

# Buying from China with confidence

Sourcing specialty chemicals from China requires great in-depth knowledge of the suppliers' base and constant attention across the entire spectrum of the supply chain process, says McKinn International

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There is no escaping from the sourcing of specialty chemicals from China given the lower cost of production in the country and the broad spectrum of products being produced compared to that in most developed economies. Many international companies and distributors have been attracted to establish their own manufacturing facilities in the country, and to set up distribution operations to source material for customers in the wider world.

But the sourcing process is not straightforward, argues Chau Tak Vui, CEO of Singapore-based McKinn International, which was established in 2003 specifically to provide sourcing, procurement and distribution of specialty chemicals from China for the global market.

"Overseas buyers often lack the experience and means to identify genuine and reliable suppliers in China," he says. "With the prevalence of internet technology, it is easy enough to establish contacts with potential suppliers but there still exists a host of issues to overcome. "Very often Chinese suppliers lack the experience to ensure consistent product quality," he adds.

This can be compounded because they do not fully appreciate the extent of regulatory compliances, such as the Globally Harmonized System of Classification and Labelling of Chemicals (GHS), and the preparation of Safety Data Sheets (SDSs).

Solving these, and other supply chain process issues, is where McKinn can provide value-added services for its suppliers as well as customers and other stakeholders. "We are well recognised as a supply chain solution provider," says Chau. "We work on the principle of transparency with stakeholders. Customer and supplier details are revealed upfront and made known to all parties concerned. This helps to pave the way for open discussion and building a long-term working relationship."

Soon after it was set up in Singapore, Mc-

Kinn opened a Chinese office in Shanghai to give it close contact with the market and suppliers. The office, he explains, helps to facilitate the frequent visits to and by suppliers and also enables the company to employ dedicated staff in China. These he adds, "take pride and responsibility on behalf of the Chinese suppliers to ensure supply of on-spec material."

McKinn also has offices in Taiwan and Vietnam, and alliance offices in South Korea, Thailand, India, Pakistan, South Africa, Italy and the US. It serves mainly multinational chemical companies worldwide and has been appointed by some as global supplier. It was ranked 26th in the Top 100 Asia Chemical Distributors by ICIS in 2015, with a turnover of \$31.11m.

## WIDE AND VARIED EXPERTISE

The range of products offered runs from acids and anhydrides, additives and raw materials for plastics, adhesives and coatings, agrochemicals, flame retardants, oleochemicals and personal care products, plasticizers, rubber additives, solvents and water-based acrylic resins.

Chau himself has been working in the chemical industry since 1988 and splits his time between the Singapore and Shanghai office. As CEO of McKinn, he is fully involved in the running of the business, including management, business development, sales and marketing and training of local China staff.

Chau attributes the company's success to a number of factors. "We adhere to the fundamental business principles of 'Sincerity, Honesty and Integrity' and place strong emphasis on branding and company image. This helps to enhance the trust and confidence of our stakeholders."

Very importantly, he says, is an emphasis on data mining to ensure an excellent and thorough understanding of the market for each product, and having a team of dedicated China staff with specialist knowledge of markets, products and applications.

McKinn has built up an extensive database



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of key suppliers in China. These are all qualified based on a number of criteria, including price competitiveness, product innovation, HSE compliance, financial strength, growth objectives, customer service, leadership and reliability. McKinn also carries out product qualification and arranges for shipping, with the appropriate documentation in place.

Chau stresses the need to obtain regular feedback from customers on the delivery and use of the products. This can be fed back to suppliers for further improvement, if necessary. In addition, regular visits to suppliers are made to build and maintain a close working relationship.

McKinn updates customers on a regular basis on market trends concerning products which they have shown interest in, as well as the raw materials, which allows customers to make well-informed decisions.

As Chau concludes: "Being an effective, value-added player in the sourcing and distribution of chemicals from China, McKinn is able to overcome the current strong headwinds in the global economy. We are always forward looking and keep reminding ourselves that we must always anticipate changes and stay relevant." ■