

*To distribute a product, you first have to make sales. Many small entrepreneurial companies are unable to field a large sales force, so they enhance their efforts by using independent sales representatives who will sell their products, along with those of other businesses, for a contracted commission. If you consider contracting with an independent sales rep, this checklist will help you evaluate each rep you are considering. There are many ways to find sales reps: Ask your customers who they recommend, visit trade shows and analyze reps at work, announce your product and see who responds, and send letters to all potential rep firms.*

- Does the rep carry conflicting or competing lines?
- What the rep's commission structure?
- Where is the showroom, if any? How about the warehouse?
- What is the geographical area covered?
- Who is the rep's key account?
- What is the number of salespeople?
- How many years has the rep been in business?
- What type of promotional support is offered?
- How willing is the rep to submit sales-call reports?
- How frequent are the rep's trade-show appearances?
- What is the rep's specialty?
- Has the rep listed all markets covered?
- Can the rep personally interview field sales reps?
- Does the rep really know the customer?
- Can the rep provide a termination agreement?
- When are commissions paid?
- When are overdue accounts collected?
- What deductions does the rep make for credit losses?
- What rights does the rep have as far as credit rejection is concerned?
- What catalogs or other materials are required?
- Can you appear at sales meetings, to see how things go?
- Will reps buy samples at deep discounts?
- Does the rep warehouse any inventory?
- Can the rep supply a current list of references?

Sample Preview