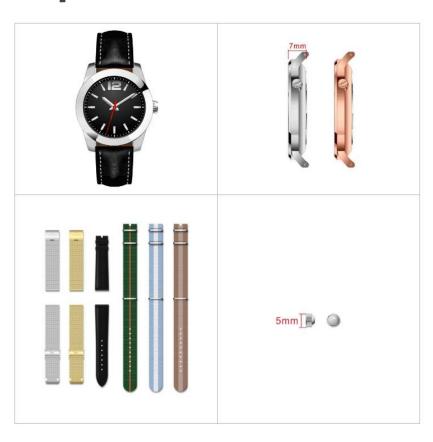
# How We Helped a Customer Create a Product in 4 Steps

- A Case Study

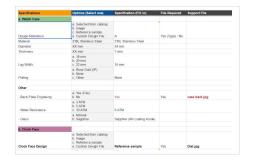
A Webinar Presented by Chinaimportal.com

# In this Webinar, I will explain how we helped a customer in 2016, to create their first custom designed product

## The product? A Wristwatch.



### **Presentation Overview**









**Step 1:** Prepare Product Spec Sheet

**Step 2:** Supplier Sourcing

**Step 3:** Sample Development

**Step 4:** Production, Payment & Quality Control

## **Starter Package 2018**

Get all the tools you need to manage the importing process by yourself, from your office or home.



- ✓ Tutorials, Videos & Interactive Tasks Lists
- ✓ Online Community
- ✓ Document Templates
- Book Quality Control, Lab Testing, Shipping
   More Via the Dashboard

**Disclaimer**: The Customer featured in this case study used the Starter Package to create their product.

Alternative solutions will be presented during this Webinar.

## **About this Case Study**

Client: Lanna Watches AB

Target market: European Union

Product: Custom Designed (OEM) Stainless Steel Watches

- **Time frame**: Q3 2016 to Q1 2017

 Note: The names of companies and individuals, mentioned in this case study, have been altered (as required by our privacy policy)

- ✓ What you will learn in today's Webinar can be applied to essentially any product category
- ✓ The methods apply to both private label products and custom designed (OEM) products
- ✓ This webinar will take around 1 hour (but save you weeks of work)

## **About the presenter: Fredrik Gronkvist**

- Co-founder of Chinaimportal.com
- Based in Shanghai since 2011
- Expert in product development and manufacturing in Asia
- Contributing to Global Sources and Alibaba.com



## **About Chinalmportal.com**

- A comprehensive and respected online knowledge base for importers (www.chinaimportal.com/blog)
- 240+ articles, guides and interview with leading industry experts
- Reaching more than 110,000 monthly readers, worldwide

Chinaimportal has been featured in...







Bloomberg

# Got questions? Use the contact form!

(We reply to all questions within 24 hours)

## Okay, let's get started!

# Part 1: Prepare Product Specification / Research Product Regulations

Specifications	Options (Select one)	Specification (Fill in)	File Required	Support File
a. Watch Case				
Design Reference	a. Selected from catalog     b. Image     c. Reference sample     e. Custom Design File	A	Yes (Type) / No	
Material	316L Stainless Steel	316L Stainless Steel		
Diameter	XX mm	34 mm		
Thickness	XX mm	7 mm		
Lug Width	a. 18 mm b. 20 mm c. 22 mm	16 mm		
Plating	a. Rose Gold (IP) b. None c. Other	None		
Other				
- Back Plate Engraving	a. Yes (File) b. No	Yes	Yes	case back.jpg
- Water Resistance	a. 3 ATM b. 5 ATM c. 10 ATM	5 ATM		
- Glass	a. Mineral b. Sapphire	Sapphire (AR coating inside)		
b. Clock Face				
Clock Face Design	Selected from catalog     Image     Reference sample     Custom Design File	Reference sample	Yes	Dial.jpg







### Part 1 Overview

- **1.1** Download product specification template and create spec sheet
- **1.2** Research all mandatory product safety standards, labeling requirements and other regulations

## Task 1.1: Download product specification template and create spec sheet

- A product specification includes all data and files that defines the product's design, functions and quality.
- 2. Example: Dimensions, Pantone Color Codes, Material Samples, Technical Standards (i.e., ASTM), Design Drawings, Label Files
- 3. **Question:** Why do I need a product specification?

