

Should You Have Your Own Sales Team?

In this activity, you need to determine whether a new furniture manufacturer should set up its own sales team or utilize an established company of sales agents (as briefly outlined below). To help you determine the most appropriate option, a number of consideration questions have been provided for you.

Choose Between Sales Team Structure 1 or 2

Option One

- Set up your own team of ten sales representatives
- To be paid on a salary and commission basis
- They will need to create relationships with retailers
- They will only sell your firm's products

Option Two

- Use an established 'sales agency'
- They have 50 sales representatives
- They sell furniture products for 22 different furniture manufacturers to over 200 furniture retailers
- You will pay them on a commission basis only

Student Evaluation Questions

1. Which option will have better trained sales reps?
2. Which sales reps will be more aggressive in promoting your products?
3. Which sales reps will retailers prefer to deal with?
4. Which set of sales reps will be easier to control and manage?
5. Which option requires greater management time and commitment?
6. Which option is likely to generate more sales?
7. Which option is likely to generate more profit?
8. Therefore, which option would you choose?