting to impact the sales response process, including proposal management, and many companies are embracing the technology evolution.
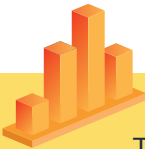
The overwhelming majority of respondents (59%) indicated that generative AI is somewhat or extremely important as a key capability of proposal management software.

However, there are still some organizations that don't see the value of generative AI as part of proposal automation; twenty-two percent of respondents felt it is not important.

Generative AI as a Key Capability in Proposal Software

- Extremely important - 15%
- Somewhat important - 44%
- Neutral - 19%
- Somewhat not important - 10%
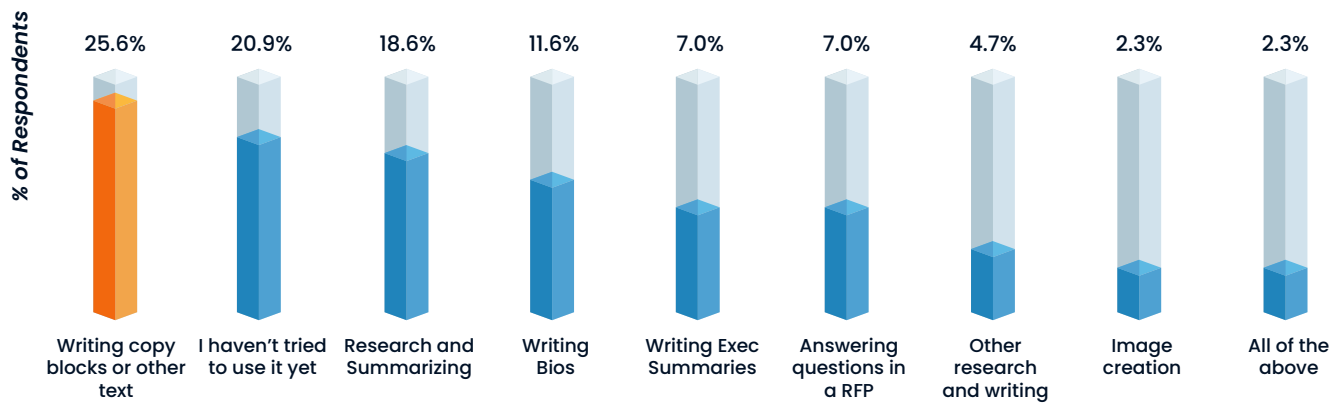- Extremely not important - 12%
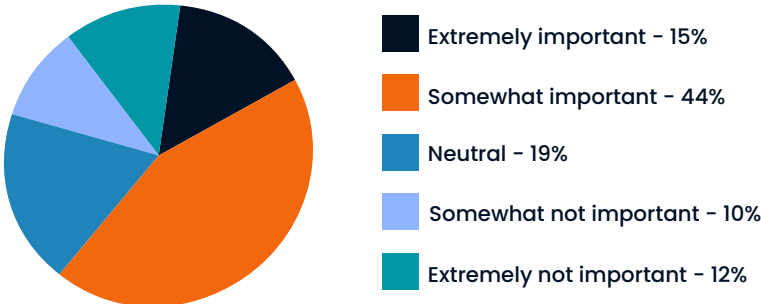
The majority of surveyed companies have used generative AI in their proposal management process, whether for writing blocks of copy (25.6%), researching and summarizing content (18.6%), writing bios (11.6%) and executive summaries (7%), or answering RFP questions (7%).

AI is already starting to make its mark on the sales response process.

Professional services firms (non-legal) dipped their toe deeper than most, with 42.9% of respondents writing copy blocks or other text, 28.6% researching and summarizing content, and 14.3% writing executive summaries and answering RFP questions. Notably, no respondents reported that they haven't used generative AI yet.

Forty-four percent of **law firms** have used generative AI to write blocks of copy; twenty-two percent of legal respondents have used it to research and summarize, although an equal percentage haven't tried generative AI yet.

Generative AI in the Response Process

% of Respondents

25.6%	20.9%	18.6%	11.6%	7.0%	7.0%	4.7%	2.3%	2.3%
Writing copy blocks or other text	I haven't tried to use it yet	Research and Summarizing	Writing Bios	Writing Exec Summaries	Answering questions in a RFP	Other research and writing	Image creation	All of the above

How have you used Generative AI?

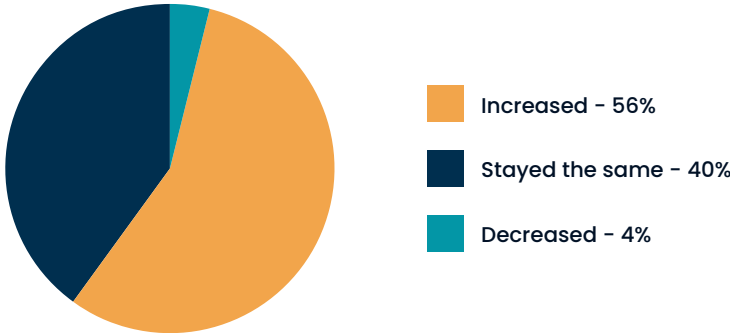# RFP volume inches upwards despite economic uncertainty

The economic landscape wasn't for the faint of heart in 2023 but 56% of survey respondents reported an increase in RFP volume in 2023, with the majority reporting an 11%–20% increase—a notably smaller volume increase than last year's jump of 21%–50%.
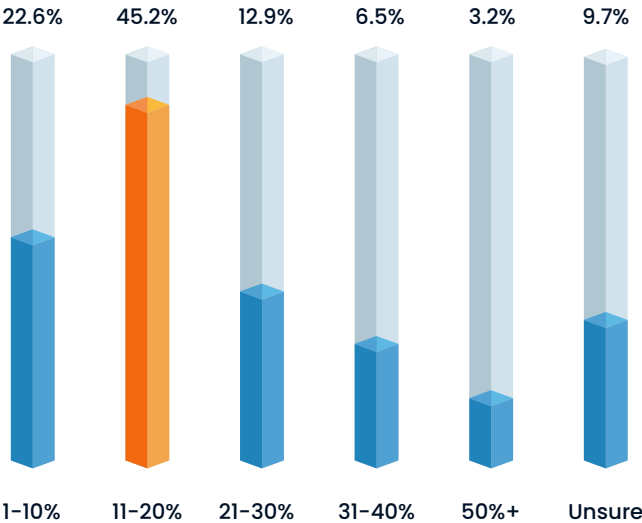
Notably, 40% of companies saw no change in volume this year, compared to only 29% reporting stagnant growth in 2022. Amongst the respondents in the **legal** and **tech services** industries, the majority—82% and 75%, respectively—experienced no change in RFP volumes compared to last year.

