

FREE RESOURCE FROM THRIVE 3PL

# How 3PL Pricing Actually Works

A No-BS Guide to Understanding Fulfillment Costs

From a Team That's Been on Both Sides

Before starting Thrive 3PL, our founding team built and ran a \$100M+ e-commerce operation on Amazon. We've received 3PL quotes where the final invoice was 30% higher than the proposal. We've seen hidden fees buried in footnotes. We wrote this guide so you don't have to learn those lessons the expensive way.

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## The 7 Fee Categories in Every 3PL Quote

Every 3PL quote — no matter how it's formatted — breaks down into these seven cost buckets. Understanding each one is the first step to comparing quotes honestly.

### 1 Receiving Fees

Charged when inventory arrives at the warehouse. Can be per pallet, per carton, per unit, or per hour of unloading labor. Ask how they handle mixed-SKU pallets and whether container unloading is priced differently.

*Ask: "What's included in receiving — and what triggers extra charges?"*

### 2 Storage Fees

The ongoing cost of housing your inventory. This is where the biggest pricing variation exists across 3PLs. Methods include per-pallet, per-bin, per-shelf, or per-cubic-foot. **The assessment method alone can swing your bill by 30%+.**

*Ask: "How do you assess storage — and will you recommend the most cost-effective method for my products?"*

### 3 Pick & Pack Fees

The per-order cost to pick items from shelves and pack them for shipment. Usually a base fee per order plus per-item charges for multi-item orders. Ask about packaging materials — some include them, others charge extra.

*Ask: "Does pick & pack include packaging materials, inserts, and branded packaging?"*

### 4 Shipping & Postage

The actual carrier costs (USPS, UPS, FedEx, etc.). Most 3PLs pass through negotiated rates. Compare their rates against your own to see if you're getting a benefit from their volume discounts.

*Ask: "Can you share your rate cards for my top 3 shipping zones and package sizes?"*

### 5 Account & Technology Fees

Monthly platform fees, integration charges, or account management costs. Some 3PLs bundle this into per-order pricing; others charge it separately. Neither is inherently better — just know what you're paying.

## 6 Special Project Fees

Kitting, bundling, FBA prep, custom inserts, returns processing, and anything outside standard pick-and-pack. These are legitimate charges — but they should be clearly defined before you sign.

## 7 Minimum & Overage Fees

Monthly minimums ensure the 3PL covers their fixed costs. Overage fees apply if you exceed storage or volume thresholds. Know the floor AND the ceiling of your pricing agreement.

## ⚡ Storage Assessment: The Competitive Differentiator Nobody Talks About

How a 3PL measures and bills your storage is one of the single biggest factors in your monthly cost — and most brands never think to ask about it. Different products demand different storage methods, and a good 3PL will match the method to your product profile.

### Per-Pallet

Flat rate per pallet position occupied. Simple but can be expensive if your pallets aren't full or your products are small.

**Best for: High-volume, uniform products that fill pallets efficiently**

### Per-Cubic Foot

Measures actual space consumed. Rewards efficient packaging and smaller products. Most flexible for varied inventories.

**Best for: Mixed-size SKUs, products that don't fill full pallets**

### Per-Bin / Per-Shelf

Fixed rate per storage unit. Predictable monthly costs. Works well for small items with many SKUs.

**Best for: Small items, jewelry, supplements, high-SKU-count brands**

### Hybrid / Custom

Combines methods based on product type. Pallets for bulk, bins for pick-facing, cubic foot for overflow.

**Best for: Brands with diverse product lines and seasonal fluctuations**

## ● How Thrive Handles It

We don't force a one-size-fits-all storage model. During onboarding, we analyze your full SKU catalog — dimensions, velocity, seasonality — and recommend the storage assessment method (or combination) that minimizes your cost without sacrificing pick efficiency. This consultative approach is one of our biggest differentiators, and it can save brands thousands per month compared to a generic pallet-only model.

# The Pricing Question Nobody Asks

*"How does my pricing change as I grow?"*

Most brands negotiate pricing based on today's volume — and never revisit it. Smart brands ask upfront: What happens to my per-unit cost at 2×, 5×, and 10× current volume? Is there a built-in discount schedule, or do I have to renegotiate every time?

## What to Ask

Get volume-based pricing tiers in writing before you sign. If a 3PL won't commit to lower rates at higher volumes, ask yourself why. Growth should benefit both parties.

## How Thrive Handles It

We build volume tiers into every agreement. As your order count grows, your per-unit costs come down — automatically, without renegotiation. We want your growth to feel like a reward, not a surprise bill.

## How to Compare 3PL Quotes

Quotes from different 3PLs rarely look the same. Use this framework to normalize them into an apples-to-apples comparison.

1

### Build a Standardized Scenario

Create a test case: 1,000 orders/month, your actual SKU mix, your average items-per-order, your receiving schedule. Send the same scenario to every 3PL and ask for a fully loaded monthly estimate.

2

### Map Every Fee to the 7 Categories

Take each quote and categorize every line item into the seven fee buckets above. This reveals where costs are bundled vs. unbundled — and where fees might be hiding.

3

### Calculate True Cost Per Order

Divide total monthly cost by total orders. This single number — your all-in cost per order — is the best metric for comparison. Include storage, receiving prorated across orders, minimums, and technology fees.

4

### Stress-Test at 2× and ½× Volume

Ask each 3PL: "What would this quote look like at double the volume? At half?" This reveals how flexible — or rigid — their pricing model really is, and whether minimums will punish you during slow months.

## ● How Thrive Handles It

We provide a complete cost model — not a teaser quote. Every fee is itemized, explained, and mapped to actual work. We'll model your costs at multiple volume levels so there are zero surprises. If a charge doesn't make sense to you, we'll explain it or remove it.

## Red Flags in 3PL Pricing

If you spot any of these in a quote, ask hard questions — or walk away.



**Vague "miscellaneous" or "handling" fees** — If they can't explain it, you can't predict it.



**Pricing that only works at peak volume** — If the quote assumes your best month, every other month will cost more per order.



**Long-term contracts with no performance guarantees** — If they lock you in for 2 years but don't commit to SLAs, the leverage is entirely theirs.



**No transparency on carrier rate markups** — Some 3PLs mark up shipping 15–25% without disclosure. Ask to see actual carrier invoices.



**Refusal to provide a cost model at multiple volumes** — If they won't show you what growth costs, they may not want you to know.



### The Bottom Line

Every charge on your 3PL invoice should map to actual work being performed. Every fee should be visible before you sign. If a 3PL can't — or won't — explain their pricing in plain language, that tells you everything you need to know about how the relationship will go.

## Your Pricing Comparison Worksheet

Use this table to compare your top 3PL candidates side by side.

Fee Category	3PL A	3PL B	3PL C
Receiving	\$_____	\$_____	\$_____
Storage (monthly)	\$_____	\$_____	\$_____

Fee Category	3PL A	3PL B	3PL C
Pick & Pack	\$_____	\$_____	\$_____
Shipping & Postage	\$_____	\$_____	\$_____
Account & Tech Fees	\$_____	\$_____	\$_____
Special Projects	\$_____	\$_____	\$_____
Minimums / Overages	\$_____	\$_____	\$_____
<b>TOTAL MONTHLY COST</b>	<b>\$_____</b>	<b>\$_____</b>	<b>\$_____</b>
<b>Cost Per Order</b>	<b>\$_____</b>	<b>\$_____</b>	<b>\$_____</b>

## Want a Quote You Can Actually Trust?

We'll build you a complete, transparent cost model — no hidden fees, no footnotes, no surprises.

[Get Your Instant Quote →](#)

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