

## **Reverse Sourcing**

As we prepare to dive into our direct sourcing methods that tie together all the different factors we have been covering in the course, it is very important to understand the concept of reverse sourcing, which is the foundation of those methods.

### **Changing Your Line of thinking**

It is likely you have been taught in the past that you should be seeking out wholesalers first, and then going through their catalogs and web pages of inventory to find products. We think that this is objectively the wrong way to source.

Going through a wholesalers inventory can be very tedious and time consuming, and doesn't guarantee that you find any worthwhile products.

Finding wholesalers first can also lead to problems where you are actually working with middlemen. It saves you money to avoid middlemen. You want to be buying product as high up on the supply chain as possible. You want to be purchasing manufacturer direct.

## **Reverse Sourcing**

That leads us to Reverse Sourcing, which is the method of finding a great product first using our set of criteria, and then contacting the manufacturer directly to purchase that specific product. This saves you countless hours, takes out the guesswork, and in the end, you get the product you want at the best possible price.

Another huge benefit of reverse sourcing is that you are actually developing a relationship with the manufacturer and brand owners, not some random wholesaler middleman. If you foster these relationships, they can lead to some amazing perks. Here are just a few of our personal examples:

- We have a manufacturer that alerts us to when they sell to Amazon, the number of units they sold to them, and what they charged them
- We have a multiple manufacturers where we get the lowest price of anyone they sell to
- Many companies will contact us first when they have special deals or closeout opportunities to see if we are interested
- We have signed Amazon exclusivity deals with companies

You see, all these benefits came about just because we talk to manufacturers like they are human beings, and they like us. We connect with them on a personal level and we recommend that you try and do the same.