

The 7 Costly Supplier Tender Mistakes Every IT Director and Finance Director Must Avoid

A practical guide for manufacturing
and energy businesses running
high-value supplier tenders



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Introduction

Running a supplier tender should reduce cost, improve service and strengthen your business. Yet many tend up doing the opposite.

Projects overrun. Internal teams spend months answering supplier questions. Stakeholders disagree over priorities. Suppliers submit proposals that are difficult to compare. Decisions take longer than expected and, despite everyone's best efforts, the winning supplier doesn't always deliver the outcome the business hoped for.

The reality is that most procurement problems don't begin once suppliers submit their proposals. They begin much earlier.

Small mistakes made during planning can add weeks to the process, reduce competition, inflate pricing and increase the risk of selecting the wrong supplier. Those mistakes also consume valuable time from IT Directors, Finance Directors and operational teams whose attention is needed elsewhere.

The good news is that these problems are entirely avoidable.

This guide highlights seven of the most common supplier tender mistakes we see across manufacturing and energy businesses. Avoiding them will help you run a more efficient procurement process, protect internal resources and achieve a stronger commercial outcome.



1. Starting the Tender Before You've Properly Defined the Requirement

One of the biggest mistakes organisations make is believing the tender itself will help define what they need.

It won't.

Suppliers can only respond to the information they're given. If your requirements are unclear, inconsistent or incomplete, suppliers will make assumptions. Each supplier will make different assumptions, meaning the proposals you receive become increasingly difficult to compare. This is usually where procurement starts to slow down.

Questions arrive daily. Clarifications need internal agreement. Stakeholders realise they have different expectations of the contract. Timelines slip while everyone tries to resolve issues that should have been settled before the tender was issued.

Before speaking to a single supplier, your organisation should have clear answers to four questions.

- What business outcome are we trying to achieve?
- What are the essential requirements?
- Which requirements are desirable rather than mandatory?
- Who needs to approve decisions throughout the process?

Equally important is agreeing how success will be measured. "Best value" isn't a specification. Measurable outcomes are.

Whether you're procuring managed IT services, engineering support, facilities management or specialist manufacturing services, suppliers should understand exactly what success looks like before they prepare a proposal.

The clearer your requirements, the fewer assumptions suppliers have to make.

The cost of getting this wrong

Poorly defined requirements lead to:

- extended procurement timelines
- large volumes of supplier clarification questions
- inconsistent proposals
- frustrated stakeholders
- higher project costs before a supplier has even been selected



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Every hour spent defining requirements properly at the beginning typically saves several hours of clarification, evaluation and internal debate later in the process.

2. Inviting Too Many - or the Wrong - Suppliers

Many organisations assume that inviting more suppliers creates a better outcome. In reality, it often creates more work than value.

Every additional supplier increases the administrative burden. There are more clarification meetings to arrange, more questions to answer, more proposals to evaluate and more presentations to organise. Yet beyond a certain point, the quality of competition rarely improves.

A tender involving four or five well-qualified suppliers will almost always produce a better outcome than one involving ten suppliers with varying levels of capability and interest.

The goal isn't to create the largest competition. It's to create the right competition.

This starts with a structured pre-qualification process.

Before issuing a full Request for Proposal (RFP), potential suppliers should be assessed against a set of minimum requirements. These may include financial stability, relevant sector experience, technical capability, regulatory compliance, capacity to deliver and cultural fit with your organisation.

Suppliers who don't meet these criteria shouldn't progress to the full tender.

That protects both sides. Your team avoids spending time evaluating unsuitable bidders, while suppliers avoid investing significant effort in opportunities they were never realistically positioned to win.

A focused shortlist also improves supplier engagement.

Experienced suppliers are selective about the tenders they pursue. When they see a structured procurement process with clear requirements and a credible shortlist, they're more likely to commit senior people and invest time producing a thoughtful response.

When a tender appears to have been sent to dozens of organisations with little qualification, suppliers often assume they're simply making up the numbers.

The quality of their response usually reflects that.

Don't Be Fooled by the Pitch Team

Another common mistake is evaluating the people presenting the proposal rather than the people who will actually deliver the contract.

Suppliers naturally want to make the strongest possible impression during the selection process. Senior



executives, technical specialists and experienced sales teams often lead presentations. Once the contract is awarded, responsibility may pass to an entirely different account team.

