



Direct Sales vs. Order Takers

Direct Sales are when you keep an inventory of the product, which you are selling. Examples of products, which are most commonly identified with Direct Sales, are food products. The group usually receives boxes of product that are distributed to the program participants who in turn sell it at a profit.

Pros

- Instant gratification from sale of product. Purchaser gets to enjoy the product immediately.
- Purchaser can examine the product before purchasing.
- Shorter fundraiser length. Usually merchandise is first ordered, then pending receipt, sold at predetermined locations.
- Lower priced merchandise. If using candy or food, most items are \$1-\$2 retail. This promotes higher volume sales, and makes your fundraiser more affordable to a larger group of people.
- Requires only one contact with the purchaser.

Cons

- Requires you to purchase inventory upfront. You have to guess what quantity your group may sell. Don't over order!
- May require money upfront. If you do not get credit terms from the fundraising company, you will need to spend money first, to make money later.
- Requires program participants to handle more cash.
- Lower dollar sales can translate to lower gross profits raised. You must make it up with higher volume.

Order Takers are when you pre-sell the product before you take inventory. Gift-wrap is an example of a product that is usually associated with order taking. Program participants are provided with catalogs where they take orders from friends and family. Orders are collected, consolidated and then ordered in bulk from the fundraising company. Merchandise is then shipped to the fundraising group for distribution to those who bought the item being sold.

Pros

- Know how much you sold before you buy, no inventory risk for your group.
- Free pre-sale brochure. Most fundraising companies will offer you a free order taker brochure for pre-sales of their products.



- Less handling of cash by program participants. Most purchasers pay by check.
- Makes selling higher priced merchandise easier to do.

Cons

- . No sense of urgency for people to buy.
- . Products not received until 30-90 days from time of order.
- . Longer fundraiser duration from start to finish.