Slow growth in RFP Volumes

RFP Volume Comparison to Last Year

- Increased - 56%
- Stayed the same - 40%
- Decreased - 4%

RFP Request Volume YoY

| 1-10%	11-20%	21-30%	31-40%	50%+	Unsure
22.6%	45.2%	12.9%	6.5%	3.2%	9.7%

Pitching for the win

In response to a new question in our survey this year, a whopping 61% of respondents reported an increase in the volume of pitching in the organization over the last year. **Professional services organizations**, including **law firms**, led the charge, with 100% of respondents noting an increase in pitch volume in 2023.

Change in Pitch Volume in 2023

- Increased - 61%
- Decreased - 3%
- Stayed the same - 13%
- Unsure - 23%
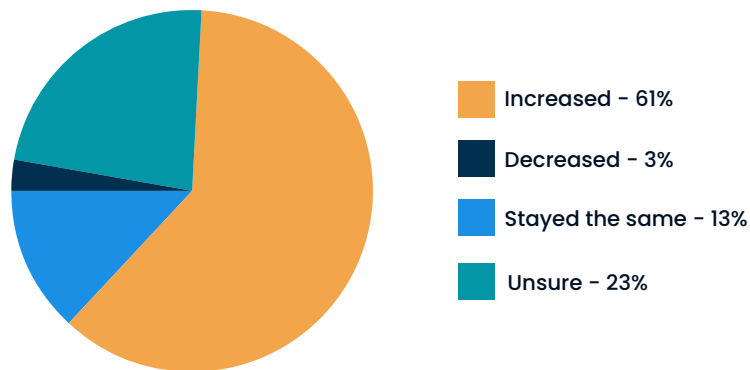
For organizations that complete pursuits on a regular basis (e.g., law firms, professional services firms), the number of pitches completed annually varies widely; at one end of the scale, 6.5% of companies complete more than 5,000 pitches per year, while the largest proportion (32%) complete less than 250 pitches annually.

Number of Pitches Completed Annually

	Less than 250	251-500	501-1000	1001-3000	3001-5000	5000+
% of Respondents	32.2%	25.8%	19.4%	12.9%	3.2%	6.5%

 # Pitches completed annually
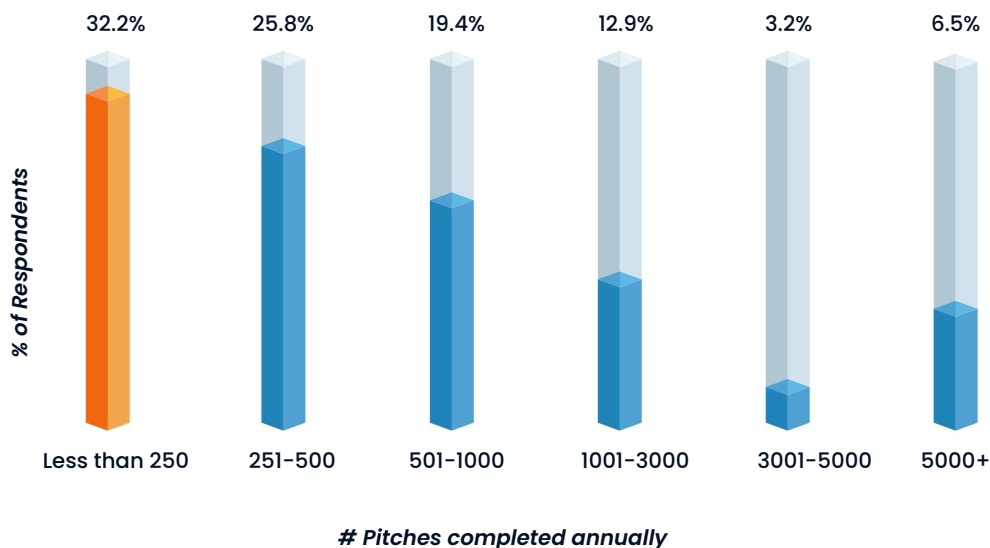
Opportunities are out there

The value of RFP opportunities this year ranged from under $100K (7% of respondents) to more than $10M (16.3%).

The majority of respondents reported values of less than $1M for RFP opportunities in their organization.

Law firms saw sizeable income opportunities from RFPs, with the majority of legal respondents (50%) reporting average opportunity sizes of $1M–$5M. The majority of technical services firms (27.8%) reported RFP opportunities of $500K–$1M, followed closely by 22.2% of opportunities valued at $1M–$5M.

The size of RFP opportunities at **professional services** (non-legal) firms was generally lower, with 66.7% of respondents experiencing opportunities valued at $100K–$500K. However, this lower range is balanced out somewhat by the 23.3% of respondents who reported RFP opportunities of greater than $5M.

