

# V-TRUST INSIGHTS

## September 2019



### HOW TO DECIDE WHETHER CANTON FAIR IS RIGHT FOR YOU

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Canton Fair is around the corner and you might have received an invitation from the organizer recently. However, is it really worth spending money and time on this trip year after year? Before making the decision, you need to think over the following question:

### Are you looking for new idea or considering to cut costs?

**Pros:** Canton Fair is an absolute goldmine for importers **looking for new product ideas**.

Many suppliers use it as an opportunity to launch their new products and if you are someone who is on the lookout for new exciting products within your niche or across industries, Canton Fair is a great place to be to get an early mover advantage. In those booths you can not only see various new products, but also feel the quality of them.

However, you need to be careful because the production lot's quality is usually not as good as how you feel on-site. Just imagine, who will bring bad quality samples to attract clients?

Many of our clients come across the situation when sample and batch goods looked like two completely different products in the end. We have helped them avoid the pitfall by our QC solutions: **Sample Check, During Production Inspection and Pre-shipment Inspection**. Please refer to our homepage ([www.v-trust.com](http://www.v-trust.com)) to know more about our services.

**Cons:** If you have already been importing a specific product from China and the purpose is to meet new suppliers **in order to cut costs**, then Canton Fair is not the best avenue to reach this goal.

It's true that all the suppliers are lined in a row or in the same area, which makes them unable to offer high price. However, a very large percentage of booths at the Canton Fair are manned by trading companies or large manufacturers (with marketing budgets) and the pricing, on the contrary to what you thought, tends to be higher.

As a matter of fact, only those large-scale manufacturers or companies with high export revenue are qualified to attend the Canton Fair. If they don't plan to attend the fair, they will sell their booths to whoever wants it.

Another secret you don't know is that no one verifies who is actually occupying the booth, this situation can easily lead to possible scam. We often hear from our clients that some suppliers just disappear after getting their deposit.

But don't worry. These scam companies can be identified before you are in a trap. In V-Trust we have a solution which focuses on checking supplier's profile – Factory Audit.

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## Insights

### SMETA Audits



V-Trust has a solid and long history in providing supplier evaluation for overseas buyers and local suppliers including 2 & 4 Pillar standardized **SMETA** audit reports.

As well we conduct **SMETA training** which enclose every single aspect of SEDEX for retailers, consumer brands, private labels, and buyers who are willing to have a comprehensive assessment on their suppliers in China, India, and Vietnam.

### Understanding SMETA

SMETA is an audit that is applied based on a system of methods, appointing a collection of best practice ethical audit techniques. It has three principals: A common Best Practice Guidance on conducting ethical trade audits; A common Audit Report format; A common Corrective Action Plan format. Over 50,000 members use **Sedex SMETA audits** across more than 150 countries to identify and manage risk in their supply chain, like Tesco, ALDI, M&S, Loewe, Nestle, P&G. Both buyer and supplier companies choose Sedex to continuously improve their performance around the four pillars of Labour Rights, Health & Safety, Environment, and Business Ethics.

From 1st November 2018, only audit companies who have been accepted as AACs and are registered on the Sedex Information Exchange can conduct a third-party SMETA audit.

V-Trust is an AAC (Affiliate Audit Company) of Sedex. We can provide SMETA audits in China, India and Vietnam at the price of **USD498.00/man day** (volume discount is available). There is no any extra charge for travelling or hotel fee; no extra charge for the report uploading to Sedex platform if you are already Sedex members.

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A Factory Audit can uncover problems before production so you have an exact understanding of your supplier's capabilities, systems, management and operation procedures. This is a high level of quality control and will enable you to select a qualified supplier with confidence.

Generally, we will focus on the following aspects when doing a Factory Audit.

- ▶ Factory profile
- ▶ Human resource
- ▶ Foreign trade capacity
- ▶ Production capability
- ▶ Quality control system
- ▶ R&D
- ▶ Special requirement from client

[Download Sample Report](#)

## Visiting Suppliers after Canton Fair

During China fairs we meet dozens of foreign buyers who say that they manage quality control by themselves and usually fly to China in order to visit their pre-selected factory. However is it always the best choice to have your own representatives visit the production and will you actually get a good understanding of the manufacturing process and factory capacities while arranging the visit? What do you need to take into account when planning a trip to China and how to get the most of efficiency out of the planned trip?

Unfortunately, companies might not always realize how a typical one-week trip to China might look like when planning the visit to a factory.

**Monday.** You make your way out of the airport of a Chinese megacity, then take a 1-2 hour cab ride to a five-star hotel.

