



Top 10 China Sourcing Companies Part 2: The Scoring
China Performance Group - June 2021

Skill/Experience	Scoring (1-5)	Why is this important?
Experience		
<i>Years in Business</i>	<p><i>The Experience score is based on a combination of Years in Business and Management.</i></p> <p><i>The highest score is given to companies who have been in business the longest, and to the company with the largest team and which provides the clearest evidence of good management structures.</i></p>	<p>Experience matters. A service company that has been in business a long time has experience with a broad range of situations and the know-how to deal with each one. Longevity reflects business resilience, strong management, and long-term success that can add value to clients in direct proportion to that experience.</p>
<i>Management</i>	<p><i>Deductions are made for companies that have not been in business very long, are very small, obscure their management team, or exhibit a lack of management know-how.</i></p>	<p>Success is all about management as well. Supply chain management requires a good understanding of procedures and systems and a proven ability to manage people. A large team and a long history imply management know-how.</p>
Cost & Transparency		
<i>Cost</i>	<p><i>The Cost & Transparency score is based on the combination of transparency of the sourcing service fee structure and the clarity of how this impacts the cost of goods, as well as providing and facilitating transparent relationships with suppliers.</i></p>	<p>Service providers must be paid. They must offer value for money. Their fee structure should be in line with the interests of both the buyer and the agent. There should be no conflict of interest. It should be clear whether the fees are based on service or commission, and whether the service provider receives income from suppliers.</p>
<i>Transparency</i>	<p><i>The highest score goes to the company with the clearest and most credible fee structure, as well as provides any and all factory/supplier information to the client.</i></p>	<p>Transparency is about trust. Buying directly from factories requires a level of trust. Transparency means the buyer knows everything it needs to know about the factories it is dealing with and that it maintains complete control. The job of a great</p>

		sourcing company is to facilitate direct access, while also being up front about all fees and cost structures.
Expertise		
Three Essentials	<i>The score is based on what each company explicitly offers in terms of managing the 3 essentials: Price, Quality, and On-Time Delivery. Deductions are made for omissions of the three essentials. The highest score goes to the company with the least deductions.</i>	<u>The Three Essentials</u> are the WHAT of the supply chain. They are interlinked and you must have all three. Management of each and understanding their interaction is considered essential knowledge to support clients.
Sourcing Focus	<i>Additionally, the score is based on the explicit claims of other supply chain activities. The highest score goes to the company with the clearest sourcing focus.</i>	Jack of all trades, master of none. Expertise in China sourcing is essential. Supply chain management requires specific expertise. A company that highlights expertise in many different services, such as market entry and shipping, is deemed less qualified than one whose entire focus is sourcing.
Product Focus	<i>Lastly, this score is also influenced by evidence of clearly defined product expertise. The lowest score goes to companies that focus on specific products or industries.</i>	It is essential for two parties to have expertise in the product: the buyer and the manufacturer. It is essential for the service provider to have supply chain know-how and expertise (i.e., how to manage the sourcing of the product).
Communication	<i>The score is based on each company's website. Deductions are made for language errors and lack of information about key supply chain elements. The highest score goes to the company with the least deductions.</i>	Communication is key. It is the life blood of all enterprises, and is particularly important for long-distance sourcing in which details and consistency are crucial. Supply chain success can be traced back to excellent communication, starting from a clear understanding of a buyer's vision and objectives, to precise correspondence between buyers and factories. Conversely, failure is often a communication failure.

China Focus	<i>The score is based on what each company explicitly offers in terms of access to different parts of China. Deductions are made for companies that only operate in specific regions. The highest score goes to the company with the least restrictions on regional access.</i>	“Buying from China” means that all regions of China have been evaluated. A China support office should have a nationwide perspective: it should evaluate regional alternatives and find the best suppliers that fit the buyer's requirements, no matter what part of China they are located in.
Headquarters	<i>Indicates the presence of a USA office and native speakers on staff.</i>	Real-time US-based support is important. US-based companies have a better understanding of US importers. They have expertise and can address issues in real time.
Target Market - Focus	<i>Indicates focus on size and industry.</i>	Companies can determine the best fit for their needs based on size and industry focus.