
OUTSOURCING TO A FURNITURE BUYING OFFICE / SOURCING COMPANY

When your importing furniture from China, generally there are three ways you can conduct the transactions/ business. Either the importer (*you*) can contact a supplier directly (*who may or may not be who you think they are*) you can use a 'sourcing agent' or you can use a Furniture Buying Office.

Of course, different business all have different people with different experience and skill sets, with sourcing agents there are some highly competent agents, there are also some who are incompetent, immoral (*the worse type*) there are also Buying offices which are amazing, aswell as buying offices that are completely awful, with no process and unprofessional staff.

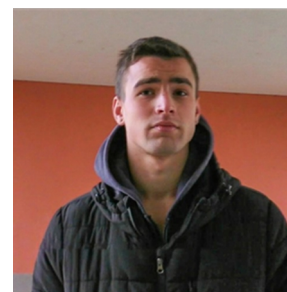
As such its impossible to come to any firm conclusion about whats going to be best for your business, this is something that only you, the importer can decide.

However, after well over a decades experience in China, working with hundreds of importers, essentially starting off as a sourcing agent myself, building easyimex.com to become the professional Furniture Buying office it is today. After saving so many importers from the perils of working with terrible agents I am going to draw this table based on 'typical scenarios'

Again, this table is not conclusive. It does not mean no importing business has the capability to successfully import from China. Likewise, it does not mean all agents are bad!

However, I am someone that has put my lifes work into building a furniture buying office. I have done this because its my personal opinion that if an importer is going to bring new product ranges to market, import multipule containers per month, they want to ensure that product, assembly, packing, instructions, carton marks and quality are all spot on, every single time. They can not do this at any scale without a presence on the ground, in China, working to set process to ensure that happens like clockwork everytime!




So based on my own personal observations below over many years, I have drawn up what I see as a very typical scenario across all of the tasks & skillsets required to successfully import furniture from China.







ADAM
Managing Director

THE TABLE COMPARES:

1 IMPORTING FURNITURE DIRECT	2 IMPORTING FURNITURE WITH AN AGENT	3 IMPORTING FURNITURE WITH A PROFESSIONAL BUYING OFFICE
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TASKS & SKILLS	IMPORTING FURNITURE DIRECT	IMPORTING FURNITURE WITH AN AGENT	IMPORTING FURNITURE WITH A PROFESSIONAL BUYING OFFICE.
 <p>SOURCING THE BEST OPTIONS FOR FURNITURE</p>	<ul style="list-style-type: none"> • May not already have someone with experience sourcing • May not have someone that has the hours it takes to do a good job of selecting the right factory. • Expensive to attend trade shows in China. • Unable to speak Chinese and have as detailed conversation with the manufacture about product, challenges and how to overcome (<i>assuming the business is forging ans does not have Chinese speakers</i>) 	<ul style="list-style-type: none"> • Often engages only few factories and selects based on relationships. Is not critical enough on if the factory is truly the right fit for the importer. • Able to attend trade shows aswell as source factories outside of websites like Alibaba, global sources • generally reports to no one and may not spend as much time sourcing if they feel the options are good enough. 	<ul style="list-style-type: none"> • Has an office of experienced staff defined process in place plus the man power & sourcing experience to ensure good sourcing done everytime • Has an IT (<i>ERP system</i>) to ensure staff follow a process and that a minimum number of manufactures are invited to quote, and a minimum number of quotes to be obtained. • Attends all furniture trade shows in China. • Existing database & relationships of suitable furniture manufactures. Many of which in the furniture have little to no online presence.
 <p>FACTORY AUDIT</p>	<ul style="list-style-type: none"> • May not understand the importance relevance of doing an audit. • Would need to be outsourced to a 3rd party. The audit then needs to be interpreted by someone at the business who may not be experienced in manufacturing process and as such can not evaluate the results of the audit to make the correct decisions and following actions. 	<ul style="list-style-type: none"> • Agent may not do an audit report and may be bias based on which manufacture offers him/her the best incentive /kick back to place orders. 	<ul style="list-style-type: none"> • Professional audits carried out by the Quality Team. • Due to the scale of manufacures already dealing with, many audits on many factioies already done, so no additional cost. • Factory audit results carried out and concluded by a separate Quality Department, meaning total impartiality.
 <p>QUALITY ASSURANCE / SIGNING OFF SAMPLES</p>	<ul style="list-style-type: none"> • Travelling to China expensive and time consuming to sign off samples • Airfreight/seafreight furniture samples is either very slow, or very expensive and even any changes can not be done/agreed with the manufacture face to face. Generally first samples need adjustments of some sort, meaning to sign off a sample correctly can take many months. 	<ul style="list-style-type: none"> • Agent may have many skills but generally they are not experienced/trained in Quality Assurance. 	<ul style="list-style-type: none"> • Professional team of Quality Assurance staff who follow a set process to sign off sample/assembly/instructions & packaging for every single furniture SKU.
 <p>PRICE NEGOTIATION</p>	<ul style="list-style-type: none"> • Able to negotiate directly for the best deal for the company. • If inexperienced they may negotiate price at the expense of quality 	<ul style="list-style-type: none"> • May or may not negotiate the best deal depending on how hard they try, relationship with factory etc. • Worse case they may end up 'negotiating with the importer' more than they negotiate with the manufacture. Often a mind set that the importer has loads of margin and they can afford to pay more. 	<ul style="list-style-type: none"> • Follows a process from collecting multipule suppliers to quote, final specs and highly experienced managers who know as a furniture buying office, they must be competitive vs all other options. • Buying offices are able to export under their own licence, meaning they can negotiate/purchase in the Chinese local currency, the RMB, meaning manufactures don't need to factor in various charges and exchange rate fluctuations, often leading to a better deal.

