

ALIBABA SOURCING MASTERY GUIDE[©]

FIND THE RIGHT SUPPLIER
ON **ALIBABA AND BEYOND**



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Introduction

The interview.


2017. A beautiful September day in Los Angeles. I sat in a big corner office, waiting to have my final job interview with the CEO for the Vice President of Supply Chain position. If hired, I would take charge of the company's 13 business divisions' supply chain management.

Before the interview, the Senior VP of Operations warned me about this meeting. Here are his exact words: "When the candidate BSes, I can smell it. But Fredric [the CEO] could smell it ... *miles away.*"

The interview started.

With a warm smile on his face, the CEO asked, "So, Yuping, tell me, how would you lower costs for us?"

I'll tell you how I answered his question in just a bit. The reason I want to share this story here first is to let you understand this: *all research techniques must be accompanied by business intelligence.*

 *Techniques can grow obsolete quickly if the platform being used changes. But straight business intelligence will survive mere technique – because it's timeless.*

As the CEO of your business, your job is not to master techniques, but to wield an in-depth understanding of business principles so you can see through any supplier, whether on Alibaba or not.

Why this book?

Finding suppliers on Alibaba.com is like dating businesses. The experienced suppliers on Alibaba.com deal with thousands of buyers *on a daily basis*. If you have a small budget and are not yet very experienced in dealing with such suppliers, the experienced ones can smell and see through your "BS" right away.

Are you one of the millions who are looking for quality suppliers on Alibaba? Is it your first time on Alibaba.com? Your second? Fifth?

If you feel overwhelmed and apprehensive, you're not alone. If you're worried that you're not getting the best prices or the best suppliers that you could, you're not alone.

This is why I wrote this book.

Sourcing and supply chain management have been my career, my passion, and my love for 20 years. What I've learned through these years can help you and thousands of others just like you. In this book, I'll share all my experience and business savvy to help you identify good suppliers.

I hope that you'll enjoy and profit from this book, and that you'll stay connected with me for the future release of my upcoming book on supplier negotiation mastery.

Did I get hired?

Yes, I did.

As I recall, this is how I answered his question: "I hope you are not asking about 'how to lower the price,' because price is just one factor in total cost management. I can tell you that there are many different ways to lower cost. It's almost magical when one can think creatively." I smiled at him and asked, "Would you like to hear some examples?"

No BS is needed when one has worked in the sourcing field for 20 years, dealing with over 1,000 suppliers. I was hired.

Chapter 1:

Beginner's Mistakes

Many beginners waste endless hours on Alibaba.com because they're not aware of the simple mistakes they're making right off the bat.

1. Product Images: Don't Waste Time

No matter what product you're looking for, *resist the temptation*. Don't click on product pictures or product videos.

Why?

There are two reasons at work here. First, some suppliers will use trendy product media lifted from Amazon.com as pure clickbait. If you assume that these suppliers actually manufacture such products, you could easily be mistaken.

Second, even if those pictures and videos aren't lying, we know that suppliers must pass an initial screening as a solid business. After they've cleared this hurdle, you can spend time on a close-up examination of their entire product portfolio.

Takeaway:

- Supplier shopping on Alibaba.com is different from product shopping on Amazon. Before you have a chance to examine a supplier's actual business, product pictures are only distractions. Don't waste your time clicking through photos and videos.

2. Price and MOQ: Don't Take It Seriously

Don't look at the price!

Most suppliers either give a wide price range – or else a very low single price – again, to bait you into clicking on their listings. The price shown in the supplier's product listing is, at most, only an indicator. It's a theoretical figure, yet to be negotiated – so don't waste time analyzing it.

What about minimum order quantity, or MOQ? Lots of people, having limited funding, are intimidated by a supplier's high MOQ requirement. Don't be.

Both price and MOQ are negotiable. Negotiations, however, will take place after the supplier is fully qualified.

Right now, your job is to focus on finding the best supplier.

Takeaways:

- Shop for quality suppliers with quality products first.
- Everything is negotiable.

3. Trade Assurance: Not 100% Assured

Unfortunately, you'd be mistaken if you assumed that your transaction is 100% protected with a Trade Assurance supplier.

Trade Assurance is a powerful feature offered by Alibaba.com. It's expressly designed to protect the buyer in the event that the supplier fails to deliver the product as the buyer has specified.

The operative term for Trade Assurance protection, as you can see, is "as the buyer has specified."

If you, the buyer, didn't provide a clear specification in your purchase order, and you run into a problem with your order, you are not guaranteed to win your dispute. I'll cover more in Chapter 2 on the nuts and bolts of Trade Assurance protection.

Takeaway:

- Never assume Trade Assurance offers 100% protection. Be extremely diligent, thorough, and clear with your purchase order specifications.

4. Verified Supplier: Check Who Owns the Factory

A Verified Supplier is one in which an independent inspection agency has physically visited the supplier company and verified different aspects of its business.

What you can't assume, however, is that the Verified Supplier actually owns the factory building and equipment. Whose building is it?

 *Reference the Sourcing Warrior Mastermind© course PO templates in both English and Chinese.*

In Chapter 2, I'll explain everything you need to know about Verified suppliers. For now, just remember, even though you might see buildings and equipment displayed in a supplier's profile, it doesn't mean that the supplier actually owns those assets.

Takeaway

- If you only want to work directly with a factory, especially for a complicated customized product, be sure to check into factory ownership.

5. RFQ: Don't Lose the First Round

Sending a request for quote message, or RFQ, to the supplier is the most exciting phase of supplier research. After all, the whole point of researching this supplier has been to get your hands on a quote.

Many buyers fall short here without even knowing it. Their RFQ is just not strong enough.

Let me remind you again – the experienced suppliers on Alibaba.com are very sharp. They see thousands of RFQs every day; they're generally very selective in their responses, and they can smell an RFQ from a rookie buyer. If your RFQ is casual or soft, they'll either ignore you or stick you with a high-priced quote.

This is a tough position to be in – the first round is over, and you're already behind. Once you get that quote back, it's very difficult to negotiate that high price down.

Takeaways:

- Each Alibaba supplier can respond up to 30 RFQs for free every month (to respond to additional inquiries, the supplier needs to pay). Suppliers are very choosy as to whose RFQs they'll answer.
- A professional RFQ message will help you win the first round.
- RFQ templates are available in the bonus section at the end of this book.

 *Professional RFQ templates and tutorials are also available in Sourcing Warrior's Quote Master© course.*

Chapter 2: Is the Supplier Legitimate?

The evolution of the Alibaba.com platform has made it possible for buyers nowadays to find a legitimate supplier with two simple clicks.

It wasn't always like this, though. First, a quick history on Alibaba's evolution –

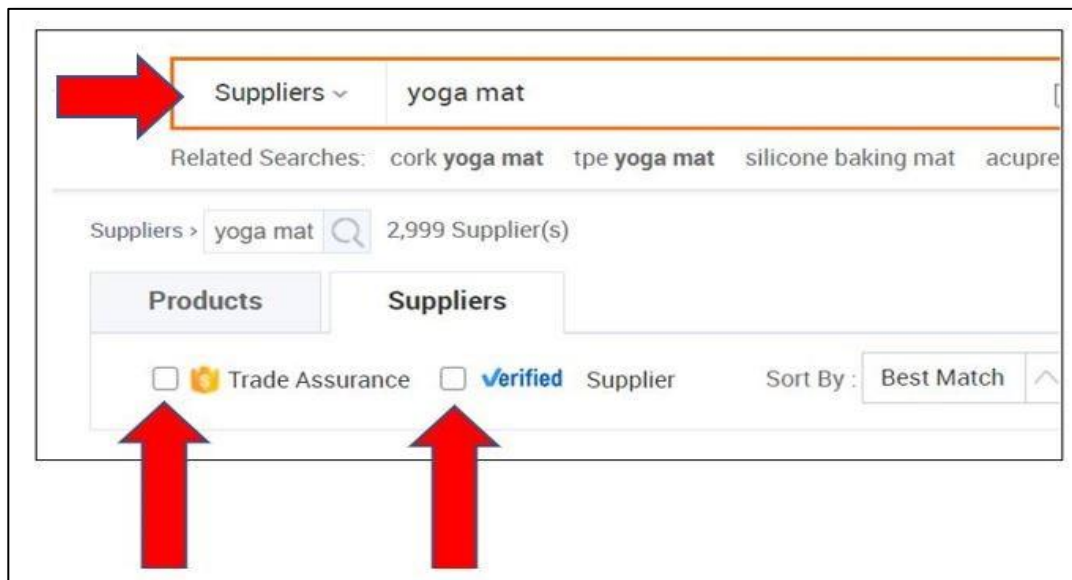
A decade ago, any supplier could register on Alibaba.com. In those early days, bad suppliers and scam artists saw the opportunity and quickly leeches onto Alibaba.com. As a result, Alibaba's reputation soon deteriorated.

To rebuild buyer trust and thereby reestablish themselves as a leading B2B platform, Alibaba introduced a series of buyer protection features, the most important one being Trade Assurance, along with the Gold and Verified Supplier badges.

Today, to find a legitimate supplier, you only need to click on these two options:

- Trade Assurance**
- Verified Supplier**

There are a lot of factors behind Trade Assurance and Verified Suppliers that I will explain here in Chapter 2. To get started with your supplier research, though, you'll want to begin with Supplier: Trade Assurance + Verified Supplier



Where do Verified Suppliers rank in relation to all the other suppliers on Alibaba? The very top.

Here's the complete picture:



What you should know:

1. Any general supplier can **pay a fee** to become a Gold Supplier.
2. **Only** a Gold Supplier can upgrade to become a Verified Supplier.
3. General suppliers are **not** eligible to offer Trade Assurance.
4. **Only** Gold Suppliers and Verified Suppliers are eligible to offer Trade Assurance.

Where can you find the Gold Supplier symbol?

It's found **underneath** the supplier's name (i.e. it's no longer above with a check box):



Behind The Verified Suppliers: *Things You Must Know*

The Verified Supplier status means that a physical check has been completed onsite. The verification could include the supplier's tangible assets, such as buildings and equipment, and could also include intangible assets such as patents, certifications, and R&D capabilities.

The on-site check is not performed by Alibaba; instead, it's performed by an independent 3rd party inspection agency, such as SGS, Intertek, or TUV Rheinland.

