Some Advantages and Disadvantages of Sales Outsourcing by Justine Fitton

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Many businesses rely on outsourcing. Bringing everything in-house is an unrealistic aim for most companies, so the problem facing many entrepreneurs is one of selection - which aspects of the business should be handled in-house and which should be outsourced? Here is an explanation of the advantages and disadvantages associated with outsourcing sales functions to a third-party organisation.

One advantage of outsourcing sales is that it can release senior staff members from the administrative hassle associated with sales implementation and management, freeing up valuable human resources for other administrative tasks.

Choosing to outsource sales at an early stage can spare your business the recruitment costs associated with sourcing and securing an experienced and competent sales team. Recruitment also requires a considerable investment of time and senior-level human resources, so outsourcing sales can greatly increase speed of response and enable a business to become operational within a shorter time frame.

An in-house sales team represents a constant drain on resources through salaries and this can reduce the flexibility of a business. Outsourcing sales work to a reputable agency can spare your business the year-round commitment of paying salaries and replace it with a flexible arrangement that takes into account the possibility of heightened periods of sales activity, e.g. around Christmas time, interspersed with periods of lower activity. Agencies are also able to recruit staff to profile for particular jobs.

Outsourcing sales can also be a means of accessing the most developed sales skills and the most experienced sales personnel. Agencies that specialise in sales are often better equipped to provide an effective sales service than an enterprise with many other interests.

On the other hand, outsourcing sales does reduce the level of control exerted by a business over its sales practices and personnel. Although there are opportunities to write any level of micromanagement into an outsourcing contract, this defeats part of the object of outsourcing in the first place. Problems can sometimes arise from third-party organisations misrepresenting or mis-selling the products of a business and this can create legal problems. Sales personnel from an agency may not be as familiar with your products as your own staff members and this too can create problems in some situations.

Another disadvantage of outsourcing sales is that financial savings are not as apparent here as they are in many other areas. It is difficult to calculate a cost comparison between outsourcing and non-outsourcing scenarios over an extended period of time, leading some businesses to treat sales outsourcing with mistrust.

sales outsourcing is not the best option for every business, but it brings several significant advantages over a non-outsourcing scenario - chief among these are improved speed of response, increased flexibility, lower recruitment costs, more specialist personnel, and reduced administrative commitments for senior staff. In many cases, field sales solutions can be carried out more effectively by a third-party organisation and outsourcing sales can enable a business to respond more quickly and efficiently than working with an in-house team.

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Justine Fitton - About Author:
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