



China Sourcing Consultant - 7 Fit Checks and Proposal File Checklist

A printable engagement kit for hiring a China sourcing consultant: the seven fit checks that separate a consultant from an agent, the seven proposal files to demand at sign-off, a fee-teardown worksheet, the 48-hour pre-deposit evidence file, and the 30-day engagement blueprint.

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DISCLAIMER

This kit is a field tool drawn from LeelineGroup's sourcing engagements and anonymized audit telemetry. It is provided for informational purposes only and is not a substitute for licensed third-party inspection, legal counsel or customs advice. LeelineGroup charges a transparent 3%-7% service fee and takes no factory kickbacks and no paid placements. Every figure you enter on the worksheets is your own; verify every certificate, registration and ruling against the issuing body before you sign or wire a deposit.

1. The Seven Fit Checks

Answer all seven before you sign. Each check separates a consultant from an agent on a different axis, and a fail on any one is a reason to change the hiring model rather than negotiate the price.

#	Fit check	Hire a consultant when	An agent is enough when
1	Strategy or execution	Category redesign, cost governance and compliance build-out	Execution of a fixed spec: RFQs, samples and order chasing
2	Fee model teardown	Fixed fee or day rate tied to verified savings, with open-book invoices	3% to 10% of order value, often with padding inside the unit price
3	Pre-deposit supplier vetting	A 48-hour evidence file: entity, location, live floor, subcontracting, QC kit	A profile check and a supplier introduction
4	China-enforceable legal and IP stack	Bilingual China-law NNN, chop, liquidated damages, named court district	A generic English NDA, or none
5	Process validation	Scope match, calibration logs, inline QC points and sample-to-bulk controls	A certificate on file
6	Total landed cost	Total landed-cost model, tariff classification and multi-factory consolidation	An ex-works or FOB unit price
7	Written scope and handoff	Seven named files, written fee logic, audit pack and a handoff checklist	Verbal scope and a quote sheet

Audit telemetry behind these rules, from 1,204 pre-deposit inspections: 31% of audited plants redirected active orders to uncertified workshops, 18% presented compliance documents that could not be verified in an accreditation database, and 27% of lines failed basic ISO 9001 metrology checks.

2. Proposal File Checklist at Sign-Off

Ask every candidate firm for the same seven files at the same moment. A proposal that cannot name its own outputs cannot be audited later, and an engagement that cannot be audited cannot be trusted.

File to demand at sign-off	What it must contain	How you accept it
supplier_strategy_v3.xlsx	Category plan, dual-sourcing map, tier-2 and tier-3 input risks	Every factory is named, with the decision behind it
vetted_shortlist.xlsx	Five to seven factories with entity, capacity and audit status	Every row traces to a dated audit
cost_model_cleansheet.xlsx	Should-cost model with written assumptions for each cost driver	Assumptions are visible, not only totals
audit_pack.zip	Audit reports, floor photos, calibration evidence and timestamps	Dated, on-site and signed
risk_register.xlsx	Risk, owner, trigger and mitigation for every open line	Each risk has an owner and a trigger
negotiation_plan.pdf	Target price, walk-away number, concession ladder and evidence	The walk-away number is written down
implementation_handoff_checklist.docx	Who does what after the engagement ends	A named owner for every handoff

Then ask the four pricing questions - in writing

- Which reimbursements are covered by the fee, and which are invoiced separately?
- What pass-through expenses exist, and at what markup?
- Will you provide open-book evidence for your fee and for the factory invoices?
- Will the chief executive sign a bilingual anti-bribery declaration with a defined penalty for hidden supplier kickbacks?

Outcome-linked fees need three things before you sign: a baseline, a measurement method and a clawback clause. Without all three the fee is a fixed fee with extra steps.

3. Fee Teardown - The \$500,000 Worked Example

The visible commission is the last layer, not the first. Pull the factory invoice and rebuild the quote line by line: the padding usually hides in inflated raw-material indexes, padded labor minutes and a doubled factory margin.

Line item	True factory cost	Agent quote	Variance
Raw-material indexes	\$182,000	\$200,000	+\$18,000
Labor minutes	\$54,000	\$60,000	+\$6,000
Tooling amortization	\$12,000	\$15,000	+\$3,000
Machine time	\$28,000	\$33,000	+\$5,000
Factory overhead	\$39,000	\$45,000	+\$6,000
Packaging	\$18,000	\$21,000	+\$3,000
Inland China freight	\$7,000	\$9,000	+\$2,000
Factory margin	\$60,000	\$92,000	+\$32,000
Visible commission	\$0	\$25,000	+\$25,000
Total ex-works	\$400,000	\$475,000	+\$75,000
Total paid	\$400,000	\$500,000	+\$100,000

An open-book consultant at 5% of the \$400,000 true ex-works cost charges \$20,000, for a total of \$420,000 - \$80,000 less than the \$500,000 actually paid on this order.

Where the padding hides

- Raw-material indexes inflated by 8% to 12% against the commodity index.
- Labor minutes padded by roughly 10% of the real standard time.
- Factory margin doubled, which is the largest line in the example above.
- A visible commission added on top, as if it were the only markup.

4. Your Own Fee Teardown - Blank Worksheet

Fill every row before you negotiate. Require clean, unredacted factory value-added tax invoices for every batch, and an open escrow ledger that shows the exact cross-border transfers. A partner who refuses full financial transparency is charging you for opacity.

Line item	True factory cost	Agent quote	Variance
Raw-material indexes			
Labor minutes			
Tooling amortization			
Machine time			
Factory overhead			
Packaging			
Inland China freight			
Factory margin			
Visible commission			
Total ex-works			
Total paid			

Know four numbers before you sign: the true ex-works baseline, the consultant fee, the variance from clean-sheet cost, and where the margin is captured. If they do not reconcile, walk.

