PATREON PREMIUM GUIDE · BUSINESS OPPORTUNITY

AMAZON MIDDLEMAN BUSINESS IDEA

Sell what already sells — without inventing a product

Rick Piña

Guide expansion notes

Curating Kai Karats (@kaikarats)
4 steps expanded
Unit economics + red lines

A discount is not a profit until the fees are paid.

GUIDE COACHING NOTE

INSIDE THIS BOOKLET

CREDIT · KAI KARATS

Middleman framing and four-step Amazon playbook from Kai Karats' Instagram carousel (@kaikarats). This booklet paraphrases that system for education, then adds path comparison, worksheets, consultant checks, and compliance red lines. Not an endorsement by Kai or Amazon.

LAB

Cash-flow laboratory

Hard kill criteria. Not a forever "passive" fantasy. Model margins before you scale inventory.

FBA

Logistics lever

Fulfillment by Amazon handles storage/ship/returns. You still own capital risk and Account Health.

FROM RICK'S INTRO

Hey family — you can sell on Amazon

Hey family, listen, I pray all is well with you. I am always looking for content that is going to be a blessing to me and also information that could be a blessing to you. I have worked with a couple of people to help them get set up for **FBA**, which is Fulfillment by Amazon. And honestly, it is not that difficult. I tried to get my kids into it. My kids just were not really all that into it. But did you know that you could sell on Amazon?

Yes, you can get your own products sold on Amazon. Of course, we have books and stuff like that. If you have something at home, you can sell it on Amazon one of two ways: list it and do the shipping yourself, or ship your products to an Amazon warehouse. That is if you have a product.

The easier thing to do is to find a product you can just resell. You can order it from China or wherever, have it shipped to Amazon, and then Amazon will sell it. They charge you a stocking fee for anything you do not sell that month, and it keeps advertising until it is sold.

I found a step-by-step guide to walk you through this process if you are interested. I am sharing that guide on this post. Let's discuss it in the comments.

FROM RICK

Here is how I want you to run this. Treat it like a cash-flow laboratory, not the endgame. Pure resale rents Amazon's platform and someone else's brand. That is fine if you model the margin and write your kill criteria before you fall in love with the ASIN.

Information before inventory. If you cannot prove demand on paper, you are gambling with stock.

FBA handles logistics. It does not handle Account Health, authenticity risk, or cash conversion. You still own those.

Quitting a bad experiment is wisdom, not failure. Stewardship beats sunk-cost pride.

RICK PIÑA

SECTION 02 · THREE PATHS

Retail Arbitrage vs Online Arbitrage vs Wholesale

Same resale idea. Different source of stock. Different capital and repeatability.

PATH LADDER · START CHEAP TO LEARN · SCALE WHEN REORDER IS REAL

RA — **Retail Arbitrage**
Store shelves & clearance. Cheapest lessons. Hard to scale past your hours.

↓

OA — **Online Arbitrage**
Buy discounted SKUs online, take possession, send to FBA. Best starter for limited capital + serious intent.

↓

WS — **Wholesale**
Authorized distributors / brands. MOQs + paperwork. Thinner unit margins, schedulable volume.

RA
Retail Arbitrage

Fits: local retail density, in-person hunting. **Watch:** time, gating with retail receipts, IP/condition traps.

OA
Online Arbitrage

Fits: desk sourcing, small tests, fee literacy. **Watch:** deal treadmill, gated brands, retailer-ships-direct dropship.

WS
Wholesale

Fits: entity, resale certificate, MOQ capital. **Watch:** bulk cash lock, unauthorized suppliers, MAP.

RECOMMENDED STARTER PATH

Online Arbitrage first (small validated lots), then add a **wholesale-lite** lane once you have clean invoices and fee literacy. Private label is a different game. Defer PL until the system and runway are proven.

> **Start where the lesson is cheap. Scale when the reorder is real.**

SECTION 03 · KAI'S 4 STEPS (EXPANDED)

Demand → Source → Sell with FBA → Repeat

Kai's sequence, expanded. Tool names for identification only.