## **Watch Spec Sheet Sample**

Specifications	Options (Select one)	Specification (Fill in)	File Required	Support File
a. Watch Case				
Design Reference	a. Selected from catalog     b. Image     c. Reference sample     e. Custom Design File	A	Yes (Type) / No	
Material	316L Stainless Steel	316L Stainless Steel		
Diameter	XX mm	34 mm		
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Lug Width	a. 18 mm b. 20 mm c. 22 mm	16 mm		
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Other				
- Back Plate Engraving	a. Yes (File) b. No	Yes	Yes	case back.jpg
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- Glass	a. Mineral b. Sapphire	Sapphire (AR coating inside)		
b. Clock Face				
Clock Face Design	Selected from catalog     Image     Reference sample     Custom Design File	Reference sample	Yes	Dial.jpg

## Task 1.2: Research all product regulations

- 1. Product regulations cover the following
  - a. Safety standards
  - b. Chemical restrictions
  - c. Labeling requirements and document requirements
  - d. Lab testing requirements
- 2. **Examples**: CE Mark (EU), REACH (EU), FCC Part 15 (US), CPSIA (US), AS/NZS (AU / NZ)
- 3. **Question:** What do I need to do to comply?

## How do I find out which regulations apply?

- 1. Government Websites
- 2. Lawyers and Consultants
- 3. ProductIP.com
- 4. **Starter Package Module 7:** Product Safety Regulations







## Part 2: Supplier Sourcing / Price Research

Customer: Lanna Watches AB

#### **Supplier Comparison Table**

SUPPLIER CODE	Α	В	С	D
Name	SZ Reik	SZ C Watch	SZ Sanobi	SZ Lastar
Supplier Information				
Registered Capital (CNY) 1 Chinese Yuan = 0.155 U.S. Dollars	500,000	2,000,000	2,000,000	XX,XXX
Product Certification United States / European Union	1	J	1	1
QMS Certification Quality Management System	1	1	×	×
CSR Audits / Certification Corporate Social Responsibility	1	×	×	1
Product Scope				
Main Products As listed on website	Steel, Zinc Alloy, Wood Watches	Steel, Zinc Alloy Watches	Steel, Zinc Alloy Watches	Steel, Zinc Alloy Watches
Product Catalog				
External Link Website / File	Access	Access	Access	Access









### Part 2 Overview

- **2.1** Sourcing candidate suppliers
- **2.2** How the client contacted the suppliers to request quotations
- **2.3** Supplier selection process
- **2.4** Factory Audit

## 2.1 Sourcing candidate suppliers

#### **Starter Package Navigation**

You can access all the services you need, either from Chinaimportal or our vetted third party service providers. Ordering these services is optional, and the Starter Package: Startup and Business versions are bundled with the Sourcing Report and Online Consulting, although you may still buy more tickets, if you need to.

#### **General: Supplier Vetting & Product Development**













#### Compliance & Quality: Quality Control, Factory Audits & Lab Testing











#### Other Services: Freight & Payment







Lanna Watches AB ordered a Sourcing Report (PDF) from the Dashboard

#### Sourcing Report



We help you identify suppliers for your product. Fill in the form below to request a Sourcing Report (PDF). If you are not familiar with the terms of the Sourcing Report, please read the FAQ below the Contact Form.

+ Download Sample Report (PDF)

How to order a Sourcing Report

1. Order Sourcing Report Ticket (1 Product Category / Ticket)

V 1 Ticket (\$79)

V 3 Tickets (\$149)

V 5 Credits (\$199)

Notice: The Startup version includes 1 ticket, and the Business version includes 3 tickets (You can order additional credits after you run)

2. Fill in the form below and submit to order Sourcing Report

Notice: 1 ticket is automatically deducted

#### General Information

### Product Name (Required) Stainless steel Wrist Watch Product Category (Required) Watches Product Specifications (Required) Material: 316L Stainless Steel Design: OEM - See file attachment Thickness, 6.5 mm I'm not a robot reCAPTCHA

Order Report

Customer: Lanna Watches AB Order ID: 21893

#### **Supplier Comparison Table**

SUPPLIER CODE	Α	В	С	D
Name	SZ Reik	SZ C Watch	SZ Sanobi	SZ Lastar
Supplier Information				
Registered Capital (CNY) 1 Chinese Yuan = 0.155 U.S. Dollars	500,000	2,000,000	2,000,000	XX,XXX
<b>Product Certification</b> United States / European Union	1	1	1	1
QMS Certification Quality Management System	<b>√</b>	<b>√</b>	×	×
CSR Audits / Certification Corporate Social Responsibility	1	×	×	1
Product Scope				
Main Products As listed on website	Steel, Zinc Alloy, Wood Watches	Steel, Zinc Alloy Watches	Steel, Zinc Alloy Watches	Steel, Zinc Alloy Watches
Product Catalog				
External Link Website / File	Access	Access	Access	Access

