

Foreign Sourcing Gantt Chart / New Item - Tooling (9 months)

Task No.	Task/Activity - 9 Months (B = Buyer; SO = Source One Ltd.)	B	SO	Task Week #	Month One				Month Two				Month Three				Month Four				Month Five				Month Six				Month Seven				Month Eight				Month Nine			
					Wk 1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Product Identification	1 Identify B project champion to oversee foreign product sourcing initiative.	X		1																																				
	2 Generate listing of B product purchases by dollar amount for the last 12 months (descending order).	X		1																																				
	3 Generate listing of B product sales by unit for the last 12 months (descending order).	X		1																																				
	4 Select items having potential to be sourced in China.	X		1																																				
	5 Identify and rank products with the potential to be sourced in China.	X		2																																				
	6 E-mail excel product ranking spreadsheet to SO.	X		2																																				
	7 Review product ranking list and provide B with any recommendations.		X	2																																				
	8 Collectively, select products with high rate of initial success.	X	X	2																																				
	9 Finalize list of items to be sourced and notify SO of items selected.	X		3																																				
	10 Create Product Cost Savings Report (Form 29) to track the progress of items being sourced overseas.	X		3																																				
Supplier Identification	11 Pre-qualify any new factory for items selected to insure production capabilities. Complete Product Specification Form (Form 6) .		X	2 - 3																																				
	12 Submit samples, product engineering drawings (including packaging/box drawings, & Product Specification Form (Form 6) to SO.	X		5																																				
	13 Send Factory Email Audit Report (Form 14) to factory for completion.		X	4																																				
	14 Send Product Specification Form (Form 6) & sample to factory for quote. Quotes are received by SO on items from multiple factories.		X	5																																				
	15 Product Pricing Comparison Report (Form 8) completed after quotes are received.		X	6																																				
	16 Site visit conducted and New Supplier Qualification Form (Form 13) is completed for of all non-qualified factories.		X	6 - 7																																				
	17 Factory selected by SO to source products based on pricing and capabilities. Once factory is qualified, product pricing & tooling costs are provided to B.		X	6 - 7																																				
	18 Factory selection, final pricing, and tooling costs are approved by B.	X		8																																				
	19 Factory is notified by SO that the quote has been accepted and requests product samples.		X	8																																				
	20 If product tooling is required, SO informs B of the tooling cost, tooling development schedule, and sample production date.		X	8																																				
	21 Tooling payment schedule is provided to B. The tooling is owned by B after final payment and it is B's responsible to properly insure tooling.		X	8																																				
Product Qualification/ Functional Sample	22 A tooling deposit (this is a negotiable item with the factory; 0% to max 50% may be required) is submitted to the factory to begin tooling production	X		9																																				
	23 Factory generates product and tooling (tooling depends on complexity of the product) design drawings and submits to SO for review.		X	10																																				
	24 Product design drawings are reviewed for errors and problems by SO.		X	10																																				
	25 Product design drawings are submitted to B for review and final approval.	X	X	10																																				
	26 After B approves drawings, SO notifies factory.		X	11																																				
	27 Tooling is manufactured by the factory to B approved tooling specs.		X	11 - 17																																				
	28 Tooling production updates are provided to B		X	8 - 17																																				
	29 Product sample is produced and shipped to SO for review & initial evaluation.		X	18																																				
	30 Initial review and testing of product sample is completed and Sample Evaluation Report (Form 9) is completed by SO.		X	18																																				
	31 Product sample and Sample Evaluation Report (Form 9) are forwarded to B.		X	18																																				
	32 Functional product sample is evaluated and approved by B and SO is notified.	X		19																																				
	33 If product sample is rejected by B, written rejection reasons and corrections for the product sample are provided to SO.	X		19																																				
	34 Factory is notified of required product sample corrections.		X	19																																				
	35 Factory produces a revised product sample and ships to SO for review.		X	20																																				
36 Revised product samples are reviewed and Sample Evaluation Report (Form 9) is completed and re-submitted to B for review.		X	20																																					
37 Functional product sample is approved and SO is notified.	X		20																																					
38 Factory is notified by SO that functional product sample has been approved.	X	X	20																																					

