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Home-Based Agent

The Perfect Hosts, Part II

By [Tricia Holly](#)

Altamonte, Fla.-based Travel Planners International (TPI) is one of the nation's oldest and largest host agencies, boasting a roster of 600 independent contractors throughout the country. CEO Tony Gagliano-who recruits roughly 20 to 25 new agents per month-distinguishes his agency as a "full-support company," rather than a host agency. "Host retailers are looking to augment their sales with outside agents and usually have their own clients," he says. "TPI, on the other hand, only focuses on providing services to independent contractors."

Gagliano says giving professional support to independent contractors is no easy task when you have more than 600 agents spread out all over the country. "But this is our specialty," he says. "This is what we do, and we have spent the past 15 years perfecting it."

GROWTH MEANS SALES

The company's size also translates into increased revenue. "Our company growth leads to increased sales with preferred suppliers, which leads to higher commissions for our agents," says Gagliano. TPI pays its agents 70 percent commission on all travel sold, including service fees. As Gagliano points out, "This is not 70 percent based on standard 10 percent commissions; this is 70 percent based on our negotiated overrides." For example, TPI receives 16 percent commission on Carnival, Royal Caribbean, and Celebrity. Based on TPI's commission structure, this means that agents would earn \$224 for selling a \$2,000 cruise.

The flat-fee approach means that no matter how much business an agent brings in, the host is guaranteed an income. Gagliano, however, says that most agents prefer a high commission split, because the agent and agency take a risk on future sales and the agent's success. "This is where the service and support are crucial," says Gagliano. In Gagliano's opinion, what outside agents look for most in a host agency-in order of importance-are professional service seven days a week, marketing and sales support, a high commission split and high preferred-supplier commission agreements. "In a nutshell, [agents seek] a professional organization that understands and delivers the service that outside agents require," says Gagliano.

On the flip side, Gagliano says almost any outside agent would make a good fit with TPI because the agency offers such a range of product and services. However, he says, "the agent calling in asking about fams is certainly one we look at closely. We have a vested interest in the success and productivity of our agents, so we would not get the respect from our suppliers if we have 500 agents looking for fams and only producing \$1



Tony Gagliano, Travel Planners International

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million in sales."

TPI charges an annual \$169 fee, which includes access to TPI's Vacation.com membership benefits; \$1 million Professional Liability Insurance; unlimited calls to the after-hours reservation center, which lets the agent make air reservations, change existing reservations, and book cars and hotels; and unlimited toll-free calls to TPI's help desk. TPI handles all invoicing and supplier mailings without any additional charges or fees to the agent.

Like its competitors, TPI focuses on recruiting experienced agents, although it also recruits graduates from a certified travel school, and it has a training center to help agents polish their skills. "This is what distinguishes TPI most from other host agencies," says NACTA President Joanie Ogg. She adds that TPI's training program for newer agents also benefits the agency community overall. "There is an incredible number of people out there interested in selling travel, and we need programs like that to bring in new blood," says Ogg.

On the technology front, Gagliano says he recently made the decision to relocate to offices equipped with two T-1, high-speed telephone data lines in order to give the agency the ability to host its own Web site, as well as its agents' sites, and provide contractors with free e-mail addresses. "We made a huge commitment to our agents' future when we moved into our new service center," says Gagliano. "The workspace was designed to provide the employees the ability to work closely and communicate without the barriers of walls, meaning better support for agents.

For professional agents who sell a large volume (more than five tickets per week) of airline tickets, car and hotel reservations for their leisure customers, or demanding corporate accounts, TPI recommends optional reservation software by Amadeus or Sabre. For Amadeus, it offers Amadeus Pro Reservation Software for \$20 per month. For Sabre, it offers MySabre, also \$20 per month. The optional software is not needed if the agent's primary focus is cruises and tours. Agents who sell few air tickets, car or hotel reservations each week use TPI's AgentHub Web site, which costs \$20 per month.

"Our AgentHub Web site is what TPI is all about," says Gagliano. "With more than 30 sections and more than 25,000 pages, there is not a single thing you can't do-from booking air, car, hotel, and getting sales and marketing assistance to downloading flyers and specials and continuing education."

DIRECTION OF THE FUTURE

For agency owners such as Ferrell, Gould and Gagliano, there is no better business to be in than the host agency business. "We saw the direction the airline industry was taking and realized that the traditional brick-and-mortar agencies would begin disappearing and home-based outside sales agents would be the direction the industry would take," says Gagliano.

As the industry continues to face difficulties, Gagliano predicts that more host agencies will emerge. "It is all about consolidation and working more efficiently," he says. "If you are an agency today with one or two employees, look at your bottom line and ask yourself if you can be more profitable by eliminating all the business expenses that you incur in a storefront. Go home-based, reduce expenses, retain your number-one asset (your clients), and sell without the aggravation of running that storefront. I am quite sure that the net results will be obvious." ■

This is part II in a series of three articles excerpted from a story that appeared in Travel Agent Magazine, March 2003



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