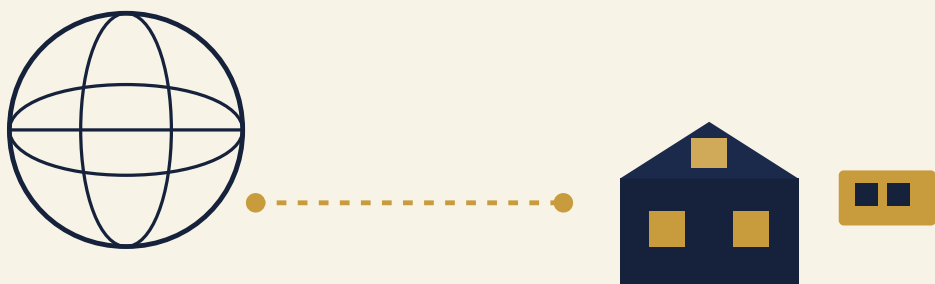


GLOBAL PRODUCT SOURCING

Global Product Sourcing Case Study: How Factory-Direct Procurement Cut COGS by 24%

Client: Hearth & Home Co.* **Industry:** Home & Kitchen (Cookware) **Engagement:** 14 weeks



Global product sourcing illustration showing a world map, factory, and shipping route representing Originem Ventures' factory-direct procurement process

The Client: A Growing Home & Kitchen Brand

CLIENT SNAPSHOT

Hearth & Home Co. is a US-based Amazon seller specializing in pre-seasoned cast-iron cookware sets sold through Wholesale and Private Label channels, with roughly \$180K in trailing monthly revenue across two SKUs.

The brand had built solid organic rankings, but margins were being quietly eroded by an extra layer of markup sitting between them and the factory floor.

The Challenge: Hidden Markups in the Sourcing Chain

Hearth & Home was buying through a US-based import distributor rather than the manufacturer directly. This added a markup layer the client had no visibility into, and left them exposed to price increases they couldn't negotiate around.

Metric	Before Engagement
Sourcing channel	Third-party US distributor

Landed COGS / unit	\$14.85
Average lead time	45 days
MOQ flexibility	Fixed, non-negotiable
Backup suppliers	None (single-source risk)

Our Global Product Sourcing Strategy

- Phase 1 — Supplier Vetting**
Identified and vetted 4 cast-iron manufacturers directly in Yixing and Zhangqiu, China through our existing sourcing network, screening each for production capacity, certifications, and factory audit history.
- Phase 2 — Direct Negotiation**
Negotiated factory-direct pricing and MOQs scaled to the client's cash-flow stage, removing the distributor's markup entirely.
- Phase 3 — Quality & Compliance**
Ran full pre-shipment quality control inspections and verified compliance documentation (FDA food-contact compliance, Prop 65) before the first container left port.
- Phase 4 — Redundancy Planning**
Onboarded a second qualified factory as backup supply, removing the single-source risk that had left the client exposed to prior price shocks.

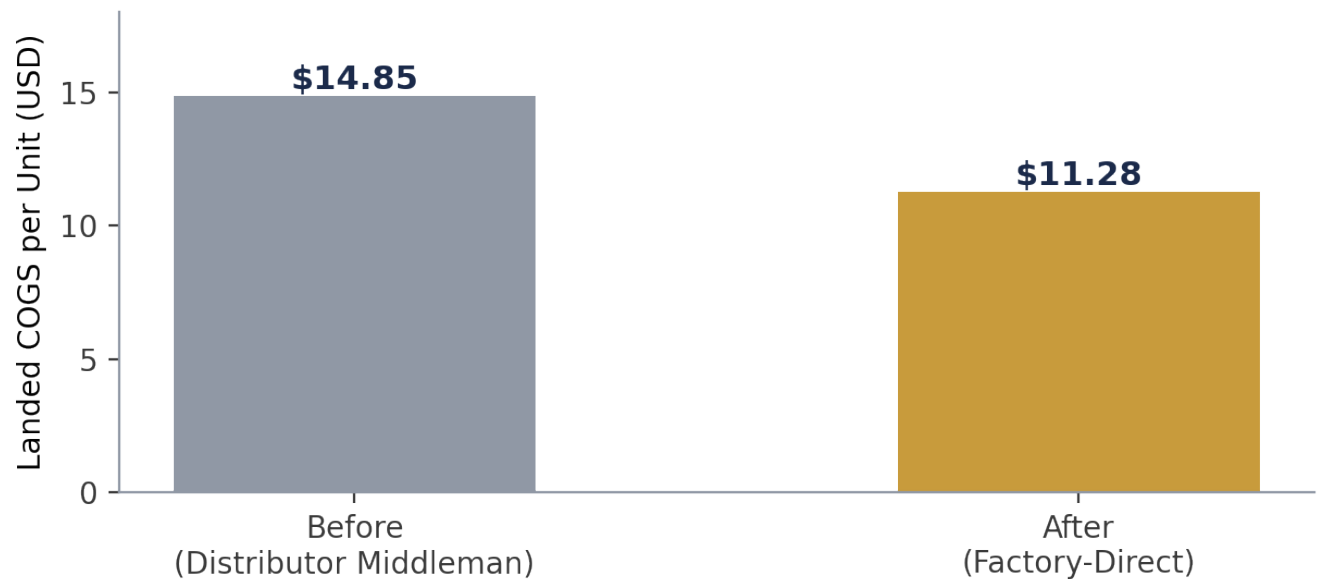
“Originem found us a direct factory relationship we didn't know existed. Our margins came back almost immediately, and for the first time we have a real backup supplier instead of crossing our fingers every quarter.”

— OWNER, HOME & KITCHEN BRAND (WHOLESALE + PL)

The Results: Lower COGS, Faster Lead Times

24% REDUCTION IN LANDED COGS	19 DAYS FASTER AVERAGE LEAD TIME	2 QUALIFIED FACTORY PARTNERS	0 COMPLIANCE ISSUES ACROSS 6 SHIPMENTS
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Cast-Iron Cookware Set — COGS per Unit



Within the first full production cycle, landed COGS per unit dropped from \$14.85 to \$11.28 — a 24% reduction — while lead times improved from 45 to 26 days thanks to a closer, direct relationship with the factory floor. This kind of global product sourcing work is at the core of how we support Amazon FBA wholesale and private label sellers across home & kitchen, beauty, and consumer electronics categories.

CONCLUSION

By removing the distributor middleman and building a direct, audited factory relationship, Hearth & Home Co. converted a structural margin leak into a durable cost advantage — while also gaining the supply redundancy their single-source setup had been missing.

RELATED SERVICES & KEYWORDS

Global Product Sourcing

Amazon FBA Wholesale Sourcing

Factory-Direct Procurement

Supplier Verification

Quality Control & Compliance

Alibaba & 1688 Sourcing

eCommerce Supply Chain

Ready to Cut Your Sourcing Costs?

Originem Ventures helps Amazon FBA and eCommerce brands find vetted manufacturing partners, negotiate factory-direct pricing, and build a resilient, compliant supply chain.

[Request a Free Sourcing Consultation →](#)

Illustrative portfolio case study prepared by Originem Ventures LLC. Client identity anonymized/composited for confidentiality. Figures reflect representative engagement outcomes.