



Whitepaper:

The Top 5 Ways Telecom Carrier Sales Reps Will Lie To You

■ Executive Summary

Some telecom carrier sales reps will say a few surprising things to make a sale. Often they are completely unaware that the company “line” they are repeating is anything less than the truth. Telecom agents generally know the truth and stick to it. The fundamental difference between carrier sales reps and telecom agents is that sales reps work for a telecom carrier while telecom agents work for you. To put it another way, sales reps make money by closing as many sales as possible while agents make money by keeping their clients happy. Remembering this difference is the key to seeing through the half-truths and misinformation that some telecom carrier sales reps can tell business owners and IT managers in an attempt to make a sale. This whitepaper gives some of the more common falsehoods and demonstrates why they are just not true.

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■ Introduction

At times, it can be tempting to deal directly with a carrier for your telecom needs rather than going through an agent. Doing so, however, is much like defending oneself in court; what seems like it should be less expensive can end up costing a great deal more than you ever thought it would. Further complicating matters is that some telecom carrier sales reps, often due to being misinformed themselves, will say just about anything to make the sale—including half-truths or even things that are plain wrong. Here are a few of the more common ones—with advice about how you can detect the falsehood.

■ The Lies

The False Equivalency

OK. “Lies” may be a strong way to say it...sometimes it’s more “half-truths” that many sales people use to close the deal. For instance, there are a few ways that carrier reps will try to convince you that there is little or no difference between themselves and a telecom agent. One of the most common is to claim that agent pricing must be the same or higher as carrier rep pricing simply because the agent is one degree further removed from the source. Another way that they’ll try to draw a false comparison is by claiming that agents all use the carrier’s network anyway, so there’s really no difference.

The claim about agents all using the carrier’s network or local loop is at best only partially true. While agents do



sometimes use part of the local loop, everything else is their own. When it comes to pricing, sales reps are not trying to pull the wool over anyone's eyes, they are simply falling prey to a very common misconception—one that almost everyone else believes as well.

The common misconception is that agents and sales reps start at different price points. This is not true. Both sales reps and agents are working with exactly the same finance departments. Those finance departments determine pricing based on the company they're dealing with—not the channel through which the sale is being made. Sales reps and agents start from the same place, but sales reps aren't generally aware of that.

Additionally, an important wrinkle in this equation that the direct sales reps tend to overlook is that while the sales rep is tied to one carrier and one carrier only, the agent is free to shop around for the best price on a particular service. An agent will be able to provide the same price as a sales rep at that carrier, but nothing says that they can't source from a different carrier who can provide a lower price.

Promise Me the Moon

In addition to sometimes misunderstanding the nature of pricing on the telecom agent side of the business, direct sales reps sometimes can end up promising services that the carrier is not capable of providing, or the sales rep might promise a service that they are not capable of providing at the price given. Sales is a cutthroat and very difficult profession, and, while agents have incentives to



have the most accurate information and to tell it like it is, sales reps often have no choice but to focus on making the sale in whatever way possible.

The first reason for sales rep overpromising is that while carrier sales reps and agents both earn commission on sales, there's a significant difference in how those commissions are paid out. Carrier sales reps earn their commission when the sale is made. Because they get paid when the sale goes through, that is often the only part of the transaction that they can be concerned with. If they don't make the sale, they don't get paid. Who can blame them for sometimes stretching the truth a bit to earn a living?

Telecom agents, on the other hand, earn their commission periodically—usually monthly—over the lifetime of the service purchased. If a client is unhappy with the service or if the service doesn't meet the client's needs and is canceled, the agent stops collecting the commission. Telecom agents are very concerned about the ongoing satisfaction of their clients.

The second reason for overpromising is that carrier sales reps are limited to the services their one carrier can provide. If a client asks for a service that isn't on their list, they will occasionally try to be helpful by finding a way to provision the requested service anyway. Unfortunately, the sales rep's technical support team will invariably tell them that a particular service is possible, but not that it is very difficult or expensive to implement and, as a result, they then pass on that partial information to their customers.



