# **FBA Automation Business Model**

Our automation process provides a hand-free business model that allows you to have passive income from one of the fastest growing industries in the world – online sales.

We specialize in Amazon FBA, which is a specific model, explained as it follows. We will cover these questions:

- 1. What is Amazon FBA?
- 2. How does FBA work?
- 3. What do you need in order to start?
- 4. Which services is our team providing?
- 5. What kind of results can you expect?

#### 1. What is Amazon FBA?

As per the most used description online, Fulfillment by Amazon (FBA) is a storage and shipping service that Amazon offers to help business owners sell their products. Once the products are purchased, processed and shipped to Amazon Fulfillment centers, Amazon then handles receiving, picking, and packing the products in the center before shipping them to the customer.

This basically means that, instead of keeping the inventory at your warehouse, Amazon does that for you. Additionally, Amazon ships the purchased inventory to the final customer in your name, providing fast and reliable service for your customers, while doing it at speed and price which is the industry benchmark.

This model provides a lot of control and potential for growth for all the stores that work this way, as long-term business model.

However, this means that there are a lot of details which needs to be taken inconsideration, as well as a pretty complex process which happens behind the scenes.

#### 2. How does FBA work?

For every FBA, there is a whole legal process which needs to be processed carefully. FBA can be done only for legal business entities, because every unit purchased need to have a legal background. Amazon has very strict policies regarding product authenticity and the source of purchase, because besides the store's legitimacy, Amazon's is also at stake. We make sure that every part of this process is covered and we leave barely any room for issues.

Having all this in mind, FBA is way safer business model than drop-shipping, especially on

Amazon. Amazon tends to be more aggressive with rules each year and FBA is already constructed on a very strict basis. This makes the risk of having the store suspended while doing FBA, way lower than with drop-shipping. And while other online marketplaces still work on providing such level of service, Amazon's FBA model has the entire process covered, both for the store's owners, and the final customers.

Lastly, what is most characteristic about Amazon FBA are the "cycles". For each product purchased, there is a time frame for the product to be delivered at one of our prep & pack centers; to be processed and shipped to Amazon's fulfillment centers; received and becomes available for sale; sold and, lastly, analyzed for potential restocks. These cycles make the process slower than other models, but the safety behind it make it "the real estate – business model" of online sales. The longer the store operates, the shorter these cycles get, which makes the profitability cycles way faster.

#### 3. What do you need in order to start?

As mentioned previously, FBA requires a real business to be operating on Amazon's platform. This means that you would need to have a business registered, with a resale tax certificate for that business. We would later on need access to these documents in order to be able to open the accounts for your business, as explained later on.

Additionally, you would need to have an FBA store approved by Amazon, a process we can help you with, if needed. Lastly, we would need larger budget for inventory, to get the process rolling. This business model requires higher investment because, as previously mentioned, we need to purchase the inventory beforehand. Details regarding budgets and potential financial returns can be discussed on a meeting.

### 4. What services is our team providing?

As the principles for this business model is that it's completely hands free for you, we basically cover the entire process. Shortly, as possible, here is part of the process we do for your store:

### - Business development

Once we set up everything for your store, we would create specific business strategies for your business, which will we sourse for information which suppliers to be contacted for your business. This means that we will have to create the best strategy for ungating multiple categories for your store within the first "cycle", while still generating sales and profits. Once our management approves the strategy, the Business development department makes sure to start opening accounts for your business with the previously approved suppliers and manufacturers.

We make sure to have as many accounts active, as soon as possible, to start the first cycle, but we also make sure we get the best prices possible, potential discounts, shipping rates and

regular conditions. This department also makes sure we resolve any potential issue with the suppliers which might come up, because they are building long-term relationships with them. The perks of our process is that we already have well-established connections with some of the largest suppliers in the country, which will shorten the time frame usually taken for such opening these accounts.

### - Purchase and orders processing

Taking in consideration the budget, the accounts and suppliers they can work with, as well as the ungating strategy the management team has prepared for a specific store, this department chooses the best products for the store, having in mind that we want fast and profitable sales. They are making sure that they place the orders for you, discuss and achieve potential discounts for these order and track them, until they have arrived in the warehouses to be processed. Additionally, they make certain that we receive an invoice for each order separately and process those invoices on your file.

We would add here that the management team would open accounts with multiple warehouses across the country for your store and get the lowest prices from the first order, because we are already having a lot of clients we work with and we have great collaborations with them. These warehouses help us to receive free shipping from different regions in the country, which can improve the business' profitability significantly.

