



How To Find A Manufacturer Or Supplier

Once you have settled on your perfect idea for your new business and after reading our previous guide on the different ways to transfer your idea into a sellable product, your next step now is to find the right manufacturer or supplier for your idea. In this guide we are going to cover the main pointers on sourcing a manufacturer for your idea. We will go over the places where you can search for suppliers, how to approach them and what you should be asking them. Let's get started!

Domestic VS Overseas Suppliers

Overseas naturally refers to any location overseas but usually it refers to East Asian Countries like China, Taiwan and India. When it comes to finance, overseas products sourcing is almost always cheaper, however there are more points to consider rather than just upfront investment and cost. Both the domestic and overseas sourcing have their pros and cons, which we will go over.

Domestic Sourcing

Pros

- Higher quality regarding manufacturing and labor standards.
- Easier communication without the language barrier.
- Has the marketing appeal of being made in North America.
- Easier to verify trustworthy and reliable manufacturers.
- Faster shipping.
- High protection of intellectual property right.
- Higher payment security.

Cons

- Higher costs.
- Less choices for a product (Many items are no longer produced in North America).

Overseas Sourcing

Pros

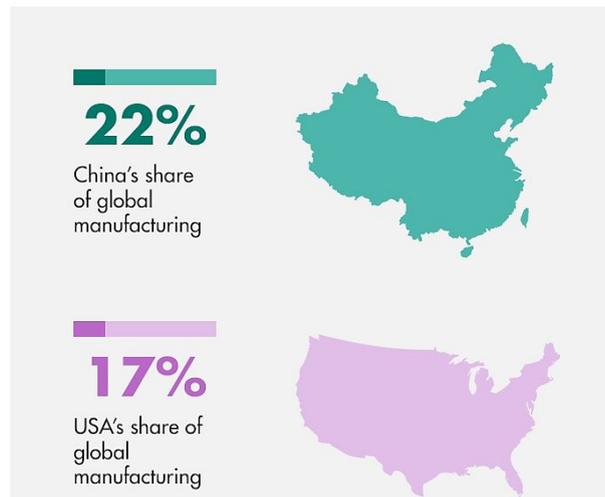
- Lower costs.
- High number of manufacturers to sift through and choose from.
- A Large range of product choices.
- Easy to navigate suppliers through different platforms (which we will discuss shortly).

Cons

- Lower perceived quality from customers.
- More than often, lower manufacturing and labor standards.
- Lack or rather little protection of intellectual property.
- High possibility of language and communication barriers, causing difficulties and delays in the process.
- Difficult to verify the manufacturer.
- Longer shipping time.

- Issues of product importation and customs clearance.
- Less payment security.

Once you go through the advantages and disadvantages of domestic and overseas sourcing, you should have now a better idea on which path you will take. Your next step is how or rather where to start searching for your supplier or manufacturer.



Sourcing Research

1. Directories

Free online **supplier directories** are some of the best sources. They contain profiles for hundreds and thousands of manufacturers, suppliers and wholesalers. Here is a list of some of the most popular online directories for both domestic and overseas suppliers;

Online Domestic Directories

- [Kompass](#)
- [Markers Row](#)
- [ThomasNet](#)

Online Overseas Directories

- [Alibaba](#)
- [AliExpress](#)
- [Oberlo](#)
- [Sourcify](#)



There is a whole other range of suppliers' websites that can be found with further online research. You should probably try to use a variety of terms when searching such as, wholesaler, distributor, etc., since these terms can be interchangeably used.

2. Referrals

Another great source for getting suppliers is by **using referrals** from people in your social network. People who are in similar or close industries would help you to start uncovering suppliers, and point you in the right direction. Even if the ones they recommend to you are not suitable for your needs, you would at least have somewhere to start from and be able to make connections in the field that would lead you to the manufacturer that is the right fit for you.

3. Trade Shows

Finally, **trade shows** are a great opportunity to find both suppliers and new products, since many suppliers will not reveal all their products online to stay ahead of their competition. Trade shows allows for a face-to-face interaction, which helps the company to know more about you, your country and your business so that they can determine how you can help open up new markets for them. This could open more room for negotiations on price and many other aspects in your favor.

There are three types of trade shows:

- a) **General trade shows:** A broad selection of products.
- b) **Industry-specific fairs:** Targets a specific industry.
- c) **Regional marketplaces:** Highlight suppliers nearby in the area.

Verification of Potential Suppliers



Verifying the supplier is a highly important step especially when you are approaching a new vendor or you are going for a large order, or a somewhat complicated product. This helps you avoid dishonest suppliers and scams that could rip you off. You can either verify the supplier company yourself, or you can use a third party like [MatchSourcing](#) to do a more in-depth work for you.

Verification of Suppliers should include:

- **Company Background:** Business license, registration, certificates and patents. Year of registration, quality management and product compliance. These basics will help you weed out unqualified vendors from the beginning.
- **Check for customer and exporting records.** This allows you to see how 'busy' the company is, and what their customer base is like. It also gives you an insightful look on their level of organization.
- **Phone call or video meeting.** Do they seem pro-active? Are you comfortable to work with them? The nature of how the potential suppliers interact with you is a signal for follow-ups.

- **Visit the factory.** If not yourself, then via a third party. This visit is essential to assess if what they have written about them and what they say about themselves is in alignment with how they really work or not. Many companies and factories tend to talk big just to win orders. Have specific goals prior to your visit to know exactly what you want to inspect, from factory scale and the production process, to personnel and performance.

Contacting Potential Suppliers

Plan out all that you want to say and the questions you need to ask the potential manufacturer to ensure that you will receive correct information. This is usually sent along with your request for quotation from the supplier, also known as 'RFQ'.

Some important points to consider asking about include:

- Minimum order quantity?
- Sample pricing?
- Production pricing?
- Turnaround time?
- Payment terms?

Many of the suppliers and manufacturers don't respond to all the requests they receive, since some of those requests they receive come from flaky buyers who are still 'testing the waters' and are not serious about taking action. So, in order to make your request more serious, authentic and increase your chances at getting a response back when you are reaching out to suppliers for the first time, avoid long e-mails filled with background information and unnecessary details at this early phase.

Opt for a short, concise , well formatted e-mail, for this will ultimately provide you with better replies and answers, especially since there is a high chance (with overseas suppliers) that the supplier is using translating programs to translate it along with their response.



Sample of how your outgoing e-mail could be:

Hi,

My name is John and I am from ABC Company.

I am interested in placing an order for ITEM #1234. I just have a few questions beforehand:

- 1. What is your minimum order quantity (MOQ)?*
- 2. What is your cost per unit at the minimum order as well as if I were to order 4x your minimum order?*
- 3. What are your payment terms for new customers?*

I would also like to order a sample of ITEM #1234 to verify quality. Can you please send me the cost for the sample, including shipping to:

"State Your Company's Address Here"

*Thank you,
John*

Finding the right manufacturer and supplier is a unique process and experience. It is a critical decision and not always an easy one for your new business to try and source suppliers that are a good fit. There is no one-size-fits all supplier, you need to figure out the core factors that can push your business forward. If at any point you get frustrated when you hit dead ends, remember that it only requires a little more patience and perseverance to find the perfect partner for your emerging business.