Once the onsite examination is complete, the inspection company will upload their inspection videos and reports to the supplier's page on Alibaba.com.

3 Important Questions to Ask

1. “If the supplier is a Verified Supplier, do I still need to hire my own inspection company to check the supplier?”

It is important to address this question carefully. An Alibaba-contracted inspection agency will confirm a supplier's physical existence, and some basic business facts. This verification proves that the supplier is *legitimate*.

A **serious buyer** – usually most large buyers, for instance – will require an in-depth factory audit. This audit will focus more on supplier competency, rather than mere legitimacy. For example, an in-depth factory audit may include the following:

- ✓ **Technical capability check** – an examination of worker skill and equipment quality.
- ✓ **Production efficiency check** – an observation of the production line setup, workflow, and throughput, to uncover potential issues in scaling up production.
- ✓ **Quality check** - an investigation into the quality control staff, the quality manuals and the production SOPs, as well as an audit of the raw material, in-production, and finished goods inspection processes.



In Sourcing Warrior's Mastermind© course, I've included a comprehensive Factory Audit Questionnaire List.

If you have an ample budget, it will be worthwhile to do an in-depth factory audit before laying out large sums of money with that supplier – Verified Supplier or not.

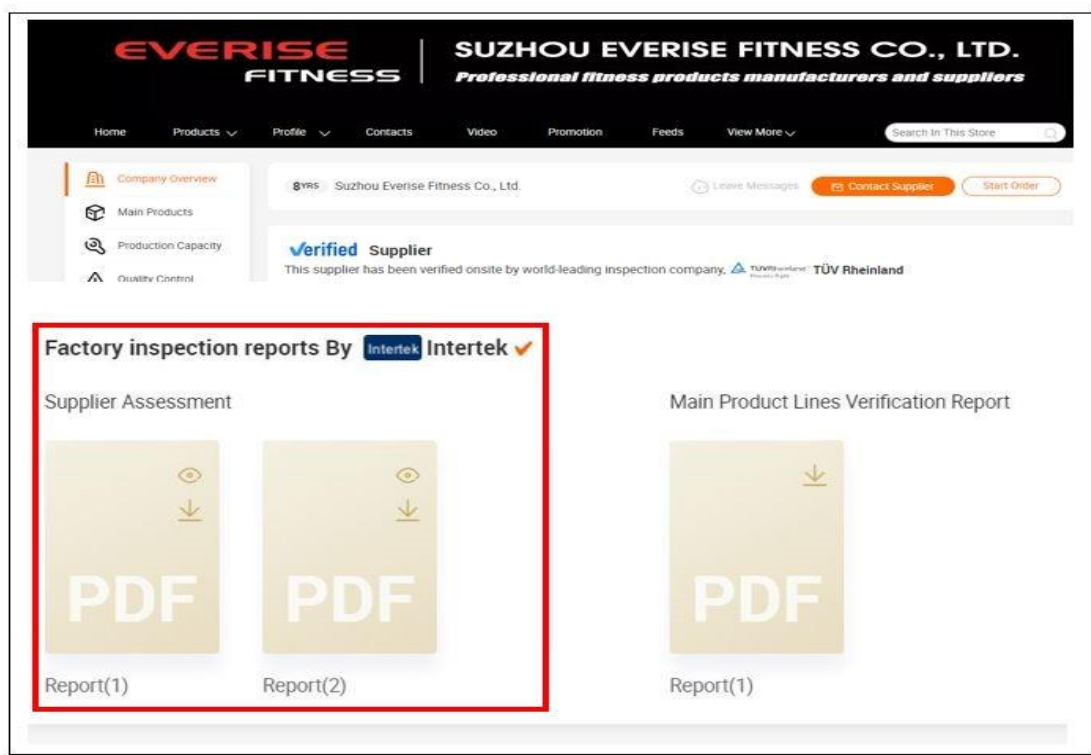
2. “If the supplier is a trading company, who was actually verified?”

In the case of a trading company’s onsite inspection, it’s the affiliate or partner factory that was actually verified, not the trade company’s facilities.

3. “How do I find out if a supplier actually owns the factory that produces my parts?”

You can determine this by checking the Supplier’s Assessment Reports.


The example shown below is taken from [Suzhou Everise Fitness Co. Ltd.](#) Follow the hyperlink to explore this example yourself.



For the case of Suzhou Everise Fitness Co. Ltd., if you open Report-1 and Report-2, you will see this information:

- Supplier name: Suzhou Everise Fitness Co., Ltd
- Factory name: Nantong Xinkangyuan Fitness Equipment Co. Ltd.

- Relationship: Shareholder/Partner



The screenshot shows the Alibaba.com Supplier Assessment interface. At the top, it says "Download Assessment Report(s) from Suzhou Everise Fitness Co., Ltd." and provides a link to "Get Acrobat Reader Free". Below this, there are two entries for suppliers:

Supplier Name	Relationship with this supplier	Audited by	Report No.	Validity Period
Suzhou Everise Fitness Co., Ltd.	Self-owned	Intertek	20245780_T	Apr 2020 - Apr 2021
Nantong Xinkangyuan Fitness Equipment Co. Ltd.	Shareholder/Partner	Intertek	20403589_P	Apr 2020 - Apr 2021

A red arrow points to the "Shareholder/Partner" relationship for Nantong Xinkangyuan Fitness Equipment Co. Ltd. Each entry has a "Download now" button.

Put It into Practice:

- Find a Verified Supplier on Alibaba.com.
- Open the supplier assessment report(s) and see if the name of the inspected company matches the Alibaba supplier's name.
- Read the report to determine exactly what was inspected.

Behind Trade Assurance: *Things You Must Know*



Trade Assurance is a buyer payment protection feature offered by Alibaba.

In a Trade Assurance transaction, Alibaba acts as an intermediary between the buyer and the supplier. If the supplier fails to deliver the product as the buyer has specified, Alibaba will handle the dispute and refund the buyer's payment - provided that the buyer can furnish sufficient evidence to prove that the supplier is at fault.

6 Important Questions to Ask

1. *“I found a supplier who offers Trade Assurance on Alibaba.com. If I pay the supplier directly, is my transaction still protected by Alibaba?”*

No. Only Trade Assurance orders, paid through Alibaba designated bank account, are protected. Transactions made outside of Alibaba platform are not protected.

For Trade Assurance orders, buyers must transfer funds to an Alibaba-designated bank account. Once the money is received, it's actually held as an escrow until the order is fulfilled. Only then will Alibaba release the buyer's funds to the supplier.

2. *“How does Trade Assurance actually protect my purchase?”*


If one of the following situations occurs, the buyer's payment can be refunded:

- The shipment is delayed beyond the agreed shipping date.
- The product itself doesn't meet the buyer's clear specifications.

3. “In what situations does Trade Assurance not protect my purchase?”

Trade Assurance won't be helpful in situations like these:

- The buyer fails to provide clear or thorough specifications.
- Product issues are discovered after the dispute period has expired.
- A supplier's Trade Assurance order limit is lower than the value of the Trade Assurance order itself – the protection extends only up to the supplier's order limit.

 **Example:** Your order value is \$10,000, but your supplier only has a Trade Assurance limit of \$7,500. The portion of the order that exceeds the \$7,500 limit – that is, \$2,500 – is not covered. Be sure to check your supplier's Trade Assurance order limit **before** placing your order.

4. “How much time do I have to file a dispute claim?”

The dispute period will depend on the coverage you choose when placing the order.

Option 1: Pre-Delivery Coverage

When a buyer chooses pre-shipment coverage, the buyer will submit an initial payment up front (a portion of the value of the total order), and inspect the product **before** it ships out.

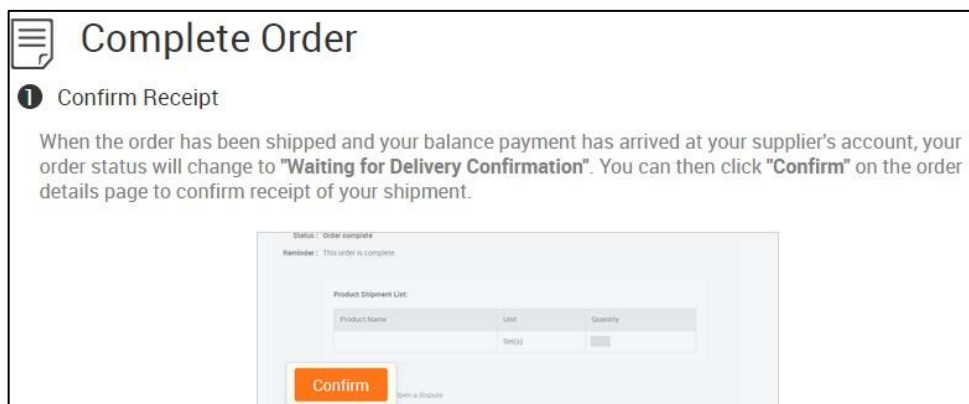
In this case, if the supplier fails to meet the specifications as agreed upon in the contract, the buyer can withhold the remaining payment **and** claim a refund for the initial payment.

Option 2: Post-Delivery Coverage

When a buyer chooses post-delivery coverage, there are a few different scenarios for a dispute case.

A. Shipment is received and **confirmed**.

After receiving your shipment, if you go into the Trade Assurance order and click the “Confirm” button (see next page), you must open any dispute within **30 days**.



B. Shipment is received but **not confirmed**.

If you have not confirmed receipt of your product, your dispute deadline will depend on your shipping method:

<u>Shipping Method</u>	<u>Dispute Timeframe</u>
Air Express	Within 15 days
Air Freight	Within 30 days
Ocean/Land Transportation/Postal	Within 60 days

5. “What evidence do I need to provide to open a Trade Assurance claim?”

- A signed copy of the purchase contract.
- Product specifications (i.e., drawings or a spec document).
- A copy of the 3rd party inspection report.
- Picture or video proof of the defective goods.
- A copy of all related communication records (e.g., e-mail, texts, video records).
- A signed copy of the transaction receipt.

6. “Does using the Trade Assurance service cost me money?”

