

**COLLECTIVE PALLET MEMBERSHIP VS. IN-HOUSE WAREHOUSING**

	<b>Collective Pallet Membership</b>	<b>In-house Warehousing</b>	
<b>Labor</b>	\$324.75	\$2,000.00	Labor (This is the cost of any staff that will be used in the warehouse – including receiving orders, inventory management, order fulfillment and shipping. Even if the business owner is going to be performing these functions, it is important to include them in the overall cost analysis in order to get a fair representation of true in house costs.) As a Collective Pallet member, your only warehouse labor is order fulfillment. Collective Pallet calculation; five hours a week, one employee at \$15 per hour.
<b>Rent</b>	\$0.00	\$1,200.00	Rent (This is the cost of actually renting a warehouse space. While in house operations will allow for greater control over the process, one of the main drawbacks is that your company will be hampered by the fixed cost of leasing a space.)
<b>Utilities</b>	\$0.00	\$300.00	Utilities (Just like owning or renting a personal living space, running a warehouse space will require certain utilities, such as internet, electric, and water.)
<b>Insurance</b>		\$125.00	Insurance (If you lease a warehouse space, you'll be required to obtain insurance for any accidents or catastrophes that occur.) At Collective Pallet the only insurance coverage you will need is for the product itself. Rates vary by provider.
<b>Supplies</b>	\$0.00	\$125.00	Supplies (This is the cost of any materials needed to run the warehouse, such as shrink wrap, cartons, carton fill, etc.)
<b>Shipping</b>	–	–	Shipping (This is the cost of actually shipping your packages or goods, either by small parcel carriers such as FedEx and UPS, or by LTL or Truckload carriers.)
<b>Collective Pallet Membership</b>	\$625.00		250 shipments per month at \$2.50 per shipment, includes receiving & returns
<b>Storage</b>	\$200.00		pick shelves = 90 cu ft at \$2/cu ft plus two pallets at \$10 per pallet
<b>Customer Service</b>	–	–	Customer Service (Some time will no doubt be needed to answer email and phone calls presented by your customers, and this line item attempts to budget for the expense of managing your customer base.)
<b>Management Time</b>	–	–	Management Time (Many companies, when conducting this analysis, forget to factor for this “soft” cost. However, there is usually a good amount of time spent by the owner or other managers in consulting with the warehousing division of the company. These costs can add up quickly, but if unaccounted for, will not adequately reflect the true cost of in house fulfillment.
<b>Software</b>	\$9.00	\$289.00	Software (This is the cost of any software needed to perform inventory control and shipping.) At Collective Pallet your company will need to have a shipping platform, like ShipStation or Shippo.
<b>Total per month</b>	<b>\$1,158.75</b>	<b>\$4,039.00</b>	
<b>*based on 250 orders per month</b>			
<b>Cost per shipment</b>	<b>\$4.64</b>	<b>\$16.16</b>	