Telecom agents are never faced with the same dilemma, as they are free to shop around until they find exactly the services they need—whether from a single carrier or multiple providers.

See You Later, Alligator

Another reason that carrier sales reps are unconcerned about post-sales satisfaction is that once the sale is finalized, they will never deal with that client again. Support is a different department entirely, and the sales team's performance is measured strictly in terms of sales—not customer satisfaction. A sales rep who has been giving unsatisfactory advice and selling unsatisfactory services is unlikely even to hear about the problems they have caused. Unlike carrier reps, agents have long-term, consistent relationships with their clients. That's how they get paid. If there's a problem with the service, it's the agent who sold the service that has to fix the problem. This leads to more incentive to make sure it's done right the first time; in the rare case where it wasn't done right the first time, the agent gets ample feedback from the client so the same problem can be avoided in the future.

We're the Only Ones Who...

Carrier sales reps frequently tell prospective clients that their carrier is unique in its ability to provide this service or that service. The fact of the matter is that, technologically speaking, the telecom industry is fairly standardized. Although some carriers specialize in some services, the majority of carriers are able to provide the majority of services, and all of them can provide the more common ones. When a carrier sales rep tells you that their



carrier is the only one who can provide a service, they are generally just unaware of the options that are available from other carriers—options of which your telecom agent is very aware.

Agents Don't Add Value

In the world of fibs told by salespeople, this one is the Grand Pooh-Bah. Aside from the bare fact that in a free market, service industries that don't add value don't survive (and the telecom agent industry is surviving very well), there are a few other very obvious ways this is simply not true.

At a very basic level, a telecom agent has direct, personal knowledge of your company and its needs that no carrier sales rep could ever hope to have. This translates into an ability to make suggestions and give advice based on industry experience and knowledge of your company's needs; this is far superior to that which a carrier rep is capable of providing.

Additional value is found in the fact that your telecom agent works for you—not for the carrier. When your telecom agent suggests services for your company, you can be certain that it's your company's interests that are being served. When a sales rep makes suggestions, it's the carrier's interests that are being considered, and you need to hope that your company's interests coincide.

Agents also frequently help with hardware installations and network setups. Some even provide a project manager for larger jobs to ensure that everything goes smoothly and



with a minimum amount of mishaps. As mentioned before, direct sales reps only do sales. Once the sale clears, chances are you won't speak to them again; then, every problem that crops up means more of your labor hours are spent talking to a different member of the carrier support staff who has only minimal knowledge of your service history and situation.

Probably the greatest value a telecom agent adds to your company, though, is in the form of access to their experience, and their contacts and relationships within the industry.

Direct sales reps may work for the carrier, but they're generally only cogs in the machine with no greater or lesser pull than any other cog. Because agents deal with a variety of carriers and service providers, they learn who to talk to and what to ask for in order to get things done faster and at a lower price. Agents can sometimes get jobs prioritized when they need to simply because they've learned how to bypass the bureaucracy. Likewise, they can frequently source lower prices from a carrier than that carrier's own sales reps, simply because they've built solid relationships with the right people over the years.

■ Conclusion

It is not surprising that some telecom carriers are better than others. And, of course, there are many, many knowledgeable and honest sales reps working for these carriers. Caution is the key!



While it may seem as though it should be cheaper and easier to go through a carrier's own sales reps rather than involving a telecom agent as a middleman, the opposite is usually the reality. Not only can telecom agents shop around with multiple carriers to source the lowest prices, they often can mix and match individual services from a variety of providers in order to avoid many of the hidden costs involved in bundled services. Likewise, the ongoing nature of a telecom agent's relationship with his or her clients is a guarantee that the agent always has the client's best interests in mind. Direct sales reps, limited as they are by the nature of their employment, simply can't compete with that.