



**ShipStation®**

Shipping Nirvana™:  
a guide to  
efficient shipping

# Hi there.

Shipping can be one of those things where, after you sell a product and get your first few orders in, the realization hits that you now have to physically get your products somewhere else in the world. Then questions arise like what boxes and other packaging materials are needed, and just how to organize yourself to get all your orders out the door. Don't worry. We've been there, too.

We hope to bring best practices, great ideas, and efficient shipping to your day-to-day. We have seen first-hand what works for a growing company and how to thrive when your business booms.

We created this because we are excited for you, your company, and your potential. We hope that, in this eBook, you find helpful tips, inspiration, things you can anticipate down the road, and things you can start doing right now to get your product to your customers more quickly and easily—all in a way that moves your brand and business forward.

There are four parts, each targeting different aspects of your eCommerce business. At the end of each section, you'll have a space geared to help you determine what's next for your business. On each page, we've left a little room for jotting down ideas and notes in the margins.

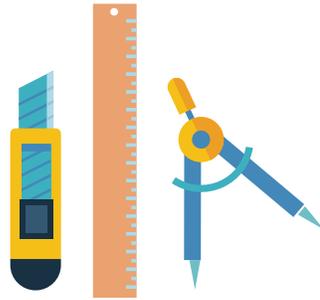
We recommend printing this out or using a PDF viewer that allows you to write, draw, and highlight.

Let's get ship done!



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# Your Physical Space

How you set up your physical shipping space—your ShipStation, if we may—can make or break how efficient your shipping processes are.

## is it efficient?

When you're first starting to build out your shipping process, it's easy to just do what gets the orders out the door and never re-visit how to make your processes more efficient. The first step in doing that is to tackle your physical space and audit how the system is working.

Just like weeding through the family garage, it often feels easier to leave the system you've had in place for months or years where it is. However, you should be examining what is working and where you may be losing speed and money. Even if nothing seems wrong, it's still a good idea to do a shipping and fulfillment audit at least once a year to maximize efficiency. Ask yourself the following questions:

### How am I maximizing space?

Everyone has a few consistently top-selling items. Unless these are huge and unwieldy, they should be kept near your packing and shipping station for easy access and packing. Better yet, if these items sell all the time, find a way to pre-pack them. Even if you work through a dropshipper, it is still possible to have the dropshipper pre-pack some goods in your packaging, saving time as those orders come in.



Try a few different sorting methods to see which works best for your products!

There are lots of ways you can sort your products to be efficient in your shipping process:

- Alphabetically (A - Z, Z - A)
- by Color, Size, or SKU
- Items often ordered together
- by Popularity
- & more!

### Is my storage area clearly labeled and are products easy to find?

Remember the scavenger hunt from grade school? Give a friend or a person who has nothing to do with your shipping process simple directions to your coding system. Ask him to help locate a product in your storage area and get it to your shipping station as quickly as possible. If he disappears for too long into the bowels of the warehouse (or garage, depending on your situation), calculate the time and ask him where he found an issue. You might decide on a whole new labeling and numbering process to help any new employee quickly find your product.

### Are my products stored in a way to maximize ease of access?

Don't load heavy items on top shelves. Put your best-selling items in the easiest-to-reach places. Do you have items that are frequently bought at the same time, like socks and belts? Keep them on the same shelves. Some businesses do well "kitting" those items and giving the combination product a new SKU. Keep visibility clear. Do what works best for you, whether that means clear bins to easily see products or grouping items alphabetically for quick access. Use a labeling system on both the product bins and your shelving system to best match whatever spreadsheet or system you keep on file.

### Is my shipping station organized efficiently?

Are the scissors, tape, and packaging materials all together in a bin for easy access? Are all your boxes in the right place? Do you need to move the scale or pre-build some boxes? Do you find there is a lot of physical backtracking through the process or are you able to have a streamlined assembly from start to finish? Where can you cut steps, literally and figuratively, to save time and money?

Time yourself or a partner going through the process of packing a product for shipment.

Use that time as a benchmark to evaluate future processes and changes.



### Is my shipping station where it should be?

This tip relates to the one above. Evaluate where your shipping station is in relation to your storage space. If it's not a seamless transition from picking to printing, it may be worth a reorganization. Many of you started with businesses in a garage or your home office, or you may still be there. If your inventory is growing, ask if it is wise to keep the product and the inventory in your home, or if you would gain efficiencies by renting a dedicated space.

## Document Sorting



For your packing slips, labels, and pick lists, ShipStation can sort these documents by a number of different fields, including warehouse location.

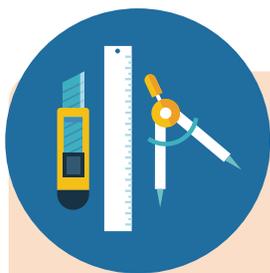
If you specify a warehouse location for your products, we'll then sort your required products in ascending order by their value in that field.

### Am I "bookending" the shipping process well?

Do you have a dedicated space on the front end of your packing and shipping area to store goods that have been sold but not yet packed? After packing, is there a clearly designated place for all packed goods to be stored until they're shipped? You don't need any products lost or misplaced along the route. Clearly marked bins, shelves, and color-coded carts, (green for sold but not packed, red for "ready for shipping") can make all the difference.

### Does my shipping station have clear documentation steps?

No one enjoys the drama of upset customers clamoring for orders they never received. The stress is compounded when tracking is haphazard or difficult to quickly access. Tax time is also massively easier when you have been diligent with your paper trails. What is your system for keeping track of notes regarding shipments and orders, receipts, invoices and more? Do you have a backup binder or printed copy of recent orders if computers are down?



Having an efficient space in which to do the physical parts of your shipping process is one of the easiest ways to save time every day. Ready to plan out your space?

Print out the graph paper on the next page to make a diagram of how your shipping area could be laid out.





# do you have the right tools?

Just as it is important to have an efficient shipping space, it's also mandatory for you to have the right tools with which to ship your products. Having improperly-weighed orders or insufficient boxes & packaging can cost you valuable time and money. While there are certainly fancier tools to make your process even more efficient, these are your most essential items to help you get your orders out the door.

## Shipping Scale

This is the first item you'll need. The ability to accurately weigh your packages will save you time and money on postage, and eliminate the need to weigh and drop off your packages at the post office or carrier locations. Goodbye, post office lines and trips! You can buy a shipping scale for under \$50. If you sell only very light items (under 10 lbs.), a food scale might be a cheaper route.

## Boxes

This one may seem like a no-brainer, but it's important to get the right type of boxes for your products. (See the next section for the full scoop.)

Before you nail down exactly what you're going to get, make sure you get a few samples so you can not only see the product in person, but also test which will ship your products for the least amount of money while still adequately protecting your orders. Once you've decided on a few sizes, you can save money by

purchasing boxes in bulk. While there are many places you can find boxes, a big contender in this space is Uline, who claims 1,300 box sizes and types. USPS also offers free Priority Mail & Priority Mail Express shipping boxes and envelopes that can be delivered to your door.



### Custom Packaging

For any order, you can set individual box sizes in ShipStation that, when chosen, will fill in the correct dimensions for your chosen box.

## Filling & Cushioning

Protecting your items from damage through filling and cushioning, without spending a ton of money, is also important. Fragile items may require bubblewrap or packing peanuts, but durable items don't require much padding. Even though it's not specifically for packing, you can also recycle your newspaper and use it as filling and cushioning for many items.

