

Business Info

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DIFFERENCES BETWEEN A COMERCIAL AGENT AND A SOURCING COMPANY

There's still a lot of confusion between the role of a sales agent and a sourcing/procurement company.

Both are important – but their goals are completely different.

● A sales agent represents suppliers. ●

Their focus is on promoting the products they already have and finding buyers for those items.

Their success depends on the sales generated for their represented factories, often through commission-based agreements.

They're essential when a manufacturer wants to expand into new markets without having a local presence.

Usually, besides a commission over succeeded sales, they are paid a fix wage for their work, usually lower than a standard worker.

● A sourcing company, on the other hand, represents the client. ●

Its focus isn't to sell what exists, but to find what the client needs, based on technical specs, price, delivery time, certifications, and logistics.

It's a broader function that includes:

- 🔑 Identifying and validating factories.
- 🔑 Place enquiries, discuss terms and negotiate commercial conditions,
- 🔑 Supervising quality and compliance, and
- 🔑 Managing the entire logistics process until final delivery.
- 🔑 Follow-up if there are any claims

 A sales agent sells what's available.

 A sourcing company finds what's required.

Business Advice

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Neither is better — they're just different functions with distinct purposes. But understanding that difference is key to optimizing costs, reducing risks, and building sustainable business relationships.

For these and other reasons, you can always count with a specialist in the process of sourcing and procurement.

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