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Top 5 Procurement Negotiation Pitfalls



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Procurement teams are under pressure to reduce cost, manage risk, and secure better outcomes. Yet many negotiations still become narrower, more reactive, and less effective than they need to be.

Based on our experience training procurement teams, this eBook looks at five common traps we see in procurement negotiations, and the practical shifts that help teams negotiate more effectively.



1. Failing to understand the supplier’s priorities

A common weakness in procurement negotiations is focusing so heavily on internal objectives that the supplier's priorities are never properly understood or considered.

This narrows the negotiation. If you do not understand the supplier's objectives, constraints, and commercial drivers, you will miss opportunities to trade, repackage proposals, and unlock value.

Strong negotiators do more than push their own agenda. They invest time in understanding what the supplier is trying to achieve and the factors influencing their decisions.

That creates room to trade variables, uncover mutual value, reach more sustainable agreements, and protect the relationship as well as the outcome.



2. Reducing the negotiation to price



In too many negotiations, one variable dominates the entire conversation: price. This often leads to underused negotiation tools, limited creativity, and missed opportunities to create value.

In some organisations, internal structures make this worse. If teams are measured or rewarded on one narrow objective, they are more likely to ignore other variables that could improve the outcome. In many cases, risk, continuity, flexibility, or relationship value may matter more than price, but the negotiation never gets broad enough to reflect that.

The best procurement negotiators prepare to trade. They identify wish list items, explore non-price variables, and think more broadly about what value looks like on both sides.

That creates more room to negotiate, and also allows procurement teams to secure outcomes that better reflect the full commercial reality.

3. Simply asking the supplier to “improve the offer”

It is common for procurement teams to do some market research and then simply ask the supplier to ‘improve the offer’. That may feel like negotiation, but in practice it often leaves the supplier in control of the discussion.
Without turning that information into a clear proposal, they never anchor the conversation, never set out a structured alternative, and never shape the negotiation around a broader list of points.

A well-made proposal gives the negotiation direction. It creates a clearer basis for movement and reduces the chances of the conversation becoming vague, reactive, or entirely supplier-led.



4. Coming in when only price is left

We find many organisations only bring procurement in at the end of negotiations, when the commercial framework has already been shaped, and the only variable left on the table is price.

At that point, most of the tradeable items have already disappeared. Scope has been discussed, expectations have been set, and the room to negotiate creatively is reduced. This limits procurement's ability to influence the outcome and often pushes the team into a narrower, tougher discussion than necessary.

Procurement needs to be involved earlier, while value, scope, and commercial variables are still being shaped.

The earlier the function is brought in, the more options it has to negotiate with. That means broader agendas, more tradeable items, and a greater ability to influence the outcome beyond cost alone.



5. Accepting the supplier's power too quickly

In monopoly or constrained supply situations, procurement teams often assume the supplier holds all the power.

They accept the surface narrative that there is no alternative and stop exploring where influence may still exist.

Effective negotiators test the power balance instead of accepting it.

They explore substitute suppliers, redesign, adjacent technologies, future sourcing options, and internal leverage. Even in difficult situations, there is often more room to move than it first appears.



The strongest procurement negotiators do more than push for a better price. They broaden the conversation, understand the other side, prepare to trade, make proposals, get involved early, and assess power more accurately.

The risk for procurement teams is not a lack of discipline. It is allowing the negotiation to become too narrow, too late, and too reactive.

The opportunity is to approach negotiation with more structure, more creativity, and a wider view of value. That is where stronger outcomes are created.



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