TASKS & SKILLS	IMPORTING FURNITURE DIRECT	IMPORTING FURNITURE WITH AN AGENT	IMPORTING FURNITURE WITH A PROFESSIONAL BUYING OFFICE.
 <p>PAYMENT TERMS</p>	<ul style="list-style-type: none"> • Generally will get factory standard payment terms 30% deposit, 70% against BL. 	<ul style="list-style-type: none"> • Generally will get factory standard payment terms 30% deposit, 70% against BL. 	<ul style="list-style-type: none"> • Many furniture buying offices have the ability to provide credit to their customers. Payment terms can then be as good as 0% deposit 100% 90 days after bill of lading.
 <p>PURCHASE</p>	<ul style="list-style-type: none"> • Not able to create a contract valid under Chinese law as a non Chinese entity. • Maybe does not know what should go into a contract when purchasing from a Chinese manufacture. • Not able to purchase in the domestic version of the Chinese Yuan (<ul style="list-style-type: none"> • May or may not create valid contracts valid under Chinese Law • May or may not be able to purchase in domestic Chinese Yuan 	<ul style="list-style-type: none"> • Able to create a contract valid under Chinese law as a Chinese entity. • Highly professional purchase contract with set clauses in to protect and enforce the importers best interests. • Able to purchase in the domestic version of the Chinese Yuan.
 <p>QUALITY CONTROL</p>	<ul style="list-style-type: none"> • Has to outsource quality control. Then needs to take the reports, read these and decide each container if stock can be sent. • Potentially working with a Quality Control company who has been incentivd by the manufacture not to show 'the real picture' 	<ul style="list-style-type: none"> • Is probably not professional for furniture quality control. • As a sole agent, can not travel for every order, every factory and do the hours of work professional Quality Control requires – as such many faults get shipped, and not found. 	<ul style="list-style-type: none"> • Has professional, full time, quality control team all over China. • All reporting goes to a Quality Manager to process each and every order and relevant actions • Has a process and path to follow to allow/deny goods can be shipped. • Only acceptable quality levels of mass produced furniture are allowed to be shipped.
 <p>VENDOR MANAGEMENT</p>	<ul style="list-style-type: none"> • Does not understand the landscape in China. As such communication can sometimes break down. They don't understand the 'story behind the story' and as such, are not best positioned to work with the factory to solve. • Does not understand the culture in China, personal relationships become bad for many reasons as a result. 	<ul style="list-style-type: none"> • The agent is working with the factory against the customer, as such the real position of the agent is that they do not want to 'fight' the factory on the customers behalf. 	<ul style="list-style-type: none"> • Professional & experienced team that when challenges arise, initiate the right conversations about the challenges, works with the manufacture and the furniture importer to communicate the situation, and what options are available to mitigate any problems that do arise.
 <p>CRITICAL PATH</p>	<ul style="list-style-type: none"> • Furniture importer places orders and has no answer when orders are late 	<ul style="list-style-type: none"> • Agent does not even know what a critical path is 	<ul style="list-style-type: none"> • Sample development and orders all follow regular, weekly critical paths.

■■■ CONTACT INFORMATION:

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