



# Sourcing the Product

You should now search for the manufacturer or supplier where you can get your products from. This can be intimidating for a lot of people, especially beginners because once you contact a supplier and order hundreds of units of an item, you can no longer back out or change your mind. You cannot simply say to the supplier that you do not want the items anymore after they started making them. You also cannot simply decide not to sell once you receive the products after spending hundreds or even thousands of dollars. What are you going to do with 100 pieces of baby clothes or 500 pieces of memo pads? Contacting a manufacturer signals the beginning of your business. You are already involving other groups of people, and you need to be professional about it.

Choosing a supplier may sound scary but it is not that difficult, especially today when everything is right at your fingertips. However, you should still be cautious because there are a lot of scammers out there, especially if you are ordering from abroad. To help you find and choose the right manufacturer or supplier for your business, here are some tips that you should know.

## Where can you find suppliers?

These days, everything is made in China, and it is no wonder because there is a lot of manufacturers and suppliers of products in China. Although it is best to go to China and talk to the manufacturers in person, you can also simply contact them online. Here are some Chinese websites that you should check out.

<https://www.alibaba.com/>



This is probably the most popular website used by Amazon sellers. It is one of the biggest companies that do business with ecommerce sellers. Alibaba is based in China and has other websites—Tmall and Taobao. It is used by millions of people, including merchants, businesses, and individual sellers. Most of the people selling on Amazon get their products from Alibaba. Alibaba is like the yellow pages of manufacturers and suppliers. You will find here hundreds of companies that make products in bulk, usually by the hundreds. Their unit price is also dirt cheap, which gives you a chance to sell them at a higher mark up.

<https://www.aliexpress.com/>



Alibaba owns **Aliexpress**, and the two are not the same. The owner of Alibaba uses Aliexpress to compete against ecommerce giants such as Amazon and eBay. You can buy items per piece from Aliexpress, but not from Alibaba. However, you can still source your inventory from Alibaba because they offer their products at factory prices in smaller quantities.

Founded in 1998, **Made-In-China** is also one of the leading B2B ecommerce websites in China. It works the same way as Alibaba, by bridging the gap between Chinese suppliers and international sellers. It makes it easier for people all over the world to contact Chinese manufacturers.

<https://www.made-in-china.com/>

Aside from Chinese suppliers, you can also find manufacturers and suppliers in the **US** and **Europe**, although pricing can be a little more expensive.

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<http://www.zentrada.eu/>



This website is one of the largest sourcing platforms used by ecommerce sellers in **Europe**. Individual sellers are given new ideas for ordinary products that help them to succeed. Currently, they have around 400 thousand units of different products that come from different manufacturers, importers, and wholesalers worldwide.

<http://www.koleimports.com/>



If you live in Los Angeles, California, you can try contacting Kole Imports, a family-owned business in the US. It is one of the biggest general merchandisers and direct importers of different consumer goods. Established in 1985, Kole Imports gets their products directly from manufacturers abroad, and sell them in bulk to retailers and wholesalers. You can visit their website by clicking the link above or you can go to trade shows where they are participating.

<http://www.closeoutfortune.dollardays.com/>

Also based in the US, **Closeoutfortune** offers wholesale products at a low price. They have a wide assortment of products to choose from, and they also have a wide range of customers – non-profit groups, retailers, e-sellers, and even schools. They are a great source of items to sell, especially for small businesses and non-profit organizations.

# How to evaluate reliability of suppliers

The knee-jerk reaction for most people searching for a supplier is to choose the one that offers the lowest price. This should not be the case because the most important thing is to find a supplier who can deliver what they promised. If you find a reliable supplier, you won't have to keep searching for new suppliers every time you need to replenish your inventory.

## 1. Main product

When choosing a manufacturer for your product, you need to make sure that the product you want them to make is their main product and not just something that they sell on the side. For example, if you are planning to sell bed sheets, you should go directly to a manufacturer that makes bed sheets, instead of going to a manufacturer that sells mainly mattresses but also makes bed sheets on the side.

## 2. Main markets for exports

Manufacturers whose main target markets are businesses in developed countries are generally more reliable than those whose target are businesses in developing countries. This is understandable because developed countries have stricter policies when it comes to product quality and safety standards. They closely monitor defects and compliance to regulations imposed by different government bodies.



### 3. Compliance to product safety

You also need to choose manufacturers that comply with product safety standards. As a seller, it is your responsibility to ensure that your products are safe to use by the general public. Some product safety regulations that you should know as a seller are electrical safety regulations, product packaging regulations, toys and children's products regulations, textile regulations, and so on. You need to know what regulations your intended product to sell should adhere to. And then, you need to find a manufacturer that makes products that will pass such regulations with flying colors.

Compliance to such standards is critical when it comes to importing from overseas, especially China because it can lead to product recalls, fines, seized cargos, and even litigations. This might even cause you millions of dollars, especially if the damage caused by your product is fatal and serious.

### 4. Quality management system

Monitoring the quality of the products that a manufacturer makes is a must in any manufacturing company. They have to closely monitor their products during and after production to minimize the number of units with defects. The higher the number of defective units, the lower the sales will be. This also has a negative impact on the manufacturer's reputation, which is why they try hard to keep their defects at a minimum. You need to find a supplier that follows QMS or quality management system. Unfortunately, only a small percentage, about 5% to 10% of manufacturers follows QMS. To find them, they should have an ISO certificate, usually ISO 9001.



## 5. Transparency

Manufacturers who are not willing to undergo factory audit or quality inspection probably have something to hide. You can eliminate unreliable manufacturers by telling them early on that you are going to do quality inspections and testing of samples. If they refuse, you should not do business with them because a reliable supplier will be more than willing to have these inspections.

