SERVICE BRIEF

EMS Quotation Comparison – Transparency in Costs, Scope and Commercial Terms

How EMS Strategy Group makes quotations comparable, highlights differences and provides a sound basis for manufacturing award decisions

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When comparing several EMS quotations, OEMs initially see a set of figures and may feel well informed. But whether those quotations actually cover the same scope of services, technical requirements and commercial conditions is another matter. A proper comparison shows what each price includes, which services are covered and where additional costs may arise. This gives the OEM a sound basis for selecting the offer that makes the most technical and commercial sense. This applies to new supplier awards as well as to existing manufacturing prices that have not been reviewed for years. This is where EMS Strategy Group provides support.

Why the Lowest Price Is Not Always the Best

1. The Problem with Non-Comparable Quotations

The Problem

OEMs often receive quotations for the same enquiry that are difficult to compare. One supplier includes a material markup, while another lists material costs separately. Tooling and non-recurring costs appear as separate line items in one quotation but are included in the unit price in another. Minimum order quantities, volume pricing, lead times, payment terms and delivery conditions also differ. The technical basis may not be identical either: BOM revisions, testing requirements, manufacturing processes and the scope of services offered can vary. The result is a comparison table full of figures that look comparable at first glance, but are not.

We frequently encounter two situations. In the first, the decision is based on the lowest price. That may be the right choice. But it can also mean that the supplier cuts costs elsewhere, for example in testing or process quality. The apparent price advantage can then be lost through scrap, rework, delays and customer complaints.

In the second situation, prices remain unchanged for many years without being systematically reviewed. Changes in production volumes, material costs or manufacturing conditions may go unnoticed.

2. Our Approach – Structuring and Comparing EMS Quotations

Our Solution

EMS Strategy Group establishes a consistent basis for evaluating different EMS quotations. We look beyond individual price items and consider the interaction between technical requirements, manufacturing performance and commercial conditions. The key is to ensure that all quotations are based on the same assumptions and that differences in costing methods or scope do not distort the comparison.

Our approach combines technical and commercial evaluation with an assessment of the actual total cost over production volumes and product lifetime. This reveals which offer makes the most economic sense not just on paper, but under the OEM's actual requirements.

3. Your Benefits

What a Proper Quotation Comparison Delivers

Transparency on Total Costs

You see more than just the unit price. You also understand how tooling, minimum order quantities, inventory, logistics, scrap and rework can affect the actual cost.

Price and Performance in Balance

You can see which services are included in each quotation and whether the price is justified by the manufacturing scope, quality level and reliability offered.

Identifying Optimisation Potential in Existing Contracts

Long-standing EMS relationships can also offer opportunities for commercial improvements. A structured comparison reveals whether current prices and terms are still appropriate for today's requirements and production volumes.

A Stronger Negotiating Position

With a clear and substantiated comparison, you negotiate based on actual figures and services rather than assumptions. You can identify where price differences come from and where adjustments may be possible.

Fewer Surprises After the Award

Additional non-recurring costs, minimum order quantities, differing delivery conditions and excluded services become visible before the decision is made, rather than during production or when the invoice arrives.

Decisions That Can Be Justified

Procurement, engineering and management work from the same basis. The selection of a manufacturing partner can be justified using clear technical and commercial criteria and reviewed at a later stage.

The Right Partner for the Product, Volume and Requirements

The best supplier for prototypes is not necessarily the best choice for series production. Manufacturing expertise, available capacity, process stability and experience with comparable products must be considered alongside price. A proper comparison shows which supplier is best suited to the specific requirements.

Why Small Differences Can Have a Major Impact

For prototypes and low-volume production, speed, flexibility and technical support often matter more than small differences in unit price. The situation changes with high annual volumes and long product lifetimes. Even a seemingly minor difference per assembly is multiplied by the total quantity. Across several products and high production volumes, this can result in substantial additional costs or significant savings potential.

That is why price differences must always be assessed in relation to production volumes, product lifetimes and actual manufacturing conditions.

What EMS Strategy Group Specifically Does

Structuring and Reviewing Quotations

We bring all quotations onto a common basis and check whether technical requirements, volumes and costing assumptions are comparable.

Transparency on Costs and Commercial Terms

We identify differences in material, manufacturing, tooling, minimum order quantities, delivery conditions and payment terms, as well as additional or unlisted costs.

Technical Evaluation

We assess manufacturing processes, quality levels, testing scope and process requirements to determine whether the offer is suitable for the product and its requirements.

Commercial Evaluation and TCO Analysis

We compare price and performance and assess total costs in relation to production volumes, product lifetime and relevant additional costs.

Negotiation Preparation

We identify specific opportunities based on the comparison, assess potential adjustments and support you in discussions with suppliers.

Support Through to the Manufacturing Award

We support the final evaluation and accompany the OEM through to the award of the manufacturing contract to the most suitable partner.

Every Manufacturing Award Deserves a Proper Comparison

A structured quotation comparison creates transparency before long-term costs and dependencies arise. It is valuable for every new supplier award, when selecting additional manufacturing partners and when reviewing existing EMS relationships where prices and commercial terms have not been reassessed for some time.

The lowest price is not necessarily the best deal. What matters is what you get for your money – and whether price, quality and supply reliability hold up over time.

Talk to us if you want to understand whether price and performance really match for your assemblies and where additional economic potential can be identified.

About the Author

Dirk Kaussen is Founder and Managing Director of EMS Strategy Group. With around 40 years of experience in the electronics industry — including founding and managing his own electronics manufacturing company in Germany — he brings deep expertise in manufacturing processes, EMS partner selection, supply chain stability, relocation projects, and risk management. His approach combines practical solutions with a direct connection to industrial reality.

About the EMS Strategy Group

EMS Strategy Group supports industrial enterprises in the strategic and operational advancement of their electronics manufacturing. Our core expertise lies in the strategic relocation of manufacturing volumes, the selection of qualified EMS partners, the establishment of new production capacities, and the expansion of existing manufacturing structures.

Furthermore, we design resilient supply chain frameworks, conduct comprehensive risk assessments, and guide dual-sourcing strategies, with operational support through to a successful series production ramp-up.

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