

Dropshipping Business — Workbook

This workbook turns the course into the actual numbers and decisions of your store. You will model unit economics, vet real suppliers, calculate the break-even ROAS that decides whether a product can survive ads, and write the policies and brand positioning that keep you solvent and differentiated. Work through it with a specific product in mind, and use the templates as living tools you update as real data comes in.

How Dropshipping Actually Makes Money

Pin down the real unit economics of a product and confirm it can carry a markup big enough to pay for the customer.

Worksheet: Contribution Margin Calculator

Pick one product you are seriously considering and fill in every cost line with real numbers from your supplier listing and processor. The remainder is your contribution margin per order, and it is the budget you have to acquire a customer and still profit. If you do not yet know a number, use a realistic estimate and mark it to verify.

Product name

Planned retail price (\$)

Supplier product cost (\$)

Supplier shipping cost (\$)

Payment processing fee (2.9% + \$0.30) (\$)

Per-order app/fulfillment fees (\$)

Refund and chargeback allowance (\$)

Contribution margin per order (\$)

Maximum allowable cost to acquire a customer (\$)

Exercise: Three-Product Viability Comparison

Choose three candidate products at different price points and run each through the criteria below. The goal is to feel why higher-ticket, higher-margin products give ads room to work while cheap items rarely do.

- For each product, what is the landed cost (product plus shipping) and what retail price gives at least a 3x to 4x markup?

- Which of the three leaves the most contribution margin per order, and how much room does that give you to spend on ads?

- Which product solves a clear problem or has a genuine wow factor that would stop the scroll, and which is a commodity available everywhere?

- Based on margin and differentiation, which single product would you test first and why?

Checklist: Product Selection Gate

- Product solves a problem or has a real wow factor
- Not commonly available in local big-box stores
- Supports a 3x to 4x markup over landed cost
- Light, compact, and durable enough to ship cheaply and arrive intact
- Demand confirmed via AliExpress order count, Google Trends, or active competitor ads
- Competition exists but is not so saturated that prices have collapsed
- Contribution margin per order is large enough to fund paid customer acquisition

Sourcing and Vetting Suppliers

Qualify a supplier with a sample order and the right track-record checks before you point any advertising at their product.

Worksheet: Supplier Vetting Scorecard

Complete one scorecard per supplier you are evaluating for a product, ideally after a sample has arrived.

Compare two or three suppliers side by side and keep the strongest as primary and the runner-up as backup.

Supplier name and platform (AliExpress / CJdropshipping / Zendrop / Spocket / agent)

Unit cost and shipping cost to your target country (\$)

Order count / years active / feedback score

Message response time and clarity (notes)

Sample ordered? Quality vs. listing photos (notes)

Actual sample delivery time (days)

Trackable shipping carrier used?

Stated policy on defects and lost packages

Decision: primary / backup / reject

Exercise: Sample Order Debrief

After your sample arrives, hold it and answer honestly as if you were the customer who waited and paid for it.

- Did the product match the listing photos in quality, size, and finish?

- How did the packaging look, and would it survive shipping and feel acceptable to a paying customer?

- How long did delivery actually take, and is that window something you can set expectations around without triggering disputes?

- Knowing what you now hold, would you put ad spend behind this exact supplier, or find a better one?

Checklist: Fulfillment Readiness Checklist

- Order routing automated with DSers, CJdropshipping, or Zendrop
- Realistic shipping window stated on product page, cart, checkout, and confirmation email
- Tracking numbers passed to the customer and logged with the payment processor
- Backup supplier identified for any product you intend to scale
- Process defined for lost, damaged, or out-of-stock orders
- Proactive shipping and delay updates set to go out before customers ask

The Ad Economics That Decide Survival

Compute the break-even ROAS for your product and set clear test budgets and kill-or-scale rules before spending.

Worksheet: Break-Even ROAS and Max CPA Worksheet

Use the contribution margin from Section 1 to calculate the exact return on ad spend you need just to break even, plus the maximum you can pay per sale. Then set a target ROAS comfortably above break-even to leave room for fixed costs and profit.

