

WEALTH CREATION with Multiplication


using  FBA Private Label as Tool



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ABOUT AUTHOR

I am a 44yo married guy. I was born, raised and living happily with my family in Karachi, Pakistan.


I am a graduate of Computer Engineering from Sir Syed University of Engineering & Technology. I was in the 1996-2000 batch.

I am a web-developer by profession, turned Consultant for Private Label Business over Amazon. I've served different US based businesses since 2000 till 2018. Since June'18 my interest in Amazon Selling has increased.

I do have plans to launch my own Private Label product(s) soon. I myself have sold only a small inventory of just one private label product, back in the year 2019 over Amazon within the US.

I've been assisting Amazon sellers on a daily basis. I am acting as Consultant with equity in less than a dozen private label product launches within the US & UK.

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AUDIENCE

Anyone who is looking to generate wealth or another stream of income.

- Investors: Want to put money and try their luck
- Businessmen: Want to expand their business into new industry
- Individuals: Want to have another income stream
- Professionals: Who want to educate their investor(s) with unbiased sneak peak

BACKGROUND

I keep answering on an almost daily basis about business over Amazon. People come up with all sorts of questions from beginner to complex level, having small to moderate and big investments.

I've compiled answers to all of those questions already asked, here.

I am about to feed you information and knowledge like how to create wealth using Amazon FBA Private Label as a tool. I will cover all sorts of questions like Why, How, Who/Where, What Now.

Bon Appetit!

INTRODUCTION

Wealth Creation, a topic discussed many a times, since ages. Experts of all sorts, shared their take on the topic.

My promise to you in this write up is that, I will remain, unbiased. I will share with you raw information, as-is. And leave the conclusion upto you.

Here I am going to discuss, how online e-commerce can help you create wealth. I am not the pioneer in this subject, but just one more voice.

Once I establish why Amazon is a better place, I will guide you with details of how business over Amazon works.

You will find me discussing rewards and risks both. This will give you a clear picture of both sides of the coin.

Then I will equip you with required knowledge and information, having multiple options and routes to Wealth Creation using Amazon FBA Private Label as a tool. Do you know anyone who doesn't like options?

Finally, this is just introductory & brief knowledge. Maximum, you would expect that you can get a conclusion, if Private Label business is for you or not, nothing more, nothing less.

Without further ado, let's start.

WEALTH CREATION

Not necessarily wealth is always evil. It really depends upon the person how s/he uses it.

Nor do I advocate greed.

Till year 2018, there were [9,000+](#) people who did successful summits to The Mount Everest. Its human nature, s/he never settles. Can you relate to the joy of climbing the world's biggest mountain? Now can you feel what sense of accomplishment you get when you know there are 9,000 more people before you, who have accomplished the same? That is why some of them, try new avenues and try to expedite North & South Poles, Seven Summits and Eight Thousandards.

We humans just never satisfy. We achieved one goal, we set up a new one. This is the natural order of things.

RULE OF MULTIPLICATION

It's established that we humans just can't stop creating wealth and even achieving our one goal will lead to a newer one. Then Why not multiply the joy then? Why don't we spare time for ourselves? Why not we spend our time and money on quality time with family & friends?

I would recommend hiring someone as Director or Virtual Assistant (VA), shed your load. Multiply profits by dividing your risk, money, efforts and worries.

WHY AMAZON?

Amazon is the #1 online marketplace in the US. It spans multiple countries.

Back in 2018, Amazon's share of the US ecommerce market alone was [49%](#), that is 5% of all retail spent across the US. Other big marketplaces like eBay, Apple & Walmart combined are not even close to Amazon.

That big share of the market opens the door to sellers to try their luck on Amazon, as a seller.

How much money, time, effort & expertise will you need to put, if you open a brick and mortar store in the US?

Better let me ask this, how would you bring the first buyer on your website? You might answer, I will run paid ads over Google or Facebook and bring the first few orders. And you would be right. But, you must have enough experience of running ads over Google & Facebook, no?