## Label Printer

While you may already have a laser or inkjet printer, and they work just fine, we recommend a thermal label printer. They produce clearly legible labels at higher speeds versus a laser or inkjet printer, and they never require ink. Thermal label printers run a couple hundred dollars or you can rent them for as little as a few dollars a week.

### Document Sizes

There are two paper sizes, thermal (4" x 6") vs. desktop (8.5" x 11"), available in ShipStation, and you can mix and match these sizes between your labels and packing slips.

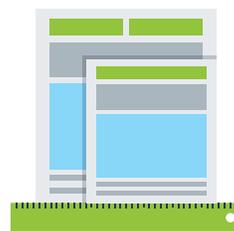
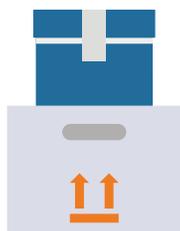
If you choose to use the same size paper for both, you can even set an order's packing slip to print out directly after its label.

## Packing Tape

Securing your shipment is important, and packing tape costs can add up. Discount retailers, and even the Dollar Store, offer quality packaging tape that works well. This is another area where buying in bulk can save you a bundle.

## Tape Measure

Depending on the shipping carrier, the size of your shipment box can determine all or part of the shipping cost. Use a tape measure to calculate your item dimensions, and fit them in the box closest in size to save money. Don't forget to allow room for packaging material.



Once you add these tools and supplies, you'll get your shipping process working like a well-oiled machine. And you'll save time and money so that you can get back to what we think is the most awesome part of your company: the business of selling your products!



## Your tools aren't the only thing that take up space.

When you're planning your shipping station and how it's laid out, remember to include the storage space you need for your mailing supplies.



Use this checklist to make sure you have all the tools you need for your shipping processes each day.

Don't forget to duplicate this list if you have more than one warehouse to ensure all locations have what they need.



- Scale (USB)
- Boxes (or other mailers, flats, & poly bags)
  - Size: \_\_\_\_\_
  - Size: \_\_\_\_\_
  - Size: \_\_\_\_\_
  - Size: \_\_\_\_\_
- Filling & Cushioning
  - Type: \_\_\_\_\_
  - Type: \_\_\_\_\_
  - Type: \_\_\_\_\_
  - Type: \_\_\_\_\_
- Printers (label vs. document)
  - Type: \_\_\_\_\_
  - Type: \_\_\_\_\_
- Packaging Tape
- Tape Measure/Ruler

# do you have the right boxes?

It's not enough just to have boxes or use whatever you have lying around your house or warehouse; you need to source the right box sizes for your products and your orders. The trick your parents used to play on you by putting a small present in a big box isn't how you should be shipping your orders to your customers. Let's go over how to choose the right box for your situation.

## Finding a Source

For less customized boxes, you have several options. Box stores and postal outlets sell packing materials and packages for shipping both large and small items. USPS famously offers free boxes for using their Priority Mail and Priority Mail Express services, so if you use either of those methods, you may be all set just by ordering from them at their online store. If you want more choice, or if you want to use another carrier, you'll have to find another source. You can source packaging and box materials through places like eBay or Uline.

## Choosing Sizes

There are many different sizes and shapes of boxes from which to choose. Standard practice says to pick a package that is just slightly larger than the item being purchased (about 2" on all sides) to accommodate for some protective packing material, but not so large that the product is at risk of being damaged or extra shipping costs are incurred.

The most widely used and recommended shipping box is the corrugated box, or cardboard box, because it is durable and lightweight. If you ship many different items of different shapes and sizes, your best bet might be a multi-depth box, so you can easily resize it as needed. Multi-depth boxes are scored



Don't be locked into a box size just because it's on a supplier's website.

Determine how much you're willing to spend on packaging, as well as how important a custom box may be to your brand and/or product, and make the decision for standard or custom at that time.

at intervals on the sides of the box. To obtain the desired size container, you simply cut it down to the size you need.

### Dimensional Weight Pricing

If you haven't already done so, you may want to consider certain sizes of packaging to minimize the effect of dimensional weights. Keep in mind that for the carriers that enforce dimensional weights, they will choose the higher of the two rate types: dimensional vs. actual weight. This is where choosing smaller box sizes, eliminating any extra packaging materials, and testing your particular setups before you start ordering packaging in bulk can help you keep costs down.

### Beyond the Box

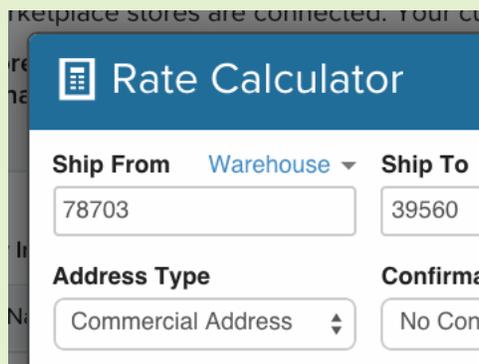
Some people aren't even using "boxes" anymore, depending on the shape and size of their products. One of our favorite examples is Writeyboard, a ShipStation client. They use packaging in the shape of dry erase markers to send some of their products to their customers. (There's more on this in the next section.) Sellers of greeting cards and other flat, thin items are also big proponents of using photo mailers—non-corrugated cardboard envelopes that are stiffer than normal envelopes.

Could something similarly creative work for you? Whether you choose to heavily brand your boxes, do something that doesn't even resemble a box, or go with the tried-and-true shipping methods, there are many things to consider and plan for as you choose the most economical and effective way of delivering your product to your customer.

## Rate Calculator

When determining the cost to ship a package, ShipStation's Rate Calculator can help you do this without an order even in the system.

Just set up your shipping origin, your carrier accounts, and then tinker away with a shipment's settings to see what happens among carriers and methods to determine the best way to ship.



The screenshot shows the ShipStation Rate Calculator interface. It features a blue header with the title "Rate Calculator" and a grid icon. Below the header, there are two columns of input fields. The first column is labeled "Ship From" and has a dropdown menu set to "Warehouse" and a text input field containing "78703". The second column is labeled "Ship To" and has a text input field containing "39560". Below these, there are two more columns. The first is labeled "Address Type" and has a dropdown menu set to "Commercial Address". The second is labeled "Confirma" and has a button labeled "No Conf".



Choosing the right boxes for your business will take a little investigative work.

Use this guide to help with searching them out.

(Remember, maybe you can find a creative solution that doesn't involve boxes at all!)



### Step 1: Choose size(s).

The size of your boxes is going to be determined by how big your products are as well as by how many are ordered at the same time. Take a few commonly ordered products (and combinations of those) and come up with three box sizes below.

\_\_\_\_\_

Size #1                                      Size #2                                      Size #3

### Step 2: Find the cost to ship.

Using a product like a carrier's website or ShipStation's rate calculator, calculate the average cost of these package sizes with your average package weight. (If you ship with UPS/FedEx, don't forget about their dimensional weight rates.)

\_\_\_\_\_

Size #1                                      Size #2                                      Size #3

### Step 3: Find a source.

With USPS, you can get free boxes if you use their Priority Mail service; otherwise you'll have to purchase some from a supplier.

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# to customize packaging or not?

As the eCommerce market grows, it can get more and more difficult to stand out in the crowd. One way to do that is through unique packaging: we all know the look of the Amazon or Zappos box. But is it a good idea for your business?

## For Unique Packaging:

**They're not as expensive as you think.** "The cost of printing has minimal impact on box cost at any order size," says Dennis Salazar, President and Co-Founder of Salazar Packaging, a packaging consulting company.

