

5 tips to getting the best manufacturing price



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5 tips to get the best manufacturing price for your next product

Reading time 8 mins

Key Points

- Building a robust supply chain and finding suppliers to help you bring your product vision to life takes time
- Do your research and compile a shortlist of potential suppliers who will offer you not only the best price but also a potentially long-term relationship that will help your business to grow
- Begin with acknowledging low-volume orders with the understanding that they could increase over time
- Building a relationship with suppliers is a two-way street: understand suppliers' needs, be courteous, maintain an open dialogue, and be upfront with information
- Collaborative relationships with suppliers tend to offer better pricing, more flexibility, and less risk
- Remember that quality is key: don't sacrifice quality, relationship-building, and the stability of your supply chain because of price.

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As an entrepreneur, you know the importance of getting the best deals for your business, as it ultimately leads to getting the best outcomes for your clients or customers. When manufacturing products, there are a few key points to remember when [building a robust supply chain](#) and negotiating with suppliers to get the best manufacturing price:

1. Acknowledge low-volume orders
2. Understand your supplier's needs
3. Be courteous
4. Maintain an open dialogue
5. Be upfront with information

Finding a manufacturer to bring your product vision to life is integral to product development, so don't get tempted into rushing the process. Choosing a manufacturer who is the cheapest and fastest is likely to cost you further down the line (e.g. poor quality or defective products that need to be recalled from the market). Will you be manufacturing in the UK or abroad? Have you done a [cost-benefit analysis](#) to ensure you've taken all of the factors (e.g. environmental impact, UK standards conformity) that are important to you into consideration?

Once you have a clear idea of what you need and how to build your supply chain, compile a shortlist of potential suppliers. Your [supplier selection process](#) should only include those who answer favourably to questions such as:

- Can these suppliers deliver what you want, and when?
- Do they have any experience with manufacturing the part/product you need?
- Are they financially secure?
- How long have they been established?
- Do they come with any recommendations?
- Are they on any approved supplier lists from trade associations or governments?
- Is their location in a stable area, or is there a potential risk of disruptions such as environmental (e.g. natural disasters) or geopolitical (e.g. trade disputes) factors?

Take the time and do your research first. Once you've compiled your shortlist of suppliers, you can start contacting them to get the best manufacturing price that will enable you to bring your product to market successfully.

Tip #1 for negotiating with manufacturers: Acknowledge low-volume orders

When requesting quotes from suppliers, it's essential to acknowledge that you are asking for a quote for low-volume orders to begin with and that more orders will come in the future. This will help them understand that you may be looking for a lower price, but it also demonstrates that you value their services and want to build a strong relationship with them.

If you request a quotation over the phone or in person, following up with a business email with all the crucial details in writing is always a good idea. This helps avoid potential misunderstandings further down the line and ensures that you and the supplier have the same copy of the relevant details. This should include product specifications, order quantities, agreed-upon price, expected delivery dates, and other terms and conditions (e.g. a non-disclosure agreement).

Tip #2 to get the best manufacturing price: Understand your supplier's needs

It's important to understand that while you need to get the best deal on your product, your supplier also needs to make a profit. Don't drive too hard of a bargain or try to negotiate extremely low prices; instead, be reasonable and negotiate based on value, reliability, and quality - not just price.

In addition, [understanding your suppliers better](#) will help you to create a real relationship based on shared goals. A supplier who feels that you are interested in their business is more likely to offer better pricing.

Tip #3: Be courteous

Acknowledge that your supplier is taking time out of their day to provide you with quotes and giving their expertise on how they can help manufacture your product. Thanking them for this effort goes a long way in establishing good relations with them, which may result in better deals down the road – and a willingness to help you out if/when you have a rush job with tight deadlines.

Tip #4: Maintain an open dialogue

In much the same way that understanding your supplier's needs will help you to create a real relationship with them, communication and maintaining an open dialogue helps to ensure that it lasts. Even if you're at the quotation stage, finding a supplier you can eventually collaborate with should be one of your goals. The [benefit of treating suppliers more like partners](#) and less like expendable transactions is that they're more likely to be flexible and transparent with you in return.

If the manufacturing cost is too high for your budget, don't be afraid to have an open dialogue about what aspects of your product can be modified to meet an acceptable price point. Suppliers will appreciate it if you can compromise where possible and move specific requirements around to get a better deal.

Tip #5: Be upfront with information

It's best practice to provide all necessary information upfront, so there isn't any guesswork involved when preparing quotes. This reduces risk on both sides by ensuring accurate estimates and allows suppliers to provide competitive pricing without fear of unexpected expenses or changes later on.

Again, this is essential to managing your relationships with suppliers going forward and will only add value to your business over time. According to a [McKinsey survey on supplier collaboration](#), companies that value open dialogue and manage their relationships with suppliers accordingly tend to benefit from higher growth, lower operating costs, and greater profitability.

