

*Sales Agents:*

The sales agents of this region will usually be an owner and operator of his own business. He will typically represent some other companies for similar products for the same target market as your product. For example, his company may represent an European manufacturer of microwave antennas, an American manufacturer of radio transmitters and a Japanese manufacturer of transmission cables. If your product is multiplex equipment, it is possible this could be a good business marriage.

His business will likely also have a staff of technicians, a showroom and proper business offices, a stores for inventory, and perhaps a workshop in which repairs can be made.

His language of business will be very much the same as yours. He will understand the concepts of margins, expenses, unit costs, economies of scale, good technical engineering, etc. In short, he will be a colleague in the same business as you.

Just the same, negotiating the agency arrangement needs some special attention and forethought. There are a multitude of considerations such as:

- Will he buy your product and act as a re-seller or will he act as an OEM? Your discounted selling price to him must be thoroughly thought out from the standpoint of the costs you will bear, the value to him and the ultimate selling price in the market.
- What is the market potential? How many units could he possibly sell etc.?
- What should his territory be - the country; the area within the country; or several countries?
- Does his company had a good reputation as a sound company to do business with?
- What are the technical capabilities of his managers, engineers and technicians?
- Does he represent companies that can be seen as possible competitors?

And so on! And so on!

Finally, you must ask yourself - do you want to work with this person? Is the chemistry right and do you feel confident about him? Has the trust factor started to develop between the parties?