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42	Proforma Invoice (Form 33) is requested from factory confirming quantity, price & delivery date.		X	21																																				
43	Purchase Order (Form 34) is transmitted to SO (subject to any safety approvals needed, i.e. UL, CE, FDA, ROHS, etc.) after receipt of Proforma Invoice (Form 33) . Purchase order is issued in factory name.	X		21																																				
44	Purchase Order (Form 34) is reviewed for accuracy and SO recommends any changes to B. When approved, SO sends Purchase Order to Factory.		X	21																																				
45	Purchase Order (Form 34) is logged into Purchase Order Tracking Report (Form 23) , sorted by shipping month and factory.		X	21																																				
46	Purchase Order Tracking Report (Form 25) is reviewed daily by SO employee.		X	21 - 31																																				
47	Artwork file (CD or computer file w/ pkg drawings) for all packaging, logos and product markings is provided to SO and then forwarded on to the factory.	X	X	13 - 25																																				
48	Receipt of artwork is recorded by SO in the Artwork Tracking Report (Form 27) .		X	13 - 25																																				
49	If B is unable to provide artwork, SO will recommend local graphic designer.		X	13 - 25																																				
50	All safety approvals must be started by factory at this point (ie. UL, CE, FDA, ROHS, etc).		X	21																																				
51	UL fees for product approval are paid for by B (50% upon start of approval process, 50% upon receipt of UL approval).	X		21																																				
52	Artwork & packaging proofs are reviewed by SO and sent to B for review.		X	26																																				
53	Artwork & packaging proofs are approved by B (i.e. Gift Box, Clam Shell packaging, Instruction Manual, Rating Label, etc.).	X		27																																				
54	Factory ships pre-production product sample, including artwork and packaging to SO.		X	27																																				
55	Pre-production product sample and related artwork is reviewed by SO and sent to B.		X	28																																				
56	Pre-production product sample & related artwork is approved by B and notification made to SO.	X		28																																				
57	Order is released for production.		X	28																																				
58	Factory requests quality assurance inspection date by SO inspector.		X	29																																				
59	Inspection date is confirmed, scheduled, and the QA Inspection Schedule (Form 31) is completed by SO.		X	29																																				
60	Once the inspection is completed, the QA Inspection Report (Form 18) is transmitted to SO by the SO Inspector.		X	30																																				
61	Shipment Release Form (Form 21) is issued to the factory by SO (order cannot be shipped w/o shipment release form).		X	30																																				
62	Copy of Shipment Advice Form (Form 23) and related shipping documents are sent to B.		X	30																																				
63	Product is shipped via designated freight carrier to B.		X	31 - 34																																				
64	Factory copy of Invoice, Packing List & BOL is received by SO, approximately 10 days after shipment.		X	32																																				
65	Invoice, Packing List and BOL are reviewed by SO for accuracy and final approval.		X	32																																				
66	Approved copy of invoice and shipping documents are sent to B.		X	32																																				
67	Invoice and shipping documents are approved by B and payment via wire transfer to the factory (in US Dollars) is scheduled. Payment normally occurs within 12 - 15 days of shipment of product from Chinese port. (Note: payment terms extend out as relationship develops; goal is have payment terms of 90 days from ship date, Chinese port).		X	33																																				
68	Factory remits original invoice and shipping documents to SO once payment is received. Documents are then forwarded directly to B.	X	X	34																																				
69	Product shipment is received by B and AQL quality sample testing is performed.	X		35 - 36																																				

Order Processing - New Item

If UL Approval Req, add 90 days from Week 21

On Water

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Quality Assurance Review	1	Product quality standards for Defect Classification Report (Form 16) are defined by both SO and B.	X	X	5 - 7																																			
	2	Defect Classification Report (Form 16) is prepared by either B or SO.	X	X	8																																			
	3	If the Defect Classification Report (Form 16) is created by SO, B will review & approve.	X		9																																			
	4	Quality inspection will be performed at the factory when product is 100% manufactured & ready for shipment.		X	29																																			
	5	Quality inspection is scheduled by SO and tracked on a weekly basis via the QA Inspection Schedule (Form 31) .		X	29																																			
	6	Quality inspection is performed by SO inspector at factory based on Defect Classification Report (Form 16) .		X	29																																			
	7	QA Inspection Report (Form 18) is prepared by inspector & sent to SO.		X	29																																			
	8	QA Inspection Report (Form 18) is reviewed by SO and product is approved for shipment.		X	29																																			
	9	Shipment Release Form (Form 21) is prepared and sent to the factory.		X	30																																			
	10	If inspection fails, SO issue SCAR form (Form 20) and order is re-manufactured and re-inspected by SO inspector.		X	30 - 31																																			
Shipping	1	Freight forwarder is selected and SO is notified of selection, including designated U.S. Customs broker (avg freight 7% and duty 3% cost is 10% of product cost; 2 to 3 different forwarders should be considered; and 20ft or 40ft container costs should be understood).	X		20																																			
	2	If freight forwarding company cannot be identified by B, SO will advise or designate a freight forwarder.		X	20																																			
	3	After the factory receives the Shipment Release Form (Form 21) , factory arranges shipment with freight forwarder, F.O.B. China port.		X	30																																			
	4	Shipment Advice Form (Form 23) is sent to B.		X	30																																			
	5	Shipment Advice Form (Form 23) is forwarded to the Customs Broker who monitors the inbound shipment.	X		31																																			
	6	Freight forwarder issues arrival notice to Notified Parties (ie. B, Custom Broker, etc.).	X		33																																			
	7	B designates where arrival notice will be sent (normally, Customs Broker).	X		20																																			
	8	Original invoice and shipping documents are provided to the Customs Broker.	X		33																																			
	9	Customs Broker clears goods with U.S. Customs & arranges for delivery to B.	X		34																																			
	10	Product shipment is received by B.	X		35 - 36																																			
	11	Invoices for taxes, duties, and freight costs are received by B for payment.	X		36																																			
	12	Marine insurance to cover goods shipped from the Chinese port to the final U.S. destination is the responsibility of B.	X		20																																			