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# Essential Guide to Factory Visits in China

Sourcing from China offers tremendous opportunities, but success hinges on proper preparation. This guide covers the essential documents, tools, and strategies to maximise your factory visits and trade fair experiences.



# Why Preparation is Your Competitive Advantage

Preparation isn't just important it's the foundation of successful sourcing in China. Without thorough groundwork, you risk wasting time, money, and missing critical supplier red flags.

## Proper preparation enables you to:

- Ask informed questions that reveal supplier capabilities
- Negotiate from a position of knowledge and strength
- Identify quality issues before they become costly problems
- Build credibility and respect with Chinese manufacturers



- Suppliers can quickly distinguish between prepared buyers and casual visitors. Your preparation directly impacts the quality of engagement and pricing you'll receive.

# Securing the Right Business Visa

**1**

## **M Visa (Business)**

The M visa is specifically designed for commercial and trade activities, including factory visits and trade fair attendance. It's your legal gateway to conducting business in China.

**2**

## **Application Requirements**

You'll need an invitation letter from your Chinese supplier or trade fair organiser, a valid passport with at least six months validity, and proof of your company registration.

**3**

## **Duration Options**

M visas typically offer 30,60, or 90-day stays with single or multiple entries. Choose based on your visit schedule and frequency of China trips throughout the year.

Apply at least three weeks before your departure to allow for processing delays. Some consulates now offer expedited services for urgent business travel.



CHAPTER 3

# Critical Documents That Build Supplier Trust

## Company Registration

Certificate of incorporation and business licence demonstrating your legal status and legitimacy in your home market.

## Tax Documentation

VAT registration or tax ID numbers proving you're an established, compliant business entity.

## Import Licences

Required permits for your product category, showing you have legal authority to import goods.

## Compliance Certificates

Industry-specific certifications (CE, FDA, etc.) that demonstrate your understanding of regulatory requirements.

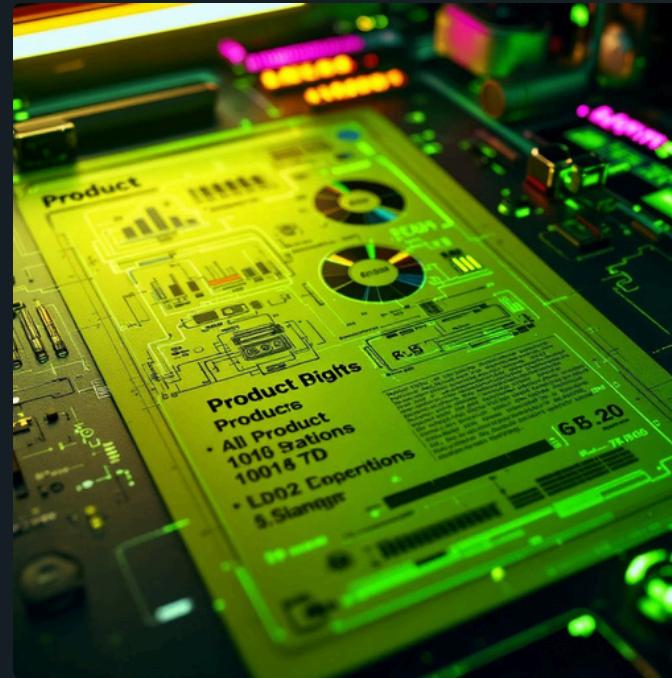
Chinese suppliers prioritise working with credible, established buyers. These documents transform you from a casual enquiry into a serious business partner worthy of their best pricing and attention.

# The Product Requirement Sheet: Your Sourcing Blueprint

## Why It's Essential

A detailed Product Requirement Sheet eliminates ambiguity and sets clear expectations from your first supplier conversation. It saves time, prevents costly misunderstandings, and ensures quotes are comparable across suppliers.

This document serves as your technical brief, quality standard reference, and negotiation foundation all in one.



## Key Details to Include

01

### Product Specifications

Dimensions, weight, materials, colours, and performance requirements with acceptable tolerance ranges.

02

### Quality Standards

Testing requirements, defect acceptance levels, and relevant compliance certifications needed for your market.

