THE CHINA CONNECTION

How to Tap International Resources!

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1 Introduction

You may be able to find a new business opportunity or profit growth by directly importing products from China. It can be complicated, but it can pay off in both immediate profit and long-term success. The process is becoming easier and easier thanks to the trend of globalization and advances in international trade technology.

Find the products you're interested in. There are many sources to find your products. The internet is the easiest one to start with. There are many web listing services, including here, you can register your username, post the products of your interest, and you will receive tons of products supply information and perhaps a price list.

Establish a relationship with potential suppliers. Select a few potential suppliers to communicate with. When contacting suppliers, provide information about your company. The good suppliers already have more business than they can handle - you want to market yourself so that they want to do business with you. When qualifying suppliers, you can ask them how long they've been in business, which trade shows they attend, how long they've been attending these trade shows and which companies they manufacture for. Check and confirm everything that you can.

Narrow down to the supplier that you really want to work with. Discuss the price and trade relationship. Obtain product samples and review them (and their packaging, instructions, and any other collateral) for quality - you may have to pay a nominal fee. Discuss shipping and payment terms. Gather all necessary information to prepare for placing a trial order. When placing the purchase order, include as many details as you can think of.
Understand trade terms and use them. Before placing any order, you need to understand and confirm with your suppliers about shipment terms. Most popular are "fob" and "cif", as well as payment terms. These are closely related to your landing cost calculation and risk assessment. You can consult an import management company and a freight forwarder for detail break-down on the costs and risks. You can also use an import management company to negotiate the trade terms.

Understand payment terms. Somewhat common is to pay 30% at time of order, and the remaining 70% when the product ships. The down payment gives the manufacturer/supplier funds necessary to begin production. These terms are negotiable.

As the Importer of record, you (not the supplier) are legally responsible for making sure that goods brought into the country meet all national regulatory requirements. Goods that don't meet requirements can be stopped at the border or can result in future legal suits. Don't just take a supplier's word that requirements are being met. Do your homework on compliance issues and make sure you know requirements are being met. You need to understand the relevant import compliance regulations beforehand. Besides US Customs and Border Protection, other government authorities like USDA, FDA, DOT, and ATF also regulate the importation. Pay particular attention when you import textile products from china. Go to the websites of these agencies to understand, register or download the forms. Compliance issues can be very complicated for some products. It is highly recommended to consult a good customs house broker before placing any order.

Select a forwarder and customs house broker. Go to your local international trade organization/association and customs office to find the list. Visit them, and select the one you
like. For the first time importer, use more individualized services, because you need more attention than you would expect. You may ask your local customs bureau for help on assessing custom duties amount for your products, or use online services such as Asia Calculator

Place a trial order with a written purchase order if everything goes well. In the purchase order, besides typing out a detailed description of the products, product requirements, packaging requirements, etc., and trade terms, list all needed shipping documents.

Appoint an inspection company to check your goods on site in the factory, and give you a detailed report. It is very helpful to provide the inspection company details about what to check. Without such details, the inspection company may think products are okay even though you won't. You may also consider having inspections done of components that are going into assembly early in the process. This can help avoid last minute quality problems. This is usually done a few days before the expected shipment, so you can address any issues that would be raised. This will allow you to avoid receiving defective or non-conforming goods.

Track the transportation and customs clearance. Your forwarder and customs broker should take care of your transportation and customs clearance. However, you also need to track the process and assistance, such as providing additional products information and endorsing bill of landing. You need to issue a power of attorney to your broker and purchase customs bond for your importation.

Receive the products and keep the records. Now you can go to your next step to sell your products and make profit.
Do not order counterfeit or branded products, unless the supplier can prove they are an authorized reseller. You can contact the brand owner to confirm the supplier is an authorized reseller.

Pay attention to the kind of business of your supplier; are they manufacturers, or 3rd party suppliers? Compare the advantage and disadvantage. Manufacturers may have a faster response in the process of product development, while 3rd-party suppliers have broader channels that can satisfy your other needs in the future. Working with 4th-party suppliers is not recommended.

Establishing healthy personal relationship with the key employees of your supplier is very important when doing business with Chinese people. Learn the term guanxi (gwan-shee), which loosely means relationship, and keep in mind that saving face is very important for Chinese people.

You need to have a good estimate of the landing cost before you make your order. Landing cost = cost of the goods fob + transport costs by forwarder + import duties (if any) + local transport costs + cost of service providers (inspections, agents, etc.). There may be many hidden costs and you can consult an import management company, but the best way to avoid bad surprises is by making a first order of a small quantity, and collect all costs and fine tune your landing cost estimate.

Pay attention to import duties. Import duties depend on hs code of the goods you import, the countries of origin (China) and destination. If your Chinese supplier has some export experience, he shall know what is the HS code for your product, but do your homework and check the product description of the HS code corresponds to the product you import. Definitions are sometime vague. A wrong HS code may delay the custom clearance of your shipment.
A letter of credit is commonly used in trade with China. Go to your bank to get detail formality and cost. Export agents in China are very commonly hired by Chinese exporters. Some of these export agents are also 3rd-party suppliers, others just provide export services.

Neglecting compliance can be very costly. This may force you to pay expensive and unexpected customs duty, such as anti-dumping duty, as well as risk delaying your customs clearance. This will cost you expensive storage fees at a railway station or container yard.

Visiting trade shows is a great way to see suppliers face-to-face. It is also a chance to see actual product samples and discuss right away business possibilities and make negotiations.

If solid wood packaging material is used, talk to your broker. Sometimes pallet packing is necessary to reduce the transportation cost during the process of loading and unloading. Talk to your forwarder for details. All wooden packaging for export must follow the nimp15 treated wood specifications. If your supplier is using wooden packaging, make sure he delivers a nimp15 certificate with other export documentation.

Usually an initial deposit of between 30-50% will be requested by a Chinese Manufacturer to get your product/order into production.

(Ref: How to Import from China. From WikiHow - [http://www.wikihow.com/Import-from-China](http://www.wikihow.com/Import-from-China))

2 General Information about China

China, an ancient, mysterious and beautiful land, is always appealing to adventurous foreign visitors. As the third largest country in the world occupying an area of 9,600,000 sq km, it spans 62 degrees of longitude and 49 degrees of latitude. A wide variety of terrain and climate shape its
numerous natural attractions. Abundant in a variety of resources, plants, animals, and minerals, the land has nurtured countless generations of Chinese people.

One of China's greatest treasures is her long, rich history. As early as 1.7 million years ago, the earliest humans evolved on this land. The first dynasty, the Xia Dynasty, dates to about the 21st century BC. For 4,000 years, feudalism was the dominant economic and cultural model. Then, in 1911, the revolution led by Sun Yat-sen brought the monarchy to an end. On October 1st, 1949, modern China was founded as the 'People's Republic of China'. Since then, China has developed independently and vigorously. Most recently, reform and opening-up policy has energized life in China.

China is proud of her many people, long history, resplendent culture and distinctive customs. Among her greatest gifts to the world are the 'four great inventions' (paper, gunpowder, printing and the compass). Chinese arts and crafts, including painting, calligraphy, operas, embroidery and silk are distinctive and unique. Martial arts, which have only recently begun to enjoy popularity in other parts of the world have been part of Chinese culture for centuries, and Chinese literature is testifies to the country's rich heritage. And, of course, there is Chinese cuisine, which has been exported to every corner of the globe.

China boasts a total land area of 9.6 million square kilometers, across four time zones. Beijing, the capital of China, is located in the Eastern 8th Zone, "Beijing Time" is the standard for the whole country.

China lies mainly in the northern temperate zone under the influence of monsoon. From September and October to March and April next year monsoon blow from Siberia and the Mongolia Plateau into China and decrease in force as it goes southward, causing dry and cold
winter in the country and a temperature difference of 40 degree centigrade between the north and south. The temperature in China in the winter is 5 to 18 degree centigrade lower than that in other countries on the same latitude in winter.

Monsoon blows into China from the ocean in summer, bringing with them warm and wet currents, thus rain. Great differences in climate are found from region to region owing to China's extensive territory and complex topography. The northern part of Heilongjiang Province in northeast China has no summer, Hainan Island has a long summer but no winter; the Huaihe River valley features four distinct seasons; the western part of the Qinghai-Tibet Plateau is covered by snow all year round; the southern part of the Yunan-Guizhou Plateau is spring-like all the year; and the northwestern inland region sees a great drop of temperature in the day. Annual precipitation also varies greatly from region to region; it is as high as 1,500 millimeters along the southeastern coast. Decreasing landward, it is less than 50 millimeters in northwest China.

The People’s Republic of China was established in October 1, 1949. The total population of China is 1.328 billion (2008), about 22% of total population in the world. China’s administrative divisions include provinces, autonomous regions and municipalities. China has 23
provinces, 5 autonomous regions, 4 municipalities and 2 special administrative regions - Hong Kong and Macao.

Fig 2.1 Location of China

Fig 2.2 Map of China

The main ports of entry into China are by air: Beijing, Chengdu, Dalian, Guangzhou, Hangzhou, Harbin, Hohhot, Hong Kong, Kunming, Qingdao, Shanghai, Shenyang, Tianjin, Urumqi, Xiamen and Xi'an; by land: Alataw, Baketu, Erenhot, Friendship Pass, Hunchun, Ji'an, Kunjirap, Manzhouli, Mohe, Nyalam (Zhangmu), Pingxiang, Ruili, Suifenhe, Tumen, Wanding, Xunke and Yadong; and by water: Beihai, Dalian, Dangdong, Guangzhou, Haikou, Hankou, Huangpu, Jiujiang, Lianyungang, Nanjing, Ningbo, Qingdao, Qinhuangdao, Sanya, Shanghai, Shantou, Shenzhen, Tianjin, Weihai, Yangzhou, Yantai, Zhangjiang and Zhenjiang.

