



How To Get A Product Made

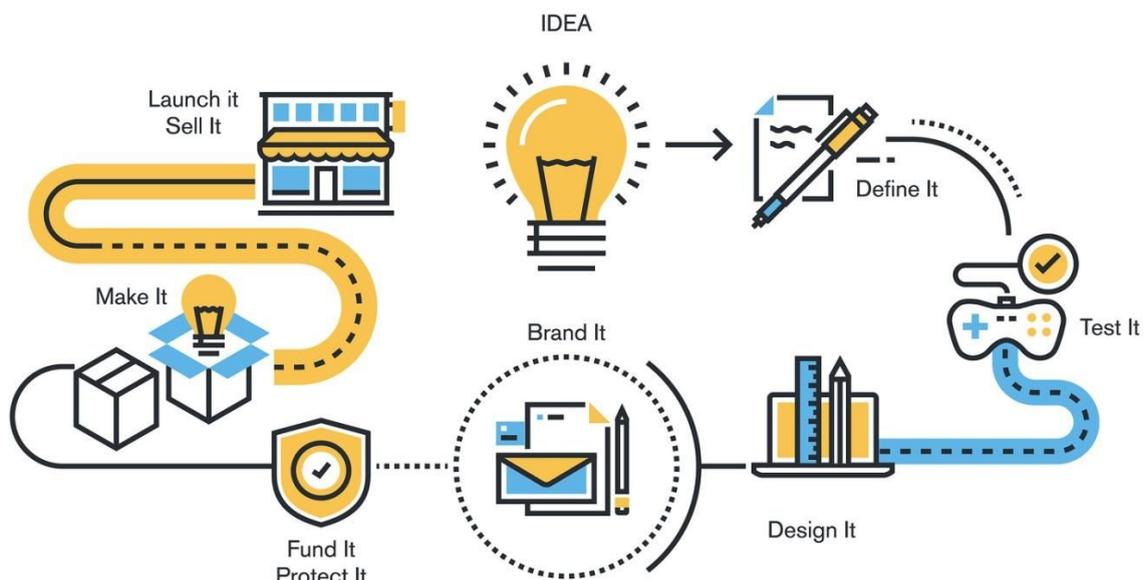
Congratulations! You have come up with a product idea and you are now all ready to start your business, which is just great! You are about to embark on a long but exciting journey to building your business. Your next step to put things into action is to figure out how you are going to acquire the products that you want to sell.

When it comes to acquiring your new products, there are several options to consider, each with its own challenges. The most common methods of acquiring your products and stocking your inventory are; manufacturing, drop shipping and private labeling.

Depending on your product, the market and niche, one method would probably be more suitable for you and your business than the others. In this guide, we will be discussing each of those three methods thoroughly with the pros and cons of each method so that you would have a good idea about how those methods works in order to choose the right one for you.

Manufacturing

The Process



When it comes to starting from scratch by manufacturing your product, there are two ways to go about it;

1. Make the product yourself

Many people are talented with their hands and are professional when it comes to crafting and creating quality products. Be it jewelry, fashion, natural beauty products, wood work, clay work or any other craft, making your product is a common approach for many creative crafters. Making your own products allows for the precise control over the product quality.

The primary costs associated with making your own products are; purchasing raw materials, storage of inventory and labor. When it comes to making your products, the most obvious limitation is scalability. It is also a route that highly depends on your skills and available resources. Making your own product is perfect for people who are creative and want to implement their unique ideas.

Pros

- **Low Startup Costs:** The raw materials and the fact that you don't have to produce a large upfront number of items when you start all add up to low production costs.
- **Brand Control:** No limitations and the freedom to create your own brand.
- **Price Control:** You get to price your product as you see fit, taking into consideration both the expenses as well as the time you spend creating your product.
- **Quality Control:** Ensuring that your products live up to your expectations as well as your customers.
- **Agility:** Allowing you to adjust features and the quality of the product whenever you want.

Cons

- **Time Consuming:** Depending on the nature of your product, making your own product can be highly time-consuming, leaving you less time to focus on expanding and building your business.
- **Scalability:** When your business kicks off, it would be a challenge to scale up while maintaining the same quality. A solution for that would be to look for labor or a manufacturer to help you scale-up, again, it would depend on the nature of your product.
- **Limited Product Choice:** Your skill and available resources are what will determine your potential products.

2. Find a manufacturer

When looking for a manufacturer to create your products, you can either look domestically or overseas. A domestic manufacturer however, would cost more than a manufacturer from overseas countries like China or India. One place where you can look for overseas manufacturer is through [Alibaba](#). It is one of the largest B2B (business-to-business) market places that connects (mostly) Asian manufacturers to North American buyers. There are several other similar companies that cater to different markets and needs.

Manufacturing your product is suitable for people who have a unique product idea, or an innovative variation of an existing product. Manufacturing will require a great financial investment upfront, thus, you should validate the market for your product and be confident that it will sell.

Pros

- **Lowest Cost Per Unit:** This gives you the greatest profit margins on your product.
- **Brand Control:** Having your product manufactured gives you the liberty to build your own brand.
- **Price Control:** You get to price your product as you see fit.
- **Quality Control:** As opposed to other methods of acquiring a product, manufacturing your own product allows you to be in control of its quality.