03

### Packaging Requirements

Inner packaging, outer carton specifications, labelling requirements, and units per carton for shipping efficiency.

04

### Order Quantities

Minimum order quantity you can commit to, initial trial order size, and projected annual volume for context.

05

### Delivery Terms

Target delivery timeline, shipping preferences (air/sea), Incoterms, and required delivery location or port.

# Evaluating Suppliers Systematically

A structured Supplier Evaluation Checklist ensures you assess every potential partner consistently and don't overlook critical factors that could impact your business.



## Production Capacity

Factory size, number of production lines, workforce size, machinery age and condition, daily/monthly output capability.



## Certifications

ISO standards, industry-specific certifications, audit reports from third parties, social compliance verification.



## Quality Control

QC team size and training, inspection procedures, testing equipment, defect tracking systems, continuous improvement processes.



## Business Stability

Years in operation, major customers (with permission), financial health indicators, export experience to your market.



## Communication

English proficiency, responsiveness, technical understanding, willingness to accommodate your requirements, cultural compatibility.

# Securing Samples and Documentation

## Why Samples Matter

Product samples are physical proof of quality before you commit to large orders. They allow you to conduct your own testing, verify specifications, and assess packaging quality.

### Always collect:

- Pre-production samples for approval
- Random samples from production runs
- Samples in final packaging configuration



## Essential Accompanying Documents



### Test Reports

Independent laboratory test results for safety, performance, and durability standards required in your market.



### Compliance Certificates

CE, RoHS, FDA, or other regulatory certifications proving the product meets legal requirements for import and sale.



### Material Declarations

Complete material composition lists, particularly important for products with safety, environmental, or allergen concerns.

# Formalising Terms with Purchase Orders

 1

## Proforma Invoice

Supplier's quotation detailing product specifications, unit price, total cost, payment terms, and delivery schedule.

 2

## Review & Negotiate

Verify all details match your requirements, negotiate any discrepancies, and clarify ambiguous terms before proceeding.

 3

## Issue Purchase Order

Your formal commitment specifying exact quantities, prices, delivery dates, payment schedule, and quality requirements.

 4

## Supplier Confirmation

Supplier signs and returns PO, creating a binding agreement that protects both parties legally.

 **Critical Protection:** Your Purchase Order should include inspection rights, penalty clauses for delays, and clear quality acceptance criteria. These become your legal recourse if issues arise.

Never proceed with production based solely on verbal agreements or informal quotations. Written POs and proforma invoices create accountability and reduce disputes significantly.

# Protecting Your Capital: Secure Payment Methods

## **Letter of Credit (LC)**

Bank-guaranteed payment released only when supplier provides proof of shipment and required documents. Offers maximum protection but higher bank fees (typically 1-2% of order value). Best for large orders or new suppliers.

## **Escrow Services**

Third party holds your payment until you confirm receipt and approval of goods. Platforms like Alibaba Trade Assurance provide built-in escrow. Suitable for medium-sized orders, balancing protection and cost.

## **Telegraphic Transfer (Split)**

Pay 30% deposit to start production, 70% balance before shipment. Only recommended for established suppliers with proven track record. Lowest fees but requires trust and should include inspection rights before final payment.

Never pay 100% upfront, regardless of supplier pressure or discount offers. Retaining payment leverage until delivery confirmation is your primary protection against non-performance.

# Tools and Planning for Maximum Efficiency



## WeChat

Essential communication app in China. Most suppliers prefer WeChat for instant messaging, voice calls, and sharing photos. Set up WeChat Pay for convenient small transactions.



## Alibaba Platform

Use Alibaba.com for supplier verification, accessing Trade Assurance protection, and comparing multiple suppliers. Check supplier ratings, transaction history, and response times.



## Visit Itinerary

Plan factory visits chronologically by location to minimise travel time. Book meetings in advance, allow buffer time between appointments, and include supplier contact details with addresses in Chinese characters.

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**Final Thought:** Success in China sourcing isn't about luck—it's about preparation, documentation, and using the right tools. Master these essentials, and you'll build reliable supplier relationships that drive your business growth.



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