

BUYING AGENTS: FUNCTIONS, COMMISSION AND CONTRACT

Buying agents –also known as purchasing agents– are increasingly used in foreign trade operations: exports and imports. Buying agents are responsible for buying supplies, products, materials and services at the lowest possible price while maintaining a high level of quality. Buying agents must be skilled in assessing current market conditions as they directly affect supply and demand for services and products. Factors that are considered during the process include evaluating quality and reliability, price and availability in addition to customer service available after the purchase. The goal of a buying agent is to locate suppliers and to negotiate the best price without sacrificing quality for those goods and services needed by their organization. Here are some helpful tips and suggestions on how to become a buying agent.

A buying agent is a professional who is charged with the responsibility of maintaining adequate amounts of essential materials on hand for the operation of a business. In addition to being concerned with making sure the business has what it needs to produce goods and services, the agent is often actively involved in the task of negotiating prices for those materials. A buying agent may function alone in a small company or be part of a buying team for a larger company. A large part of buying agents work on their own through a [Buying Agent Contract](#) that they sign with their clients, through which they receive commissions for the operations carried out.

A basic job description for this position will provide data on the specific range of tasks assigned to the position. Depending on the culture and structure of the company involved, the agent may be responsible for managing the inventory for everything from office supplies to raw materials used in manufacturing goods. Within the scope of making purchases for the inventory, the agent may be granted the authority to enter into contracts with vendors on behalf of the employer. In other instances, the buying agent may be actively involved in negotiations to secure the best unit pricing on the goods ordered, ultimately referring the matter to an executive for approval before actually placing the first order.

With most buying agent positions, it is necessary to constantly compare pricing for different goods and services in order to save the company money. This is especially true when the business operates multiple plants at various locations. In this scenario, each plant will normally have a supply clerk who manages materials inventories at that level, but coordinates purchases through a buying agent. Typically, the clerk submits a requisition for goods to the agent, who then evaluates the request. If it is approved, the agent determines where to get the best deal on those goods and matches the requisition to a purchase order. At that point, the order is placed with the approved vendor and the goods can be shipped directly to the plant where the request originated.

In order to be a successful buying agent, it is necessary to have strong organizational skills, understand the industry involved, and be able to research and qualify vendors with a great deal of efficiency. Since an agent typically must interact with others within the company as



well as vendors and suppliers, the ability to communicate clearly is also extremely important. Since purchasing work in a large company can be somewhat stressful, a buying agent must also be able to deal with difficult deadlines and often manage more than one project at a time in order to fulfill his or her responsibilities

Steps to become a buying Agent

- 1. Conduct some research on the Internet to explore the industry and to learn more about the type of work performed by a buying agent.** This is an important initial step if you have no experience or training in the field.
- 2. Know that a general requirement to successfully enter the field and become a buying agent is to have a Bachelor's Degree.** Many firms prefer that applicants have a Master's Degree. Some sectors or specializations require certification
- 3. Think about your lifestyle and personal obligations when considering a career as a buying agent.** The work environment often will include irregular hours and a tight schedule due to production requirements and meeting deadlines. Peak periods may extend the work load into evenings or weekends as well as holidays.
- 4. Understand that the work of a buying agent often includes travel to meet with potential suppliers to negotiate prices.** Buying agents also attend conferences that entail long distance travel
- 5. Evaluate your skills and abilities to assess if you have the aptitude to succeed as a buying agent.** Work within this field requires strong communication skills and the ability to negotiate.
- 6. Consider your ability to analyze technical data and to perform financial analyses.** You must have strong mathematical and computer skills in addition to understanding the workflow of supply-chain management.
- 7. Assess your level of business expertise, marketing and leadership skills.** Buying agents must have solid organizational and decision making abilities.
- 8. Consider registering with professional associations for those working as buying agents.** At the same time explore career options to learn more about the industry as well as having the opportunity to network with those already working in the field as buying agents.

Buying Agent Commission

Usually buying agents obtain their income through the commissions they charge their clients for the purchase operations carried out. Sometimes they can also receive income

from travel expenses to visit potential suppliers. The commissions usually oscillate between 1% and 10% of the amount of each operation carried out. As a general rule, the higher the transaction amount, the lower the commission received by the purchasing agent.

Buying Agent Contract

Finally the buying agent should sign a contract with their clients. In the [Buying Agent Contract](#) one party (Principal) appoints another (Buying Agent) to represent and buy a specific kind of products within a specific territory that can be a country or multiple countries. The responsibilities of the Buying Agent may include, among others, the following: identifying manufacturers and suppliers of products within the described territory; negotiating prices, terms of delivery and payment; managing the international transport of documents which comply with export and import procedures; assisting and serving as a translator of the Principal's representatives when visiting the country to negotiate purchase contracts or to check on the manufacturing of products.



