**WHAT IS OUTSOURCING?**

**Perils of Outsourcing – Knowledge is Power, Ignorance equals BROKE!**

Attempting to set up your own foreign manufacturing relationships can be a recipe for disaster, since a lack of cultivated connections and little knowledge about how foreign outsourcing works would certainly place your company at considerable financial risk.

Misunderstandings about manufacturing standards, raw materials, and finished product inspection, costs, quotas, and customs would derail your plans before they even have a chance to succeed. In addition, dealing with foreign outsourcing brokers is typically a poor solution as well. Many foreign brokers have limited connections, challenging communications, and many of the same pitfalls as trying to establish your own direct resources and will give you less control in areas critical to your company. Redzone Manufacturing and its partners have over 30 years of combined marketing, manufacturing, and political experience in this wild and wonderful land of opportunity. From Shanghai to Beijing, from Taiwan to Guangzhou….We have already developed professional relationships with trusted partners.

There many other imposing variables you need to consider when looking to China as a possible outsourcing option. Here are four key points:

1. **Ever-changing government rules and regulations regarding commerce and banking**
2. **The role of government in the private sector**
3. **Language barriers**
4. **Understanding how China's business world really works**

Armed with the right information and resources, virtually everyone can achieve success and profitability by doing business with China.  To save your company a lot of time, money, and potential frustration, you will definitely be better served using the services of a professional company experienced in doing business with the Chinese.

Importing merchandise for resale is just one facet of doing business in China. Many North American manufacturing companies have found their businesses in dire straits in recent years due to the lower manufacturing costs in the developing countries of China, India and Mexico….to name only a few.

Some of these manufacturers are literally faced with the prospect of going out of business because their competition has seen the trends and already moved their production offshore.

**The choices for many companies often comes down to two:**

1. **Go out of business or**
2. **Stay competitive in their industry by outsourcing to China**

Many manufacturing companies will try the "do-it-yourself" plan of outsourcing and often end up experiencing the real risks associated with not only doing business in China but any country outside their own.

If your company is faced with increasing price competition from competitors who are already doing business offshore, then you need to be proactive and begin evaluating how outsourcing to China may be what your company needs to do to remain competitive.

When considering outsourcing to China, you will expedite the process and in most instances get better pricing by engaging a sourcing service that has home-grown personnel on the ground in China combined with North American style management experience.