4-STEP FLOW

1	2	3	4
Demand	**Source**	**FBA**	**Repeat**
Prove it sells	Buy cheaper	Seller Central	Kill losers

STEP 01 · DEMAND RESEARCH

Never guess based on gut

Kai points to demand tools such as **SellerAmp** (operators also use **Keepa** and **Helium 10**). See what already sells. His filters: 600+ monthly units, strong BSR, multiple sellers. Treat as starting filters, not gospel. Check price/BSR history, typical price, Buy Box share, and gating before you pay.

DEAL GATE — DEMAND

- ☐ Is sales velocity real across months, not a spike?
- ☐ Is the ASIN ungated for my account?
- ☐ Would I still buy if Buy Box share is imperfect?

FROM RICK

Information before inventory. If you cannot prove demand on paper, you are gambling with stock.

RICK PIÑA

STEP 02 · SOURCE CHEAPER

Target 20–30% margin after Amazon fees

Kai points to sourcing tools such as **Tactical Arbitrage** (wholesale directories later). Find the same product cheaper. Goal: 20–30% after Amazon fees. Expand: after fees is not net. Model referral + FBA + prep/inbound + returns buffer.

BUY	FEES	NET
COGS	**Amazon+**	**Floor**

STEP 03 · SELLER CENTRAL + FBA

Open the account. Send the inventory.

Amazon **Seller Central** + **Fulfillment by Amazon (FBA)**: storage, packaging, shipping, returns, customer service share. Match existing ASINs when joining a listing. Complete KYC; enroll in FBA; verify current plan fees; FNSKU labels; inbound shipments; hard floor price.

> FROM RICK
>
> **FBA handles logistics. It does not handle Account Health, authenticity risk, or cash conversion. You still own those.**
>
> RICK PIÑA

STEP 04 · RINSE AND REPEAT

Scale winners. Kill losers fast.

Find another profitable product. Run the same process. Build SOPs: scoring checklist, reorder rules, weekly Account Health, monthly P&L. Reinvest only into ASINs that clear your floors.

KILL CRITERIA (WRITE YOURS)

- ☐ After 90 days: sustainable hourly rate after tools/fees? Y / N
- ☐ Inventory turns slower than my runway? Kill / reduce
- ☐ Account Health deteriorating despite compliance? Pause
- ☐ Capital required exceeds what I can lose? Stop

> FROM RICK
>
> **Quitting a bad experiment is wisdom, not failure. Stewardship beats sunk-cost pride.**
>
> RICK PIÑA

SECTION 04 · UNIT ECONOMICS

Contribution margin is the only score

Revenue and units moved are vanity. Model per ASIN before you scale.

LINE	YOUR NUMBER
Amazon sell price (typical)	$ ________
Buy cost (product + tax + inbound to you)	$ ________
Amazon referral fee	$ ________
FBA fulfillment + storage estimate	$ ________
Prep / labeling / inbound to Amazon	$ ________
Returns buffer	$ ________
Ads (if any)	$ ________
Contribution margin / unit	$ ________
ROI % + written floors	________ % | *floors: $____ / ____%*

> **Steward the runway before you chase the listing. Capital is stuck from purchase until Amazon remits.**

SECTION 05 · CONSULTANT CHECKLIST

Five insights before you scale

Board framing: lab with unit economics + kill criteria loud — not lifestyle without off-ramps.

01
Unit economics

Loud: contribution margin after fees, FBA, returns, ads, and COGS is the only score. If it misses your written floor, kill the buy — do not "hope volume."

02
Capital / runway

Inventory is locked capital. Size buys to a cash conversion cycle you can survive if a gate or return spike hits.

03
Brand gating / IP

You rent brand equity. Gating, MAP, authenticity, and IP claims can kill a SKU overnight. Prefer authorized supply.

04
Systems vs hustle

Winners run scoring SOPs, reorder rules, and kill criteria. Losers grind sourcing without a margin floor.

05
When this is a bad fit

Bad fit if you need brand equity, predictable margins, low capital intensity, or control of the customer. Also bad fit if you will not track unit economics weekly. In those cases, private label or another model is the honest path.

