



International resources for your world

HOW TO CHOOSE A GLOBAL SUPPLIER: FIVE STEPS TOWARDS A WINNING RELATIONSHIP

Choosing a global supplier is a daunting proposition. Foreign manufacturers are remote, and there are language barriers, cultural differences, fluctuating exchange rates and trade restrictions. Even the time-lags involved in working with companies in a completely different time zone can make you question whether entering the global marketplace is a worthwhile endeavor.

Picking an American global supplier with long-standing relationships with numerous foreign manufacturers throughout the world is the perfect way to handle these issues and enter the international marketplace. You have the ease of working with a domestic company with the benefits of working with many foreign countries and companies. But carefully following these critical steps in choosing the global supplier is the key to a successful relationship.

First Step: Deciding if a Global Supplier is Needed

When taking the first step, the most important consideration for any company is to evaluate whether your company needs a global supplier. There are strong reasons domestic entities take the global leap. Significantly, numerous manufacturing companies in the United States are smaller, often family-owned. They don't have the resources to hire personnel specifically to source the goods and materials they need. According to the [National Association of Manufacturers](#) 2015 data, there were 251,774 firms in the manufacturing sector, with all but 3,813 firms considered to be small.

Even for larger entities, an initial concern is whether the product involves a level of specialization beyond your capacity. Many times, the special knowledge, technology or equipment needed for certain products is beyond the company's abilities. And the costs for developing this expertise can be prohibitive.

A key concern for any company is whether you wish to use existing resources on product development and production. When you outsource to a global supplier, you do not have to divert limited resources away from your core product and can focus upon your competencies. You can minimize your costs of material, tooling, personnel, and other manufacturing costs.

And, the benefits for your organization can be realized instantly as you move on to other significant projects. Your company can move into more cost-effective new product development. Often increased excellence in other departments results.

Outsourcing to a global supplier also allows you to take advantage of business cycles. You can order according to your schedule and ask the supplier to manufacture according to your schedule.

The right global supplier works with manufacturers which have already made investments in the areas you need. They will have lean manufacturing systems, many of which have technological advancements, safety protocols and expertise in the needed product areas.

With the right supplier, you provide your product needs; target price and timetable and the supplier match your needs with the right source. The right supplier will make the product better, safer, faster and more economically. And they will pass those benefits on to you.

You may also consider the advantages of other services many global suppliers offer. Many will offer just-in-time inventory and offer the benefits of stocking products domestically.



Second Step: Finding Global Supplier Candidates

There are many ways to source the right global supplier. You want [a global supplier](#) with a great reputation and built in trust. You want a company with experienced staff that have all traveled to many of partner factories and developed strong working relationships with companies they can recommend to customers.

Personal recommendations through word of mouth and networking are a great way to start. If your referral is from a trusted contact in an analogous business, their introduction could be a great beginning.

Trade associations also have valuable information to help in your search for a global supplier. There may be suppliers that are active with the association and with others in your industry. Their experience could be very helpful in handling your product needs.

Larger associations, chambers of commerce or other professional associations can also be good sources. The members may not be in your industry, but they may have experience with trusted global suppliers.

Newsletters, blogs, and the internet offer an overwhelming amount of information on potential global suppliers. Once you have found a source, it is vital that the proper due diligence is used in vetting that global supplier.

Finally, manufacturers themselves may work with trusted global suppliers. They will know the global suppliers who have their trust and who they believe to be reliable.

Third Step: Looking for a Strong Global Supplier Relationship

Once you have found a potential global supplier, it is critical to ensure that this is the right partner for you. You are looking for a long-term relationship with a reliable global supplier. Your best value will be in the strength of this relationship, not just in the supplier that offers the lowest priced products. Comparing prices is just part of the equation.

Look for a global supplier who has a long track record in the business. Ensure they have long term relationships with global manufacturers and a depth of logistics expertise. Make sure they can master the recent changes in American tariff regulations and related issues with ease. Ensure that your satisfaction will be their top priority.

