

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.

Now, I'm going to walk you through our current cataloging process using a real-life example. Here is our current catalog template. To get your copy, simply click the link below this video. That will take you to a "view only" copy of this template. You'll then need to click "File" and then "Make a copy". This will add a copy for you to use to your google drive. Please note, you must be logged into a google account to make a copy.

Ok, once you have your copy open, you can name it anything you want. Once you're ready to catalog your first brand, you'll want to right click on the Template sheet tab at the bottom and select "Duplicate". This will create a copy of the template for you to use.

For this example, I'm going to be cataloging the brand Sun Potion. So, what I would do is rename this copy to the brand name, Sun Potion, followed by today's date which is March 15th, 2019. I include the date so our VA team will know when it's time to re-catalog this brand. We have them do this periodically to look for products that have since become profitable since the brand was last cataloged.

To get started, you'll need to have the price list handy. We like to convert all our price lists into google docs. We do this because it's easier for VAs to reference them as we can hyperlink to them. Speaking of which, that's one of the first things I'm going to do. After I've made the price list into a google doc, I'm going to copy its hyperlink and paste it right here under "Quick Links." This is very useful when the time comes to go back through the catalog later on. And while we're looking at the quick links section, you'll also notice a hyperlink here that allows you to check ASINs for Hazmat.

Ok, so you can see here that I have my price list ready. Now, we're going to use it to start filling out the catalog. I'll just fill the sheet out left to right. So, I'll grab the UPC and paste it into the catalog. Same thing for the item number or SKU. To get product URLs, I'm going to copy the UPC and paste it into the search bar on Amazon. Ok, so it found a product that has that UPC attributed to it.

Now, Amazon only returned 1 result when we searched that UPC, but that's not always the case. Many times, when searching UPCs, you'll see multiple results for things like duplicate listings, bundles, variety packs, multi-packs, etc. Also, it's just as important to understand that when searching UPCs, you'll only see the listings of that product where someone has attributed the UPC to them. So, you won't see listings of the product that haven't had the UPC added and you might also see other products where someone has mistakenly attributed the wrong UPC. We'll go over this a little later on in the video, but for now, let's jump back in and fill out this catalog.

Ok, so now that we've searched our first UPC on our price list, we want to make sure the results match the product. So, I'm going to open the listing and look back at the price list. The price list says it's Moringa Organic Tree Leaf Powder, 90 grams. Looking back at the listing, everything seems to check out. I'm seeing Moringa Leaf Powder 90 grams by Sun Potion. So, I think it's pretty safe to say that this is the correct product. So, then I'll copy the listing URL and paste it into our catalog. I'll also need the ASIN which I can copy from the URL, and I'll paste that here.

Next, I'll select whether the listing is for a single unit, a multi-pack, variety pack, or bundle. After that, I'll note whether there is MAP pricing for this product. If there is a MAP, I'll input the price here. For this example, since there is no MAP denoted on the price list, I'll just leave it blank.

Next, I'll select whether or not the product is enrolled in Small and Light. The way we check for this is by looking at the sellers to see if there are any FBA offers that don't have the prime badge. Small and Light offers are still fulfilled by Amazon, but are not prime eligible. Looking at the sellers, all of the FBA offers have prime badges, so I'll mark that "no". Then, I'll copy the product name from the price list and paste it here.

Next, we'll add the buy box price. The spreadsheet will then automatically calculate the competitive price for us which helps us fill out the number of competitive sellers.

So, using that calculated price, we'll count the number of competitive offers and input that number in the competitive sellers column. In this case there were 3 competitive sellers. Note that we do not include ourselves.

For cost, we'll reference the price list. In this case, the wholesale cost for 1 unit is \$11.99. Next, the catalog asks for the number of units per case, but looking back at the price list, that information doesn't seem to be one here. But I did notice this note that states to qualify for the True Wholesale pricing, a minimum order of 12 units must be placed.

So, this is exactly the kind of information you'll want to add to this notes section located here. Other information we include here are things found while cataloging that could be talking points with the brand such as map breakers, listing deficiencies, etc. Anything important or relevant to the brand found while cataloging should always be noted.

Next, we'll add the FBA net. We can grab this from our AMZ Scout extension like so. After that, we want the estimated monthly sales which we get from Jungle Scout.

Next, you'll want to add your estimated prep. If you use a prep center and already know what they'd charge you, go ahead and enter that here. Otherwise, just use an estimate you feel is appropriate. The spreadsheet will then calculate your estimated profit per unit by taking the fba net and subtracting the cost of the prep and the cost of the product. The sales equity per month is the number of units you would expect to sell per month. It's automatically calculated by taking the total estimated sales per month divided by the number of competitive sellers plus one.

Total spend is the total amount of money needed to purchase the product from the brand owner to fulfill your estimated sales equity. It's calculated by taking our cost of \$11.99 per unit multiplied by our sales equity per month. Its purpose is so give us a rough idea of how much we should expect to spend to fulfill the monthly demand.

Next, we have total monthly profit which is calculated by taking the profit per unit multiplied by our sales equity per month. Profit Margin is calculated by dividing the profit per unit by the buy box price. This is one of the key indicators we use to discern whether or not individual products are worth carrying. The same goes for ROI.

Finally, we have an order column. You won't want to fill this in until after you finished cataloging all the products and found all the available listings for each one. Then, you should have enough information to calculate initial order quantities for each product. Remember to take into consideration things such as minimum order quantities, volume discount tiers, and the need for products to be split among single listings, bundles, variety packs, multi-packs, etc.

Now that we've gone over how to add products to your catalog sheet, I'd like to very quickly cover a couple of the other features. Under quick links, you'll definitely want to paste the hyperlink to the price sheet. As part of our standard practices, we always convert each price sheet into a google doc to make sharing with our VAs easy. Below that, we've included a link to allow us to quickly check products for hazmat.

Finally, we like to color-code listings for the following reasons:

- If an item is sold by Amazon, we'll change the row color to orange.
- Yellow, if there are MAP violations.
- And red if the item is classified as hazmat.

Something else I want to cover is that sometimes, you'll have price lists that require well over the 30 rows provided here on this template. So, you'll need to manually go in and insert new rows and copy those formulas down for each new row added.

Ok, so now I want to circle back to something I touched on earlier and that's when UPC's are attributed to listings correctly. One of the most important aspects of cataloging is ensuring you've found all possible listings for each product.

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, variety 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.

Like I've done for the example in this video, we first search for each individual UPC. Second, we search the name of the product. This will find any listings containing those specific keywords that may not have the UPC associated. It can also help you compare their top competitors. Third, we search for the brand of the product. This can sometimes reveal more products the other 2 searches may not have uncovered. 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 you've cataloged all available listings, you'll then want to figure out which items to order. We prefer to the products by total monthly profit, highest to lowest. 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. This will help us see which items can generate the most profit for us per month. From there, you can take the other factors into consideration and start deciding which items you want to include in your initial order.

As mentioned before, another thing you can do with your catalog is periodically re-check 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!