The Sourcing Report (PDF) is delivered within 3 working days

## Where should I look for suppliers?

Supplier Directories: Alibaba.com, Globalsources.com

Company Data: Registered Capital, Year of Registration

**Product Scope:** Are they specialized in your category?

**Product Compliance:** Uploaded test reports and certificates

Company Certificates: Quality Management, Social Compliance (CSR)

## 2.2 How the client contacted the suppliers to request quotations

**Step 1:** Visit supplier websites and find their phone number

Step 2: Make introduction call and obtain the email of a sales rep

**Step 3:** Submit product specification files and your safety standard requirements list

**Step 4:** Follow up with suppliers on a regular basis via Wechat and Skype, until you have received your quotations

## 2.3 Supplier Selection Process

Α	В	С	D
SZ Reik	SZ C Watch	SZ Sanobi	SZ Lastar
\$18.5 (Win)	\$20.45 (High)	No quote provided	\$16.41 (Low)

- It took 2 weeks to receive the quotations and countless follow ups
- 1 supplier was not interested in quoting the customer (SZ Sanobi)
- The customer selected Supplier A: Shenzhen Reik Watch Co., Ltd based on their compliance track record, quality management system and competitive unit price

Customer: Lanna Watches AB

Order ID: 21893

#### **Supplier Comparison Table**

SUPPLIER CODE	Α	В	С	D
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Product Catalog				
External Link Website / File	Access	Access	Access	Access

## 2.4 Factory Audit







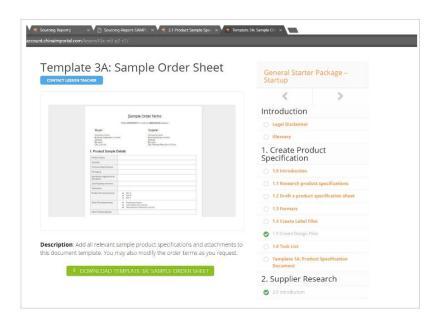


- Before **paying for samples**, Lanna Watches ordered a factory audit via Chinaimportal.com
- The **Factory Audit** gave them valuable insights into the supplier's production capabilities
- The Factory Audit was executed a few days after the order, and the customer received a **Factory Audit Report** in PDF format.

# Got questions? Use the contact form!

(We reply to all questions within 24 hours)

## Part 3: Product Sample Development

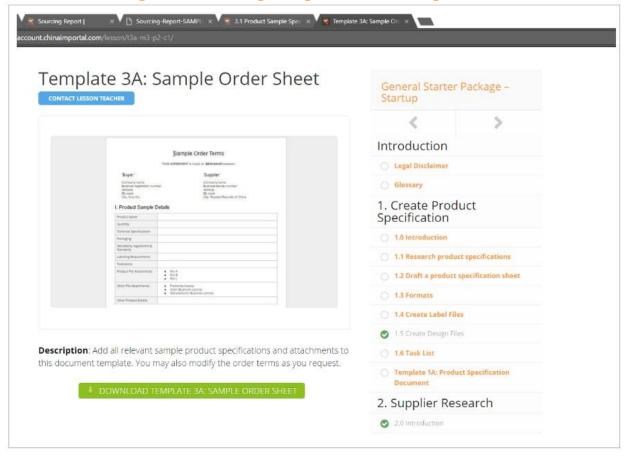




### Part 3 Overview

- **3.1** Download template to prepare sample order sheet
- 3.2 Pay product samples and obtain 2D rendering
- **3.3** Sample production process

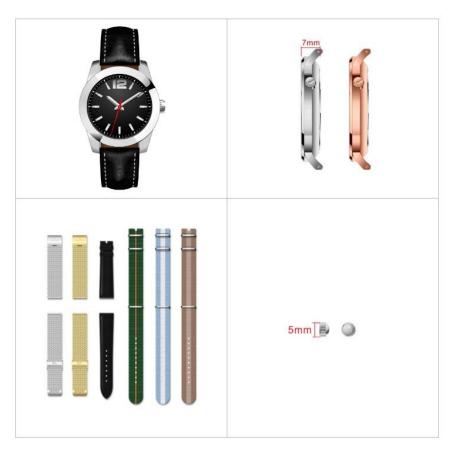
### 3.1 Download template to prepare sample order sheet



