



## To Market — With In-house or Freelance Talent?

*Should you hire an internal sales force, or contract out your sales?*

Generations of B-school students have dozed through this debate, only to wake up 10 years later in a cold sweat. The Final Answer remains undiscovered, but experience has clarified the question.

The issue revolves around two primary factors: in-house control versus market specialization.

### **A Tight Sales Ship**

Control of your sales force carries clear benefits. They come in on your clock, call your targets, implement your plan and absorb your culture. When they mount their campaign, they prop their ladders against the right walls — you see to that, with incentives that reward not just *any* sales but *strategic* sales.

Your crew learns your company's products inside out. If they don't produce, their bonuses evaporate, and eventually their jobs as well. You can reward the best, boot the rest and build a motivated selling machine.

Now and then, though — at a trade show or a convention — you may glimpse the Sales Rep. He answers to no single client. He may rep vendors to your company or, in competition with your own sales force, rep your competition to your prospects.

The fellow works when he feels like it, owns few neckties and presents a casual air. As a freelancer for rent to the

highest bidder, he may even make more money than you.

But there's one little thing about this Rep: He's tight with the purchasing VP at your biggest prospect — the buyer whose nod could make your retirement.

Thirty years ago, when that young man was fresh out of school — they say it was his first day on the job — it was the Rep who gave VP the best handshake, and the best lunch, of his life. The VP has looked down more fairways with the Rep than you've ever played. His grown children and his grandchildren adore Uncle Rep, who brings them gifts.

### **The Critical Question**

Would you rather have control? Or a piece of Uncle Rep's relationship with your market? When it comes down to an in-house or contract sales force, that's essentially the question.

The [accompanying chart](#) offers a quick high-level comparison. Deciding which route promises success to your company, of course, calls for a detailed analysis.

The first step: Study others. What are the rules of competition in your market? Which sales efforts are most successful?

Whichever way you go, you must compensate intelligently. The price you pay for selling — whether by employees or sales reps — is less important than return on investment. By the same token, in judging sales results, gross sales are less important than final margins.

In either approach, you must communicate. Get your messages out, and support your sellers with powerful market tools, training and product brochures. Accurate forecasts, in particular, are golden to sales reps.

If you decide to contract out your sales, choose wisely. Look closely at a rep's portfolio — the synergy within which your products must fit. Work hard to develop trust, and never scapegoat. This may be the most important partnership of your business' life.