Cons

- **High Startup Costs:** Depending on the costs of your product and the manufacturer, your inventory investment can be highly costly reaching thousands or tens of thousands of dollars.
- **Scam risk:** There is the potential of fraud schemes from the manufacturer, which could bring your business to a halt.
- **Takes Time to Kick Start Your Business:** The long process of prototyping, sampling, refining and production is a lengthy one that you need to go through before you get your business up and running. Using overseas manufacturer might make the process even lengthier and more difficult due to potential language, cultural and distance barriers.

Drop Shipping

Another method of acquiring products is drop shipping. The main concept of drop shipping is selling products that you don't actually own. The process starts by taking orders from your online business and then, you forward those orders to your supplier or drop-ship partner. Next, they will ship the product to your customer on behalf of your company. The key to making money with dropshipping is to make a profit on the price difference between what you charge the customer and what your drop shipping partners charge you.

In drop shipping, you can either work directly with manufacturers who offer drop shipping or you can work with a drop-ship aggregator like [WorldWide Brands](#). The aggregator works with hundreds of manufacturers and makes it easy to sell different types of products without the need to maintain relationships with each individual manufacturer.



Pros

- **Low Startup Costs:** You never carry inventory, thus, you never have inventory costs, which are generally the most substantial cost for a budding ecommerce business.
- **Low Risk:** Not purchasing your inventory upfront eliminates the risk of having items that won't sell.
- **Streamline Sales:** Drop shipping provides convenience and efficiency since the drop-ship partners will be responsible for picking, packing and shipping the product on your behalf. This allows you to manage your business from anywhere.

Cons

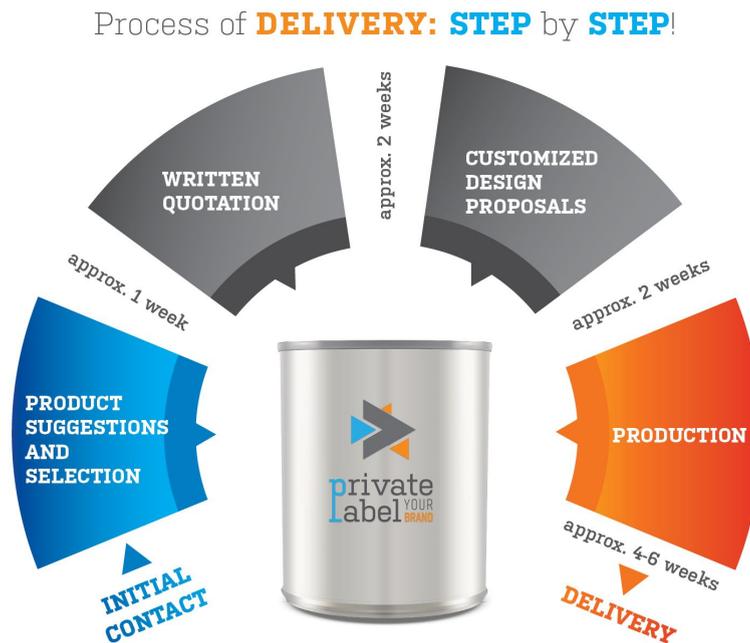
- **High Competition:** Due to the low barriers of entry in the drop shipping business, many people take on this method, which makes the competition a bit harder to set yourself apart from similar companies.
- **Low Profit Margins:** This means that you would have to sell at a considerably high rate in order to make a decent profit.
- **No Quality Control:** You mostly depend on customer's feedback to know how good and efficient the product is. Other than that, you really have no access to controlling the quality of the products.
- **Backordering:** Since you are relying on someone else's inventory, there is the off chance that you might place a shipment order to the wholesaler with the product being sold out. This would cause longer than normal delivery times and could reflect badly on your company.

Private Labeling

In private labeling, the product is made by a manufacturer but sold under a retailer's brand. The process is not that different from buying products for resale. You would still have to look for products and suppliers, build an inventory, and market your product. However the products will be sold under your brand and not the manufacturer's brand.



[BigCommerce](#) is an ecommerce platform and a website builder that allows for easy product listings, secure payment processing and order and inventory management facilitating the entire product selling process.



Pros

- **Higher Profit Margins:** Purchasing your products from a manufacturer and then putting your logo on them before you sell them will lower the product unit cost and lead to a higher profit margin.
- **Product Modification:** You can change the products you sell and modify them anytime depending on the needs and the requirements of the customers.
- **Building a Strong Customer Base:** When a product meets the needs of the customers and is of a decent quality, chances are, the customers will grow attached to your brand since it provides them with products that they love.

Cons

- **Takes Time To Build A Name:** The private labeling process usually takes a lot of time and energy until you create a brand name that resonates with the consumers. At the same time, if at any point your product, packaging or even your logo is not top-notch, the reputation you've worked so hard to create can be harmed beyond repair.
- **No Quality Control:** You are completely dependent on the manufacturer when it comes to quality. If the manufacturer becomes unreliable or fails to make products with consistent specifications, then your business and brand name would be at risk.

- **No room for innovation:** With purchasing a premade product from another manufacturer, this deprives you from the ability to make product improvement or any other product enhancements that you might think of along the way.

Most products will fall under one of those product-acquiring methods. Depending on your chosen product, market and niche, you might not have an option of which model you choose, and the route would be pretty much obvious to you. It mostly depends on the type of product that you plan to sell because some products would fall under a certain category. Nevertheless, the method you end up using to sell your product will define and shape your entire business onwards. That is why it is important that you understand both the advantages and the disadvantages of each method so that you would be confident of making the best choice for your business. Good Luck!