Online marketplaces, however, offer ease. I listed this product on ebay and got first order within the first two hours. Without putting any further time or efforts to bring buyers. Without even visiting Facebook or Google, let alone, running paid ads there.

Another ease with marketplaces is ready-to-buy buyers pool. Buyers land over online marketplaces with the intent of buying.

Amazon US, being the biggest marketplace of the country, for obvious reasons is not as easy as listing an item over ebay and expecting sales without any further efforts. But then, it's not rocket science either. We will discuss everything in detail, very soon.

Talking about the crux, all we need is to present our product to the largest pool of buyers on Amazon, that's all!

WHY PRIVATE LABEL?

The Control. As simple as that.

We can do a couple of different types of businesses over Amazon, but the control that we get by selling our own Private Label product is unmatched.

The privilege, that is, The Control, has its own price, though. We will discuss in detail under the Risks and Rewards section, soon.

Talking about Control, we own the product and establish ourselves as a brand. If we are able to sell well, no wonder, you will observe people searching your products with your brand name.

Additionally, having The Control over your private label product means you can strengthen the control at the next level by having your own patent, trademark and universal product code (UPC). Not to forget, you control the production and supply as well.

Say, you want to expand to further avenues like selling as a wholesaler to other online retailers or brick and mortar shops, go ahead, who can stop you?

You want to expand to multiple continents? No worries, talk to your supplier, increase the units at the next production cycle and send inventory to new marketplaces.

PREREQUISITES

Usually we find differences in opinion due to the way we look at a problem and solution towards it, based upon our own experience. That is why, if you are applying any learned method, the first & foremost thing is to acquire the mindset.

ROLE

We have to put on the trader's cap.

INVESTMENT

Usually with \$25,000, you can dive into any smaller niche with complete peace of mind. Otherwise, some people start with just \$5,000 as well.

DETACH EMOTIONS

A trader could be anything, but would not be an emotional soul as far as products are concerned. You must hold yourself selling mobile covers, just because they are being used by everyone so you've assumed, you will also make a fortune.

INNOVATOR VS TRADER

I advocate the idea of copying products rather than innovating new ones.

The reason is that innovation requires extensive Research & Development (R&D) and still we will remain unsure about whether our product will be a buyer's choice or not.

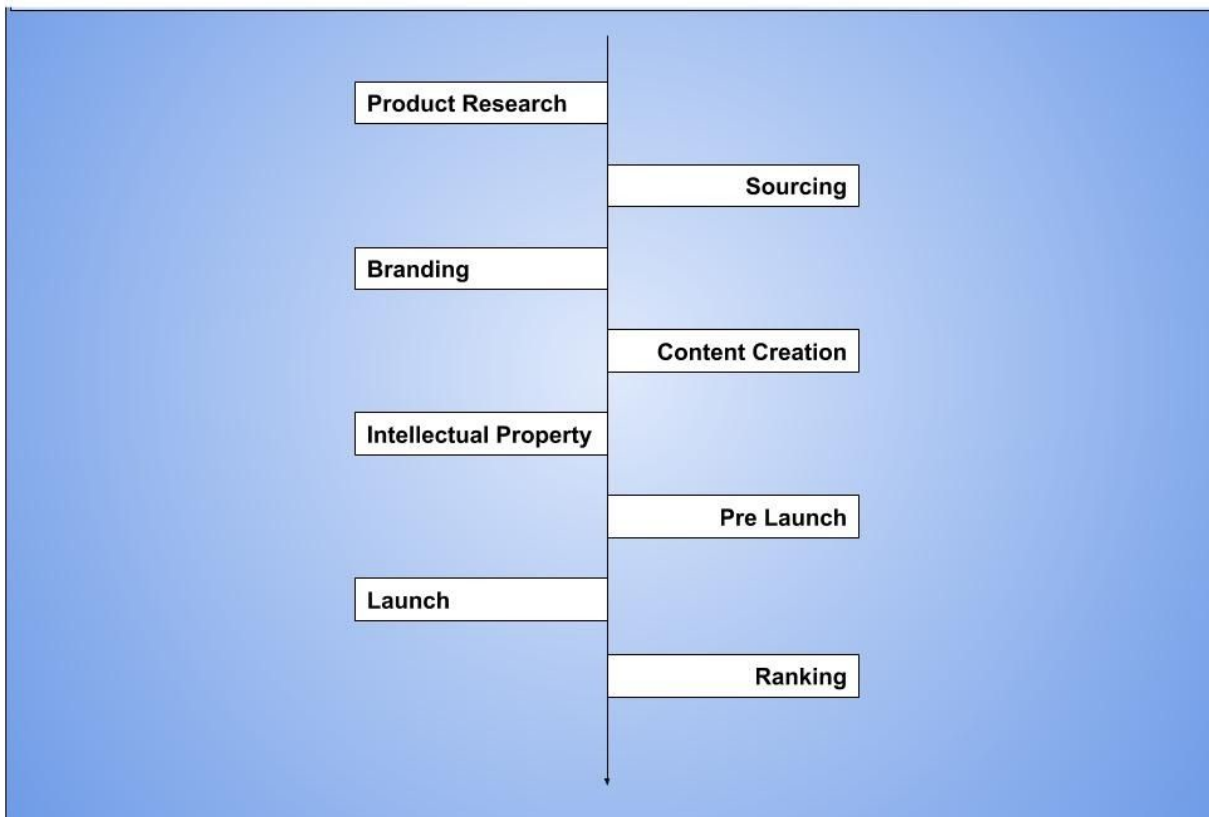
Will I be able to sell the product I choose? The answer is Yes! If and only if, you've fulfilled product viability criteria and copied the product instead of innovating it.