### - Store management

This department basically takes care of the purchased inventory and the store health and performance. Once the order is received in of our prep and pack warehouses, we make sure everything purchase is delivered and in good order to be shipped to Amazon. If any issues occur, we make sure your business either get refunded or credited for it.

Then we create the listing on your store and ungate any brands or categories, according to the previously approved strategy. The ungating process of FBA is compelx and requires knowledge how to approach it for it to be successful and to get the store approved to sell in the appointed category/brand.

Once everything is ungated, we create the shipments from the warehouses to Amazon's fulfillment center. We also track those shipments to locate potential issues and discrepancies, which we address and get reimbursements from Amazon.

This department also makes sure that the Amazon's account health is taken care of, as well as the customers' messages, returns, IPI growth, storage limit growths and restocks, which are reported back to the Purchase department for future orders.

### - Management department

We make sure to keep you in the loop with the process, because this is your business and we are only here to make it successful for you. We tend to have regular meetings with our clients and update then for any news which come along.

### 5. What kind of results can you expect?

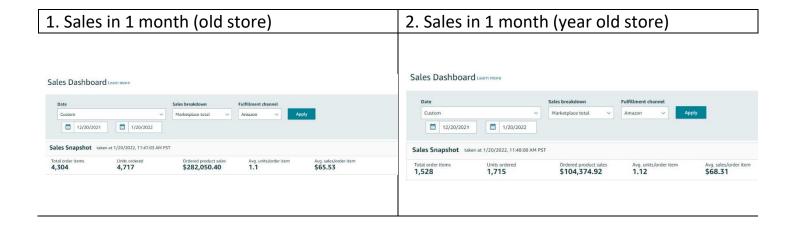
Although the main profitability is based on the main strategy we develop according to your business model, budget and wishes, we tend to purchase items with at least 20-30% of return of investment (ROI). This makes each cycle profitable according to the budget invested in that cycle, but the winning profits by volume is what could get the store's performance with even higher rate than 20% on a yearly level, due to reinvestments and repeating the successful cycles.

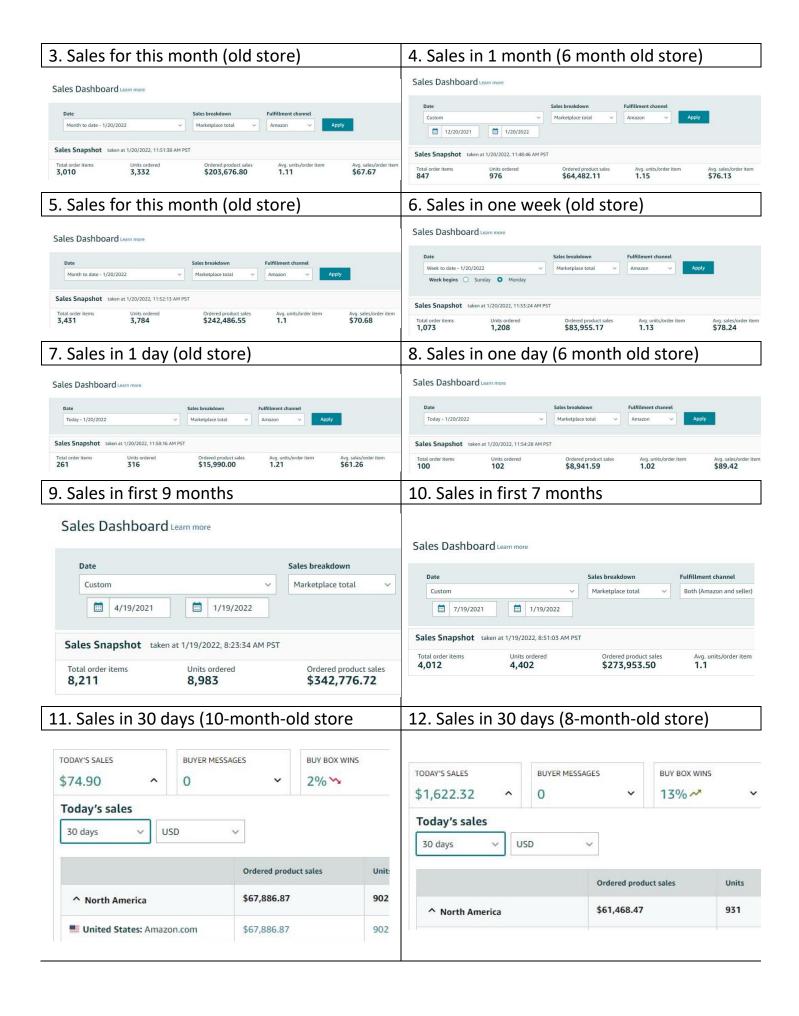
We are adjusting along the way, because working in a fast-changing marketplace requires that from, and we make certain to create the best possible strategy for each client, without ever making competition between them. We are focused on making results, because we both benefit from them.

