



Attachment

2.1 Supplier Communication

Communicating with suppliers in China is one of the biggest challenges for importers. Especially those who don't have previous business experience dealing with the Chinese. In this attachment, you will learn what you must know about communicating with your suppliers.

a. Be overly clear and brief in your communication

Do not send long paragraphs or use slang, when providing the supplier with information. Always keep your writing short and on point. For example, product information and quality requirements must only be provided as brief bullet points – not as paragraphs.

When you ask questions to your supplier, you must provide them with a fixed format for their reply. Instead of asking your supplier an open-ended question, you shall give them a multiple-choice question – therefore framing their reply.

b. Focus on your business only

Do not get personal with your supplier, and do not give praise unless necessary. Keep your focus strictly on the business, and do not stray into irrelevant topics.

c. Never use moral or emotional arguments

Try to keep your cool as much as possible. Trying to convince a supplier that they have done something wrong, by using moral or emotional arguments, is pointless when dealing with Chinese (and largely, other Asian) suppliers.

d. Always require the supplier to confirm and reconfirm details

Asian suppliers are generally not proactive in their communication. They will not take the time to explain that your specification is missing important details.

Instead, they may rather take advantage of such gaps. It is therefore extremely important that you always get confirmations from the supplier – in writing – on everything from technical details to the production time of a certain product.

e. Keep your supplier informed

Don't stop replying to your supplier, or put the project on halt for several months. Just as you don't like to be ignored by your supplier, neither do they. If you decide to disqualify a supplier, you must also inform them of your decision.

f. Expect fierce resistance at times

Chinese suppliers will always try to get extreme benefits for themselves. They are tough negotiators, and will often make a fuss over small things to make their customers think twice before asking for some sort of benefit.

For example, a supplier may pretend to be upset about a customer's demand to sign a Sales Agreement – before an order.

Never give in to a supplier's demands, and never let them dictate the terms for your business relationship. You must be fair, but hard.

g. Refer to a 'superior' whenever you meet resistance

The Chinese are familiar with a strict hierarchy. If a supplier attempts to reduce your leverage (i.e., refuse to sign a contract before an order) you shall refer to 'company policy' or 'instructions from the CEO' – as this can quickly deflect their demands. This kind of argumentation also is often used by the suppliers themselves.

h. You are the project manager

The supplier will not drive your project forward. Their role (and mentality) is to only respond to their buyer's instructions. Such is the nature of contract manufacturing.

They will not actively inform you of how the process works, from sourcing to production. Neither will they have standardized procedures to follow, but adapt to the processes of their customers.

i. Never show yourself as 'small or weak'

Always pretend that you are bigger and more experienced than you actually are. Even if you are a small startup with limited funds, you should make them believe that you are an established player.