

Title: "Quality Control & Design Security"

While China QC is no longer an oxymoron, there is still a lot of "hand holding" required to ensure suppliers fully understand your specs and have the ability to maintain quality. **Only through physical inspection of the facilities and review of actual production samples will you gain a true understanding of your supplier's ability.** If you are unable to make the trip yourself, there are independent agents like PassageMaker that can assist with this qualification and analysis process.

- **Always see an actual production sample from the actual supplier.** It may sound simple, but you would be surprised at the number of so-called suppliers who actual trading companies that farm things out to sub-suppliers with out full disclosure to the buyer. This creates an additional level of margins. More importantly, should a problem in quality arise, the lines of communication are complicated by middlemen.
- **Ask the supplier to provide their internal QC documentation.** For example, stipulating that the supplier's testing and inspection data accompany the shipment will let them know you are serious about quality.
- **Employ local Quality Assurance inspectors and independent laboratories.** Not realizing that companies like PassageMaker provide independent inspection services at affordable rates (USD 450 per day), some buyers wait until the goods arrive at the destination to perform an inspection. Even if your payment terms are structured to limited you financial exposure in that final payment is made after inspection, should you run into a QC issue after the goods have arrived at the destination, you still have the headaches associated with missed delivery dates, negotiations of corrective action, and costs of scraping or returning the goods to China. It is always a good idea to inspect the goods before they leave China.

Almost every buyer is concerned with how to ensure blueprints, design specs, tooling and brand names are protected during the quotation and production phases. Here are some tips from the team at PassageMaker who deal with copycat avoidance on a daily basis:

- Do not disclose the product's final use and remove confidential information from prints and samples.
- Consider dividing your product into individual components to conceal "the big picture" during the request for quotation stage and perhaps for production.
- If possible, do not disclose the buyer's identity. Let the supplier quote based on the product and order size, not based on how much money they think may be in your pockets.
- Sign a letter of confidentiality. However, even with such a document, confirmation of wrongdoing and enforcement is difficult. Therefore you should own the tooling out right. Any funny business and tooling is extracted from vendor.
- Even if you have no plans to sell your products in the PRC, you should consider registering your trademarks and designs in China. Having done this, the court system is on your side should you face infringement by a supplier. Luckily, registration is inexpensive and straightforward. Costs are under 2000USD in most cases.