

Non-Profits: Looking for New Revenue? “Mutual Back Scratching” with the Phone Companies

By Doug McMillan – President, Telcom Insight, LLC

Approach AT&T or other carriers for donations and you will probably be herded into their charitable giving foundation whereby you will be invited to submit a proposal and wait. But if you are willing to help them gain an introduction to companies within your donor and support network, they will help you raise a significant amount of money.

People who are committed to helping your cause work for employers, or run companies themselves, buy voice and internet services every month from AT&T, Qwest, Verizon, and others. Your non-profit can receive a small but steady residual percentage of those phone bills.

Much like the insurance industry, carriers like AT&T maintain a national sales force of brokers that present multiple carrier products to companies ordering services. The company may be moving locations, upgrading, or just want to have their existing billing reviewed to save money. Once the broker orders the services, the selected carrier takes over the standard duties of delivery, billing and customer service. Brokers then receive a residual commission from the carrier for arranging these services, typically 10% to 20% of the customer's monthly billing. Brokers are usually quite happy to share this income with non-profits in return for a warm introduction to your board members or donor network. The message is, why order services from the carrier directly when the same product at the same price (or a better price in most cases) can be arranged by a broker, and a residual fee can be paid monthly to the non-profit?

Telecom brokerage firms such as Telcom Insight are the perfect conduit between non-profit fund raising efforts and the phone companies. Your donors save money and the hassle of dealing with the phone company, and the non-profit generates income that can go on for years. It's a win-win.

How much money can a non-profit make? A typical company with 25 to 50 employees will spend \$20,000 to \$40,000 annually in voice and data services from the phone companies. Non-profits should be able to negotiate 2% to 3% of this amount. Do you have access to 100 companies in your database? Each of those companies could generate \$500 annually for your non-profit, an additional \$50,000 per year in fund raising revenues! And, it can be done with little effort on your part.

For more information on how your non-profit can benefit, contact a Telcom Insight Consultant.