In the Chinese Government, the ruling party is the Communist Party of China (CPC). The following
are the top government officials:

- President: Hu Jintao
- Vice President: Xi Jinping
- Prime Minister: Wen Jiabao
- Vice Prime Ministers: Li Keqiang, Hui Liangyu, Zhang Dejiang, Wang Qishan
- State Councillors: Liu Yandong, Liang Guanglie, Ma Kai, Meng Jianzhu, Dai Bingguo
- Secretary General: Ma Kai

The official holidays in China are New Year's Day: January 1; Chinese Lunar New Year's Day: (Between January and February (The exact date varies, depends on the Lunar Calendar, Chinese New Year's Day in 2011 is Feb. 3. is the Year of Rabbit in Chinese calendar.) Labor Day: May 1; National Day: October 1

The working days in China are from Monday to Friday. Most people do not work on weekend. Official hours are from 8:00am to 17:00pm with one hour for lunch.

The national language of China is Putonghua (the common speech) or Mandarin, which is one of the five working languages at the United Nations. Most of the 55 minority nationalities have their own languages. Cantonese is one of the local dialects of southern China. As a written language, Chinese has been used for 6,000 years. The People's Republic of China is a unified, multi-national country, comprising 56 nationalities. The Han people make up 91.02 percent of the total population, leaving 8.98 percent for the other 55 ethnic minorities. They are Mongolian, Hui, Tibetan, Uygur, Miao, Yi, Zhuang, Bouyei, Korean, Manchu, Dong, Yao, Bai, Tujia, Hani,
Kazak, Dai, Li, Lisu, Va, She, Gaoshan, Lahu, Shui, Dongxiang, Naxi, Jingpo, Kirgiz, Tu, Daur, Mulam, Qiang, Blang, Salar, Maonan, Gelo, Xibe, Achang, Pumi, Tajik, Nu, Ozbek, Russian, Ewenki, Benglong, Bonan, Yugur, Jing, Tatar, Drung, Oroqen, Hezhen, Moinba, Lhoba and Gelo. All nationalities in China are equal according to the law. The State protects their lawful rights and interests and promotes equality, unity and mutual help among them.

Chinese family names came into being some 5,000 years ago. There are more than 5,000 family names, of which 200 to 300 are popular. The order of Chinese names is family name goes first, following by given name. For instance, the family name of a person is Wang, given name is Dong, his/her full name would be Wang Dong. The most popular Chinese family names are LI, ZHANG, WANG, LI, ZHAO, LIU, CHEN. According to the most recent official statistics in 2007, the three most popular family names in China are: WANG (total 92.88 million, shares 7.25% of total China population); LI (total 92.07 million, shares 7.19% of total China population) and ZHANG (total 87.50 million, share 6.83% of total China population).

China has 50,000 rivers each covering a catchment area of more than 100 square kilometers, and 1,500 of them cover a catchment area exceeding 1,000 square kilometers. Most of them flow from west to east to empty into the Pacific Ocean. Main rivers include the Yangtze (Changjiang), Yellow (Huanghe), Heilong, Pearl (Zhujiang River), Liaohe, Haihe, Qiangtang and Lancang. The Yangtze of 6,300 kilometers is the longest river in China. The second longest Yellow River is 5,464 kilometers. The Grand Canal from Hangzhou to Beijing is a great water project in ancient China. It is of 1,794 kilometers, making it the longest canal in the world. (Click for information about China's three most important river deltas -- the Yangtze River Delta, Yellow River Delta, and the Zhujiang River Delta)
China is a multi-religious country. Buddhism, Taoism, Islam, Catholicism and Protestantism, with the first three being more wide spread. Various religions exert different influence on different ethnic groups. Islam is followed by the Hui, Uygur, Kazak, Kirgiz, Tatar, Dongxiang, Salar and Bonan nationalities; Buddhism and Lamaism are followed by the Tibetan, Mongolian, Dai and Yugur nationalities; Christianity is followed by the Miao, Yao and Yi nationalities; Shamanism is followed by the Oroqen, Ewenki and Daur nationalities; the majority Han nationality believes in Buddhism, Christianity and Taoism. (click for more information about China religions)

With a broad area, China's topography is very complex. The outline descends step by step from the west to the east. Mountains and hilly land take up 65 percent of the total area. There are five main mountain ranges. Seven mountain peaks are higher than 8,000 meters above sea level. The Bohai Sea, East China Sea, Yellow Sea and South China Sea embrace the east and southeast coast.

Chinese Money is called Renminbi (RMB) (means "People's Currency"). The popular unit of RMB is Yuan. The official exchange rate between U.S. Dollar and Renminbi Yuan currently is about 1 : 8.3 (1.00 Dollar = 8.30 Yuan). 1 Yuan to 10 Jiao, 1 Jiao to 10 Fen (There are parts of China the Yuan is also known as Kuai and Jiao is known as Mao. Chinese currency is issued in the following denominations: one, two, five, ten, fifty and a hundred Yuan; one, two and five Jiao; and one, two and five Fen. (click for more details about Renminbi)

For civil and electrical power, China uses mainly AC 220 V, 50 Hz but bathrooms of many luxury and medium-grade hotels may have 110-volt sockets.
In addition to Chinese language TV broadcast, English and Japanese TV programs are available in many hotel via satellite relay. China Central Television Station (CCTV) and some local TV stations also provide English news and other programs in English.

China’s telephone area codes are for Mainland China 86; Hong Kong 852; Macau 853; Taiwan 886. (Special Telephone Numbers: Police 110; Fire 119; Emergency 120).

China’s road drive sides are for Continental China: on the right; Hong Kong: on the left; Macau: on the left; Taiwan: on the right.

The internet domain codes in China are .cn (such as "....org.cn", "...edu.cn" or "....com.cn"); for Hong Kong: .hk; for Macau: .mo.

China can be visited throughout the year because of the stretch of its territories and sites and activities it can offer. Deciding when to visit China depends on which places you wish to visit, what type of weather you enjoy, and how much a bargain you want. China is a huge country with many different climates and types of landscape. Think of it in terms of the United States, which China resembles in size and shape. Travelling along the Golden Route (Beijing, Xian, Shanghai, Guilin) is like visiting New York, Chicago, Santa Fe, and Jacksonville, Florida all in one trip. April, May, September and October are the peak tourist months at China’s most popular destinations when the weather is the most comfortable. Prices drop a bit in the shoulder season, which runs from November through March and from June through August. However, the winter months are peak season for trips to China’s Hainan Island and to the Northeast Harbin for its world-famous ice-lantern festival. These months are also packed with New Year holidays, Chinese Spring Festival and other national or local happy fairs. Summer months are great time to explore China’s Far East-Manchuria.
China has a continental and seasonal climate. Most parts are in the temperate zone but southern areas are in the tropical or subtropical zone while northern areas are in the frigid zone. Climates in different areas are complicated. For instance, northern Heilongjiang Province has a winter climate the year round without summer, while Hainan Island has a summer climate the year round without winter. The following is a reference table for tourists to prepare clothing on their trips:

- **Spring:** 10-22°C, Western suits, jackets, sports coats, woolen jackets, long sleeve shirts and travel shoes.
- **Summer:** 22°C and above, T-shirts, short sleeve shirts, skirts, sandals, caps, rain wear.
- **Autumn:** 10-22°C, Western suits, jackets, sports coats, light woolen sweaters, rain wear and travel shoes.
- **Winter:** 10°C or lower, overcoat, cotton clothes, lined coats. In very cold areas a cap, gloves and cotton-padded shoes are required.


### 3 Product Manufacturing in China

As noted in Product manufacturing: China vs. India, an article by Mark Zetter in Venture Outsource, Economically, China, although a communist country, its people are some of the best capitalists on the planet with an old history of ships carrying one thousand men engaged in trading with far away ports. Add to this, there is a true sense of loyalty among overseas Chinese
to their homeland - helping support and build businesses on the mainland with money earned from overseas investments and ventures.

The Chinese are well-known business men. Even though they are a small minority in their adopted countries, the Chinese seem to control a disproportionate share of these countries' national trade. In Ming-Jer Chen's book, Inside Chinese Business - A Guide for Managers Worldwide, Chen notes in Indonesia, for example, where the Chinese population is 4 percent of the country's total, it controls 70 percent of the trade. In the Philippines, where the Chinese population is 3 percent, it also manages to control 70 percent of all business. Thailand's population is 3 percent Chinese, and yet the Chinese control 60 percent of the trade.

From another source, China's manufacturing industry ranks fourth in the world. Half of China's fiscal revenue is contributed by the industry, which employs nearly half of the urban working population.

In Eye On China, an article by David Blanchard in IndustryWeek, it is explained that China's manufacturing industry is going through a period that can best be described as evolutionary, according to Bradley Feuling, CEO of Shanghai-based Kong and Allan, a supply chain consulting firm. Many Chinese manufacturing companies, he explains, were launched when the Chinese government began offering a value-added tax (VAT) credit reimbursement to encourage exports. A year ago, however, China reduced or eliminated the VAT export rebates for some industries. As a result, though you don't hear it reported much in the United States, some Chinese manufacturers are operating now at a loss, and many have been severely impacted. "A number of manufacturers and industries in China are facing very difficult times," Feuling states. "Competition has grown to a point where each manufacturer has a very small piece of a
huge pie. Gaining market share means consolidation and acquisition, yet few operations have the cash to invest in purchasing other companies." The majority of owner-operated companies are unwilling to sell to other local companies, though some will sell ownership to foreign buyers for the cash inflow, he says.

"With that being said," Feuling continues, "the manufacturing industry in China is still expanding, but in a vertical migratory path instead of horizontal. Higher value-added services are beginning to be understood -- customer service, for example, in working with foreign customers. Product or material design is another area. Supply chain operations and efficiency is a third. Companies can readily see that the future will require adjustment to remain competitive and in some cases stay alive."

End-to-end supply chain involvement is critical for U.S. manufacturers if their goal is to fully understand the cost of sourcing in China. "Sourcing accounts for more than direct cost," Feuling emphasizes. "When you buy a product, you buy the supply chain." He suggests that companies focus particularly on inventory and capacity management.

When it comes to the current state of Chinese manufacturing efficiency, David Hemmings, president and CEO of consulting firm Pacific Rim Alliance, says, "Chinese companies, when compared to Western productivity numbers, are still very inefficient despite a great workforce ethic. It doesn't matter if wages are only $1.25 an hour if there are 2,000 extra people working to make up for their inefficiencies."

