

# THE WHOLESALE FORMULA

## Module 5 – Cataloging

Hey, welcome back. In this video, we are going to cover cataloging. This is a system we have incorporated into our business that has produced phenomenal results. Not only has it made us more efficient, but it has also increased our revenue by allowing us to source new items without having to add new accounts. Sounds awesome, right?

So what is cataloging? This is the system we use to analyze a brand's products after we've been approved to sell that brand. Cataloging helps us find the best product opportunities offered by each brand owner. By analyzing each product, we're able to find the most profitable and fastest selling products carried by that brand.

Also, we periodically recheck cataloged products and often find that they have significantly improved enough for us to start selling them. So, cataloging allows us to invest our capital in the best products offered by a brand and allows us to find, quote, *new* products later on that we're already approved to sell.

Another reason to catalog products is that this puts each and every product a brand has to offer all in one place. This format makes referencing, analyzing, and reviewing the products so much easier.

So, how does cataloging work?

After we have received the price list from the brand owner, we are ready to start cataloging their products. To catalog items, we use a google docs sheet. We do this because we currently outsource our cataloging, so this allows multiple users to easily access the catalogs. You can use excel or google sheets; whatever works for you.

Here is our current catalog format. As you can see, we input the following:

- **ASIN**
- **Product Name** – this is the title of the item as listed on the Amazon product details page
- **Item #** – this is the number that the brand owner uses to identify the product such as the SKU or UPC
- **Cost** – this is the price you pay for the product per unit
- **FBA Net** – this is the margin after Amazon fees are taken out
- **ROI** – this is calculated based on the cost and FBA net
- **Monthly Sales** – this is the estimated monthly sales you can expect to receive

- **Monthly Profit** – this is the estimated profit calculated from cost, FBA net, and monthly sales
- **4-Point Check** – we do this to know whether or not we should order it at this time. Remember, products can change, so just because a product doesn't initially pass the test, doesn't mean it can't later. Amazon could stop carrying the product, the price could go up, or the sales equity could improve. If the product passes the test, we input "Yes." If the product fails, we input the failed criteria.

As you can see, this is very similar to The TWF Scouting and Sourcing System, but this allows you to track the brands you have accounts with separately. At the bottom, you can see that each sheet represents a different company. Now, that you understand the format of the catalog, let me show you how to add items to it.

Through our experience, we have found it is necessary to perform 3 series of searches to find all possible listings. With each search, we are recording all listings found including multi-packs, bundles, and duplicate listings. With duplicate listings, it is possible to create a case to combine the listings on Amazon to reduce customer confusion. This can be a huge value for the brand owner.

First, we search for each individual UPC. Second, we search the name of the product. Third, we search for the brand of the product. We search all 3 because, in our experience, this is the guaranteed way to find each and every product currently listed on Amazon for that brand.

After each product found in the search has been added to the catalog with all of the appropriate information, it's time to determine which ones we'd like to start selling. We prefer to first sort them by monthly profit, highest to lowest. This allows us to see which products can generate the most money for us per month. From there, you can start deciding which items to purchase. We try to purchase any items that get a yes or are close enough to the 40 sales per month equity.

Let's look back at our example catalog. First, let's sort by monthly profit. To do that, we will first need to make each column filterable. So, we click this top left cell to select all cells. Then, we click the filter icon. Now we can click the filter icon on the monthly profit column and sort highest to lowest; Z to A. From here, we would order based on the information provided.

As mentioned before, another thing you can do with your catalog is periodically recheck each brand and their products. We have found plenty of products that, after having improved, are now a good fit for our business and are worth carrying. I would estimate that simply rechecking our catalogs has generated at least 100K in sales for us over the past year, so it is definitely well worth the time to go back and review them. Being able to add more SKUs without acquiring new accounts is amazing. It will make you more money and will help develop a stronger relationship between you and the brand owner.

We highly recommend that you incorporate cataloging into your business. As you can see, this is a great system for reviewing products and making purchasing decisions for newly acquired accounts. That wraps it up for this video. Thanks for joining me. See you later!