SECTION 06 · COMPLIANCE

Red lines (do not cross)

MEMORIZE THESE

- **Take possession.** Receive goods (home or prep), then ship to FBA or customer yourself. No retailer-ships-direct with their packing slip.
- **No prohibited dropship shortcut.** Amazon dropshipping policy is not a loophole for retailer-ships-direct "arbitrage."
- **Check gating before you buy.** Retail receipts often fail ungating. Prefer ungated / lower-IP-risk ASINs early.
- **Keep invoices.** Wholesale ungating needs proper supplier invoices. Auctions/liquidation are not valid supply sources in Amazon sourcing guidance.
- **Condition honesty.** "New" = factory-fresh packaging standards. Shelf-worn as New drives "not as described" risk.
- **Authenticity / IP.** Unauthorized grey-market stock destroys Account Health. First-sale doctrine does not override Amazon rules.

VERIFY LIVE

Re-check Amazon Seller Central help and Sell on Amazon blog posts. Policies and fees change. Education only — not legal/tax/financial advice. You can lose money. Do not use rent or emergency savings.

Books that sharpen this business

Decision lenses for Amazon reselling — not vague blurbs. Use before you buy inventory.

GOLDMINE → MIDDLEMAN GATES

1. **Mom Test / Lean** → Step 1 Demand: prove sell-through with behavior/data, not gut.
2. **$100M Offers** → Step 2 Source + Unit economics: margin floor; discount ≠ profit.
3. **Traction** → Step 4 Repeat: one sourcing/acquisition channel; kill losers fast.
4. **Psychology of Money / Fooled by Randomness** → capital risk vs lucky ASIN spikes.
5. **Rich Dad** → inventory is a liability until it turns at your floor.

MARGIN FLOOR / VALUE BEFORE VOLUME

$100M Offers — If you must discount to move units, you commoditized. Write a contribution-margin floor first; volume that misses the floor is busywork.

VALIDATE DEMAND BEFORE BULK INVENTORY

The Mom Test + Lean Startup — Ask what they already buy/resell, not “Would you sell this ASIN?” First ASIN = MVP with a kill date and a small PO.

ONE CHANNEL BEFORE SCALING TOOLS

Traction — Bullseye one sourcing channel (wholesale BD vs RA/OA). Test with a dollar/time cap. Do not spray tools and outreach at once.

CAPITAL RISK VS LUCKY WINS

Psychology of Money / Fooled by Randomness — A lucky ASIN spike is not a process. Size buys to a cash conversion cycle you can survive.

INVENTORY AS LIABILITY UNTIL IT TURNS

Rich Dad Poor Dad — FBA stock is locked capital with fees. It becomes an asset only when it sells through at your floor.

ALSO USEFUL

Obviously Awesome	The Goal	Influence
Ego Is the Enemy	4-Hour Workweek	Zero to One

ANTI-PATTERNS

- Compete only by lowering price ($100M) → Unit economics.
- Trust “this will sell” gut (Mom Test) → Step 1 Demand.
- Bet on an untested pet channel/tool (Traction) → Step 4 Repeat.
- Polish hustle story over unit economics (Ego) → Consultant checklist.

RUN ONE ASIN THROUGH A GOLDMINE GATE

- Past sell-through evidence (Mom Test / demand tools)?
- Riskiest assumption in this buy (Lean)?
- Contribution margin clears written floor after all fees ($100M / economics)?
- One channel to repeat if it works (Traction)?
- About to break a red line or invent a story from one lucky unit?

SECTION 08

What did you get?

You got Kai's middleman idea with clear credit. Three paths and when each fits. Four steps expanded with fee-aware gates. Unit-economics worksheet, consultant checklist, compliance red lines, and Goldmine decision lenses tied to this business. No fake income stats. No "passive" promise.

Run one ASIN through the **Goldmine gate + unit-economics worksheet** this week. If the numbers do not clear your floor, walk. If they do, start small, take possession, and protect Account Health.

Credit: Kai Karats (@kaikarats). Guide expansion: unit economics and compliance red lines. Let's discuss this in the comments.

Sell what already sells. Model the margin. Respect the red lines. Kill what does not work.

YEAR OF DISCOVERY

GREATER IS COMING