"Utilizing a flexographic process results in a much more affordable cost because the copy is pre-printed on the board before it's made into boxes. The custom printed boxes are custom manufactured to order, so there are no stock or standard sizes. This also means you can get the exact size you need, not just something that is 'close and available'", notes Salazar.

**They're fantastic for marketing.** A unique box means your customers know from whom their package came as well as what's in it. Every time they look at that box in the future, your brand is immediately brought back to mind, which may increase your repeat business from them. Here are two examples:

Loot Crate's corrugated shipping box is "a direct reflection on our brand. It shows our attention to detail, it's really cool and sleek-looking (black exterior and bright orange interior), and is a key part of what we do," notes Chris Davis, CEO of Loot Crate. The company has a strong community who has taken thousands of photos and videos of the boxes and the contents of the boxes and shared them across their social networks, which adds to branding and marketing efforts.



## Branded Labels

A great first start at more professional packaging is your company's logo right on your labels.

In ShipStation, all you have to do is upload your logo, check a box, and voilà! Custom-branded shipping labels!

From the beginning, custom packaging was a challenge for Writeyboard. "We went through a couple iterations to get this right," notes Josh Jennings, CEO of Writeyboard. "At first the paper was too thin and got damaged. We worked with UPS, and eventually were able to create this combination of packaging and shipping tube that protected our product. Now we just slap on a label and send it out." The company developed different packaging for whiteboards fewer than four feet tall that would be sold in stores. While the larger-sized packaging is multi-functional (it's packaging and a shipping box combined), so too is the retail packaging.



**They reinforce your branding.** Even though this technically falls under the gigantic umbrella that is "marketing", it's important enough to specify on its own. Your brand should have a certain personality, whether it's geeky, expensive & elegant, eco-friendly, or any of the other millions of options. Your packaging should reflect that personality and extend it so that it's easily accessible to and understood by your customer base.

### Against Unique Packaging:



### Think beyond the box.

If a full custom-printed package seems like it'd be too expensive, custom rubber stamps or label messages with your logo & information may be a great low-cost option for your business.



9405 5116 9900 0572 0614 64

**Thanks for your order!**  
**Visit our Instagram**  
**@shipstation**

**It makes your orders easily identifiable.** While part of the entire reason you would have unique packaging is to solidify and spread your brand name, it also alerts passers-by. More than likely, you don't want easily identifiable packaging if you sell high-value options. Then your box might as well serve as a banner ad to potential less-than-ethical opportunists that the box contains some pretty expensive stuff.

While purchasing insurance and requiring signatures can help guard both you and your customer from adversely being affected by theft, it's probably not a good idea to openly advertise that there's currently a \$1000 computer monitor sitting on your customer's porch.

**The higher price tag will affect your margins.** If you have to regularly worry about competitively pricing your products because you're in a rather full market, the higher cost of unique packaging may be something that's too impactful on your profit margins. As we said back in the intro, and a few times since, you'll have to test and run the numbers to make sure that such a venture will work for your situation.

Whether you go for or against having unique packaging for your business, it's a choice you can make now, and always revisit later as your situation changes.



The cost of custom packaging is going to be higher than standard packaging, but depending on what gains you get (e.g., increased word of mouth, more customer shares), it may be worth the extra cost. Use this basic worksheet to get a general idea if you could afford custom packages.



	Current	Custom (Quote #1)	Custom (Quote #2)
Average # of shipments:	_____	_____	_____
Cost of packaging (boxes):	_____	_____	_____
How many boxes are included:	_____/_____	_____/_____	_____/_____
Cost per shipment:	_____	_____	_____
Average profit per product:	_____	_____	_____
Average cost of shipment:	_____-_____	_____-_____	_____-_____
Profit margin per shipment:	_____	_____	_____



# Your Technology

Take a look at what you currently use, what's out there, and when you need to consider other tools.

# where do you sell?

Since, in today's world, it's easy to start selling online, it's even more important to make sure you've covered your bases when it comes to the selling channels on which you're running your business. When you're ready to look for an eCommerce website, or even if you already have one and are searching for a better solution, here are some features the provider should offer:

## Responsive Design

Mobile commerce is exploding (22.6% of all holiday sales in 2014 originated from a mobile device, which is up 27.2% from the previous year<sup>1</sup>), and making



There are two basic kinds of selling platforms: a Marketplace vs. a Shopping Cart

Marketplaces, like eBay, Amazon, and Etsy, have a large database of items available, where you are a seller among many others, and you have very little control over how things are done.

Shopping carts are platforms where you have your own space and website URL. You have more control and only your products are displayed.

sure that your website is mobile-friendly is critical to your success. The easiest way to make your website mobile-friendly is to choose a solution that incorporates "responsive design." This means the device where the website is shown (desktop vs. mobile) does the work and automatically adjusts according to the device's screen size and orientation (landscape or portrait). A responsive website will switch between these options automatically as the width of the window changes.

## Search Engine Optimization (SEO)

During the 2014 holiday season, a large number of eCommerce orders (21%), originated from organic search, while 17.5% came from paid search, and 17.7% came from e-mail marketing efforts, according to a Custora eCommerce report<sup>2</sup>. Simply stated, you can't afford not to have search engine optimization as part of your site. At a minimum, your website and shopping cart provider should offer the ability to add SEO features into your site like meta descriptions and alternative search results titles.

<sup>1</sup> <http://marketingland.com/u-s-holiday-desktop-e-commerce-sales-15-2014-comscore-113681>

<sup>2</sup> <http://marketingland.com/important-e-commerce-marketing-trends-2014-holiday-season-mean-2015-117121>

## Coupon Creation

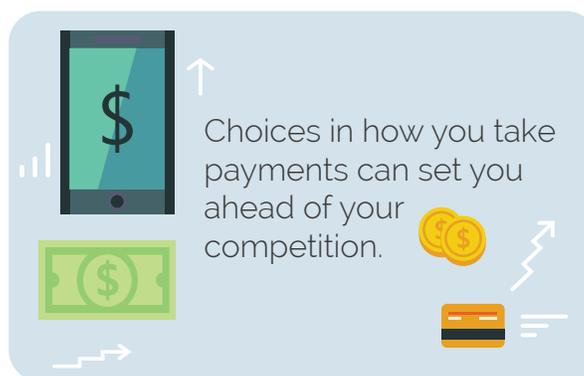
Like it or hate it, we are now part of a "coupon culture." People want—even expect—coupons when making a purchase. You'll need the option of creating coupons through your website and shopping cart solution. Many eCommerce platforms offer the ability to create coupons. You should be able to offer coupons for a fixed amount or a percentage off all or specific products. Free shipping and flat rate shipping, as well as expiration dates, should also be part of this feature.

## Third-Party Apps

Even the best website and shopping cart providers don't offer everything you need. There will be times when you'll want to be able to integrate third-party apps, such as shipping software (ShipStation, of course!), as well as things like mass mailing software, inventory management, and rewards programs. Make sure your website provider makes adding these apps easy.

## Payment Options

Everyone wants choices. Some people prefer to pay by credit card; others may like to use PayPal (especially international customers). Your website and shopping cart solution should offer easy integration with many payment systems.



There are, of course, other considerations for which platform to use. If you run a monthly box business, a shopping cart platform that doesn't have recurring billing wouldn't be the best choice for you. Make sure that in addition to the things listed previously, you've made your own list of both necessities and dealbreakers so you can choose the best system for you.



## Store & Account Settings

When you're shipping your orders, there are many settings in ShipStation to help make your processes as efficient as possible.