From Hemmings' perspective, lean manufacturing is mostly a rumor in China. "Chinese-run companies don't have lean manufacturing, and workers won't stop production lines if they see
something's wrong because the social and education system is based on Confucianism -- which emphasizes loyalty, harmony and obedience, not questioning."

As he sees it, the Chinese government does not encourage lean manufacturing because "it wants to spread the wealth and create more jobs, not less. Additionally, it wants companies to take on cost and the burden of social responsibility." The lack of lean manufacturing, he adds, is one of the reasons why only three out of the top 10 Chinese car companies are local domestic producers.

"The big competitive advantage Western manufacturing companies operating in China have over domestic factories is China's manufacturing foundation is based on heavy use of labor and less automation, while in the United States, it's heavy automation," Hemmings notes. "In Europe and the U.S., the successful companies have significantly invested in upgrading their plants."

Some U.S. industries, of course, long ago moved most if not all of their production work over to China. The U.S. toy industry, which imports roughly 80% of its products from China, came under fire in 2007 when millions of Mattel-brand toys were recalled due to product defects or lead paint, but there's no evidence that any significant movement is afoot to bring that production work back to the United States, perhaps because Mattel itself ultimately shouldered the blame for the recalls. Another U.S. industry that has basically relocated to low-cost production centers like China is the apparel and footwear sector.

"China is the world leader in high-quality, high-volume footwear manufacturing," observes Mark Rave, director of logistics with California-based Ariat International Inc., a manufacturer of equestrian riding boots. "We're in China along with pretty much every other major footwear
manufacturer in the world. It's one of the leading countries where we use contract manufacturing."

Although he acknowledges that China is facing some growing pains, in terms of labor shortages in certain areas as well as pollution, Rave points out that Ariat hasn't had any quality issues from its Chinese producers. In fact, from his perspective it's gotten easier to do business with China in recent years. "China has an ever-growing, highly educated middle class, and their business savvy is equal to any other place in the world now."

Jack Watts agrees. "The stereotyped images of sweat shops with dirt floors, windowless rooms with 40-watt light bulbs and workers chained to machines simply do not exist anymore," says Watts, operations manager and director of manufacturing excellence for the Northwest Industrial Resource Center, a Pennsylvania-based organization that recently participated in a trade visit to China. "We saw modern, well-lit facilities and huge production areas with row after row of state-of-the-art injection molds, computer-controlled fabrication machines and other high-tech equipment."

Watts acknowledges that it's important for U.S. companies considering a Chinese manufacturing strategy to have a partner well versed in the ways of China. The trade visit he participated in, for instance, was organized by Orient Product Services, which manages and operates a large buying group for manufacturing overseas. "If you don't have someone in China working for you, you have a very high probability that you're not going to get what you want."

For those U.S. companies waiting for China to start losing its cachet as a production source, Kong and Allan's Feuling doesn't offer much hope. "It's clear that China's exports to the United States are continuing to grow," he observes. "From the large multinational corporations, we don't
see a major shift from China as the strongest source for lower cost production. Companies already working in China are looking at alternative strategies such as upstream supplier and supply chain development to address increasing cost factors. This will be a major focal point in the coming years. Large companies realize China is a long-term investment. This improves penetration within the local market and increased visibility and transparency." As for the small to midsized manufacturers, Feuling sees more of them are now looking at sourcing from China to remain competitive and create sales in larger-volume Western channels.

With China firmly established as the country of choice for low-cost labor, naturally enough U.S. manufacturers looking for the "next big thing" are looking closely at smaller, nearby Southeast Asian countries as sources for even lower-cost labor. "As higher wages and inflation occur in China, Vietnam, Bangladesh and Indonesia are the next primary targets for low-cost manufacturing labor," Hemmings reports. "They have young populations, eager to take their place in the world. Indonesia has great potential, but it's about eight years away; Vietnam and Bangladesh are three or four years away."

Acknowledging the emergence of alternative locations, Feuling is quick to point out, "China is still cost competitive. Raw materials, for example, are commonly cheaper in China, since other countries such as Vietnam, Malaysia and Indonesia must import the materials, increasing the costs potentially offset by lower labor costs. With a stronger established manufacturing base in China, it is easier to identify manufacturers with experience serving foreign customers than in other locations."
Somewhat paradoxically, Chinese manufacturers themselves are shifting some production work to lower-cost countries, a trend that began at least three years ago, Feuling says. This trend, though, is dependent on the product. He cites the example of the apparel industry where because of the higher labor input, other countries such as Vietnam have an advantage of as much as 20% to 30% in lower labor costs. "With the really high competition, low investment start-up cost industries, the profit margin is small and is maximized through very high volume," Feuling says. The manufacture of hand tools (hammers, screw drivers, etc.) is another product segment where the Chinese are looking elsewhere for cheaper production labor.

For U.S. manufacturers still debating whether they should move some of their production capacity over to China, Feuling says, "In some industries, now is a very strong time to enter China. As Chinese manufacturers are dealing with cost influences and the challenges of attracting new customers, strong concessions in the buyer's favor can be made, for example, lengthened payment terms."

He is quick to add, though, "For other industries, our suggestions are to thoroughly evaluate and plan before simply entering. Far too many companies move to China via personal relationships or to achieve the 'low-cost gold rush' without completely evaluating the business model. For example, Friendly's Ice Cream entered China only to realize after they had invested in a manufacturing facility that local cold chain operators couldn't deliver solid product to the customer. Every time the customer received the ice cream, it was melted."

U.S. companies no longer need to be part of a joint venture to do business in China, unless it is in a protected industry, observes Hemmings. "Additionally there is no longer a need to get the Beijing government's blessing, but working with local government is still important. You also
need to be distrustful of any Chinese businessman who says he has the inside track," he adds. "Business is less and less based upon just who you know but more on what you know and what you bring to the party."


4 Government Contacts and Support

4.1 Chinese Embassy and Chinese Consulates General in U.S.A.

In addition to China's Embassy in Washington, DC, there are Chinese Consulates General in Chicago, Houston, Los Angeles, New York, and San Francisco.

    The Embassy of the People's Republic of China is located at 3505 International Place, NW Washington, DC 20008; Tel.: (202) 495-2266.

    The Consulate General of the People's Republic of China-New York is located at 520 12th Avenue New York, NY 10036; Tel.: (212) 244-9456.

    The Consulate General of the People's Republic of China-San Francisco is located at 1450 Laguna Street San Francisco, California 94115; Tel.: (415) 674-2905.

    The Consulate General of the People's Republic of China-Houston is located at 3417 Montrose Blvd. Houston, Texas 77006; Tel.: (713) 520-1462.
The Consulate General of the People's Republic of China-Chicago is located at 100 West Erie St.
Chicago, Illinois 60610; Tel.: (312) 803-0095.

The Consulate General of the People's Republic of China-Los Angeles is located at 502 Shatto Place, Suite 300 Los Angeles, California 90020; Tel.: (213) 807-8088

4.2 U.S. Embassy and U.S. Consulates General in China

In addition to the U.S. Embassy in Beijing, there are U.S. Consulates General in Chengdu, Guangzhou, Shanghai, Shenyang, and Wuhan.

The U.S. Embassy is located at No. 55 An Jia Lou Road, Chaoyang District, Beijing 100600. You can reach the American Citizen Services section between 8:00 a.m. and noon and 1:00 and 5:00 p.m. and for after-hours emergencies at (86) (10) 8531-4000. The Embassy consular district includes: the municipalities of Beijing and Tianjin and the provinces/autonomous regions of Gansu, Hebei, Henan, Hunan, Inner Mongolia, Jiangxi, Ningxia, Qinghai, Shaanxi, Shandong, Shanxi, and Xinjiang.

The U.S. Consulate General in Chengdu is located at Number 4, Lingshiguan Road, Section 4, Renmin Nanlu, Chengdu 610041; tel. (86)(28) 8558-3992, 8555-3119; after-hours emergencies (86)(28) 1370-800-1442, and you can also contact the consulate via email. This
consular district includes: the provinces/autonomous region of Guizhou, Sichuan, Xizang (Tibet) and Yunnan, as well as the municipality of Chongqing.

The main office of the U.S. Consulate General in Guangzhou and the mailing address is Number 1 South Shamian Street, Shamian Island, Guangzhou 510133. The Consular Section, including the American Citizens Services Unit, is located on the 5th Floor, Tianyu Garden (II phase), 136-146 Lin He Zhong Lu, Tianhe District; tel. (86)(20) 8518-7605. For after-hours emergencies, call (86)(20) 8121-8000; and you can also contact the consulate by email. This consular district includes: the provinces/autonomous region of Guangdong, Guangxi, Hainan, and Fujian.

The Consular Section of the U.S. Consulate General in Shanghai is located in the Westgate Mall, 8th Floor, 1038 Nanjing Xi Lu, Shanghai 200031; tel. (86)(21) 3217-4650. For after-hours emergencies, call (86)(21) 6433-3936; inquiries can also be made via email. This consular district includes: Shanghai municipality and the provinces of Anhui, Jiangsu and Zhejiang.

The U.S. Consulate General in Shenyang is located at No. 52, 14th Wei Road, Heping District, Shenyang 110003; tel. (86)(24) 23221198; for after-hours U.S. citizen emergencies, call (86)(24) 137-0988-9307. Contact may be made via email. This consular district includes: the provinces of Heilongjiang, Jilin, and Liaoning.

The U.S. Consulate General in Wuhan is Diane Sovereign. The Consulate address is at New World International Trade Tower I No. 568, Jianshe Avenue Hankou, Wuhan 430022;
Tel : 027-8555-7791
Fax : 027-8555-7761. The CG assistant is Chen Zhen; Tel: (86-27)8555-7761; E-mail: chenz@state.gov.
4.3 Chinese Local Government

The Beijing Municipality Government Office is located at 2 Zhengyi Road, Dongcheng District, Beijing, 10001; Phone: (10) 65192233, 65128080, 63088467; Website: http://www.beijing.gov.cn.

The Chengdu City Government Office can be reached by Phone: (28) 86636113; Website: http://www.chengdu.gov.cn.


The Shanghai Municipality Government Office is located at 19 Gao an Road, Shanghai; Phone: (21) 63212810; Website: http://www.shanghai.gov.cn.