To obtain the model of the Buying Agent Contract in several languages, click on:

- [Buying Agent Contract](#)
- [Contrato de Agente de Compras](#)
- [Contrat d'Agents aux Achats](#)

NEGOTIATION AND ETIQUETTE GUIDES IN 70 COUNTRIES

How to negotiate and do business in
BRAZIL

Introduction
Brazil is the fifth largest country in the world and the 15th in terms of population. It is a great geographical position and very important in manufacturing of consumer goods. There are many trade opportunities and export markets. Infrastructure and transport are improving and supporting the high technology industries. Brazil is one of the few countries that are not an industrial industry already established. Culture: The head of the government is the legislative power holder. Tom Copeland is Chief negotiator in Brazil.



KEY FACTS

POPULATION: 191.1m
AREA: 8,511,965 sq km
FORM OF GOVERNMENT: Federal republic (28 states and 1 Federal district)
GDP PER CAPITA (PPP): USD 1,300
COUNTRY RISK RATING (Global Risk): Medium-High (A1-A2, A3, A4, B-C, D)
CURRENCY: Real (R\$) = 100 cents
OFFICIAL LANGUAGE: Portuguese

CONTENTS

RELIGION: Catholic (70%), Protestant and Evangelical (25%), Muslim and traditional (5%)
CAPITAL: Brasilia (Br)
MAIN CITIES: Sao Paulo (10m), Rio de Janeiro (7m), Belo Horizonte (3.5m), Salvador (2.5m), Recife (2.5m), Porto Alegre (2.5m)
TELEPHONE CODE: 55
INTERNET CODE: .br
NATIONAL HOLIDAY: 15 September

Negotiation and Etiquette in Brazil

How to negotiate and do business in
CHINA

Introduction
China is the most populous country in the world. It is a great geographical position and very important in manufacturing of consumer goods. There are many trade opportunities and export markets. Infrastructure and transport are improving and supporting the high technology industries. China is one of the few countries that are not an industrial industry already established. Culture: The head of the government is the legislative power holder. Tom Copeland is Chief negotiator in China.



KEY FACTS

POPULATION: 1,339m
AREA: 9,596,961 sq km
FORM OF GOVERNMENT: Communist Party of China (CPC)
GDP PER CAPITA (PPP): USD 1,000
COUNTRY RISK RATING (Global Risk): High (A1-A2, A3, A4, B-C, D)
CURRENCY: Yuan (RMB) = 100 cents
OFFICIAL LANGUAGE: Chinese

CONTENTS

RELIGION: Confucianism, Taoism, Buddhism, Islam, Christianity, etc.
CAPITAL: Beijing (20m)
MAIN CITIES: Shanghai (20m), Shenzhen (15m), Hong Kong (7m), Guangzhou (10m), Chengde (10m), Nanjing (10m), Wuhan (10m), Xi'an (10m), Kunming (10m), Harbin (10m), Urumqi (10m)
TELEPHONE CODE: 86
INTERNET CODE: .cn
NATIONAL HOLIDAY: 1 October

Negotiation and Etiquette in China

How to negotiate and do business in...
RUSSIA

Introduction
Russia is the largest country in the world. It is a great geographical position and very important in manufacturing of consumer goods. There are many trade opportunities and export markets. Infrastructure and transport are improving and supporting the high technology industries. Russia is one of the few countries that are not an industrial industry already established. Culture: The head of the government is the legislative power holder. Tom Copeland is Chief negotiator in Russia.



KEY FACTS

POPULATION: 142.4m
AREA: 17,098,246 sq km
FORM OF GOVERNMENT: Federal republic (81 Federal administrative districts)
GDP PER CAPITA (PPP): USD 1,000
COUNTRY RISK RATING (Global Risk): High (A1-A2, A3, A4, B-C, D)
CURRENCY: Ruble (RUB) = 100 cents
OFFICIAL LANGUAGE: Russian and other (Chechen, Ukrainian, Armenian, etc.)

CONTENTS

RELIGION: Russian Orthodox, Protestant, Muslim (20% of the population adheres to the official religion in the state)
CAPITAL: Moscow (15m)
MAIN CITIES: Saint Petersburg (8m), Novosibirsk (5m), Krasnoyarsk (4m), Yekaterinburg (4m), Omsk (3m), Nizhny Novgorod (3m)
TELEPHONE CODE: 7
INTERNET CODE: .ru
NATIONAL HOLIDAY: 12 June

Negotiation and Etiquette in Russia

How to negotiate and do business in
AUSTRALIA

Introduction
Australia is the sixth largest country in the world. It is a great geographical position and very important in manufacturing of consumer goods. There are many trade opportunities and export markets. Infrastructure and transport are improving and supporting the high technology industries. Australia is one of the few countries that are not an industrial industry already established. Culture: The head of the government is the legislative power holder. Tom Copeland is Chief negotiator in Australia.



