



TELIN

Step-by-Step Guide:

How to Become a Successful Telecom Reseller

Telin offers you the power of

one.

Part 1:

Identifying Your Strategies

So, you want to be a successful Telecom Reseller? Whether you're new or already familiar with the market, you probably already know that it's ever-changing in a way that continues to create more opportunities for resellers, quarter over quarter, year over year.

Before we start, your first question is probably,

“What do these guys know about this market?”

If that's the case, let us give you some insight into our credibility:

Telin is a unique telecom company embracing a distinct distribution model: Telin can be the ONE partner you need to fulfill ALL the requirements for your unified communications technology and solutions offerings. Since our origin in 1991, Telin has amassed an outstanding reputation as a telecom solutions provider and preferred provider of 3CX SIP trunks, 3CX Hosting and Snom/VTech solutions. We offer VARs, MSPs and 3CX partners the same white-glove service they offer their enterprise and small business customers, but at the wholesale level. Our expertise is built upon 20 years of medical cloud hosting experience. We offer the potential to consolidate all the telecom infrastructure components you need to service and support your clients under ONE roof, backed by ONE exclusive and comprehensive SLA, and an unrivaled Partner Success Program.

If your next question is,

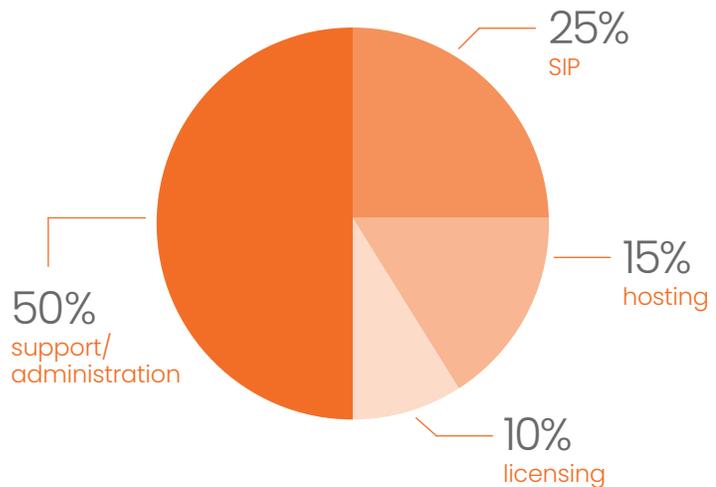
“How did we get here?”

– you're in luck again. That is exactly what we are aiming to identify through this e-book – to really dive into the trials and tribulations that Telin has had to experience, and then pass along our knowledge so you don't have to go through the same frustrating ordeals.

Before getting too in depth, we want to start with a high-level overview, which we will break down into three simple steps:



There are four main hard costs you will have as a business when creating this type of pricing strategy: SIP services, servers, licensing, and support/administration. Surprisingly, support/administration is often the biggest value-add and should take up most of your "per user" price if you were to break it out into a pie graph.



1. Pricing Strategy

– Understand your value: Cost vs. Revenue

Telin's partners reach the highest successes by building off of value-based and competitor-based markup pricing to create a differential premium/value-added pricing model.

2. Sales Strategy

– Identify your differentiator: Keep it simple

When selling to your customer, consider that one of the most common things they are used to seeing from a local ISP or big telecom company is a very complicated bill based on different rates that vary from state to state, and for features that they do not even fully understand. The more you can offer to simplify their business from all levels, the easier it will become for you to offer up that simplicity as a key differentiator from what they may be used to.

This is just one example of an easy-to-implement differentiator; we also suggest doing your own market research into the most common competitors in your area and identifying the biggest pain points from those companies' customers.

3. Lead Generation Strategy

– Identify your target customer: Start somewhere

Telin strongly encourages its partners to target a specific market for pricing, sales, and lead-gen strategies. So when we suggest that you "start somewhere," this is based on our own observations of MSPs, VARs, and 3CX resellers and their tendency to diversify their targets too much out of the gate, which then forces them into having to be a jack of all trades.

