



The Global Standard for Procurement and Supply

Version 3.0 – Published 2017

Segment 7.3 Achieving Competitive Pricing in Procurement and Supply

Level: Tactical

Theme: Delivering Outcomes

Knowledge: Will know and understand	Capabilities: Will be able to
The use of competition to obtain quotations on prices	Promote the use of competitive pricing with suppliers through monitoring prices and obtaining quotations when appropriate
The comparison of quoted prices to historical data	Compare historical prices with newly quoted prices, evaluate the reasons for any significant discrepancies and take appropriate actions to secure competitive pricing
The link between costs, prices, margins and mark ups	Analyse available data and indices on the costs, prices, margins and mark ups of submitted prices in order to negotiate competitive prices
The use of open-book costing and adjustments	Evaluate data supplied through open-book arrangements and take actions to remedy any queries or discrepancies
The role of negotiation to improve prices	Negotiate with suppliers to reduce prices, whilst retaining or improving other aspects of value such as quality, availability and sustainability

Knowledge: Will know and understand

The value of estimating whole-life costs

Capabilities: Will be able to

Analyse the whole-life costs of purchased goods or services and take actions to reduce or avoid ongoing costs

Related CIPS Knowledge Links

[Supplier Evaluation and Appraisal - http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Supplier---bid---tender-evaluation/Supplier-Evaluation-and-Appraisal1/](http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Supplier---bid---tender-evaluation/Supplier-Evaluation-and-Appraisal1/)

[Sourcing and Tendering - http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Supplier---bid---tender-evaluation/Sourcing-and-Tendering/](http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Supplier---bid---tender-evaluation/Sourcing-and-Tendering/)

[Negotiation - http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Strategy-policy/Negotiation/](http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Strategy-policy/Negotiation/)

[Whole Life Costing - http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Strategy-policy/Whole-Life-Costing/](http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Strategy-policy/Whole-Life-Costing/)

[Value Generation - http://www.cips.org/en/Knowledge/Procurement-topics-and-skills/Efficiency/Value-Generation1/](http://www.cips.org/en/Knowledge/Procurement-topics-and-skills/Efficiency/Value-Generation1/)

[Sustainable and Ethical Procurement - https://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Sustainability/Sustainable-and-Ethical-Procurement/](https://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Sustainability/Sustainable-and-Ethical-Procurement/)

[Risk Analysis and Management - White Papers - https://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Risk-mitigation/Risk-Analysis-and-Management1/#tabs-2](https://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Risk-mitigation/Risk-Analysis-and-Management1/#tabs-2)

[Financial Analysis and Reporting for Purchasers - http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/People-and-skills/Financial-Analysis-and-Reporting-for-Purchasers/#tabs-2](http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/People-and-skills/Financial-Analysis-and-Reporting-for-Purchasers/#tabs-2)

[Collaborative Working - https://www.cips.org/knowledge/procurement-topics-and-skills/efficiency/collaborative-working/](https://www.cips.org/knowledge/procurement-topics-and-skills/efficiency/collaborative-working/)