See what they know about your product and your industry. What other key experience relates to your needs? Will they offer suggestions and alternatives to save you money? Throughout the process, ensure that this is the supplier who will streamline your purchase and delivery experience with consistent and reliable service.

Evaluate the range of their manufacturing contacts. Ideally, you want a global supplier that works with a network of manufacturers and who has worked with a variety of industries.

Many companies find it is best to work with one global supplier with many manufacturing contacts. You will be a more important client and the global supplier will be more familiar with your needs. This also may lead to more effect deals on the products you source.

You also need to determine if the global supplier works with [ISO certified](#) manufacturers. Also ask whether they work with manufacturers with a broad range of abilities including the best manufacturing expertise in casting, machining, stamping, fabricating, plating, anodizing and injection molding.



You are looking for a global supplier that can grow with you. The global reach of their manufacturing contacts is important. They should have contacts in China, Taiwan, India and elsewhere to see where your needs can be met now and in the future.

This is a critical relationship of trust. It is vital to find a global supplier that will listen to your manufacturing needs and product specifications. Whether you send them a drawing, a specification or the actual part you need, you should be convinced that they will be the right partner to convey your specifications to the right manufacturer for your unique needs. And they should stay with you every step of the way until the product is successfully delivered.

Fourth Step: Working with the Right Manufacturers

You want manufacturers that can continually meet your needs with tested materials that satisfy your industry standards. You want a manufacturer committed to the highest standards of both quality compliance and product safety. You should evaluate their products to see for yourself.

In addition to the price at which your products can be produced, other critical factors are quality; reliability; value; service; and communication. See what other contacts the manufacturers have with your industry and what similar products are being made.

Evaluating the ownership, the company's production capabilities and the breadth of the operation is also critical. Looking at the strength of their technology and equipment is also important. Do they have the tooling, engineering, equipment and capacity to get your job done?

Developing a checklist of your needs is very useful at this stage. You must define your need and minimum supply requirements. Outline the critical lead times as well as the quantity and order requirements. What is the method of delivery and storage goals? How will quality determinations be made? What are the payment terms? What references can they offer?

You seek a long-term partner with an ability to grow with you. It is significant that you feel that you have come to the right place to fulfill this goal.



Fifth Step: Getting the Most from Your Global Supplier

You must ensure your ongoing relationships with your global supplier and the manufacturers they handle run smoothly. Your supplier should pay attention to detail and keep current with their knowledge of your industry. They should be tenacious and thrifty and use their expertise to stay with you every step of the process from design, prototype, production, and import to delivery.

Look for global suppliers that do business with many of the top 10 producing countries by GDP. With current tariffs, restrictions and trade challenges, ensure they continue to look for other opportunities in

more emerging markets. Their team should be in constant contact with suppliers and customers to ensure we continue to offer the best products and services at the most affordable prices possible.

Where a global supplier specializes in imports, their strong relationships with global suppliers and manufacturers and logistics expertise should allow them to master the recent changes in American tariff regulations. They should be able to tackle some of the most important issues include sourcing, pricing, transportation, customs, and quality control.

Finding a fair price that both the manufacturer and the supplier can agree upon takes trust, experience, and a hyper-awareness of the market. Their sales personnel should have years of negotiating with overseas companies, resulting in a great reputation and built-in trust. They should watch and evaluate markets to determine how to price products and materials on an ongoing basis.

Transportation changes across the globe continue, with strikes, new legislation and new processes presenting consistent challenges. They should use long-established contacts and works diligently to find solutions to these challenges and manage freight forwarding from beginning to end.

They must monitor changes in legislation that might affect trade, taxes, and duties, all of which are important factors in navigating this complex arena. They should have the experience and skills which are necessary to negotiate rates and provide savings that they pass onto you!

What our customers say:

“Since 2006, we have been purchasing quality parts from Con-Tech International. What started out as the purchase of a single item has since grown into a vendor that warehouses and supplies more than 50 separate items for us, and that number is sure to increase. Con Tech is not just a vendor, but has become an integral component of our supply chain and manufacturing process.”

K. Spahn

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