







## Choosing a Foreign Representative

This checklist will help you decide the criteria for choosing a good foreign business partner.



# Choosing a Foreign Representative

When you are ready to choose a foreign representative or distributor, use this checklist to assess if it will be a good match. Tailor it to your company's needs. Key factors vary significantly with the products and countries involved.?

## Size of Sales Force?

- How many field salespeople does the representative or distributor have?
- What are the short- and long-range expansion plans, if any?
- Would it need to expand to accommodate your account properly? If so, would it be willing to do so?

## Sales Record?

- Has its sales growth been consistent? If not, why not? Try to determine its sales volume for the past five years.
- What is the average sales volume per outside salesperson?
- What are its sales objectives for next year? How were they determined?

## Territorial Analysis?

- What sales territory does it now cover?
- Is it consistent with the coverage you desire? If not, is it able and willing to expand?
- Does it have any branch offices in the territory to be covered?

- If so, are they located where your sales prospects are greatest?
- Does it have any plans to open additional offices?

## **Product Mix?**

- How many product lines does it represent?
- Are these product lines compatible with yours?
- Would there be any conflict of interest?
- Does it represent any other U.S. firms? If so, which ones? (names and addresses)
- If necessary, would it be willing to alter its present product mix to accommodate yours?
- What would be the minimum sales volume needed to justify its handling your lines? Do its sales projections reflect this minimum figure? From what you know of the territory and the prospective representative or distributor, is the projection realistic?

## **Facilities and Equipment?**

- Does it have adequate warehouse facilities?
- What is the method of stock control?
- Does it use computers? Are they compatible with yours?
- What communications facilities does it have (fax, modem, telex, etc.)?
- If your product requires servicing, is it equipped and qualified to do so? If not, is it willing to acquire the needed equipment and arrange for necessary training? To what extent will you have to share the training cost?
- If necessary and customary, is it willing to inventory repair parts and replacement items?

## **Marketing Policies?**

- How is the sales staff compensated?
- Does it have special incentives or motivation programs?
- Does it use product managers to coordinate sales efforts for specific product lines?
- How does it monitor sales performance??
- How does it train its sales staff??
- Would it pay or share expenses for its sales personnel to attend factory-sponsored seminars??

## **Customer Profile?**

- What kinds of customers is it currently contacting?
- Are its interests compatible with your product line?
- Who are the key accounts?
- What percentage of the total gross receipts do these key accounts represent??

## **Principals Represented?**

- How many principals is it currently representing??
- Would you be its primary supplier??
- If not, what percentage of the total business would you represent? How does this percentage compare with other suppliers??

## **Promotional Thrust?**

- Can it help you compile market research information to be used in making forecasts??
- What media does it use, if any, to promote sales?
- How much of the budget is allocated to advertising? How is it distributed among various principals??
- Will you be expected to contribute funds for promotional purposes??
- How will the amount be determined??
- If it uses direct mail, how many prospects are on the mailing list??
- What type of brochure does it use to describe the company and the products that it represents??
- If necessary, can it translate your advertising copy??