Get the best manufacturing price by collaborating with suppliers

Negotiating with suppliers doesn't have to be intimidating. By following these five tips, entrepreneurs can ensure they get the best manufacturing deals and maintain healthy relationships with suppliers at the same time. In the same way successful companies are built on how they value and maintain relationships with their customers, the same can be said with their suppliers. Certainly, you'll want to

get the best manufacturing price - but also look for suppliers you can collaborate with and who you can rely on for the long haul.

Remember - quality is key! Don't sacrifice quality or relationship-building just because of price. With this approach, you can feel confident that you're getting quality products at competitive prices without sacrificing the stability of your supply chain.

Have you got some tips for the best manufacturing price we didn't mention? Feel free to share your thoughts in the comments below - we love hearing them!

We love to talk about new ideas

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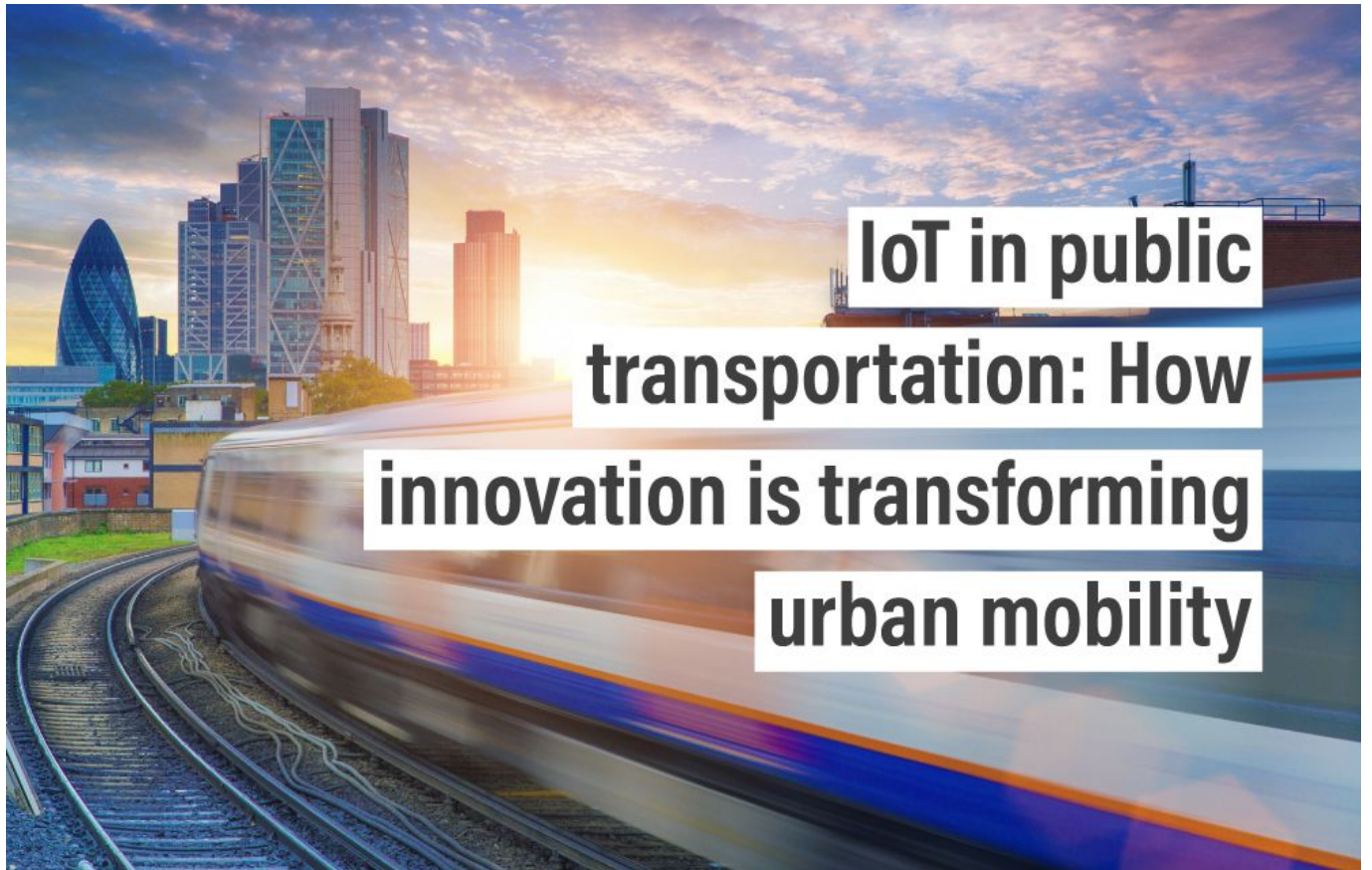
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