



7 Steps To Find Your Perfect Contract Manufacturer

Have a wonderful idea for a product but don't know how to make it into a reality? Or how about you've been in your line of business for some time now but the manufacturer working for you messes things up?

We know it's not rainbows and sunshine in business—any kind of business—but you owe it to yourself to find the perfect service for your business to thrive.

Finding the right team to create your product needs will help you focus on more important aspects of your business such as marketing and sales, right?

If you choose the wrong contractor, you could find yourself in business oblivion with mounting delays and costly setbacks. And then you'll find explaining yourself to investors and customers—an added burden to your already hectic schedule.

There is so much on the line that's why we created this guide and lay down seven (7) steps to help you find the contract manufacturer that perfectly matches your business and product needs.

1. Make a Wishlist

If you're a start-up or just starting out a business, say for the cosmetics market, the first thing that you need to do is list all the possible suppliers that you think can fulfill the services you need.

This is not hard these days considering that everything is already curated in the world wide web and finding myriad contract manufacturers wouldn't be that hard.

However, finding the names of contract manufacturing companies is not enough. You also need to pre-screen your potential candidates and some extra research work will be to your advantage.

You should ask the following questions:

- Are these companies in my list capable of meeting my product requirements?
- Which one has the most up-to-date facilities and technology to develop my product?
- What about the workload? How fast can they manufacture my product and deliver it on my doorstep on time?
- How long have they been doing this? Three years? 10 years? 25 years?
- Are they manufacturing products similar to mine?
- What's the contract manufacturer's reputation?
- Are they being properly regulated by the right agencies?



2. Make the First Contact

Picking up the phone or sending an email inquiry to a contract manufacturer is not hard. You have every right to email or call them and let them know that you're on the hunt for a company that could manufacture your goods for you.

Up front, they'll put their best feet forward and give you a litany of the good things that they can do for you.

However, be prepared to listen and make sure that you zero-in on the list that you have created, specifically focusing on the contract manufacturer's key capabilities or proficiencies. Do this to all your potential vendors and right off the bat you'll be surprised that some of those in your list might not be fit to fulfill your needs.

Also make sure that you have a list of those requirements and marry them to the capabilities of the contract manufacturing companies that you're speaking to.

Ask the companies for their performance attributes. Here are some of the attributes that you should ask them about:

- Total Cost
- Speed
- Company Location
- Intellectual Property Stipulations and Requirements
- Royalties and Licensing Fees
- One-Stop-Shop Capabilities

3. Make A Contract Manufacturers Checklist

Earlier, we said that the first step is to build a wish list of the things you hope a contract manufacturer should have before you engage them.

Now, you need a checklist to record the date you of your first contact with each of the contract manufacturers in your list and what transpired after that. The checklist doesn't need to be all grand and complex. It could be a simple Excel spreadsheet.

The point is, the checklist can provide you with a reference how prompt each company responded to your query or request. How did they respond to your first few questions? How do they deal with confidentiality agreements? And so on...

The checklist will save you an enormous amount of time when filtering out the contract manufacturing companies that stand out from those that don't. That way, you'd know which among the companies in your list are worth pursuing.

4. Filter Your List



If you work with a team in your company, meet with them and select at least three to five contract manufacturers in your list that you think are more likely to meet your standards and requirements. After the selection process, have someone (or maybe you if it's part of your role in your company) to call the selected vendors to submit a proposal.

You must understand that writing proposals can also be hard work and reviewing them is three times taxing. Hence, the need to limit your selection process to three or five contract manufacturers.

But requesting for a proposal is good business practice for you while at the same time ensuring that your potential vendors understand that you're taking this thing seriously. You can even provide them a template proposal of your preference so that it will force them to fill in your product and business requirements.

For example, when requesting for a proposal, you can specifically include the requirement that you're looking for a "specialty" vendor with higher levels of expertise and experience. Or you can say, "Our company is looking for a One-Stop-Shop manufacturer that can provide all our product needs..."

5. Ask For Proposals

Although we said above that you can send potential vendors your own Request for Proposal (RFP) template, remember that contract manufacturers have their own RFP formats.

The point is, do whatever it is that you think your company is most comfortable with. However, you must provide each vendor sufficient information so that they can respond to your request with the appropriate proposal.

Just some fair warning, though: Intellectual Property is different from confidential information so you have to be clear about this. It would be a great idea to seek legal counsel and have your lawyer to first review your RFP.

6. Review Submitted Proposals & Score Appropriately

Read through each submission carefully (three or five proposals can already be difficult to read; how much more if you ask 10 companies in your list).

Make sure that each proposal includes all the information you are looking for and have requested. Has any of the proposals conforming and addressing your assumptions?

Also, identify which areas of the proposals are different from one another and consider how you will evaluate them to accommodate those differences.

7. Site Visits

Once you're confident that you have boiled down the top three potential contract manufacturers in your list—after having gone through their proposals—it's now time to visit shop.



Some contract manufacturers may not allow some form of quality audit (formal at that) before a contract is signed, but there's a way around it. You can bring with you, say your quality control supervisor or manager for an informal technical visit.

If the contract manufacturer is hesitant that you do this, then it's a sign that you should strike them out in your list.

If they agree to your request, then by all means arrange a company tour and get as much information as you can—from brochures, to reports, to company presentations.

READY FOR AN APPOINTMENT?

CALL US!

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