In theory, it’s free to use Trade Assurance. In reality, however, there are some inherent transaction costs, which depend on the payment method:

<u>Buyer’s Payment Method</u>	<u>Transaction Fee</u>
Credit Card	2.95% of Order Value
Telegraphic Transfer (T/T)	\$30 - \$50
Western Union	\$4.90 - \$45
Alibaba Pay Later Loan	Free (US Only)

Important Notes:

- PayPal is not an acceptable payment method for your Trade Assurance orders.
- Some suppliers may raise their product prices by 2-3% to offset any Trade Assurance order risks.

Chapter Summary

There are good, bad, and ugly suppliers on Alibaba.com. To minimize your risk, you’ll need to begin supplier screening by choosing the Verified Suppliers who offer Trade Assurance.

- It is true that there are plenty of good suppliers who *don’t* become Verified Suppliers. But why take that risk, when there are so many Verified Suppliers to choose from?

 *Winning the dispute for your Trade Assurance order is never the goal – making profit is.*

- Alibaba’s Trade Assurance is a strong payment protection feature for the buyer, but it does **not** guarantee a refund. Quality specifications need to be clear. Contract terms and conditions need to be spelled out up front in the PO.

 *For a viable, thorough purchase order template (drafted in both English and Chinese), check out the [Sourcing Warrior Mastermind© Course](#).*

Chapter 3: Is the Supplier Competent?

Only the competent supplier is worth doing business with. Period.

A supplier that wears the Verified and Trade Assurance badges may look good on the surface, but if it cannot deliver quality products to you – consistently – then you'll only end up wasting a lot of valuable time and money dealing with them.

Is your prospective supplier competent? How do you assess this accurately?

In this chapter, we will learn to investigate a supplier's business strength, product specialty, and technical capability, as a holistic means of assessing its overall competency.

Business Strength Check


In evaluating a supplier's business strength, the 3 most important factors to consider are as follows:

1. Number of Years on Alibaba

Millions of suppliers have sold products on Alibaba.com. Many of them fail and leave the platform within a couple of years – because competition is fierce.

We can say this for those suppliers who have survived and thrived for **at least 3 years**:









- They may have made their fair share of mistakes, but they've also learned.
- They may have risen above the competition, perhaps by offering higher quality, better design, or faster innovations.

 *Whatever the reason, such suppliers have succeeded, which is a good sign for you, the buyer. These suppliers have fought through the learning curve – what they've learned can be your gain!*

As you sift through thousands of suppliers on Alibaba.com, I would recommend that you use 3 years of experience as the baseline requirement.

Here are some examples for your reference:

9 Years Vs 2 Years on Alibaba

9 YRS Shenzhen Realedz Technology Co., Ltd.			YES		
Verified Supplier Trade Assurance Contact Details Video					
 <p>ESTARES ReaLEDz Grow</p>	 <p>Estares new foldable 8 inch full</p>	 <p>2021 hot sale Samsung LM301H</p>	Supplier Index:  Main Products: LED Ceiling Light, LED Wall Light, LED Grow Light Country/Region: China Total Revenue: US\$50 Million - US\$100 Million Top 3 Markets: Southern Europe 30.0%, Western Europe 20.0%	56 Transactions(6 months) \$ \$100,000+	Response Rate 100.0%
			Contact Supplier Chat Now!		
2 YRS Dongguan Kun Sheng Electronics Co., Ltd.			NO		
Verified Supplier Trade Assurance Contact Details Video					
 <p>Ip65 480w Samsung Lm301b</p>	 <p>2.91umol/J Samsung Chips</p>	 <p>Qb288 V2 Samsung QB</p>	Supplier Index:  Main Products: Lights & Lighting Country/Region: China Top 3 Markets: North America 40.0%, Western Europe 30.0%, E	77 Transactions(6 months) \$ \$110,000+	Response Rate 100.0%
			Contact Supplier Chat Now!		

2. Number of Years in Business

If the number of years selling on Alibaba is an important factor for business strength, then the number of years in business can be a **deal-breaker**.


Starting a manufacturing business in China is a big undertaking. It is capital- and labor-intensive. Over the past few years, labor shortage issues and environmental issues have made it even more difficult for small factories to turn a profit.

Whether you find a supplier on Alibaba, on Google, or through a tradeshow...one of the most important questions to ask is, "How long your company has been in business?"

It needs to be a minimum of 3 years.


Don't negotiate with yourself on this. To minimize your investment risk, I strongly

recommend that you choose a supplier that has been in business for 3 years at the least.

 *A supplier's business grows like a tree – the longer it's been in business, the deeper its roots grow, and the better it can weather social, financial, and political storms.*

Take a look at the examples below.


Supplier A: [Haining Xin Guang Yuan Lighting Technology Co., Ltd.](#)

			
Business Type	Manufacturer, Trading Company ✓	Country / Region	Zhejiang, China ✓
Main Products	LED Tube , LED Bulb , LED Panel light , Fluorescent Lamp , LED Fixture ✓	Ownership	Private Owner ✓
Total Employees	301 - 500 People ✓	Total Annual Revenue	confidential ✓
Year Established	1998 ✓	Certifications(2)	ISO9001, ISO9001 ✓
Product Certifications(12)	EMC , RoHS , CE , GS , UL , CB , GS , GS , FCC , TUV , UL , SAA ✓	Patents(4)	Safe End Cap , end cap , A type of end cap , Energy Saving Fluorescent Lamp ✓
Trademarks(2)	NEW LIGHTS , UL ✓	Main Markets	Western Europe 30.00% ✓ North America 15.00% Southeast Asia 12.00%

Supplier B: [Hangzhou Solid Electrical Equipment Co., Ltd.](#)

Business Type	Manufacturer, Trading Company ✓	Country / Region	Zhejiang, China ✓
Main Products	Grow lights , HPS fixtures , HPS/MH Ballast , Control system , Ballast	Total Employees	11 - 50 People
Year Established	2017 ✓	Certifications	-
Product Certifications(2)	CE , FCC	Patents(8)	HID HID lamp holder , A kind of HID lamp holder , A kind of HID lamp holder with convenient installation , A kind of HID...
Trademarks	-	Main Markets	Western Europe 30.00% Mid East 20.00% North America 20.00%

3. Number of Employees

 *If the number of years in business indicates **how deeply** the tree has taken root, the number of employees reveals **how broadly** the branches have spread.*

Every industry has an average **revenue per employee figure**. For the high-tech industry, leaders like Google and Facebook, two very efficient companies, can certainly generate \$1M in revenue per employee per year.

For the manufacturing industry, revenue per employee is generally much lower. When estimating a Chinese factory's annual sales, I often use a range of \$180,000-\$250,000 for revenue per employee.

To size up a new supplier's business strength, then, here are 2 excellent questions to ask:

1. How many **years** have you been in business?
2. How many **people** work in your factory?

By asking the first question, I can get a feel for how stable and experienced this supplier currently is. With the second question, I get a sense of how fast this supplier has grown – and how big its business is.

 **Example:**

*When a supplier tells me that they have been in business for **13 years** and have **50 employees** working in the factory, I would estimate that the supplier's annual sales are \$8M - \$9M. I would also guess that the supplier is a mom-and-pop shop.*

Why these specific guesses?

- After 13 years, the factory employs only 50 workers. The owner either has no long-term vision or no desire to grow bigger. Usually, this indicates a mom-and-pop sort of outfit.
- For this reason, I used the lower end of my revenue per employee figure to estimate annual sales (50 employees x \$180K = \$9M).

Another Example:

*What if the supplier tells me instead that they've been in business for **13 years**, but they have **500 employees**? My estimate of its annual sales would run closer to \$100M (50 x \$200K = \$100M).*

Why the change here?

- I used the higher number because a larger factory is usually more efficient, with more equipment and production lines set up to handle large orders.
- As a side note, large factories may be more efficient than small factories, but they're also probably less flexible on minimum order quantity, or MOQ.

For reference, here's a breakdown of factory size by number of employees:












Number of Employees	Relative Factory Size
< 50	Small
50-250	Medium
250-500	Large
>500	Huge

When you evaluate a supplier's business strength, the first thing to assess is how many years it's been in business, and the second is to look at the number of employees it has. See the examples below.

Supplier A, a small company: [Dongguan Kun Sheng Electronics Co., Ltd.](#)

Verified by TÜV Rheinland 					
Business Type	Manufacturer, Trading Company	✓	Country / Region	Guangdong, China	✓
Main Products	Lights & Lighting	✓	Ownership	Private Owner	✓
Total Employees	11 - 50 People	✓	Total Annual Revenue	confidential	✓
Year Established	2014		Certifications	-	
Product Certifications(2)	CE CE	✓	Patents	-	
Trademarks	-		Main Markets	North America 40.00% Western Europe 30.00% South America 10.00%	✓

Supplier B, a huge company: [Haining Xin Guang Yuan Lighting Technology Co., Ltd.](#)

Verified by Intertek 			
Business Type	Manufacturer, Trading Company 	Country / Region	Zhejiang, China 
Main Products	LED Tube , LED Bulb , LED Panel light , Fluorescent Lamp , LED Fixture 	Ownership	Private Owner 
Total Employees	301 - 500 People 	Total Annual Revenue	confidential 
Year Established	1998 	Certifications(2)	ISO9001 , ISO9001 
Product Certifications(12)	EMC , RoHS , CE , GS , UL , CB , GS , GS , FCC , TUV , UL , SAA 	Patents(4)	Safe End Cap , end cap , A type of end cap , Energy Saving Fluorescent Lamp
Trademarks(2)	NEW LIGHTS , UL	Main Markets	Western Europe 30.00% North America 15.00% Southeast Asia 12.00% 

Product Specialty Check

For obvious reasons, you want your supplier to be specialized in producing the components you are buying from them.

Think of the REI store, which is specialized in outdoor gear and sporting goods, versus TARGET, a general merchandise store that sells everything.

Which store would you use if you wanted to buy a high quality, trendy mountain bike? You'd go to REI, of course.

To determine a supplier's product specialty, we can conduct a quick 2-step screening.

Step 1. Business Name Screening

Did you know that you can quickly discover a company's business concentration just by looking at its company name? It's fairly quick and easy to do this, because all Chinese business names are structured with 4 essential elements:

1. City of registration
2. Company name
3. Business Concentration
4. Ownership

Let's take a look at these 3 supplier names and break them down.