### **CRITERIA TO USE WHEN EVALUATING A SUPPLIER**

Your business has its own specific needs, and you need to make sure that you choose a supplier that meets these needs. You need to create a list of criteria that will help you choose the one that will be able to provide you with the kind of products and service.



# 1. Cultural fit

The manufacturer should uphold the same cultural value that your business stands for. For instance, if you want to sell items made from bamboo because you want to promote the use of sustainable products and at the same time earn money through your business, you should find a manufacturer who adheres to the same principles.



# 2. Cost

The cost of everything—from the production of the goods to shipping—should be within your budget. You need to find a manufacturer that can offer you the lowest cost per unit but still maintains the quality of the products that you are looking for.



# 3. Order quantities

This depends on how many you want to order. Most manufacturers have a minimum order requirement. If you are just starting, you might want to choose a supplier that allows you to order by the hundreds, say, 300 units of the item.



# 4. Follows safety standards and quality control systems

The company should follow all the required regulations in terms of safety and quality standards imposed by the country where you live.



You can ask for certifications, ISO numbers, and other permits to ensure that you are dealing with a legitimate supplier.

## 5. Turnaround time

How long can the manufacturer finish the product? The faster the products are finished, the faster you can launch your business. However, make sure that the short turnaround time will not negatively affect the quality of the products.

## 6. Flexibility

They should be willing to adjust if there are changes to be made to the orders and the product itself, of course with necessary pricing adjustments.

These are just some of the things that you should consider when choosing a manufacturer or supplier to do business with. These should be laid out before you decide to search for suppliers to ensure that you are choosing the right one for your business needs.

## How To Spot Shady Suppliers

Hopefully, in your journey as an online seller, you will never come across a shady supplier or a scammer who only wants your money. These shady suppliers can be avoided by knowing the signs that you are dealing with one. Here are the things that you should look out for.



# 1. Too good to be true

You always hear the saying if it is too good to be true, it's probably not true. This also applies when choosing a manufacturer. If they promise to move heaven and earth just to finish your product within a very short period of time, and they are working on low capital because the quote that they gave you is too low, then this is probably not legit. Low price does not always mean a great deal. You might be dealing with a scammer who just wants to attract people to scam by giving them unbelievable deals.

# 2. Too much self-promotion but no substance

When you contact the supplier because you are attracted by their rates, and you notice that the supplier talks too much about all the great things that they can give you but you do not really see a lot of positive reviews from previous customers, chances are they are just building themselves up to make you sign that deal. A legit supplier will ask questions about the work that you want them to do and will show you proof of successes from previous clients.



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### 3. Quote is too generic

When you ask for a quote, they should be able to give you the breakdown of everything and how they arrived at that amount for you to understand what you are paying for. A shady supplier will probably give you a cookie-cutter quote that he got from Google

### 4. Hidden fees

If the pricing that they give you is vague, which gives them an opportunity to change the price in the future, you should be wary because you are probably dealing with a shady supplier. If they say something like “you need to pay us around 600 dollars, but we’re not sure yet about the kind of materials you want and we can only find out once we start to make the products after you make the payment”, you should back off because this is not how it should be done. A legitimate seller will give you an exact amount to be paid. After all, they are supposed to have been doing this for years, so they should know by now how much they should be charging their clients.



## 5. Delays in communication

Delays in responding to your calls or messages can mean that the supplier does not have a designated department for handling questions of potential clients or is simply too busy or disorganized. Either way, you wouldn't want to communicate with such a seller because it shows unreliability. This might cause problems in the future when you need to talk to them urgently and no one is responding.

### Ordering samples

One way to ensure that you are getting products that meet your standards is to ask for samples from the manufacturer.

#### Why order samples? To test the quality.

Pictures are sometimes not enough because they can be misleading. If you have the sample in your hand, you will be able to see, smell, and feel the actual product that you are going to buy and later on sell to your future customers.



#### To test the supplier.

This is also a great way to test the supplier. You will know if they are willing to send a sample and you will also find out how they communicate and work with their clients. You will also see their packaging and how fast they process and ship their orders

#### To let them know that you are serious.

This is a subtle way to let them know that you are serious about your orders. Suppliers also weed out hundreds of "buyers" that don't actually order anything. This will let them know that you are willing to go further if you are satisfied with the sample.

# How many samples should you order?

Ideally, you should order one sample per product that you will be ordering. However, you have to consider your budget and shipping fees because if you have a lot of different products, you might want to limit your order to a few samples. Maybe if you are ordering everything from one manufacturer, you can order a couple of samples just to see if their real products are the same as the ones in their picture. Some manufacturers will also not buy materials and spend time and money on labor just to make one item. You have to consider different aspects and make sure that you ask your supplier how you should go about ordering samples.

# Why hire an inspector to check the products before shipment?

Although you might need to pay extra if you hire a professional inspector, you will at least get professional inspection of the products that you are going to sell. This is also cost effective in the long run because you don't have to go to the supplier's factory in person just to check your orders. This also means lower return rates because products meet the quality standards. Hiring an inspector is also beneficial because they would know what to look out for. After all, it is their job and they are trained to spot defects and subpar quality products that an ordinary person might miss. And inspectors like these are usually located in the same country as the manufacturer, which means easier communication among the supplier, the inspector, and you because the inspector can act as an intermediary.

Searching for the right supplier is not difficult as long as you know where to look and what to look for and look out for. The next chapter will teach you how to ship the products once the manufacturers are done with your orders.