Average Opportunity Size of RFPs

Under $100K	$100K–$500K	$500K–1M	$1M–5M	$5M–10M	Over $10M
7%	30.2%	18.6%	20.9%	7.0%	16.3%

% of Respondents

Average opportunity size
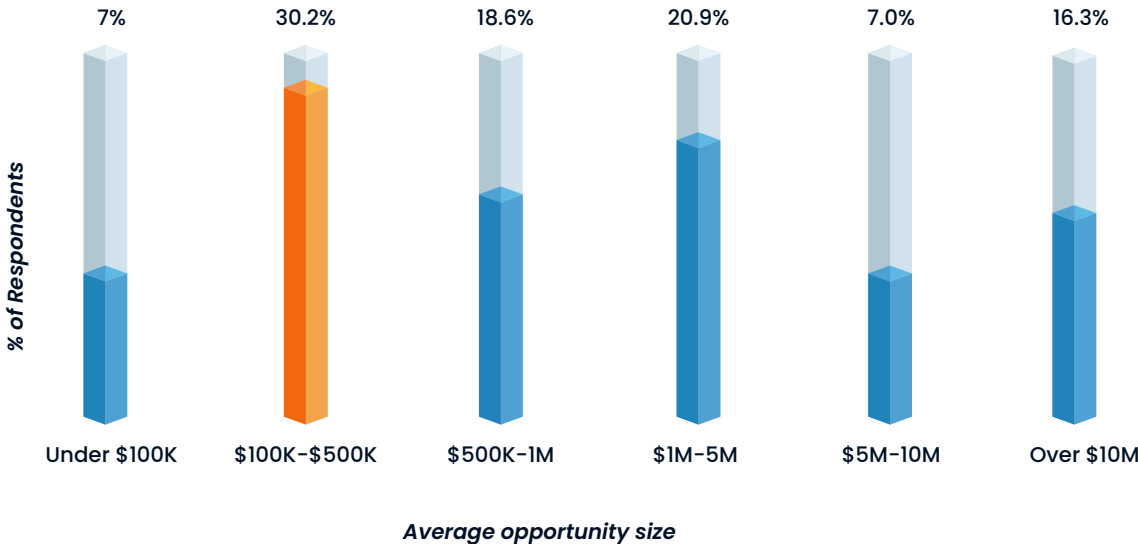
Status quo win rate

2023 win rates mirror last year's results, generally staying the same YoY. However, this year a greater proportion of respondents experienced no growth in win rates.
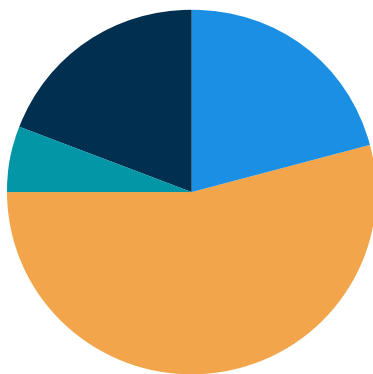
In 2022, 37% of respondents said **new business** win rates stayed the same but this year the group swelled to 54%; similarly, 53% of surveyed companies said win rates for **existing business** stayed the same in 2022, while that number jumped to 83% in 2023.
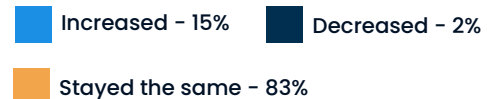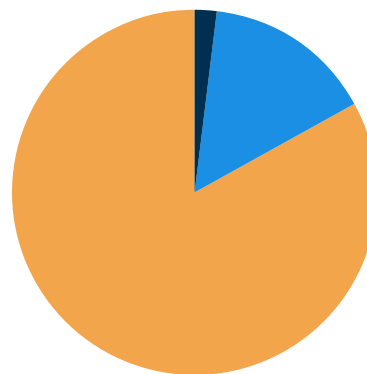
The number of respondents that increased their win rates in 2023 was half the size of the 2022 group. In 2022, 48% of those surveyed increased new business win rates, compared to only 21% this year; last year, 34% of respondents reported an increase in win rates from existing business vs. 15% in 2023.

Static Win Rates Dominate in 2023

NEW Business RFP Win Rate YoY

- Increased – 21%
- Stayed the same – 54%
- Decreased – 6%
- Unsure – 19%

EXISTING Business RFP Win Rate YoY

- Increased – 15%
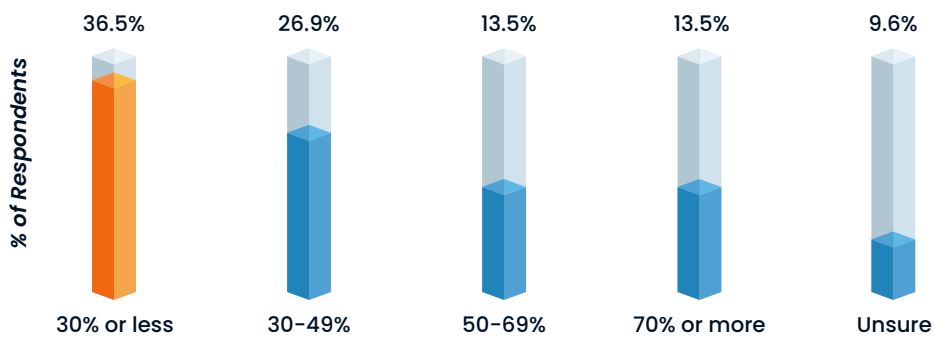- Decreased – 2%
- Stayed the same – 83%

A bird in hand

Acquiring new customers is a costly and unpredictable endeavor, especially in a tight economy. In 2023, organizations were focused on keeping customers happy to minimize churn. By nurturing relationships with existing clients, companies generated additional business opportunities that translated to increased RFP win rates.
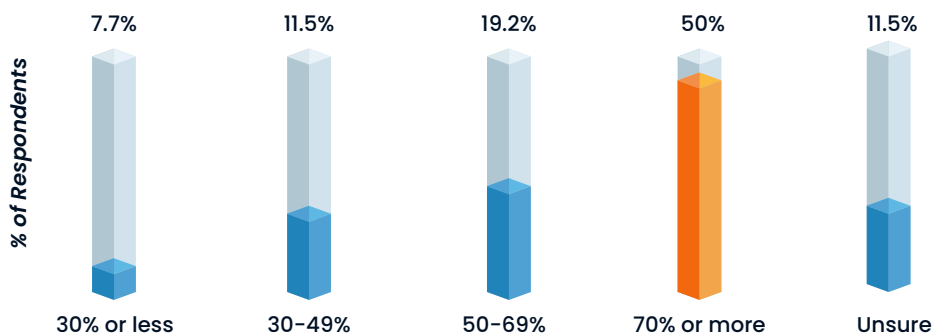
Half of all survey respondents enjoyed RFP win rates for **existing clients** greater than 70%. In contrast, the majority of companies experienced win rates of 30% or less from **new business** RFPs—a decline from 2022 when the majority reported a 20%–49% win rate.

