

Barnes Wendling Pacific Rim LLC

Definition:

Through the relationships we have developed over the last several years, Barnes Wendling assists US companies source manufacturing factories in China. For those companies that have products that can be sold in China, Japan or Europe we help locate distributors or representatives.

Benefits:

US companies benefit by having the same quality product or part made at a lower cost than had they been made in the US. Our direct relationship with the operating staff at these factories eliminates the need for costly agent fees. This direct connection offers our clients good quality and price savings. These savings allow the US companies to be or remain competitive.

Process:

- Meet with US company to determine needs.
- Obtain samples and drawings (a confidentiality agreement will be signed)
- Obtain estimated quantities and approximate target prices
- Send samples and drawings to associate in China in order to identify proper factories
- Once the factory shows an interest we will visit them to get samples of other items they have produced. At that time we will give them the samples and drawings and ask them to give us an estimated price.
- If the price is reasonable we will ask them to prepare working drawings for our clients approval. (We have set up a confidential FTD site to speed up the process.)
- After working drawings are approved, the factory will make a production mold or pattern and produce actual samples for approval. We will be in constant contact with the factory during this time
- Once production begins we help with any quality or delivery problems that may arise. We stay in contact with the factory throughout the production phase.

Barnes Wendling Pacific Rim LLC is able to guide the US company through the steps necessary to do business in China. This includes sourcing, supervision, price quality and delivery issues and tax advise. We can also help set up joint ventures or wholly owned foreign enterprises. We are familiar with Chinese business and tax laws.

Case Example A:

A factory in northeast Ohio used a subcontractor to produce molds and patterns necessary for his manufacturing process. Based on the cost of the US produced molds his customers were reluctant to produce many new items based on cost. He is now having molds and patterns made in China at approximately 1/3 the cost. He is finding that his customers are more receptive to developing new items.

Case Example B:

A distributor of a novelty item was having his product made in the US for \$2.40. The company contacted an agent and began importing from China at a cost of a \$1.80. We were introduced to the company and sourced their product in China for \$1.50. His original Chinese production allowed them to save \$0.60 per part and we helped them save an additional \$0.30. Their overall savings is 38% per part.