There's nothing unusual about this, but it should be managed.

Ask suppliers to identify the people who will be responsible for delivering the contract from day one. Request biographies of key personnel and ensure those individuals attend presentations wherever possible.

If account continuity is important, include it within the contract. A requirement for named personnel to remain on the account for an agreed period provides additional reassurance and demonstrates the supplier's commitment to the relationship.

The Cost of Getting This Wrong

Inviting the wrong suppliers often results in:

- unnecessary administration for internal teams
- lower-quality proposals
- suppliers withdrawing during the process
- extended evaluation periods
- reduced competition from the suppliers you actually want to attract

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The strongest procurement exercises aren't the ones with the most suppliers. They're the ones where every supplier has a genuine chance of winning because they've been selected for the right reasons, and every proposal deserves serious consideration.

3. Allowing Suppliers to Communicate with Multiple People Across Your Organisation

A supplier tender should be structured, controlled and transparent from beginning to end. Yet many organisations unintentionally weaken the process by allowing suppliers to contact different people across the business.

It usually starts innocently enough.

A supplier emails someone in IT for technical clarification. Another phones the Finance Director with a commercial question. Someone from Operations has an existing relationship with one of the bidders and answers a few informal queries over coffee.

Before long, different suppliers have received different information, internal teams are repeating the same conversations, and nobody is entirely sure what has or hasn't been communicated.

Even when there is no intention to influence the outcome, inconsistent communication creates unnecessary risk.

Suppliers may interpret informal conversations differently. They may believe they've received information that others haven't, or assume comments made in passing reflect the organisation's preferred direction. Meanwhile, internal stakeholders spend valuable time answering questions that someone else has already addressed.

The simplest way to avoid this is to establish a single point of contact before the tender begins.

Every supplier should understand that all questions, clarification requests and communications must go through one individual or one procurement team. That person becomes responsible for gathering answers internally, issuing consistent responses and maintaining a complete record of every interaction.

This protects both the buying organisation and the suppliers.

Everyone receives the same information at the same time, reducing misunderstandings and ensuring the process remains fair and defensible.

It also protects senior stakeholders from becoming distracted by day-to-day administration.

Finance Directors and IT Directors should be involved where their judgement adds value - defining requirements, evaluating proposals and making strategic decisions - not spending hours responding to individual supplier emails.



Run a Structured Clarification Process

Most complex tenders generate questions. That's entirely normal.

Rather than answering them individually as they arrive, establish a formal clarification period with clear deadlines.

Collect questions from all suppliers, agree responses internally, then issue the answers to every bidder simultaneously.

This approach has several advantages.

It reduces duplicate questions, ensures every supplier is working from the same information and creates a transparent audit trail should decisions ever need to be reviewed.

More importantly, it prevents suppliers from gaining an advantage simply because they asked the question first or happened to speak to the right person.

The Cost of Getting This Wrong

Uncontrolled supplier communication often leads to:

- inconsistent information being shared
- unnecessary interruptions for internal teams
- duplicated effort across departments
- increased procurement risk
- supplier disputes over fairness
- decisions that are more difficult to justify if challenged

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A well-managed tender doesn't just control supplier responses. It controls the flow of information. When every conversation is managed through a single point of contact, the process becomes more efficient, more transparent and significantly easier to defend.

4. Scoring Suppliers Without Agreeing the Evaluation Criteria First

One of the most expensive mistakes in any supplier tender happens after the proposals have been submitted.

The evaluation criteria start to change.

It's surprisingly common. A supplier highlights a capability nobody had previously considered, and suddenly it becomes important. Someone raises concerns about implementation, so more emphasis is placed on project methodology. Commercial discussions begin, and price carries more weight than originally intended.

None of these changes are necessarily unreasonable in isolation. The problem is that they happen after suppliers have already prepared their responses.

When evaluation criteria evolve during the process, consistency disappears.

Suppliers are no longer being assessed against the same standard. Internal stakeholders begin judging proposals based on personal priorities rather than agreed objectives, and discussions become increasingly subjective.

Eventually, decisions are driven by opinion instead of evidence.

A well-run tender avoids this entirely.

Before the Request for Proposal (RFP) is issued, the evaluation framework should already be complete. Every supplier should know how their proposal will be assessed, and every evaluator should understand what good looks like before they read a single response.

