



Market Knowledge

Basics & Cheat Sheet

Develop insights, understand cost structures trends, track regulations, mitigate risks, & engage stakeholders.



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Procurement Value for Growth



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Industry & Supplier Intelligence?

Understanding the industry & supplier ecosystem is essential for securing competitive prices, avoiding dependency, & ensuring supply chain resilience.

Key Strategies & Tips:

1. **Map out the top suppliers** and their strengths, weaknesses, and market positioning.
2. **Stay updated** on new market entrants - they often bring competitive pricing.
3. **Analyze supplier** financial health to avoid disruptions.
4. Engage in trade shows, industry events, and supplier **networking** for direct insights.
5. **Track competitor** procurement strategies to understand sourcing trends and pricing benchmarks.



What to Track	Why It Matters	How to Find & Use It	Examples / Useful Websites
Key suppliers and alternative sources	Reduces dependency and improves negotiation power	Identify top 5 suppliers and their capabilities	Panjiva, Dun & Bradstreet, Supplier Websites
Industry trends and new entrants	Avoids surprises and helps identify innovation	Follow industry news and reports	McKinsey, ISM, Procurement Leaders
Supplier financial health	Prevents working with unstable suppliers	Check financial reports & credit ratings	Dun & Bradstreet, Moody's, Annual Reports
Competitor sourcing strategies	Helps benchmark pricing and supply chain decisions	Industry reports, networking, supplier insights	Gartner, Industry Webinars
Risk Assessment	Mitigates supply chain disruptions	Assess geopolitical risks, single-source dependencies	Riskmethods, Supplyframe
Supplier Sustainability Practices	Aligns with company ESG goals, ensures ethical sourcing	Review reports, check certifications, conduct audits	EcoVadis, Sustainalytics



Cost Structures & Pricing

Trends?

Knowing how costs are structured and tracking pricing trends ensures buyers negotiate effectively, challenge supplier pricing, and avoid unnecessary cost increases.

Key Strategies & Tips:

1. **Break down cost** structures into raw materials, labor, logistics, & overhead.
2. **Monitor commodity price** fluctuations, these often drive supplier price increases.
3. **Use should-cost models** to estimate fair pricing.
4. **Leverage volume-based** discounts to drive cost savings.
5. **Identify alternative** raw materials & suppliers to mitigate cost risks.

What to Track	Why It Matters	How to Find & Use It	Examples / Useful Websites
Material costs	Helps negotiate fair pricing	Monitor price indexes	London Metal Exchange, Trading Economics
Freight, tariffs, and logistics costs	Impacts total cost of ownership	Track freight rates and import duties	Drewry, Freightos, WTO
Supplier margin estimates	Ensures suppliers aren't overpricing	Use should-cost models	Supplier Quotes, Industry Cost Models
Alternative raw materials	Reduces dependency and cost volatility	R&D collaboration, market research	Material Exchange, Industry White Papers
Supplier Technology/ Automation	Indicates efficiency, potential for future cost reduction	Inquire about tech investments, assess digital maturity	Industry 4.0 assessments, technology adoption reports
Currency Exchange Risks	Fluctuations impact import/export costs	Monitor exchange rates, use hedging tools	XE.com , Oanda



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Regulations & Compliance

Staying compliant with local and international regulations is critical to avoiding penalties, ensuring ethical sourcing, and maintaining business continuity.

Key Strategies & Tips

1. **Monitor import/export laws** & how they impact costs.
 2. Stay ahead of **sustainability & ESG requirements** - non compliance can result in supplier disqualification.
 3. Work closely with **legal & compliance** teams to avoid risks.
 4. Regularly review supplier compliance with audits & **due diligence checks**.
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What to Track	Why It Matters	How to Find & Use It	Examples / Useful Websites
Tariffs and trade policies	Affects landed costs	Follow trade news and government sites	WTO, US ITC, EU Trade
Sustainability & ESG regulations	Impacts supplier compliance and risk	Check latest ESG frameworks	OECD, UN Global Compact
Labor laws and anti-corruption rules	Avoids legal and ethical issues	Consult legal advisors	Regulatory Bodies, Compliance Forums
Modern Slavery/ Human Rights Compliance	Ensures ethical sourcing and avoids legal issues	Check supplier policies, conduct audits	Sedex, UN Guiding Principles
Data Privacy Compliance	Avoids legal issues, protects sensitive data	Check for GDPR, CCPA compliance	IAPP (Privacy Association)



Procurement Analytics & Forecasting Tools

Procurement decisions based on data improve supply chain efficiency, cost savings, & risk management.

1. Use AI (when possible) & **analytics** tools to predict market trends and supplier risks.
2. Automate spend **analysis** to identify cost reduction opportunities.
3. Leverage **benchmarking** tools for supplier performance comparison.
4. Invest in digital procurement platforms for real-time insights.

What to Track	Why It Matters	How to Find & Use It	Examples / Useful Websites
Market price trends	Helps forecast supplier cost increases	AI-powered analytics tools	Beroe, SpendHQ, GEP
Supplier performance benchmarking	Improves supplier selection and management	Use digital procurement platforms	SAP Ariba, Coupa, Jaggaer
Risk prediction	Prevents supply disruptions	Track predictive analytics insights	Resilinc, RiskMethods
Internal Data Integration	Holistic view of spend, performance	Connect ERP, P2P, contract systems	Data integration platforms
Usability/ Adoption	Ensures ROI on tech investments	Track user engagement, gather feedback	System usage reports, user surveys



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Market & Supply Chain Risks

Understanding market risks enables procurement professionals to proactively manage disruptions, ensure supply continuity, and reduce financial exposure.

Key strategies:

1. Track **geopolitical** & economic risks that could impact supply chains.
 2. **Diversify** supplier base to reduce reliance on a single region.
 3. Monitor currency **fluctuations** that may affect supplier pricing.
 4. Identify potential supplier bankruptcies early to **mitigate risks**.
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Cheat Sheet: Market & Supply Chain Risks

What to Track	Why It Matters	How to Find & Use It	Examples / Useful Websites
Geopolitical and economic risks	Prevents disruptions and cost spikes	Monitor global reports	IMF, Economist Intelligence Unit
Currency fluctuations	Affects supplier pricing and costs	Track exchange rates	Forex Websites, Central Banks
Supplier financial stability	Reduces risk of supplier failure	Check credit ratings	Dun & Brads

Key People & Communities for Market Insights

Engaging with the right stakeholders & communities gives us access to real time market intelligence, industry insights, & strategic procurement knowledge.

Key Strategies & Tips

1. **Build relationships** with internal finance, R&D, and sales teams to get better data.
2. Follow industry experts & procurement leaders.
3. **Attend networking** events, supplier days, & trade fairs.
4. Join **procurement forums** to exchange insights with peers.

Key People & Communities for Market Insights

Who to Engage With	Why It Matters	How to Connect	Examples / Useful Websites
Industry experts & procurement leaders	Gain deep market insights	Follow and engage with them on platforms and groups	LinkedIn, Procurement Forums, Community
Internal finance, R&D, and sales teams	Get internal data and strategy alignment	Regular cross-functional meetings	Internal Company Data, Stakeholder Meetings
Suppliers & competitors	Understand pricing and trends	Supplier reviews and networking	Supplier Days, Industry Webinars



Use this cheat sheet as a tracker, adding new insights as you grow. Customize to your industry!

Make The Guide Your Own

Set alerts, subscribe to newsletters, and update insights regularly. Attend industry events & use this guide as a dynamic tracker.

Stay ahead of the market trends!



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