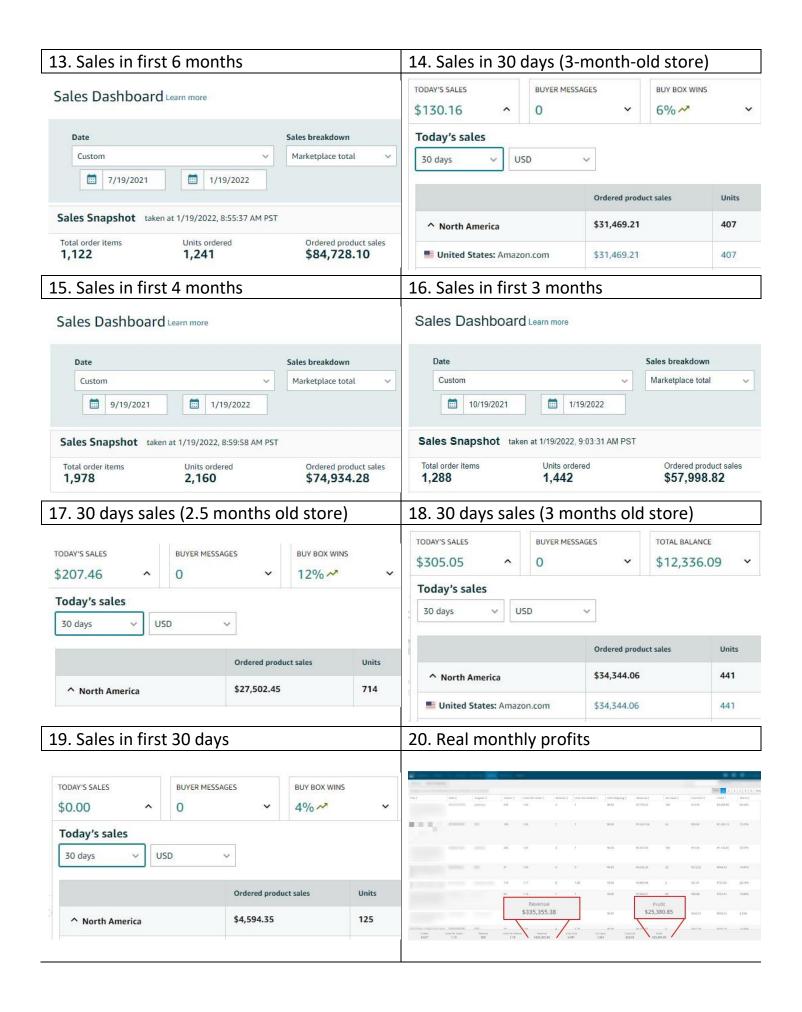
We will attach some screenshots regarding results we have with certain stores (not all clients approve sharing such information), as well as some experiences.

For any additional information, please don't hesitate to reach out and set up a meeting. We would be more than happy to provide more input in the process and answer all of your questions.