Weight What Actually Matters

Not every criterion deserves equal importance.

Some organisations make the mistake of assigning the same weighting to every section because it feels balanced. In reality, very few procurement decisions are that simple.

If long-term service quality is more important than implementation speed, your scoring should reflect that.

If regulatory compliance is essential, it shouldn't simply be another section worth a few points.

Similarly, if total cost of ownership over five years is more important than the lowest first-year price, your commercial evaluation should reward suppliers that deliver stronger long-term value rather than simply the cheapest quotation.



The scoring framework should reflect your business priorities - not create artificial equality between criteria that clearly don't carry the same commercial importance.

Score Independently Before Discussing Results

Group evaluation sessions can be valuable, but only after individual scoring has been completed.

When evaluators discuss proposals before assigning scores, opinions naturally begin to converge. Less experienced stakeholders often defer to the most senior person in the room, while strong personalities can unintentionally shape the outcome before every viewpoint has been considered.

Instead, ask each evaluator to score every proposal independently using the agreed scoring matrix.

Only once all scores have been submitted should the evaluation panel meet to review the results, discuss significant differences and agree any adjustments based on evidence.

This creates a more objective process and produces decisions that are easier to explain if questioned later.

Look Beyond the Numbers

A scoring matrix is a decision-making tool, not a substitute for judgement.

If two suppliers achieve similar scores but one has delivered comparable contracts within your industry while the other has no relevant experience, that context matters.

Likewise, if a supplier's proposal contains vague commitments, unrealistic implementation timescales or assumptions that introduce unnecessary risk, those issues should be explored before any award decision is made.

Strong procurement combines structured evaluation with informed commercial judgement.

The scoring framework provides consistency. Experience provides context.

The best decisions rely on both.

The Cost of Getting This Wrong

Changing evaluation criteria during the tender can lead to:

- inconsistent decision making
- lengthy internal debates
- difficulty comparing supplier responses fairly
- increased risk of supplier challenges
- selecting a supplier that doesn't deliver the best commercial outcome

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The strongest procurement decisions rarely come from lengthy discussions. They come from a well-designed evaluation framework that reflects the organisation's priorities before suppliers submit their proposals. When everyone scores against the same agreed criteria, decisions become faster, fairer and far easier to defend.

5. Choosing the Lowest Price Instead of the Best Commercial Outcome

Every organisation wants to achieve value for money.

The mistake is assuming that means selecting the lowest-priced supplier.

In reality, the cheapest proposal is often the most expensive over the life of the contract.

Headline pricing only tells part of the story. Two suppliers may submit similar-looking proposals, yet one includes implementation support, ongoing account management and continuous improvement, while the other charges extra for each of those services. One may have priced realistically based on the scope, while another has deliberately submitted a low initial price, expecting to recover margin through contract variations later.

Without careful commercial analysis, those differences are easy to miss.

The objective of a tender isn't to buy the cheapest solution. It's to secure the best long-term commercial outcome for the business.

That means looking beyond the initial proposal and understanding the total cost of ownership.

Look Beyond the Price Tag

A thorough commercial evaluation should consider questions such as:

- What implementation costs aren't included in the proposal?
- Are there additional licence, maintenance or support charges?
- How are annual price increases calculated?
- What assumptions has the supplier made about the scope?
- What costs could arise if volumes change?
- What resources will your own business need to commit during implementation?

These are often the costs that have the greatest impact on the overall value of the contract.

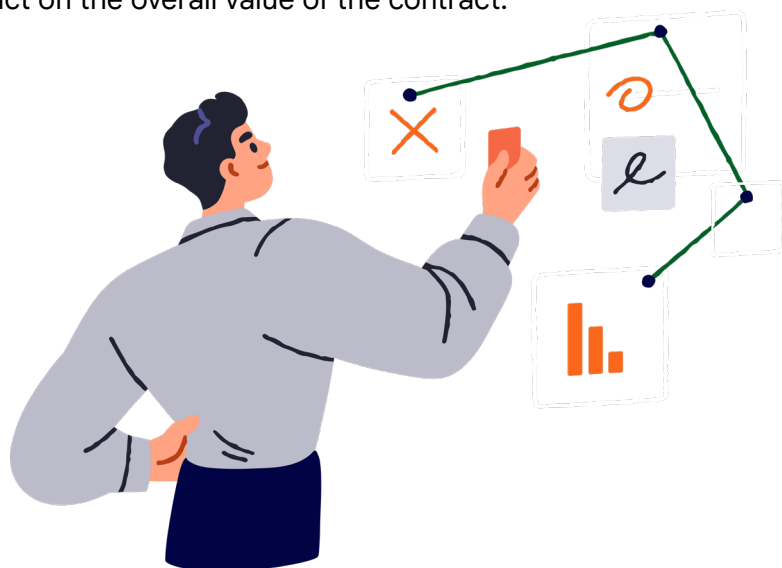
A proposal that appears 10% cheaper at tender stage can quickly become the more expensive option once hidden costs, delays and contract variations are taken into account.