The Shenyang City Government Office can be reached by Phone: 024-22739735; Website: http://www.shenyang.gov.cn/; E-mail: zgchen@shenyang.gov.cn (Mayor).

The Wuhan City Government Office is located at #188, Han Kou Yan Jiang Da Dao, Wuhan, 430014; Website: http://www.wh.gov.cn/index.html.

4.4 Travel and Business Information

The Ministry of Commerce is located at No 2 Dong Chang'an Avenue, Beijing 100731, China; Tel: 86-10-65121919; Fax: 86-10-65599340

The China Council for the Promotion of International Trade (CCPIT) and China Chamber of International Commerce (CCOIC) is located at No 1 Fuxingmenwai Street, Beijing 100860, China;
Tel: 86-10-68013344 (Operator); Fax: 86-10-68030747, 68011370

The Ministry of Foreign Affairs is located at No 2 Chaoyangmen Nandajie, Chaoyang District, Beijing 100701, China; Tel: 86-10-65961114.
4.5 Emergency Contacts

The local equivalent to the “911” emergency line in China is “110”; however there are rarely any English speakers working this hotline.

To assist the Embassy in providing up-to-date information to other U.S. citizens, if you are experiencing problems, please inform the Embassy by e-mailing the American Citizens Services Unit or by calling (86) (10) 8531-4000.

Emergency information concerning Americans travelling abroad may be obtained by calling 1-888-407-4747 toll free in the U.S. and Canada or the regular toll line 1-202-501-4444 for callers outside the U.S. and Canada.

The National Passport Information Center (NPIC) is the U.S. Department of State's single, centralized public contact center for U.S. passport information. Telephone: 1-877-4-USA-PPT (1-877-487-2778); TDD/TTY: 1-888-874-7793. Passport information is available 24 hours, 7 days a week.

5 Chamber of Commerce and Support to Foreigners

5.1 The Ministry of Commerce

The Ministry of Commerce (MOFCOM; Chinese: 商务部 Pinyin: shāngwù bù) of the People's Republic of China, formerly Ministry of Foreign Trade and Economic Co-operation (MOFTEC) is an executive agency of the State Council of China. It is responsible for formulating policy on foreign trade, export and import regulations, foreign direct investments, consumer protection, market competition and negotiating bilateral and multilateral trade agreements. The current Commerce minister is Chen Deming.

The following are the current Ministers of MOFCOM:

- Chen Deming, Minister
- Yu Guangzhou, Vice Minister
- Zhang Zhigang, Vice Minister
- An Min, Vice Minister
- Wei Jianguo, Vice Minister
- Ma Xiuhong, Ms., Vice Minister
- Liao Xiaoqi, Vice Minister
- Gao Hucheng, Vice Minister
Xu Jingye, Vice Minister in Charge of Discipline Inspection

Yi Xiaozhun, Vice Minister

Chen Jian, Assistant

Fu Ziyng, Assistant Minister

Huang Hai, Assistant Minister

The Ministry of Commerce is located at No.2 Dong Chang'an Avenue, Beijing China (100731); Tel: (010)65284671; Fax: (010)65599340.

5.2 U.S.-China Chamber of Commerce

The United States of America-China Chamber of Commerce (USCCC) is a not-for-profit, bi-national membership organization dedicated to developing increased U.S.-China trade and investment activities by assisting American and Chinese companies, professionals and the general public to better understand the business environments and cultural traditions relevant to successfully doing business in both countries.

The USCCC Office is located at 55 West Monroe Street Suite 630, Chicago IL 60603, United States; Tel: (312)368-9911; Fax: (312)368-9922; Website: http://www.usccc.org; Email: info@usccc.org.

5.3 China Chamber of Commerce

China Chamber of Commerce for Import and Export of Textiles

The China Chamber of Commerce for Import and Export of Textiles (CCCT), established in October 1988, is the leading national trade organization representing exporters and importers of textiles and clothing in China, with a membership of more than 11,000 companies. CCCT members, involved in the business of manufacturing, exporting and importing all kinds of textile
fibers, yarns, fabrics, clothing, home textiles, industrial textiles and accessories, operate in 31
provinces and municipalities throughout the country. CCCT members cover a majority of
Chinese traders, manufacturers and foreign-funded businesses in the textile and clothing
industry, representing more than 70% of China's import and export trade in textile and clothing.

The CCCT Contact is Ms. Ma Ying, Tel: +86-10-87789108; Fax: +86-10-67739269; Email:
maying@ccct.org.cn; Website: www.ccct.org.cn.

China Chamber of Commerce for I&E of Metals, Minerals and Chemical Products

In 1980s, reform and opening-up surged throughout China. With the deepening of market
economy reform, fundamental changes have taken place in the foreign trade system and
management structure of China. Since 1987, Chinese foreign trade enterprises have gradually
embarked on a road of independent operation while taking responsibility for their own profit and
loss. The number of such enterprises has increased considerably and their scope of operation
broadened. Competent foreign trade authorities at various levels have also begun to shift their
functions to macro-control. Against such a background, an intermediary is necessary to
coordinate the work between government and enterprises and among enterprises themselves.
Hence China Chamber of Commerce of Metals Minerals & Chemicals Importers & Exporters—a
self-disciplined organization that provides service to enterprises—came into being in 1988.

CCCMC gathers some of the largest companies in the relevant industries of China. The business
of its member companies covers ferrous metals, non-ferrous metals, non-metallic minerals and
products, construction materials, coal and coal products, oil and oil products, chemicals, plastics,
fine chemicals, agro-chemicals, rubber products, etc.
The CCCMC Office is located at 17th Floor, Prime Tower, No. 22 Chaowai Dajie, Chaoyang District, Beijing 100020, China; Tel: 86-10-65882823, 86-10-85692775 Fax: 86-10-65882825, E-mail: webmaster@cccmc.org.cn.

China Chamber of Commerce for Import and Export of Machinery and Electronic Products

Founded in July 1988, China Chamber of Commerce for Import and Export of Machinery and Electronic Products (CCCME) is a corporate organization composed of economic entities, who are independent legal person registered according to law in China, and have the right to do foreign trade (including enterprises with foreign investment). It has more than 3000 members now. In accordance with the provisions in Article 35 of the Foreign Trade Law of the People's Republic of China, the aim of the Chamber is to provide coordination, guanaco, consultation and service. It organizes enterprises in the trade to safeguard the national interests, protect the lawful rights and interests of its members, maintain normal trade order and promote the development of foreign trade and economic cooperation on the basis of self-management and self-restraint.

The CCCME Office is located at 9th Floor, Building 12, Panjiayuan Nanli, Chaoyang District, Beijing 100021, China; Tel: 86-10-67735053, 67735542; Fax: 86-10-67735350, 67735419; E-mail: cccme@public.bta.net.cn or info@mail.cccme.cn.net.

China Chamber of Commerce for Import and Export of Light industrial Products & Arts--Crafts

Founded in 1988, China Chamber of Commerce for Import and Export of Light Industrial Products and Arts-Crafts (CCCLA) is, in accordance with relevant rules and regulations, a self-ruling organization composed of enterprises engaged in import and export business of light industrial products and arts-crafts. CCCLA 's membership has exceeded 6000 by the end of 2004.
The CCCLA Office is located at 10/F, (Pan-Jia-Yuan-Da-Sha) Bldg. 12, Pan-Jia-Yuan Nan-Li, Chaoyang District, Beijing, 100021, China; Website: www.cccla.org.cn; E-mail: xxb@cccla.org.cn; Tel: 86 10 67732707; Fax: 86 10 67732698 67732689.

China Chamber of Commerce of Medicines & Health Products Importers & Exporters

Founded in May 1989, China Chamber of Commerce for Import & Export of Medicines & Health Products (CCCMHPIE), is the leading and most influential national trade association in China with a mission to promote the international trade and cooperation in medicinal and health products. CCCMHPIE, directly under the Ministry of Commerce of China, has a diverse membership of more than 1,800 companies including most of the major manufacturers and trading companies of pharmaceutical and health products across China. The fields that CCCMHPIE covers range from Traditional Chinese Medicines (TCM), pharmaceuticals, preparations, medical devices and equipment, dressings, biopharmaceuticals, nutraceuticals, functional cosmetics to health products.

The CCCMHPIE Office is located at 11-12/F, Building3, Beijing INN, No.6 Nanzhugan Hutong, Dongcheng District, Beijing, China Postcode: 100010; Tel: 86-10-58036282, 86-10-58036280; Fax: 86-10-58036284.

5.4 Foreign Trade Associations

China Association of Enterprises with Foreign Investment

Founded in November 1987 in Beijing upon the registration at the Ministry of Civil Affairs, China Association of Enterprises with Foreign Investment (CAEFI), a nationwide non-profit
social entity reporting to the Ministry of Commerce, is mainly composed of companies in the territory of China with foreign investment or investment from Hong Kong, Macao, Taiwan and overseas compatriots.

The CAEFI Office can be reached at Tel: 85226219/85226256; Fax: 85226292;
E-mail: info@caefi.org.cn

China Council for International Investment Promotion

China Council for International Investment Promotion (CCIIP) is a national non-profit organization responsible for promoting China's inward and outward investment in line with China's economic strategies, with a view to advancing economic development and social progress. Founded by the State Council, CCIIP reports to the Ministry of Commerce. The objectives of CCIIP is to synergize nationwide resources and capacities in investment promotion, and provide a unified platform for China's investment promotion; to enable effective implementation of regional economic integration arrangements in line with the Government's overall investment promotion strategies; to assist governments at all levels in improving the investment environment, public image and FDI quality; to develop diversified investment promotion products, and provide efficient service to foreign investors in China; and to facilitate Chinese enterprises investing overseas and participate in international economic and technical cooperation projects.

The CCIIP Office is located at 4th Floor, Jing Guang Center Office Building, Hujialou, Chaoyang District, Beijing. (Beijing Mailbox No.8806); Postcode: 100020; Website: www.cciip.org.cn;
E-mail: msc@cciip.org.cn; Fax: 010-65978210; Tel: 010-65978801
China Shippers' Association (China Advertising Association of Commerce)

China Shippers' Association was established in 1989. It is a legal person entity registered with the Ministry of Civil Affairs and affiliated to the Ministry of Commerce. It is a non-profit organization joint by various importers and exporters and relevant organizations all over China. The association does not carry out or operate any activities that contradict with the interest or benefits of the members.