Supplier 1: Yangzhou Chenhong Plastic & Rubber Products Co., Ltd.			
1) Yangzhou	2) Chenhong	3) Plastic & Rubber Products	4) Co., Ltd.
City of Registration	Company Name	Business Concentration	Ownership

TIPS:

- Element #3 is this supplier's business concentration.
- All **Chinese-owned** company names have the **exact same** structure and sequence – the one shown in this example.

Supplier 2: Suzhou Everise Fitness Co., Ltd.			
1) Suzhou	2) Everise	3) Fitness	4) Co., Ltd.
City of Registration	Company Name	Business Concentration	Ownership

TIP:

- When a supplier has a vague or generic business description that doesn't tell you exactly what its business concentration is, it normally represents a **trading company**. In this second example, the supplier's "Fitness" business could include any variety of sports products, sourced from various manufacturers.

Supplier 3: Everise Fitness (Suzhou) Co., Ltd.			
1) Everise	2) Fitness	3) (Suzhou)	4) Co., Ltd.
Company Name	Business Concentration	City of Registration	Ownership

TIP:

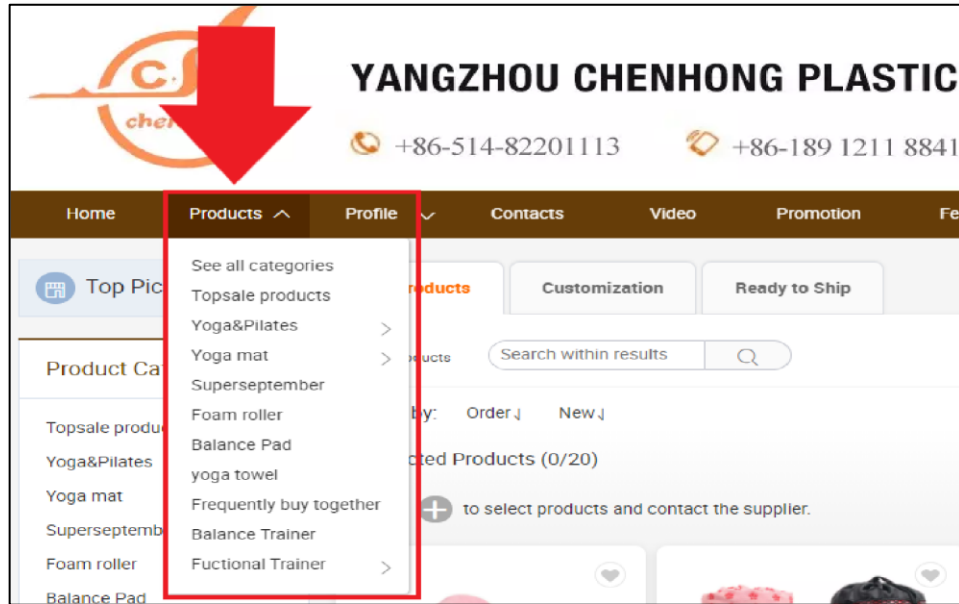
- Supplier #3's name is almost identical to Supplier #2's name, except that the city of registration is now moved to the third position, and is displayed within parentheses. This name structure indicates that the company is a **foreign-owned business**.

Step 2: Product Portfolio Screening

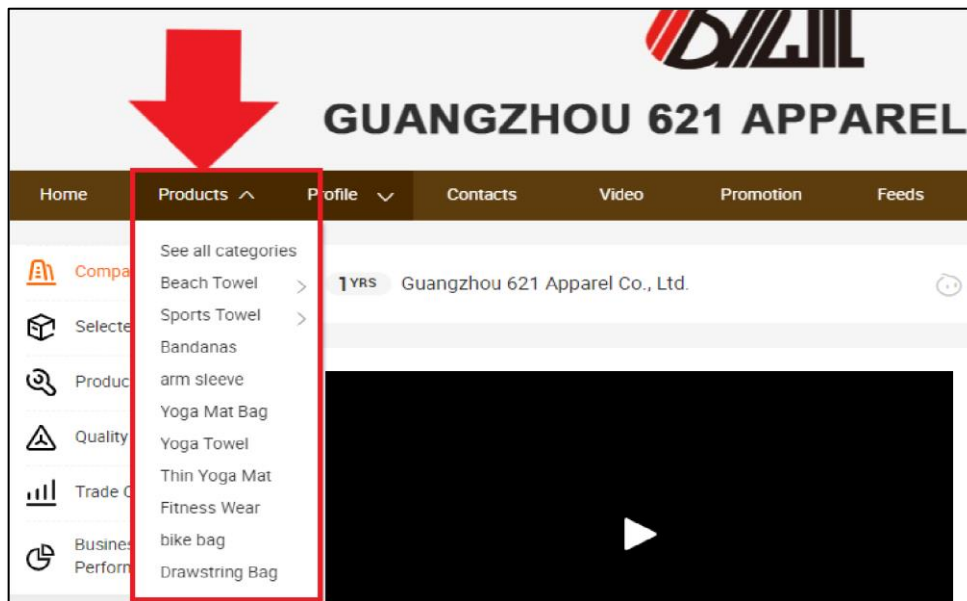
A supplier's name can provide a hint about its product specialty. Its **product portfolio**, though, will tell the full story.

Let's look at these 2 examples:

Supplier 1: [Yangzhou Chenhong Plastic And Rubber Products Co., Ltd.](#)



Supplier 2: [Guangzhou 621 Apparel Co., Ltd.](#)



If I'm a buyer looking for a yoga mat supplier to customize a yoga mat, which supplier should I choose?

I should choose Supplier 1. After comparing the product portfolios of both suppliers, I can conclude that Supplier 1 produces only yoga mats and other rubber-related products. On the other hand, Supplier 2 sells yoga mats, yoga towels, beach towels, drawstring bags...a variety of products that speaks to no real specialty at all.

The Specialty Advantage:

- The supplier who is specialized in one type of product tends to **lead on innovations**. This one factor can become a huge advantage for any buyers who are building a brand that will need add-ons and upgrades (think additional features or custom products) in order to take off.
- The specialized supplier also tends to deliver more **consistent quality**, because its workers are trained to do the same job day in and day out – which translates to better workmanship and fewer defects.
- The specialized supplier also tends to enjoy **cost advantage**, because it can leverage its higher buying volumes to negotiate better deals on raw materials.

Technical Strength Check

An old adage says, “Success leaves clues.” A technically strong supplier leaves clues, too.

Clue 1. Product Breadth and Depth

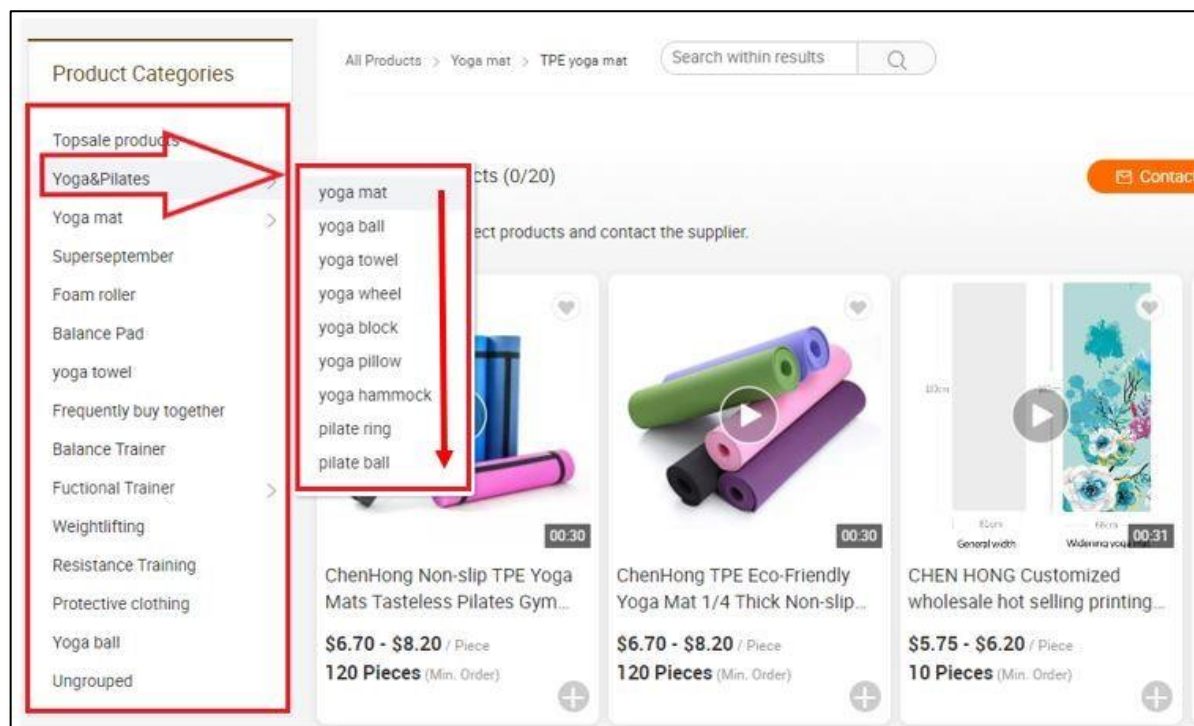
To an Amazon FBA seller, a supplier’s customization capability is the key to developing a successful private-labeled product.

How do you know, however, if a supplier has strong technical capabilities?

A supplier’s product breadth and depth are good indicators of its ability to create and manage product variations.


Product Breadth: The expansion of product lines across product categories.