Instead, we recommend that our clients choose a certain industry or certain type of customer for each strategy. Then, as you grow, the ability to scale your business verticals becomes much simpler. A quick example: Start in hospitality or professional services; not both. These two industries are completely different in regard to the operation, features, and management of the client and would be difficult to oversee in tandem. When you choose one, you become an expert in servicing that industry. Then, from there, you can explore the next.

Part 2:

Choosing the Right Technology Vendor for You

In the last part, we learned how to identify sales strategies and build them into a business plan for your Telecom channel. Using those strategies, you can then evaluate and compile fair and competitive pricing, bring your solutions to a client with a high degree of confidence, and finally, generate leads to keep your sales funnel full as you continue to close business.

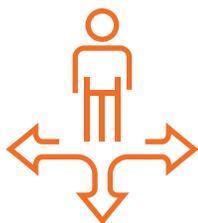
Now, we will build on those ideas and discuss how you can apply them to your own business when prospecting your technology vendors.

Deciding on a technology vendor can seem like a daunting task – after all, you are deciding which company you will be trusting to back the technology solutions you take such pride in. As many of us have learned (often the hard way), improperly vetting and evaluating your vendors, or not truly understanding their true capabilities and weaknesses, can lead to hours of lost time and headache. Of course, we all understand the idea of risk in business; but for an MSP or VAR, you see a lot of new vendors appearing in the industry over time. So, how do you know which ones are the best fit for your business?

We'd like to outline three things that both budding and veteran telecom resellers can keep in their back pockets when walking into new relationships.



Firstly, it is important to understand the range of capabilities that the vendor in question is able to provide for you and your telecom solution. An example of a common practice in the industry is for resellers to keep a number of technology relationships active at any given time, to not only increase their ability to provide a wide range of different solutions, but also to ensure that there is no single point of failure regarding the services that coalesce into a telecom solution. Perhaps a contributing factor to this ideology is the idea that no one vendor can provide everything that is necessary for you to deliver a fully capable telecom service to your clients. However, in today's rapidly evolving market, there are several vendors that have grown to be able to provide a wide range of services at reasonable prices, due to the fact that these vendors leverage a number of upstream relationships, which they then package and provide to you as a white glove solution that you, in turn, are able to bring to both current and prospective clients. These so-called "solutions providers" are a capable and emergent force in the telecom industry, as they provide a wide range of services not necessarily limited to telecom infrastructure.



Once you have identified several – or possibly even just one – solutions provider capable of delivering the multiple moving parts of a telecom solution, it is important to next consider the nature of the relationship with that solutions provider going forward. Of course, everyone reading (and writing) this article is in the business of making money, so developing a telecom solution that is lasting and scalable is key to delivering success – not only to your own business, but also to the clients that use your solution and rely on it for their day-to-day interactions.

As such, it is important to vet your vendors' ability to grow and scale with your business as your needs increase and change. Certain providers in the market

come from an established background in the analog telephony industry, and with that are not necessarily aware of the possibilities that come with new technologies. With the emergence of cloud infrastructure that is both scalable and redundant, creating a solution for clients that is future-proof is becoming an increasingly popular practice in the industry. Making sure your vendor is not only focused on current technology and operations, but also future and developmental technologies and solutions, is a key to success that is somewhat overlooked in today's telecom market.



And finally, we'd like to touch on the idea that a technology partnership does not have to be something that is limited to digital interactions and portal-only forms of communication and engagement. It can sometimes be hard to forget that there are hard-working and interesting individuals that go to work every day to make the technologies we utilize to operate. Finding a vendor that understands the innate complexities of your business's operations, and one who is easily adaptable to work alongside you, can be invaluable. Business is about relationships. At Telin, we wouldn't have some of our best clients if we didn't make the effort to sustain personal relationships with them – relationships that we can trust in and lean on as we work through tough projects and new developments together.