WORKFLOW

Bird's eye view Private Label Product lifecycle is as follows;

- 1) Product Research
- 2) Sourcing
- 3) Branding
- 4) Content Creation
- 5) Intellectual Property (if not opting for Amazon IP Accelerator Program)
- 6) Pre-Launch
- 7) Launching
- 8) Ranking

Amazon FBA Private Label Workflow



RISKS

Like every business, selling private label products over Amazon has risks as well. We can mitigate the risk, but we can't just completely get rid of them. Risk will remain there.

IP INFRINGEMENT

You get patent or copyright infringement.

Due diligence: Get your patent check from multiple sources, prior even placing order

Solution: Unfortunately there is none. All you will need is to recall your inventory and try to liquidate somewhere.

PRICE WAR

When all or most of the Top-10 sellers start decreasing their prices, to get maximum sales, we will say, price war is on.

Solution: Wait & watch, let their anger settle. We can't do much here. Specially, if sellers are Chinese, we would not be able to lower the prices at one point.

KEYWORDS DERANKING

Sometimes, due to change in sub-category or something, your product will lose its position overnight.

Solution: Re-rank your product. You will need to invest money again.

GROWTH HANDLING

It's a thing to handle exponential growth. Amazon releases payments every 15th day in a month . If your supplier has 30 days production time and you are shipping items via ocean, it could take at least 2-3 months for your inventory to be available in your Amazon account. Even if you use air-shipping, it will take at least 1.5 to 2 months for your inventory to reach Amazon warehouse. On top of this, your exponential growth will require an influx (from your pockets) to fulfill demand at Amazon and keeping cash flow cycle at these three points (a) supplier (b) ocean (c) Amazon warehouse. If you are unable to meet inventory requirements, your product ranking will suffer and going out of stock, again & again will hurt your overall business and Amazon account too.

ACCOUNT SUSPENSION

Amazon is a buyer centric marketplace, that is why they have to enforce strict rules & regulations over sellers to keep their quality up. Sometimes even a slightest mistake could lead to losing your account.

Solution: Try your level best to get back an account. Or recall your inventory. Arrange a new account and send inventory to this newer account. This may require you to launch your product again.

