6 pitfalls of manufacturing in China – and how to avoid them

By NewTracks AS

After 10 years of manufacturing in China, we have seen the same mistakes made again and again – by experienced companies and first-timers alike. Here are the six most common pitfalls, and what you can do to avoid them.

1. “Surely they'll understand this”

The most common and most expensive mistake. Many companies assume that quality requirements, tolerances and finish are self-evident – they are not. Chinese factories are efficient precisely because they follow specifications to the letter. If you haven't specified it, it doesn't exist.

Solution: Document everything. Drawings, quality requirements, material standards and surface treatment – ideally in a separate quality document per product.

2. Choosing a supplier on price alone

The cheapest factory is rarely the best investment. A low price can mean lower quality standards, poorer raw materials or a lack of capacity to follow up deviations.

Solution: Assess the factory on expertise, communication and references – not just on the quoted price. An audit of the factory before start-up is worth the money.

Over 10 years NewTracks has built a network of qualified factories in the Shenzhen region. We audit every factory we work with annually to ensure good working conditions, health and safety, environmental requirements and that they are solid for a long-term partnership.

3. Skipping the first-article sample

It is tempting to go straight to series production to save time and money. Very thorough work has probably been done in the design phase, maybe even prototypes, and it seems plain sailing to go directly into production. It usually costs more than it saves. We very rarely deliver a first-article sample without some comments.

Solution: Always make a first-article sample that you approve before series production starts. We call this a Golden Sample – your assurance that everything you have specified (and everything you take for granted) is understood correctly by the factory. It is also your reference for all future quality assurance.

4. Underestimating cultural differences

Cultural differences affect the product, the delivery and the follow-up. Views on what looks good differ, and the wish to save costs can be well meant but lead to poorer quality. That is why you need clear, objective criteria. Even everyday time expressions can be misunderstood: when we say ASAP, we mean it is really urgent, but in China it can mean doing it when convenient – “as soon as possible”.

5. Trusting quality without follow-up

“We have used this factory before, so it will be fine.” Quality in China does not run itself. A change of workers, time pressure or well-meant cost savings can change the quality without you being told – and by the time you discover it, it is too late.

Solution: Carry out a quality inspection of every production batch, ideally at the factory before the goods are shipped.

With NewTracks you have your own team in China, and every factory we work with is within 2 hours of our office in Shenzhen. For every production batch, someone from our team travels to the factory and checks the products before they are shipped.

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6. Paying in full too early

Once the factory has received full payment, the motivation to correct defects is sharply reduced. This is a structural problem, not a question of honesty.

Solution: Hold back part of the payment until the quality has been verified. Agree clear payment terms from the start.

When you work with NewTracks, you deal with a European company should a complaint arise. We offer normal payment terms with credit in line with D&B's recommendations.

NewTracks has 10 years of experience manufacturing in China and helps European companies with product development and manufacturing.

Our team in Shenzhen, NewTracks China Co. Ltd., supports project management, engineering, quality assurance and logistics, while commercial responsibility lies with the Norwegian company NewTracks AS.