

# Crowdfunding Fulfillment Guide



*part 1*

# Pre-Funding Planning





## Step 1: Production Partner Selection

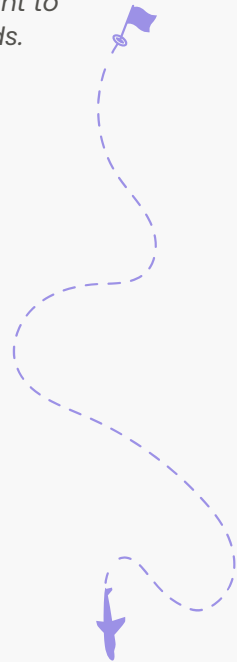
- Look for manufacturers with proven expertise relevant to your product.
- Gather detailed quotes and assess capabilities, minimum order quantities (MOQs), and lead times.
- Check certifications, quality standards, and request references or previous work examples.

**Tip:** Always request a prototype to verify quality, and order 5-10% more units than your funded amount to account for defects, returns, and future needs.

## Step 2: Estimating Transport & Import Costs

- Factor in the **full transportation cost** from the manufacturing origin (e.g. China) to the final destination. This includes domestic freight, international freight (ocean or air), and last-mile delivery.
- Understand the costs associated with **customs brokers** who facilitate the import process by handling documentation and duties.
- Research and account for import **duties, tariffs, and taxes** (like GST/HST in Canada, or various state taxes in the US) that apply to your product in the destination country.
- Ensure you have the necessary **business registrations** (e.g. business number, import/export account) and are **compliant with all import regulations** in each target country to avoid delays or penalties.

**Tip:** When getting quotes, always ask for the full door-to-door price, explicitly confirming it includes all freight, brokerage fees, duties, and taxes, not just the shipping cost itself.



# Navigating Logistics: Best Practices

*Consider how your products will  
reach your backers' hands*

- **Customs Declarations:** Accurately describe products, declare their value, and include correct HS codes for international trade.
- **Taxes & Duties:** Research destination country import regulations. Decide whether you will prepay duties (Delivered Duty Paid – DDP) or pass them on to backers (Delivery Duty Unpaid – DDU).
- **Cost & Efficiency:** Optimize by exploring regional distribution hubs and consolidated shipping for bulk international orders.
- **Transparency:** Inform backers proactively about potential customs fees and provide robust tracking information.

## Self-Fulfillment vs 3PL

Pros

Maximum control,  
potentially lower costs  
for very small projects

Avoiding errors and  
stress, better bulk  
shipping rates

Cons

Time-intensive, requires  
storage space, packaging  
materials, and expertise.

Additional cost,  
delegating daily  
operations

Best  
For

Small-scale  
campaigns or highly  
niche products with  
minimal volume.

Mid and Large-size  
campaigns, complex  
product variations, or  
creators with limited  
time/resources.

# Eco-Friendly Shipping Practices



- **Recyclable**, compostable, or biodegradable packaging materials.
- Designing **compact packaging** to reduce material use and shipping volume.
- Partnering with shipping companies that have verifiable **carbon-neutral** programs or sustainable initiatives.
- **Lower-emission transport** options like rail or sea freight for non-urgent bulk shipments.
- **Group orders** by geographical region to reduce the number of trips and maximize cargo space.

## Developing Fulfillment Solutions

*Choose whether to handle fulfillment in-house or partner with a Third-Party Logistics (3PL) provider.*

- **Research & Identify:**
  - **Self-Fulfillment (In-House):** research and identify direct shipping carriers (e.g., FedEx, UPS, local postal services) that best suit your campaign's scale, budget, etc.
  - **Third-Party Fulfillment (3PL):** focus on finding trusted providers with expertise in crowdfunding / e-commerce. Crucially, identify partners with warehouses and shipping capabilities in your primary target regions.
- **Request Quotes & Compare:** Regardless of your chosen model, gather detailed quotes from carriers or 3PLs. Assess their service capabilities, minimum volume requirements, lead times, and their onboarding process.
- **Packaging Strategy:** Plan all packaging requirements, including materials, various sizes for different order configurations, and consistent branding elements.