Have a look at the below example: [Product Breadth](#)



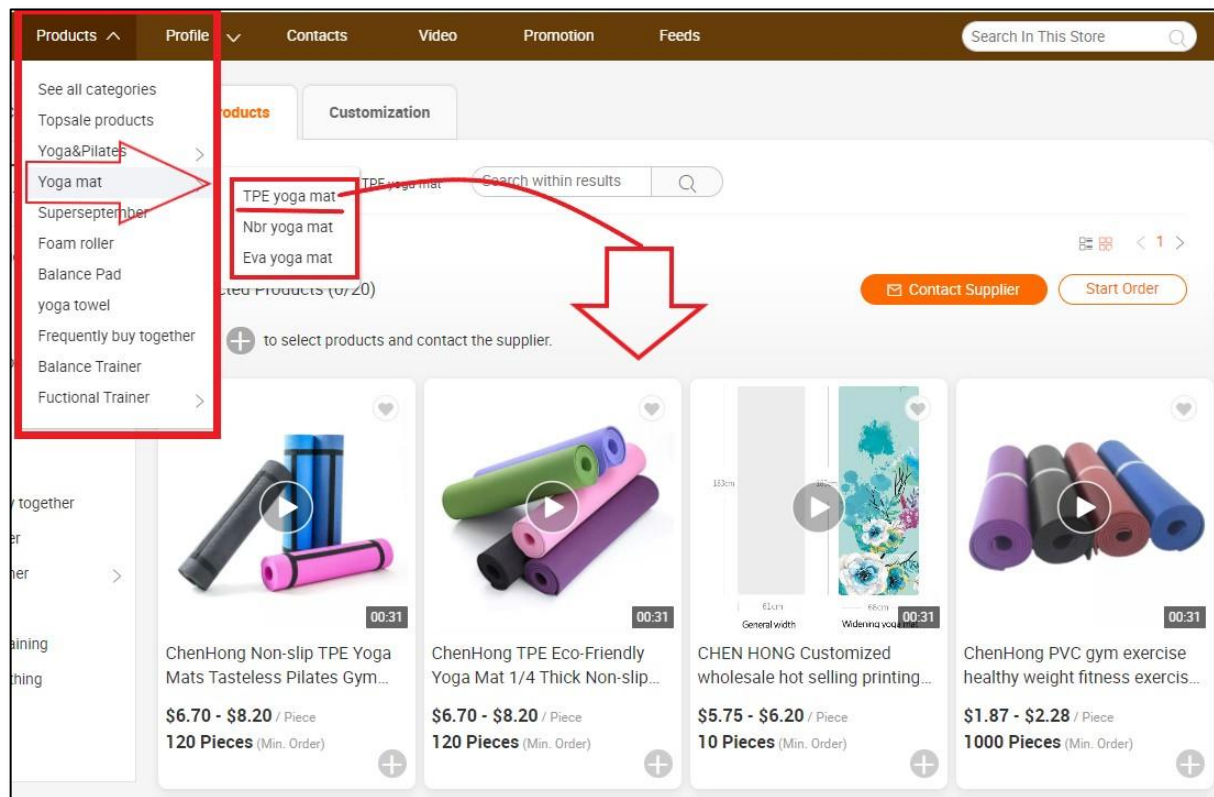
This supplier’s product specialty is the yoga mat. But if you examine its product lines, you can see it has expanded far beyond the simple yoga mat category.

From the “Product Categories” menu, you can see weightlifting, functional training, and balance training lines; if you drill down further into the “Yoga & Pilates” line, you can see subcategories such as yoga balls, yoga towels, yoga wheels, yoga blocks, yoga pillows, yoga hammocks...

 *When a supplier expands into a different product line, it must dedicate resources for this new line: R&D, equipment investment, worker training, and so forth. Overall production complexity increases. This is why a wide product breadth demonstrates a supplier’s technical strength.*

Product Depth: The expansion of product variations within the same product category.


Once again, an example will help: [Product Depth](#)



The screenshot shows the 'Products' menu expanded, highlighting 'Yoga mat'. A search bar within the results shows 'TPE yoga mat', 'Nbr yoga mat', and 'Eva yoga mat'. Below the menu, four product listings are visible:

Product Name	Price Range	Unit	Min. Order
ChenHong Non-slip TPE Yoga Mats Tasteless Pilates Gym...	\$6.70 - \$8.20	/ Piece	120 Pieces
ChenHong TPE Eco-Friendly Yoga Mat 1/4 Thick Non-slip...	\$6.70 - \$8.20	/ Piece	120 Pieces
CHEN HONG Customized wholesale hot selling printing...	\$5.75 - \$6.20	/ Piece	10 Pieces
ChenHong PVC gym exercise healthy weight fitness exercis...	\$1.87 - \$2.28	/ Piece	1000 Pieces

Within the basic yoga mat category, this supplier has expanded its product into TPE, NBR, and EVA subcategories. And if we examine, say, the TPE subcategory, we see hundreds of different product variations, created in different colors, print patterns, packaging...

 *The more variations you see within the same product line, the more flexible and capable the supplier is, within that technical category. This is the supplier's product depth.*


Takeaways:

- A supplier's product breadth and depth are key indicators of its technical strength.
 - To assess **product breadth**, examine the supplier's product lines horizontally and see how they expand across categories.
 - To assess **product depth**, drill down vertically into the same product lines and see they expand into variations.

Clue 2. Certifications and Patents

Are certifications important? Yes and no. **Product certifications** are very important. Company certifications such as ISO, on the other hand? Not so much, in my experience.

In my 20 years of supply chain management, I've never made it a mandate for suppliers to have ISO certification. Why not?

 *A supplier's company certification simply doesn't follow you into the market. However, product certification certainly does.*

Moreover, product certification takes on special importance when a product is related to the consumer's health and safety.

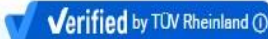
We also have to bear in mind that getting a product certified by an independent body costs money. The more standards you want a product to pass, the more technically difficult it becomes, and the more money it will cost.

The lighting product supplier example below will help demonstrate this.

Supplier A: [Haining Xin Guang Yuan Lighting Technology Co., Ltd.](#)

Verified by Intertek 			
Business Type	Manufacturer, Trading Company ✓	Country / Region	Zhejiang, China ✓
Main Products	LED Tube , LED Bulb , LED Panel light , Fluorescent Lamp , LED Fixture ✓	Ownership	Private Owner ✓
Total Employees	301 - 500 People ✓	Total Annual Revenue	confidential ✓
Year Established	1998 ✓	Certifications(2)	ISO9001 , ISO9001 ✓
Product Certifications(12)	EMC , RoHS , CE , GS , UL , CB , GS , GS , FCC , TUV , UL , SAA ✓	Patents(4)	Safe End Cap , end cap , A type of end cap , Energy Saving Fluorescent Lamp ✓
Trademarks(2)	NEW LIGHTS , UL	Main Markets	Western Europe 30.00% ✓ North America 15.00% Southeast Asia 12.00%

Supplier B: [Dongguan Kun Sheng Electronics Co.LTD.](#)


Verified by TÜV Rheinland 			
Business Type	Manufacturer, Trading Company ✓	Country / Region	Guangdong, China ✓
Main Products	Lights & Lighting ✓	Ownership	Private Owner ✓
Total Employees	11 - 50 People ✓	Total Annual Revenue	confidential ✓
Year Established	2014	Certifications	-
Product Certifications(2)	CE , CE ✓	Patents	-
Trademarks	-	Main Markets	North America 40.00% ✓ Western Europe 30.00% South America 10.00%

We note that both of these suppliers are Verified Suppliers. But Supplier A maintains 12 certifications from different agencies, and also holds 4 patents. Supplier B has only 2 certifications.

Which supplier is more technically competent? The evidence points to Supplier A.

Clue 3. Equipment – The Most Valuable Asset

Sadly enough, many buyers don't even bother with examining a supplier's equipment.

 *A supplier's equipment is its **most valuable asset** in the factory. Factory equipment embodies both business strength and technical strength.*

When examining a supplier's equipment, you'll want to examine both the production equipment list and the testing equipment list.

Pay attention to the quantity and type of equipment the supplier owns. It's not important to understand what every piece of equipment does, but if you can at least look through the equipment names and quantities, you can get a good idea of the supplier's technical strength.

Now for some examples:

Supplier A: [Haining Xin Guang Yuan Lighting Technology Co., Ltd.](#)

Production Equipment			
Name	No	Quantity	Verified
Automatic Unloading Machine	FM-X-330R	1	✓
Wave Soldering Machine	NK-350II	1	✓
Board Slitting Machine	JL	3	✓
Laser Marking Machine	HG-MFL8	6	✓
Gluing Machine	No Information	8	✓
T8 LED Assembly Line	No Information	5	✓
Spot Welding Machine	No Information	20	✓
Bulb Sealing Machine	No Information	4	✓
Aging Line	No Information	16	✓
SMT Machine	HC-530/MX200L/K100	6	✓
T4/T5/T8 Fluorescent Lamp Production Line	No Information	4	✓

If you open the above supplier's profile link, you can see that in addition to the production equipment list, there's also an extensive list of test equipment.

Test equipment represents the supplier's in-house testing capability. When a supplier has a good investment of testing equipment onsite, its quality control will usually be much more consistent and reliable than those factories that don't possess similar equipment in-house.

Supplier B: [Haining Xin Guang Yuan Lighting Technology Co., Ltd.](#)

Test Equipment			
Machine Name	Brand & Model NO	Quantity	Verified
Constant Temperature Blast Drying Oven	HDG-7140A	2	✓
Digital Oscilloscope	DS4024	2	✓
LED Driver Multi-tester	UI2050	2	✓
High/Low Temperature and Humidity Tester	Everfine	1	✓
Integrating Sphere System	Everfine/HOPO0	4	✓
Multiplex Temperature Tester	TMP-16	2	✓

While Supplier A, has more than 70 different pieces of equipment, Supplier B only has 8. Supplier A is much stronger, technically speaking.


Takeaways:

- The supplier's equipment is the supplier's **most valuable asset** in the factory.
- The quantity of production equipment is a key **capacity indicator**.
- In-house test equipment provides **quicker feedback** to engineering, production, and you, the customer, for quality and design improvements.

Clue 4. People – QC Headcount Matters

“Inspection is a waste.”

Have you ever heard this statement? I first heard it when I was studying for the Six Sigma Black Belt. This is what it means:

 *Quality should be taking place at the source. Any resources that the customer has to invest in inspecting the supplier's products is a waste of customer's money.*

For many Amazon FBA buyers, every shipment they receive is inspected. In theory, this is a waste of money.

Imagine if your supplier could give you 99.9997% confidence that their quality will meet your specification – each and every time. If they could, you wouldn't need to waste money reinspecting their product, right? 99.9997% is 6s-level quality excellence.

When I'm forced to deal with supplier defects, I charge back not only the product cost, but also the inspection labor cost, plus overhead. I truly believe that quality should take place at the source. The supplier should take on inspection responsibility, rather than recruiting their customers as a pro bono quality control department.

These are the 3 typical inspections that ought to occur in a factory:

- Before production: raw material inspection.
- During production: in-production inspection.
- After production: finished goods inspection.