The China Shippers’ Association’s Office can be reached thru Email: telesun@china-commerce.com.cn.

China International Freight Forwarders Association

Founded in Beijing on September 6th, 2000, China International Freight Forwarders Association (hereinafter CIFA) is a national agent organization of international freight forwarding industry. It is a social group that all provincial and municipal freight forwarders guilds, international freight forwarding enterprises and enterprises related to freight forwarding can voluntarily join, and it also accepts influential individuals in freight forwarding industry, transportation and logistics field. Now, CIFA has over 500 members (including 24 local international freight forwarders associations from each province, city or autonomous region as group members), including 97 council members and 48 standing council members.

The CIFA Office is located at 10th Floor, Bldg 15, Block 4, Anhuili, Chaoyang District, Beijing 100101, P.R.China; Tel: 86-10-58603789; Fax: 86-10-64916401; Email: cifa@cifa.org.cn.

China Association of Trade in Services
The China Association of Trade in Services (CATIS) is a national non-profit social body established under the approval of the State Council, governed by the Ministry of Commerce and registered with the Ministry of Civil Affairs. Its aims are to abide by the development strategy of China service industries and trade in services, integrate resources and build a national platform for the coordination and promotion of trade in services; assist the Government in formulating and perfecting the legislation system of trade in services; promulgate the China service brands worldwide and enhance the international influence of China’s services.

The CATIS Office is located at Floor 15, Entrance C, Yong He Plaza No.28, An Ding Men Dong Da Jie, Beijing 100007, P.R.China; Email: zhongyi@cicete.org; Tel: +86-10 84000724; Fax: +86-10 84000703; Zip: 10007.

5.5 Professional Societies

International Institute of Multinational Corporations

International Institute of Multinational Corporations, hereinafter referred to as CICPMC), a non-governmental organization approved by the State Council, registered with the Ministry of Civil Affairs and directly supervised by the Ministry of Commerce of the People’s Republic of China, is specially engaged in the work of multinational corporations in China. It is well-known all over the world for successfully organizing the World Economic Development Declaration Conference and issuing the globally unique World Economic Development Declaration. In July, 2006, it was granted the Special Consultative Status with the Economic and Social Council of the United Nations.
The CICPMC Office is located at No.82, Donganmen Street, Beijing, China (7th Floor, Donghuamen Office Compound, Ministry of Commerce, P. R. China);

TEL: 010－65124905, 65124653;

FAX: 010－65127341, 65129537; Office TEL: 010－65124905, 65124653; Europe and Africa Division

TEL: 010－65282475; The United States and Asia Division TEL: 010－65289405; Business Cooperation TEL: 010－65285155; Large Enterprise Cooperation TEL: 010－65288491;

New Energy Development TEL: 010－65286541; Business Development TEL: 010－65124085;

Finance Department TEL: 010－65127461.

5.6 Business Support to Foreigners

US-China Business Council

The US-China Business Council, Inc. (USCBC) is a private, nonpartisan, nonprofit organization of roughly 220 American companies that do business with China. Founded in 1973, USCBC has provided unmatched information, advisory, advocacy, and program services to its membership for more than three decades. Through its offices in Washington, DC; Beijing; and Shanghai, USCBC is uniquely positioned to serve its members' interests in the United States and China. The USCBC Office is located in the United States at 1818 N Street, NW, Suite 200 Washington, DC 20036-2470; Tel: 202-429-0340; Fax: 202-775-2476; E-mail:

info@uschina.org; www.uschina.org | www.chinabusinessreview.com; Beijing Office is located at CITIC Building, Suite 10-01 19 Jianguomenwai Dajie Beijing 100004, China; Tel: 86-
6 Great Mistakes Folks Make

6.1 Big Mistakes Successful Entrepreneurs Make

In Are You Making These Business Mistakes?, an article from QUICKSPROUT, the following anecdotes are compiled and shared by the author Neil Patel.

Alex Algard is a serial entrepreneur and angel investor. He founded WhitePages as well as one of the most popular car websites on the web, Car Domain. In addition to those two companies, during his spare time Alex likes giving back to the entrepreneur community through his blog. Alex says, “As WhitePages went through a phase of extreme growth about four or five years ago, we set the wrong hiring standards in certain parts of our company. We focused too much on specific skills, and too little on fundamental abilities, raw talent, and passion for our business. A couple of years thereafter, we went thru some gut-wrenching people changes as a
result of that. In retrospect, hiring rapidly was too easy and it should have been a giant red flag to me. I’ve learned that in good or bad times, hiring should always be difficult.”

Brian Lee co-founded LegalZoom, which provides great legal services at an affordable price. In addition to LegalZoom, Brian also co-founded Shoe Dazzle with Kim Kardashian. Brian says, “Although I have made plenty of mistakes, one of them I definitely learned from more than others. About 1 year into running LegalZoom.com, we had the opportunity to make a software in the box solution for our service and to sell the software to large retail outlets. We were scarce on resources and money, but we decided the opportunity was large enough to design and build the package. It was a disaster. We made the software, created beautiful packaging, and received a few orders for the product. However, it took so many resources we lost focus on what our core service was (providing legal services online) and almost did not make it through. The lesson I learned was to keep laser focused on your core service until your core service does not provide for enough growth. If your core service is still growing at a good pace, keep focused on it. All the other partnerships, new verticals, new products, etc are meaningless if you don’t build a very solid foundation of your core first.”

You may heard of Dharmesh before as he owns a popular blog called On Startups. But Dharmesh isn’t just a blogger, he co-founded Pyramid Digital Solutions which was later acquired by SunGard Data Systems. In addition to Pyramid, Dharmesh is also the co-founder of the Hubspot. Dharmesh says, “The biggest mistake I’ve made as an entrepreneur is being too dependent on a large, strategic partner. With my first startup, I was in an industry that was dominated by a large, powerful company. Early in my startup’s history, we forged a partnership with them. Over the years, it was a roller coaster ride with them. Sometimes we were partners
and everything was good, other times they saw us as a competitor and life was hard. The big downside with having too much dependence on another company is that it limits your ultimate growth potential. If you grow too fast or too big, you become a threat. Whenever possible, entrepreneurs should control their destiny and work in industries where it’s not mandatory to have the blessing of the 900 pound gorilla.”

Glenn is the CEO of Redfin, which is one of the larger real estate websites on the web. Prior to Redfin, Glenn co-founded Plum Software, a publicly traded company that created the enterprise portal software market. Glenn says, “The biggest mistakes are always bad hires. I also get into the weeds too often. Entrepreneurs tend to be perfectionists, folks who wear plenty of different hats. That can make you tough to work for, and limit the talent you attract to the company. You have to be confident in your point of view about the company’s overall strategy and values, but then give folks the latitude to do their jobs. Every day riding home from work I think about where the line should be and whether I was on the right side of it. I think about whether someone working for me even really knows what I want. I can be inarticulate about our most audacious goals, because it seems unfair to even ask for what we really need to do. But that’s where you really need to be clear.”

Kamran Pourzanjani co-founded Pricegrabber and sold it to Experian for around 485 million dollars. Unlike most of his competitors, he only raised 1.5 million dollars to create that large company. In addition to co-founding Pricegrabber, he is also the co-founder of a new startup called Bestcovery. Kamran says, “Though we all want to avoid mistakes, there is almost no way to get around them when running a business, particularly a start-up. One of the biggest and most common mistakes, which I have
been guilty of myself is not taking fast corrective action in dealing with a bad hire. No matter how careful we are, how many interviews we do or how many references we check, making a bad hiring decision is almost inevitable. The problem however becomes much larger when we are too slow or procrastinate in correcting the situation by terminating the employment as soon as possible. We keep telling ourselves that the person is new, they will kick in soon, they need more time to adjust, etc. But this more than likely is wishful thinking rather than reality. If the person does not fit in the organization within the first couple of weeks and is not doing the job, then it’s in the best interest of the company and that employee to cut them loose as soon as possible and focus on finding the right person.”

At the age of 27, Keith founded Zango and grew the company to around 78 million dollars in yearly revenue. Currently Keith is working on his new startup, Big Door Media, which helps websites monetize. Keith says, “The biggest mistake I’ve made in business was to allow myself to get too far removed from our customers. In my last company we experienced rapid growth, going from $2 million a year in revenue to over $50 million in just two years. During this time we scrambled to build up infrastructure, hire quality employees, make sure we were financed correctly, manage board and investor expectations, and retain a great corporate culture. All of these things were important, but I allowed them to get in the way of me spending time directly with our customers. I surrounded myself with extremely talented people and then I convinced myself that the company was better of letting them interface with customers while I focused on CEO duties. The net result was that the needs of our customers shifted, and I didn’t see it coming. The business continued to grow, but the underlying cause for our growth stopped long before our growth actually slowed – and by then it was too late for us to retain our leadership
position. My lesson learned was that while it is critical to hire talented people that you trust, that is not a valid replacement for the CEO spending significant amounts of unfiltered time with current and prospective customers.”

J.R. was the co-founder of Virtual Tourist which was acquired by Trip Advisor. In addition to co-founding Virtual Tourist, J.R. is working on his new startup, Lunch.com that connects you with other people who share similar interests. J.R. says, “Biggest mistake I’ve ever made was having too much trust. As a start-up entrepreneur, it’s easy to get impressed by someone more established or experienced, especially if they are coming at you with a large checkbook. That’s natural and it’s fine, but don’t inherently trust them. Let my guard down and trusted someone who approached me to buy my company. I even signed a term sheet with them based on that trust, and that was my biggest mistake. During due diligence I learned a lot about them and their business and I wouldn’t sell them my company. They sued me and tied me up in a frivolous lawsuit for almost 3 years. It cost me hundreds of thousands of dollars in legal fees to defend and countless hours of wasted time. I was 100% victorious in the end, but it was a hollow victory because that was time I’ll never get back. Just to clarify, this buyer was not Expedia/TripAdvisor who actually ended up buying my company many years later. To make my mistake even worse, I’m a lawyer, so I should have really known better. My advice: be especially cautious of anyone who brings trust into the equation to pressure you into doing anything.”

