

## What is Sales Outsourcing - Does it make sense for my company?

Business Process Outsourcing (BPO) involves taking a function or process and contracting with an outside firm to perform the required tasks. *Sales outsourcing* typically refers to the creation of an entire sales and sales management program by an outside company on behalf of the contracting firm. It can also involve outsourcing specific sales programs or campaigns or key elements of them.

The business reasons for outsourcing sales vary tremendously. However according to a survey conducted by the Outsourcing Institute, its members identified the following top 10 reasons for why companies outsourced their sales.

- Resources not available internally
- Gain access to world-class capabilities
- Reduce and control operating costs
- Free internal resources for other purposes
- Improve company focus
- Sales functions difficult to manage or out of control
- Share risks with a partner
- Make capital funds available
- Cash Infusion
- Accelerate return on investment from re-engineering

Historically, sales outsourcing has also been used by companies to expand into new geographies or when preparing to introduce a new or unique product or sales campaign. Today, sales force outsourcing is rapidly becoming a growing area within the overall Business Process Outsourcing (BPO) market. According to Dun & Bradstreet, outsourcing of field sales is expected to grow fivefold over the next two years. In fact except for IT and finance, sales and marketing is now the most active area for outsourcing. Organizations are embracing the principle that **“if it isn’t your company’s core competency, then take the activity or business process and contract it out”**.

Inherent in this philosophy is the idea that by off-loading or outsourcing sales or other functions, companies are able to channel valuable resources into making their products *better* rather than worrying about how to get the product out to customers. Time and money that would have been spent hiring and developing a sales team and implementing a sales process can now be focused on internal requirements.

*“The real benefit of Business Process Outsourcing is in the value it brings that doesn’t necessarily equal cost savings. Things such as time to market and support may not necessarily show up on a balance sheet, but can be critical to a company’s success.”*

**-Frank Casale, President of the Outsourcing Institute**