

Direct Fulfillment (Dropship) for Backup Shipping

Amazon Launchpad's Fulfillment Recommendations

We recommend that our startups take advantage of Amazon's fulfillment capabilities (ship purchase orders to Amazon warehouses) and setup a backup Direct Fulfillment (a.k.a. Dropship) channel to maintain a continuous sales flow in the event Amazon warehouses go out of stock.

In the event Amazon warehouses are out of stock, Amazon will continue to accept customer orders which you would fulfill through Direct Fulfillment (ship directly from your warehouse to customers). Once Amazon warehouses are back in stock, customer orders revert to being fulfilled through Amazon facilities.

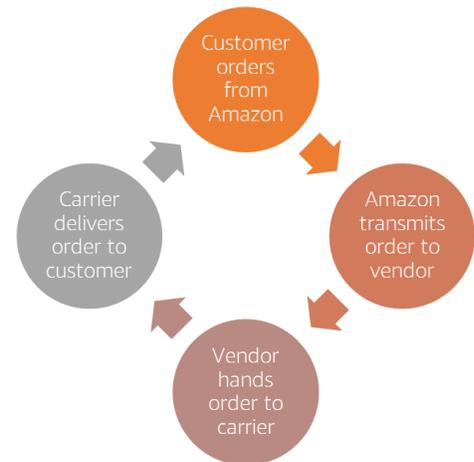
Without backup Direct Fulfillment, when Amazon warehouses are out of stock, customers cannot order your product and you miss sales during the lead time to get inventory to Amazon. With backup Direct Fulfillment, customers can continue to order your product during this lead time and no sales are missed.

What is Direct Fulfillment?

Direct Fulfillment is a supply chain strategy whereby the retailer (Amazon) transfers individual customer orders to the supplier (you the startup) to ship the goods directly to the end customer. If you can ship individual items direct to consumers and if you have a U.S. warehouse, you are eligible to become a Direct Fulfillment vendor.

About the Amazon Direct Fulfillment program

- Your products appear online as "Sold by Amazon", with all the trust that entails.
- Amazon pays for shipping. You just pick, pack, and ship to us.
- Amazon handles customer service and returns.



Advantages of the Direct Fulfillment program

1. **Maximize Sales Opportunities:** Provide inventory coverage to avoid missed sales opportunities when items go out of stock in the Amazon fulfillment network.
2. **Increase Sales:** Make your entire product catalog available to customers, including items that Amazon does not have the ability to stock, thereby increasing your sales.
3. **Inventory Control:** Inventory feed allows vendors to control the amount of SKUs and units available to customers on Amazon.com in real time.
4. **Increase Inventory Turns:** Improve your inventory turns and clear out end-of-season items through this additional sales channel.

5. **Immediate Results:** Rapid onboarding with minimal startup investment.
6. **No Added Cost:** Amazon pays all shipping fees; you just pick, pack, and ship to us.
7. **Hassle Free:** Amazon handles all customer service and returns.

How does Direct Fulfillment work?



How do I get started with Direct Fulfillment?

If you are currently an Amazon vendor:

1. Please file a support case in your Vendor Portal requesting to be set up on Drop Ship Central and Direct Fulfillment.

If you are not currently an Amazon vendor:

1. Please instruct your onboarding contact that you would like the “DF (Direct Fulfillment)” box checked during setup on Vendor Central.
2. During the Vendor Central setup process, you will receive an invitation to sign up for Drop Ship Central, the administrative portal for managing your direct fulfillment items.
3. As part of the guided setup process, you will be asked to: (1) choose your shipping label preference (use Amazon’s shipping label vs providing your own shipping label); (2) provide your warehouse information; (3) provide Hours of Operations, holiday and closures schedules; and (4) select a carrier pick up time.
4. Within 48 hours, you will receive final instruction to upload your inventory feed information into Drop Ship Central.

FAQ

Why am I out of stock?

In a perfect world, Amazon would never be out of stock. In reality, Amazon has limited capacity to carry inventory, customer demand can be unpredictable, and it takes time for our buying systems to determine appropriate inventory levels. This is especially true in the new, innovative product space.

Will my purchase orders from Amazon change?

No. Nothing changes from a purchase order perspective. Amazon will continue to order at the same levels, based on customer demand. The only change is the ability to capture sales when Amazon would otherwise be out of stock.

What happens if I am out of stock in Amazon warehouses and my own warehouse?

You will input your available inventory for each product. In the event of being out of stock in Amazon facilities and yours, Amazon will not accept orders and the product page will have out of stock messaging.

Why is staying in stock important?

