

“The Intelligent Intermediary”

The catalytic role of the Commercial Agent Import-Export & Distributor in the Global Economy

The important position of Commercial Agents in the Commercial - Economic development of markets

New significant challenges for the Good's Trading Sector in the field of Global Digital Transition

On the occasion of the **92nd anniversary** of the establishment of the **Athens Association of Commercial Agents and Distributors (AACA - SEADA)**, the conference entitled **“The Intelligent Intermediary”** was held on Thursday, May 15. “Present” in the developments of international trade, declared the historic Association, which, with the participation of the **Federation of Associations of Independent Import-Export and Distributor Commercial Agents (FICAB - OSAEA)**, organized the event, on the effort to open new paths for the sector in the 21st century. As Konstantinos Panagoulas, President of SEADA, characteristically emphasized, *“With this Conference, we seek to serve as a springboard for further initiatives of SEADA so that we can **exercise significant public intervention in the economic and commercial ecosystem, to promote the interests of the present and future of the sector, and services to the National Economy**”.*

What is essentially, the role of the Commercial Representative, in the modern era, and what has been his contribution to the economic development of organized societies, even since the era of product exchange. The aim of this article is to inform Commercial Agents as well as Suppliers and Buyers, about current trends and developments in Greece and Europe, and to highlight the need **to re-establish the commercial agent role**, in the mindset and psychology of entrepreneurs, but also in the cycle of import, export and domestic trade.

It is important for the two conflicting sides, the Seller and the Buyer, the Producer and the Trader, to realize that the Commercial Agent is called upon to effectively connect them for their mutual benefit. This is truly the **“intelligent intermediary”**, who absorbs the vibrations, like an egg between two colliding stones, which must not be broken under any circumstances, so as to bring about, the desired result, namely the completion of the transaction in a mutually beneficial and balanced agreement. The profession of the Commercial Agent is “a difficult and extremely sensitive profession”, whose necessity of existence and its catalytic role, although essential, “does not enjoy the appreciation it deserves”. Moreover, it is known, mainly by the buyer, the attempt to avoid the mediation of the Agent on commission, with the reasoning that he will avoid the amount of his commission. However, it is clear that the Supplier always calculates in the final price, all the costs of promoting sales, including the Agent's commission. In the case of sales without a Representative, the costs of sales promotion are much higher, in addition to the fact that on the one hand it expands the Supplier's sales, on the other hand it

helps significantly in finding the appropriate and excellent product by the buyer. This is also the most important reason for the existence of the Representative, for the benefit of the buyer.

The Commercial Representative must be deeply informed and in every detail about the product he promotes. the existing competitive providers.

- *He must be thoroughly aware of the existing competitive providers, and mainly the needs and the mentality of the market and the potential buyers.

- *He must speak foreign languages, even that of the body.

- *He must mainly have the talent and experience of the seller, who has the ability to convince the buyer, always with clear arguments, but also the supplier, in order to adapt his policy and his products to the needs of the specific market.

- *With his attitude and training, he must, dispel the illusion that a Commercial Representative is unnecessary in a globalized environment of commercial transactions, and confirm that this **"intelligent intermediary"** is **essential for the flow of information in the markets**. That he is the factor that contributes to overcoming **local specificities, cultural differences** and **commercial tactics** between suppliers and buyers.

The history of the role of the "Commercial Representative" has proven that it essentially and effectively covers the communication deficit, despite the rapid evolution of the conditions and methods of product distribution, in electronic ways, and the ease of direct establishment of multinational companies in new markets. It should be emphasized here that modern sales methods, via the Internet & social media, which plays the role of an intermediary seller, in consumer products Mainly. Usually concerns a non-branded product, of unknown origin, which of course is profitable solution for the seller, in charge of all risks to the buyer, the usual victim. It is known that cheap and unreliable products are sold, with the usual traps, which ultimately satisfy the cunning salesmen in the heat of consumerism.

The choice of a local representative is always the best solution. There are extremely favorable conditions for a Principal, using the services of a Commercial Representative.

- *The Principal pays based on the sales after completion and payment of goods, while with the **"Intelligent Intermediary"** it has complete and inexpensive knowledge, in the locality, such as competitors, - prevailing prices, - expected turnover, - market habits, - the reputation and solvency of customers, - legislation, - the tax regime, etc. etc.

- *The Principal knows its potential prospective customers from the beginning.

- *The Principal has zero investment costs, salary, rent, installation, daily expenses, travel, and market research. That means, a branch of his company for free, based on productivity.

- * Therefore, the Representative who, as he should, has a good knowledge of the product to be sold, offers all this know-how for free, at the service of the Supplier as well as to the Buyer, who also has all the information at his feet free of charge.

"It takes talent, knowledge, education, patience, and above all experience and diplomacy. Imagine the global economy, without the "Intelligent Intermediary", the "Commercial Agent – Seller", who responsibly informs, protects and ensures the seller and the buyer. It would obviously be **a market in chaos of competitiveness and misinformation of the Buyer and with limited sales of the Supplier**".

In the timelessness of this operation of the Commercial Representative comes the International Organization of Representatives "**IUCAB**" - **Internationally United Commercial Agent's & Brokers**, in the International defense and protection of the profession, with the European Directives (result of close collaboration with the European Community for decades), which recognizes the exclusive representation in a specific area, and seal it, against the stubborn logic of the absolute liberalization of the markets. A decision was previously made by the EU, which excludes any discussion on the exclusive representation for the next 12 years. This, apart from clearly offering immunity to the profession, practically recognizes the usefulness of the Commercial Agent as a protected role, in the service of the smooth and proper of products' exchange in the markets.

It is noteworthy that in this effort, and especially in the service of Export Representatives, the Ministry of Foreign Affairs of Greece, through the B1 Directorate of Extroversion Planning & Coordination of Extroversion Agencies with the National Strategic Extroversion Plan (ESSE) and the Offices of Economic and Commercial Affairs (OEIS), contributes to the protection and effective contribution to safe exports, through the provision of information on business missions, fraud phenomena and company solvency checks.

A particularly sensitive issue, significantly concerns the sector, regarding the legal protection of the Commercial Representative who is in a difficult negotiating position, if a written form of a commercial agreement has not been provided. However, the most important factor is that **the legal protection of the Commercial Agent**, is provided for, with absolute clarity by the Community Legislation - Directive, with regard to his compensation, in the event of a sudden and unjustified interruption by the Supplier, where the Agent's important role in commercial transactions, is recognized as having benefited the Supplier over time and after the cessation of cooperation. It is also important that **the legal claim is made at the seat of the Agent**, that means, where the service is provided, with the primary argument being the proof of the actual events. In certain cases, the non-existence of a contract, can be favorable to the interests of the Agent, because legal compensation coverage applies anyway, unless otherwise agreed in the contract.

The Commercial Agent, as a factor of active action in the global, but also local economy, is the "**vigilant guard**", for the exploitation of transactional opportunities, and the completion of transactions, in a smooth and mutually satisfactory end. The Local Associations and Federations of Commercial Agents as well as the **International Collective Body IUCAB**, are the forces that intervene with State entities and the highest European Bodies, in order to prevent decisions in the future that will benefit powerful monopolies at the expense of economies, and damage the **proven creative and catalytic role of the "Intelligent Intermediate" - Commercial Agent**.

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