Some of these are store-based, like when you want your shipment notifications to go out, and some are account-wide, like in what order your labels print.

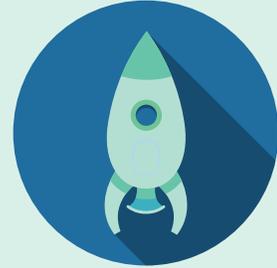
When you're setting up your store, make sure you change whatever is necessary to make your store run and act how you want.



When you're choosing a selling platform for your business, everyone has their own preferences.

Using the two sections below, write the three platforms among which you're debating across the top, and then write what your ideal platform would and would not have.

Then, as you're evaluating each platform, mark off which has each feature to aid in making your final decision.



Must-Haves

_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Dealbreakers

_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

# when do you need a shipping software?

When you spend all your time on shipping: picking, packing, driving to the carrier's office, waiting in line... (you get the picture), running your business has turned into running in circles. If you identify with any of the following events, it's time to look for software that can help make your [shipping] life more efficient.

## You're handwriting addresses.

Some may say that the age of writing physical letters is dead because of the keyboard. Some may long for the days of flowing pens on paper and the individuality of unique handwriting. And while it's definitely something we encourage as a personal inclusion in your packaging, it's not something you should be doing for your shipping labels. Not only does handwriting addresses take quite a while, it's also prone to error, from both misreading/miswriting the customer's address or the carrier misreading the label thereafter.

## You stand in line at the carrier location.

No one likes wasting an hour (or more) at a carrier's physical location while waiting for a teller to open up so you can ship your products. You've already spent so much time getting the proper information on your shipments. Not only are you usually paying more in postage (the carrier has to employ those people to work, after all), you're also spending more time than you need by going to the physical location rather than getting the packages picked up if you printed the labels at home.

## You're going from carrier website to carrier website.

We all know the best way to ship something isn't through a single carrier. They each have their strengths and weaknesses, as well as cost structure. If you're

### Automatic Order Importing

When you sell on multiple channels, aggregating all those orders can be a hassle. ShipStation is partnered with all the top marketplaces and shopping carts so we'll automatically import all your orders from wherever you sell.

This means there's no more handwriting addresses or copying & pasting information to different sites. Simply click "Update" and all your orders ready for processing are pulled into the app.

going from carrier to carrier on the web, copying and pasting your customers' information into each, and printing labels from there, you're wasting precious time that you could be spending on other parts of running your business.

You complete one order at a time.

Even if you are using online postage, how you ship your products is just as impactful as any of the previous inefficiencies. Taking one order and working on just it from start to finish isn't the most efficient way. This kind of thing is why the assembly line was created at the beginning of the 20th century. It's far more efficient to take a single action and complete it in batch for however many orders you have. Use the assembly line principle with your own shipping process: pick your products, pack them into your boxes, and then affix shipping labels.

It's difficult to pick, pack, or understand what's going on for the day's shipments.

When you get a few (or a bunch of) orders to fulfill, figuring just what you need can be difficult, especially if you sell your wares on multiple channels.



When you have a lot of orders to ship, there's nothing quite like a pick list.

These documents tell you exactly what products need to be fulfilled for the orders you selected, and can even tell you which products apply to which orders as well as their warehouse location.

Product Pick List				Tuesday, March 17 12:34 PM
Item #	Description	Warehouse Location	# Required	
 SQ6857662	Backpack - S	Bin A	4	
	Size S			
	Orders: 79   76			
 SQ2037664	Backpack - M	Bin B	6	
	Size M			
	Orders: 78   76			
				Total Items Required: 10

Even if you only sell a few things or have to manufacture all of them, easily seeing or finding out what you need to ship that day should be a natural part of your processes.

There may be other pain points you have during your current shipping process that a software can help to alleviate. Make sure you address your biggest concerns when you're investigating a potential solution, and if their specific features will work for you. Even if you're only looking for a few simple features, a software's extra power won't hurt to have around as your business grows.



What are the top three pain points in your current shipping process?

How might they be overcome or alleviated?

1. \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

2. \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

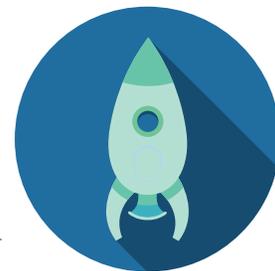
3. \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



# what should a shipping software have?

Shipping software is built to help you create shipping labels for your packages without having to physically go to the UPS store, post office, or other shipping location. Generally, it'll aggregate your orders from your chosen selling platforms like Amazon and eBay, as well as your shopping cart software. Most will also let you import any orders via CSV files from platforms the app may not support out-of-the-box. But what are the basic features that a shipping software should have?

## It has connections.

If you sell on multiple channels—an online marketplace, your own website, at a trade show, or even at a brick-and-mortar location—chances are you have a tough time collecting those orders into an easy pile when it comes time to fulfilling them. This is one of the main advantages of using a shipping software. Since they're built to help you ship all your orders, the majority of them have multiple connections to wherever you sell and will import those orders automatically.

## Carrier Postage Accounts

If you ship via USPS, you'll need what's called a USPS PC Postage Account.

Usually you can get these online, but you have to pay a fee every month to access them.

With ShipStation, you get one of these accounts included with your subscription, so there's no need to pay extra just to print USPS postage.

Plus, the included accounts can get you discounts on your postage, up to 50% for some services.

## It lets you work how you want to work.

When you're actually going through your orders and processing them, it's important for your chosen shipping software to let you work in the manner you want. It should give you the tools so that you see exactly the orders you want to see through filtering or searching. Then, you can choose the appropriate settings and prepare your orders for shipment in a way that makes sense for your situation and business. Those settings should then be able to be saved in some manner so you can apply them en masse to your orders. Even better, they could be applied automatically for you by rules that you set up.



### It helps you work in batch.

The entire point of a shipping platform is to make your life easier when it comes to shipping. So it only makes sense that it should reduce the time it takes you to ship. Look for batching features that will process hundreds of labels at a time without worrying about how those orders are being sent. Being able to simply click print and have all your labels stream from your printer is so much nicer than handwriting the addresses or having to copy and paste them one by one into a carrier's website.



Most shipping software has a free trial available so you can test how it works for your business with your actual data.

This helps you learn just how the system would function when you're in your actual shipping process.

### It keeps information synced up.

Next, make sure your shipping software sends back your tracking information to both your marketplace and your customer. It should be sending this information back automatically, as well as letting you customize the e-mail it sends out. The super sophisticated ones will even change the e-mail you send out to different customized templates based on rules you set up in their software. Some will even let you delay the shipment notification to allow for the time it usually takes you from printing the label to your packages actually hitting the mail stream.

### It can grow with you.

Nothing's worse than doing a bunch of work to get a system in place and then finding out a year or two down the road that it can't come with you as you grow. Make sure whatever software you choose has the features that work for you now, but will also work for you as you get bigger as a business. This can be something simple like having the ability for multiple users, or it can be something more complex like an automation system where it can do some of the work for you.

In order to save the most amount of time both now and down the road, make sure that the system works for you. Check out a software's free trial, if they have one, and then connect your stores and create a few labels. Most software will let you connect your existing carrier accounts or will set you up with free ones that are part of the subscription or purchase price.



Using the two sections below, write the three platforms among which you're debating across the top, and then write what your ideal platform would and would not have.



Any time you're looking at a new software for your business, it's important to list the must-haves & dealbreakers for your specific needs.

