

Advantages of using agents to secure contracts

Introduction

Contractors tend to have a dim view of agents. This is unfortunate, because using agents is tremendous value for money and a very cost effective way of securing contracts and maximising annual revenues.

There are two ways of securing contracts:

Using agents.

Securing a position yourself.

This article will explain the disadvantages of trying to secure you own contracts and the advantages of using agents.

Disadvantages of doing your own sales

Unless you can secure a contract quickly, perhaps via networking, it could be more costly to source your own contract by cold calling.

In our article '[Should Contractors use agents?](#)' we calculated that if your contract search activities took 3 to 6 weeks longer than an agent, then you would be financially better off using an agent in the first place.

You won't be able to source a new contract yourself without using an agent whilst you are in a current position. There isn't enough time in the day. Doing your own sales will thus mean a gap between contracts.

Building up a list of potential contract roles takes time. Agents do this continuously. If you try to do this yourself it would mean starting from cold each time you tried to get a new contract.

If you no experience of professional selling then you could find it very difficult to secure your own contract.

Going direct with a client does not always result in a higher rate. The firm needs to make savings themselves due to the cost of drawing up individual contracts each time and also paying an additional supplier.

Thus, doing your own sales is potentially expensive, difficult, time consuming, and could result in less revenues than using an agent.

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Advantages of agents

Using agents is like outsourcing your own sales department, with all salespeople working for you on a commission only basis.

Since you are unlikely to get a significantly higher rate going direct with a client, one could argue that your cost of sales by using agents is zero, since the fees are paid by the client.

Using an agent is more cost effective, since you reduce or eliminate gaps between contracts.

In addition to the cost savings there is the benefit of ensuring you get paid. The majority of agencies using factoring organisations and pay you a few days after you have invoiced them with your timesheet. This avoids the hassle of waiting 30 days to get paid, and potentially chasing payments. It also secures against non payment by the client. The only small risk is that the agency goes bust and does not pay you, but this is very rare.

Conclusion

If you can secure a contract via networking then there is a chance you can earn more money by cutting out the agent.

Cold calling is unlikely to be commercially viable for the contractor.

Using agencies is tremendously good value and for most contractors using this route results in higher annual revenues.



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