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# Increase your Sales Team without Employing Extra Staff

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It would be an understatement to say that luxury fashion brands are reliant on sales. As such, each brand needs people to sell its wares. And remember that direct selling is a world of its own and not encompassed by marketing, advertising, and promotion.

Depending on the scale of operation, the Sales Department of a luxury fashion brand could be headed by a Sales Director or Sales Manager. This individual is responsible for all product sales and will also decide on the best strategies to maximise sales.

## **Sales Strategies**

Luxury fashion brands may use sales representatives, sales agents, a mix of both or neither of these two sales strategies. The choice of strategy depends on finances, availability of representatives and agents, geographical reach, demographic target, and other factors.

## **Sales Representatives**

Sales Representatives sell retail products, goods, and services to customers. Sales representatives sometimes work with customers to find what they want, create solutions, and ensure a smooth sales process. This tends not to be the practice in the luxury fashion sector. Sales Representatives also work to identify new sales leads.<sup>1</sup>

Sales Representatives need to be recruited, trained, and inculcated into the ways of a company. This involves the same process as employing any other member of staff and legally requires an employment contract.

## **Sales Agents**

A Sales Agent is a self-employed salesperson who works, usually alone, for perhaps several non-competing companies. The Sales Agent obtains orders for those companies and is paid commission on those orders.<sup>2</sup>

The Sales Agent usually works in a specific area of industry is confined to a geographical area. The Sales Agent typically keeps his agencies within the same industry. A major of using Sales Agents is to offer his customers a range of products rather than a narrow line of product that an employed salesperson or Sales Representative has at hand.

Sales Agents need to be recruited but in a different way compared to Sales Representatives. Sales Agents do not become a staff member. They are self-employed so need managing differently than employees.

Often Sales Agents will already have a comprehensive knowledge of the territory to be targeted and may even know the potential stockists.

### Representative or Agent?

Large department stores prefer direct contact with a brand rather than accessing products via a Sales Agent who has less scope to negotiate. Some department stores purchase from a central point and then distribute to all their stores. Other stores may identify a Sales Representative as a preferred supplier. The Sales Representative then needs to visit each store to ascertain what stock needs and when they should be purchased. For smaller stores and independent boutiques spread throughout the UK or other countries, the only feasible way of selling product to retail is by using a Sales Agent.

### Sales Representative and Sales Agent Snapshot

Here you can see a summary showing the differences and similarities between Sales Representatives and Sales Agents.

	Sales Representatives	Sales Agents
<b>Costs</b>	£30,000 minimum	Pay commission
Additional Outlay	National Insurance at 13.8% of any salary over £720 as of 2020. The employer may contribute to an auto-enrolment pension scheme and pay for office facilities, mobile phones, a motor vehicle, and business expenses including entertainment.	Successful conversions usually result in the payment of commissions of 10% to 20% on sales *
Total Expense	£50,000 minimum paid irrespective of successful conversions or sales	Commission is paid only on sales made
<b>Management</b>	An employed staff member	Similar to a remote partner who is not motivated by internal brand benefits
<b>Recruitment</b>		
Advertisements	Yes	Yes
Recruitment firm	The brand needs to pay 10% - 15% of annual salary to the recruitment agency, usually a one-off	Not required
<b>Contract</b>	Yes	Yes, but it appears many firms do not have a written contract **
<b>Risks Involved</b>	Large up-front costs with no guarantee of success.	The brand only pays for successful returns. If agent is not successful, then relatively easy and cheap to terminate. ***

## Notes to the Table

\* Commission rates can vary. If the brand is well established or highly recognisable and volumes may be high, then rates would potentially be lower. However, a newly founded whereas a totally new brand would require more work so commission would be higher.

\*\* A contract is highly recommended for any Sales Agent. Without one, the Sales Agent will be vulnerable to dismissal and has little protection.

\*\*\* If an agent is unsuccessful then it is relatively easy and cheap to terminate their service as compensation for the loss of office would be insignificant. If an agent is successful and the brand decides to terminate through no fault of the agent, then compensation can be expensive; all the more reason to have a good contract setting out the terms of engagement. This applies to both the brand and the Sales Agent.

### **Kevin Brady**

Kevin Brady is a Sales Agent based in Newcastle, in North East of England. From 1994 to 2005, Brady worked for Barbour as a Sales Agent in the Edinburgh area. From 2006 to 2016 he was with Hunter Boots before setting up his own agency in the New Year of 2016. To cover these areas in the North of England based in London would not have been viable and definitely not profitable.<sup>3</sup>

Kevin was also contracted to Puma and Cadbury Schweppes in the 1980s and 1990s.