## Why do I need a sample order sheet?

- a. List all **product specifications** and **compliance requirements**
- b. Define Intellectual Property (IP) ownership terms
- c. Define **mold and tooling** ownership terms
- d. **Payment** terms and sample **production** time terms

## 3.2 Pay product samples and obtain 2D rendering



- a. **100% prepayment** before sample production start
- b. The supplier provided a **2D** rendering to 'confirm the design' before moving forward
- c. The tooling and sample order process was at this point expected to take **45 days**

## 3.3 Tool and sample production process

a. In the end, it took **2 sample revisions and more than 2 months** before the customer had a sample they could approve

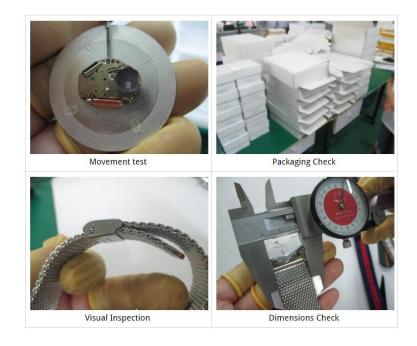
b. Lanna Watches AB supported the supplier during the process, and provided suggestions to **all sample issues** they found (i.e., missing logos, wrong colors)

### And this was the result...





# Part 4: Production, Payment & Quality Control

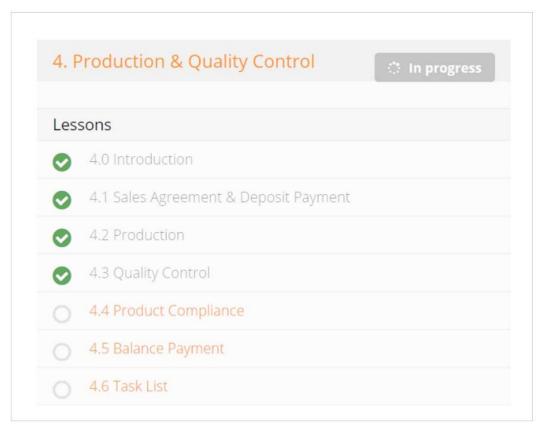


Watches (Stainless	Steel 316L)	
Product Category	(Required)	
Watches	*	
Your details		
	(Demoissed Heatherman	all and discount of the state of
<b>Your Email Addres</b> purchase)	ss (Required - Use the same ema	all address you used for the
info@lannawatche	s.net	
✓ I'm not a robot	<b>@</b>	
✓ I'm not a robot	reCAPTCHA Privacy-Terms	

#### Part 4 Overview

- **4.1** Sales Contract
- **4.2** Deposit payment (30%) and production start
- **4.3** Quality Control Booking
- **4.4** Quality Inspection
- **4.5** Lab Test Booking
- **4.6** Balance Payment (70%)

## 4.1 Download template and prepare sales contract



## Why do I need a contract with the supplier?

- 1. Communicate your **product specifications** and **quality requirements**
- 2. Communicate your product safety requirements
- 3. Communicate how your **quality assurance process** works (to put pressure on your supplier to actually comply with 1 and 2)
- 4. Establish a framework for **shipping** terms, **payment** terms, late delivery penalties and **defective** products

## 4.2 Deposit payment

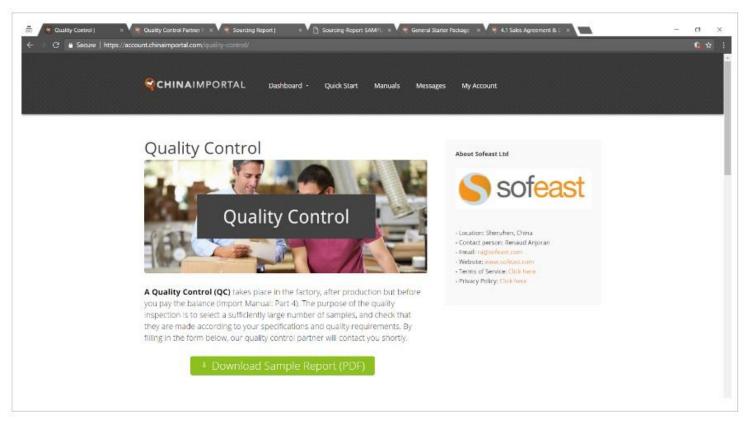
- 1. Pay **30% before production**, 70% after the products are finished **and** quality and compliance are verified (Do NOT pay 100% in advance)
- 2. Only pay the **company account**

3. Do **NOT** pay to private bank accounts or via Western Union

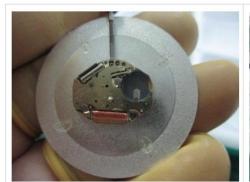


The Supplier started production after receiving the deposit payment...

