



5 COMMON CHINA SOURCING MISTAKES

01

FAILING TO DEFINE A SOURCING STRATEGY



When sourcing goods from China, you must have a well-defined sourcing strategy or "roadmap." This includes conducting the proper due diligence about who you are dealing with, including intermediaries and manufacturers. You need to know what types of products you need, how much of those products you will need, how much you can afford to spend on those products, and by what date you need the products. You should also have a plan in place for quality control.

02

FAILING TO DEFINE QUALITY STANDARDS FOR SUPPLIERS

Before you search for suppliers, you must have a general idea of the quality standards your company expects a manufacturer or supplier to meet. The better you define these standards, the easier it will be to determine whether your sourcing efforts have been successful.



03

TREATING INTERNATIONAL VENDORS LIKE DOMESTIC VENDORS

Many forget that sourcing from China isn't like buying from a local supplier. You must plan ahead and take into mind production times and the time it takes to make your shipment by sea, which can take another 4-5 weeks, depending on your location.



04

NOT GETTING THINGS IN WRITING

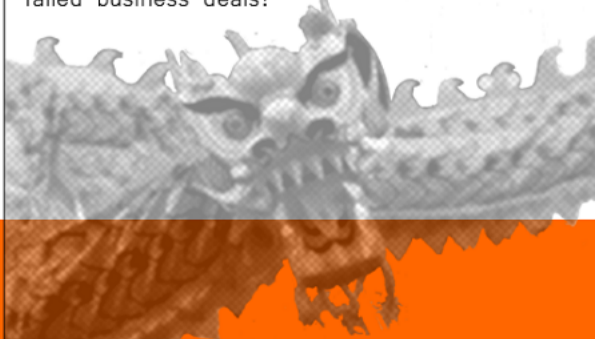
All negotiations between you and your supplier should be in writing. Your contract should include important information such as the parties involved, definitions of product quality, delivery expectations, and payment terms. It's especially important to get all of the product specifications in writing up front, including dimensions, tolerances, material requirements, and packaging.



05

LANGUAGE BARRIERS

It is very important to have someone on your China sourcing team who speaks Mandarin Chinese. In cross-border transactions, you cannot depend on shoddy translation. Language barriers often result in failed business deals!



SOURCES:

<http://www.forbes.com/sites/allbusiness/2014/01/30/8-common-mistakes-u-s-companies-make-when-sourcing-goods-and-suppliers-in-china/>

<http://www.mgtrading.com/2014/05/06/china-sourcing-mistakes/>