## Recruiting a Sales Representative

There are many avenues that luxury fashion brands can explore when seeking a sales representative. Brands can get in touch with recruitment companies or online news agencies like Fashionista and Business of Fashion that run can advertisements on behalf of the label.

## Recruiting a Sales Agent - AgentBase

When a brand wishes to recruit a sales agent, its first port of call should be [AgentBase](#), the leading sales agent register in the UK.<sup>4</sup> AgentBase was established in 1993 and has an estimated 8,000 sales agents in its database. Brands can place a one-off advertisement on the AgentBase website for a minimal cost of £500. For a fee of approximately £5,000, brands can discuss its requirements in detail, draw up a suitable contract, place the advertisement, screen all applicants, and interview the most suitable candidates. Candidates are then shortlisted, and an appointment can be made.

AgentBase runs a full one-day seminar to teach brands all about the intricacies and ins and outs of using sales agents.

### **Sales Agents Prerequisites**

Here are some factors to consider when recruiting a sales agent:

- do they have a good market reputation and track record
- do they have the capacity to do the job, as well as operate other possible contracts
- do they have the ability or not to sell competing products
- what territory or geographical area to they cover
- what are the key performance indicators (KPIs) contained in the contract
- does the possibility of appointment and management of sub-agents exist
- which products they can sell and at what rate of commission; they may not be able to sell all products
- what are the terms on how the contract can be terminated by either party
- what restrictions can be placed on the agent's activities after termination

In many ways, a sales agent contract is very much like that of a sales representative. However, with sales reps, the employment law is different from that of agents who are governed by Commercial Agents Regulations.

### **Legal Compliance**

Should the brand be considering taking on board an entire team of sales agents in the UK and possibly abroad, it will be necessary to check that all the legal requirements of contracts are met. Remember that different regulations apply in different countries, even in the European Union. [Fox Williams agentlaw](#) is an example of a website that helps principals, agents, suppliers, and distributors achieve their legal business objectives. Based in London, Fox Williams has a team of more than 12 specialists who offer services in this type of law.

According to the Fox Williams agentlaw website:

*“The Fox Williams’ agentlaw team are a dedicated group of lawyers from different disciplines within Fox Williams who have an in-depth understanding of this relationship. We have a wealth of experience in this area and routinely act for both agents and principals. The team provides specialist technical expertise in relation to the rights and obligations of agents and principals arising out of EU Regulations. We*

*also provide practical, commercial advice for agents and principals on all aspects of the agency relationship, from revising agency agreements to bringing proceedings upon termination.*<sup>5</sup>

## **Sales Agents versus Distributors**

What is the difference between sales agents and distributors? Sales agents work on behalf of the brand to arrange a sale. The final contract of sale, however, is between the brand and the customer. Conversely, a distributor is a customer of the brand who buys the products from the brand. The distributor then sells products on to their own customer base such as wholesalers. The law pertaining to distributors can be complex so worthwhile for brands to get advice at the outset.

## **Both Sales Agents and Distributors**

Some companies act as both sales agents and distributors. Let's look at a few here.

### **M&L Harris Agencies**

[M&L Harris Agencies](#) is owned by husband and wife team Michael and Liliane Harris. The agency was founded in 1978 and is headquartered in London.

Liliane Harris, the Managing Director, first started her career in sales at Yves Saint Laurent. Having observed the potential for the UK market, in 1978 she left the prominent fashion house to establish M&L Harris Agencies, with her husband, Michael. According to the company website, her dream was to make international women's ready to wear designer brands accessible to British stores.<sup>6</sup>

M&L Harris proceeded to add other prominent brands to their portfolio including Christian Dior, Nina Ricci, Moschino Jeans & Cavalli who have all now gone onto opening their own in-house showrooms. Other brands that have seen success under Liliane's direction include Lanvin, See by Chloe & Valentino Red. A more recent client of the agency is Twin Set.

M&L Harris also distributed for a selection of high-end brands such as Stella McCartney, Marc Jacobs, and Chloe. The agency's line of business also includes the wholesale distribution of men's and boys' apparel and furnishings. M&L Harris often hosts sample sales with up to 80% off RRP in their headquarters at 10-11 Greenland Place, Camden Town, London.

### **Bld International Fashion Agency**

[Bld International Fashion Agency](#) Limited is a London-based agency incorporated in October 1982, according to Companies House. Bld International website has this to say and not much else:

*“bld is a Fashion Agency with over 30 years’ experience in the industry and has a diverse and impressive client list. The company represents international premium designer wear brands and its clients include major department stores as well as top independent retailers and specialist stores throughout the UK and Eire.”<sup>7</sup>*

The Fashion and Design Club could not find luxury brands of any significance listed on the Bld International website.

