

Independent Telecom Agents - The Top 10 Reasons Companies Use Them

By Steve Norris

Ever increasingly, businesses are choosing to get their telecom services from independent agents instead of direct representatives. We look at the top 10 reasons why we see this shift occurring in the marketplace today.

1. Mergers and Acquisitions

Sales is already known as a high turnover profession, but the recent rash of mergers and acquisitions in telecom make it highly unlikely the representative who signed you to your term agreement will still be there to assist you within a year. After making it past the phase of bankruptcies following deregulation, the next phase is mergers and acquisitions. In the past couple of years, a few of the major mergers include Level3/Broadwing (Focal), XO/Allegiance, ATT/SBC/Bell South, MCI/Verizon, Paetec/US Lec, and Time Warner/Xspedius among many others. By using an Independent Telecom Agent, you can be sure that regardless of continued merger activity or bankruptcies, your Independent Telecom Agent will continue to have the same contact phone number and email address. He/She will not be laid off or fired, and will continue to supply you all of the options you need.

2. Single Point of Contact

Regardless of whether your Independent Telecom Agent recommends a single carrier solution or a multi-carrier solution, you still have a single point of contact to deal with the person who knows your account best. During the pricing and evaluation process for a new carrier, it is typical to get at least 3 bids and have at least two appointments with at least three carriers. The number of appointments you have to schedule could easily reach up to a dozen before an educated decision is made on your company's communications. If you use a qualified Independent Telecom Agent, you can spend one appointment determining the best course of action, and just one more evaluating the best options available in your market. Having a single point of contact is a huge time saver!

3. Person who understands your company, how you make decisions, and why.

Your Independent Telecom Agent acts as an assistant buyer once he/she understands your business needs and preferences. He/she gets to know your organization, your goals and long range needs, and how you make decisions and why. Why would you want to repeat that process every couple of years?

4. You get to hear the truth!

Perhaps this should be ranked #1! When you use an experienced Independent Telecom Agent, you tap into a wealth of knowledge and experience of someone who has been in the field for many years-and most likely with multiple carriers. Your agent will typically have

Independent Telecom Agents - The Top 10 Reasons Companies Use Them

experience dealing with multiple carriers in your market, and can tell you how they really perform. Not the rosy picture they all want to paint for you. Who has the most reliable network? Who has billing problems? Who is going bankrupt? Who can make the desired install date? When using an Independent agent, you don't have to listen to "The Company Story" for each carrier, as they always tend to dress up their deficiencies. You get to hear the truth.

5. Unbiased opinion of multiple carriers and their product lines

Based on where your business is heading, whether that be expanding, streamlining, or contracting, your Independent Telecom Agent can put you in the right situation. Just like buying an inexpensive phone system that can't grow with you, and can create the need for a forklift upgrade sooner than expected, getting stuck with a carrier that can't meet your future expectations can be crippling to your operation. Since most carriers have gone to term agreements in the T-1 age of communications, it's key to get set up with a carrier that can move with your needs. Do they have MPLS? Do they do SIP trunking? Can they offer an IP-VPN solution for your remote sites? Your Independent Telecom Agent knows the carriers' products and limitations, and can put you in the right solution for your company.

6. Agents are invested in your success long term

This is an incredibly important concept to understand when choosing to use an Independent Telecom Agent! When you work with a direct sales representative for a telecom company, one that may be here and gone tomorrow (rep or company), they are paid only to bring in the sale. As we all know in the world of corporate sales, comp plans drive behavior, and sales reps are specifically told, *"If the customer has a problem, send them to the Help Desk. Do not get involved. You are paid ONLY to bring in new business."* There is absolutely no motivation, despite the direct representative's best intentions, for them to ever speak to you again after you sign the dotted line. It's sad but true. On the flip side, because Independent Telecom Agents are commission only and residual based, earning a small percentage of the monthly bill, it takes them, in many cases, up to 24 months to get paid what the direct representative will get paid in month number one after the sale. The *entire motivation* for someone even becoming an Independent Telecom Agent is to *build a book of business of happy customers* that don't have to find someone new every couple of years to deal with. This relationship only makes sense for the agent if you stay with them for over 24 months, so they have EVERY motivation to assist you in solving any service issues that you may ever have. A good Independent Telecom Agent isn't just another business associate; they become part of your team.