Part 3:

Common Mistakes New Telecom Resellers Make

As a new or established Telecom Reseller, there are many obvious and oftentimes overlooked mistakes that, when avoided, can improve the success of your offering, and ultimately, set you up to make more money. First, looking back at what we have already identified will help to eliminate many of the hurdles right off the bat, before you even get your first customer. Understanding your target market, your pricing method, and where you will get your prospects, and finding a technology vendor to have your back – all of those processes will set you up for success initially. Of course, one part of choosing the right technology vendor is having a team behind you that is educated in that market; the other is finding someone you can trust as if they were your business partner. After all, they are your business partner at the end of the day. And because of that, I have always lived by the model, "Your success is our success," as everything comes around full-circle in this type of business.

Often times, we see new partners come in with "new" ways to cut costs, like providing the cheapest rates by piecemealing the entire solution. But be warned: By taking this approach, you set yourself up for failure. It's too complicated, and exactly what the customer doesn't want.

Think of it this way – if you look back to when you started in the industry, "how it works" (which just so happens to be the subject of next week's blog) was probably the first thing you had to understand. It's easy to comprehend the solution when you are the one providing it, but not so much when you're foreign to the industry. Trying to explain to your customer how they can get cheaper rates by getting their SIP trunks



The ability to simplify means to eliminate the unnecessary so that the necessary may speak.

— Hans Hofmann

directly, hosting with a retail provider, etc., is going to end up shooting everyone involved in the foot. First and foremost, this will confuse your customer on what the solution is (which should be the software packaged and provided by the telecom reseller – not a random combination of the cheapest options that the customer has to manage themselves). This sets you up for an old-fashioned finger-pointing duel, and quite frankly, failure.

Instead, the most successful solutions and partners we have seen are the ones who compile an all-in-one solution that they have full control over. This means that partners who have only one or as few providers as possible will have a more streamlined approach, which makes both sales and support life much easier.

Simplicity is the key to success in this industry, and YOU are the expert the customer is inquiring about. When you make the common mistake of over-complicating the solution, it can set the wrong expectations with your client. Primarily, it gives the impression that your product is hard to manage if they have to contact multiple vendors or pay multiple bills to operate one, single solution. Now, we are not saying this cannot be a successful solution, but it is a common mistake to be aware of before you model your approach in this way.

If you want to be the expert Telecom Reseller you strive to be, making things simple is the best way to prove your expertise in such a complicated industry. Don't believe me? Well, if the quote above did not get you on the right track, what about this one from a world renown "movie star":



Simplicity is the ultimate sophistication.

— Leonardo da Vinci

Part 4:

How Does This All Work?

For this fourth installment, we will be discussing how the telecom reseller industry works, as well as the foundations of its technologies. You probably already feel fairly comfortable with getting started, but we wanted to make sure of that rather than making assumptions. So here we are.

Now, before we go too far, there are many variables and considerations that will go into how your operation works. With an industry that has around 50 main telecom providers and 1,200 others that are similar, there are well over 15,000 different resellers in the United States alone. As such, it's imperative to gain a clear picture of the industry so you can differentiate yourself and set yourself up for sales success.

First and foremost, what we want to highlight is – within Telin's structure of providing support, guidance and proper resources – how the industry is designed to work. The general rule of thumb is that every telecom reseller has a telecom provider – or, what's sometimes referred to as an "upstream" or "carrier" – which supplies piecemeal services to the reseller. Whether you are going to a retail provider or a true wholesaler, you will most likely need to have multiple vendor relationships, and it is your job to then package them into one solution that you ultimately provide to the customer.

This creates a lot of risk when you're relying on multiple relationships, but as a telecom reseller, you are the final gear in the well-oiled machine that fits it all together.

Understanding where you fit into how it all works is the number one barrier to entry into the industry, but once you understand your role, it clears your pathway to success. So, when someone asks, "How does the industry work?" Well, that is somewhat up to you. We are here to tell you that you can do this with confidence, as long as you are choosing the right technology vendors for you.

