

Seller Fulfilled Prime Profitability Analysis & Getting Started Guide



Introduction

Seller Fulfilled Prime (SFP) can be a powerful tool — but only if the economics make sense. Shipping costs, regional zones, weekend surcharges, and operational requirements can quickly turn SFP from a profit driver into a margin killer.

This guide explains exactly how to analyze the costs, decide where to offer Prime, and outlines pragmatic steps to prepare your business to launch SFP successfully.

How to Analyze SFP Costs vs. Margins

Follow this step-by-step process before enrolling in SFP.



Gather Product Data

- Export SKU-level data from your system:
 - Average selling price (ASP)
 - Weight and dimensions
 - Cost of goods sold (COGS)
 - Current fulfillment and packaging costs
 - Current shipping costs by zone (if you already ship FBM)



Identify Order Geography

- Run reports in Seller Central:
 - Regional order distribution
 - High-volume states or regions
- Focus on your top 80% of volume:
 - Can you offer Prime in those zones profitably?
- Exclude low-volume regions if costs explode.



Get Carrier Rate Sheets

- Request rate cards from carriers for:
 - 2-day Ground
 - Overnight Air
 - Saturday/Sunday surcharges
- Understand:
 - DIM weight rules
 - Peak-season surcharges
 - Fuel surcharges



Tip

Ask carriers for “lane analysis” showing sample costs for your SKU dimensions and weights.



Run Profitability Scenarios

For each SKU, calculate:

Gross Profit = Selling Price – (COGS + Fulfillment Cost + Shipping Cost + Amazon Fees)

Run this math under:

- Ground shipping
- Overnight shipping
- Weekend surcharges

Example Calculation:

- Product price: \$29.9
- COGS: \$7.50
- Fulfillment cost: \$1.50
- Amazon fees: \$4.00
- Ground shipping Zone 5: \$9.00

Profit = \$29.99 – (\$7.50 + \$1.50 + \$9.00 + \$4.00) = \$7.99 profit

Same SKU, overnight to Zone 8 at \$48 shipping = loss of \$30+



Map Prime Geography

- Keep Prime only in profitable zones
 - Exclude zones where overnight costs kill margins
- Remember:
 - Amazon allows regional Prime shipping
 - You don't have to offer nationwide Prime coverage



Factor in Conversion Lift

Prime can drive 20–40% higher conversion. But higher sales volume won't save a fundamentally unprofitable shipping model. Calculate:

Additional Gross Profit = Extra Orders x Net Margin After Shipping

If that number stays negative, rethink SFP.



Create Regional Shipping Templates

- Build separate shipping templates for:
 - Prime-eligible regions
 - Non-Prime regions
- Implement strict cutoff times and service levels
- Document which SKUs go into which regions



Build Automation Rules

- Use WMS or shipping software to:
 - Auto-select carriers by region
 - Block Prime labels outside profitable zones
- Reduce risk of human error

Quick Example Profit Table

Zone	Ground Cost	Overnight Cost	ASP	Net Profit (Ground)	Net Profit (Overnight)
Zone 2	\$7.50	\$25.00	\$29.99	\$7.99	-\$9.01
Zone 5	\$9.00	\$32.00	\$29.99	\$5.99	-\$14.01
Zone 8	\$12.50	\$48.00	\$29.99	\$2.49	-\$30.01



Takeaway

offer Prime in Zones 2–5 for this SKU. Exclude Zone 8.

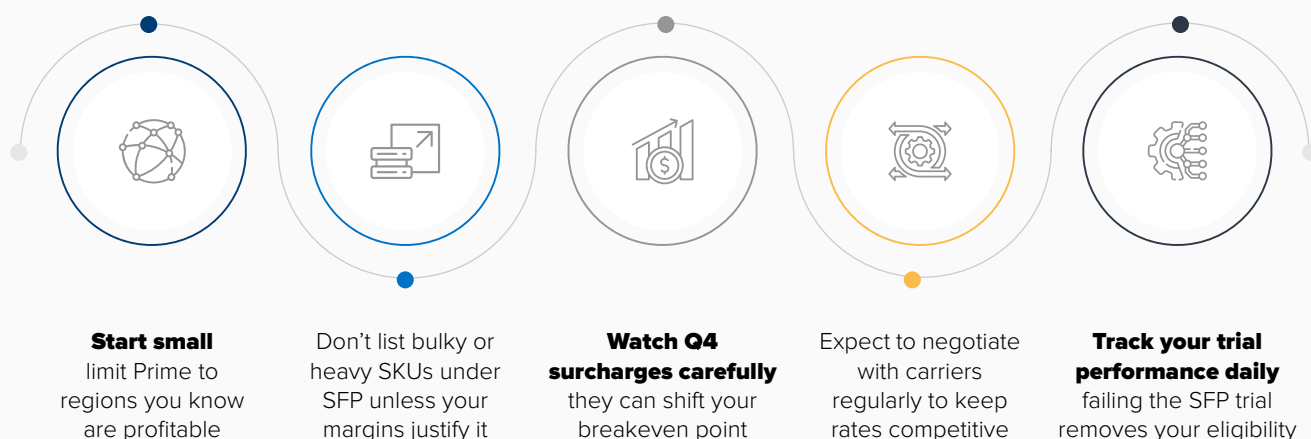


Getting Started Checklist

Here's what brands should do before applying for SFP:

- Export SKU-level financials and shipping data
- Pull regional order distribution reports
- Get updated carrier rate cards
- Model scenarios for each SKU and zone
- Identify profitable zones for Prime
- Decide Prime eligibility by SKU
- Build region-specific shipping templates in Seller Central
- Set up carrier and service-level rules in WMS or shipping software
- Confirm weekend staffing capability if offering weekend Prime
- Prepare to monitor trial metrics daily once enrolled

Practical Tips



Conclusion

Seller Fulfilled Prime can be a game-changer — or a profit trap. The brands that win are those that know their numbers, design tight shipping templates, and avoid offering Prime in regions where costs are unsustainable.

Before you hit “Enroll,” run the math. Let data—not just the desire for the Prime badge—guide your decision.

Next Steps

Contact your MyFBAPrep account manager for:
A custom profitability analysis

- Shipping template design
- Trial performance tracking tools
- Warehouse readiness assessments

Contact your MyFBAPrep Account Manager and let's help you secure the Prime badge and keep your margins healthy.