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The Landed Cost Pack

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How to get from a supplier's PDF quote to a margin you can actually price against: the two-pass extraction prompts, the five cost layers, and the sheet that prices backwards from the margin you need.

Why "selling price minus supplier price" lies

It looks like margin. It's actually the gap your real costs come out of — and by the time freight, packaging, platform commission, payment fees, returns and ads have taken their share, the gap is much smaller than it looked.

The sheet's example: a RM24 unit selling at RM59. Naive margin, RM35. Real net margin after all five layers: about RM13.64 — roughly 23%, not the 59% it looked like. Most sellers have never actually run this number for their own products.

Step 1 — Extract the quote. Two passes, always.

Pass one: extract only

> Read this supplier quote. Extract every line item into a table with these columns: SKU or item code, description, MOQ, unit price at each quantity break, currency, and any stated freight, packaging or payment terms.
>
> Do not calculate anything. Do not convert currencies.
>
> Where a number is unclear, smudged, or the table layout is ambiguous — for example a price that could belong to two different quantity breaks — write UNCLEAR in that cell instead of guessing.
>
> Show me the table so I can check it against the original.

Now check it, line by line, against the PDF

This is the step that can't be skipped. Multi-column quotes, merged cells and quantity-break grids get scrambled regularly — a price lands under the wrong quantity and nothing about the output looks wrong. It takes five minutes and it's the most valuable five minutes in this pack.

Pass two: calculate

Only after the table is verified, copy the numbers into the sheet — or, if you're doing it in chat:

> Using only the verified table above, and these costs:
> - Freight for this order: [RM amount]
> - Duty rate: [%, or 0 if none]
> - Handling / clearing: [RM amount]
> - Order quantity: [units]
>
> Calculate the landed cost per unit for each item. Show the arithmetic for every line.

One-shot "read this quote and tell me my margin" is how a transcription error becomes a pricing decision that loses money on every unit for a year.

Step 2 — The five cost layers

LAYER	WHAT'S IN IT	THE ONE PEOPLE MISS
1. Landed	Unit price + freight + duty + handling, all per unit	Freight has to be divided across the *real* order quantity, not the MOQ
2. Pack-out	Box, filler, tape, label, insert card	Everyone forgets this. It's rarely zero
3. Platform take	Commission + payment fee + campaign or voucher cost per order	Shop vouchers you fund are a cost, not a discount you can ignore
4. Returns provision	Return rate × what a return costs you	This one turns healthy-looking SKUs into break-even ones
5. Ad cost per order	Total ad spend on the SKU ÷ orders it generated	Spread evenly, not just on the ads you remember

Duty depends on your product's HS code and origin — check the actual rate; the sheet's example uses 0%. Platform fees vary by platform and category — use the numbers from your own seller centre, not anyone's example.

Step 3 — Price backwards

The last column of the sheet is the one that changes how you price.

Instead of *cost + markup = price, and hope*, you decide the net margin you need (cell B3), and the sheet works out the selling price that delivers it after every cost layer:

> Price = (landed + pack-out + fixed per-order costs + returns + ads)
> ÷ (1 – platform fee % – payment fee % – target margin %)

If that price is higher than the market will bear, you've learned something important *before* you ordered 500 units: this product doesn't work at this cost. Renegotiate, change the spec, or don't stock it.

If the sheet says **target unreachable**, your percentage fees plus target margin add up to 100% or more. No price fixes that — lower the target or the fees.

The common misses, in order of how often I see them

1. Freight divided by MOQ instead of the real order quantity
2. Packaging left out entirely
3. Shop-funded vouchers not counted as a cost
4. Returns ignored because "we don't get many"
5. Ad spend treated as a marketing cost instead of a per-order cost

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The one thing to remember

Decide the margin you need, add every cost layer, and let the selling price fall out of it. Marking up from the supplier price and hoping is how you end up with a catalogue full of busy SKUs that earn nothing.

Questions? Reply to this email — I read them all. More at @jjwong.ai — one AI play for SEA sellers, daily.