CASE STUDY #1

Cheap Prep, Costly Consequences: How We Helped a Seller Turn It Around

A cheaper prep center left a long-time Amazon seller with damaged, stranded inventory. Here's how we recovered it, got 100% accepted by Amazon, and turned a lost quote into a long-term partnership.

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95%	100%	2 days	3.3×
Stranded inventory recovered	Accepted by Amazon	Receipt to shipped	Real cost of the cheaper quote

Client name withheld for confidentiality. "Client2690" is a code name.

The client

Client2690 has sold in Amazon's Tools & Home Improvement category for more than 10 years. After a decade of doing prep in-house, they decided to outsource it. They found PrepMeisters through Google and asked us for a quote. However, they chose a competitor who had offered a lower per-unit price.

The challenge

Their product needed three things on every unit: a unique Amazon Transparency label, an FNSKU label and individual shrink wrap. Nine days after losing the quote, we followed up with a revised offer. It was discounted but still well above the competitor's price. Four days later, our quote was accepted. That's when they told us what was happening: almost 2 weeks after taking the job, the competitor hadn't prepped and shipped a single unit and the status of their inventory was unknown. Client2690 needed two things from us: to prep their new inventory correctly, proving our process, and to rescue the stranded shipment, proving we could fix what went wrong.

We were provided with two 500-unit test shipments, a week apart. Drawing on our Amazon operations experience and the SKU's specific characteristics, we created a standard operating procedure: each unit handled one at a time, labeled, shrink wrapped, and packed in single-piece flow, never bulk-dumped.

We tested the procedure, then sent photos to Client2690 for sign-off. Upon approval, we processed the full batch. The SOP was followed meticulously, with a quality check process right behind it to ensure compliance. Each of the shipments arrived on a Saturday and was on its way to Amazon two days later. At Amazon's receiving facility, these units were accepted 100% with no issues whatsoever.

When the stranded shipment arrived from the competitor, it was readily apparent what had gone wrong. The units had been dumped loose into boxes and had crashed into each other, damaging some of the units and making them

unsellable, a sign there was no standard handling process. They seemed to have made no attempt to shrink wrap the product, likely from a lack of understanding of the prep requirements. They had applied just the FNSKU label and not the Transparency labels to them, suggesting unfamiliarity with Amazon's Transparency program. Furthermore, they even lost a few units, pointing to weak inventory control standards. By the numbers, this is how the picture emerged:

- 1,100 units were expected; only 1,070 arrived, so 30 were lost by the competitor
- None were shrink-wrapped
- About 450 units had only FNSKU labels, instead of having a combination Transparency + FNSKU label

Key takeaways

- **The lowest quote isn't the lowest cost.** Delays, damaged units and lost inventory cost far more than the price difference.
- **Prep is a process, not a task.** Standard procedures and single-piece flow are what protect your inventory.
- **Amazon know-how matters.** Requirements like Transparency labels need a partner who understands them.
- **Proof comes before scale.** Test, iterate, get your sign-off, then productionize.
- **The right partner grows with you.** One SKU can become your whole FBA prep and eCommerce operation.

How we rescued the shipment

Before proceeding with any rework, we had to sort the entire shipment. First, we separated sellable units from damaged, unsellable ones. Then we split the sellable units into two groups: those with no label, and those with only an FNSKU label.

We then put the sellable units through the same SOP we had proven on the test shipments: one unit at a time, shrink-wrapped, labeled with both Transparency and FNSKU labels, and packed in order. Transparency labels were printed and applied to the 450 units, which only had FNSKU labels.

We processed and sent 1,020 units to Amazon in two batches, two and five days after receiving the shipment, and Amazon accepted 100% of them. The remaining 50 units were damaged beyond the point of salvage, and we returned them to the client per their instructions.

> *"We were really behind in getting our inventory into Amazon at this point. We needed to have an extremely quick turnaround to make sure we didn't lose the featured offer. The team at PrepMeisters was faster than we expected and didn't make a single mistake."*
>
> — Client2690, Amazon seller, Tools & Home Improvement

From one SKU to a full partnership

Trust was built one step at a time. It started with two 500-unit test shipments of the first SKU, prepped and delivered to Amazon's standard. Then came the rescue: 1,020 units recovered from the competitor's damaged shipment, every one

of them accepted by Amazon.

From there, Client2690 tested us further, one SKU at a time, across all four of their high-volume SKUs. Each went through the same SOP, testing and approval process, and both the client and Amazon accepted 100% of the units. With all four proven, Client2690 signed a long-term contract, within 60 days of our first shipment. They then moved their direct-to-consumer orders to us as well.

> *"After confirming that PrepMeisters could handle the thousands of units of FBA inventory each month, we knew it made sense to keep stock with them for our direct-to-consumer side. Rather than purchasing shipping supplies, storing the inventory, and scheduling pickups each day, it was much more cost effective to have the PrepMeisters team handle that as well."*
>
> — Client2690, Amazon seller, Tools & Home Improvement

Today we handle nearly all of their Amazon FBA SKUs, totaling 5,000 to 6,000 units a month, plus 100% of their eCommerce orders.

Going further together

As the partnership grew, we worked with Client2690 to build in-house capability to print combined Transparency and FNSKU labels. We now print these labels on demand directly, so the client no longer has to rely on a third party to make bulk purchases. That saves them time and money and removes a step from every shipment.

The labels were just the start. Throughout the partnership, we've worked with Client2690 to optimize their supply chain, cutting their shipping costs by over 21%. Stay tuned for that story in Case Study #2.

The real cost of the cheaper quote

The lower initial per-unit price didn't save Client2690 money. To release the inventory, the competitor charged them a receiving and return fee. They then paid to ship it a second time, from the competitor to us, and for the inspection and sorting needed to rescue it. Per unit, the return fee alone added 186% to our original quote, and the rescue another 43%. All in, their real prep cost was more than three times what we had quoted.

The bigger cost was time. Their inventory sat stranded for nearly four weeks, out of stock and earning nothing, while competitors kept selling. And 80 units never made it to Amazon at all: 30 lost and 50 damaged beyond repair, both caused by the cheaper prep center.

	Cheaper prep center	PrepMeisters from the start
Time to Amazon	Nearly 4 weeks stranded, then rescued	Shipped within 2 days of receipt
Extra costs	Return fee (+186% per unit), plus second shipment, inspection and sorting (+43%)	None beyond the prep fee
Units lost or damaged	80	Minimized by single-piece handling
Amazon acceptance	Nothing shipped	100%
Real prep cost per unit	3.3× our quote	Our original quote

> *"It really was a lesson learned. The cheapest option is the cheapest option for a reason."*
>
> — Client2690, Amazon seller, Tools & Home Improvement

Had Client2690 chosen us from the start, their inventory would have reached Amazon weeks sooner, with no return fee, no second shipping bill, no rescue fees and far less risk to their units. Instead, the lower quote cost them more in terms of time, lost revenue, and actual dollars. The right prep partner is not the one that can quote the lowest, but one that gets it right the first time and is completely aligned with your growth and operational goals.

Ready to see what your prep should really cost?

Tell us about your products and volumes, and we'll send you a clear, all-in quote.

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