

Are contractors being exploited by agents

Introduction

Some contractors consider agents to be cowboys and liars who continually exploit contractors whilst knowing nothing about the industry.

This article explains why this is not the case.

Do Agents Exploit Clients and Contractors?

Most of you would agree that if you are ruthless in business and combine it with a high level of commercial integrity then you will do well.

You might also agree that unfortunately, there are a few agents who are good at the ruthless part, but lack any form of the integrity part.

You might think they try to con the client and the contractor and get away with charging huge margins whilst telling both the client and the contractor what a wonderful deal they are getting.

Sound familiar? Think that is just not fair, and not cricket?

Well, welcome to the world of business and sales. Making as much profit as possible is what it is all about.

Contractors Concerns

Concerns often voiced by contractors about agents are:

1. They are all liars.
2. They don't have any understanding of the market.
3. They phone contractors for jobs that they are not suitable for.
4. They contact contractors just to fish for new jobs when they have nothing to offer.
5. They try and con the contractor to get as much money as they can.

The Truth

Contractors making these complaints about agents lack an appreciation and knowledge of the core of any growing business – the sales function.

Contractors making these arguments cannot seriously call themselves entrepreneurs. All entrepreneurs understand the importance of an excellent marketing and sales process as being the key to unlock success.

A business can have the best product and never do well if the sales process is poor. Likewise a business with a lesser product but an excellent sales team will do much better. Products simply do not sell themselves, and a professional sales team backed up by a solid sales process is the only way to ensure success.

We see this occur in the contract market time and time again when the best person for the job fails to get an interview, or falls at the interview stage. The person who then gets the job is the person who has the best CV (marketing) and performs well at interview (sales).

Agents Are Salespeople

An agent is a salesperson and like all salespeople their motivation is the bottom line – making as much money as they can.

Pretty much all sales processes play 'the numbers game'. For agents this means the more calls they make to find new business the more business they will get. Finding business is done via phoning companies directly or fishing for information by phoning existing contractors. It is all part of the sales process.

“ Making as much profit as possible is what it is all about. ”

“ Contractors making these complaints about agents lack an appreciation and knowledge of the core of any growing business namely the sales function ”

“ An agent is a salesperson and like all salespeople their motivation is the bottom line ”

They try to fill those positions again by playing the numbers game and phoning as many closely matching candidates as they can. If they phone enough of them eventually they will find one who is suitable.

”

Playing the numbers game is of course only successful by those sales people who are professionally trained and know how to sell.

Agents and Market Knowledge

Agents are trained sales professionals who understand sales. Good sales people can sell anything by refining and following a good sales process in combination with their experience and professional selling knowledge. The product is pretty much irrelevant.

To expect sales people to fully understand the intricacies of your market is naive. They only need to know enough about the product to be able to then follow the proven sales process to reap the rewards.

Maximising Opportunities

Despite what agents might tell you they are not the slightest bit interested in helping you to grow your career and get you a position at a place you'll feel happy with. Their entire focus is to find and fill as many positions as possible.

“ To expect sales people to fully understand the intricacies of your market is naive

”

This could mean that although you might be best for the job the agent might choose someone else who they think will have a better chance of getting the job.

This again is all part of their sales process to maximise the number of positions they can find and fill.

Agents and Margins

An agent is paid based on their margins. They want to buy the product (the contractor) as low as possible and sell them to the customer (the client) for as much as they can.

To argue with an agent about what margins they are charging is folly. This would be like going to a car showroom and insisting they only charge you 15% more than they paid for it?!

A contractor needs to know what they are worth, which is how much the client is prepared to pay. Taking advice from a savvy sales agent on price is like asking the car salesman how much you should pay for the car!

“ To argue with an agent about what margins they are charging is folly.

”

Conclusion

Rather than getting frustrated about agents, it is more productive to build relationships with them and also refine your own sales and marketing based on their feedback. Once you gain an appreciation of the sales profession you'll soon find that they are actually a jolly good bunch of people.

Instead of complaining that they 'Haven't read your CV' it would be useful to find out why they matched your CV for that role. You can then make changes to ensure you do not get matched in the future and then phoned for roles you are not suitable for. Your CV is your marketing document about you the product, so you might as well make it a good one.

Instead of getting frustrated about margins and 'getting conned', channel that energy into reading a good book about sales and negotiation. Then you can ensure you maximise your returns during contract negotiation.

Finally, if you are a great product and sitting on the sidelines out of work it might be time to look at your own marketing and sales process and work out how you can improve.


Published: Wednesday, April 18, 2007

[Tweet](#)

© 2011 All rights reserved. Reproduction in whole or in part without permission is prohibited. Please see our [copyright notice](#). If you want to use any content you have seen on this site then please [request our media pack](#) and ask for details of our Content Licencing Service.

Readers Comments...

This article has 3 comments.

 [Comment on this article](#)



“

”

Recommended by 0 readers.

Sign in to recommend comments



View all readers comments.



Comment on this article

Also of interest...

Related Guides:

- [Why agents don't want to pay contractors market rate](#)
- [Advantages of Using Agents to Secure Contracts](#)
- [What is an Acceptable Agency Margin?](#)
- [Negotiating Your Initial Rate](#)
- [How to Find a Contract](#)

Related Calculators:

- [Contractor Financial Profile Calculator](#)
- [Contractor Calculator](#)
- [Contract Comparison Calculator](#)
- [Target Income Calculator - Contracting](#)



ABCe verified website - last audit confirmed **130,682 monthly unique visitors**

© Copyright 2011 Byte-Vision Limited UK. All rights reserved [Copyright notice](#)