All surveyed organizations across multiple industries appeared to experience similar issues with new customer acquisition in 2023, with the same pattern of win rates reflected in the **professional services, legal, and technical services industries.**

NEW Business RFP Win Rate

% of Respondents

36.5%	26.9%	13.5%	13.5%	9.6%
30% or less	30-49%	50-69%	70% or more	Unsure

EXISTING Business RFP Win Rate

% of Respondents

7.7%	11.5%	19.2%	50%	11.5%
30% or less	30-49%	50-69%	70% or more	Unsure

Grappling with inflation, labor shortages, and economic uncertainty, 2023 was a tough year for many companies as they struggled to deliver successful RFP responses.

For the majority of survey respondents, income attributed to winning RFP responses for **new business** represented less than 30% of sales revenue, compared to an average of 40% of annual revenue in 2022.

The share of RFP revenue from **existing business** also dropped off in 2023.

While average sales revenue from RFPs from existing customers represented at least 50% of total sales revenue (the majority reported 51%–80%) in 2022, this year half of the respondents said their existing business RFP revenue contributed 31% or more to annual revenue.
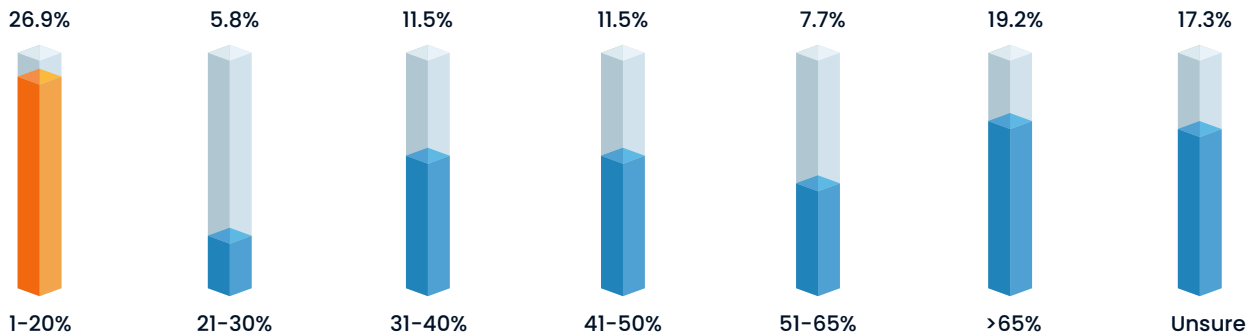
Technical services, professional services, and law firms had some success with building on relationships with existing clients this year. The majority (45.5%) of **law firms** said income attributed to winning RFP responses for **existing business** represented 1%–20% of sales revenue.

In the **professional services** and **technical services** space, 25% of respondents attributed 65% of sales revenue to winning RFP responses from **existing business**, while 25% said existing business RFP revenue accounted for 1%–20% of annual sales revenue.

% NEW Business from RFPs

28.8%	17.3%	7.7%	3.8%	3.8%	9.6%	28.8%
1–20%	21–30%	31–40%	41–50%	51–65%	>65%	Unsure
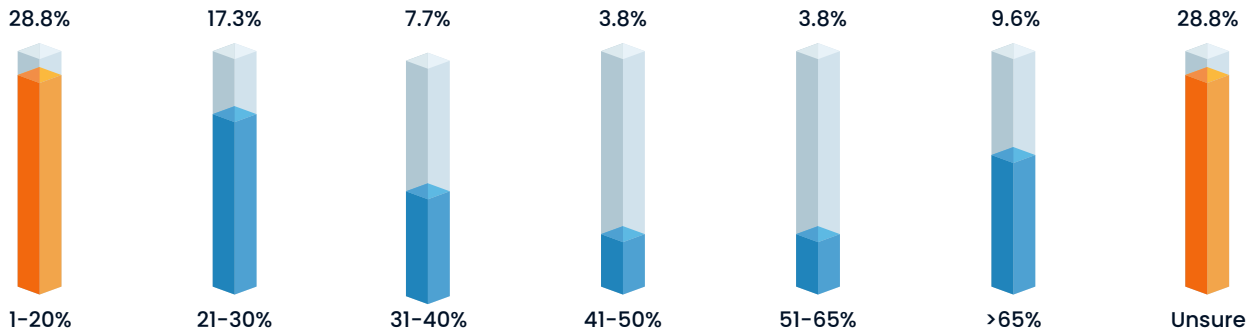
% EXISTING Business from RFPs

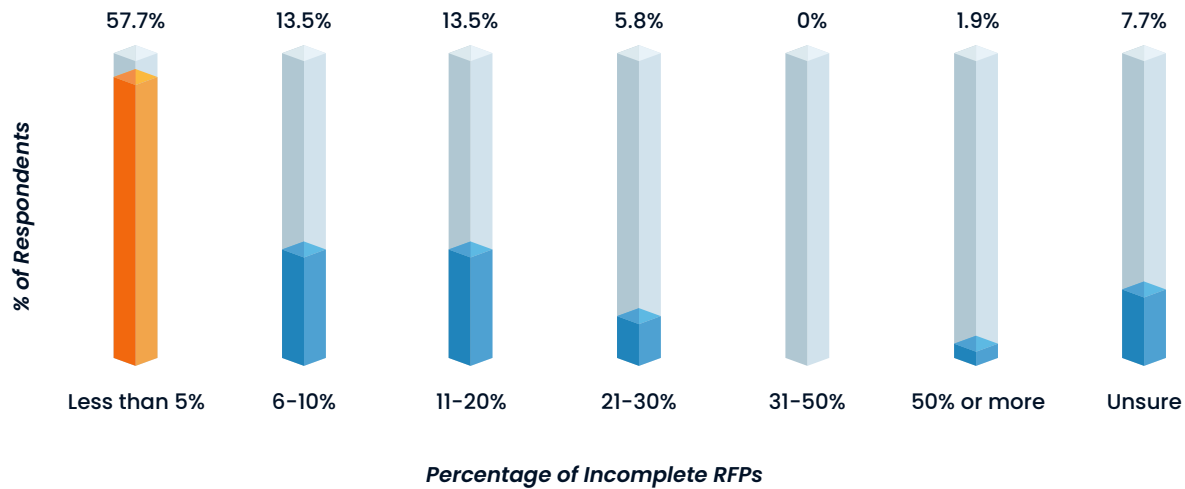| 26.9%	5.8%	11.5%	11.5%	7.7%	19.2%	17.3%
1–20%	21–30%	31–40%	41–50%	51–65%	>65%	Unsure

Costly missed opportunites

Responding to requests is a complex, resource-intensive, and time-consuming task that can overwhelm bid and proposal teams. Whether due to time constraints or other factors, the inability to complete responses can be extremely costly.