Assess Risk Alongside Cost

Price should never be evaluated in isolation.

A supplier's financial stability, delivery capability and operational resilience all influence the commercial value they bring.

For example, a supplier with proven experience delivering similar contracts may represent a lower



risk than a cheaper competitor entering the sector for the first time.

Likewise, a supplier with robust governance, experienced account management and well-defined service levels may save significant management time over the life of the contract.

Those benefits don't always appear in a pricing schedule, but they have a measurable impact on the overall cost of the relationship.

Benchmark Where Possible

Where appropriate, compare supplier pricing against market benchmarks.

Understanding whether costs are genuinely competitive helps identify proposals that are unusually high - or unrealistically low.

An exceptionally low bid should always prompt further discussion.

It may represent genuine efficiency, but it could equally indicate that the supplier has misunderstood the requirements, underestimated the work involved or intends to recover costs elsewhere during the contract.

None of those scenarios are likely to deliver the best outcome.

The Cost of Getting This Wrong

Focusing solely on headline price can result in:

- unexpected implementation costs
- expensive contract variations
- poor service quality
- increased management time
- higher total cost of ownership
- a contract that delivers less value than anticipated

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The most successful supplier relationships aren't built on the lowest quotation. They're built on clear commercial understanding. Looking beyond the initial price helps organisations select suppliers that deliver sustainable value throughout the life of the contract, rather than simply appearing cheapest on award day.

6. Damaging Future Supplier Relationships Through Poor Communication

By the time a supplier tender reaches its conclusion, most organisations are focused on one thing - awarding the contract and moving on.

It's understandable. The process has taken months, stakeholders want a decision and internal teams are ready to get back to their day jobs.

But how you communicate the outcome matters more than many organisations realise. Every unsuccessful supplier has invested significant time preparing their proposal. They've committed senior people, attended meetings, answered clarification questions and often tailored solutions specifically for your business.

A brief rejection email with little or no explanation doesn't just disappoint those suppliers. It also shapes how they'll view your organisation the next time you go to market.

Procurement communities are surprisingly small.

Suppliers talk. They remember which organisations run fair, professional tenders and which ones appear disorganised or unwilling to provide meaningful feedback.

Your reputation as a buyer influences the quality of suppliers willing to participate in future procurements.

Give Suppliers a Proper Debrief

A structured debrief doesn't need to be lengthy, but it should be useful.

Explain where the supplier performed well, where they scored less strongly and which aspects of the successful proposal ultimately influenced the decision.

The objective isn't to justify every score or disclose confidential information. It's to demonstrate that the process was objective, transparent and based on agreed evaluation criteria.

Even suppliers who don't win are far more likely to bid again if they understand why they weren't successful.

Constructive feedback also helps suppliers improve, which benefits future procurement exercises.



Protect Your Reputation in the Market

Every supplier interaction reflects on your organisation.

Professional communication reinforces confidence that your business values fairness, transparency and good governance.

That matters when you're trying to attract high-quality suppliers for future tenders.

The strongest suppliers are selective about where they invest their time. If they believe a procurement process is well-managed and genuinely competitive, they're far more likely to commit their best people and produce their strongest proposals.

Conversely, if previous experiences have been poor, they may decline to participate altogether.

Over time, that reduces competition and limits your options.

Close the Process Properly

Once the preferred supplier has been selected, every bidder should receive timely communication.

Avoid leaving unsuccessful suppliers waiting for weeks after a decision has been made.