**Tuesday.** You stay in the hotel to rest after 15+ hours of flying (not counting stopovers, of course) and try to get over the jetlag, go out and explore a part of the city, and reply to the emails missed during the long flight.

**Wednesday.** Check out of the hotel around 11 AM. The factory staff picks you up and drives you to their town where the factory is located, usually 1-3 hours from a major city. On arrival they check you into the five-star hotel closest to their factory in order to bring you to their production premises the following day. After that, you'll have the mandatory dinner with your hosts, which can be a simple (fairly quick) event, or it can last for several hours with endless drinks if you're not careful.

**Thursday.** Your hosts pick you up from the hotel around 9-10 AM and bring you to their factory, usually a 1-hour drive away from the hotel. You arrive around 10-11 AM and spend at least an hour having general introductions in the meeting room, then have a rapid tour around the factory before the lunch break at 12 AM. Your Chinese hosts will take you to the best restaurant in town, which could be up to 1 hour away from the factory, and order the best delicacies of the local cuisine. The lunch will be abundant in food, drinks, and very interesting conversation, which could last until 3 PM easily. After driving back to the factory, you will have one hour for a quick tour around the workshop as usually factories close at 5 PM. It is good to be focused and use this hour as effectively as possible, however it is still a challenge after the massive food extravaganza and the jetlag, combined with tiredness of constantly driving around and making small talk all the while. Your hosts certainly see the fatigue, so at 5 PM they organize a car to take you back to your hotel.

**Friday.** It's your last day in China, so you want to go sightseeing and shopping.

**Saturday.** Take a ride back to the airport, about 3-5 hours from the town hotel, and fly back home with scarce findings from the little time you spent at the production.

In many cases, this is the outline of a typical trip to China when buyers intend to check several suppliers and conduct a thorough verification of each factory.

It is usually a good alternative to save not only time but plenty of efforts and costs by hiring a third-party professional company which will conduct a full factory audit within one day and send you the report the following day. However, the buyers who insist on visiting the supplier by themselves are always recommended to keep in mind telling the factory in advance that you need to have a few full days at the production site. You might say that there is no need for a five-star hotel but to save time you prefer to stay as close to the factory as possible. You may bring your own lunch or ask the factory to order it for you so that there is a chance to talk to workers during the meal. Maybe ask in advance what they're serving at the factory cafeteria. You might like it!

In general, be realistic about jet lag, make accurate calculations and a fixed schedule before planning your trip, and compare all alternatives to find the most time and cost-effective solution for choosing the right supplier.

## Regulation Updates



### ASTM Updates to Clothing Storage

According to the latest updates on ASTM F2057 standard, the height applicability of clothing storage has changed from 30" to 27". Also, the definition of "clothing storage units" is now "units with drawers and/or hinged doors", and warning labels now must have a pictorial of a crossed-out TV to avoid the risk of TV tip over.

## V-TRUST Team

### Area Managers

This month, our area managers are taking part in a sequence of meetings to discuss this year's performance in each area and draw guidelines for the rest of the year. The meetings are being held at V-Trust's headquarters in Guangzhou and managers from all over China, India, Vietnam, Bangladesh, Malaysia and Cambodia are participating via video-conference



### Team-building



Our Customer Service Team went head to head in a competition this year at V-Trust and those with the best performance in responsiveness and highest customer satisfaction rate, headed to Japan to celebrate their victory and enjoy this beautiful country. Congratulations!



### Elsa Jiang

Master degree in English Translation Studies, graduated from GDUFS

3 years' experience in China sourcing

4 years' experience in quality control, supplier assessment & laboratory testing

## Welcome to visit us at the upcoming fairs!

**global sources**  
**Consumer Electronics**  
Global Sources Consumer Electronics  
Oct 11-14 / Booth no.: 9G40

**HKTDC**  
**HKTDC Hong Kong Electronics Fair**  
HKTDC Hong Kong Electronics Fair  
Oct 13-16 / Booth no.: 3CON-004

**CANTON FAIR**  
Phase I, II, III  
126th Canton Fair Phase I, II, III  
Oct 15-Nov 4 / Booth no.: T02

**global sources**  
**Mobile Electronics**  
Global Sources Mobile Electronics  
Oct 18-21 / Booth no.: 7N31

**MEGA SHOW** Part I  
Mega Show Part I  
Oct 20-23 / Booth no.: 3T-46

**global sources**  
**Fashion**  
Global Sources Fashion  
Oct 27-30 / Booth no.: 5K05

**HKTDC**  
**Hong Kong International Lighting Fair (Autumn Edition)**  
HKTDC International Lighting Fair  
Oct 27-30 / Booth no.: 3CON-076

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