Although many of you know Joel as a New York Times bestselling author, he was the founder of Classic Games. The company was later acquired by Yahoo, who then used it to create Yahoo Games. He also created the The Next Internet Millionaire show. Joel says, “My biggest mistake has been hiring the wrong people. I’ve seen too many people whose walk does not
match up with their talk, and it’s ended up going bad. The most difficult and painful scenarios are when you hire someone you thought was a friend only to discover that they have used and manipulated you. It’s a primary reason that I have pledged to not go into business with close friends ever again. My friendships are very important to me and I do not want to risk them by entering into a business relationship.”

Patrick Gavin was the co-founder of Text Link Ads, which later got acquired by Media Whiz. In addition to Text Link Ads Patrick has invested in a handful of other startups and he is currently working on his next project, DIYSEO. Patrick says, “The biggest mistake I have made is not investing in my own business. With our Text Link Ads business we relied heavily off viral growth, advertising, affiliates, etc. We had one great sales guy but because of our success in marketing we had more leads than we could follow up with properly. Shortly after we sold the business in 2006, the purchasing company quickly added five new salespeople to the team and the business doubled in size within 12 months. Millions of dollars were left on the table by not investing in sales sooner. It may not be sales that your business needs today. It could be more customer support, more advertising, more content on your website, a better domain name, etc. There is some way you could be investing money back into your business today that could lead to more growth and if you don’t do it your competition will.”

Tony Hsieh is a serial entrepreneur and investor. He is well known for investing in Zappos as well as being the CEO. But before Zappos Tony was the co-founder of LinkExchange, which sold to Microsoft for $250 million. Tony says, “The biggest mistake I’ve made have been with hiring the wrong people. I think if you add everything up, including the cost of bad decisions, additional bad hires made by the original bad hire, and missed opportunity costs, bad hires have
cost Zappos over $100 million. Hiring is never a perfect science, and I’m sure as a company we’ll continue to make bad hires. But over time, we’ve made fewer mistakes and when we do, we’ve gotten better at correcting our hiring mistakes more quickly”

The author concludes that as an entrepreneur you have hopes of creating a successful company and although at certain times it may not seem like you will ever get there, you will as long as you keep on pushing forward. Even if you make big mistakes like some of the entrepreneurs above, you can still succeed. The best way you can improve your odds of success is to learn from other people’s mistakes and try not to create that “big” company when you first start. Your first goal should be to create a profitable business and from there you can grow. But the key is to not get ahead of yourself.

6.2 Top 10 China Business Mistakes

In Goodman's Top Ten China Business Mistakes, an article by Sam Goodman at evancarmichael.com, Sam explains, “The chances are good that you or someone you know is doing (or trying to do) business in China. Avoid making these China-rookie mistakes. Here’s my attempt, in NO PARTICULAR order and all being important.

1. Any variation of ‘doing things like you did back home’. Using success back home as proof-of-concept. Failing to adapt to the local market. Using internal procedures assuming they will seamlessly they will work the same

2. Overestimating the mystic of Face and Guanxi The best way I can explain it, to keep you on your toes, is Face is about appearance over substance. Acting like you respect the other side even when you may not. Political correctness. Guanxi is merely connections. Nothing mystical
there.

3. Misunderstanding how (much) Face and Guanxi affects your business. The #1 motivation in China (and therefore the Chinese) is to NOT lose face. Followed closely behind by #2 motivation is how to gain face and then maybe #3, being not making someone else lose face. If the core of business is about trust and there is a ingrained distrust of institutions in China, Guanxi uses connections with individuals as ‘insurance policy’ to make things happen.

4. Seeing China as 1 market. The country IS bigger than all of Europe. There are local peculiarities (ie. local power struggles) that need to be understood and which for example makes using a nation-wide distribution system (sales or logistics) difficult and unlikely.

5. Miscommunication. High Context vs Low Context thinking. Cultural bias - They were taught differently, they think differently. You think you are being clear – they are ‘interpreting’ your meaning. You are thinking ‘direct/straight line logic’, they aren’t. But they said they understood….

6. Thinking a contract is binding. Think of the signing of the contract as your wedding day. In so many respects it is just the beginning of your relationship. All relationships require hard work to maintain. Beware the ‘getting you on the boat’ tactic. Once on board and the boat leaves the dock, you can’t leave so easily and that is when the renegotiations begin.

7. Chasing Rainbows - Focusing on the long term goals. Focusing on method over results. Going for perfection instead of what works - This is a tough one for Westerners to accept. This tends to be an emotional issue because it is seen as a right or wrong issue.

8. Confusing language skills with management or business skills. Yes I know, but it makes it
so much easier for YOU to talk with them.

9. Assuming Price and Quality are connected. Face is what ‘it’ is all about. People will pay out the nose for something that gives them face and put very little faith in your idea of quality.

So if your product or service is not related to face, most Chinese go for the cheapest option.

10. Managing by remote control/ not being on the ground, hands on, in the trenches. I hope simply reading over the other 9 will be enough to convince you.

If you have been making one or more of the above mistakes, don't sweat it. Now you know.”


7 Common Business Scams

Although China’s booming economy offers great opportunities for U.S. companies, businesses looking to invest or export to any foreign country should always exercise due diligence. Several exporters recently reported unsolicited buyer interest from China and elsewhere that turned out to be bogus. While not all unsolicited interest is fraudulent, American companies should always be cautious when considering such situations. Requests for advance payments, samples or prototypes to be sent in advance of sales negotiations, cash for a banquet far in excess of typical costs, cash for travel expenses for an “essential” U.S. meeting, all pose red flags that a business opportunity may be fraudulent.
The following cases are illustrative of dubious business schemes taking place in China. While not fraudulent in and of themselves, American businesses should be highly cautious when encountering such scenarios.

These pages include details on suspicious business schemes, red flags, cautionary measures, and names of questionable Chinese entities. There are many aggressive trading companies that directly approach American businesses. A basic rule of thumb is do not provide cash, no matter what the scenario, to obtain a questionable contract. Use of CS China services can help differentiate between questionable and reputable Chinese entities.

7.1 Business Schemes

Advance Payment Scheme

Chinese entity requests “contract registration fee” in the amount of a certain percentage of contract value based on a claim that such fees are required by Chinese government regulations. This may also include a “customs registration or expediting fee.”

Gift Lists

Chinese entity requests specific gifts and suggests its value may be hidden in the contract by increasing the transaction value.

Padding of Banquets

Chinese entity requests cash in advance for hosting a banquet for its staff. The amount requested is far in excess of a typical banquet cost. The difference between the actual cost and cash advance may be pocketed by the Chinese company.

Travel Expenses
Chinese entity requests cash to cover its travel expenses to the U.S. claiming that a meeting in the U.S. is essential to concluding the contract.

**Import Export Company Requests Quote on Schematics**

Chinese Export Import company provides a detailed schematic to entice the American businessman to China whereupon schemes listed above are employed.

**7.2 Red Flags**

In the larger scheme, the points below warrant caution and more thorough partner and/or transaction due diligence.

- Unfamiliarity with the product application.
- Limited details or unwillingness to provide information on the project in which the materials will be applied or the end user.
- Discrepancies on business cards that cannot be clarified.
- Incomplete information on the purpose of the ‘fees’ outlined in the contract.
- Inability to specifically explain the regulations or government entities that are allegedly imposing certain fees.
- Offers to sell certain internal government information or sensitive commercial information.
- Rented cell phones.
- Location of office space in residential areas.
- Less than one year of operation history with very young leadership.
- Insistence on paying for a banquet in cash to the Chinese entity prior to concluding contract.
· Cash requested for cost of hosting a banquet is far in excess of typical costs. [While banquets are a traditional business activity, the U.S. entity can arrange for a banquet through their hotel. While costs vary, a nice event for 10 at a local restaurant (non-western hotel) might run $200.]

· Unusually large product volume or urgency to purchase.

· Insistence that the contract is only legitimate if signed in China.

· Requests for an invitation letter to visit the U.S. facility prior to any substantive communication about purchase terms or exchange of company background information.

· Insistence upon attending a banquet prior to concluding a contract later in the evening. [referring to getting the foreigner intoxicated in an effort to finalize contract terms more favorable to the Chinese buyer.]


8 Summary / Conclusion

Importing manufactured products from China can be complicated, but it can pay off in both immediate profit and long-term success. Before going into such business involving another country however, it is important to understand some of the country’s background and culture which have a big effect on the decisions to be made and procedures to be used in operating the business.
The manufacturing industry of China today seem to have changed drastically due to advancements in technology, communications, and also due in part to the effect of globalization. Despite this however, some experts say that there are still some factors which tend to slow down or hinder the improvement of efficiency and ways in which production is handled in the common Chinese factory or workplace.

Familiarization with the Chinese Government, its different branches and entities and knowing who to contact for the required approvals and assistance will prove to be very important and necessary in order to succeed in doing business with Chinese manufacturers and suppliers. There are also many business organizations and trade associations that exist to promote professionalism and assist international investors and foreigners who want to transact business in China.

It is not only wise but also very useful to learn from past mistakes of business owners and entrepreneurs. The novice import business professional is also warned to beware of common business scams in China or in any other source country. The signs and indications of a doubtful or suspicious transaction should be looked out for in order to avoid being victimized by illegal syndicates and scam artists.
Snoopit Imports specializes in Chinese imports direct from China manufacturers on behalf of US companies. We purchase products from dozens of China manufacturers on behalf of our clients. If we do not have an existing relationship with a factory for your specific requirement, we will source from over 3,000,000 China manufacturers for virtually any product. Saving your company a significant amount of money over current costs to manufacture or purchase, especially if in the US. Due to China’s massive labor force and manufacturing efficiencies, it is not uncommon to save 20% to 50% on China imports by purchasing directly from a factory in China, even if you are currently paying what you consider a low wholesale price now. With our vast network of contacts, we will help you reduce costs and gain a competitive price advantage without dealing with the complexities of off-shore procurement.