The good news is that fewer companies missed out on completing RFPs this year. However, this decline could be due to fewer RFPs circulating as a result of economic headwinds in 2023, such as the 11 interest rate hikes as the Fed attempted to tame inflationary impact.

Missed Revenue Opportunities

57.7%	13.5%	13.5%	5.8%	0%	1.9%	7.7%
Less than 5%	6-10%	11-20%	21-30%	31-50%	50% or more	Unsure

% of Respondents

Percentage of Incomplete RFPs

In the 2022 survey, the majority of respondents reported not answering 10% of RFPs or fewer, but there was still a substantial number of responses in ranges above 10%, with the median incomplete responses sitting at 15%.
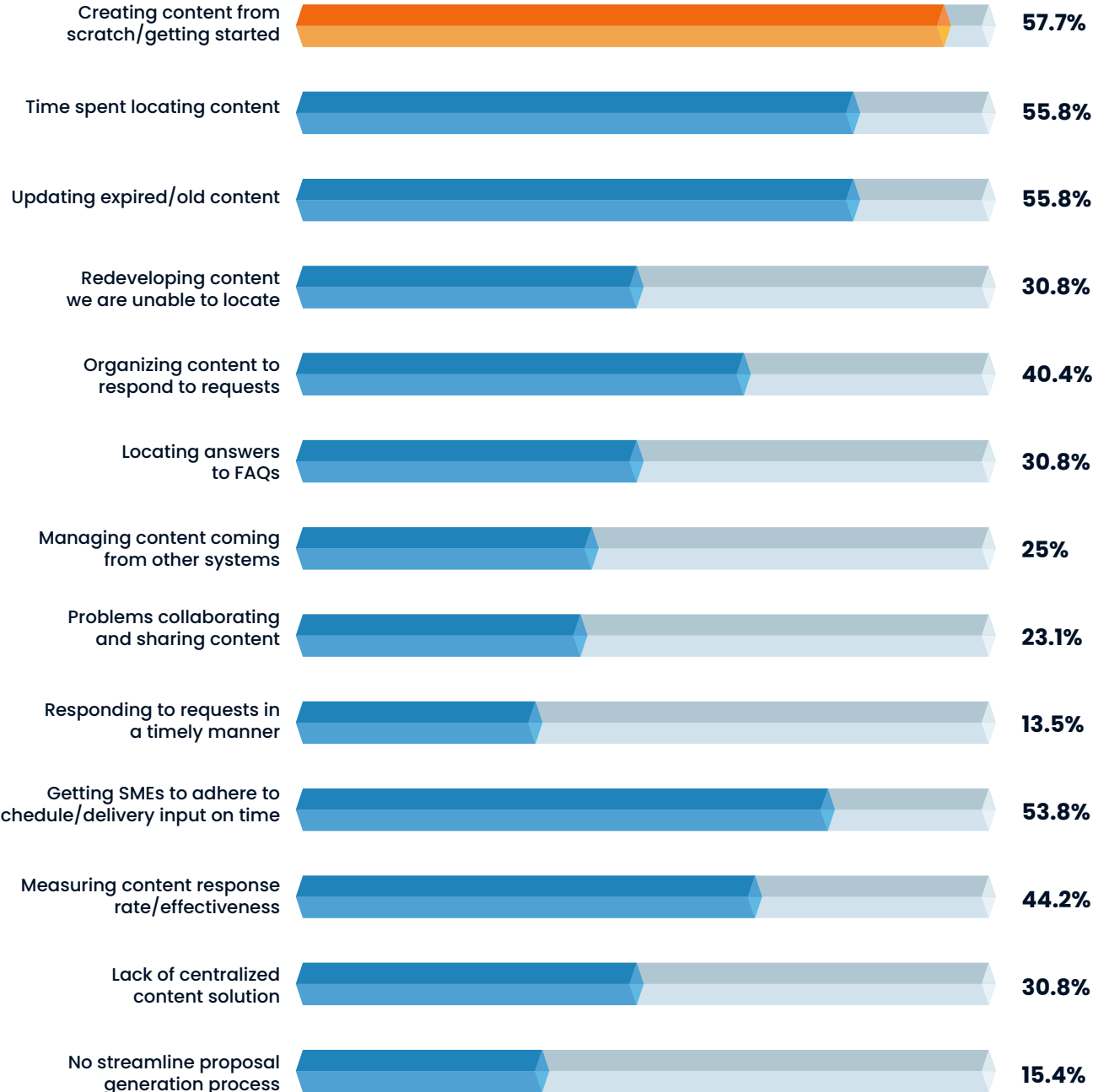
In contrast, the majority (57.7%) of respondents in 2023 were able to answer more of the RFP opportunities that came their way, not completing fewer than 5%.

While the majority of **legal** and **technical services** firms echoed the overall results, respondents from **professional services firms** were particularly successful in responding to RFP opportunities, with 85.7% of firms leaving fewer than 5% of potential RFPs on the table.

Challenges

The process of creating RFx responses, proposals, pitches, and questionnaires can be a complex and time-consuming task involving multiple contributors, tight turnaround, and the ability to find and organize content stored in various locations across the organization.