If, at the end of the day, they all look similar and have the same features, make sure to check out their software with a demo or free trial to help in making the final decision.

Must-Haves

_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Dealbreakers

_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



# Your Package Costs

Don't break the bank when it comes to paying for postage. Make carriers' services & rates work for your business.

# what rates are available?

Just as there is a difference between retail and wholesale pricing, so too are there differences in how rates are calculated for shipping. Most of the time these are based on how much you ship with a certain carrier. Or what technology you use. Or what type of packaging you use.



The key to getting the best rates is to mix and match carriers.

All carriers have their strengths & weaknesses, and remember, postage cost alone may not be the reason you use a carrier.



Rates with the United States Postal Service are perhaps the most cut-and-dry while also being the most complicated. There are four basic tiers of rates with the shipping carrier (in order from most to least expensive): Retail, Online, Commercial Base Pricing (CBP), and Commercial Plus Pricing (CPP).

## Retail

The first, as you may guess, is what you'll receive if you stand in line at the post office. Retail rates are the highest rates you'll find at the post office, and what USPS.com will show you as the "compare to" rate if you go through their Click-N-Ship® program.

## Online

Speaking of USPS's online postage calculator, this is where you'll find their online rates. Partially because they don't have to employ a physical person to process your shipment(s), these rates are cheaper than what you find at the post office. However, both of these rates are, unofficially, meant for the end consumer to ship cookies to/from Grandma, not the bakery who has 200 hungry customers.





### Commercial Base Pricing (CBP)

CBP rates are the first tier of the commercial world when it comes to USPS pricing—hence the name. If you've taken our advice and signed up with a shipping software, the USPS postage accounts that many of those software services provide offer CBP rates on your USPS labels. These kinds of discounts, if you ship through USPS a bit, can sometimes have the cost of the shipping software pay for itself within a few labels.

### Commercial Plus Pricing (CPP)

The best rates you can get are the CPP rates. For these, you usually have to qualify by shipping a certain volume of shipments over the course of a given length of time, but there are certain resellers who will give you these rates (or close to it) by signing up with them. These rates can save you up to several dollars per package, so if you have the volume, it may be worth it to investigate how to get these rates.

Although it's not a tier in the same way as the previous four are, **cubic pricing** is still a contender to save you a bunch of money. Rather than use the weight of the package, the shipment's rate is based on the box size: specifically, how much cubic room it takes up. These rates require certain things, like fitting within a certain cubic size as well as being under 20 lbs. However, if you ship small, heavy packages, the rates can be much less when compared to your normal shipping costs.

## Saved Shipping Settings

Shipping Presets are a great way to save specific combinations of shipping settings for your packages in ShipStation.

You can save multiple presets and then easily apply them to your orders by using a keyboard shortcut (like ALT + 3, for example), or selecting the settings from a dropdown.



Much like with USPS, both UPS & FedEx have their own tiers of rates, though they are a bit less clear-cut. Generally you have two tiers: retail rates and negotiated/contract rates.

### Retail

Whether you go to the physical location for either of these carriers or purchase your postage online, the rate is going to be the same. While this makes it simple, once you hit a certain volume, it's worth it to look into negotiated rates.

### Contract Rates

While there's no set structure for when you can get negotiated, contract, account-based—or any of the other terms carriers use to describe "discounted"—rates, they are available. The best way to start the ball rolling on these is to contact the carrier directly once you do a fairly large amount of business with them. Some carriers have even been known to simply give out discounts once you hit certain thresholds.

The two main rate structures of both UPS & FedEx do not include any of their special programs that they have available. Depending on whether you're a member of an association, or if you sign up for a carrier's savings program, you can sometimes get discounts off the retail rates without having to necessarily go through and negotiate them specifically for your account.



And just like there is cubic pricing for USPS, so too is there dimensional pricing for UPS & FedEx. But with one big difference: it's not a special program or rate group. Dimensional pricing is how your shipments are calculated whether or not you have retail or contract rates with the two carriers. Just like cubic pricing, the dimensional weight is based on the size of the box rather than its actual, physical weight. The catch is that, when deciding how much to charge you, UPS & FedEx will use the higher of the two rate versions—dimensional weight versus actual weight—whether you're on contract rates or not.



Dimensional weight rates are one of the reasons box size is so important.



## Let's figure out how much you're currently spending on postage.

Use typical shipments you've sent in the past to get your current costs. You'll need to use either carriers' websites or a rate calculator like the one in ShipStation in order to find the best rate for your packages.



	Average Weight	Most Common Destination Postal Code	Cost
Box Sizes	_____	_____	\$ _____
	_____	_____	\$ _____
	_____	_____	\$ _____
	_____	_____	\$ _____
	_____	_____	\$ _____

# how do you save money on postage?

Once you know the difference between all the rates, now it's time to figure out how to get them to work for your business. The examples below can help to give you ideas on ways to save money. However, you definitely need to take a look at your business, your products, your shipping process, and your needs in relation to your promises to your customers in order to choose the best shipping method.

## Flat Rates

Both USPS and FedEx offer flat rate services for which there is no initial qualification, and can be cheaper than a similar shipment through either of the carriers' alternative services. Both carriers offer free packaging in a number of different sizes, though the catch is that using those boxes is the only way you can use the flat rate services. However, this makes standardizing your box sizes and rate calculations easy since there are not very many variations. Specifically for USPS Flat Rates, there are even international versions to help make selling to overseas customers a bit less of a risk when it comes to postage costs.



## USPS Regional Rate

The term "regional" means, in this instance, that the rate you pay depends on the region (or zone) where you're sending your package. However, you can use the regional boxes anywhere within the United States. The best savings occur

## Automation Rules

Doing the same thing over and over again isn't fun when you can automate it.

ShipStation's automation engine takes rules that you create—which can be based on order content, destination, or other criteria—and performs actions that you specify.

This can make it so that the only thing you have to do when you're ready to print for the day is simply click print.

using Regional Rate Priority Mail for packages traveling short distances. In addition, Regional Rate Boxes work well for small, bulky packages that could otherwise be very expensive to ship, such as shoes and other clothing items. Much like for their flat rate service, you may only use the USPS-produced Regional Rate Boxes, and they each have their own specifications.

### Hybrid Services

Both UPS and FedEx have partnered up with USPS to provide hybrid services to aid in residential deliveries. Depending on the service, SurePost for UPS or SmartPost for FedEx, you can save up to 50% using the hybrid service over standard rates. The trick with these is that UPS and FedEx will pick up the package initially, but eventually hand it off to USPS for final delivery to the customer. While it ends up taking longer in delivery times, it can save you quite a bit of money. In addition to the cheaper cost, technically you also get free Saturday delivery—since USPS is the one who's delivering it—as well as no residential surcharge from UPS & FedEx.



### Consolidators

Even if you don't do a lot of shipping, it may be worth it for you to look into shipping consolidators. These companies, like Asendia, Globegistics, and even services from larger carriers like UPS Mail Innovations, can offer better rates than what you get by using the "standard" services from carriers. These options



### Consolidators can get you cheaper rates by using multiple carriers.

A consolidator (like DHL Global Mail, UPS Mail Innovations, Globegistics, Asendia, and many others) is a company that takes a large number of packages from multiple carriers (FedEx, UPS, USPS, etc.) and then delivers the package closer to the actual destination.

