

HOW TO START NEW TRADE RELATIONSHIPS



Importing goods can be an efficient way to add to a product range whilst being cost effective to a business. Companies are choosing to diversify their supply chains to include relationships abroad, here are some useful considerations to tick off when considering who to do business with.



KNOW YOUR CUSTOMER

Understanding your customer is not only essential for due diligence, but it also allows you to assess their specific requirements, deliver on your promises and secure a profitable long term relationship.

- ✓ Ensure you arrange a site visit with every new customer, this will allow you to make a proper assessment of their needs, plan the correct supply chain and note any site requirements for the delivery of goods.
- ✓ Use all the tools at your disposal to research their business. Company websites, business directories and customer reviews will all help you build up a true picture.
- ✓ Agree to terms and conditions that work for all parties. Tell your customer what you have already agreed with your supplier and take note of any late payment clauses your customer's terms and conditions might include.

"MAKING THE TRIP TO A SUPPLIERS FACILITY WILL NOT ONLY ALLOW YOU TO ASSESS THEIR CAPABILITIES FIRST HAND, IT WILL ALSO GIVE YOU CONFIDENCE THEY CAN PRODUCE THE QUALITY PRODUCTS YOUR CUSTOMERS EXPECT"



KNOW WHO YOU'RE TRADING WITH

It is vital that your supplier can fulfil everything you have promised to your customer, so getting the quality of products right and ensuring language and local customs are not barriers to your supply chain is key.

- ✓ Try to arrange a face to face meeting to investigate their previous experience, client case studies and samples from their product range to assess quality. Visit their production line or facility so you can check if they are able to fulfil your customers' expectations.
- ✓ Depending on the country they operate in you may need to check if any restrictions apply to your potential partnership; some countries are embargoed or have UK sanctions. Find out more via www.gov.uk/sanctions-embargoes-and-restrictions.
- ✓ Investigate their financial background by searching through online forums to see if anyone has had a bad experience with them, check if they have ever been black listed, search their website domain to see if its live and run a check on their VAT number.
- ✓ Review documentation with a business advisor so you can be sure that your agreements are legal and fair to both parties. Ensure you understand the suppliers' lead time to allow you to manage your customers' expectations and run a smooth supply chain.

For more information on what businesses should consider when trading overseas, please contact our experienced team who understand the complexities of purchasing domestically and globally.

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