

ETAU LEVEL II: SALES CHANNEL DEVELOPMENT CONTENT OUTLINE

Learning Objectives:

At the end of the course, participants should be able to:

- Describe sales channel options, and their benefits and pitfalls
- Compare and contrast the benefits and pitfalls of using direct employees for each of the sales channels vs. using independent contractors
- Explain how to use a model to determine ROI for various channel/employee selections you might make
- Determine which channels make the most sense for your organization
- Cite best practices for recruitment, hiring, managing and retaining your sales force
- Develop an effective plan of action for channel usage

I. DIRECT SALES

- ❖ Definitions
 - Who can sell merchant acquiring
 - Why a face-to-face sale
 - Key elements
 - Recruiting
 - Training
 - Continuing education and “value”
- ❖ 1099 (Independent Contractors)
 - Model – Lower upfront costs, high variable cost (residual)
 - Higher in masses
 - Many feet on the street
 - BE is immediate
 - Must offer “value” to the reseller as there are many options
 - Numbers game
 - Down Falls
 - Monitoring the sales force
 - Controlling the product offering
 - High Churn Rate
 - Compensation Structure
 - 50% of residual or small up-front and residual.
 - BE almost immediate
 - Programs
 - Evergreen residuals
 - Agent portals
 - Fast turn around
 - Tools make the sales force the primary customer
- ❖ W2 (Employees)
 - Model – High Fixed cost low variable cost
 - Works best for larger merchants with low churn and targeted (vertical) sales with multiple products
 - Larger merchants (greater rev/merchant)
 - Controlled and managed sales force
 - Downfalls
 - High fixed cost and investment in training
 - BE can take months/years
 - Compensation

- Base plus bonus
- No residual makes for a long-term more profitable model if the merchants don't churn
- Programs
 - Vertical segmentation with a full suite of products
 - Mid-tier and large merchants

II. TELEMARKETING

- ❖ Definition / Uses
- ❖ Benefits
 - Lower cost of Direct Sales
 - Controlled sales force – they will sell exactly what you want them to
 - Can incentivize behavior
- ❖ Challenges
 - Hiring
 - Quality of employees
 - Churn
 - Management and motivation
- ❖ Technology
 - Predictive Dialing Systems
 - Sales/Lead Tracking (CRM)
- ❖ Lead Generation
 - Appointment setting for outside sales people
 - Give the sales force warm leads
 - Can be costly – only 5-10 leads per day
- ❖ In-Bound Sales
 - Coordinated with marketing efforts
 - Referral Partner Co-Op marketing
 - Drop Mail
 - Advertising
 - Publications
 - Radio
- ❖ Outbound Sales
 - List generation
 - Referral partners
 - Purchased lists
 - New businesses
 - Existing business
 - Up selling the customer base

III. AGENT BANKS

- ❖ Definition
- ❖ Statistics
 - How many / size
 - New agent banks
- ❖ Benefits of the Channel
 - Commercial customers
 - Warm leads and loyal customers
 - Low churn
 - Higher volume
- ❖ Needs of the Channel
 - Service is everything
 - Flexibility
 - Programs

- Referral
- No liability sales channel
- Full service agent bank
- Alliances/joint ventures
- Hybrids and flexibility

IV. REFERRAL MARKETING

- ❖ Benefits
 - Already have merchant relationships
 - Can sell or refer business
- ❖ VARs/Integrated POS Systems
 - Understanding the channel - Developer/Dealer
 - Certifications & compliance
 - Must add value to the channel
- ❖ Trade Associations
 - Benefits to the association
 - Become part of the association
 - Focus on verticals where your products/services fit
- ❖ Complementary Products
 - Check services
 - ATM companies
 - Security companies
 - Phone companies
 - Suppliers
 - Good B to B sales opportunities
 - Accountants, Lawyers, etc.
- ❖ Others
 - Anyone with a list of merchants
- ❖ The Programs
 - Pass the lead
 - Co-Op marketing
 - Telesales/direct sales/Internet sale
 - Custom program for each relationship
 - Reporting and paying the channel
 - Technology needs
 - Deal Status
 - Residual reporting

V. INTERNET

- ❖ As a Lead Generator
 - Banner ads
 - Search engines
 - Turning the HIT into a LEAD
- ❖ Sales
 - Online applications
 - Automated credit checks and approvals
- ❖ As a Marketing Piece
 - Brand awareness
 - Drive prospects to the web for information
 - Portals for channel partners
 - Sales reps
 - Referral partners