#### **Results and Sales**

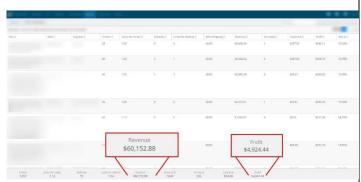






# 21. Real monthly profits

# 22. Real monthly profits

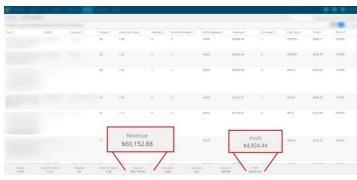




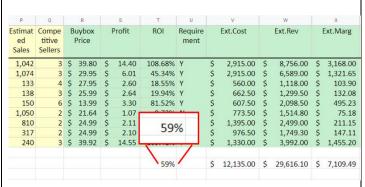
# 23. Real montly profits

# 24. Real monthly profits





# 25. Order placed (profitability with all costs included)



Estimat	Compe		ybox	-	Profit	ROI	Require	Ext.Cost	E	xt.Rev	E	xt.Marg
ed	titive	P	rice				ment					
Sales -	Seller		7			¥	*	¥		¥		¥
4,551	11	\$1	49.95	\$	34.19	39.76%	Υ	\$ 3,440.00	\$	5,998.00	\$	1,367.60
5,089	4	\$ :	39.95	\$	3.23	13.23%	Υ	\$ 7,320.00	\$ 1	1,985.00	\$	968.55
7,747	17	\$ :	29.95	\$	2.53	14.43%	Υ	\$ 8,750.00	\$ 1	4,975.00	\$	1,262.50
4,810	18	\$ !	55.95	\$	8.86	27.27%	Υ	\$ 9,750.00	\$ 1	6,785.00	\$	2,658.75
4,660	15	\$ 1	65.95	\$	12.72	34.37%	Υ	\$ 11,100.00	\$ 1	9,785.00	\$	3,815.25
7,645	11	\$ .	45.95	\$	6.00	26.33%	Υ	\$ 9,120.00	\$ 1	8,380.00	\$	2,401.00
3,915	20	\$ :	28.95	\$	2.00	12.14%	Y	\$ 4,950.00	\$	8,685.00	\$	601.05
7,737	13	\$ :	32.95	\$	3.64	19.16%	Υ	\$ 9,500.00	\$ 1	6,475.00	\$	1,820.25
4,035	9	\$	79.95	\$	19.9			\$ 12,990,00	\$ 7	2 085 00	¢	5,977.50
7,769	16	\$ :	29.95	\$	1.8	28.84	%	\$ 8,750		F 700 4		911.25
4,734	19	\$ :	39.95	\$	9.7	20.0	, ,	\$ 3,900	55	5,700.1	LU	1,955.60
7,825	18	\$ :	35.95	\$	4.8	21.0070		\$ 9,750			,	2,418.25
8,207	15	\$ :	33.95	\$	3.08	15.79%	Y	\$ 11,700.00	1 2	0,370.00	\$	1,847.40
						1			1			
						28.84%		\$ 313,657.70	\$ 55	5,700.10	\$9	0,446.30

Sales per Month	Compet itive Sellers	Bu	ybox Price	Profit	ROI	Req uire men		Ext.Cost		Ext.Rev	E	xt.Marg	Min Price	Max Price	BSR
954	2	\$	55.00	\$ 12.10	40.33%	Y	\$	1,800.00	\$	3,300.00	\$	726.00	40.75	61.13	7,66
512	10	\$	214.91	\$ 27.03	18.02%	Υ	\$	3,000.00	\$	4,298.20	\$	540.67	183.08	274.62	16,92
91	6	\$	135.00	\$ 53.90	107.80%	Υ	\$	600.00	\$	1,620.00	\$	646.80	71.53	107.30	25,69
120	5	\$	73.95	\$ 12.00	20.00%	v	¢	960.00	\$	1,774.80	\$	287.94	59.76	89.64	37,82
954	2	\$	55.00	\$ 1	37.	17	0/	1,800.00	\$	3,300.00	\$	726.00	40.75	61.13	7,66
512	10	\$	214.91	\$ 2	37.	4/	70	1,500.00	5	2,149.10	\$	270.34	183.08	274.62	16,92
91	6	\$	135.00	\$ 53.90	107.80%	7	3	600.00	\$	1,620.00	\$	646.80	71.53	107.30	25,69
					37.47%		5	10,260.00	5	18,062.10	\$	3,844.55			

Estimat ed Sales	Compe titive Sellers	Buybox Price	Profit	ROI	Require ment	Е	xt.Cost		Ext.Rev	-	Ext.Marg
53	2	\$ 152.00	\$ 26.18	27.18%	Υ	\$	1,155.60	\$	1,824.00	\$	314.1
53	2	\$ 180.00	\$ 38.3	_		\$	1,296.00	\$	2,160.00	\$	460.3
255	3	\$ 50.00	\$ 7.8	3	3%	\$	1,200.00	\$	2,000.00	\$	312.1
155	2	\$ 220.00	\$ 48.10	30.3070		\$	2,640.00	\$	4,400.00	\$	963.6
				1		Cost		Esti	imate Rev	Pro	fit
				33%		\$	6,291.60	\$	10,384.00	\$	2,050.2

