



THE MYSTICAL MANUFACTURING MAZE

Five Steps for Understanding
The Import Process **BY EDITH G. TOLCHIN**

As a professional who conducts seminars on product safety, China sourcing, manufacturing and importing, I frequently get requests from inventors to take them on a journey from idea inception to a shelf-ready product. Inventors often need help during various phases of product development—anywhere from napkin sketch to prototype to Chinese production.

Sometimes I receive requests from inventors who already have an item in production; their desperate voices begin phone conversations with “Can you help me?” “How do I ship it?” “Who pays the ocean freight?” or “How much should I set aside for import duties?” The list is endless.

Throughout the nearly 40 years I have been involved in the import/export arena, I have been presented with every possible scenario: I’ve rescued shipments from U.S. Customs for lack of proper documentation; I’ve turned non-compliant baby merchandise into CPSIA*-certified products; and, once, made an 80-year-old grandma’s dream for a baking invention a reality.

What’s the secret to producing a safe, shelf-ready product? Although there is no sure-fire formula, there are guidelines that will help ensure your product reaches the market as inexpensively and effectively as possible.

1 Address product safety first. Create a prototype—but *only* one. (You will eventually need more for the sourcing process.) If your product is consumer oriented, have it evaluated by one of the Consumer Product Safety Commission’s accredited

laboratories—not by the friend of a college professor in her science laboratory.

Thoroughly digest the report and ask the lab evaluators to explain anything you don’t understand. Get a list of tests that must be performed once you are in production.

Tests are not necessary on prototypes; they are only required on the final product and its components, once you’ve contracted with the overseas factory. Make any recommended revisions to the prototype based on the suggestions in the report. Also, purchase product liability insurance for your new business.

2 Have your logo and packaging designed BEFORE you send your prototypes overseas for quotes. Also be sure to register your domain name, because, by law, it has to be included on your packaging.

Have a good idea of where you might want to sell the product. Will you sell online, requiring only a poly bag? Or are you negotiating with retail outlets that require a UPC code and a flashy box?

Learn the country of origin’s marking requirements for the product (for example, “Made in Taiwan”). If it’s an invention made of fabric, you may need a registered identification number (check www.ftc.gov).

It saves money to have all of these in place—even if you only have a packaging mock-up, though, ideally, you’ll have your graphic files, as well. If you submit your prototype for quotes *without* packaging samples, you’ll have to re-submit for quotes once you have packaging. That’s a waste of precious product launch time and money spent on FedEx or UPS charges.

3 Know what you are looking for. Be an educated consumer as you approach prospective overseas factories. Know how many pieces you want to order—typically small runs of 1,000 pieces are minimum order quantities, or MOQs, with Asian factories. If you are not in a position to buy 50,000 pieces, tell the prospective factory up front so there are no surprises when they quote you large MOQs.

Send the factory the packaging artwork files, desired product color(s), specifications, components, materials and so on. Make sure you know United States government labeling requirements. Some of this information can be found at www.ftc.gov.

Know the U.S. port into which you'd like your shipment sent, as well as shipping terms such as "FOB Hong Kong (freight on board)" or "CIF Chicago" (cost, insurance and freight), to determine who is responsible for the freight and insurance. When in doubt, consult with a sourcing expert or licensed customs broker.

4 Never, EVER pay for your order in advance. Standard payment terms with overseas factories are 30 percent down via wire transfer, with the 70 percent balance due only after a special government document called the Import Security Filing, or ISF, is presented to you, the importer, within 72 hours of the vessel-load-in date. Note that this is not the vessel's sail date, which is usually two to three days after the vessel is loaded. The ISF, along with

regular shipping documents, such as an ocean bill of lading and commercial invoice, are proof of shipment. The ISF is presented to a customs broker at your desired U.S. port. Be certain to get a confirmation from U.S. Customs before sending the balance via wire transfer to the factory's designated bank.

5 Know what you are going to do with your new invention before it arrives. When the customs broker clears your order at the port, he or she will want to know where you want it delivered. Do you have a warehouse or distribution center? If your initial order is small, can the boxes fit in your garage or basement—or will it be drop shipped to various locations because you lucked out with your first sale to the Big W?

*CPSIA: The Consumer Product Safety Improvement Act pertains mostly, but not exclusively, to children's products: (<http://tinyurl.com/k39qwsn>).

Edie Tolchin has contributed to *Inventors Digest* since 2000. She is the author of *Secrets of Successful Inventing* and owner of EGT Global Trading, which for more than 25 years has helped inventors with product safety issues, sourcing and China manufacturing. Contact Edie at egt@egtglobaltrading.com.



2 Critical Steps to getting your NEW PRODUCT "out there"

1 GET IT MADE

Contact Edie Tolchin – "The Sourcing Lady" (SM) for sourcing, China manufacturing, product safety issues, packaging assistance, quality control, production testing, final shipment inspections, freight arrangements, import services and delivery to your door!

www.EGTglobaltrading.com

EGT@egtglobaltrading.com

P.O. Box 5660 - Hillsborough, NJ 08844

845-321-2362

2 GET A WEBSITE!

Contact Ken Robinson – While your order is being manufactured, you need to start working on your WEB PRESENCE! Get people talking about your product on Social Media (Facebook, Twitter, YouTube, Google+), get good search engine placement (SEO)!

www.widgetsontheweb.com

kenrbnsn@widgetsontheweb.com

614 Van Liew Court - Hillsborough, NJ 08844

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Inventors

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