7. They don't have a quota to make

One of the biggest issues I have with local RBOC/ILEC, is that if you call in to the call center to order new service, you will only be told about what THEY want to sell you. NOT what is best for you. Everyone LOVES to sell bundles in telecom, but let me ask you this. Why do you need Centrex calling features or voice mail on your alarm or elevator lines? Do you need call

Independent Telecom Agents - The Top 10 Reasons Companies Use Them

transfer or remote access to call forwarding on every line in your hunt group and on your fax lines? Do you have mysterious items in the back of your bill for web hosting or other items you are afraid to disconnect in case you actually use it? When I call the ILEC/RBOC directly from the agent channel, I get offered different packages, and more attractive packages, than I get over the phone through the call center. It is *very common* for Independent Telecom Agents to uncover up to 10-20% of pure fluff on your bill during the auditing process. Why does this happen? Simple. The direct representatives you buy from have a quota to make and will often sell you what is good for them, not what is good for you. They are directed to sell what is profitable for the carrier they work for, and are paid accordingly based on their ability to do so. Top Independent Telecom Agents, almost without exception; do not carry quotas with any carriers. Because they do not carry quotas, you will not find them pushing you towards a solution that doesn't feel quite right just to meet their numbers. Be frank and ask your Independent Telecom Agent if they carry quotas with the carriers proposed. If they do carry a quota, be sure to ask enough questions about the solution they are suggesting to make sure it is right for you.

8. Extra Incentives and Promotions

The Telecom Industry is moving increasingly towards the Independent Agent Channel. In fact, last year, a local ATT/SBC agent manager said the Agent channel gained more business through their agent Winback program than they did their direct Winback program. Even they were shocked! There are several reasons for this. Independent Telecom Agents are typically more knowledgeable, better trained, set proper expectations with the clients, their clients tend to remain clients longer (since they were sold the right program), and it is more cost effective for the carriers to deal with Agents. They do not pay base salaries or benefits, in addition to commissions. Strangely enough, where I have seen this benefit the customer most, is in the form of special incentives and promotions offered only through the Agent Channel. It is not uncommon for agents to compete head to head with a direct representative for one of the carriers they are presenting. It is also not uncommon for the agent channel to have promotions or incentives that the direct representative has not been given for the customer, and the agent will typically win the customer because of that fact. If the direct representatives have promotions available, they are often compensated extra if they do not use them. Independent Telecom Agents will pull out any available promotions available in an effort to gain your business for the long haul, as they are typically not incented or penalized for use of promotions.

9. Same Pricing

The exact same standard pricing is used in the Agent Channel and the direct channel. In spite of all of the additional knowledge you can tap into with Independent Agents, you can be sure you are not charged any extra for it. For large projects, special pricing is available to both Agent and direct channels at the same amounts. It's an incredible model that helps the customer and agent win, and insures all clients are treated equally.

Independent Telecom Agents - The Top 10 Reasons Companies Use Them

10. They understand Next Generation Technology

Independent Telecom Agents will typically be better versed in MPLS, IP-VPN, VOIP, hosted solutions, call center applications, and SIP technologies since they need to understand multiple carriers' offerings and have attended their trainings. Direct representatives will often know a few tweaks to their individual limited product line a little better than agents that do not exclusively sell their product, but they will not have the overall understanding of all that is coming with new technology. No carrier can be the master of all technologies and master of all niches. It's a business impossibility. So it follows that it is nearly impossible for a direct representative to have the same breadth and width of exposure to the applications you are facing decisions on. Business is fiercely competitive, and implementation of some of the new technologies correctly can literally save larger companies hundreds of thousands of dollars. That may be the exact edge your company needs to gain the competitive advantage in your marketplace for security, marketing, recruiting, or even retention. Likewise, implementing a bleeding edge technology that is not ready for prime time may cost you the same. Using an experienced Independent Telecom Agent who is looking out for your best interests may make all the difference.