Retail price (\$)

Contribution margin per order before ads (\$)

Break-even ROAS (price / contribution margin)

Target ROAS (above break-even)

Maximum allowable cost per acquisition (= contribution margin) (\$)

Comfortable target cost per purchase (\$)

Test budget per product (\$)

Test duration (days)

Exercise: Reading a Test Campaign

Imagine (or use real data from) a test where you spent your test budget on Meta or TikTok. Walk the funnel metric by metric to diagnose what is happening and decide your next move.

- If the click-through rate is weak, what does that tell you about the creative, and what would you change first?
- If clicks are fine but there are few add-to-carts, is the problem the product, the price, or the page?
- Is the cost per purchase above or below your maximum allowable CPA from the worksheet?
- Based on the numbers alone (not your feelings about the product), do you kill it, fix one variable, or scale it?

Worksheet: Average Order Value Lift Plan

Design offers that raise average order value so the same ad spend buys a bigger sale. Estimate the margin impact of each lever for your product.

Single-unit contribution margin (\$)

Bundle or volume-discount offer (describe)

Free-shipping threshold (\$)

Post-purchase upsell offer via ReConvert / Zipify (describe)

Estimated new average order value (\$)

Estimated new contribution margin per order (\$)

Email/SMS flow to add via Klaviyo (welcome / abandoned cart / post-purchase)

Checklist: Scale-With-Discipline Checklist

- Confirmed test cost per purchase is below the maximum allowable CPA before scaling
- Budget raised gradually rather than all at once
- Cost per purchase monitored to stay under the ceiling as spend grows
- New audiences and creatives added instead of only increasing one ad set
- Email and SMS capture live so each acquired customer can be remarketed for free
- Loser products killed promptly instead of funded to justify prior spend

Returns, Policy, and Brand Differentiation

Write policies that protect cash and processor standing, then define the positioning and offer that let you charge more than a generic store.

Worksheet: Returns and Chargeback Policy Builder

Draft the terms of your returns and refund policy and your chargeback defenses. The aim is a policy clear enough to reduce disputes and generous enough that customers rarely feel forced to call their bank.

Claim window (days)

Reasons that qualify for refund vs. replacement vs. partial refund

Whether a return ship-back is required (and for which items)

Who pays return shipping

Standard response time commitment to customer messages

Billing descriptor customers will see on their statement

Expected refund + chargeback rate built into margin (%)

Exercise: Brand Positioning and Offer Design

Move your store from generic to branded by getting specific about who you serve and why your deal beats a bare product listing.

- Which specific niche and customer is your store built for, and how will the messaging, imagery, and product selection reflect that identity?
 - What offer (bundle, guarantee, bonus, free fast shipping) makes your deal clearly better than a competitor selling the identical product?
 - Which trust signals (professional photography, authentic reviews, customer photos, clear policy) will you add to justify a premium price?
 - What is the one thing about your brand a price-cutting competitor cannot easily copy?
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Checklist: Build-to-Last Compliance Checklist

- Business entity registered and business finances kept separate
- Sales tax collection and remittance set up where required
- Ad claims honest: accurate product, pricing, and delivery timeframes
- No prohibited, unsafe, or trademark-infringing products in the catalog
- Product images and brand assets are ones you own or are licensed to use
- Chargeback and complaint rates monitored to protect Shopify, Stripe, and PayPal accounts
- Winning products moved to faster and branded fulfillment over time

Your Action Plan

1. Choose one product and complete the Contribution Margin Calculator to confirm it leaves real margin after every cost.
2. Verify demand with AliExpress order counts, Google Trends, and competitor ads in the Facebook Ad Library before going further.
3. Order samples from two or three suppliers and complete a Supplier Vetting Scorecard for each, selecting a primary and a backup.
4. Build the store on Shopify, automate order routing, and state realistic shipping windows on every page.
5. Calculate your break-even ROAS and maximum allowable CPA, and set a fixed test budget and kill-or-scale rule.
6. Run a small, controlled test on Meta or TikTok and judge it against your CPA ceiling, killing or scaling on the numbers.
7. Add bundles, a free-shipping threshold, and a post-purchase upsell to raise average order value

on winners.

8. Set up Klaviyo welcome, abandoned-cart, and post-purchase flows to profit from customers you already paid to acquire.

9. Write and publish a clear returns, refund, and chargeback policy, and build the expected refund rate into your margin.

10. Define your niche positioning and signature offer, add trust signals, and reinvest winners into branded fulfillment to build something durable.

