



## Sales Channels

Determine the pro's & cons of the different sales channels and which ones you'll use to monetize your product/service.

Outside Sales Team	
Pros	Cons
<ol style="list-style-type: none"> <li>1. More effective in building relationships due to the face to face nature.</li> <li>2. Customers tend to perceive the product as a higher value.</li> <li>3. Immediate market feedback.</li> <li>4. You can also use them as marketing and branding tools.</li> <li>5. Most cases they can handle more complex sales.</li> <li>6. Typically selling to ownership or the C-Suite.</li> </ol>	<ol style="list-style-type: none"> <li>1. Can seem expensive and carry a larger salary than their perceived worth.</li> <li>2. Can seem to be geographically challenging...driving or flying to meetings, which carries another expense.</li> <li>3. Trust can be a factor, much harder to maintain insights to daily activity.</li> <li>4. Coaching for situations can be an issue.</li> <li>5. Communications needs to be a top priority for managing and coaching.</li> </ol>

Inside Sales Team (100% Phone)	
Pros	Cons
<ol style="list-style-type: none"> <li>1. A lot of activity done daily and quickly.</li> <li>2. Teams being inhouse makes it easy to change tactics.</li> <li>3. Coaching can be done on an as needed basis.</li> <li>4. Calls can be monitored for teaching moments.</li> <li>5. Leads can be passed off and monitored easily.</li> <li>6. Coordinating with marketing is faster and more collaborative.</li> </ol>	<ol style="list-style-type: none"> <li>1. Tend to be lower priced sale or subscription models.</li> <li>2. Can be perceived as non-consultative.</li> <li>3. Sales cycles tend not to build relationships and a customer service rep is used after the sale.</li> <li>4. Sales can be single sale transactions and not ongoing.</li> <li>5. Can be a smaller profit margin per transaction.</li> </ol>

E-Commerce	
Pros	Cons
<ol style="list-style-type: none"> <li>1. Earn money once the system is on.</li> <li>2. Easy inventory management.</li> <li>3. No renting of a physical store front.</li> <li>4. Sell 24/7</li> <li>5. Staffing is much less needed.</li> <li>6. Almost endless listings for products.</li> <li>7. Communication is easy and can be instant with automation.</li> <li>8. Tracking logistics can be easy.</li> <li>9. Reach a bigger market much quicker.</li> </ol>	<ol style="list-style-type: none"> <li>1. No personal touch.</li> <li>2. Delayed delivery system.</li> <li>3. Very competitive market, very congested.</li> <li>4. Need the internet to access your goods.</li> <li>5. Site must be mobile friendly.</li> <li>6. Difficult to become a trusted resource.</li> <li>7. Cannot try it before you buy it.</li> <li>8. Hard to identify credit card fraud or Identity fraud.</li> </ol>



## Sales Agents (Usually 1099 Contractors)

Pros	Cons
<ol style="list-style-type: none"> <li>1. No overhead cost. No benefits to account for.</li> <li>2. They only get paid when they sell.</li> <li>3. No need to fire underperforming reps.</li> <li>4. You can have multiple reps with NO budget.</li> <li>5. Most 1099 reps have more experience.</li> <li>6. Possibly have industry related experience.</li> </ol>	<ol style="list-style-type: none"> <li>1. No control over daily activity.</li> <li>2. Not always working for you or on your sales.</li> <li>3. Possibly working on more than one job.</li> <li>4. Product knowledge can be an issue.</li> <li>5. Not always responsive to your needed changes.</li> <li>6. Possible risk of misclassification can carry tax ramifications and fines.</li> </ol>

## Value Added Resellers/Manufacturer's Reps) (100% Commission)

Pros	Cons
<ol style="list-style-type: none"> <li>1. No salary overhead, they only get paid on sales made.</li> <li>2. They tend to have a management structure in place.</li> <li>3. They tend to utilize best practices.</li> <li>4. No need to terminate underperforming reps.</li> <li>5. Can use your product or service as a complimentary sale.</li> <li>6. They can be very industry focused.</li> <li>7. Possibly already have valuable relationships</li> </ol>	<ol style="list-style-type: none"> <li>1. Often sell multiple product lines with little or NO FOCUS on yours.</li> <li>2. If selling competing products can look for spiffs.</li> <li>3. Can be driven by price, looking for reductions to sell.</li> <li>4. Can be difficult to retain brand loyalty.</li> <li>5. No DIRECT control over daily activities.</li> <li>6. Can be difficult to obtain feedback.</li> <li>7. Contract needs to be very clear prior to start.</li> </ol>

## White Labeling (Direct Sales to Resellers)

Pros	Cons
<ol style="list-style-type: none"> <li>1. Low or no cost for marketing.</li> <li>2. Low or no cost for sales.</li> <li>3. Can still sell to your own clients/customers.</li> <li>4. Faster speed to market than you can do by yourself.</li> <li>5. You can be lean in your overhead of other roles in your company too.</li> <li>6. Access to clients that you may not have sought out or identified.</li> </ol>	<ol style="list-style-type: none"> <li>1. No brand recognition in the market.</li> <li>2. Possible customization issues in some industries.</li> <li>3. Difficult to get feedback on industry trends.</li> <li>4. May have to maintain a service relationship to end users under the label.</li> <li>5. May have to compete with yourself.</li> <li>6. Margins may be lower than you want or need.</li> </ol>



**Sales/Marketing Outsourcing (Using a paid third-party to sell for you)**

Pros	Cons
<ol style="list-style-type: none"> <li>Free up time of managing sales to focus on your core business.</li> <li>No New hiring process to manage.</li> <li>Flexibility – increase or decrease your staff without layoffs.</li> <li>No impact on your business insurance.</li> <li>No impact on employment taxes.</li> <li>No impact on your unemployment insurance.</li> <li>You can sign a contract to your specified term.</li> <li>Built in sales reporting.</li> <li>CRM implementation or management.</li> <li>Predetermined success metrics are in place.</li> </ol>	<ol style="list-style-type: none"> <li>Less control over the sales process (but with the right partner you should have input.</li> <li>Can be expensive when comparing straight salary vs. overall value.</li> <li>There is a slight confidentiality risk if you have a proprietary product or service. (Make sure you have a strong NDA in place)</li> <li>There may be a longer learning curve with product knowledge or specific industry conditions.</li> <li>Possible loss of information, if a CRM is not used or if no formal reporting mechanism is used.</li> </ol>

**Retail Outlet (Brick & Mortar Space)**

Pros	Cons
<ol style="list-style-type: none"> <li>Customers can immediately walk out with the item wanted.</li> <li>Shopping in a Brick and Mortar can be viewed as a social activity.</li> <li>People tend to spend more money than they planned.</li> <li>Personal touch, people on sight can be helpful with opinions if trusted.</li> <li>Helps the local economy</li> <li>People get to try it before they buy it (especially in clothing, testing the fit)</li> <li>Can present impulse buys easier and less obviously.</li> <li>Service driven environments can drive high price tags.</li> </ol>	<ol style="list-style-type: none"> <li>Very expensive start-up costs. (Could be in the area of hundreds of thousands)</li> <li>On-hand stock can be expensive and bulky, requiring a lot of space.</li> <li>Cost of employees can be prohibitive or you work a lot of hours.</li> <li>A high reliability on word of mouth and review sites. (a bad review can be hugely detrimental)</li> <li>Keeping up a total shopping experience vs. just a purchase can be challenging and expensive.</li> <li>Location plays a major role of success vs. failure. (the most sought-after locations are also the most expensive)</li> </ol>