Major Challenges When Completing Requests

Challenge	Percentage
Creating content from scratch/getting started	57.7%
Time spent locating content	55.8%
Updating expired/old content	55.8%
Redeveloping content we are unable to locate	30.8%
Organizing content to respond to requests	40.4%
Locating answers to FAQs	30.8%
Managing content coming from other systems	25%
Problems collaborating and sharing content	23.1%
Responding to requests in a timely manner	13.5%
Getting SMEs to adhere to schedule/delivery input on time	53.8%
Measuring content response rate/effectiveness	44.2%
Lack of centralized content solution	30.8%
No streamline proposal generation process	15.4%

The major challenges proposal teams faced in 2023 when working on requests struck a similar chord as last year, with the same top three issues—all related to content development—rearing their ugly head.

Creating new content from scratch was the most common challenge (57.7% of respondents) in 2023; it was the second-most common challenge in 2022.

The ability to locate, organize, and share content in a timely manner continued to hamper the response process in 2023. Respondents wasted time locating content (55.8%), updating old and expired content (55.8%), and redeveloping the content they couldn't locate (30.8%), while struggling to organize content (40.4%) and share content (23.1%) to respond to requests.

It's no secret that spending unnecessary time and resources to create proposals, pitches, and RFP responses—due in part to ineffective, inefficient collaboration of key stakeholders within the organization—is detrimental to top- and bottom-line performance. This year, 53.8% of respondents struggled to get Subject Matter Experts (SMEs) to adhere to a schedule and deliver input on time, while 30.8% dealt with the absence of a centralized content solution that hindered proposal management efforts.

# The response process

Team effort

The number of individuals involved in responding to RFPs within an organization varies considerably—from less than five people to more than 50 employees. In 2023, the majority of those surveyed reported less than 20 people contributed to the response process at their organization. At the opposite end of the scale, 17% of respondents indicated that more than 50 people were involved in their organization's RFP response process, while 23% reported less than five employees.

The majority of **law firms** (45.5%) and **technical services organizations** (35%) reported six to 10 employees were involved in responding to RFPs, while **professional services firms** tended to have significantly more individuals and teams involved in the response process.

Number of People Involved in RFP Response Process (Majority Report <20)

Legend:
- <5
- 6–10
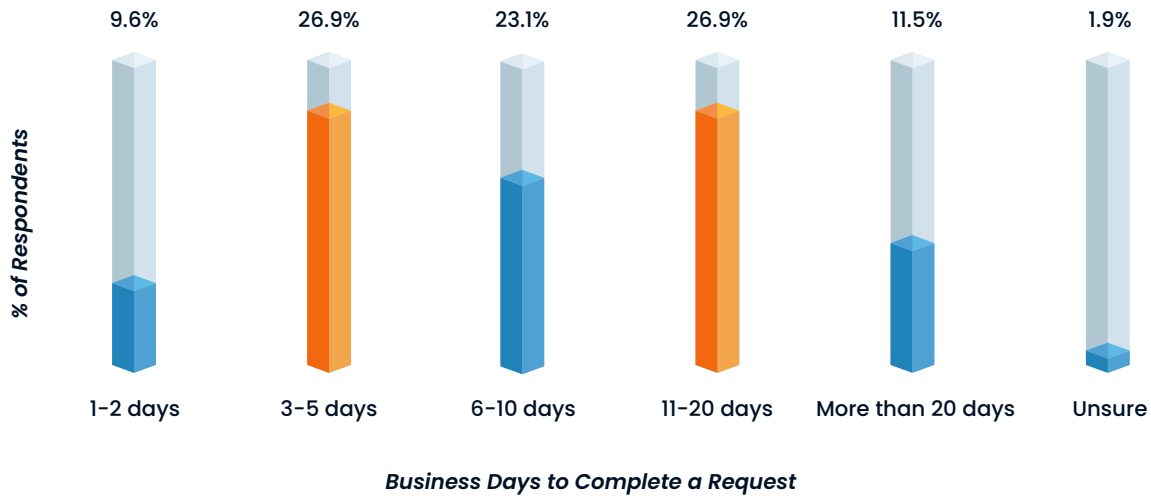- 11–19
- 20–29
- 30–49
- 50+
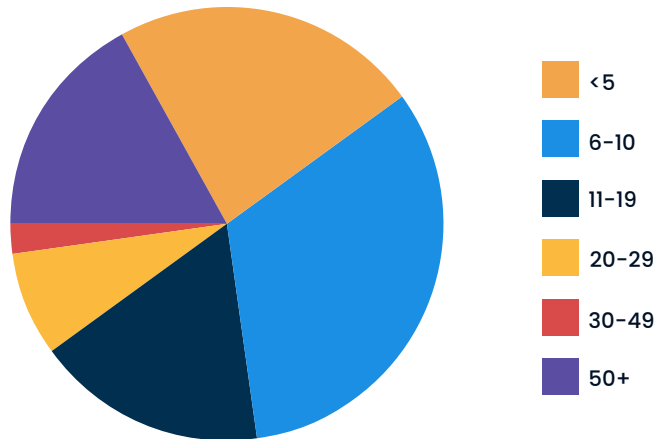
Time is of the essence

Responding to RFPs and creating proposals and pitches is a resource-intensive and time-consuming endeavor. The majority of respondents indicated that they take up to 10 days to complete each request. Completion time appears to be trending longer, up from last year's average of six business days and seven days in 2021.

Respondents from the **technical services industry** took the longest to respond to a request, with the majority (40%) spending 11 to 20 days and 20% taking six to 10 days to complete a request.

Time-consuming RFP process

| 9.6% | 26.9% | 23.1% | 26.9% | 11.5% | 1.9% |

% of Respondents

| 1-2 days | 3-5 days | 6-10 days | 11-20 days | More than 20 days | Unsure |

Business Days to Complete a Request

Microsoft still the crowd favorite

Choosing which software application to use to create response documents impacts both the efficacy of the response process and the quality of the documents. When respondents were asked which software application they use to generate RFP responses, Microsoft—and Microsoft Word in particular—stood out as the clear favorite in 2023.

In 2022, half of respondents said they used Microsoft Word to create response documents; this year, a whopping 75% of companies surveyed use Microsoft Word to generate responses. Microsoft PowerPoint and other web-based tools came in at a distant second, with 5.6% of respondents using each of those applications.