FREQUENT OUT OF STOCK

Though we've covered this already in Growth Handling still, some time due to shortage of funds or errors in inventory planning we can be still at verge of being Out of Stock. Let this not happen frequently, otherwise, Amazon would be fed up with you and it will affect your account's overall health.

REWARDS

Unlike what Hollywood tells us, no one is a complete villain in real life. Same goes here, if there are risks then there are rewards as well.

PROFITS

The ultimate goal of business. The least possible reward is you will be making profits every month, at least 20%.

INCREASED SALES

If you enter into a fertile niche, your profit and sales will increase by time. If more buyers are leaving positive reviews on your product, tighten your seat belt to earn more.

SHOPPING SPREE SALES

Almost every product has a few months in a year, where they make more sales. Shopping speeds like Christmas, Amazon Prime Day, Halloween, New Year, Mother's day, Father's day and the like are there as well.

WHOLESALE

You can Google optimize your website for small retailers who want to have discounted deals in bulk at wholesale rate.

MORE MARKETPLACES

Once you've established yourself in your primary marketplace and you still have investment, you must try more Amazon marketplaces in different countries.

NICHE BUILDING

Add more viable products to your product line. Store products result in more sales when your brand is being liked by the buyer-base.

ASSET FLIPPING

If you've outstanding sales in a niche and ranked within Top-3 sweet positions, you can list your item on sites like EmpireFlipper to flip as an asset for a multiplier of 12 or 24 or 36 months profit. If you are making \$2,000 per month on average consistently since last 1-2 years, who knows, you can sell your product listing for \$72,000.

Action	Listing	Niche & Status	Monetization	Price	Monthly Net Profit	Multiple	Seller Interview
	#47964	Apparel & Accessories ● New Listing	Amazon FBA	\$445,482	\$15,361	29x	×
	#47989	Hobbies ● New Listing	Amazon FBA	\$88,220	\$2,757	32x	×
	#47969	Children ● New Listing	Amazon FBA	\$59,798	\$2,062	29x	×
	#47459	Personal Care, Bed & Bath ● For Sale	eCommerce, Amazon ...	\$10,132,538	\$241,251	42x	×

Make sure you read the [Sellers FAQ at EmpireFlipper](#).

CHOOSING YOUR ROLE

If you have built an interest in Amazon FBA Private Label business and wondering what are some options to kickstart, then you will need to identify which ROLE you want to play.

INVESTOR

Even if you have multi-million to invest, as a rule of thumb I would suggest investing small, test the waters first.

Bring some talented professionals (let's refer to him as Director) who have experience with Private Label Product Launches on equity basis. Giving some fixed salary until the venture receives its Initial Investment from income will keep your Director's morale up.

You will need to hunt the right resource. You can ask some mentor to point you to some talented resource who took his/her course. Or keep an eye over talented professionals over social media groups, vet them and try to approach them.

SELF MADE

If you want to learn the science & art required yourself and then start this business on your own. My piece of advice, never do it all alone, get under some mentorship.

Since you want to be a pilot yourself, you would still need helping hands. You can find tons of talented professionals off upWork, Fiverr and Facebook Amazon related local and international groups.

PLAN OF ACTION

1. ULTIMATE GOAL

- a. Maximum Return on Investment
- b. Enough Profits
- c. Quick Return of Initial Investment
- d. Room for Growth

2. VIABLE PRODUCT

A product that would give you profits and quick return on investment is your goal here without lots of customer support or negative reviews and low or moderate competition.

Either find a product yourself or hire some professional to do the job.

- Require less customer support. That is why we don't go into clothing, electronics and a like categories
- Have less returns rate. For instance fragile items, they could broke before buyer receive
- Not seasonal or trendy
- No copyright or patent infringement
- Not saturated or having barrier to entry
- Within your budget
- And a couple more constraints

3. SOURCING

You can hire some sourcing agent or professional who will do the job for you. People usually start with AliBaba.com to find suppliers.

Approach multiple suppliers, talk to them, get best rates. Shortlist reliable ones. Ask for samples and get them at your place. Hand in hand, you will also buy competitor's product(s) and evaluate both samples from supplier(s) and competitor's product.