## 4.3 Quality control booking



### 4.4 Quality Inspection



Movement test



Visual Inspection



**Packaging Check** 



**Dimensions Check** 

- a. The Quality Inspection was executed after production was completed
- b. The QC company confirmed the quality checklist with the customer before visiting the factory
- c. The QC report (PDF) was delivered 1 day after the inspection

#### This was checked

- Visual Inspection
- Dimensions
- Movement test
- Drop test
- Water pressure test
- Glass hardness test
- Packaging materials

## **Quality Inspection Result**

In total, the inspection agency checked 120 pcs (of 600 pcs). The statistics came out as follows:

Minor defects: 4 pcs (Dust, minor marks)

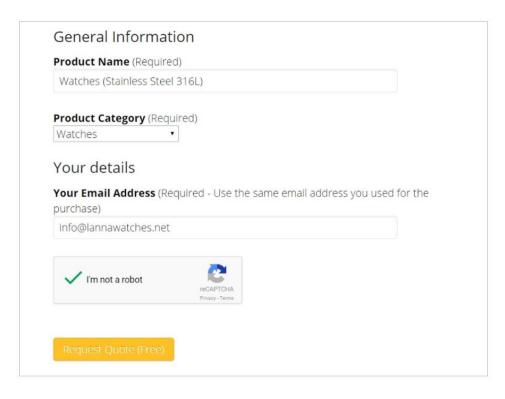
Major defects: 1 pc (Malfunctioning movement)

Critical defect: 0 (None)

Result: The Customer approved the order

# Product quality was verified, but one step remained...

## 4.5 Lab Test Booking



- a. Lanna Watches booked the compliance test via the Dashboard, 2 weeks before completion
- b. The QC company collected 4 samples and submitted to the lab testing company
- c. The client booked a REACH and RoHS test for the IP Rose Gold Case and REACH for 2 strap color variants

### **Compliance Test Result**

The compliance company requested batch samples directly from the supplier in Shenzhen. Exactly one week later, the customer received a test report with the following result:

**REACH: Passed** 

**RoHS: Passed** 

Hence, the customer could finally approve the batch, and wire the balance.

## 4.6 Balance Payment

**1.** Lanna Watches AB paid the **remaining 70%** after both the quality control and lab test was successfully completed

**2.** Due to the small size of the shipment, the customer ordered **air delivery** via DHL, to a fulfillment center in the EU



After 6 months, Lanna Watches successfully shipped their first product in early 2017 (And you can do the same)







#### So, what did we learn here today?

- ✓ Step 1: Create a product specification sheet
- ✓ Step 2: Research all mandatory product regulations
- ✓ Step 3: Use Alibaba and Global Sources to find the right supplier
- ✓ Step 4: Place a sample order and cooperate with your supplier to get it right
- Step 5: Draft a sales contract before placing the order
- ✓ Step 6: Pay 30% before production starts and 70% after the quality is verified
- Step 7: Always get your goods quality inspected and lab tested

## How do I take the next step?

#### "How do I take the next step?"



#### **Option 1: Do it yourself**

- + You save money
- Very high risk of failure
- Very time consuming



#### **Option 2: Hire an agency**

- + They will do it for you
- Most agents are not qualified
- You will pay thousands of dollars

#### Hiring an agency can be really expensive...

Service	This is what you pay if you hire an agency or consultant
1. Create Product Specification	US\$500 - 1000
2. Supplier Sourcing / RFQ	US\$500 - 700
3. Sample Management	<b>ODM</b> : US\$300 - 500 <b>OEM</b> : US\$1500 - 2000
4. Agreement & Freight Booking	US\$1000 - 1500
5. Product Compliance	1. Standards Assessment: US\$900 2. Create Documents: US\$3000 3. Create Labels: US\$1000

Total: -\$10,100

#### We offer an affordable alternative







## Let me show you a live demo...

# Got questions? Use the contact form!

(We reply to all questions within 24 hours)