Sometimes, the consolidator even delivers the package directly to the end destination.

can be a great way to get deeply discounted rates on postage without having to ship a large volume of packages yourself. There are many companies out there with their own strengths, weaknesses, and requirements, so this option may be a bit more time-intensive to attain savings versus the options listed above. However, if you do your due diligence in finding the right consolidator for your business, it can lead to fantastic savings.



Now that you have your postage costs just based on weight and/or dimensions, let's see if flat rate boxes or consolidator rates would be cheaper. 

Current Average Cost

	x	x	\$ _____
	x	x	\$ _____
Box Sizes	x	x	\$ _____
	x	x	\$ _____
	x	x	\$ _____

	Alternative Available?	Flat Rate Cost	Consolidator Cost
x      x	<input type="checkbox"/>	\$ _____	\$ _____
x      x	<input type="checkbox"/>	\$ _____	\$ _____
x      x	<input type="checkbox"/>	\$ _____	\$ _____
x      x	<input type="checkbox"/>	\$ _____	\$ _____
x      x	<input type="checkbox"/>	\$ _____	\$ _____





# Your Shipping Strategies

Once you have the basics down, it's time to get the strategies for your fulfillment in order.

# how do you charge customers for shipping?

The real challenge when figuring out your shipping strategy is determining a solution that cuts into your margins as little as possible yet remains attractive to your customers. And this is something you're going to want to get right. Studies have shown that shipping and handling fees are the number one factor driving shopping cart abandonment<sup>1</sup>. When it comes to pricing your shipping, there are generally three schools of thought.

## Option 1: Offer Free Shipping

Offering free shipping—usually just for domestic orders—is a sure-fire way to get your customer's attention. However, depending on your margins, it can also potentially cut into your profits. That said, the marketing punch that displaying 'Free Shipping' on your website provides can be a significant advantage over any competitors that don't offer the same perk. Deciding to offer free shipping will require you to either absorb the cost or slightly increase your prices to cover it.



If you're not offering free shipping now, a good way to see if your business can handle it is to run a promotion.

This way you can gauge how it would work for your business. This can be done in a number of ways: with no or a low minimum, only for certain products, or other criteria.

You could also try offering free shipping with a minimum order amount or minimum number of items. This should drive up your average order value and help you have more profit dollars to apply the shipping cost against. Determining whether to offer free shipping or require a minimum threshold often comes down to your margins and the niche in which you operate.

<sup>1</sup> <http://www.retailtouchpoints.com/in-store-insights/2674>

If you offer luxury, handmade, or one-of-a-kind items, rolling in an extra percentage for shipping and handling into the cost of your products probably isn't too much of an issue. However, if you're in a highly competitive market where both free shipping and the lowest prices are the norm, such as refurbished cell phones, marking up your products to cover shipping costs may not be the best idea. This is where you have to consider either a different option entirely, or absorbing the shipping cost on most of your items.

There are, of course, exceptions.

Large or particularly heavy items like full tower PC cases or furniture can cause some problems for your 'Free Shipping' promotion. Doing your research and knowing your numbers about things like how



much each of your products actually costs to ship, how your competitors handle shipping, and your allowable profit margin can help you make the right decision.



### Mix & match shipping charge options.

Of the three options listed here, a single choice may not be the best solution. As you get more orders, you'll learn more about the shipping costs you incur and how you want to handle them. Don't be afraid to mix how you charge your customers or to change it up after running a certain way for a while.

#### Option 2: Charge What You Get Charged

In some shopping carts, it's possible to set up real-time shipping quotes; in other words, your customers more or less pay what you pay to ship your products.

There are always small discrepancies that can happen, especially if you get contract rates that your shopping cart can't pull in. Still, in many cases you can end up breaking even between the shipping charges you collect and what you ultimately have to pay to ship the package. Using a real-time calculator like this can win you a lot of trust with your customers. It shows that you aren't inflating your quoted shipping fees or raising your item prices to cover the charges.

This strategy doesn't have the same persuasion power that free shipping does, but it's an easy way to make sure that you're not reducing your profit from shipping costs, and that your customers are getting the best deal possible. This is also a good option to use for heavy or oversized shipments that you simply cannot or do not want to allow to ship out under a free shipping promotion.

### Option 3: Offer Flat Rates

Your third option is to offer a flat rate for every package, or flat rates for weight ranges and order totals. This particular method of charging for shipping requires a bit of preparation as you need to figure out your average cost of shipping a package. This is a best practice you should be doing anyway to make sure that you don't drastically undercharge or overcharge your customers.

When you hit the right cost, you'll probably be over—or under—the actual shipping cost by a little, but it should even out in the end. However, there is a particularly important point about the nature of flat rate shipping: you'll need to do some testing to figure out which flat rate works and if you need to organize them by order totals or weight ranges.



taking advantage of the cost savings from cubic shipping prices can help to bring your flat rates into a comfortable range.

Of course, every business is different and only through testing will you find out what works best for you. You'll need to calculate the statistics on your products and the best ways to ship them to be able to make the most strategic decision possible. Once you settle on an option—or a combination of them—for how you're going to charge your customers for shipping, it's always a good idea to go back every few months and re-evaluate your strategy.

## Reports & Insights

A great resource to see how you're doing on shipping is ShipStation's Shipping Cost Report and Insights pages in the app.

We can tell you just how much money you're earning or losing depending on your current scheme, and can help gauge how well your promotions are doing if you change how you charge.

\$4.00	\$2.09	\$0.00	5 oz	\$1.91
\$7.98	\$6.84	\$0.00	3 oz	\$1.14
\$0.00	\$3.11	\$0.00	11 oz	-\$3.11
136.24	\$92.96	\$0.00	182 oz	\$43.28



Now that you know how much you're currently spending (and how much you could potentially save by switching services), let's determine how you should charge your customers.



Take a few 'typical' orders as well as a couple outliers and determine how much you paid for shipping them.



Based on what you're charging your customers, how much would you make or lose with each of the three methods of charging for shipping?



	Your Current Cost	Shipping Paid <small>(by customer)</small>	Profit or (Loss)
Low Outlier	\$ _____	\$ _____	\$ _____
Typical Package #1	\$ _____	\$ _____	\$ _____
Typical Package #2	\$ _____	\$ _____	\$ _____
Typical Package #3	\$ _____	\$ _____	\$ _____
High Outlier	\$ _____	\$ _____	\$ _____
Average Profit (or Loss):			\$ _____

# should you sell internationally?

Selling in an online space has one unique advantage: you can sell to pretty much anyone in the entire world, as long as they have an Internet connection. So, of the trillions of dollars being spent worldwide, why wouldn't you take advantage? Depending on what you sell (food would, of course, be singularly difficult), it can be an easy jaunt from domestic selling to international locations.

Choose a few countries where you speak the language.

Many U.S.-based companies start selling internationally to a handful of English-speaking countries, especially Canada. Starting with countries where you speak the language can help with customer inquiries and learning the lay of the land as you get comfortable with international selling.



Pick the right products to start selling internationally.

Some countries have minimal regulations; others have more. You need to know what kinds of products you are allowed to ship, what forms need to accompany the shipment, and more. A basic list of product requirements are:

- Able to be exported to each individual country (each country has a list of items prohibited from import). You can check restrictions by country, with this USPS tool: <https://www.usps.com/ship/international-how-to.htm>
- Appealing to customers in the country to which you want to sell
- Lightweight and probably fairly small
- Not fragile or otherwise easily damaged
- Not returned often

## Customs Information

While ShipStation will always automatically create customs forms for you, there are a number of ways you can set default customs forms information for your products.

