



Frequently Asked Questions

Shipping

How can you help me get a discount on my shipping?

- a. If you are CIF
 - a. Often times a vendor will add 1000 USD or more over the cost of shipping a container to cover the costs of the extra effort of adding the shipping cost into the price of the item. This cost is not justified because with an excel spread sheet the client would be able to do their own calculations easily. By setting up your own contracts through a freight forwarder or directly with the shipping line you can reduce this cost and often save more by having a direct relationship with the forwarder.
- b. If you are new to importing
 - a. We can leverage off our other customers volumes to help you negotiate a better rate than you would be able to get as a new client. Those who just start out are often charged the tariff (highest) rate until volumes increase. We will do our best to get you the better rate in the beginning
- c. Why wouldn't I always want to ship with a shipping line directly instead of through a freight forwarder? Aren't I paying extra costs again?
 - a. Some clients choose to ship large volumes through 1 shipping line to get the best rate possible. Others look for a freight forwarder (NVOCC) to get more flexibility in their shipping schedule. It depends on the clients needs.
- d. Those that already import large quantities
 - a. We cannot guarantee that we will be able to get you a savings but we can look into it. We can check the rates through shopping it around in Hong Kong quickly (where most freight companies have offices) Perhaps there may be a faster vessel with another carrier that would cut transit times for you. Maybe you are looking for more flexibility in your shipping schedules through diversification. Some of these ideas are not direct savings but indirectly make your company more competitive.

What types of internet tools are available?

- a. For US import duties
 - i. There are the online Harmonized Tariff Schedules (HTS #)
<http://www.usitc.gov/tata/index.htm>
- b. Most freight forwarders will have an online freight order tracking.
- c. Shipping lines will often have their sailing schedule online and costs associated with this

How can I be certain that you will be able to negotiate the best rates available? What audit process do you have in place to monitor the forwarding process with the various forwarders?



- a. We compare rates between several forwarders and shipping lines, depending on what the customer wants. The comparison is presented to the customer who also meets with the domestic representation and decides.

Do you review and update yourselves on problems that even your recommended forwarders have had to face and how they handle them?

- a. For those customers who have used one of our recommended forwarders we are constantly getting feedback from them on the shipping performance. If we are producing an item of this customer we also follow the orders shipping schedule and update our own schedule. This way we can track if a shipper is becoming progressively late.

Corporate Structure

How many staff members do you have?

- a. We currently have 8 people in the office and 2 full time QC officers who spend all of their time inspecting our customers' orders. If we have clients that require more of our time then we will add however many people it takes to fulfill our client's requirements. Our corporate structure is set up in such a way that we can quickly add personal to keep up with client needs.

Doesn't NVA go into Indonesia, Thailand, and India?

- a. No for Indonesia and India. Thailand is always more expensive. We also avoid the Philippines as well.

Quality Control

How can you check 100% of my orders?

- a. An order often has a lead-time of approximately 60 days. Even with different customers orders being processed at the same time, we can schedule our QC person to inspect the order before it ships (usually the 80% completion stage to allow time if something needs to be corrected). We are also continuously monitoring the QC inspection process to see how we can improve it. If our QC people are busy then the office account manger will inspect the goods. All of our accountant managers have QC experience

What percent are you assuring?

- a. While we try to achieve a 100% QC rate we do keep it above 90%. Reports will be sent to you for each order.

If I receive a container in and it is bad are you going to cover this?

- a. NVA will only look for those factories that stand by their products. The factory will be responsible for replacing or crediting our client for those orders. We had 1 situation where the goods where reviewed by the client at the factory but then rusted in the container on the way to the client. We notified the factory and immediately had the goods returned to the factory for replacement. It was an unfortunate situation that was corrected quickly by the factory. We also did not charge our fee on this order because the customer was not satisfied.



How do you become knowledgeable about the quality of a particular item that you generally have never assured before?

- a. This where the partnership between NVA and our client is so important. We are an extension of your company. That is why we need the most information about a project or product you can provide. The more we know the better we can work for you. We don't want to be a company that you just hear from once. We want to be educating you throughout the process as we do the research and help set up a program to fit your needs. This cooperation will also help us in negotiating the best price for you.

Quality Assurance – what percent are you assuring? Whose financial responsibility is it if we receive bad quality in a container?

- a. We work with factories that stand by their quality, if there is a problem they will replace it and ship it over. We will not charge our fee on that item or order that was affected.

NVA needs from the client

In order to get this moving who do I need to have talk to you in my organization?

- a. Products: We would like to speak with your purchasing department and design team. The design team will be able to provide the specs and material composition of the item. We will need to speak to the purchasing team for the quantities and ordering structure. We would like to know from the purchasing team either your current costs or a target price your company is looking for. Please remember than the better information we have is the better we will be able to negotiate with the factory and weed out any vendors that aren't even in the ballpark.
- b. Shipping: The person responsible for importing the goods or who will be.

Visas

Can I get a multiple entry visa in Hong Kong?

- a. Yes however they require that you have traveled to China. If you have been to China once before a multi entry 6-month visa can be obtained in 1 day in Hong Kong.

Client Base

Client Base – You have indicated significant savings for Lighthouse and Front Porch. a.

Lighthouse Pools – Swimming pool chemicals we compared their current price from local US manufacturers. After we calculated for shipping and duties the cost savings was still 55-60% lower. They buy several million dollars a year so the savings add up. In their other items we sourced items that they didn't supply the target price for (billiard slate, outdoor furniture) they notified us that the price was over a 30% savings and immediately ordered samples.

b. Front Porch Classics – Originally buying from a HK trading company. They supplied their price from them and then we compared or research to their pricing and the landed costs amounted to a 40% decrease in the per unit price this equalled a 2 million in savings to the bottom line in purchasing savings. They didn't take full advantage of the 2 million in savings because we encouraged them to make a gradual transition so that there would be no interruptions to their inventory coming in.



Ohio Wholesale, Inc. you say that you manage 2000 products, can you specify what you mean by manage the products?

- a. We handle the quality control and manufacturing of these items. We sell these items out the showroom as well and have to know which factories are involved in the production of the items. We sometimes move products to one of our different factories if the price savings and quality levels allow for it.

Are there any areas that would require you to be insured?

- a. Not at this time. If there were a project that required it we would spell this out before it began.

Pricing

What is Transparent Pricing?

- a. This is how we insure that you know what you are paying is the true cost. Some people will act as a middleman and not let you see the factory price. When you ask for a better price on large orders are you getting them to reduce a margin or is there a true cost savings the factory is deriving from the larger order? There are no kickbacks to us from the factory. This allows us to negotiate the best price for you. We have nothing to hide or somehow be tricky with the numbers.

Do you have legal representation when contracts are negotiated and translated?

Where a legal binding contract would be needed we have access to legal representation, however most deals do not require this type of contract.

What Executive follow-up will NVA provide to us to assure that processes are being done accurately and correctly?

After the QC inspections, reports will be submitted. NVA will also discuss with the customer how we can improve our process to better assist you.

Does the fee structure of a flat percentage with a \$500 USD minimum that you are offering have to be approved by a company officer or can I make my decision totally off of what you are suggesting. The HK office will look over your project and confirm this. If there are any special considerations they will discuss this with you before starting a project.