



Outsourcing Your Amazon Private Label & Wholesale Business

Purpose

The purpose of this lesson is to show you the value of outsourcing various business tasks related to your Amazon *Private Label & Wholesale* (PL&W) business. You'll learn of some resources to help you with that and what things to consider when doing so.

Why Outsource PL&W?

There are a few reasons why you would want to outsource the tasks involved in your Amazon PL&W business, some that are obvious while others less so. Here's 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 PL products, building more supplier relationships, finding better pricing, etc. All of these tasks require a greater degree of creativity and business-building vision, the kinds of things you should be focusing on rather than the more day-to-day tasks.

What to Outsource?

There are a few tasks that can be easily outsourced. Depending on how large your business is, it may only require one outsourcer working just a few hours a day to handle them all:

- **Label design** – even if you are designer, you may find it more helpful to have a label designed by an outsourcer rather than having to bother with it yourself. All you would need to do is send the outsourcer the specifications (e.g. info the manufacturer says needs to be there, label size, etc.) and your outsourcer will be able to create a label for you relatively cheap.



- **Processing orders (if not using FBA)** – 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.
 - **Printing paperwork** – when shipping products out, you need packing slips and shipping labels. This is a regular order processing step and can be done directly from within your Amazon Seller Central dashboard. You simply click the "Buy postage" button next to an order and Amazon will provide you with these documents in PDF format.
 - **Provide shipping team with paperwork** – once the paperwork is provided (packing slips/shipping labels), it can be sent to the shipping team who can then make certain it is handled appropriately (packing slip in package, shipping label on outside of package).
 - **Inputting tracking numbers** – if you use "Buy postage" on an order, Amazon will automatically put the tracking number in for you, but if you are printing your own postage, you can have your outsourcer enter in those tracking numbers. Although these numbers are not required by Amazon, it is important and highly recommended 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 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** – you can have an outsourcer respond to reviews as they come through, particularly if they are bad. For bad reviews, the outsourcer can work to resolve the problem and even request the reviewer remove the negative rating once the problem has been resolved.
- **Monitoring inventory levels** – even if doing FBA, you'll need to know what your inventory levels are in order to make sure there is enough on hand to fulfill orders.
- **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 want to be 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 may have this configured to come directly to you or your outsourcer can handle them. Either way, you want to make sure these are checked for in order to handle any issues that are important and to do so as quickly as possible.

What Not to Outsource?

The things for which you outsource can be handled by one outsourcer, depending on the size of your business. The outsourcer can basically go through a checklist of the tasks, monitoring the various things and reporting back to you any issues that need addressing.

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.
- **Determining inventory orders** – inventory forecasting is not an easy thing to do (some pay large sums of money on software to help with that). You may have a smaller subset of products, but you still need some intelligence to have a feel for what and how much of an order to place. This is definitely NOT something you want handled by someone else, especially since, at least in the short term, the financial compensation of others is not tied directly to the financial state of your company. You could end up with a situation where an outsourcer or even an employee might go wild with ordering a bunch of inventory that you end up not selling. That's a lot of capital to be tied up in non-selling inventory, a fact that could have long term negative results for your business.

All that said, you can have the outsourcer place the orders while leaving the important decision of what and how much to order up to you.

Conclusion

As you can see, there are some things you don't want to outsource, but beyond that, everything else could be considered for outsourcing, especially all the mundane tasks as these are not much fun to do yourself and can be easily and cheaply handled by someone else, leaving you to do the all-important task of maintaining and growing your business.