"Anybody can find a product on the Internet and purchase Chinese imports direct... the key is knowing the manufacturer you are dealing with so you get the best quality, price and ultimately delivery of the product. Our goal is to ensure your experience with Snoopit and Chinese imports is rewarding and satisfying"  CEO-Snoopit Imports

Call today to see how we can assist your company in significantly reducing costs. Tell us your requirements and we will locate the best supplier and handle the entire China imports procurement process. When Snoopit Imports provides the Client a quote, it is always a landed cost inclusive of overseas shipping, tariffs and customs fees as well as our compensation.
<table>
<thead>
<tr>
<th>SNOOPIT PROCESS</th>
<th>PRODUCT EXAMPLES</th>
<th>BENEFITS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Source reputable factories</td>
<td>Custom bracket</td>
<td>No Fee</td>
</tr>
<tr>
<td>Sample prior to commitment</td>
<td>Paint cans</td>
<td></td>
</tr>
<tr>
<td>Negotiate: price, contract, schedule</td>
<td>Industrial shelves</td>
<td>Snoopit Imports is US based</td>
</tr>
<tr>
<td>Oversee production and quality</td>
<td>Plastic housing</td>
<td>15 years experience</td>
</tr>
<tr>
<td>Handle: shipping, taxes &amp; customs</td>
<td>Aluminum frame</td>
<td>1000's of factories</td>
</tr>
<tr>
<td>Deliver final product to facility</td>
<td>Beer mugs-rest</td>
<td>Completely understand Chinese culture, market, business practice</td>
</tr>
</tbody>
</table>

**Savings**
- Custom bracket: 65%
- Paint cans: 45%
- Industrial shelves: 50%
- Plastic housing: 58%
- Aluminum frame: 50%
- Beer mugs-rest: 55%
THE PROCESS

1). Locate Supplier
   - Based on client specs
   - Order sample (client expense)
   - Obtain: Price quote Delivery lead time
   - Negotiate Contracts

2). Product Sample
   - Client approves sample
   - Client places initial order
   - 50% typically required by client

3). Production
   - Snoopit Oversees and Coordinates:
     - Production, Schedule, Quality Control
     - Shipping & Insurance; Taxes & Customs

4). Delivery
   - Factory ships production order
   - 25% required by client
   - Snoopit receives & inspects shipment
   - Snoopit delivers to client doorstep
   - 25% balance due from client

CHINESE IMPORTING PROCESS THROUGH SNOOPIT

We start by understanding our client's product requirements and their goals. We will need a brief description of the product you would like us to locate along with a sample product, specifications, drawings, packaging requirements, printing requirements, quantities, etc. that may assist us in locating the exact product you desire.

We also need to know the existing cost of the product now being purchased or manufactured. This information will assist us in evaluating whether or not we will be able to offer you significant savings by sourcing in China. We usually locate a product with preliminary pricing within a few days. Typically the next step is to order a sample so the client may physically inspect the product prior to placing an order. Depending on the size of the product, it may take between one week and four weeks to receive a sample (smaller products can be shipped via air therefore taking less time). Once the sample has been approved by the client Snoopit Imports will handle all aspects of the production order, shipping, customs & delivery of the product to your facility.

Snoopit Imports will increase your profitability by lowering existing costs without significant investment. This will make your company more competitive without jeopardizing your commitment to quality.

Snoopit Imports does not have agency relationships with factories in China and therefore does not receive a fee from the factory. This ensures complete flexibility in locating the best factory to fit our client's needs and act exclusively on behalf of our client.

Snoopit Imports is compensated only if we locate & procure your product based on your specifications and acceptance. Our compensation is based on supplier cost and will be a part of the landed cost. When Snoopit Imports quotes a price, it will include our compensation as well as costs for overseas shipping, tariffs & customs fees. Our job is to source products in China. If we cannot locate your product at the right price then there is no cost to you.
CHINA IMPORT SAMPLES THROUGH SNOOPIT

Below are just a few examples of the products previously procured. We can source virtually any product from a wide variety of industries as well as satisfy most custom metal or plastic requirements. Over the last few years, manufacturers in China have drastically reduced the minimum quantity requirements, sometimes as low as in the hundreds of units. Tell us your requirements and we will locate the best supplier and handle the entire procurement process.

When Snoopit Imports provides the Client a quote, it is always a landed cost inclusive of overseas shipping, tariffs and customs fees as well as our compensation. The China Cost column below represents the landed cost to the Client and are in USD. These products are only examples of prior product procurements and are not available for purchase.

<table>
<thead>
<tr>
<th>Image</th>
<th>Product Name</th>
<th>Quantity</th>
<th>Retail Cost</th>
<th>US Wholesale Cost</th>
<th>China Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image1.png" alt="Picture Frame" /></td>
<td>Picture Frame</td>
<td>1000</td>
<td>$40</td>
<td>$13</td>
<td>$6</td>
</tr>
<tr>
<td><img src="image2.png" alt="Socket Wrench - 1.5&quot;" /></td>
<td>Socket Wrench - 1.5&quot;</td>
<td>3000</td>
<td>n/a</td>
<td>$80</td>
<td>$11.75</td>
</tr>
<tr>
<td><img src="image3.png" alt="Hotel Door Lock" /></td>
<td>Hotel Door Lock</td>
<td>250</td>
<td>$265</td>
<td>$150</td>
<td>$50</td>
</tr>
<tr>
<td><img src="image4.png" alt="Steel Rims" /></td>
<td>Steel Rims</td>
<td>1000</td>
<td>$95</td>
<td>$40</td>
<td>$19</td>
</tr>
<tr>
<td><img src="image5.png" alt="Industrial Shelf" /></td>
<td>Industrial Shelf</td>
<td>100</td>
<td>n/a</td>
<td>$435</td>
<td>$250</td>
</tr>
<tr>
<td><img src="image6.png" alt="Plastic Pallet" /></td>
<td>Plastic Pallet</td>
<td>1000</td>
<td>$50</td>
<td>$25</td>
<td>$10</td>
</tr>
<tr>
<td>Item Description</td>
<td>Quantity</td>
<td>Wholesale Price</td>
<td>Retail Price</td>
<td>Mark Up</td>
<td></td>
</tr>
<tr>
<td>----------------------------------------</td>
<td>----------</td>
<td>-----------------</td>
<td>--------------</td>
<td>---------</td>
<td></td>
</tr>
<tr>
<td>Banner Sign</td>
<td>1000</td>
<td>$250</td>
<td>$60</td>
<td>$18</td>
<td></td>
</tr>
<tr>
<td>Light fixture-comm/residential</td>
<td>1000</td>
<td>$125</td>
<td>$67</td>
<td>$18</td>
<td></td>
</tr>
<tr>
<td>Battey-9V, individually retail packed</td>
<td>5000</td>
<td>$4</td>
<td>$2.35</td>
<td>$.70</td>
<td></td>
</tr>
<tr>
<td>USB to mini USB cord</td>
<td>2000</td>
<td>$20</td>
<td>$12</td>
<td>$.45</td>
<td></td>
</tr>
<tr>
<td>SD card + adapter</td>
<td>1250</td>
<td>$25</td>
<td>$12</td>
<td>$4</td>
<td></td>
</tr>
<tr>
<td>T-Shirts-basic</td>
<td>10,000</td>
<td>$20</td>
<td>$7</td>
<td>$1.15</td>
<td></td>
</tr>
<tr>
<td>Tool kit-48 piece</td>
<td>500</td>
<td>$49</td>
<td>n/a</td>
<td>$10.50</td>
<td></td>
</tr>
<tr>
<td>VOIP Phone-OEM</td>
<td>100</td>
<td>$280</td>
<td>n/a</td>
<td>$78</td>
<td></td>
</tr>
<tr>
<td><strong>Description</strong></td>
<td><strong>Quantity</strong></td>
<td><strong>Cost Group 1</strong></td>
<td><strong>Cost Group 2</strong></td>
<td><strong>Cost Group 3</strong></td>
<td></td>
</tr>
<tr>
<td>-----------------------------------------</td>
<td>--------------</td>
<td>------------------</td>
<td>------------------</td>
<td>------------------</td>
<td></td>
</tr>
<tr>
<td>Specialty-exploding birthday candle</td>
<td>10,000</td>
<td>$25</td>
<td>$10</td>
<td>$1.40</td>
<td></td>
</tr>
<tr>
<td>Six in One Radio/Alarm/CD</td>
<td>500</td>
<td>$39</td>
<td>$19.75</td>
<td>$8</td>
<td></td>
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<tr>
<td>Fire Exit device-OEM</td>
<td>150</td>
<td>$499</td>
<td>$245</td>
<td>$102</td>
<td></td>
</tr>
<tr>
<td>Reading glasses-folding</td>
<td>5000</td>
<td>$25</td>
<td>$12</td>
<td>$2.75</td>
<td></td>
</tr>
<tr>
<td>Gear motor- OEM</td>
<td>100</td>
<td>$39</td>
<td>$21</td>
<td>$9</td>
<td></td>
</tr>
<tr>
<td>Ceiling mount speakers</td>
<td>250</td>
<td>$149/pair</td>
<td>$75/pair</td>
<td>$18</td>
<td></td>
</tr>
<tr>
<td>USB flash drive/logo/4gb</td>
<td>500</td>
<td>$25</td>
<td>$14</td>
<td>$8</td>
<td></td>
</tr>
<tr>
<td>Hotel banquet table-5'</td>
<td>50</td>
<td>$490</td>
<td>$280</td>
<td>$128</td>
<td></td>
</tr>
<tr>
<td>Iron patio table &amp; 4 chairs</td>
<td>50</td>
<td>$450</td>
<td>$279</td>
<td>$140</td>
<td></td>
</tr>
<tr>
<td>Hotel banquet chair</td>
<td>250</td>
<td>$85</td>
<td>$48</td>
<td>$21.50</td>
<td></td>
</tr>
<tr>
<td>LED fluorescent tubes</td>
<td>500</td>
<td>$110</td>
<td>$80</td>
<td>$45</td>
<td></td>
</tr>
<tr>
<td>Item</td>
<td>Quantity</td>
<td>Unit Price</td>
<td>Discounted Price</td>
<td>Final Price</td>
<td></td>
</tr>
<tr>
<td>-------------------------------</td>
<td>----------</td>
<td>------------</td>
<td>------------------</td>
<td>-------------</td>
<td></td>
</tr>
<tr>
<td>Wine Aerator</td>
<td>1000</td>
<td>$29.95</td>
<td>$15</td>
<td>$6</td>
<td></td>
</tr>
<tr>
<td>Landscaping pots - 2g</td>
<td>10000</td>
<td>$1.25</td>
<td>$.58</td>
<td>$.24</td>
<td></td>
</tr>
<tr>
<td>Acoustical ceiling tiles</td>
<td>5000</td>
<td>$4/tile</td>
<td>$3.50</td>
<td>$2.75</td>
<td></td>
</tr>
<tr>
<td>Plastic Sheeting</td>
<td>3000 rolls</td>
<td>$89</td>
<td>$40</td>
<td>$17.75</td>
<td></td>
</tr>
<tr>
<td>Socket Wrench</td>
<td>500</td>
<td>$25</td>
<td>$12</td>
<td>$7.25</td>
<td></td>
</tr>
<tr>
<td>Tie Down Ratchet Straps</td>
<td>2000</td>
<td>$29.95</td>
<td>$17</td>
<td>$4.75</td>
<td></td>
</tr>
<tr>
<td>Pigskin Gloves</td>
<td>500 pairs</td>
<td>$19.95</td>
<td>$10</td>
<td>$4</td>
<td></td>
</tr>
<tr>
<td>Paper Towel Dispenser</td>
<td>1000</td>
<td>$47.50</td>
<td>$25.50</td>
<td>$13.48</td>
<td></td>
</tr>
<tr>
<td>CUSTOM PARTS</td>
<td>Qty</td>
<td>Description</td>
<td>Unit Cost</td>
<td>Total Cost</td>
<td></td>
</tr>
<tr>
<td>----------------------------</td>
<td>-----</td>
<td>----------------------</td>
<td>-----------</td>
<td>------------</td>
<td></td>
</tr>
<tr>
<td>Aluminum Mould</td>
<td>1</td>
<td>n/a</td>
<td>$18,000</td>
<td>$6,000</td>
<td></td>
</tr>
<tr>
<td>Stainless Steel Mould</td>
<td>1</td>
<td>n/a</td>
<td>$40,000</td>
<td>$16,000</td>
<td></td>
</tr>
<tr>
<td>Plastic Mould</td>
<td>1</td>
<td>n/a</td>
<td>$25,000</td>
<td>$10,000</td>
<td></td>
</tr>
<tr>
<td>Plastic end cap</td>
<td>5000</td>
<td>n/a</td>
<td>$3.60</td>
<td>$.40</td>
<td></td>
</tr>
<tr>
<td>Printed Circuit board-4 layer</td>
<td>250</td>
<td>n/a</td>
<td>$15.75</td>
<td>$2.75</td>
<td></td>
</tr>
<tr>
<td>Plastic case-plug in pest device</td>
<td>100,000</td>
<td>n/a</td>
<td>$3.80</td>
<td>$.70</td>
<td></td>
</tr>
<tr>
<td>Metal Strike</td>
<td>500</td>
<td>n/a</td>
<td>$7.50</td>
<td>$1.21</td>
<td></td>
</tr>
<tr>
<td>Metal bracket/cam/rod</td>
<td>1000</td>
<td>n/a</td>
<td>$41</td>
<td>$3.87</td>
<td></td>
</tr>
</tbody>
</table>
**CHINESE MANUFACTURING FREQUENTLY ASKED QUESTIONS**

