



18 RED FLAGS YOUR CHINA SUPPLIER IS GOING BANKRUPT



As the global economic downturn squeezes the manufacturing sector, bankruptcies are on the rise in China. Unfortunately, the victims in a factory bankruptcy, both the upstream suppliers and downstream customers, rarely get a warning it's coming.

In this situation, suppliers will often hoard cash, staff, and materials until the very end in a desperate attempt to keep operating. All while putting your supply chain at risk.

Are your suppliers in trouble? Use this checklist to find out.

1. Managers and line staff aren't being paid



2. Turnover has been rising for weeks

3. A layoff happened before Chinese New Year



4. New payment terms or early payments are requested

5. Inbound raw materials are slowing due to unpaid suppliers



6. Finished goods delivery is late

7. Quality is slipping



8. Managers aren't returning calls or emails

9. Managers won't take meetings

10. Factory suddenly changes name



11. Factory abruptly changes location

12. Lawsuits are filed against the company



13. Headhunting chat forums have negative reviews

14. High customer complaints



15. Excess capacity as orders are dwindling

16. Creditors are complaining at the front gate

17. Export volume has dropped over 12 months

18. Increasingly poor lead times



What can you do about it?

Analysts continue to predict the global economy is in for a rough ride. Wise supply chain strategists are implementing Plans B and C to mitigate risk and keep deliveries flowing smoothly. Worried your supplier is going under? We can help. Trust Complete Manufacturing and Distribution to get your supply chain back on track. Connect with us today.