**Tip:** To minimize costs, choose packaging materials and sizes that are perfectly fitted to your average order. Avoid oversized boxes or excessive void fill, as this can unnecessarily increase shipping dimensions and weight.



**Estimate  
fulfillment  
expenses with  
this template**

## Creating Fulfillment Timeline

- **Align Schedules:** Directly integrate your production schedules with your anticipated shipping deadlines. This means ensuring your manufacturing partner's completion dates sync up with when your products need to be ready for freight and fulfillment.
- **Buffer Time:** Crucially, account for all lead times, potential manufacturing delays, and transit times by building in generous buffer periods at every stage. This helps absorb unexpected hiccups without derailing your entire schedule.

**Tip:** Work backward from your desired delivery date to set realistic milestones, and add at least 10-15% extra time as a contingency for each major phase. This will help you to better communicate with your backers later.

*part 2*

# Post-Funding Execution



# Product Verification & Quality Assurance

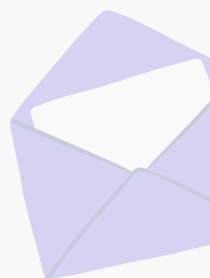


- Meticulously **double-check** all product details: sizes, materials, design, and functionality.
- Request **physical samples** or mock-ups for approval, and always order a **proof copy** before full production.
- Make all necessary modifications based on your proof review.
- Establish **clear milestones** for design finalization, production phases, and integrated quality checks.
- Implement **quality control checks** at every critical stage of production. Consider using third-party quality assurance services for added scrutiny.

***Tip:** Don't just visually inspect; test your product rigorously! Use it as a backer would, checking for durability, ease of use, and any potential flaws that might impact their experience.*

## Establishing Backer Communication

- **Regular Updates:** Provide consistent and transparent updates on production progress and shipping timelines via your crowdfunding platform or email.
- **Dedicated Support:** Set up a clear customer support channel (e.g., email, FAQ section) to efficiently handle backer inquiries.



***Tip:** Ensure you answer backer inquiries in a prompt and timely fashion. Quick responses can prevent cancellations and foster positive reviews.*



*part 3*

# Troubleshooting & Risk Mitigation



# Anticipate common hurdles and have solutions ready



## Extra Fees

- ✓ Build a dedicated **contingency fund** into your campaign budget (e.g. 5-10% of total fulfillment costs).
- ✓ If you decide to work with 3PL, negotiate and **lock in fulfillment fees** with your 3PL provider in advance, even if the campaign orders will ship months after you sign up with them.



## Customs Returns or Delays

- ✓ Ensure all **documentation** (customs forms, invoices) is meticulously accurate, and HS codes are correctly applied.
- ✓ For complex international markets, consider working with an **experienced customs broker**.



## Production or Print Errors

- ✓ The importance of ordering **proof copies** and conducting thorough quality checks cannot be overstated.
- ✓ Ensure that your agreement with the manufacturer explicitly states their **accountability for production errors** and includes provisions for re-production or resolution.

# Anticipate common hurdles and have solutions ready



## Lost or Damaged Packages

- ✓ Utilize **tracked shipping** services to ensure you have the necessary information to open claims for lost or damaged packages.
- ✓ Develop clear, **transparent policies** for offering replacements or refunds to affected backers.



## Backer Communication Issues

- ✓ Maintain a proactive communication strategy with **frequent, clear updates**.
- ✓ Create a comprehensive FAQ section on your campaign page or website to **address common concerns** and reduce individual inquiries.



## Pre-Shipping Coordination with 3PL

- ✓ Send your 3PL **advance information** about what inventory they will receive and when, allowing them to prepare.
- ✓ Before uploading backer orders, thoroughly check the list of backers for **address accuracy** and completeness to minimize returns due to incorrect addresses.

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our guide! We hope  
it provided valuable  
insights.**

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