

# E-Commerce Business Operations — Workbook

This workbook turns the course into a working operations plan for your store. Move through it in order: pick and configure your platform, choose a sourcing model and vet suppliers, build listings and a fulfillment-and-returns process, then run the unit-economics math that decides whether each order profits. Use the templates to model your contribution margin, track inventory and reorder points, and compare suppliers and lenders of postage.

## Setting Up Your Store on the Right Platform

Choose the platform that fits your stage and lock down the settings that drive conversion.

### Worksheet: Platform Decision and Total Cost of Ownership

Fill in the real monthly cost of each option for your expected sales, then circle the platform that fits your stage. Count plan, payment fees, apps, and theme — not just the headline price.

Expected monthly sales (orders x average order value)

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Shopify: plan cost/mo (Basic ~\$39 / Shopify ~\$105 / Advanced ~\$399)

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Shopify: payment fee on expected sales (~2.9% + \$0.30 per order)

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WooCommerce: hosting/mo (~\$10-40) + theme + SSL + paid extensions

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WooCommerce: payment fee on expected sales (~2.9% + \$0.30 per order)

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Essential paid apps/extensions and their monthly cost

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My comfort with self-managing hosting/updates/security (low/med/high)

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Chosen platform and the one-sentence reason why

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### Checklist: Pre-Launch Store Configuration

- Primary card processor enabled (Shopify Payments / Stripe / WooPayments)
- At least one express wallet enabled (PayPal, Apple Pay, Google Pay)
- Shipping rates configured and shown early in cart (not at final step)
- Sales tax collection set up for regions where I have nexus
- Guest checkout enabled (no forced account creation)
- Policy pages published: Shipping & Returns, Privacy, Terms, Contact, About
- SSL/HTTPS active on every page; payment badges and reviews visible
- Theme is mobile-responsive and loads fast on a phone

### Exercise: Run Your Own Checkout

Place a real test order on your phone, start to finish, and diagnose every point of friction the way a first-time shopper would.

- How many steps and screens did it take from product page to confirmation?

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- Was the shipping cost (or free-shipping rule) clear before the final step?

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- Were you forced to create an account, or could you check out as a guest?

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- Did the order confirmation and tracking email arrive correctly? List anything to fix.

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## Sourcing Product and Building Listings That Sell

Choose a sourcing model, vet suppliers properly, and build listings that convert.

### Exercise: Choose Your Sourcing Model

Match a sourcing model to your capital, goals, and timeline using the margin-and-risk tradeoffs from the course.

- How much capital can you commit to inventory upfront, and how soon do you need to test demand?

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- Wholesale, private label, or dropship: which fits your stage, and what gross margin can you realistically expect (private label ~60-70%, wholesale ~40-50%, dropship ~15-30%)?

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- If validating fast, will you start with dropshipping/wholesale and private-label your winners later?

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- What is your minimum acceptable gross margin so there is room for marketing, returns, and profit (aim 50%+)?

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### Checklist: Supplier Vetting Before You Commit

- Verified supplier with history and Trade Assurance / escrow protection
- Samples ordered from top 2-3 candidates and inspected in person
- Tested responsiveness with detailed material/lead-time questions
- Confirmed MOQ and full lead time (production + shipping)
- Calculated total landed cost (product + shipping + duties + customs + inspection)
- Placed a small first order to test reliability before scaling
- Identified a backup supplier so one failure cannot shut the store

### Worksheet: Product Listing Build Sheet

Draft the converting elements for one product before you publish it. Lead with the benefit, make it scannable, and answer the top buyer questions on the page.

Number of photos planned (5-8: angles, scale, detail, lifestyle, video?)

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Title (what it is + key attributes: material, size, color, benefit)

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Opening benefit hook (one or two sentences)

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Feature bullets (scannable)

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Specifications (dimensions, materials, weight, what's in the box, care)

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Sizing chart / fit guidance (to reduce returns)

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Top 3 buyer questions answered on the page

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Search terms used in title and image alt text

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## Fulfillment, Shipping, and Returns

Build a reliable ship process, a shipping strategy that protects margin, and a fair returns policy.

### Checklist: Order-to-Delivery Workflow Setup

- Documented pick-pack-ship steps anyone can follow the same way
- Organized, labeled storage so picking the right variant is fast
- Right-sized packaging selected to protect product and control cost
- Discounted label source set up (ShipStation, Shippo, or Pirate Ship)
- Orders marked fulfilled so tracking auto-sends to the customer
- Inventory decrements on each sale to prevent overselling
- Target: ship within one business day; double-check item vs. order before sealing

### Exercise: Set Your Shipping Strategy

Pick a shipping method that fits your margins and reduces abandonment, grounded in your real per-order cost.

