

Global Sourcing pitfalls and profits

There are significant profits to be made from importing products and components from various international markets, but without help in sourcing there can also be major pitfalls.

According to director and founder of Global Sourcing Services, Cara Crundall, a key advantage of using a service like her's is the way it provides direct access to offshore manufacturers that are specialists in their fields.

With partners operating throughout Asia, Global Sourcing Services (GSS) is a Brisbane-based company that manages and coordinates product and components to be made overseas on behalf of Australian owned businesses looking to capitalise on importing goods.

"Most of my clients are in manufacturing," Ms Crundall said. "Most of my clients are buying components from local companies, but as they grow they find they can buy more cost effectively from overseas – and most of my clients are in a position to hold stock."

GSS has a partner in Shanghai, with 10 staff working in the field, and is setting up similar arrangements in Taiwan, South Africa, Sri Lanka and Indonesia.

She said while many people "can use the internet and do it for themselves", GSS was "a lot faster and we know what problems to look out for".

There were many cases, she said, in which Queensland importers had good results on the first and second orders and then the third does not work out as planned and ends up being costly.

"There's usually something behind that, which is why we try to quality check all orders and conduct our due

diligence," Ms Crundall said. "I do focus on China, but it all depends on the product," she said. "We will find the best source country. We know how to do the research and we know what questions to ask."

GSS does charge research fees of \$2,000 to \$3,000 depending on the complexity of the item being searched for, which in most cases is a saving in travel and time over doing it themselves.

GSS also fully informs the client as to who and where the manufacturer is.

"It's all very transparent," Ms Crundall said. "Right in the early stages we get them really good prices – as often they don't know what the prices should be and on their own may end up getting taken for a ride."

Ms Crundall said a clear trend emerging in the current economic cli-



mate is the need for assessment of the reliability and stability of the suppliers. There are also issues of sustainability and responsibility of the companies, including checks to see that the supply companies do not have criminal links or use child labour and, increasingly, have carbon emissions reduction programs.

She said China was making strong inroads in the sustainability area, with edicts from the Beijing Government to reduce pollution and emissions.

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