Every supplier knows that these inspections must take place before products are sent to customers. The real question is, does the supplier actually have the people to do it?

Most factories don't.

This is why we need to look at the supplier's quality control (or QC) headcount. Based on my experience, no matter how small the factory is, it needs a minimum of 3 QC people to perform adequate inspection work.

When you examine a supplier's profile, it takes about 2 seconds to check a supplier's QC headcount. The information is in the Verified Supplier's assessment report, as shown on the next page.

Supplier: [Haining Xin Guang Yuan Lighting Technology Co., Ltd.](#)



Report-1 Period valid: Sep.2020 - Sep.2021

Audited by:  Intertek

Preview this report

Relationship With Gold Supplier:	Self-owned
Business Type:	Combined
Industry:	Lights and Lighting
Product/Service:	LED Tube, LED Bulb, LED Panel light, Fluorescent Lamp, LED Fixture

Export License Registration No.:	04392438
Annual Revenue(last year):	confidential To see revenue generated by region, please download and view the full report.
Annual Production Capacity(Previous Year):	LED Tube: 36,000,000 Pieces, LED Bulb: 24,000,000 Pieces, LED Panel light: 180,000 Pieces, Fluorescent Lamp: 15,600,000, LED Fixture: 18,000,000 Pieces For more details on this supplier's production capacity, please download and view the full report.
Quality Management System Certification:	ISO9001
Product Certification:	SAA, TUV, FCC, UL, GS, CB
No. of QA/QC Inspector(s):	14 People

Chapter Summary

Looking beyond the crucial Verified and Trade Assurance badges, is your supplier competent?

In this chapter, we examined our suppliers from these key aspects:

- **Business strength:** 3+ years of Alibaba experience, 3+ years operating as a business, and ideally >50 employees.
- **Product specialty:** business name anatomy, product concentration, and the 2-step screening process.
- **Technical competency:** product breadth and depth, product certifications, equipment lists, and QC headcount.

Chapter 4: Is the Supplier Trustworthy?

There's nothing more devastating than seeing that your "trusted" supplier has copied your design, and has now turned around to sell it – either as their own product, or to your competitors. If this happens to you, and you've invested in a custom tool, then most likely your supplier is using your tool for their purposes as well. It's like salt in a wound.

Traditionally speaking, the risk of a factory stealing customer designs was often fairly low – because factories were in the manufacturing business. Their customers were the ones in the branding and selling business. The two didn't normally overlap each other in this arena.

However, the advent of the e-commerce era means we can no longer make those assumptions. Online platforms like Amazon have made it possible for anyone to sell product – including those factories that manufacture your products.

Does my supplier have a storefront on Amazon or eBay? Are they going to copy my designs? Is there any way to prevent them from selling my product?

These are all good questions. And unfortunately, there are no really easy answers. The best thing we can do is to test the supplier's character – as early as possible – in order to minimize the risk of getting too deeply into a relationship with an untrustworthy supplier.

3 Supplier Tests

1. The Intention Test

Some people may argue that agreements like the NNN agreement (Non-Compete, NonDisclosure, Non-Circumvention Agreement) look good on paper but don't really protect the buyer in a meaningful way.

Before I moved to the United States, I worked as a business attorney in Beijing. Let me explain why you need to have the NNN in place.

When you demand that your supplier sign the NNN, it broadcasts that you, the buyer, are serious about protecting your designs. It demonstrates that you won't be taken for a novice. But even more importantly, when you signal your intention to pursue a NNN, your supplier's response will reveal their character and intentions.

Try making a statement like this:

“This product design that we’ve developed is very unique. We have every intention of protecting the design and all the intellectual property related to this product. Is your company open to signing an NNN agreement before we proceed to [the next step]?”

Your “next step” could be ordering factory samples, or sharing your drawings, or starting on a customized tool, or placing a purchase order. In the course of dealing with the supplier, you’ll have many opportunities to get this agreement in place.

Once it is in place, of course, your hope is that you’ll never have to use it. But in the event that you do find the supplier stealing your design, the NNN is your last recourse.



For your reference, I’ve included a copy of an NNN, in both English and Chinese, in the bonus section at the end of this book.

2. The Possibility Test

Does your supplier have an e-commerce store on Amazon or another selling platform?

If you were to ask this question directly and upfront, most likely the supplier wouldn’t tell you. The best way to find out is through casual conversation. Try to establish a cordial relationship with your sales contact first, then broach this question casually – ideally during an online video call when you’re discussing something else with your contact.

Try something like this:

“So many beautiful variations! I love your product. Honestly, you guys could sell these products on Amazon yourself! Do you have a storefront? ... Why not? ... Does the company have any plans to sell direct to consumers in the future?”

Look for clues in their answers. If you discover or strongly suspect that the supplier does run a storefront, you should be very hesitant to share your innovative designs with the supplier – who is likely also your competitor.

3. The Betrayal Test

No buyer wants a supplier to disclose proprietary information to their competitors. Period.

Aside from the more obvious reasons, consider this. When a competitor knows they're using the exact same supplier as you are, they can estimate your cost and quality level very accurately. Therefore, they can see through your marketing and pricing strategy.

Will a supplier betray you, though? Give them a simple test to feel them out.

Your leading question: *“Are you currently selling to any Amazon FBA sellers?”*

Your test question: *“Can you share with me some of the customized products you've done for other Amazon FBA sellers?”*

If they do share a product image with you, you could easily conduct an Amazon search and so determine exactly who is selling the product.

And this is a problem. Knowing that the supplier could possibly disclose *your* information, just as they did with your competitor, you'll need to make it absolutely clear that your information, in its entirety, shall be kept as confidential. Use the NNN agreement and all possible means of communication to clarify and reinforce your position.

Chapter 5: Are You the Best Match?

As I mentioned at the beginning of this book, finding suppliers on Alibaba.com is like business dating.

Buyers want the best suppliers; suppliers want the best buyers.

As you are one of literally millions of buyers competing for the attention of the best suppliers, you need to demonstrate that you are worthy of their attention. Otherwise, you 'll simply be ignored.

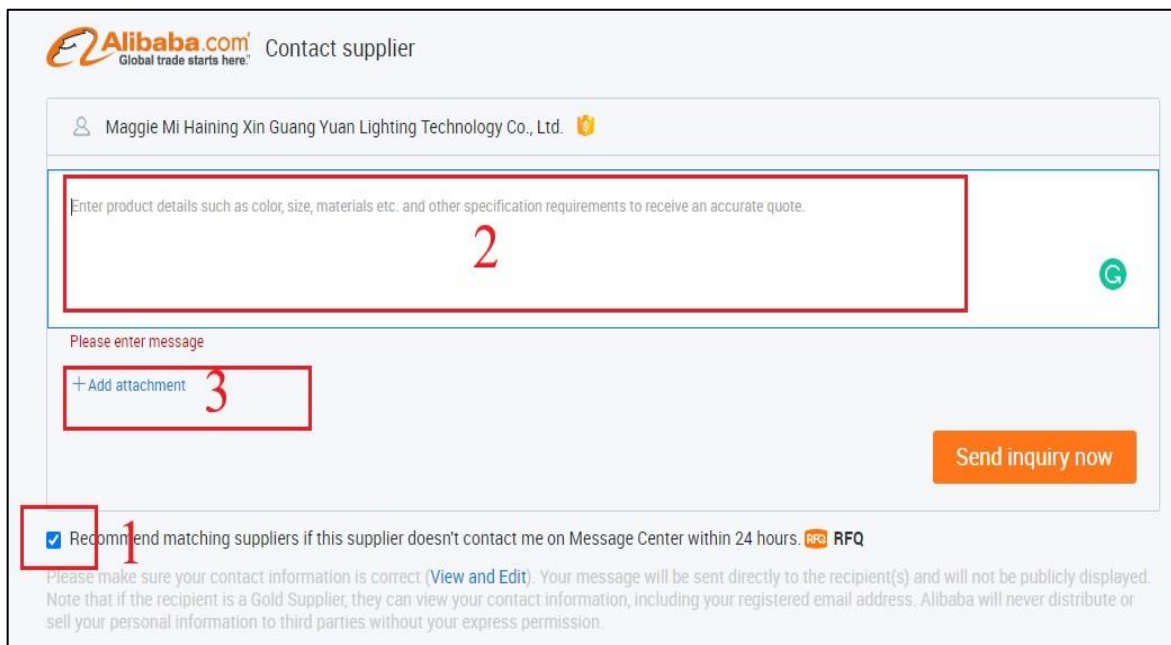
In this chapter, I will show you how to turn on your RFQ power to attract the best suppliers.

1. RFQ Sniper: Aim and Shoot

The RFQ Sniper approach is to use the criteria that we explored in the first 4 chapters – first filtering out all but the most qualified suppliers, and then sending your RFQ only to those whom you've **pre-qualified**.

I recommend that you send a minimum of 10 RFQs for each product you are sourcing. Once you've received your responses, you can short-list the initial group down to 3. This will help you to have more focused and worthwhile discussions.

When you click the “Contact Supplier” button, the RFQ pops up like this:



Alibaba.com Global trade starts here. Contact supplier

Maggie Mi Haining Xin Guang Yuan Lighting Technology Co., Ltd.

Enter product details such as color, size, materials etc. and other specification requirements to receive an accurate quote.

2

Please enter message

+ Add attachment 3

Send inquiry now

1 Recommend matching suppliers if this supplier doesn't contact me on Message Center within 24 hours. RFQ RFQ

Please make sure your contact information is correct (View and Edit). Your message will be sent directly to the recipient(s) and will not be publicly displayed. Note that if the recipient is a Gold Supplier, they can view your contact information, including your registered email address. Alibaba will never distribute or sell your personal information to third parties without your express permission.

Note the numbered boxes in the graphic above. To fill in the RFQ form, follow these 3 steps:

Step 1:

Uncheck the box.


It's best not to allow Alibaba to send unsolicited quotes, because the suppliers sending those quotes have not gone through your pre-qualification process. Forgoing this option will help keep your RFQ process clean and efficient.

Step 2:

Make every RFQ count.

Sending out the RFQ is the first round of the negotiation. If your RFQ sounds like it came from a rookie buyer, you're sure to get a rookie quote. We'll say it again - it is **much harder** to negotiate the price down, once you've gotten a higher price.