You can set up product information account-wide in your settings areas as well as setting it individually on each product through our Product Defaults & Types features.

### Consider using third-party fulfillment services.

Services like Fulfillment by Amazon (FBA) may cost a little more, but they help get you started selling internationally with a minimal amount of work. For example, if you're already selling through FBA, you can check one box, upload



### On customs forms, you need a few pieces of extra information:

- Harmonization codes for your products
- Whether you'll pay for taxes & duties
- What to do for an undeliverable package
- AES exemptions (if applicable)

an image file of your signature for customs forms, and you are able to start selling internationally through FBA. However, there are limitations on the types of products as well as the countries to which you can sell.

### Take advantage of third-party software.

A shipping software can help streamline the

process and create customs forms for you, if you decide to self-fulfill your international shipments. The software should automatically fill out your customs forms with the right product information as well as exemption codes (if applicable), contents type, and what to do with any undeliverable packages.

### Use insurance for all international shipments.

Spending a little upfront can save you a lot of money in the long run. Policies vary by carrier and type of insurance, but in general, the insurance protects your shipments against damage or loss in transit. All shipping carriers offer insurance, but not to every country. Private shipping insurance companies are another option for insurance, although there are some countries and types of merchandise where insurance isn't available, so make sure to research what applies to your particular business.

If you decide to start shipping internationally, make sure you update your marketing messages about your shipping costs, speeds, and policies for the international market. You probably don't want to offer free shipping to all orders internationally, so if you offer such a promotion for your domestic orders, it's imperative that your messaging is accurate.



To make the best decision about whether to sell internationally or not, you need all the information.

Use the questions below to help determine if you'll make the jump across the pond.



To what countries will you start shipping?

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Are there any restrictions in those countries? If so, what are they?

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What products will you ship overseas?

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How much will shipping cost for a typical order & how will you charge customers?

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# could you handle an order spike?

It's said that all press is good press. When you get a bunch of orders in after a successful feature, a good mention, or a new partnership, it can seem like whoever said that was out of his mind. But just because your current shipping process may not be the best suited to handling a lot of orders doesn't mean you can't do it at all. If you're worried about what happens when you hit it big, and especially if you're expecting a feature, here are some things to make sure you have in order.

## Your [Ship]Station

No, we don't mean your account with us. As part of your warehouse, even if it's your spare room or garage, you should have some sort of shipping station. Depending on your particular setup, you should have at least a few business cards, inserts, blank labels, regular paper, or any other material that is part of your normal shipping process. To prepare for a spike in orders, make sure to have extras of every type of material you need.



## Check if your website & other departments are ready for an order spike.

Make sure your site can handle larger traffic (a quick chat to your platform can help if you're hosted), as well as your employees' ability to respond to increased customer communications. It's a great time to check up on the efficiency of all your departments.

For the actual station, make sure everything is in its place and that any hiccup you have during your normal shipping time is immediately addressed to make your process more efficient. Maybe this means hanging a white board with important information. Maybe it's as simple as getting a roller chair to make movement easier. Whatever it is, make the changes now before you get too involved to be able to change as necessary.

## Your Help

If you're a one-man or one-woman show, chances are you're not going to be able to handle 1000% volume (or in some cases, even just double the volume) by yourself. If you already have a team, that 1000% number is probably even scarier. Depending on how much time you're currently spending on shipping, and just how much of an increase you get, having a helper increases your efficiency so you get more out the door more quickly.

Having a second (or third or fourth) person on hand can help you divide and conquer the work, so that each of your strengths and abilities are put to the best use. If you are planning on hiring a new employee, creating a "how-to" guide for how things work in your business can ramp up the new workers more quickly and free you up from answering the same questions over and over again.



### Your Inventory

Even if you manufacture your own wares, stocking up on inventory or materials and having reserves should be a normal part of running your business. How big that reserve is, of course, depends on your product and how quickly you turn over that product. Of course, having too much inventory in your warehouse is never a good thing.

The key here is balance. You should be running reports for your business on a regular basis. How many orders you get. How many mis-ships and returns that happen in a month. You should be able to quickly answer anyone who asks what your monthly revenue is as well as your normal stock levels, turnover rate, and fulfillment time. When you're expecting a large spike in orders, these numbers are what will help you determine how much inventory you need to purchase or pre-create.

### Your Process

As we said in a previous section, fulfilling orders one-by-one is definitely not the most efficient use of time. When you have more orders to ship than you ever have before, this fact becomes glaringly apparent.

To best handle a large number of orders, you need to group them into batches of a common something. This could be its location in your warehouse, shipping method/speed, carrier, package size, or even something as simple as color and size. Batching your orders together will give your shipments a point of common ground so that they're easier to manage. This will also give you smaller chunks of orders to manage so you get constantly rewarded with completing something during the day rather than slaving away at some giant list for what may seem like forever.

Whatever method of sorting you choose needs to also be compounded with time. When you create a batch, think of it as "locked;" it should not change even if a new, similar order comes in. Disrupting your shipping process will only result in wasted time. Time to go find that new order. Time to add its information to your group of shipments. Time that you could've spent more efficiently on a new batch, or on the next step of your current one.

Generally, each batch could be given to a person on your team, but of course, that can get complicated (if you only have one printer, for instance). This is where the assembly line idea comes to fruition: each person takes a portion of the batch, and then completes their part so that it all comes together in the end.

Once you decide on a process, don't be afraid of changes. If something's not working, fix it. If something could be done to make it more efficient or easier for you and your helpers, do it. One of the fun things about eCommerce is how it's always changing; don't let your processes fall behind the times.

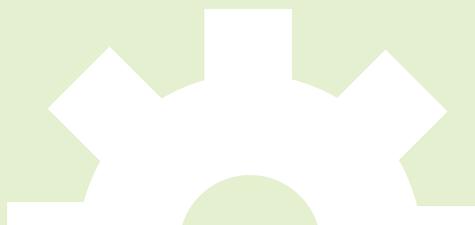
## Order Batching

Batching is definitely one of the most efficient ways to handle a large number of orders, and ShipStation's here to help.

In the app, you can have 5 open batches at any time, and they're user-specific.

This means that anyone who takes another person's orders has to confirm it before the order will move (which also prevents double-shipping).

These 5 batches mean you can sort your orders into their respective categories for easy picking, packing, and shipping.



Depending on the percentage increase you expect from an order spike (which can be tough to gauge), let's see just how much time it would take you to handle a large increase in orders.



	# of Shipments		Time per Shipment		% increase		Total Time to Ship
Conservative	_____	x	_____	x	_____	=	_____
Moderate	_____	x	_____	x	_____	=	_____
Aggressive	_____	x	_____	x	_____	=	_____

# should you outsource?

While many online sellers fulfill and ship their own products, some of them outsource part of their fulfillment and shipping. Even if, after reviewing your processes and making them more efficient, you're finding your day taken up by just shipping, outsourcing part of your fulfillment may help save you some time. Outsourcing only part of your fulfillment efforts and just how you outsource can make it so that you keep at least part of the control within your business rather than give up all control to someone else.

## Hiring an Employee

While this isn't a true "outsource" channel when most people think of the term, it is technically valid for the small business. If you're doing everything yourself for your business, then hiring an employee to take care of some areas is to source the work from a place that is currently out of your business. Of course, there are many considerations when hiring an employee, but one of the easiest places to get someone up to speed is with shipping. This is where your previous efforts to get your warehouse, shipping station, and shipping process in line can be very beneficial and make the transition easy. Once the new employee is up to speed and taking on some (or maybe even all) your shipping, you're free to run the other parts of your business while you can still keep an eye on your fulfillment.



