

What is a Wholesale Buyers Term Sheet?

When you take an order for your product from a wholesale buyer you are entering into a contract of sorts. Before placing an order the buyer will want to know “up-front” what your terms are. Many small businesses include this information directly on their price sheet and on the back or bottom of their order form.

The information normally included:

- Minimum Order Amounts
- Shipping Charges
- Payment Methods
- Delivery Schedule
- Return Policy/Guarantee

Minimum Order Amounts

A minimum order amount is the dollar amount or number of products that must be purchased before you will take an order. It can be \$75.00 or five or more of a certain product (it can even be just one!). You decide what that number is because you are the one who must make sure that it is worth your while to be selling wholesale in bulk rather than individually as retail.

Be aware that it is a standard in the industry to set a minimum as a wholesaler wants to make sure that the buyer is buying the item for resale in a shop rather than just buying for personal use. The purpose of selling wholesale is to sell to people who will reorder later on thus giving you a steady supply of business.

At the show, make sure to have a sign displaying your minimum opening order so buyers don't have to ask. If you don't have a minimum requirement, let buyers know that as well.

Shipping Charges

State your shipping options and charges/terms up front. Shipping charges become part of the pricing consideration when wholesale buyers are making product decisions.

Industry standard for shipping is FOB (freight on board) which means that the shipping charges include moving the shipment from your place of business to the buyer's place of business. You can just state this as “FOB your city or state.”

Payment Methods

Credit card payment has become the recommended way for small wholesale companies to take payment because it maintains cash flow without the risk of losses.

A credit line is an example of “open account terms” and requires the buyer to pay within a certain number of days of the invoice date (30 days is the norm). This can cut into your “cash-flow” so unless you have sufficient cash available you should think long and hard before extending these terms.

Prepayment

A “best practice” for small business is to require payment by credit card, or prepayment by check for first-time orders.

If you require prepayment you have several options.

- Require the total amount due when the order is taken
- Require a 50% down-payment at the show with the balance due BEFORE the product is shipped
- Split the payments into 3 or more with the last being before the product is shipped.

COD- Cash on Delivery

If your terms are COD it is best to require payment in cash or by certified check only.

Open-Account

After several reorders from an established customer, some sellers allow a 30-day “credit line.”

Some buyers from larger businesses may be resistant to pre-payment terms as they often must produce your invoice to their accounts payable office before a check can be written and sent to you.

Because here are many methods of receiving payment, the one you choose should be the one that helps you reduce your risk, maintains your cash flow, and helps you most effectively sell your product and stay in business. Be open to negotiation.

Delivery Schedules

You and the buyer will have to agree on when you will ship the product. Remember, a wholesale show is for taking orders that are then delivered at a later date. On your term card and order blank, tell the buyer up front what the minimum wait time is before product can be shipped.

Return Policy/Guarantee

No one wants to think a customer won't be satisfied with their purchase. However, sometimes it happens. The buyer will want to know upfront what your return policy and product guarantee will be.

CHARLES ALBERT
FINE STERLING SILVER

Contact Us:

Monday through Friday, 9 am to 5:30 pm (EST)
Toll Free: 800•410•1112 Local: 954•968•6198 Fax: 954•968•6161
Email: jewelry@charlesalbert.com
Website: www.charlesalbert.com

Three Easy Ways to Place an Order:

Call a Customer Service Representative at 800•410•1112
Fax in your order to 954•968•6161
Order Online at www.charlesalbert.com

Minimum Order: \$150.00

We sell **WHOLESALE TO THE TRADE ONLY**. When placing an order, a copy of your Tax ID# / Business Resale Number is required. Orders cannot be filled until we receive this information. Thank you for your cooperation.

Payment:

We accept Visa, Mastercard, Discover, American Express & C.O.D. We require a faxed copy of our credit card authorization form prior to shipping. This form can be found on our website. C.O.D. orders for new customers will be shipped payable by cashiers check or money order. All applicable fees associated with C.O.D's will be paid by customer. A \$15 service charge will apply to any returned check or C.O.D.

Shipping:

Most orders are shipped the same day if received before 2 p.m. EST. We ship via UPS & Federal Express and offer Overnight, 2nd Day Air, 3 Day Ground, and Ground service. *Ground service will be used unless specified otherwise. When shipping to the West Coast, we will ship 3 Day Ground unless specified otherwise.* Foreign orders or orders shipped to the USVI, Puerto Rico, Alaska or Hawaii can be shipped using an alternate secure carrier. Please make sure to specify how you want your order shipped.

Prices:

All prices are wholesale. Our suggested retail is a 2.5 to 3 time markup. When there is a price range shown in the catalog, the price is determined by the size and quality of the individual stones. *Due to the instability in the world silver market, prices are subject to change without notice.*

Exchanges & Returns:

Charles Albert, Inc. guarantees your satisfaction. In the unlikely event you are not happy with your order, you may return it for exchange or your money back. *All returns or exchanges must be made within 10 days upon receipt of order and be accompanied by a copy of the invoice.* Please package all return/exchange items safely & securely. If damages occur due to improper packaging, customer will be notified and charged accordingly. Shipping charges are not refundable.

This is an example
of the term sheet
from a catalog.
You should have
something similar
for your business
when selling wholesale
at trade shows.