

The Pros and Cons of Outsourced Sales

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Organizations of any size are faced with questions on a continuous basis around insourcing or outsourcing certain activities. This can include items such as HR, finance, bookkeeping and sales.

There is an argument by some that sales is something that should be insourced and generally the reasoning is that the solution is too complex to outsource. We on the other hand, running a firm specializing in outsourced sales, differ in our reasoning. We feel any solution can be brought back to four key business pain points and these points don't necessarily need a heavy technical sales person. These include:

- Driving revenue
- Reducing expenses
- Creating an efficiency
- Mitigating a risk

If your product or service does one or more then you have a sales story to tell.

To help you better decide if you should [insource or outsource your sales](#), I have outlined some pros and cons of outsourced sales below.

Pro: More Cost Effective

Hiring experienced full-time sales people can be expensive for a startup or an established company. If cash flow is a challenge, then outsourcing your sales on a part-time basis could be a much better option. You can always transition to a full-time resource when budget allows.

Pro: An Experienced Team with Process

An often overlooked aspect of outsourcing your sales is that you are also purchasing a sales methodology and infrastructure with it. Know what to do, how often to do it, where to store information, how to run reports all matter. If you lack the sales experience in your current team, then outsourcing can be a plus.

Pro: More Time Effective

In addition to cost, properly managing a sales team and process take time and consistent effort. If you are in a position where you do not have the time to be the sales manager on an ongoing basis then it may make sense to look to outsource to an organization that brings that to the table as part of their offering. In addition, if sales is not in your wheelhouse, then outsourcing to professionals who do sales on a daily basis may also make sense. Save your time for where it can be used most effectively.

Con: Loss of Control

Some people believe that outsourcing sales leads to a loss of control of the customer relationship or even the sales process. I actually think that by outsourcing your sales you can garner more control in the sense that you can clearly outline the process and you can follow it closely via an established sales CRM. From a customer



relationship perspective, I believe that your customer is aware of what companies' products or services they are buying regardless of the sales person. Whether it be your own internal sales person or an outsourced person, the sales rep will hold a relationship with the customer but this should not define the overall relationship by any means.

Con: Loss of Information

A classic argument for not outsourcing is the potential loss of information. What this implies is that your outsourced sales solution is not going to be transparent with the work they are doing and will in essence build up their own network at your expense and not allow you access to it. This can happen if not structured properly and it more often happens in sales agent relationships that are 100% commission based. When selecting a sales outsourcing solution choose one that will populate your sales CRM system, include you in the sales process and meetings and structure it that all proposals and pricing needs to be signed off by you.

Con: Cost

One argument that people often use to nix the idea of outsourced sales is cost. The hourly rate I am paying is higher than I could pay some internally, the commission structure is higher and so forth. I would have someone who is using cost as an objection consider the total cost of using an outsourced solution versus in-house. Sure, in some cases you will pay more hourly or daily and you may have to pay a higher commission. This outsourced solution though does not have to be a full-time resource and hence using it on a part-time basis could mitigate the cost.

In addition, having a full-time resource that is comparable in cost could mean getting some with less experience requiring you to do more managing. The soft costs of hiring a person must also be considered – items such as benefits, computer/software, desk space, sick days, vacations, government burdens and so forth. These costs in addition to pure salary must also be considered.

[Every company should take a look at their own situation](#) and decide whether or not it makes sense to outsource sales in some capacity. If you have the funds, time, and expertise, then hire a full-time sales resource. If you don't, then considering outsourcing the sales function makes a great deal of sense. [Please contact me if you would like to chat and determine whether an outsourced sales approach makes sense for your organization.](#)