

# Sprint and Lightyear shake up wholesale telecom model

Carrier to actively support Lightyear in marketing voice, data, wireless products and more

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Posted on 09/03/2009

Sprint Wholesale Solutions, the carrier sales arm for Sprint Nextel Corp., and Lightyear Network Solutions LLC, a reseller and VoIP carrier, signed a new wholesale agreement Tuesday that the companies say redefines the traditional wholesale telecom model.

The value and the terms of the 40-month agreement were not disclosed. However, the companies said Sprint actively will support Lightyear in marketing voice, data and wireless products that ride the Sprint network. Sprint will join Lightyear in committing resources, including cash, expertise and facilities to supporting the Lightyear sales channels, which include a networking marketing arm and an agent network of 275 partners nationwide.

"We are viewing this as a ground-breaking agreement," said Mike Smith, director of marketing for Sprint Wholesale Solutions, speaking from the Lightyear Agent National Sales Conference being held Wednesday and Thursday. "We are investing in a co-marketing relationship that we think is going to keep our company and their company and all of their sales folks focused on the customer."

Lightyear President and CEO Sherman Henderson said Sprint is "stepping up" with marketing, marketing dollars and "much more aggressive pricing."

As an example of that commitment, Sprint is a sponsor of the agent conference, where the deal was announced and is giving away a "NASCAR experience" to two winners in a drawing. In addition, Sprint is funding an incentive program for Lightyear agents called "Get in the Game." The program enables agents to earn a point for every dollar sold of Sprint-Lightyear products and to redeem those points for merchandise.

Sprint also is giving Lightyear access to its Executive Briefing Centers around the country where agents and customers can go to experience Sprint's technology first hand. The carrier also will provide Lightyear with agent training, marketing assistance for demand generation programs and money for agent sales promotions.



"They aren't just sitting back and saying, 'Here's is some money, go pay some agents and bring us some business,'" said Kevin Shady, vice president of sales for Lightyear. "They are contributing tremendously in helping us build momentum and excitement with our agents."

He added that the agreement "means more competitive products, better rates and commissions as well as a better opportunity to sell and a better likelihood off being able to win accounts."

Sprint has used this partnership approach before with its cableco partners targeting residential users, but this is the first time that it's similarly engaged a CLEC targeting primarily business customers.

"We had some great success [with the cablecos] and quickly found that it was just too big an opportunity not to transfer the approach, that strategy into other segments of our wholesale customer base," Smith said.

Smith said Lightyear was selected for this arrangement because of its "enthusiasm, focus, energy and commitment" as well as its longstanding relationship with Sprint. Lightyear has been selling Sprint's wireline services since 1997. The new pact strengthens the relationships and adds a wireless component.

Lightyear recently launch Lightyear Wireless as a result of a July 2008 agreement with Verizon Wireless. Shady said Lightyear will be selling both prepaid and postpaid wireless services over the Sprint network. The postpaid product will offer agents a monthly residual commission.

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