Part 5:

Laws and Compliance – A Prodigious Story

In this fifth and final part of the series, we aim to tackle the intricacies of laws and compliance. The laws regarding SIP trunking and the FCC are some of the most important pieces of knowledge for a SIP-reselling partner to understand. Reselling voice can be the most profitable piece of a VoIP deployment, but it also carries some of the highest liability to the reseller. The relevant pieces that we will talk about today are Kari's Law, Ray Baum's Act, and the proper assessment and remittance of taxes back to the FCC. Improperly following these guidelines can result in fines, audits and the assessment of back taxes.

Kari's Law

First, Kari's Law. It went into effect on February 16, 2020, and stemmed from an unfortunate incident whereby a caller was unable to reach emergency services because of the need for a prefix to dial outbound. This new law has two key parts: First, dialing 9-1-1 must connect you to dispatch without the need for any prefix. Second, a notification is then sent to a responsible party within the building that outlines when and from where the emergency call was made.

Ray Baum's Act

Ray Baum's Act, meanwhile, requires compliance in a similar vein. The Act dictates that a dispatchable location (address, floor, unit, etc.) is sent to emergency services when 9-1-1 is dialed. This can be problematic for a VoIP system, as these phones don't traditionally have a physical location specified in the same way a traditional analog phone would. The goal of the Act is to take the responsibility away from the caller to verbally state his or her location, and instead, to "hard code" it into the telephony system in order to ensure the highest level of safety and responsiveness.

Taxes and Fees to the FCC

When reselling voice traffic, there are also a number of required taxes and fees that need to be remitted back to the FCC for full compliance. Many resellers choose to act as an "agent" for a SIP trunk provider in order to sidestep this responsibility. Instead of reselling voice traffic, they allow the provider to bill their end user directly in exchange for a commission from the sale. While there is nothing inherently wrong with this method, it leaves a large amount of revenue on the table because commissions tend to range between 10 and 15 percent, and voice traffic is normally the lion's share of the total cost of ownership for a VoIP installation.

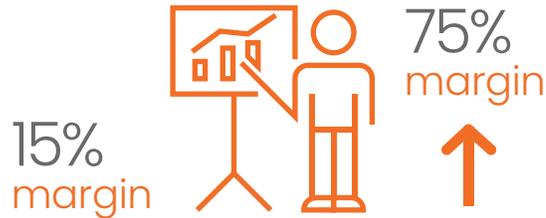
This leaves the reseller with two options:

Option 1 would be to do the taxation manually. But this can be troublesome due to the fact that taxes can change from state to state, or even county by county. Staying up to date with the required taxes for each region where you have end users can become unmanageable quickly.

Option 2 would be to utilize a third party's tax rating engine to calculate this for you.

At Telin, we can assist you in maintaining compliance with all three of the above potential pitfalls. Through e911 registration at the SIP level, we can register addresses to be sent to emergency dispatchers with the relevant information to ensure a swift response in any emergency situation. We can also specify 9-1-1 notifications at the PBX level to guarantee that a responsible party is notified in the event of emergency.

Through our white-label billing services, Telin can even assist you in boosting your margins and maintaining compliance with the FCC. By using our tax rating engine and payment gateway, you can be confident that the proper taxes and fees are assessed and remitted back to the governing bodies. Plus, instead of receiving a 10 to 15 percent commission check on the voice traffic, you are able to set your own rates and margins. Once again, voice traffic tends to be the most expensive part of a VoIP deployment, and you want to ensure that you are maximizing profitability on this piece of your business. By specifying your own margin, you can turn a 15% margin to 75% or higher.



Plus, because our billing services are white labeled, when your customers receive a bill with your name and your colors on it, this helps to ensure the integrity of your brand and to uphold the concept of ONE company, one bill, one number to call.

one. Trusted Partner.