



Sells Like **HOT CAKES**

How You Can Get From Zero To \$47,812 Per Month With No Capital
Or Investments Using A Simple Amazon +Shopify System

FBA STRATEGIES: MUST KNOW TIPS TO HELP YOU IN DEALING WITH FACTORIES

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Hi, guys. Welcome back to Sells Like Hot Cakes. In this short video, we're going to talk about dealing with Chinese factories and I'm going to share with you some tips from my experience and experience that I've gained from working with Chinese source agents, factories, and everything that comes with it. Here are the tips and tricks on how to communicate with Chinese factories and what you should be aware of.

Here's a sneak peek of what you'll learn today:

- ***The RIGHT WAY to present yourself to factories, so that you are taken SERIOUSLY***

- ***How to GET BETTER DEALS by giving out the SWAGGER of a Professional***

- ***SIMPLE TRICKS to save money when ordering samples from Chinese Factories***

- ***How to HANDLE Payment of Samples, so YOU don't get CHEATED!***

- ***REASONS you should VISIT the factory as much as possible***

- ***TIPS on How to get Exclusivity and Signing NDA Agreements: DO THIS to protect your brand!***

- ***PRODUCT CUSTOMIZATION: Why this is VERY IMPORTANT, if you want to keep IMPROVING your products on demand and Separate yourself from the CROWD***

- ***TIPS on what to LOOK OUT for when INSPECTING your PRODUCT***

Here are my tips, enjoy.

The main tip for you is to present yourself as a big corporation to get the initial interest. No matter if you are a one-man operation and you're just starting out, if you want to be treated seriously, you need to present yourself professionally. Try to get yourself a domain, a website, a professional email with a signature like CEO or managing director of some sort of corporation or company so that the factory knows that they are dealing with a professional person that is representing a company or corporation because factories get a lot of inquiries and they don't want to waste their time on people who are not serious, who are just wanting to get a quick buck and not going to place a big order with them.

That's why, if you present yourself as a big company, you'll get much more trust and respect and you might get better deals. Even if you're going to order a small



quantity, like 500 or 1000 pieces, try to present yourself as a big company and talk that you're going to order a big quantity later and you're just testing the new market and want to test the waters, but later, you will order a lot from this company and you are going to work really seriously with them. It's really, really important when you deal with Chinese factories.

The next tip for you is don't agree on things too quickly; always say, "I need to discuss with my business partners. "This will make an impression that you are a serious company and you have a Board of Directors that you need to consult with before you make a decision. If you agree too quickly, it will give the impression that you are a one-man operation and not so serious. Now if you feel like you are dealing with a sales manager and not a factory CEO, then try to build a rapport with such person and let them feel like they understand your situation.

For example, if you are negotiating the prices, say something like, "My boss doesn't agree on this price. I need to discuss with my boss," so even if you are the boss of yourself and you are just a one-man operation, give an impression that you are consulting with your partners or with your boss to help the factory understand that you are really a serious person. This is really important when dealing with Chinese factories.

The next tip is that Chinese people don't like to say "no" and they don't like to take risks. Sometimes it gives some confusion in communication, so you need to keep that in mind. Sometimes the communication can be unclear, so don't hesitate to ask again if you're not sure what they said and if they agree or not on your terms. Here are the next tips. Imagine if you are going to ask for a sample from the factory. First of all, you need to ask specifically to get a working sample.

Yeah, it's pretty much obvious to you, but for the factory, it's not so obvious. They can give you a nonworking sample if they are not serious about your company and they think that you are just a one-man operation; they might treat you differently. You must say that you are going to analyze the sample in a laboratory and do a specific inspection of the sample. That means that you treat the sample really seriously. Ask the factory to put a label saying, "Sample. No commercial value," or just put \$5 as the value. This will save you a lot of money in international taxes of import.

I had a lot of mistakes when I was just starting out; I didn't ask the factory to put that label and, on a \$5 umbrella that I was receiving a sample, I had to pay almost \$70 of tax because the importing company considered my shipment as a commercial shipment. That's why it's really important to take care of this when requesting a sample. Make sure that you get your sample cost deducted from the purchase order later. One sample can cost you \$100-\$150 in costs, so you just waste money if you don't get this sample cost deducted from your later order.

If you are ordering to the United States, please make sure that US plug is included and it's safe for 110 volts in case you have some sort of electronics because the Chinese don't assume that by default and they might be working with European client before on 220 volts and different plug. Remember, never pay for sample cost to personal accounts because this always means that somebody is trying to take



advantage of you by inflating sample costs. If you pay for samples, always make sure that you are paying to the factory account.

The next tip: Always find out how you can visit the factory in person, even if you're not going to in person yourself, however, I recommend to do so. You can still ask your sourcing agent to visit the factory for you. Remember, you are investing thousands of dollars into this business and you need to treat it carefully and professionally. That's why, even if you cannot afford to travel to China yourself, you can easily hire your sourcing agent or inspection company and pay them for travel costs to go on the bus or by train to the factory. It's really worth it to visit the factory in person, trust me. It's really worth it.