5. The 48-Hour Pre-Deposit Evidence File

One failed factory can erase the margin saved on the whole PO. Run these five steps inside 48 hours before money moves, and stop at the first step that cannot be evidenced.

- ☐ 1. Confirm the legal entity
Evidence: Business license, customs registration and bank account name, all matching the contracting party.
- ☐ 2. Prove the factory location
Evidence: Live geotagged video, utility bill and lease for the address on the license.
- ☐ 3. Collect live-floor evidence
Evidence: Short-notice walk, timestamped line photos and a worker count on the shift.
- ☐ 4. Detect subcontracting
Evidence: Capacity math against the quoted run, work-in-progress volume and shipping documents.
- ☐ 5. Check the QC equipment
Evidence: Calibration stickers, maintenance logs and the test method behind the AQL decision.

A profile check and a polished sales deck cannot catch a shadow production line. The evidence file turns a supplier claim into a board-level risk document you can put a deposit decision against.

6. Control Stack - Lock All Five Before Deposit

Week two of an engagement builds the control stack. Every item below is far cheaper to agree now than to enforce after a defect, a price dispute or an IP leak.

- ☐ 1. Legal identity checks
Evidence: Business license, customs registration and bank account name match the contracting entity.
- ☐ 2. Bilingual NNN timing
Evidence: Signed and chopped before any CAD file, drawing or bill of materials leaves your side.
- ☐ 3. Quote-normalization rules
Evidence: Matched specs, Incoterms and payment terms across every quote you compare.
- ☐ 4. Audit cadence
Evidence: Pre-deposit, during production and pre-shipment, each with a named owner and a date.
- ☐ 5. Acceptance criteria
Evidence: AQL 1.5 or 2.5, defect classes and calibration logs agreed in writing before the run.

Signature timing is the item buyers miss most: teams negotiate for weeks, then send the file on Monday and sign on Friday. The NNN has to be chopped before the first drawing moves, not before the first payment.

7. The 30-Day Engagement Blueprint

Three stages, four weeks, one written decision at the end of each. If the brief misses a margin floor or a compliance requirement, the engagement fails in week two - which is exactly when you want it to fail.

Stage	What you collect	Gate to pass
Week 1 - Operating brief	Goal and volume forecast, margin floor, compliance (BSCI, ISO 9001, RoHS), timeline risks, approved specs, current supplier map, data room	A signed brief you can audit in week two
Week 2 - Control stack	Legal identity, NNN timing, quote normalization, audit cadence, acceptance criteria	All five locks signed before any deposit moves
Weeks 3-4 - Pilot	Outreach to 5 to 7 vetted factories, matched quotes, one 48-hour audit, one BOM teardown	A written go/no-go memo on the same evidence file

Go / no-go review - the five questions on the table

- Does the true ex-works baseline reconcile to the clean-sheet cost?
- Does the contracting entity, the chop and the bank account name all match?
- Is the machine that will run our order calibrated and in scope?
- Does the landed cost still win after packaging, freight and duty?
- Is every deliverable in the audit pack dated, signed and traceable?

8. Consultant Red Flags - Pause the Engagement

Most consultants pitch well. Few survive a document audit. Any single flag below pauses the engagement until it is resolved in writing.

- ☐ 1. Vague advice with no document trail
Evidence: Ask which file holds the evidence. If the answer is a slide deck, stop.
- ☐ 2. Refusal to explain the fee model
Evidence: A partner who will not show the arithmetic is charging for access, not for work.
- ☐ 3. Promises of the "lowest price"
Evidence: The lowest quote and the clean-sheet cost rarely share a sentence. Demand the ledger.
- ☐ 4. No clear execution boundary
Evidence: If nobody can say where the consultant stops and the agent starts, both are billing you.
- ☐ 5. No stated verification method
Evidence: No file, no baseline and no audit date means no way to test the result.

9. Sources and Official Verification Programs

Verify every registration, certificate and tariff ruling against the issuing body - never against a forwarded PDF or a cover page.

- **GSXT / NECIPS - official Chinese company registry**

Confirm the legal entity name, the 18-digit Unified Social Credit Code, the business scope and the live registration status before you draft any agreement. (<https://www.gsxt.gov.cn/>)

- **IAF CertSearch - global certificate validation**

Confirm that the body behind an ISO certificate is accredited, and that the certificate is in scope, at the right address and in date. (<https://www.iafcertsearch.org/>)

- **ISO 9001 - quality management systems**

A certificate is evidence only when its scope covers the process you are buying. A trading scope cannot cover in-house molding or assembly. (<https://www.iso.org/iso-9001-quality-management.html>)

- **ISO 2859-1 - sampling procedures for inspection by attributes**

The standard behind the AQL 1.5 and 2.5 accept/reject limits you write into the contract and the inspection plan. (<https://www.iso.org/standard/1141.html>)

- **amfori BSCI - social compliance audit program**

Verify the audit date, the auditing company and the corrective-action status directly, rather than reading a forwarded PDF. (<https://www.amfori.org/amfori-bsci/>)

- **EU RoHS Directive - European Commission**

The substance restrictions behind a RoHS claim, for electronics and electrical goods sold into the EU. (https://environment.ec.europa.eu/topics/waste-and-recycling/rohs-directive_en)

- **Freightos Baltic Index (FBX)**

A public container index to sanity-check the freight component of any landed-cost model before you accept a quote. (<https://fbx.freightos.com/>)

Want Someone On The Ground Running These Checks?

Run this checklist yourself, or have it run for you: registry entity checks, bank-beneficiary matching, a live factory walkthrough and an AQL pre-shipment inspection on your own PO. We charge a transparent 3%-7% service fee and take no factory kickbacks. Free quote, no obligation.

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