



Outsourcing Your Amazon Drop-Shipping Business

Purpose

The purpose of this lesson is to discuss the why and how of outsourcing your Amazon drop-shipping business.

Why Outsource Drop-Shipping?

There are a number of reasons why you would want to outsource the tasks involved in your Amazon drop-shipping business, some that are obvious and some that are not. Here are a few of them:

1. **Time** – there are a lot of mundane tasks involved in your business that do not really make the best use of your time. Tasks such as processing orders, contacting customers, monitoring your account activity, etc. are all tasks that don't require a lot of skill and therefore could be assigned to someone else.
2. **Worth** – time is money and your worth in your business is more than the cost to have these mundane tasks handled by someone else. You can easily find someone to handle data entry and customer service tasks for you at a relatively low cost. For example, the cost for an outsourcer on sites such as Elance.com and oDesk.com is in the range of \$3.00 to \$6.00 per hour. If you are low on resources you may need to continue doing these tasks yourself, but if you're able to get someone else to do so, it's definitely worth it.
3. **Growth** – by assigning these more mundane tasks to someone else, you are freed up to concentrate on managing and growing your business. You can focus on such tasks as finding more products, making sure everything is running smoothly with your existing stuff that's outside of the monitoring of your outsourcers, and whatever else you like to do with your time.

What to Outsource?

There are a few tasks that can be easily outsourced:

- **Processing orders** – this involves a few sub-tasks:
 - **Looking for new orders in Amazon** – this can be seen on the left-hand side of your Seller's dashboard or by clicking on orders to see which ones are unshipped.
 - **Sending order details to drop-shipper** – this involves pulling information out of Amazon (e.g. name, shipping address, products ordered, etc.) and sending it to your drop-shipper.



- **Inputting tracking numbers** – if you are able to get these from your drop-shipper, the outsourcer can gather them and input them in Amazon. Although not required by Amazon, it is important as Amazon is now tracking whether or not you are entering tracking numbers and if you are not, it can negatively affect you.

Note: in order for the outsourcer to process orders on your behalf, you will have to provide access to your Seller's account. Instead of providing direct access (giving them your login details), you can create a separate login that has limited access and control within your Seller's account. This is useful to help keep certain information private as well as limit any possible negative actions from taking place.

- **Monitoring customer metrics** – this involves making sure you have a good standing with Amazon, have good response time to any issues, are shipping products on time, etc. Even though you have an outsourcer taking care of this, you may also want to check these metrics on occasion.
- **Monitoring seller rating and reviews** – this is quite important as your seller rating partially impacts your standing with Amazon, as well as how effectively you can win the buy box, assuming that is something you are trying to do. The number and quality of reviews is important as well, so it's a good idea to monitor these and to respond when necessary to any negative items that may appear in reviews.
- **Monitoring inventory levels** – even when selling drop-shipped products, you are required to put in a value for inventory. If those numbers start dropping, your sales could go down as people think you don't have enough product left, even though you have access to plenty of inventory.
- **Checking for customer messages** – this can be done either through Amazon or whatever email account you have set up for customer service.
- **Checking for A-to-Z guarantees** – this is very important. You need to have someone responding to these very quickly and doing whatever it takes to make those customers happy.
- **Communicating with customers** – this is important for customer satisfaction and for Amazon satisfaction. Amazon tracks how fast these are responded to, so you want to be certain these are checked on daily.
- **Checking for emails from Amazon** – you can have this configured to come directly to you or your outsourcer to handle. Either way, you want to make sure these are checked frequently in order to handle any issues that are important and to do so as quickly as possible.

What Not to Outsource?

The tasks you decide to outsource can be handled by one person, depending on the size of your business. The outsourcer can basically go through a checklist of the tasks, monitor the various reports and give you feedback on any issues that need addressing.



With that said, there are some things you don't want an outsourcer handling:

- **Product selection** – choosing what products to sell and in what niches is the bread and butter of your business. You definitely don't want this being assigned to someone else. You may have a team member that does this for you, but someone you are only paying \$3.00 to \$6.00 per hour to work for you is not someone you would want to entrust with this important task.
- **Initial supplier contact** – choosing a good supplier is important and not something you want to entrust to someone whose commission is not tied to how successful your business does. It is recommended that you do the initial contact to feel out how reliable the supplier is and to gather other details such as what pricing they offer, if there are any discounts, or if they have anything else unique to offer (e.g. free shipping, other fulfillment options, etc.).

Conclusion

As you can see, there are some things you don't want to outsource, but beyond that, everything else should be considered, especially all the mundane tasks like the ones covered earlier that are not much fun to do yourself and can be easily and cheaply handled by someone else.