The Impact of Intermediary Sales Force and Effective Incentive Structure on Supply Chain Performance

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Abstract

In many supply chains, it is common practice for manufacturers to use a sales force to promote sales and improve coordination with retailers. In this paper, we investigate the impact of a salesperson on the profit of the manufacturer and the overall supply chain. We show how a proper compensation plan for salesperson can serve as a mechanism for improving supply chain efficiency.

Keywords: Sales Force; Principle Agent Problem; Incentive; Supply Chain;