



CA - Sprott Business Competition Carleton University

CA - SBC Tips & Strategy Sheet 6c: Investing in SS

In business, your **relationships** with your suppliers and distributors are very important. In many ways, you are all working as a team to serve the customer. Everyone in the **supply chain**, which includes the supplier of the materials used to make your products, the manufacturer (*YOU*), distributors, wholesalers and retailers, is interested in making sure your customers are happy.



When considering your investment in **Sales Support (SS)**, keep in mind that investment in this area includes paying appropriate sales commissions, promotional activities, merchandising, strengthening ties with suppliers, global branding initiatives, and the development of new distribution channels. Firms cannot specify SS expenditure below **\$1,000**.

SS has a **moderate** effect on a firm's **demand and sales**. Promotions such as weekly sales, product coupons, and rebates help build consumer demand for your products. They generate brand awareness and give consumers discounts that could positively influence their decision to purchase your products.

It is also this aspect of your business that allows you to get your products from your manufacturing plant to the consumer. It is the key to a successful supply chain. The illustration below demonstrates the key partners in a supply chain. Investments in SS assist your firm in building relationships with these different partners, thus making it possible for you to serve the customer.



An inadequately marketed product is difficult to purchase. You can have a great price and all the advertising in the world, but if your product is not on the shelves or if salespeople are not being adequately paid to sell it, you aren't going to be successful. It is important to pay your salespeople enough so that they can sell to the retailers and distributors that offer your product. Build your business relationships by having well trained salespeople and your company will be in good standing.

SS is a key component of every business and firms would be wise to invest a good amount in this area. Just be sure to remember not to neglect other important areas of the business at the same time or efforts in this area will be wasted.

These tips are brought to you by:

