



Staying Power

*Want to keep sales agents from jumping ship?
Give them more to sell.*

By Julie Ritzer Ross

While agent retention has always been a top ISO concern, shrinking margins and recessionary conditions are fueling agents' urges to shop around. ISOs must take concrete steps now to keep valuable sales representatives from becoming their competitors later.

Offering sales performance-based bonuses is a step in the right direction, but financial incentives alone do little to cultivate agent loyalty. "If ISOs expect that agents will be happy with just a larger percentage of revenues, they are mistaken," says Christian Murray, director of business development for Global eTelecom, a Destin, Florida-based provider of value-added solutions. Touting inflated residuals and up-front bonuses with "back-end" catches doesn't work either, he adds.

Similarly, most agents aren't interested in freebies, such as complimentary terminals, to compensate for problems they're having. "They see this as pandering," says Mike Berman, COO of Outside Ventures, the parent company of ISO Tribul Merchant Services in New York. "It's almost as if you're saying, 'Here, take this equipment, sell it to a few merchants, and leave us alone.' Few agents—if any—want that."

Durable Advantage for Agents

Instead of monetary perks, agents want lasting value from their ISOs—business and applications development. And rather than limiting their agents to bankcard programs, savvy ISOs are supplying their agents with multiple payment solutions to sell.

"Agents need to be able to offer many other types of solutions to merchants, so that they can help build lasting relationships with them, earn more profits," and prevent them from defecting to the competition, Murray says.

Constantly seeking out new and innovative solutions has other obvious



benefits as well. For example, while attending ETA's Annual Meeting & Expo in Las Vegas in April, executives from Tribul noticed that a retail solutions trade exposition was simultaneously being held in the city and decided to visit the exhibits. One solution—a virtual queue management application called QLess—captured their attention. The company recently added QLess to its lineup, which generated a positive response.

"The feedback has been great, but more importantly, agents tell us that the opportunity to consistently promote different solutions to their merchant customers is a big draw for them in terms of maintaining a relationship with us," Berman says.

Training and Support

Offering training—that starts with the basics—also goes a long way to keep agents satisfied and comfortable in their jobs.

"One mistake many ISOs make is assuming new agents already know how they want things handled—whether it's completing merchant applications or positioning a solution or suite of solutions," says Jeff Fortney, director of business development at Clearent, a registered ISO/MSP of First National Bank of St. Louis.

Agents starting out with Clearent receive thorough training in merchant boarding, set-ups, sales, conversions, and

customer service concepts. A similar program at Tribul Merchant Services targets new and existing agents. One level of the program incorporates entry-level e-learning on a wide range of topics, including sales and product knowledge. Participants must pass a test at the conclusion of each module before proceeding to the next one. Veteran agents can engage in classroom training covering new solutions and trends, such as assisting merchants with PCI compliance.

ISOs also should consider enhancing their training components through partnerships with value-added solutions providers and other vendors, many of which will handle agent education directly for ISOs that purchase their products.

And be sure to have support systems in place, regardless of who conducts the actual training. For example, Clearent assigns each of its agents to a seasoned "relationship manager" who provides guidance on how to effectively and accurately price, sell, set up, and support merchant accounts. Managers help agents configure programs that best suit their goals with the revenue, level of risk management, and support they require. Putting together these customized, fully integrated marketing programs is part of every manager's job description.

"Beyond residuals and bonuses, agents need to truly feel an ISO is taking care of them and every aspect of their business," says Fortney. "Support plays a major role" in this regard.

Going one step further, Tribul established an agent advocacy department whose staff members go beyond customer service and traditional agent support to "articulate and argue for merchants on anything and everything at all times—even if it involves objections to one of our own policies or practices," says Berman.

Using agent advocates is especially important in tough economic times, he says. "Although the trouble mode of a

recession represents a powerful growth market, a high percentage of the workforce has never experienced economic downturns during their careers, let alone conditions like these," he notes. "Agent advocacy is a critical component for ensuring that our agents don't just survive a recession, but think twice about committing to another ISO."

Free and Clear

The third piece of the agent-retention puzzle is maintaining unobstructed lines of communication at all times. Agents should be encouraged to contact home base with questions, concerns, ideas, merchant feedback, and industry scuttlebutt.

"ISO offices need to listen to the agents and allow their feedback and suggestions to assist in growth efforts," Murray says. Otherwise, agents will begin to feel undervalued and underappreciated.

Even bad news must be communicated promptly, rather than withheld temporarily for fear of upsetting agents. For example, let agents know immediately that a merchant's application has been rejected, and why.

"Getting 'no' for an answer on a mer-

chant application—or more than one application—isn't a death knell for a relationship between a (given) ISO and an agent," Fortney observes. "Assuming a clear explanation is offered, there shouldn't be problems. But where ISOs really run into trouble is when they can't—or won't—share the details behind the 'no.' It does nothing for building agents' trust—and without that trust, there's no lasting ISO-agent relationship."

To keep agents abreast of the latest developments, United Merchant Services in Hackensack, New Jersey, distributes a monthly newsletter to agent affiliates to keep them up-to-date on company and industry developments. The more information agents receive, the more motivated they are to partner with the ISO in actively servicing their merchants, according to the company. That, in turn, helps to foster portfolio growth and minimize agent attrition.

Similarly, Clearent publishes a newsletter once every two weeks. "Printed, formal (vehicles) should by no means be the only way ISOs communicate with agents, but they should have a place in the hierarchy," Fortney says.

One caveat in using communications

as a "hook" for agent retention: If communications require action on agents' part, ensure agents have enough time to respond. Clearent—like Tribul—allows agents to view monthly earnings reports online through a password-protected Web site, for example.

"We make a concerted effort to get the information out there in plenty of time for agents to review it and come back to us with any corrections so that they're paid when promised," Fortney explains. "Being late with that type of communication would defeat the purpose."

Agents need a diverse menu of products from which to draw, dedicated support and ongoing training, plus competitive rates, upfront cash, and bonuses, in order to develop the quality of relationships with ISOs that preclude attrition. ISOs will not only begin to build tighter partnerships with existing agents, but will also attract new agents, increase morale, improve sales, and create a more dynamic sales team. **TT**

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