

Supplier Selection Checklist

Your outsourcing decision is vitally important to your company's future. After twenty-five years' experience in manufacturing and fulfillment, we have found that many of the questions that should be asked are often overlooked when potential suppliers are evaluated. To assist you in selecting the best supplier for your requirements, the following checklist highlights some of the items to consider in making your decision. We appreciate your feedback re any questions, changes, or additions you have regarding this checklist.

What Products and Services are Provided?

- Printing and Packaging
- CDs, DVDs, BDs, Tapes, and Flash Media
- Binders, Tabs, and Looseleaf Products
- Demand Publishing
- Assembly and Warehousing
- Order Management, Fulfillment, and Distribution
- Direct Marketing and Mailing
- ✓ *All of the above products and services can be provided by Gung-Ho as a single source*

What is the Manufacturing Lead Time and Capacity?

- Lead Time
- ✓ *Critical time-to-market projects and new product launches are guaranteed by Gung-Ho*
- Capacity
- ✓ *Gung-Ho's existing facilities can produce over 1,000,000 kits per day; additional facilities can be established to meet specific client requirements*

What are the Manufacturing Choices?

- Supplier Supplies Products
- Supplier Procures Products for Client
- Client and/or Third Party Supplies Products
- International Sourcing and Manufacturing Assistance
- ✓ *All of the above manufacturing options are available at Gung-Ho*

Who is Involved, their Experience, their Accessibility, and Quality of Communications?

- Involvement
- ✓ *Gung-Ho's president and senior management is involved in every new client setup*
- Experience
- ✓ *All Gung-Ho employees have a minimum of 10 years' experience in this industry*
- Accessibility
- ✓ *In addition to standard communication methods, all Gung-Ho employees are available 24/7 via their cell and home phones*
- Quality of Communications
- ✓ *Gung-Ho communications, including paperwork, are accurate and timely*

Can Orders be Captured from Any Source?

- Purchase Order / Accounting System
- Web Store / Internet / Intranet
- Call Center / Telephone
- Fax
- E-mail
- Mail
- ✓ *All of the above ordering options are available at Gung-Ho*

Is Order Processing Integrated with Manufacturing, Assembly, and Fulfillment?

- Manufacturing / Assembly Integration
- Fulfillment Integration
- ✓ *Gung-Ho's manufacturing, assembly, and fulfillment are fully integrated and timed to occur only when actual orders have been received and products or services are needed*

Does the Supplier Ship From the Locations You Require?

- Locations Close To You
- Locations Close To Your Customers
- Locations Close To or Within Its Manufacturing Facilities
 - ✓ *All of the above ship-from options are available at Gung-Ho*

Does the Supplier Ship To the Locations You Require?

- End Users
- Retail Stores
- Distribution Centers
- Channel Partners / VARs
 - ✓ *All of the above ship-to options are available at Gung-Ho*

What Information Systems are Used and What Information is Provided?

- Real-time On-line Access to All Client Manufacturing and Fulfillment Information
 - ✓ *Yes, via Gung-Ho's GENIE & GOLD information systems*
- Automatic E-mails Regarding All Action Items and Important Collaboration
 - ✓ *Yes, via GATE, Gung-Ho's Automatic Transmission of E-mail system*
- Reporting Capabilities
 - ✓ *Gung-Ho provides both standard and customized reporting*
- Information Systems Availability, Scalability, Redundancy, and Security
 - ✓ *Gung-Ho's GENIE and GOLD information systems have provided better than 99.9999% uptime, are scalable and redundant, and have had no unauthorized access since they were implemented in 1999*

What Client References, Performance Statistics, and Performance Guarantees are Available?

- Client Satisfaction / References
 - ✓ *Gung-Ho has never lost a client based upon its performance; references available upon request*
- Fast Turnaround and On-Time Shipping
 - ✓ *Yes, with guarantees of up to \$100,000 per day if late (which Gung-Ho has never incurred)*
- Fulfillment Accuracy
 - ✓ *Gung-Ho has 99.999% order fulfillment accuracy*
- Satisfies Retailer-Specific EDI, Packaging, Labeling, and Routing Guide Requirements
 - ✓ *Gung-Ho guarantees it will satisfy all retailer requirements or pay for any noncompliance*
- Retailer Chargebacks Paid by Supplier
 - ✓ *Gung-Ho pays for chargebacks (only one chargeback for \$100 has been incurred to date)*
- Disaster Recovery
 - ✓ *Gung-Ho has multiple facilities in various geographic locations which are integrated with the same information systems to ensure a minimum interruption of service in case of a disaster*

What is the Financial Stability of the Company?

- Profitability
 - ✓ *Gung-Ho has been profitable since its inception*
- Adding or Losing Clients
 - ✓ *Gung-Ho continues to add clients and has never lost a client based upon its performance*
- Layoffs or Reorganization
 - ✓ *Gung-Ho has never had a layoff or reorganization*
- Component / Raw Material Suppliers Paid Within Their Terms
 - ✓ *Gung-Ho has always paid its bills on time*

What Billing Choices are Offered?

- Traditional or Electronic Invoices
- Invoicing As Products and Services Are Rendered
- Invoicing After Finished Goods Are Shipped
 - ✓ *All of the above billing options are available at Gung-Ho*