

What deserves space in your container?

A worked framework for comparing product margin, sales velocity and the capital tied up in each SKU.

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Editorial illustration. All numerical examples are illustrative, not customer results or guarantees.

Every carton uses three scarce resources

Container space is a commercial allocation problem. Each product takes capital, capacity and time before that capital returns. A loading plan built only around what fits can miss the interaction between those resources.

Gloway's profit-led sourcing framework evaluates three dimensions together: margin, inventory velocity and capital efficiency. A SKU should earn its allocation through credible economics, customer demand and an acceptable operational fit.

Start by seeing the profit by product

The following five-product example comes from Gloway's sourcing materials. It is a simplified portfolio, not a customer result or a set of current product prices.

Example 1 / Five products, very different contributions

Product	Landed cost	Expected sales	Gross profit	Sell-through
Garri	\$7,000	\$15,500	\$8,500	Fast
Fufu corn	\$8,000	\$15,000	\$7,000	Fast
Plantain chips	\$6,000	\$11,000	\$5,000	Fast
Dried vegetables	\$4,000	\$7,500	\$3,500	Very slow
Spice mix	\$5,000	\$6,000	\$1,000	Slow
Total	\$30,000	\$55,000	\$25,000	—



Illustrative USD values from the Gloway guide. Bars show expected gross profit, not net profit. Sell-through descriptions are qualitative assumptions.

Garri contributes \$8,500 of the \$25,000 total, or 34%. Spice mix contributes \$1,000, or 4%, while using \$5,000 of landed capital. Those differences help identify which assumptions deserve closer scrutiny.

That does not automatically mean eliminating spice mix. A product may satisfy a committed buyer, support a broader assortment or serve a seasonal market. The commercial reason should be explicit rather than hidden behind “we always load it.”

Gross margin and markup answer different questions

Gross margin divides gross profit by sales. Markup divides gross profit by cost. Confusing the two makes product comparisons misleading.

Example 2 / The same garri economics, two ratios

Expected sales\$15,500	Landed cost\$7,000	Gross profit\$8,500
Measure	Calculation	Result
Gross margin	$\$8,500 \div \$15,500$	54.8%
Markup on landed cost	$\$8,500 \div \$7,000$	121.4%

Derived from the guide's illustrative garri example. Neither measure includes downstream operating expenses, financing costs or taxes.

A high margin can still mean slow capital recovery

The guide compares a product with a 50% gross margin and an eight-month sell-through period with one at 30% gross margin selling through in six weeks. To see the trade-off numerically, assume \$10,000 of landed inventory cost for each option.

Example 3 / Equal starting capital, different sales cycles

Metric	Product A	Product B
Landed inventory cost	\$10,000	\$10,000
Assumed gross margin	50%	30%
Sales required at that margin	\$20,000	\$14,285.71
Gross profit per complete cycle	\$10,000	\$4,285.71
Assumed time to sell	8 months	6 weeks

New calculation using margin and timing assumptions from the guide. Sales = landed cost $\div$ (1 – gross margin). It assumes all inventory sells at the stated price; no repeat cycles or annualized returns are projected.

Product A generates more gross profit in one completed cycle. Product B may release cash sooner if customers pay promptly. Faster inventory movement does not guarantee faster cash collection, and repeat cycles depend on demand, supply, lead time and available funding.

The right allocation therefore depends on the distributor's constraints. A business with limited cash for the next shipment may make a different choice from one with ample working capital and committed buyers for slow-moving stock.

Write the constraints before optimizing the mix

- Capital: how much cash can be committed, and at what dates?
- Capacity: what are the volume, weight and handling limits?
- Supply: what are the minimum quantities, lead times and reliable volumes?
- Demand: which quantities are committed, and which are forecasts?
- Product suitability: what shelf-life, storage, packaging and destination requirements apply?

A useful optimization recommendation respects all of these. It should not simply maximize a margin figure while assuming unlimited demand or ignoring mandatory products.

Use a reviewable loading decision

For each SKU, write down the planned quantity, landed unit cost, expected selling price, likely sales period and evidence supporting the estimate. Flag missing costs and weak demand assumptions. Test whether a price reduction or delay changes the allocation.

After the shipment sells, compare the original plan with actual quantities sold, prices, losses and collections. Increase allocations only when the evidence and constraints support it. Reduce weak allocations with the same discipline.

The objective is not an impressive-looking container total. It is a product mix with a clear commercial explanation and a feedback process that improves the next decision.

Sources and further reading

[Gloway Profit-Led Cross-Border Sourcing Guide](#) · [GloSource white paper](#)

Adapted from Gloway's sourcing guide, GloSource white paper and product architecture. Additional worked calculations are identified in their captions.

Build the business case for your next shipment.

Bring your product priorities, destination, available budget and sales history where available.