Sales per Month	Competi tive I Sellers	Buybox Price	Profit	ROI	Requi reme nt	Ext.Cost	Ext.Rev	Ext.Marg	Min Price	Max Price	BSR													
540 740 735	2 2 1	\$ 115.50	\$ 8.59 \$16.34 \$23.31	21.16%	6 Y	\$ 2,250.00	\$ 3,465.0	0 \$ 103.08 0 \$ 490.35 0 \$ 279.72	96.26	117.12 144.39 189.83	15,272 15,801 15,801	ted tit	mpe Buybo rive Price llers	( Pro	fit		Requir ement	Ext.Cost	Ext.Rev	/ Ex	rt.Marg	Min Price	Max Price	BSR
773	4		\$ 8.59				\$ 2,646.0			117.12	16,704		2 \$ 74.9	00 \$ 10	0.97	21.95%	Y \$	4,499.10	\$ 6,741	1.00 \$	987.75	61.99	92.99	40,24
578	7		\$ 6.40				\$ 1,470.0			98.94	16,596	050	5 \$ 84.0				\$	2,691.36					105.08	
533 752	2		\$ 6.40				\$ 882.0 \$ 3,141.3		65.96 108.38	98.94 162.57	16,596 16,668		2 \$ 52.5 3 \$ 49.0			20.74	% 5	1,436.64 915.60		2.50 \$	250.30 148.40			
431	3		\$ 9.46				\$ 1,146.6			126.51	28,871		3 \$ 74.9	-	1.54	23.79%	y 5	776.00			184.65			
323	3		\$11.19			\$ 870		134.22		139.85	28,871		3 9 74.,	J 7 1.	1.54	23.131		770.00	7 1,150	3.00	104.03	01.54	32.01	23,01
341	3		\$27.38			\$ 663	21,965	, 0		208.92	34,171					20.74%	\$	10,318.70	\$ 15,496	5.38 \$ 3	2,139.90			
223	2		\$13.59			\$ 1,788		326.10		143.48	40,001													
203	2	\$ 110.25	\$18.59	26.34%	5 Y	\$ 822.00	5 1,323.0	223.05	88.38	132.57	45,283													
				18.96%	6	\$ 14,533.0	0 \$21,965.	6 \$ 2,755.75																
						•		***************************************																
			Est		Compe	buy	box	Profit	ROI	Requir	F	xt.Cost	Ext.f	lev.	Fxt	.Marg	Min	Max	BSR					
			_	ales :	Sellers		ce			ement							Price	Price						
				176				15.88	25.669		\$	556.92		389.92				119.70	51,997					
				156	5	\$	37.29 \$	4.47	19.859	6 Y	\$	450.00	\$	745.80	\$	89.33	31.93	47.90	62,851					
				256	4	\$	68.99 \$	7.91	17.119	6 Y	\$	370.00	\$	551.92	\$	63.29	59.67	89.51	28,440					
				765	4	\$	74.49 \$	9.59	19.839	6 Y	\$	580.08	\$	393.88	\$ 1	15.04	63.05	94.58	15,149					
				429	4	S	64.95 S	6.43	15.109	6 Y	\$	340.64	S	519.60	\$	51.42	57.09	85.64						
				419	3	S	64.94 \$		16.359		S	519.60		779.28			56.40	84.60	and the state of t					
				383	3			12.17	18.269		Š	1,332.60		998.80	200			128.09						
				135			85.50 \$		15.619		¢													
											5	3,180.00		452.00				241.71						
				421	4			5.28	19.189		5	990.00		577.88				56.42						
				769	4	1000	71.67 \$		12.509		\$	1,000.00	(A) (A) (A) (A)	133.40			64.28	96.42	7,911					
				769	5			16.23	24 049	6 V	Ş	810.00		248.00			84.87	127.31						
				251	4	\$	89.95 \$	21	-	10/	\$	1,800.00	\$ 3,	238.20	\$ 7	82.55	64.28	96.42	22,510					
			2,	,204	3	\$	13.75 \$	2	24	2%	\$	100.00	\$	275.00	\$	59.35	10.24	15.36	1,587					
				675	5	\$	52.99 \$	5		100	\$	418.32	\$	535.88	\$	68.54	46.27	69.41	19,354					
										/														
									1	/	Cost		Estimate	Rev	Profit	t								
									229	6	\$	12,448.16	\$ 1	9,239.56	\$ 2	,706.86								

### **Everyday feedbacks from our clients**

