

Income Goals

These basic calculations do not include expenses, such as tools and memberships. You need to calculate the average monthly cost for your operating expenses and add them to the goal.

Once you reach the initial goal, start working toward the next goal. Keep in mind that while your profits will increase at this point, your expenses will remain relatively steady (unless you invest in more software or other business enhancements).

These calculations also make sense on paper, but in reality, it takes about 6-8 weeks until you see the results of your inventory spending. You need to allow time to ship to FBA, receiving, facility transfers, delivery to customer and account reserves.

Cashflow could become an issue during ramp-up months – you need to learn how to manage it and also find more funding. Adding FBM offers to best-selling ASINs could be a solution.

You need a combination of lower profit items, medium and a few high ones. Let go of the idea of a perfect ASIN - some will make \$3; some will make \$13. You need a mix of all. Same for ASIN velocity – some will sell 10 per month, some will sell 10 per day. You want a mix of all.

Initial Profit Goal - \$2500

Assume you can sell each ASIN 10 times per month

\$3 profit ASINs x 10 = each ASIN will bring you \$30 profit per month

\$5 profit ASINs x 10 = each ASIN will bring you \$50 profit per month

\$8 profit ASINs x 10 = each ASIN will bring you \$80 profit per month

For easy math, in order to reach your initial monthly profit goal of \$2500, you need:

\$2,500 income / \$30 monthly profit = 84 ASINs

\$2,500 income / \$50 monthly profit = 50 ASINs

\$2,500 income / \$80 monthly profit = 32 ASINs

Timeframe for sourcing the required amount of ASINs

Initially, focus on finding 3 new ASINs per day that make over \$3 profit each at BB price. A few of these will turn into \$5-\$8 profits by the time they actually sell.

84 / 3 ASINs per day = 28 days

After the first couple of months, if you're serious about the business, find 5 ASINs per day. 84 / 5 ASINs per day = 17 days