You must get a patent check by hiring some professional from upWork or Fiverr or some Amazon A-Z service provider marketplace like JungleScout Market.

Once things are sorted out, check if Amazon demands any certification for the product.

Finally, if everything is good so far, pay 30% to your supplier, prefer Trade Assurance if you are dealing over AliBaba to be on the safe side.

It's always recommended to hire a professional inspection company (like Qima or Pinji etc) once your production is completed.

You will also find reliable and dependable freight forwarders, who will reliably ship your inventory from supplier to Amazon FBA Warehouse.

4. PRE-LAUNCH ACTIVITIES

This is when you would work on;

- Branding (logo, packaging etc)
- Content Writing
- Website Development
- Product Professional Photography and Graphics Designing
- Shortlisting attorney for trademark. I recommend using Amazon's IP Accelerator Program. Prefer hiring attorney once you make few sales during Launch phase to save some additional bucks

5. LAUNCH

Gone are the days when people used to just list the item and start receiving items. Now if you have a solid Launch plan, you will be able to get on top of the search results, otherwise, it will just list and pray, which unfortunately don't work anymore.

Few effective methods are;

- Giveaways
- Discount Coupons
- Amazon Sponsored Advertisement - PPC
- And few more white, grey & black hat methods

You must hire professionals who are expert in the subject.

6. RANKING

Once after you gain the top position, your next battlefield is to sustain the position. This will be an operational activity and would span throughout the life of your product over Amazon.

Following are some activities in this phase;

- Keyword ranking upkeep
- Trying different price-points
- Maintaining life-cycle of ranking
 - Profits > ROI > Sales > BSR
- Initial first few months from 7 to 12, the goal must be to get returns on Initial Investment and start taking profits to home
- Keep an eye over Growth. Your sales will increase with increase in your reviews
- Handling listing and account suspension, always keep backups
- Plan your inventory well ahead of time. Keep an eye over Niche Sales and Price Changes and project sales based upon past sales

Again, I would recommend hire a professional for the task.

TALENT HUNT

This is the person who would bring his/her skills, expertise & knowledge on the table and spend time on building and growing your business. S/he will demand some salary or fixed price service cost.

If S/he is Director s/he will also require equity in monthly profit and if business will flip as an asset someday.

HIRING TIPS

- Notice the regular contributors over Facebook Groups specific to Amazon Sellers.
- Compile list of professionals
- Find opinion from multiple contributors
- Short list
- Give a small task and vet or maybe invest small, at first

SOURCES

- Amazon specific local and international Facebook groups
- Recommendation from professional trainers
- upWork
- Fiverr

DIRECTOR QUALITIES

- Grip over technicalities over whole Amazon FBA Private Label business workflow
- Have experience of Private Label Product launch over Amazon
- Bonus if one or more past launches were successful
- Looking for long term relationships
- Ability to delegate task
- Entrepreneurial Skills
- Communication Skills
- Growth Mindset

VIRTUAL ASSISTANT QUALITIES

- Have grip over most of the workflow of Amazon FBA Private Label
- Looking for long term work
- Reliable & Dependable
- Communication skills

EXPENSES

Expenses vary based upon product, niche, competition and your depth of your pockets.

FIXED EXPENSES

- Applying for Amazon's IP Accelerator for Trademark - \$900
- Samples & Competitor's product evaluation - upto \$500
- Photography & Graphics Designing - upto \$400
- Production Quality Inspection - upto \$350
- Branding & Packaging - upto \$200
- Website Development - upto \$300
- Content Writing - upto \$300
- Hiring Talent - upto\$400/mo

VARIABLE EXPENSES

- Total Inventory Landing Cost (from supplier to Amazon warehouse)
- Launch Strategy and number of Giveaways
- Ranking overheads
- PPC overheads

ENDING NOTES

By now, you have a fair understanding of this business model. If you have any questions, ask on Amazon Sellers related Facebook groups and make an informed decision if this is the best avenue for you to generate wealth.

All the best!