## Multiple Users

If you hire additional employees, or want to use a dropshipper, you can add additional users into ShipStation for them to ship using your carrier accounts and keep all your records in the same place.

Alternatively for dropshipping, you can also manually mark orders as shipped by importing the tracking numbers. Then ShipStation will update your marketplace and customer. All the dropshipper needs to do is simply send you a list of order and tracking numbers.

## Fulfillment by Amazon (FBA)

If you sell on Amazon, your own site, or through multiple channels, Amazon can fulfill and ship items for you. Through the Fulfillment by Amazon (FBA) program, you pay Amazon to keep your products in its warehouse, as well as fulfill and ship your orders from any selling channel. Once the order has shipped, Amazon will send you the tracking number and shipment status.



Just like you can mix & match carriers, you can mix & match fulfillment centers/houses, too.

It will require more work to keep it all straight, but the time it takes to ship without them vs. the cost of the service(s) may be worth it.

Most consumers and businesses are familiar with Amazon, so choosing them to fulfill some of your products is a comfortable option. In addition, there are no minimums for items to be shipped, and charges are "pay as you go"—you are billed for storage space and the orders fulfilled.

While it's incredibly easy to use FBA with orders from Amazon (it's basically a zero-touch system until you run out of inventory), using FBA with your orders from outside their selling platform is a bit more difficult. Luckily, if you use ShipStation, there are ways to make it as easy as clicking a button with all the same automation and customization features that come with using a system like ours.

## Other Fulfillment Centers

There are many other fulfillment centers that will also ship your products, even locally. They handle the process the same way as FBA: you store your merchandise with the provider, and the company manages your inventory by picking, packing, and shipping each order as it is received.

When selecting an order fulfillment service, consider the following:

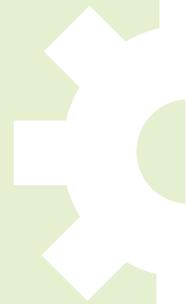
- **Location:** Order fulfillment warehouses are located throughout the country. Especially if you do not live in a central location, finding a fulfillment center that's close to the majority of your customers is of the most importance to keep your shipping costs low. For instance, fulfillment centers located in the middle of the country will be able to ship to both the East and West coasts for similar rates.



- **Turnaround Time:** While you could literally get an order in and ship it in minutes, fulfillment centers probably won't do that. Whatever their turnaround time policy is, make sure you can live with it.
- **Shipping Choices:** Every fulfillment center is different. Check to make sure the fulfillment service you select offers all the shipping options you currently offer your customers and ones that you may want to offer in the future.
- **Size:** As with all vendors, larger fulfillment houses will be able to meet your growing needs, but you may be a small fish in a big pond. Choose one that isn't too small to grow with you, but isn't too large that you'll get lost in the shuffle.
- **Costs:** Each fulfillment house will have a different fee schedule. Some use sliding scales and require contracts while others charge per order or per item with no contracts. You will also be charged a base fee to store your inventory at the warehouse and an additional fee per pallet or per item.

## Outsourced Fulfillment Options

ShipStation has integrations with both Fulfillment by Amazon (FBA) and Shipwire. This makes fulfilling orders with these fulfillment centers for wherever you sell as easy as printing a label.



### Dropshipping

Dropshipping has gained popularity in recent years, since it gives you the ability to sell a product while having it shipped directly from the manufacturer or wholesaler to your customer's doorstep. The benefit to you is that you get a cut of the profits while alleviating the need to stock, package, and ship. Dropshipping is also less risky than self-fulfillment because you aren't buying the inventory, having to worry about keeping it safe/dry/climate-controlled, or any of the other concerns you may have when it comes to warehousing inventory.

Of course, there are also some issues with dropshipping of which you should be aware. First, with low risk comes low reward; the margins for dropshipped products are lower because someone else is taking on the work. Dropshipping items also tends to be popular, and so the products may be sold on many different sites. Competitively pricing your products may become more of a concern as their prevalence in the market increases. Finally, you need to make sure that your dropshipper's fulfillment and shipping practices are up to your standards; after all, it's your business's name on the package.

If dropshipping seems to be a good way to reduce your self-fulfillment needs, here are some things to consider:

- Dropshipping items you're not sure will sell, especially if it's a new type of product or category that you're selling, will help determine whether it's a good product to sell without requiring a lot of start-up capital.
- Dropshipping high-volume or high-margin products can help keep down inventory management needs in your physical location.
- Always research with whom you're going to dropship, and make sure they are a reputable company.
- Find out how your shipping software supports dropshipping and see what the process is like so you're prepared once you start dropshipping some of your products.



Periodically reviewing your fulfillment and shipping processes should be a normal part of running your business. If you're finding yourself bogged down with too many SKUs, not enough storage space, or simply not enough time to get it all out the door at a reasonable rate, you may want to try outsourcing some of your fulfillment.



## Deciding to outsource your fulfillment is not something to choose lightly.

When thinking about outsourcing part of your shipping, decisions need to be made about just what products to outsource, how you're going to split them up, in addition to the obvious question of who you're going to use.

Use the questions on the next page to help determine if you're ready to start thinking about outsourcing.



What are the qualifiers for your outsourced products? (Not manufactured by you, international vs. domestic orders, etc.)

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What products will you outsource?

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If you're not going to outsource shipping all of them, how many will you outsource?

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# Thanks.

We hope you found the information useful as you start to build out or re-evaluate your shipping processes. We strive for every eCommerce business to be as efficient as possible when it comes to their fulfillment practices, and so we have even more resources to aid you.

## [eCommerce Blog, "The Daily Shipper"](#)

[ShipStation.com/blog](#)

Tips on shipping, as well as general eCommerce & business best practices.

## [Live Webinars](#)

[ShipStation.com/webinars](#)

The best way to get started with ShipStation & how to use it effectively.

## [Video Tutorials](#)

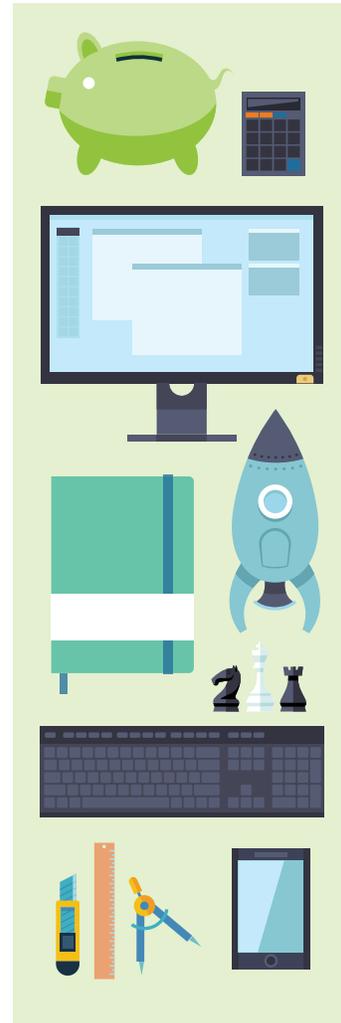
[ShipStation.com/videos](#)

Short videos that teach you how to use specific areas & features of the platform.

## [Knowledge Base](#)

[help.ShipStation.com](#)

A wealth of knowledge at your fingertips, including how-tos and troubleshooting tips.



Shoot for the stars!  
Even if you miss, you'll  
probably land in some  
packing peanuts.