Prompt communication demonstrates professionalism and allows suppliers to redeploy their own resources rather than leaving opportunities unnecessarily open.

It also closes the procurement process cleanly and avoids unnecessary follow-up enquiries.

The Cost of Getting This Wrong

Poor supplier communication can lead to:

- damaged relationships with capable suppliers
- fewer high-quality bidders in future tenders
- reduced competition
- negative market perception
- suppliers questioning the fairness of your procurement process

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Every supplier won't win your contract, but every supplier should leave believing they were treated fairly. Organisations that communicate professionally build stronger relationships with the market, attract better competition in future procurements and strengthen their reputation as credible buyers.

7. Assuming the Job Is Finished Once the Contract Is Signed

Awarding the contract isn't the end of the procurement process. It's the beginning of the supplier relationship.

Yet this is where many organisations lose the value they worked so hard to secure.

After months of planning, evaluation and negotiation, there's often a temptation to move straight on to the next priority. Internal teams step back, governance becomes less frequent and everyone assumes the supplier will simply deliver what was promised.

Unfortunately, that's rarely enough.

The transition from sales to delivery is one of the highest-risk periods in any contract. The people who impressed you during presentations may hand over to an operational team. Agreed reporting structures may not yet exist. Milestones can begin to slip before anyone notices.

Without clear oversight, small issues quickly become bigger problems.

The most successful supplier relationships don't happen by chance. They are actively managed from day one.

Plan the Mobilisation Before the Contract Starts

A smooth transition begins long before the contract commencement date.

Both organisations should have a shared mobilisation plan that clearly sets out responsibilities, milestones and timescales. Everyone involved should understand what needs to happen, who owns each activity and how progress will be measured.

This is particularly important where services are transferring from an incumbent supplier or where multiple departments are involved.



A structured mobilisation reduces uncertainty and gives both parties confidence that the contract will begin as intended.

Hold Suppliers Accountable to Their Commitments

During the tender process, suppliers make numerous commitments.

They promise service levels, governance meetings, reporting, continuous improvement, dedicated account management and response times.

These commitments shouldn't remain in the tender documents.

They should be reflected in the contract and reviewed regularly during the first year of the relationship. Regular governance meetings provide an opportunity to measure performance, discuss emerging issues and identify opportunities for improvement before they become problems.

Waiting until the annual contract review is usually too late.

Escalate Issues Early

No supplier relationship is perfect.

What separates successful contracts from unsuccessful ones is how quickly issues are identified and resolved.

An agreed escalation process should be established before the contract begins.

If problems arise, both organisations should know who is responsible for resolving them, when issues should be escalated and what happens if agreed service levels aren't achieved.

Clear governance creates accountability on both sides and prevents operational issues from developing into commercial disputes.

The Cost of Getting This Wrong

Poor post-award governance can result in:

- delays during mobilisation
- declining service quality
- missed contractual commitments
- unresolved performance issues
- increased management time
- reduced return on your procurement investment

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Winning the tender is only half the story. The real value comes from ensuring the supplier delivers what they promised. Strong governance during the first six to twelve months lays the foundations for a successful long-term partnership.

In summary

Most costly supplier tender mistakes don't happen during supplier presentations or contract negotiations. They happen much earlier – or much later.

Requirements aren't clearly defined. Too many suppliers are invited. Communication isn't controlled. Evaluation criteria change halfway through the process. Decisions focus on headline price rather than long-term value. Suppliers receive poor communication, and governance weakens once the contract is signed.

Individually, each mistake may seem manageable.

Collectively, they can add months to a procurement exercise, consume valuable management time and increase the risk of selecting a supplier that fails to deliver the outcomes your business needs.

Avoiding these seven mistakes creates a procurement process that's more efficient, more transparent and easier to defend. It also allows your IT and Finance teams to focus on strategic decision making rather than the day-to-day administration of running a tender.

At Oakland, we've helped organisations across manufacturing, energy and other complex sectors manage high-value procurement programmes with confidence. By bringing independent expertise, structured governance and proven procurement processes, we help clients reduce risk, protect internal resources and achieve stronger commercial outcomes.

If you're planning a significant supplier tender and would like to discuss how Oakland can support your organisation, we'd be pleased to have a conversation.

Talk to Gordon McKenzie

E: gm@oaklandcg.com

T: 07802 418702

W: oaklandcg.com