



# Managing Brand Integrity in China

## Across Multiple Vendors

A SUPPLY SOLUTIONS NETWORK PRINT OUTSOURCING GUIDE



*Focused on providing innovative and cost-effective print outsourcing solutions since 2004.*

# Consumer Packaging Challenges

The most common problem consumer product companies encounter when using multiple factories in China for product production is inconsistencies in packaging material and branding. Even when their primary Chinese contact is provided with clear guidelines and stringent quality control processes, product quality and consistency are still major challenges for U.S. purchasing agents, product managers, quality control and marketing departments.

Substrates help bring strength, durability, and color to the printing process. Unfortunately, packaging substrates can vary from one factory to the next, and from order to order. Managing color on those ever-changing substrates is nearly impossible. Because Chinese factories are constantly working to increase their margins and reduce costs, using multiple suppliers is a very common practice there.

So what can be done?



# The Value of Self Sourcing

U.S. companies who choose to source packaging production through a U.S.-managed Chinese graphics arts supplier specializing in packaging take back control. All factories the supplier contracts with must order product only from the specified source. Substrates are controlled along with color and quality. This process also simplifies sending artwork, making it possible to move a product to a new factory without concern or recertification of the packaging.



# Managing Resistance

## Initial Negotiations

When first requesting a price quote, always ask for tooling and packaging to be broken out separately. If you do not specifically request the break out from the beginning, the Chinese supplier will give you an inflated or inaccurate price in order to keep control of the packaging sourcing if the request is made further down the production timeline.

You will find the Chinese resistant to providing the breakout, and they will work hard to stonewall your request. Even your Chinese buying office will resist giving up control of packaging sourcing as it directly affects their control of the project. They become very concerned when another party is communicating with the home office. Simply put, they will look upon your packaging supplier as a potential spy, a foreigner with close connections to their employer.

Be polite, but be insistent.



# Managing Resistance

## Price Hikes

It is not unusual for factories to make deals with their favorite suppliers, and taking bribes in China is a common practice. The factory's printers are often relatives, or the factory's purchasing agent is receiving kick-backs for buying product from them. They will often make deals to run higher quantities, and then deliver them over a period of time. At the same time, quality problems are overlooked or slipped into otherwise good packaging in order to use up what has been produced and not replace it.

As unethical as these practices may be, as long as you are aware of this type of behavior, they can be countered with processes that insure best practices are consistently employed. Just In Time (JIT) or vendor-owned inventory systems similar to those in the U.S. can be used with a new producer to manage packaging costs.

Expect resistance...maintain pressure...be consistent.



# Managing Resistance

## Delivery Delays

When you specify a personal packaging supplier, it is common for the Chinese factory to place orders late and then blame your supplier for late shipments. The only way to put a stop to this practice is to let them know you back your supplier 100%. The Chinese will come to understand that if your supplier is not satisfied with their performance, neither will you be, and they will change to keep the business.

It is also advisable to share demand schedules with your packaging supplier so they can be prepared for upcoming orders from the factories.



# China Print Outsourcing Facts

- Heavy commercial equipment in China is state-of-the-art and less than 15 years old; most is better than what is used in the U.S. today
  - [Heidelberg](#)
  - [Manroland](#)
- Mirroring Chinese business etiquette goes a long way to build strong relationships with overseas sourcing management, employees and production partners. A solid relationship built on trust will make it easier to reduce production errors, eliminate hidden costs or extra charges, avoid damaged goods, produce consistent quality and assure on-time delivery.
- Use engineering-savvy translators – such as those in SSN’s China office – to guarantee specifications are met.
- For more facts about China outsourcing, download SSN’s latest outsourcing guide by clicking this link for [7 Strategies to Minimize Risk When Outsourcing Production to China](#).





# About Supply Solutions Network

Supply Solutions Network (SSN) provides quality offshore printing, manufacturing and assembly solutions that reduce the risk and cost of procurement to small and mid-sized businesses. SSN is not simply a broker; we are a team of China outsourcing experts with almost 100 years of combined experience negotiating, managing and implementing real manufacturing and assembly solutions through our relationships both in the United States and China.

## In-depth Sourcing Methodology Minimizes Risk

Since 2004, Supply Solutions Network has built the resources and established the relationships necessary both in China and the United States to successfully negotiate and manage projects totaling millions of dollars. Here in the States, our management team applies this experience to every offshore project we handle. SSN-US provides drawings, schematics, specifications, photos, and other detailed descriptions directly to the SSN-China buying office. Our in-depth sourcing methodology involves completing a series of check points to ensure every production detail is understood and completed to original specifications.

Supply Solutions Network's office in Changzhou, China near Shanghai employs experienced procurement and project managers who are trained to get the best possible price and finished product for our customers. This team is fluent in the English language, including engineering terminology, which ensures specifications are clearly understood and communicated, and projects are produced and shipped as agreed.

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Supply Solutions Network is offering eligible outsourcing companies a **complimentary one-day 5-Point Outsourcing Analysis** conducted by a member of our senior management team which includes:

1. A review of your current outsourcing strategy and recommendations for enhancements or improvements
2. Meeting with your procurement team to discuss processes, metrics, costs, projections, and goals to determine if you are receiving the best value
3. Determining what, if any, processes should not be outsourced – and identify others where outsourcing would be beneficial
4. Providing measurable service level agreement standards for use when outsourcing
5. Assessing risk factors and how they can be minimized

To determine if you are eligible for our complimentary 5-Point Outsourcing Analysis conducted on site at your location, email [analysis@suppliesolutionsnetwork.com](mailto:analysis@suppliesolutionsnetwork.com) with your contact information. A Supply Solutions Network outsourcing expert from our U.S. senior management team will contact you within 24 hours.

