

The need of Sales Process Outsourcing for foreign company for India Market

In today's highly competitive business environment, outsourcing is becoming more and more important. It helps to increase speed of work in shorter time, thus providing the company with power to withstand the tough competition. There are plenty of benefits that outsourcing provides, and if you are in a business that includes Sales in it, and wishes to capture India market, then you definitely require Sales Process Outsourcing.

Sales Process Outsourcing is a process by which one can enhance their sales with help of experts on board for short period. The reason why one would require Sales Process Outsourcing lies behind the fact that it benefits the company by enhancing the sales of the products, no need to commit human resources for longer period, local experts bring customer and competitor insights, and company can allocate sales & marketing resources to other important markets.

Sales Process Outsourcing is an act in which a third party industry expert is engaged and becomes a virtual sales force. By sales Process Outsourcing, a company gets an external company which acts as a sales force for the company. The external company acts in such a way that the end customer feels that the company is selling the product to them though it is actually done by the external company. This is what actually happens in sales Process Outsourcing. Thus Sales Process outsourcing proves to be extremely beneficial to the company and to the sales of its products.

Benefits;

- it helps the company in gaining speed to the market
- it adds up to the sales strategies and thus enhances the rate of sale
- it allows the companies to use and access that market which are unavailable thus, enhancing the sale and thereby enhancing the business
- helps the company in improving the ways and system of sales thus leading the company towards growth so that it can capture a better place in the market and maintain it for longer span of time.
- local market, environment & customer knowledge, helps to fine tune sales strategies for success
- better response time due to close proximity to clients, high customer service level
- SPO's relationship with key decision makers at clients side, reduces sales cycle time
- allocate foreign office resources to other key markets
- Better insight about customers, competitors, prices, other factors helps to develop right sales & marketing strategy for higher return on investment and business growth
- Get experts on board for shorter period, hence not committing fixed cost for longer period

Benefits of SPO in Wind Energy Sector in India

India is 3000+ MW / year market for new wind turbines for next 10 years. It has 25 wind turbine manufacturers and installed capacity of 18000 MW (2012) wind power. More than 70% key components and systems of wind turbines are imported from Europe and other countries. Most of turbine design is also from Europe. India is a market that any foreign company can't afford to ignore. Market need better product & solutions and it also has several unmet needs.

For a foreign company to establish local team, office, developing them to foreign HQ level is a huge time and cost. Prototype approval and recertification (in some cases) makes sales cycle longer, which makes it more

tough for company to predict sales and achieve return on investment. High cost equipments and solutions (not catalogue products) require a different approach.

The best approach is to work with Sales Process Outsourcing partner for 3 to 5 years, complete prototypes, collect facts and data about market, customer, competitors, prices, service level requirements etc. and decide future strategy, whether to appoint local agent. or start own operation for sales & service.

Agent v/s SPO partner

If you are evaluating an option to appoint the agent for new market and new customer development on sales success fee basis, it simply will not work. Market & customer development require longer time and lot of upfront cost of office, people, travel etc. and most important very different skill set, that agent might not be able to invest till success fee starts taking care after few years. Generally agent has limited technical, sales skills and resources and are good at maintaining relationships, sales & services.

Agency concept might work well with small value items, catalogue products or for a components which customers have accepted and are already using it and no significant customer and market development efforts are needed, only maintaining sales & service of existing products are required.

Temptation to appoint agent and number of agents ready to sign agreement, company is leaving India market to a chance. If time is lost, market is captured by competitors, while company may save on success fees not paid to share expenses to agents (as agents are paid as success fee is sale happens), the loss to foreign company is much bigger and can often works out to be in millions of Euros/Dollars.

Conclusion

It will be a risk of time and loosing market opportunity, if customer and market development in key market like India is left to chance. Either enter India market with your own set-up, resources or enter in to sales process outsourcing arrangement with proven company like KgGuruji Consulting & Services for 3 to 5 years and then decide your own set-up. This is sure success and risk free path in achieving objectives higher sales, higher market share, higher return on investment.

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