

## 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