

Amazon Global Selling Seller Case Study

Supply Chain Management tips from Amazon Seller, Mike Michelini on how he sources from several parts of CN to sell in the US via Amazon.com



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Seller Introduction



Seller: Mike Michelini, Founder of Excalibur Brothers & Global From Asia

Product Category: Home & Kitchen

Store: US

Highlight: Currently an owner of four brands and has built and sold 7-ecommerce brands that are in the 6-figures. Mike has been selling online since 2004, and moved to China in 2007 to source and scale his business.

“Excalibur Brother’s brand is a brand that launched during the pandemic as a men’s gift brand. It holds a balanced portfolio of 4 ASINs with 2 in development and is approaching its launch phase. The brand has also invested heavily in brand positioning, packaging, and differentiation in its category as a true gift.”

Key Philosophy in Inventory and Supply Chain Management



Mike Michelini

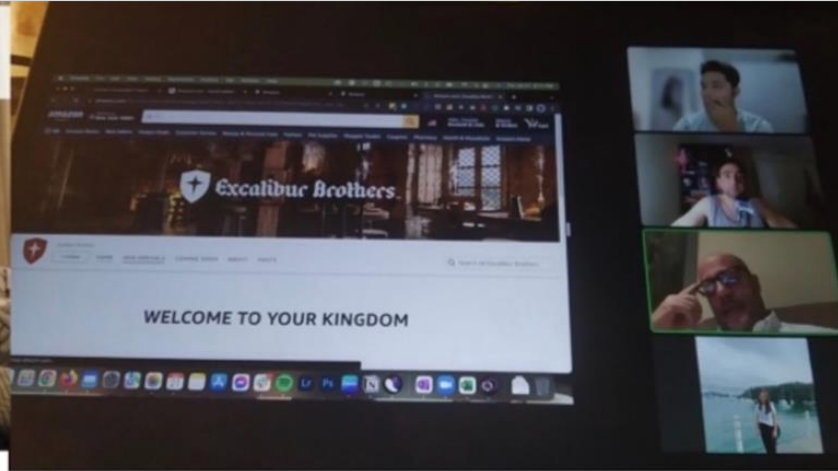
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Supply chain management is a critical process in cross border e-commerce, but it is not one that comes quickly and easily. It requires planning, processes, and a dash of luck to get right.

My top piece of advice is to give it lots of buffer time and predict the likelihood of delays. You have to realize that it is not just yourself but your competitors and every other business owner and entrepreneur who has to manage their inventory. If you can master your supply chain, you have a high chance in becoming a category leader.

”

1. Product Introduction



Mens Leather Flask (Brown) with 2 Cups and Funnel



Shot Glass Sets (Set of 6)



1. Supplier Locations In China

**1**

Have suppliers in Shenzhen, Dongguan, Yiwu, Ningbo

2

2 main “areas” of these cities classified as “Ningbo” + “PRD”

3

Ningbo is 2 hour drive from Shanghai (2 hour flight from PRD)

4

PRD is Pearl River Delta, Shenzhen /Guangzhou/ Dongguan factories are 1-2 hour (approx.) from Hong Kong.

1. Product Introduction



Brown Leather Watch Roll Case



**Mens Leather Flask (Brown)
with 2 Cups & Funnel**



Shot Glass Sets (Set of 6)

1. Product Introduction

**1**

The “messy” time where you will have samples all over the place

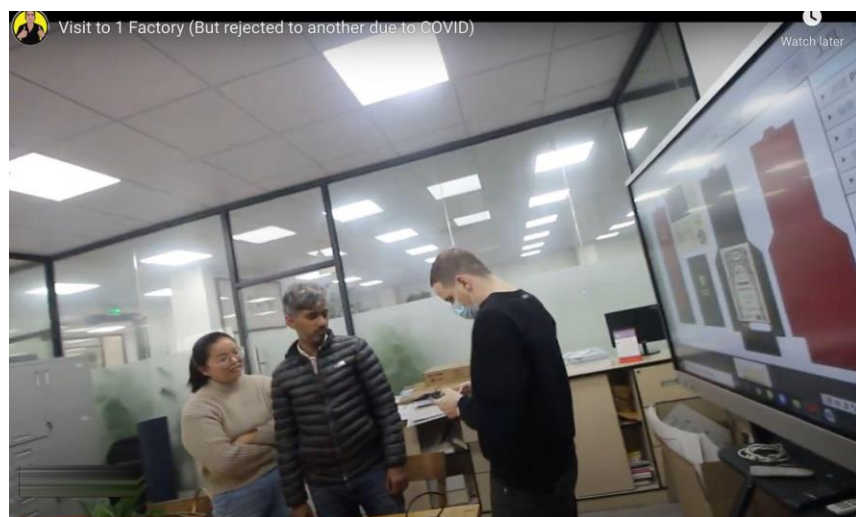
2

Ask for multiple materials, colours, & packaging ideas

3

Don't cut corners, the sample process is an important phase with your supplier

1. Product Introduction (Packaging)

**1**

Have a "blueprint" for your packaging.

