

THE GOOD SUPPLIER CHECKLIST



SOURCING WARRIOR
DISCOVER HIDDEN PROFIT

“The quality of your supplier is a reflection of your decisions.”

Before committing the P.O., challenge yourself with these 20 questions. When in doubt, PAUSE until you find the answer.

SECTION I:

The Supplier & Your Bottom Line

- 1.** In which city (not the province) my supplier factory is located? (Need the exact location. If you don't know yet, you are not ready to place the P.O.)
- 2.** What is the name of the closest ocean port and airport near the factory?
- 3.** How long is the drive to deliver goods to the port? (30 minutes or 5 hours?)
- 4.** What Incoterms did the supplier quote me?
 - a.** If it is the EXW price, how much do I have to pay in domestic transportation and export clearance? (*TIP: depending on the distance, the local delivery costs average \$200-\$300, up to \$500 if the factory is far from the port; the export declaration costs ~\$50-\$100.

b. If it is the FOB price, can I negotiate a discount based on their VAT refund? (*Mastermind© - Negotiate VAT Discount)

c. If it is the DDP price, how do I make sure the supplier pays for destination duty and tariff?

5. Did I calculate whether EXW price or FOB price works better for the quantity I am ordering? (*Mastermind© - Compare EXW vs FOB)

6. If FOB price works better for me, can I go back to the supplier and ask him to re-quote FOB only? If they refuse, why? They don't have an export license? (*Mastermind© – Trade Safely)

7. Did I do the total landed cost analysis? The gross profit margin is going to work for this product? (*Mastermind© - Landed Cost Analysis)

8. How many people work in my supplier factory?

a. < 50

b. > 100

c. > 500

(*TIP: Very small factory < 50 people is not as stable. They may not be able to weather through big economic or social changes. Ideal partner for a beginner Amazon FBA seller is 100 - 500 employees. Mega factories that have more than 500 people could be too big to treat you well if you are a smaller buyer.

9. How many years this supplier has been selling on Alibaba? (*TIP: more than 3); How many years the supplier has been in business? (*TIP: more than 5)

SECTION II: Your Sales Rep

- 10. Does my sales rep speak decently good English?
- 11. Is she timely, accurate in her response? (*TIP: being accurate in her/his communication is critical to your success.)
- 12. How many years this person has worked for the supplier company? (*Mastermind - Size Up Sales Rep - to know her knowledge and influence.)
- 13. Have I set up the WeChat account, connected with the sales rep of the email and Alibaba messaging center? How friendly this sales rep is? (*Mastermind© – Guanxi Building, relationship currency).

SECTION III: Product Quality

- 14. Based on the factory audit, does the supplier has adequate equipment and certification needed to produce your product?
- 15. Product Breath: Look for product variations within the same product line to gage their customization ability (*TIP: e.g. baby diaper bag, within the same product type, is the supplier able to make different variations?)

16. Product Depth: Look for product line variations to gage your product expansion potential with this supplier (*TIP: e.g. if the supplier has baby diaper bag product line, does this company have OTHER product lines?)

17. Did I document quality issues with the first sample and converted those issues into Quality Control points? (Mastermind© - How To Do First Sample Check)

17. Do I have more than one supplier's samples to compare? (*TIP: you will always need a backup supplier. You need more than 1 supplier's sample.)

SECTION IV:

Design Protection

19. Did I evaluate my product intellectual property sensitivity? Is it high and definitely needs protection? (Mastermind© IP Protection – Design Sensitivity Review)

20. Do I have the NNN agreement in place if my design needs protection? If the supplier refused my request, should I use MNNN or ditch this supplier? (Mastermind© IP Protection – Mutual NNN)

About Yuping Wang



I am the Founder of the Sourcing Warrior™.

The passion for sourcing runs deep in my blood otherwise I would not have done it for 20 years. My suppliers would say these 3 things about me: Yuping is a tough negotiator, a strong relationship builder and a tenacious profit finder.

Out of all people, how could I become the top supply chain professional in the nation?

When I first came to the USA, I had nothing and knew very little English. But in my mind, there was an uncompromising desire to be the best in everything I do. I put myself through law school in China. In the USA, I pursued the best-in-class training. MBA, CPIM, CSCP, Six Sigma Black Belt certifications are tough to get but are incredibly valuable for my sourcing career.

Professionally, I only want to compete in the most demanding companies. Some are Fortune 500s, some are Hi-Techs, some are small businesses, but all of them are incredibly competitive in the field of sourcing, that is exactly where I excelled. The experience I gained through 20 years of sourcing is now condensed into Sourcing Warrior's programs to serve more people. As I hold myself to the highest standard of honesty and integrity, I work hard to make sure Sourcing Warrior's programs are the best-in-class. Otherwise, I will refuse to offer them to the world because my name is Yuping Wang.

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