Always approach the supplier from a position of strength and confidence in the first round. After you've gotten to know your sales contact, you can be more personal and casual – but not in that crucial first round. The supplier will judge you based on the professional quality of your RFQ.

 *In the bonus section at the end of this book, I've included 2 RFQ templates to help you prepare a professional RFQ.*

Step 3:

Don't overshare!

Always attach a product image for visual reference, but never overshare in the first RFQ.

You don't know if the supplier can be trusted. You can't afford to share the design details at this stage, especially some element of the design or concept might be patentable.

You can attach a product image (from somewhere like Amazon, Esty, or another ecommerce site) that is similar to your product idea. If the supplier makes your short list, then you can execute the NNN agreement, and after this is in place, then you can share the design specifics and work toward a more accurate quote.

2. RFQ Broadcast: Cast and Catch

Perhaps you've used the RFQ Sniper approach, but the response has been lackluster on a particular product (as rule of thumb, you'll want **at least 5 quotes** back). If so, you can use the Alibaba RFQ Broadcast function to attract suppliers.

The benefit of using the RFQ Broadcast approach is that it gives the more aggressive suppliers a chance to bid on your RFQ.

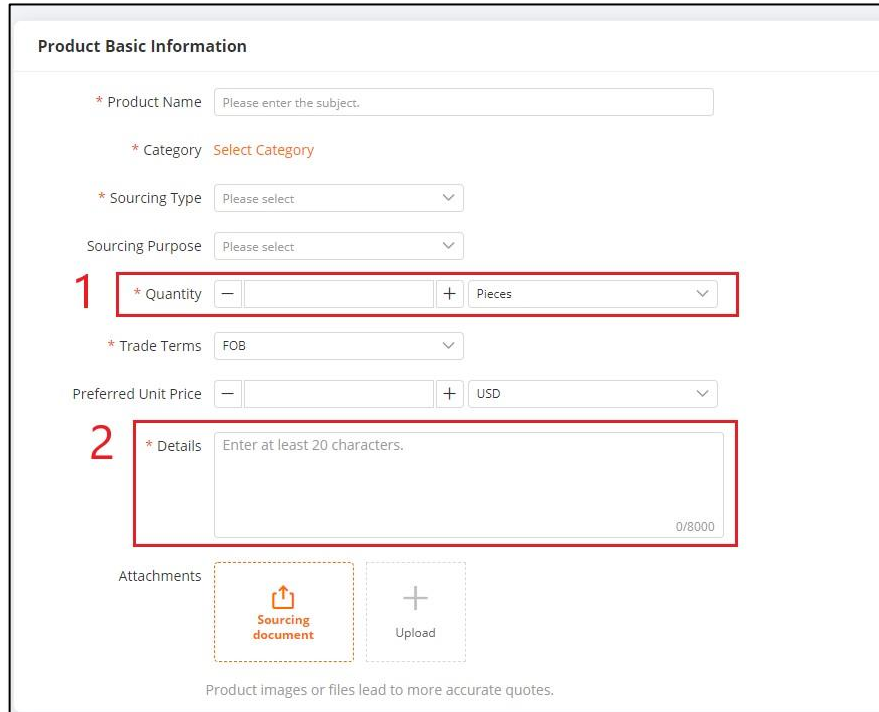
On the other hand, when you broadcast your RFQ, all kinds of suppliers – all kinds, including those who have 1 or 2 years of experience, and those who are not Verified, and those who don't offer Trade Assurance – will bid on your RFQ. And very often, they will continue to contact you. Your Alibaba inbox will suddenly be filling up very quickly.

In my tutorial, [How To Use Alibaba RFQ To Attract The Best Suppliers](#), I teach step-by-step how to use the RFQ Broadcast function to your best advantage. I won't re-write all the contents here, but I recommend that you follow the link below and go through this video when you have an opportunity.

[Watch Now:](#)



When using the Alibaba RFQ Broadcast function, you will notice that the form is different from the one you used to contact suppliers directly. The RFQ Broadcast form has notably more fields to fill in. See the example on the next page.



Product Basic Information

* Product Name

* Category

* Sourcing Type

Sourcing Purpose

1 * Quantity

* Trade Terms

Preferred Unit Price

2 * Details


Attachments


Product images or files lead to more accurate quotes.

The two most important fields to fill out in the Broadcast form are these:

1. Quantity
2. Details

In the video tutorial above, I demonstrate how to dial in your buying quantity in order to attract the best suppliers.

 *It is very important **NOT** to use the quantity you can **afford** to buy to fill in the RFQ quantity.*

 *Learning the art of the RFQ can give you a strong, early advantage. If you're interested in additional lessons and tutorials beyond the RFQ templates included here, I encourage you to check out [Sourcing Warriors Quote Master©](#).*

Bonus Section

BONUS 1

RFQ Template 1 – Lite Version

Hello,

We are a [state or city, e.g., Seattle]-based e-commerce company. We are particularly interested in adding this SKU to our portfolio:

[Insert product listing link]

1. Can you give me a quick quote in these quantities?

[Quantity 1]:

[Quantity 2]:

[Quantity 3]:

2. To expedite the product development process, please share your WeChat or Skype ID so we can discuss this product ASAP.

3. Please also send a copy of your quote to [your e-mail address] so I can share your quote with my colleagues for team evaluation.

Thank you!

James Dallas
Senior Buyer
Premiere Industries

To download the RFQ Template 1, [CLICK HERE](#)

The Lite version is designed to help you get a quick quote for profitability analysis. Despite its name, there are a lot of gold nuggets in it.

3 Quick Takeaways:

- Use professional sourcing lingo (e.g., “SKU”, “QTY”) to give an impression that the RFQ was written by a professional buyer.
- Create a sense of urgency to facilitate a response – e.g., “to expedite the product development process...”
- Create the suggestion of a bigger company- e.g., “share your quote with my colleagues.”

BONUS 2

RFQ Template 2 – Pro Version

Good Morning,

Our company, [name], is looking for a product similar to the product you listed on [Alibaba, Google, etc.]. I'd like to work with you to get a quote first, and then potentially to qualify your company as our approved supplier.

Attached is our standard RFQ form; please review. Below are the RFQ instructions:

1. RFQ due date: [\[month/day/year\]](#). Quote must be received before due date. Quote received after the due date may not be considered.
2. Please fill in the RFQ form as completely as possible. If you don't have the answer, please mark the field with "N/A".
3. Please send the completed RFQ back in the Excel format. Do not send in PDF or any other format. We need the Excel sheet to evaluate the data.
4. Please also send a copy of the RFQ back directly via [\[your e-mail address\]](#). I will need to share your quote with my team for evaluation.

Feel free to contact me if you have any questions. I look forward to working with you on this project.

Best Regards,

[\[Name\]](#)

[\[Senior Buyer\]](#)

[\[Company name\]](#)

Direct Line: [\[Your phone number in international format\]](#)

E-Mail: [\[Your e-mail address\]](#)

To download the RFQ Template 2, [CLICK HERE](#)

You'll notice that the Pro version is **a lot more formal** than the Lite version.

This version is designed to help you harvest as many quote details as possible, so that you can have the most comprehensive quote, in one place, through one request.

In reality, if any buyer wants to succeed in analyzing landed cost and profitability, they'll need a wealth of information from their supplier, as shown in the RFQ form below. As you can see, it includes price, Inco-term, packaging, sample cost, shipping weight, and dimensions.

[BUYER COMPANY] RFQ FORM				
[Product picture Reference]	Supplier's Sample Send To:		(Country, City, Zip Code: THIS IS USED TO ESTIMATE SAMPLE SHIPPING COST)	
	Product Description:			
	Product Specifications:			
	1. Copy spec from similar product on Amazon			
	2. Or create your own general specifications			
3. Be as detailed as possible				
SUPPLIER QUOTE DETAIL (Please fill in all BLUE highlighted fields.)				
Supplier Contact Information:				
Contact Person Name:		Company Name:		
Email Address:		Trading Company or Agent? <u>Y/N</u>		
Wechat ID/Cell phone:	015-86-	Factory Name:		
Business Phone Number:	015-86-	Factory Phone:		
Export Shipping Port:		Shipment Pickup City & Zip Code:		
Quote Terms:				
Shipping Term (EXW or FOB)		Packaging Details:		
Payment Terms:		PCS QTY/Individual Package		
Supplier Product Specifications		# of Packages/Carton		
		# of PCS /Master Carton		
Product HTS #(Harmonized code):		Master Carton Dimension (in cm)		
Product Dimension (in cm)		N.W. (Net Weight)/Master Carton		
Product Weight (in kg)		G.W. (Gross Weight)/Master Carton		
Manufacture Part ID		Sample Cost:		
[Supplier Other Spec, Input Here]		Sample product Cost		
[Supplier Other Spec, Input Here]		Customized Logo Cost		
[Supplier Other Spec, Input Here]		Estimated Shipping Cost (to Above Buyer Zip Code)		
[Supplier Other Spec, Input Here]		Sample Total Cost (incl. shipping): \$ -		
[Supplier Other Spec, Input Here]		Is Sample Cost Refundable? Y/N? How Much?		
[Supplier Other Spec, Input Here]		Sample lead time (days)		
Quantity Price Break				
	MOQ	Quote QTY 1	Quote QTY 2	Quote QTY 3
Quote QTY (in PCS)		[BUYER INPUT] E.g. 3000	[BUYER INPUT] E.g. 5000	[BUYER INPUT] E.g. 8000
Unit Cost /PCS				
Production Lead Time (days)				
# of Cartons	0	0	0	0
Total G. Weight (kg)	0	0	0	0
Total Est. Cost	\$ -	\$ -	\$ -	\$ -
* Please return the excel quote sheet (NOT in PDF), back to the Buyer, via Email, before RFQ due date.				

To download the RFQ FORM, [CLICK HERE](#)

BONUS 3

To download the NNN Agreement, [CLICK HERE](#)

Non-Disclosure, Non-Use and Non-Circumvention Agreement

保密，禁用，不规避 协议

This Non-Disclosure, Non-Use and Non-Circumvention Agreement (“Agreement”), effective as of **the last signed date** set forth below, is entered into between the following parties:

此保密，禁用，反规避 协议(“协议”)，于以下最后签字日期起生效，由以下双方签署：

DISCLOSING PARTY ("Party A"):

披露方（甲方）：

[COMPANY NAME], a [REGISTERED STATE] company, with its address at [REGISTERED ADDRESS]

and/与

RECEIVING PARTY ("Party B"):

接收方（乙方）：

[COMPANY NAME IN ENGLISH], [REGISTERED ADDRESS IN ENGLISH]

[COMPANY NAME IN CHINESE], [REGISTERED ADDRESS IN CHINESE].