- What is your actual average shipping cost per order (postage + packaging) after weighing typical packages?

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- Which method fits: free (built into price), flat-rate, real-time carrier rates, or free over a threshold?

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- If using a free-shipping threshold, what value (above your AOV) nudges a bigger order while protecting margin?

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- Are you using carrier discounts via your platform or a shipping app instead of retail counter rates?

### Worksheet: Return Policy Builder

Define a clear, fair return policy that builds buyer confidence without bleeding margin, then plan how to reduce returns at the source.

Return window (e.g., 30 days)

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Condition required (unused, tags on, original packaging)

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Who pays return shipping (free / customer-paid / free for defects only)

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Refund vs. exchange vs. store credit policy

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Returns tool to automate labels/approvals (Loop, AfterShip Returns)

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Top likely return reasons for my products (sizing, color, quality)

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Listing fixes to cut those returns (sizing chart, accurate photos, specs)

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## Unit Economics and Operating for Profit

Run the per-order math and the operating metrics that decide whether the store actually profits.

### Exercise: Calculate Contribution Margin per Order

Using the model template, work the per-order profit equation for your best-selling product. Then test it against your customer acquisition cost.

- Start with selling price, then subtract landed COGS, payment fees (~2.9% + \$0.30), shipping/packaging, and a returns allowance. What is your contribution margin in dollars and percent?

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- Is the contribution margin positive and at least large enough to cover marketing and leave profit?
  - Subtract your customer acquisition cost (ad spend per new sale). Does the order still profit, or flip to a loss?
  - Which products are profit engines and which lose money once shipping and returns are counted?

### Worksheet: Key Operating Metrics Dashboard

Fill in your core numbers so the business becomes a dashboard you can steer. Update these monthly, not yearly.

Fixed monthly costs (platform + apps + subscriptions + rent/salary)

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Contribution margin per order (\$)

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Break-even orders/month = fixed costs / contribution margin per order

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Average order value (AOV) = revenue / orders

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Customer acquisition cost (CAC) by channel

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Estimated customer lifetime value (LTV)

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LTV-to-CAC ratio (target 3:1 or better)

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Return rate (% of sales) and inventory turnover

### Exercise: Reorder and Cash-Flow Plan

Set reorder discipline so you neither stock out on winners nor freeze cash in dead stock, and plan for the cash gap between paying suppliers and getting paid.

- For each A-item, what is the average daily sales rate and the supplier lead time in days?
- What is the reorder point = (average daily sales x lead-time days) + safety stock?
- Which slow C-items have frozen cash, and how will you clear them (markdown, bundle)?
- How large is the gap between paying suppliers and getting paid, and what cash buffer covers it?

## Checklist: Profit-Health Monthly Review

- ] Recomputed contribution margin per product after cost changes
- ] Confirmed CAC stays below contribution margin (and well below LTV)
- ] Reviewed AOV and ran a bundle/upsell/threshold to raise it
- ] Checked break-even orders vs. actual orders shipped
- ] Reviewed return-reason data and fixed the worst-offending listings
- ] Checked inventory turnover and reordered A-items before stockout
- ] Confirmed cash buffer covers upcoming supplier payments

## Your Action Plan

1. Choose your platform on total cost of ownership and launch a configured, mobile-fast store with guest checkout and clear policies.
2. Test your own checkout on a phone and remove every point of friction you find.
3. Pick a sourcing model that matches your capital and margin target, and order samples from your top suppliers before committing.
4. Vet and negotiate with at least two suppliers, calculate total landed cost, and line up a backup source.
5. Build each product listing with 5-8 strong photos, a benefit-led scannable description, full specs, and a sizing guide.
6. Document a pick-pack-ship workflow, set up discounted labels, and commit to shipping within one business day.
7. Set a shipping strategy (often a free-shipping threshold above your AOV) based on your real per-order shipping cost.
8. Write a clear, fair return policy and reduce returns at the source with accurate listings and sizing.
9. Calculate contribution margin per product and confirm it covers shipping, returns, marketing, and still profits.
10. Build a monthly dashboard of contribution margin, break-even, AOV, CAC, and LTV, and set reorder points to protect cash and stock.









