

Contacting Suppliers Summary

- Can use email, but contacting by phone is best and most professional. Allows you to build a relationship and gather more info.

(Time differences or language barriers may mean you have to use email.)

My process:

- 1) Call
 - 2) Not available - leave message
 - 3) Send email about message
 - 4) Call again
- Only need 1 supplier, but have multiple options - you can always change supplier later if you need to.

I just had an issue with my sales spiking higher and my current supplier not having enough. It took two weeks of sales away (-\$3000.00)

- Come across as a professional and polite (they NEED your business if they are actually a supplier), but they don't know who you're at first. It might take a few phone calls.

Important questions to ask and what you want to know

1. Do they have/can they get the product you want - even though you have searched to find them, double check that they have the product, or can get it for you or know another supplier who can?
2. Are they able to label your product with your own brand? If so, are there additional costs per unit? If they just produce for their own brand you want to find this out quickly and move on to another supplier
3. How does the private/custom labeling process work with them? It will be slightly different with each supplier.

Can we provide our own graphic design? If so, can you send us the dimensions for our team?

If they print on bottles, what kind of labels can they print on, and do they do the silk screen in-house? If so, what are the costs? (This is only for printing on bottles)

Important: Some manufactures will need to send the bottles to a 3rd-party to get the silk screening if you desire and takes more time and cost. Start with a label to test the market and get going. You can always silk screen in the future.

Once we provide the label design, are you able to ensure look at the label and validate it meets all required guidelines from the FDA and any other regulatory requirements?

Do you offer multiple options and sizes?

Important: Beauty and food product labels have to have a list of ingredients and these must be exact and listed in the correct order, so having them validate is a very good idea.

4. What are the price tiers for ordering the product? Important question! Do they have a price sheet?

They may want you to sign up with them first, so go ahead as you need to find out asap these price tiers. E.g. for X quantity what is the price? For Y quantity what is the price?

5. Discover Minimum Order Quantity (MOQ) - try to be subtle so as not to appear as a novice/small player. They may mention this anyway when they tell you the price tiers. They need to feel you are testing them out as a supplier.

What is your monthly fulfillment capacity? (This helps sets up the next question because you asked about the maximum, which shows you could be a big buyer.)

We are currently not selling products in this category, so we are looking to run a quick market test. What is your minimum order quantity to help us run our market test?

What is the price per unit at the MOQ and what are the subsequent volume prices?

Do you have a product sheet or other marketing materials I can get detailed product information from?

Be courteous. You can intimate that you are going to be building this business up very fast so you need to know what your pricing is going to be going forward.

6. Do you sell this product under your own brand? If so, where can I see it?

(This could help with learning how to market it better or create ideas. If they do and sell it at a cheaper price than you thought, don't let that distract you, you'll not compete on price. I'll teach you how to compete with better marketing)

Can you send us a sample? Can you ship it right away for second day delivery? (We want to see the quality of the printing and overall product. The faster you get the product, the faster you can decide and continues moving forward.)

7. What is the next step to get going on our initial order if we decide to move forward with your company?

Is there anything else I should know about the product or your company that I have not asked and you think I should know?! (This allows them to sell you)

8. What's the estimated time until the product is ready to ship? I.e., if you send them your custom labeling (or they do it in house) how soon can they be ready to send the products?

What is your usual lead time for a first order?

What is your usual lead time for shipping multiple orders?

Then ask them if there is any way they can speed that up? For some it will be a couple of days, others a couple of weeks - any longer than that suggest you look at other suppliers.

9. How to get set up to buy? Is it upfront or can they extend a 30 day line of credit to you.

There are a few acronyms you will want to become familiar with in this type of business.

Some of the most common of these are:

FOB - "Free on Board" generally means for international shipments that the seller will transport the goods to the point of shipping. FOB Beijing indicating the seller will take the goods to Beijing and assume responsibility for them until taken over by the shipping company or buyer.

In North America it generally means that the buyer pays shipping for the place of origin. The seller will load the goods. Responsibility passed to the buyer at that point. Frequently you will see FOB Origin or FOB Company Warehouse, etc.

CAP - "Customer Arranged Pickup" sometimes is used as well as the acronym PU for Pickup.

T/T -Payment method, Telegraphic Transfer (of money).

L/C - Letter of credit supplied by a bank or financial institution providing irrevocable guarantee of payment, as good as cash in most instances.

CIQ - China Entry-Exit Inspection And Quarantine.

MOQ - Minimum Order Quantity

PSI - pre-shipment inspection service

OEM - original equipment manufacturer

OMA - orderly marketing arrangement

IOE - Institute of Export

CIF - Cost Insurance Freight