**Q.** What is Snoopit Imports fee?

**A.** We do not charge a fee for services. Snoopit Imports is compensated only if we locate & procure your product based on your specifications and acceptance. Our compensation is based on supplier cost and will be a part of the landed cost. When Snoopit Imports quotes a price, it will include our compensation as well as costs for overseas shipping, tariffs & customs fees. Our job is to source products in China. If we cannot locate your product at the right price then there is no cost to you.

**Q.** Can I see past products procured from China?

**A.** Yes. Please visit our [sample page](#).

**Q.** Do you offer Non-Disclosure agreements for your clients?

**A.** Yes. Upon request

**Q.** How can I protect my product from being duplicated?

**A.** All Snoopit Imports employees are required to sign an NDA (non-disclosure agreement) and Snoopit Imports will provide an NDA upon request to the Client. Snoopit Imports screens the manufacturers we partner with and they also agree to sign an NDA upon request. The manufacturers Snoopit Imports contracts with are respected and reputable companies in China. These manufacturers understand the consequences of breaking their contractual obligations and are very protective of their reputation.

**Q.** What if I am not satisfied with the finished product?

**A.** We want our Clients to be 100% satisfied and we will work with the manufacturers in China to rectify any issues in a timely fashion, until the job is complete and you are 100% satisfied with the results.

**Q.** Do you offer product sourcing in countries other than China?

**A.** Our manufacturing contacts are focused in China and we currently do not offer product sourcing in other countries.

**Q.** Will I be in contact with the manufacturers directly?

**A.** No. We handle the entire process.

**Q.** How much money will I save using Snoopit Imports?

**A.** Depending on your product, the savings can be significant. It is not uncommon to see savings between 30% to 60% of your current US wholesale costs.

**Q.** What type of products can Snoopit Imports source?

**A.** We can source virtually any product. We can also facilitate custom needs as well. Please visit our sample products page to see some of the past products procured. Send us a sample of your product or specifications and we will take it from there. There is no cost to you unless we are successful. Of course we cannot procure existing brand name products and we tend to stay away from very high tech
Q. How does Snoopit Imports control the quality of the product?
A. We work very closely with clients to understand the product specifications so we may find the right manufacturer to suit your needs. We always procure samples prior to production to ensure quality. In addition, we have (Chinese) employees located in China that visit the factory throughout the production process to track quality as per the specifications set forth by the client. We are involved in the entire process from sampling, production & delivery of your product.

Q. Can I have custom printing or packaging for my product?
A. Absolutely. Most Chinese manufacturers have this capability.

Q. What are the minimum quantity requirements?
A. Quantities required vary depending on product. Over the last few years, manufacturers in China have drastically reduced the minimum quantity requirements, sometimes as low as in the hundreds of units. Depending on the product, the customer should figure a minimum order of ten to twenty thousand dollars for an initial production run once samples have been approved. Of course this is only an estimated range. For example, lower cost products can produce between 800-2000 units @ $12 per unit, higher cost products will yield a lower quantity. Typically procurement is not based on a defined dollar amount, although for these purposes and based on our experience; this is the dollar amount that is generally acceptable and desirable to a factory in China on an initial order.

Q. Can I purchase products from the sample product page?
A. No. These are only examples of prior product procurements from China. Snoopit Imports does not inventory product to sell. We procure product based on our Clients specific requests.
CHINA MANUFACTURING TESTIMONIALS FROM SNOOPIT CLIENTS

"We used to purchase a 3’ extruded piece of aluminum from a local metal shop. When David stopped by our office and said he could save us half of what we were paying we didn’t honestly believe he could. He took a sample and returned three weeks later with a sample from China that was identical to what we were purchasing locally. He saved us approx 55% over what we were paying. We have since had David source a couple of other products we manufacture and are excited about the results. Thank you for your service."

- C. STOSE

"The metal bracket Snoop It had custom made in China that we use to mount our internal displays is the exact same bracket we have been using for 4 years. You reduced our costs by over 40%. Thank you again for your assistance"

- B. ALEXANDER
Facilities Management LLC

"Thank you for your efforts on the plastic case for our repeller. Last year we paid 7 times what we are paying today thanks to Snoopit Imports. I’ve heard of cheap prices in China for years now and it never really registered until I realized them myself."

- D. COFFEY
Pest-M, Inc.

"John asked me to send an email about our experience with Snoopit Imports and the product we import from China. I do not want to reveal the product other than to say it is a number plastic pieces that are an integral part of a larger system we manufacture and sell in the US. The amount of money we shaved from our production cost is significant, more than 70% on these particular components which translates to about a 12% overall savings on our entire system. I highly recommend Snoopit based on our experience. Thank you."

- J. LINDEN
TJ Enterprises, Inc.

"We are a retailer of advertising specialty products. Up until about six months ago, we purchased a variety of small ticket items from a distributor in the US (who undoubtedly was buying from China directly) that we market to larger corporations as “give-away” items. Using Snoopit’s sourcing capabilities we were able to reduce our cost of goods by an average of 50% over last years COG. This is quite amazing given it didn’t cost us anything to get started and was purely by luck that Snoopit’s rep walked into our office."

- L. REED

"SNOOPIT IMPORTS has been the best contact we have made since our company was founded. Up until now we have been paying wholesale prices for our paint cans, but we have now cut our costs 30% and that has been a huge savings due to the large volume of paint we distribute. I highly recommend you contact these guys before you spend another dollar with your wholesaler."

- B. ALLEN
Midwest Paint Co.

"I would like to thank Snoopit Imports for their prompt service and cost saving below our wholesale pricing. Our company has been manufacturing welding products and supplies for over 20 years and have never seen prices this low. If you choose not to use this import service you are doing your company and employees a big dis-service."

- M. PETERSON
Welding and Oxygen Services Inc
CHINA IMPORTS: LEARN MORE ABOUT US

Snoopit Imports has 15 years experience procuring products in China. Snoopit Imports management team visits China often and works directly with Chinese partners "on the ground" who oversee the process to ensure we are obtaining the best price and quality for our clients. We have imported hundreds of products over the years with unbeatable pricing that never cease to amaze. Please visit our product sample page to see a few of the products we have imported over the years.

Snoopit Imports focuses its efforts on products for small to mid-size companies and can also procure products for individuals, start-ups and inventors on a case by case basis. We generally limit our procurement to one Client per product area and will not sell to your competitors. Snoopit Imports handles sourcing for manufacturers, distributors, wholesalers & retailers across the US. Snoopit Imports regards Client confidentiality as critical and will never publish our Clients identity.

Anybody can find a product on the internet and purchase direct from China... the key is knowing the manufacturer you are dealing with so you get the best quality, price and ultimately delivery of the product.

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