

China Buying Trip - Case Study

SITUATION

In May earlier this year, the client informed us they were flying to China two days later to purchase antiques, building materials and furniture to fit out a new night club, opening 15 July.

CHALLENGES

- Our preparation time prior to departure was limited - 2 days!
- The client only had a rough idea of items he wanted.
- The client had underestimated the amount of cash required to purchase the goods, and the timeframes/mechanisms to access cash in China.
- The client had purchased tickets to fly to a city with retail markets, half a country away from the wholesale markets where they needed to go.
- The client underestimated the amount of follow up time required to coordinate local delivery, warehousing, packing, fumigation etc from 20 different suppliers.
- The project had to happen fast to have the nightclub open on time.

CHINADIRECT'S SOLUTION

Destination

After determining the clients requirements, we recommend two locations in China for sourcing the different product categories.

Resources

Considering the time pressure, we allocated our experienced China Operations Manger (COM) to fly within China to accompany our client. She shopped with them, negotiated the deals, and simultaneously managed the whole sourcing project, including arranging warehousing and packing.

Payment

In Chinese retail and wholesale markets, most transactions are cash, so we forecasted his requirements, advised best method of transfer, and used ChinaDirect's China office as a central payment point for balance payments.

Coordination

ChinaDirect used our people on the ground to follow up the suppliers and ensure the orders were fulfilled. When the production of goods was complete, we sent our people to inspect the goods before final payment.

THE RESULTS

Under extreme pressure, we successfully had two full containers delivered on time (2 July), to standard, and at the agreed price, and **saved our client \$250,000.**