KEY FACTS

POPULATION: 22.5m
AREA: 7,688,275 sq km
FORM OF GOVERNMENT: Federal republic (6 territories and 8 independent states)
GDP PER CAPITA (PPP): USD 23,500
COUNTRY RISK RATING (Global Risk): Low (A1-A2, A3, A4, B-C, D)
CURRENCY: Australian dollar (AUD) = 100 cents
OFFICIAL LANGUAGE: English

CONTENTS

RELIGION: Protestant (20%), Catholic (20%), Muslim (5%), etc.
CAPITAL: Canberra (3m)
MAIN CITIES: Sydney (4.5m), Melbourne (3.5m), Brisbane (2.5m), Perth (2.5m), Adelaide (2.5m)
TELEPHONE CODE: 61
INTERNET CODE: .au
NATIONAL HOLIDAY: 26 January

Negotiation and Etiquette in Australia

How to negotiate and do business in
GERMANY

Introduction
Germany is the seventh largest country in the world. It is a great geographical position and very important in manufacturing of consumer goods. There are many trade opportunities and export markets. Infrastructure and transport are improving and supporting the high technology industries. Germany is one of the few countries that are not an industrial industry already established. Culture: The head of the government is the legislative power holder. Tom Copeland is Chief negotiator in Germany.



KEY FACTS

POPULATION: 82.5m
AREA: 357,021 sq km
FORM OF GOVERNMENT: Federal republic (16 states in Länder)
GDP PER CAPITA (PPP): USD 37,500
COUNTRY RISK RATING (Global Risk): Low (A1-A2, A3, A4, B-C, D)
CURRENCY: Euro (EUR) = 100 cents
OFFICIAL LANGUAGE: German

CONTENTS

RELIGION: Protestant (30%), Catholic (20%), Muslim (5%), etc.
CAPITAL: Berlin (3.5m)
MAIN CITIES: Frankfurt (5m), Cologne (4.5m), Munich (4.5m), Stuttgart (4.5m), Düsseldorf (4.5m), Leipzig (4.5m), Berlin (3.5m), Hamburg (3.5m), Dresden (3.5m)
TELEPHONE CODE: 49
INTERNET CODE: .de
NATIONAL HOLIDAY: 3rd October

Negotiation and Etiquette in Germany

How to negotiate and do business in...
JAPAN

Introduction
Japan is the thirteenth largest country in the world. It is a great geographical position and very important in manufacturing of consumer goods. There are many trade opportunities and export markets. Infrastructure and transport are improving and supporting the high technology industries. Japan is one of the few countries that are not an industrial industry already established. Culture: The head of the government is the legislative power holder. Tom Copeland is Chief negotiator in Japan.



KEY FACTS

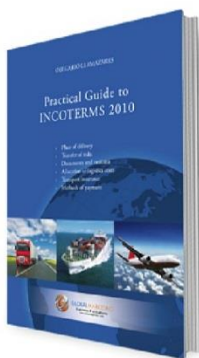
POPULATION: 127.1m
AREA: 377,975 sq km
FORM OF GOVERNMENT: Constitutional monarchy (10 prefectures)
GDP PER CAPITA (PPP): USD 29,400
COUNTRY RISK RATING (Global Risk): Low (A1-A2, A3, A4, B-C, D)
CURRENCY: Yen (JPY) = 100 cents
OFFICIAL LANGUAGE: Japanese

CONTENTS

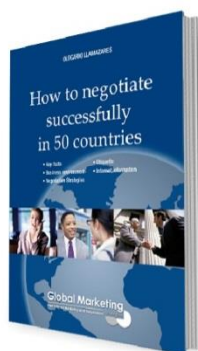
RELIGION: Shinto and Buddhism (80%), Christianity (2%)
CAPITAL: Tokyo (13m)
MAIN CITIES: Yokohama (3.5m), Osaka (3m), Nagoya (2.5m), Kyoto (2.5m), Fukuoka (2.5m), Sapporo (2.5m), Hiroshima (2.5m)
TELEPHONE CODE: 81
INTERNET CODE: .jp
NATIONAL HOLIDAY: 23rd December

Negotiation and Etiquette in Japan

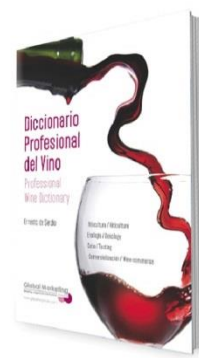
BOOKS & EBOOKS



Practical Guide to Incoterms 2010



How to negotiate in 50 countries



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