Respondents from **professional services** (non-legal) and **technical services firms** had even higher usage of Microsoft Word, with 80% of technology companies and 100% of professional services firms using the application. Notably, **tech firms** had the highest use of Google Suite (10%) and, while 54.5% of **law firms** used MS Word, 18.2% preferred Microsoft PowerPoint.

Primary Application for Generating RFP Responses

75.9%	5.6%	5.6%	3.7%	3.7%	1.9%	3.7%
Microsoft	Microsoft PowerPoint	Web Based Tools	Google Docs (G-Suite)	Microsoft Excel	CRM	Other
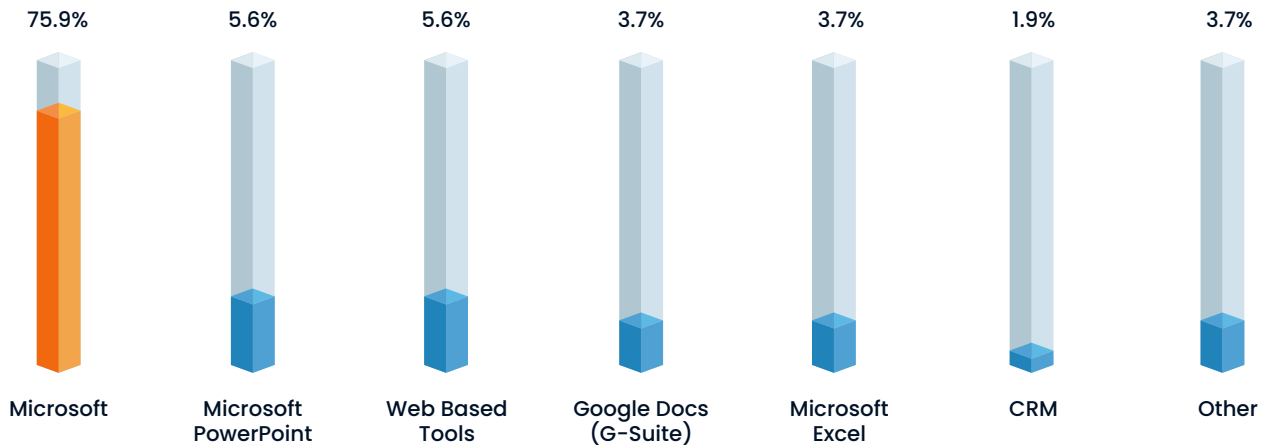
Microsoft dominated the pitch process in 2023 as well. Eighty-six percent of respondents used Microsoft Office to create proposals, with web-based tools (6%) and G-Suite (4%) a distant second and third choice.

Primary Software Application for Proposals

- Microsoft Office - 86%
- Web-based tools - 6%
- G-Suite - 4%
- CRM - 2%
- Other - 2%
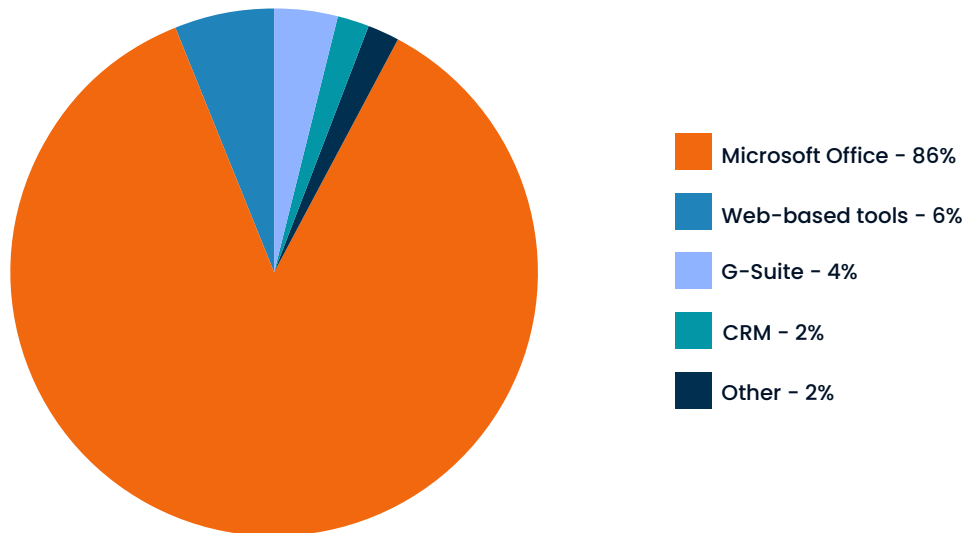
The technology driving the response process

Valued at $2.33 billion (USD) in 2022, the global market for proposal management software is projected to grow from $2.5B in 2023 to $5.81B by 2030. Several factors are propelling the widespread adoption of proposal management software and growth of the sector, including:

- Growing need to streamline business operations for efficiency and cost savings

- Digital evolution to cloud-based technologies

- Proposal management recognized as an effective tool to increase win rates

- Integration of AI-enabled tools with proposal management software

Organizations across all industries have realized the value of proposal management software to drive their response process, helping to increase win rates, scale response production, and gather actionable insights into client engagement. In fact, the majority of survey respondents (61%) reported using proposal management software in their company, vs. 29% without and 10% considering bringing proposal automation software onboard.

In 2023, 65% of **law firms** and 70% of **technical services firms** reported using proposal management software, while professional services (non-legal) firms lagged slightly behind with 57% of respondents using the software.