WHEREAS,

鉴于

Party A intends to share commercially valuable information (“Confidential Information”) with Party B, for the purpose of evaluating a potential business relationship and, if applicable, undertaking such business relationship with Party B. In consideration of the privilege of obtaining access to Party A’s Confidential Information, Party B hereby agrees as follows: 甲方有意向乙方披露具有商业价值的信息（“秘密信息”），以来评估与乙方合作的前景，并在可行的情况下与乙方开展合作业务关系。乙方考虑到其获取甲方秘密信息的特权，特此同意如下条款：

1. Confidential Information. 秘密信息

Confidential Information includes any information, material, data or know-how, whether in oral, written, graphic, electronic or physical form, that relates to the business, operations, finances or technology of the Party A and that (a) is either designated as confidential by Party A or, by the nature of the circumstances, ought to be treated as confidential; and (b) information disclosed by Party A to Party B prior to this Agreement or is otherwise learned by Party B in the course of its dealings with Party A.

秘密信息包括与甲方的业务，运营，财务或技术相关的任何信息，材料，数据或技术诀窍，无论是口头的，书面的，图形的，电子形式的或实体形式的信息：a) 被甲方指定为秘密，或根据情况的性质，应视为秘密；b) 在本协议签订前甲方向乙方披露的，或乙方在与甲方交易过程中获知的信息。

Confidential Information also includes but not limited to patents, trade secrets, copyrightable works, trademarks, concepts, designs, drawings, sketches, renderings, developments, improvements, packaging design, formulas, product specifications, component and accessory specifications, protocols, methods, processes, test results, intended use, samples, prototypes, customized tooling, material composition, customer, market and product development plans, product promotional plans, forecasts, cost information, and also includes the existence and progress of the parties’ dealings and the terms of any agreement between the parties.

秘密信息并且包括但不限于，专利，商业秘密，受版权保护的作品，商标，概念，设计，绘图，草图，透视图，开发，改进，包装设计，配方，产品规格，组件和附件规格，标准，方法，流程，测试结果，预期用途，样品，原型，定制磨具，材料成分，客户，市场和产品开发计划，产品促销计划，预测，成本信息，并且还包含双方交易关系的存在，进展及协议。

2. Non-Disclosure, Non-Use and Non-Circumvention 保密，禁用，不规避

Except with expressed prior written authorization of the Party A, Party B agrees not to disclose, use or circumvent Party A to disclose or use the Confidential Information. Under any circumstances, Party B shall not file any intellectual property registration application which is originated from Confidential Information disclosed by Party A. Such intellectual property registration including but not limited to patent registration, trademark registration and copyright registration.

乙方同意，除非事先取得甲方明确的书面授权，乙方保证不泄露，不使用并且不规避甲方而泄露或使用秘密信息。在任何情况下，乙方不对源自甲方秘密信息的知识产权申请登记。该知识产权登记包括但不限于专利登记、商标登记和版权登记。

2.1 Non-Disclosure. Party B agrees not to disclose Confidential Information to any third party, whether in oral, written, graphic, electronic or physical form, including disclosure in marketing collaterals (photograph or video); make or permit any third party to make copies or other reproductions of Confidential Information; reveal to any third party (including Party A's customers) that it is manufacturing Party A's products. Party B shall restrict the possession, knowledge, and use of Confidential Information to its officers, employees, consultants, agents, partners, or representatives ("Party B's Representatives") who have a legitimate need to know such information and who are subject to binding obligations of confidentiality. Party B's Representatives shall be informed of the confidential nature of the information. Party B shall be responsible for any breach of this Agreement by any of its Representatives.

保密。乙方同意，不向任何第三方以口头，书面，图形，电子，实物形式或在营销宣传材料（图片或录像）中披露秘密信息；不复制或允许任何第三方复制或以其它方式复制秘密信息；不向任何第三方（包括甲方的客户）透露其正在生产甲方的产品的信息。乙方应限制对秘密信息的获取，获知和使用只在其合法需要获知秘密信息的领导，雇员，顾问，代理人，合作伙伴或公司代表（“乙方代表人”）范围之内，其代表人并且应同样受本协议保密义务的约束。乙方的代表人须被告知信息的保密性质。如果乙方的代表人违反本协议，乙方均须负责。

2.2 Non-Use. Party B agrees not to use Confidential Information to develop and/or sell the same or significantly similar product to any third party (including Party A's customers) other than Party A; not to use Confidential Information develop and/or sell the same or significantly similar product directly or indirectly competing with Party A.

禁用。乙方同意，不使用秘密信息来开发及/或向甲方以外的任何第三方（包括甲方的客户）销售相同或及其相似的产品；不使用秘密信息来开发和/或销售相同或及其相似的产品直接或间接地与甲方竞争。

2.3 Non-circumvention. Without the specific written approval of Party A, Party B shall not directly or indirectly, circumvent, avoid, bypass Party A, including make use of a third party, to contact, deal with, transact, or otherwise be involved with any customers of Party A; or with any corporation, partnership, individuals, or other entities introduced or revealed by Party A. This Agreement will be interpreted to prevent any such circumvention of its terms that would prevent Party A from receiving the compensation it would otherwise receive and in a manner that will provide maximum protection to the business expectations of Party A.

不规避。未经甲方特别书面许可，乙方不得直接或者间接地，包括利用一个第三方，规避，避免，绕过甲方与甲方的客户接触、接洽，交易或者介入甲方的客户关系；或与甲方介绍的或披露的公司、合作伙伴、个人或其它实体进行接触、接洽，交易或者建立关系。对本协议的解释，应按照防止任何对本协议条款的规避行为而导致甲方不能获得其原本能够获得的报酬，并对甲方的商业预期提供最大限度保障的方式进行。

- 3. Return of Materials.** Upon Party A's request, Party B will promptly return to Party A or destroy (in the case of electronically stored Information, permanently delete) all Information then in its possession or control, and all copies and tangible embodiments thereof, in whatever medium, and will certify such return or destruction in writing.

材料返还。根据甲方的要求，乙方将立即返回给甲方或销毁（在电子存储信息的情况下，需永久删除）其拥有或控制的，无论以何种媒体形式存在的所有信息，信息副本及有关实体，并将以书面形式证明返还或销毁。

4. Related Party 相关方

The provisions of this Agreement shall be applicable to Party B's affiliates, subsidiaries, subcontractors and persons related in any way to Party B ("Related Party"). Disclosure to any Related Party except as specifically approved by Party A in writing shall be treated as a violation of this Agreement. Party B agrees that its Related Party is subject to binding obligations of confidentiality. Party B's Related Party shall be informed of the confidential nature of the information. Party B shall be responsible for any breach of this Agreement by any of its Related Party.

相关方。本协议关于保密的义务规定应适用于所有乙方的关联公司、子公司，分包商以及其他与乙方相关的公司和个人（“相关方”）。除甲方特别书面许可外，对任何相关方披露秘密信息应被视为违反本协议。乙方同意其相关方应同样受本协议保密义务的约束。乙方的相关方须被告知信息的保密性质。如果乙方的相关方违反本协议，乙方均须负责。

- 5. Loss and compensation.** In case Party B breaches its obligations under this Agreement, Party A is entitled to remedies including but not limited to: (1) request Party B to compensate a monetary penalty for breaching the contract at the amount of USD 50,000; or (2) request Party B to compensate the full loss and damage of Party A, including but not limited to the direct loss, indirect loss, loss of profit and attorney fees.

损失及赔偿。如乙方违反本协议中的义务，甲方有权要求的救济方式包括但不限于：（1）要求乙方赔偿违约金 50,000 美元；或者（2）要求乙方赔偿甲方的所有损失，包括但不限于直接损失，间接损失，利润损失和律师费。

- 6. Governing Law and Dispute Resolution.** This agreement shall be governed by the laws of the People's Republic of China. Any dispute arising from or in connection with this Agreement shall be submitted to China [Shanghai] Arbitration Commission for arbitration which shall be conducted in accordance with the arbitration rules of China [Shanghai] Arbitration Commission. The place of arbitration is [Shanghai]. The language of arbitration shall be English. The arbitral award is final and binding upon both parties.

管辖法律。因本协议引起的或与本协议有关的争议，均提请中国[上海]仲裁委员会按照该会仲裁规则进行仲裁。仲裁地点为[上海]。仲裁语言为英文。仲裁裁决是终局的，对双方均有约束力。

- 7. Language.** This Agreement is written in the English and Chinese languages. In the event of a dispute, the English language shall prevail. 语言。本协议以英文和中文书写。如有争议，以英文为准。

- 8. Term.** This Agreement enters into effect since the date duly signed by both Parties and the term of this Agreement is Ten (10) Year. **期限。**本协议自双方签署之日起生效，协议的有效期限为 10 年。

This Agreement is executed by the parties as provided below. 本协议由以下双方签署。

Party A: [NAME]
Address: [ADDRESS]

Phone 电话:
Email 电子邮箱:

Signature 签字: _____
Name 姓名:
Title 职务:
Date 日期: Day 日__ Month 月_____ Year 年_____

Party B: [NAME IN ENGLISH]
乙方: [NAME IN CHINESE]
Registered Address: [REGISTERED ADDRESS IN ENGLISH]
注册地址: [REGISTERED ADDRESS IN CHINESE]
Phone 电话:
Email 电子邮箱:

Signature 签字: _____
Name in Chinese 姓名中文:
Name in Pinyin 姓名拼音:
Name in English 英文名:
Title 职务:
Date 日期: Day 日__ Month 月_____ Year 年_____

Party B Company Seal (Required):
乙方公司公章 (必须)

About the Author



Yuping Wang has more than 20 years of supply chain experience. She is known for being a tough negotiator and a strong relationship builder. She was born and raised in China, and practiced law in Beijing before moving to the United States. You can learn more about Yuping Wang and her professional sourcing training courses at www.sourcingwarrior.com.

LEARN MORE ABOUT OUR COURSES

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