The next tip is to find out if the factory has worked with the FBA program before and if they know about the labeling process. There are a lot of factories that have never worked with Amazon before, so for them, dealing with labels and shipment to Amazon in the United States or Europe can be a very confusing process. I really don't like to deal with these kind of factories directly. In such a case, you need a serious sourcing agent that can take care of labels and correct shipment.

Otherwise, you will be struggling a lot. If you are working with a factory that is selling directly on Amazon themselves, like many Chinese do, or this factory is working with white labeling businesses on Amazon, they know already how to put labels, how to ship to the United States Amazon door-to-door, so you will save a lot of time and money dealing with factories who have already worked with the FBA program.

The next tip is to discuss "exclusivity" and sign NDA agreements in case you are developing your custom product or your brand. It's really important, guys, that you protect your brand and, if you asked for enhancement for the product that you are developing, you really need exclusivity agreement with your factory so that they cannot just give the same design to the next client and you just lose all the rights.

The next tip is for you to discuss the customization options of the product. You need to find out how flexible the factory is in improving the product according to your demands. Don't just put a logo on the product; you need to put good effort into improving the product that will help you a lot later to stand out among the competition. See what 1 star reviews of your competitor complain about and try to improve on it.

If your competition doesn't have, for example, some sort of certificate, then if you get the certificate, it will help you to stand out. Find out what your competitors are and try to improve your product. Don't just put on your logos, but improve the features and ask the factory if they are flexible in doing so. Many of them will, because they also want to have better product after all.. It's a win+win.

The next tip is to act as an expert in the field you plan to order your product. Do your research first. Even if you are not an expert in this field, make sure you research it because, if you are dealing with a factory that is working with this kind of product for years and you look like an amateur that has never worked with this kind of product, then they will not treat you professionally; they will think you are just a



newbie. That's why do your homework first and make sure you sound like a professional in the field that you are trying to order the product.

The next tip is to try and meet with the factory representatives in person to negotiate lower prices. I know not everybody can fly to China, but you can also ask your sourcing agent to go to the factory directly in person and discuss the price. Trust me, a lot of Chinese people will give you a lower price if you negotiate face-to-face compared to email or Skype. Also, guys, fly to China yourself too. It's not as expensive as you think, and it's a great adventure and you'll learn a lot.

You investing thousands of dollars in this business, so why not invest a couple of thousand extra just for yourself to go to China and experience everything in person? You can visit Canton fair in Guanzhou or other big expos and you can just combine visiting expo and visiting the factories and your sourcing agent and just do it all in one nice trip and experience a different culture. It will give you a lot of memories and experiences for future work.

The next tip is communicate over Skype. From my experience, a lot of Chinese factories and agents like to use Skype as their main source of communication. Email is rather slow and there are a lot of services that are blocked in China, like Facebook, and sometimes transferring files to China is a bit of a pain. Try to use Dropbox, Baidoo, which is a Chinese search engine and file transfer service, WeTransfer.com, and even Skype for small files.

You can use these services to transfer your product design files, logos, insert cards, and things like that. Also if you feel like the Chinese representative English is not that great, just give them a break. You know that that is their second language, so don't judge them. Try to understand them and be very friendly in communication; this will go a long way. Also if you discuss payments terms don't always insist on PayPal.

Most factories don't like PayPal because of huge fees for them (close to 8%) and if you insist on PayPal they will have to put those fees on you.. Instead sign a contract and simply use bank wire by pre-paying 30% upfront to start production or Alibaba escrow services or letter of credit for bigger orders. And of course stay away from Western union and from paying to personal accounts, always pay to factory account only!

One more tip, try to confirm everything twice or three times and verify and check everything several times. Did you put suffocation labels? Did you put FBA labels correctly? Did you put "Made in China" labels? Did you put "Fragile" stickers? Did you put the correct barcodes? Did you include the insert cards? Check all, guys. Remember, the factory is a big company. They have hundreds and hundreds of people working there in a messy environment and you might be talking to their sales representative, who is speaking English, but then he has to translate everything to Chinese to his other workers and your ideas and expectations can be lost in translation.

You must take care of things and verify everything several times. Remember; always do an inspection after the product is completed. Always verify, verify, and



verify. Trust but verify ☺ The last tip, guys, the delivery service and train transportation are really cheap inside of China, yes, inside the country, so you can easily transfer your goods between cities in China for just \$30-\$100 even for a big amount of boxes. Transferring stuff inside of China and visiting factories by train or by bus, it's really cheap.

Don't worry to pay extra for your sourcing agent and ask them to visit the factory, to visit the shows, and to communicate in person and to do personal inspections. It's really not expensive inside of China, so you save a lot of headaches if you inspect your products carefully inside of China before you ship them outside. That's it for today and I really hope my tips were helpful for you! If you like it, please don't forget to comment, like, share the videos and I will see you inside the Sells Like Hotcakes members area!