2

Invest a lot of time upfront on the first packaging / first product

3

Use similar colors and accessories in the packaging

2. Tips on Packaging



Packaging Tips

We use one packaging supplier for all products in our brand

Find a packaging supplier near your factory(ies)

Try to make the packaging scalable (can be used across different products)

To us, packaging is what really defines our brand, so invest in it.



Mike Michelini

3. Important timelines that may disrupt your supply chain

Major Milestone Dates



3. Important timelines that may disrupt your supply chain

Case Example: 2023 Lunar New Year

Factory Closed Earlier (Than Expected)

- Not all factories follow same holiday schedule – many close even earlier.
- In this case, they really closed their doors and we didn't get packaging to them in time.

Solution

- We had the factory ship the goods to the packaging supplier
- Packaging supplier finished printing their boxes
- Their staff were the ones doing final assembly
 - We sent QC to the packaging supplier instead of factory
- Still not enough time to get all done before CNY holiday
- Split shipment, and sent about 50% of the production before holiday
- After CNY we then had the packaging supplier finish the printing
- The packaging supplier also finished the assembly and had it shipped out

Patience, and creativity are critical in dealing with supply chain. Preparing for the worst is imperative.



Mike Michelini

Outcome

- Shipped out 50% of our order before the CNY holiday using ocean freight and prevented OOS.

4. Shipping options

1. Keep Inventory with China

- At factory: the supplier can keep stock in their warehouse, free or low cost
- 3PL (third party logistics warehouse): can keep in their China warehouse, low cost and flexible

2. Send Inventory to the US

- Ensure you have enough storage at Amazon (IPI)
- Use an American 3PL (third party logistics warehouse)

Trade Offs:

1. **Costs:** China will almost always be at a lower cost
2. **JIT (Just in Time):** Stock in the US or Amazon will be able to be fulfilled much faster with month(s) of difference

As a seller, think long term. Keep products in stock, even if your logistics costs increases (short term) to build a solid listing.



Mike Michelini

5. Inventory Forecast (Lifecycle)

1. Product & Market Research

- Create a report and understand your market size and turnover.

2. Place Initial Production Order

- Develop the on the ground knowledge and “feel” for this market fit.

3. Test and Manage Response

- As first order gains sales and traction, measure and forecast out future turnover.

4. Place Reorder & Plan Long Term Supply Chain

- Gain more insights on the product / market fit, keep product in stock. Gain confidence and forecasts of long term sales turnover.

5. Inventory Forecast

Five key tips to forecast inventory

1 Your first order is a market test. It is your research put into practice with real data.

2 Monitor your first order closely, measure it and think long term.

3 Be prepared to adjust price and PPC to stay in stock.

4 Think long term over short term, first few orders is to build the listing.

5 Watch your KPIs and don't be afraid to discontinue a listing



6. Inventory Planning for Prime Day

Key Tip: Spread out supply chain – Have stock in various locations / have a production order starting, have some stock in a china warehouse & have some stock in a US 3PL

- 1 Choose established products you have data on
- 2 Alternative: Check historical of competitor's listings on Prime
- 3 Have a “spread out” supply chain with shipments and orders prepared
- 4 Double down, work with influencers
- 5 Consider a US 3PL – at a certain point if it is unavoidable



7. Key Takeaways



Supply chain is a make/break for any seller who wants to grow and scale.



It is difficult for everyone, even the “big boys” – so master it!



When choosing to be in stock or save money - choose in stock (long term vs short term).



Being in stock is critical – to maintain your rank on Amazon and your relationship with customers.



Create yearly forecasts and plans.



Monitor KPIs, and don't be shy to cut products underperforming.

Upcoming Canton Fair

Join us

- 23 April (Sunday) – 25 April (Tuesday) 2023
- Full package (just get your flight & visa)
- Tour, learnings, masterminds, networking

Lock in a special price

<https://cantonfair.globalfromasia.com/trip/>

Deal Deadline: **31 March, 2023**

Limited to **30 seats**



Canton Fair Trip, April 2023

Join Mike Michelini & A Group of Experts & Sellers
in Phase 2 of Canton Fair



April 23 - 27, 2023

For more information visit our website at
cantonfair.globalfromasia.com



Thank You



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tips



Watch Mike's session on Sourcing from CN
On our FB Page where he shares step-by-step
guide with real examples



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