

A Supplier-Backed Strategy for Getting the Best Unit Cost



Here's something that may surprise you:

80% of suppliers establish different “best prices” for customers every two months.

That's because the actions subcontractors take every day impact their supplier relationships.

In our recent survey to suppliers, they reported basing a company's unit cost on these factors:

- **Creditworthiness:** A lower credit score could mean higher overall costs
- **Payment terms:** Suppliers offer discounts when paying upfront in cash. Using terms may affect the overall cost for materials
- **Payment timelines:** Suppliers charge more for subcontractors who pay outside of their terms

81% of subcontractors have supplier terms less than their average DSO. Suppliers report increasing material prices by an average of 11% for subcontractors who pay outside of terms.*

GCs consider differences in material costs when reviewing bids, so even a slight reduction can be a huge competitive advantage. Here are a couple ways to get the best “best price”.

Ways to secure better pricing

Highest Impact → Pay within terms or upfront | Consolidate orders and increase volume

Medium Impact → Establish long-term purchasing contracts | Proactively communicate orders

BEST PRACTICE → Never stretch suppliers on terms

Not sure how to approach the subject with your supplier? Here are some tips:

- **Set The Agenda:** “One of our key initiatives this year is to be more strategic in purchasing material. Specifically, we’re looking to reduce our unit pricing.”
- **Present Your Offer:** “I’m willing to pay faster to secure better pricing. Right now, I’m paying you in X days on average. We can commit to paying you within Y days moving forward.”

And/ Or

“Right now, I’m buying from suppliers A, B, and C. I’m willing to consolidate that volume. Our order volume will go from \$X to \$Y with our supplier of choice.”

- **Make Your Pitch:** “Full disclosure, I’m shopping prices with suppliers A, B, and C as well. Can you run the numbers and come back to me with your best unit price?”

Remember to always use negotiation strategies and positive payment history to stay competitive on your material pricing.



How Billd Can Help

Subcontractors across the US have used Billd’s financial solutions to stabilize their cash flow and combat the effects of slow pay. Many of these subcontractors use Billd to pay suppliers upfront while they enjoy terms up to 120 days, unlocking lower unit prices on materials while maximizing payment terms. Learn more at [Billd.com](https://billd.com).

*Source: 2025 National Subcontractor Market Report <https://billd.com/resources/2025-market-report/>