

Newsletter

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Markets Move Fast. Negotiations Must Too.

The Dynamics of Leverage : A Real-World Example

Market leverage is dynamic, often short-lived, and highly specific to categories and suppliers. The following real-world scenario illustrates how quickly market power can shift:

Q1-Q3 2025: A manufacturer underperformed and had limited market leverage.
 September: A competitor was unable to keep supply due to geopolitical issues, creating an immediate supply vacuum.
 Within 60 days: leverage flipped from buyers to more evenly balanced, in some cases leaning towards the manufacturer.



Many organizations who begin negotiations in a weak position may lose the opportunity to exercise their leverage because it was no longer there!

Lytica's Monthly Newsletter



*"Negotiation is not an act of battle; it is a process of discovery.
The goal is to uncover as much information as possible."*

- Chris Voss

Negotiate Smarter, Not Harder.

Electronic component markets are evolving faster than many procurement processes were designed to handle. Demand cycles are shifting, supplier dynamics are changing, and negotiation leverage is becoming more dynamic and short-lived.

In this environment, success is no longer just about negotiating harder. It is about negotiating with better market visibility and real-time insight.

In this edition, we share perspective on how semiconductor negotiations are evolving, a recap of our recent webinar discussion, and an update on new capabilities coming to the SupplyLens™ platform.

Thought Leadership: Asking the Right Questions

Are Annual Negotiations Costing You Money?

For years, semiconductor procurement followed a predictable cycle: long periods of growth followed by short downturns, but that model is starting to break down.

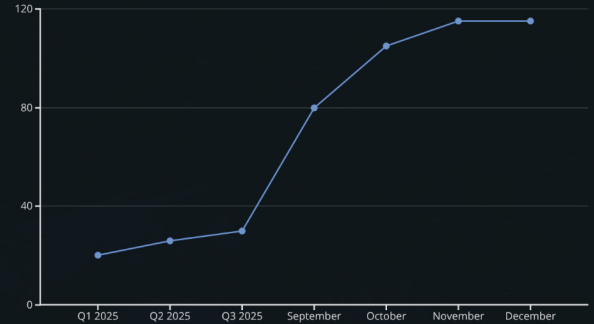
According to [Varun Narayanan](#), VP of Business Transformation at Lytica, the speed of innovation and shifting demand across the semiconductor ecosystem is introducing a new level of volatility for procurement teams.

Growth is increasingly concentrated in areas like GPUs, HBM, and AI infrastructure, while many traditional semiconductor categories are still recovering from extended downturns.

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For many organizations who begin negotiations in Q4, they lost the opportunity to exercise their leverage because it was no longer there!



This creates a very different market dynamic because leverage is now often category-specific, supplier-specific, and short-lived.

This elevates the risk profile of procurement teams relying on traditional annual negotiation cycles, which can take a full quarter (or longer) to plan and execute; in today’s market, leverage shifts far faster. As Varun notes:



If you are waiting for your highly efficient annual negotiation cycle that takes three to four months to plan and execute, you’re missing the action by a mile.

Leading procurement teams are starting to move away from calendar-based negotiations toward more opportunity-driven strategies, continuously monitoring market signals and acting when leverage appears.

The key question is no longer:

“When is our next negotiation cycle?”

It is:

“Where is our leverage today — and what can we act on now?”

Webinar Recap

Pricing & Risk Intelligence - The Missing Piece in Building a Sustainable Electronic Component Supply Chain

If you missed our recent webinar with [Varun Narayanan](#) (Lytica) and [Nicola Margani](#) (Gilbarco Veeder-Root), the conversation explored a challenge many procurement teams are facing today: Why does component pricing still feel uncertain — even when teams have more data than ever?

Most organizations already have ERP data, supplier quotes, and internal purchasing history. Yet when it is time to negotiate or commit to pricing decisions, confidence often drops.

During the webinar we asked the audience how they currently validate component pricing. The results were telling:

- **75% rely primarily on supplier quotes or EMS data**
- **25% use independent market intelligence**

This highlights a key industry challenge. Many pricing decisions are still based on information that originates from the same side of the negotiation.

As markets grow more volatile and pricing cycles accelerate, procurement leaders are recognizing the need for independent market context to validate supplier pricing and negotiate with greater confidence.

The discussion covers:

- what triggers teams to reassess legacy pricing approaches
- why traditional pricing inputs often lag behind market changes
- how timing gaps between internal data and market signals impact negotiations and planning

Watch the full webinar recording: https://youtu.be/_qd5WLv7hQ4

Product Updates

The Future of Negotiation Intelligence: Lytica's SupplyLens™ Platform



This is a game changer!

- Supply Chain Executive, communications OEM

Lytica's latest capabilities help procurement teams move beyond static benchmarks to negotiate with a clearer view of market conditions and supplier dynamics.

New capabilities include:

- An AI Negotiation Agent
- Global manufacturer rankings
- Structured supplier relationship intelligence, exposing leverage and dependency signals
- Manufacturer business insights, providing context on supplier financial health and external pressures
- Real market data to apply context-as-leverage before supplier negotiations begin.

...and all of this is powered by Lytica's proprietary data set of over half a trillion dollars of REAL customer electronic component spending.

Thank you and please reach out if you'd like to learn more!

— The Lytica Team

Markets are shifting faster than traditional procurement cycles can keep up. In this edition, we examine how negotiation leverage is becoming more dynamic in semiconductor supply chains, share insights from our recent pricing intelligence webinar, and highlight new SupplyLens™ capabilities designed to help teams act on market signals sooner.