2023 Proposal Management Software Usage

- Yes – 61%
- No – 29%
- Currently thinking to bring onboard – 10%
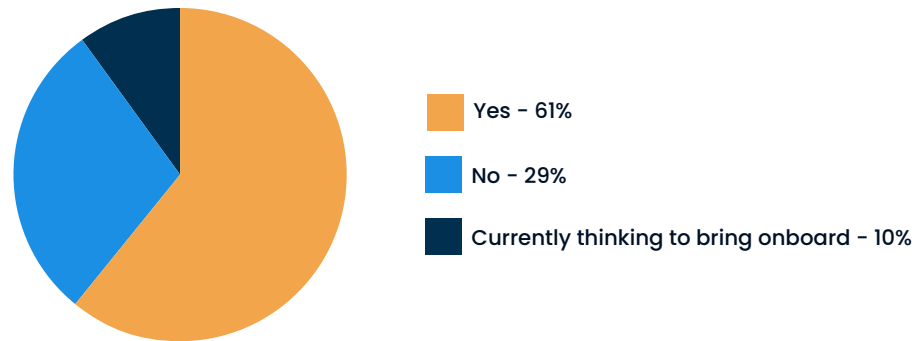
Impact of proposal management software

The greatest impact proposal management software had on the response process in 2023 was related to the time commitment, response quality, and win rates.
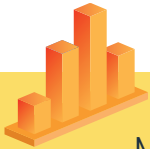
More than half (53.9%) of respondents indicated that proposal management software helped them complete requests faster, with the majority ranking the impact four on a five-point scale. These results track higher than 2022 when 48% felt the software had a positive impact on the **time required to complete a request.**

Nearly 58% of surveyed organizations felt proposal automation technology had a positive impact on the **quality of requests** they produced this year, compared with 46% and 59% in 2022 and 2021, respectively. The majority of respondents ranked the positive impact of proposal management software four on the five-point scale in 2023.

With respect to the **volume of requests** organizations responded to in 2023, 32.7% of respondents felt proposal management had a positive impact vs. 38.5% who reported a negative impact on request volume.

In 2023, 46.2% of respondents felt that proposal automation software had a positive impact on the **time they spent managing content,** with the majority noting a neutral effect. These results represent a YoY slight downward trend, with 48% reporting a positive impact in 2022 and 53% positive in 2021.

Similarly, while the majority felt proposal management software had a neutral impact on **ease of collaboration,** 40.4% of respondents reported a positive impact, albeit a YoY decrease from 2022 (45%) and 2021 (56%).

Impact of Proposal Management Software on Response Process

Legend: 1 - No Impact | 2 | 3 | 4 | 5 - High Impact
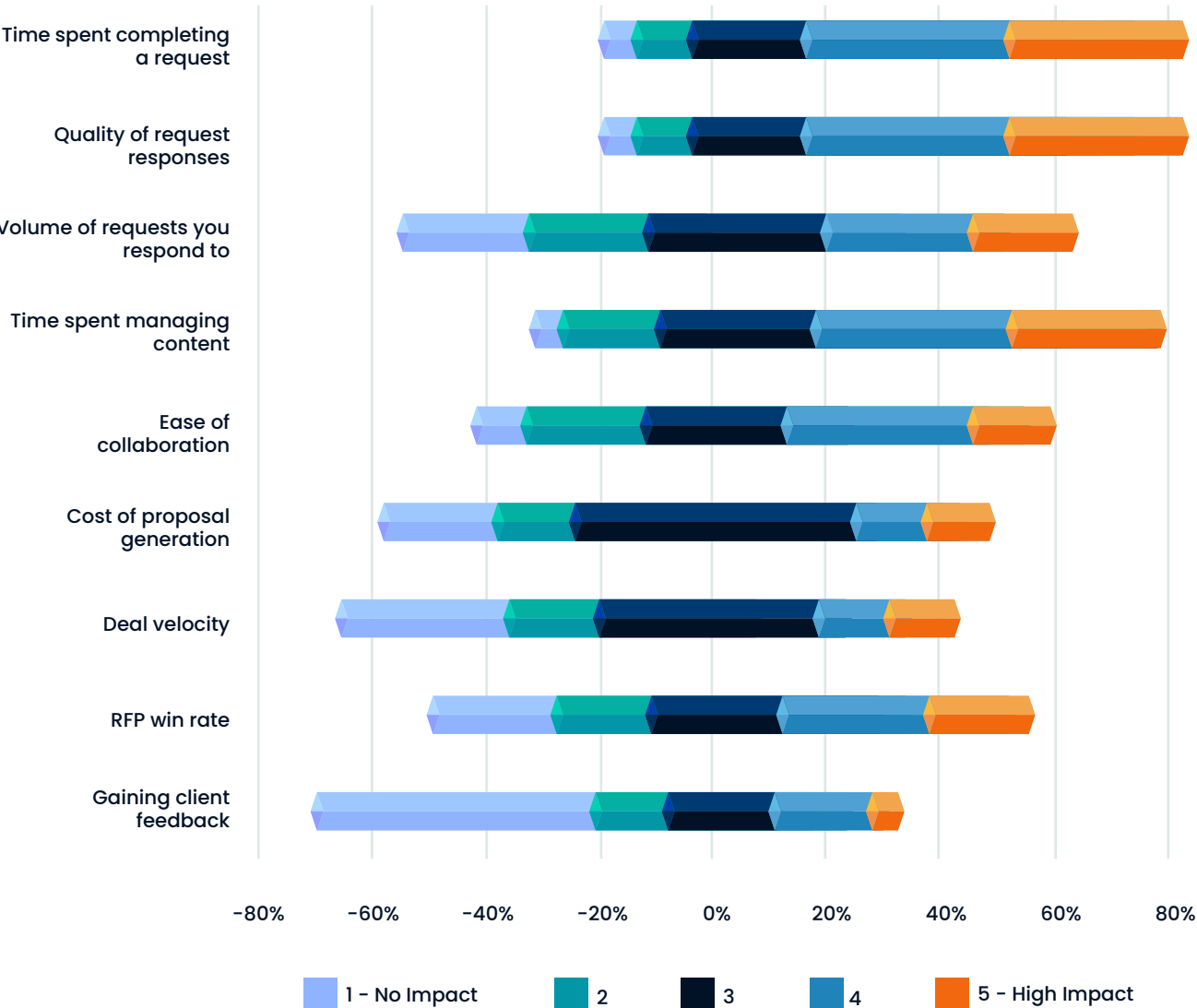
About QorusDocs

QorusDocs is AI-powered proposal automation software that helps your business development team create visually compelling proposals, RFP responses, pitches and SOWs that demonstrate the value you bring. Personalized for each client, proposals are professional, on brand and error-free, and include data insights proven to keep new business coming in the door.

See QorusDocs in action!

Fast, Automated, AI-powered responses that win.

Request a demo

For more information please visit:

www.qorusdocs.com | **info@qorusdocs.com**

425-708-8461

Follow us