### **Lucy Wernick Fashion Agency**

[Lucy Wernick Fashion Agency](#) Limited was founded in 1993 by the company namesake after she was awarded a £1,500 council grant and a loan from her father to start up the business. The company now has exclusive distribution rights for American brands such as Rebecca Taylor, Essentiel Antwerp, 360 Sweater, Velvet & Mother. The company ships 450,000 items a year with an average retail value of £62, to Galeries Lafayette and UK stores such as Harrods and Harvey Nichols.

The Lucy Wernick Fashion Agency showroom is located in Farrington in the City of London. The Fashion and Design Club is not familiar with any of the brands listed on the agency’s website.<sup>8</sup>

### **Barefoot Chic**

Barefoot Chic is a Fashion Sales and Consultancy Office founded in 2013 by Joana de Noronha and Claudia Chaparro Pignalosa. The founders have worked for well-known brands such as Louis Vuitton, Alexander McQueen, Diane von Furstenberg, and Heidi Klein.

Barefoot Chic is a multi-service company, grouping together various managerial skills which many small and medium businesses may not have. The company offers integrated solutions to Sales and Communications and services include consultancy, sales, branding, and PR.

The [Barefoot Chic](#) website yields nothing much other than a list of clients, a contact email address and a message stating ‘new website coming soon.’<sup>9</sup> However, information can be found on the company Facebook page. According to the social media platform:

*“BC discovers and nurtures talent internationally, working across the entire spectrum of Sales, Consultancy, Branding and PR to shape brands and build successful businesses.*

*Based in London, the Showroom has both worldwide and UK distribution reach and works with the greatest retailers around the globe such as Net-a-Porter, Harrods, Selfridges, Harvey Nichols group, Bergdorf Goodman, Barney’s, Printemps, Le Bon Marche and Lane Crawford, as well as with leading Luxury Hotel & Resorts chains such as One & Only, Four Seasons and Aman to name a few. Our Clients include Lenny Niemeyer, Marysia Swim, Adriana Barra, Babajaan, Key Leaf and Valia Gabriel.”<sup>10</sup>*

## Polly King

[Polly King](#) is an international fashion agency with offices in New York, Los Angeles, London, Paris and Copenhagen. The agency also has a ground sales reach in the USA, UK, France, Germany, Switzerland, Austria, and Russia.<sup>11</sup>

According to the company website:

*“Our core philosophy and values are built around sustainable brand building and positioning. Working collaboratively with our clients, utilising our team’s depth of knowledge and experience, coupled with our global network of contacts, we are able to best position and develop a brand within the marketplace.”<sup>12</sup>*

On its website, Polly King lists brands such as Camilla, Faithful the Brand, Rains, Solace London and Studio Nicholson to name but a few. The Fashion And Design Club is unfamiliar with these entities and all other brands found on the Polly King website.

## References

<sup>1</sup> Snagajob 5 March 2013 - Sales Representative Job Description:  
<https://www.snagajob.com/job-descriptions/sales-representative/>

<sup>2</sup> AgentBase The UK Sales Agent Register 26 September 2017 - Factsheet 1 – Becoming a Sales Agent – The Bare Facts:  
<https://www.agentbase.co.uk/factsheets/factsheet-1-becoming-sales-agent-bare-facts/>

<sup>3</sup> LinkedIn – Kevin Brady: <https://www.linkedin.com/in/kevin-brady-507a1312/>

<sup>4</sup> AgentBase website: <https://www.agentbase.co.uk/>

<sup>5</sup> Fox Williams agentlaw website: <http://www.agentlaw.co.uk/site/about/>

<sup>6</sup> M&L Harris Agencies website: <https://www.mlharris.agency/about>

<sup>7</sup> Bld International website: <https://bld.co.uk/>

<sup>8</sup> Lucy Wernick Fashion Agency website: <https://www.lwfa.co.uk/>

<sup>9</sup> Barefoot Chic website: <https://www.bare-agency.com/>

<sup>10</sup> Facebook – Barefoot Chic:  
[https://www.facebook.com/pg/barefootchicshowroom/about/?ref=page\\_internal](https://www.facebook.com/pg/barefootchicshowroom/about/?ref=page_internal)

<sup>11</sup> Polly King website: <https://pollykingandco.com/about/>

<sup>12</sup> Polly King website: <https://pollykingandco.com/about/>