## Webinar Bonus Package

#### **Use the Discount Code to Get This:**



- ✓ Starter Package 2018 with USD 100 Discount
- Creating your first Shopify store (Value: \$79)
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- Crowdfunding Guide (Value: \$79)
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- ✓ Step-by-step instructions and images
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- ✓ Setup menus, pages, themes & adding products
- ✓ Payment gateways, shipping options & Shopify Apps

#### Part 2: Marketing

- ✓ Blogging & Google SEO
- ✓ Facebook, Instagram and Youtube Ads
- ✓ Google Adwords & Retargeting
- ✓ Setting up an email list

#### Included Webinar Bonus: Selling on Amazon (Value: US\$79)



#### Part 1: Shipping & Labeling

- ✓ FBA Labels
- ✓ Fulfilment Centers & Delivery Options

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- ✓ Amazon quality requirements, defect rates and returns
- ✓ How to avoid quality issues and delays (that can get your account suspended)

#### Part 3: Product Certification Requirements on Amazon

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- ✓ Document submission and product descriptions

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#### Part 1: How to get started

- ✓ How to setup a Kickstarter account
- ✓ How to set up an Indiegogo account

#### **Part 2: Crowdfunding strategy**

- ✓ At which stage in the process should you raise funds?
- ✓ Crowdfunding product sample development

#### Part 3: How to deliver your product

- ✓ What comes next once you've raised the funds?
- Shipping and logistics options for crowdfunding



## 1 on 1 Call Session

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#### How to get the Webinar offer

- 1. Go to www.chinaimportal.com and select your product category (i.e., Watches)
- 2. Scroll down to the price table & select your version (i.e., Startup)
- 3. Use the discount code in the checkout to get USD 100 off + all bonuses assigned to your account

#### This offer is ONLY available to Webinar attendees

(You will not see this elsewhere)

Let's take a look at two products that's been made using the Starter Package...



## The DrawBag (USA) Image Copyright TheDrawbag.com



DR. W. (Netherlands)
Image Copyright DR. W.

We have <b>testimonials</b> from customers in the US, Europe & Asia Pacific	

#### The Starter Package has already paid for itself many times over

Chinaimportal.com offers exceptional value for money. It is only one month since I signed up for the Starter Package and it has already paid for itself many times over. The living reservoir of relevant and concise manuals, guides, templates, webinars and a complete spectrum of optional services are impressive.

The fact that, as a signed-up member, I will have lifetime access to these constantly updated resources at no extra cost is absolutely amazing.



- Noel Coburn, Clarity BES, Ireland

#### Look no further, no one else offers this kind of service

I'm extremely happy with everything I have received from Chinaimportal. I purchased the Starter Package and also hired them to source out a manufacturer for me. They are very responsive and thorough and also offer a ton of free education you cannot get anywhere else. If you want to do business in Asia then this is the definitive source you will need to be successful. Look no further, no one else offers this kind of service to make your business importing a smooth journey. I give them 5 stars and have no trepidation in recommending them.



- Debra Jacobson, D Jacobson Consulting, United States

#### The case studies and templates are a lifesaver

After completing another comprehensive Importing course, which had a strong focus on product selection and overall strategy, I found I still had gaps in the operational detail and day to day know-how reality of importing. This forced me to look specifically for a course that filled the gaps and provided the necessary 'real life' detail needed to operationalise this business – the Starter Package by Chinaimportal provided just what I was looking for.

I love the overall coherency of the course and how each module logically follows a systematized path which leads to an understandable outcome – the course not only provides a clear understanding of 'how', but more importantly the underlying reasons 'why! The case studies and templates are a lifesaver and provide invaluable knowledge for entrepreneurs or start-ups looking to stitch together a great understanding of importing. If mitigating operational risks in a business with multiple challenges is what you are looking for, you can't go wrong investing in this course.



- Riki Solomon, General Manager, Clever Importing, Australia

## **Q&A Session**

I plan to import from **Vietnam / India / Other country in Asia**. How can I use the Starter Package?

What If I'm **not based in the EU or USA**... Can I still use the Starter Package?

### Not based in the US or Europe?

(We've got you covered)

Country Guide: Australia & New Zealand Country Guide: Canada Country Guide: Singapore **Country Guide Country Guide Country Guide Singapore** Australia Canada & New **Zealand** *QCHINAIMPORTAL* **QCHINA**IMPORTAL *QCHINAIMPORTAL* 

Webinar Bonus Package (Recap)

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