



# The Green Sheet

The Financial Services Industry Source for Education, Inspiration and Actionable Advice

January 10, 2005  
Issue 05:01:01

## Inside This Issue:

### News

Industry Update.....	8
Visa 2005 Interchange Fees.....	54
Banner Day for Authorize.Net .....	68
Julie O'Ryan Takes the Helm .....	69

### Features

#### AgentTalk:

Insight and Advice From an Industry Veteran By Matthew Swinnerton .....	18
Cutting the Costs of ATM Cash By Ann All, ATMmarketplace.com .....	32

### Views

Creating a Mission Statement By Vicki M. Daughdrill .....	28
In 2005 It's All About Execution By Larry Bleiler.....	38

### Education

#### Street Smarts<sup>SM</sup>:

Staying Alive in 2005 By Ed Freedman.....	72
The ISO, MLS and Card Association Rules: Who Ya Gonna Call? By Anthony L. Ogden.....	78
A Must for 2005: CISP and SDP Compliance Reviews By David H. Press .....	80
What Will Be Hot in 2005? By Peter Scharnell .....	84
From Tips to Trends: What's up for 2005 By Nancy Drexler .....	86
Securing Your Computer Against Spyware By Joel Rydbeck.....	90

### New Products

Making Check Images More Secure .....	95
A Thin Client for Batch Verification .....	97
The Lockbox Has It Covered.....	99

### Company Profile

NetBank Payment Systems Inc. ....	45
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### Inspiration

Earning and Maintaining Trust .....	101
Courting Less Than Cordial Clients .....	103

### Departments

Forum.....	5
Datebook .....	104
Resource Guide.....	106
Advertiser Index .....	110

## The Year That Will Be: Payments 2005

**T**he street sweepers have cleaned up the streamers, glitter, funny hats, horns and all the other makings of the celebrations marking the transition from an old year to a new one. The parties are over and as we wait for 2005 to unfold, we try to predict what's ahead.

Many in the payments industry think that 2005 will be the year that the recent upheavals, consolidations and technological advances will all begin to make sense.

If there's one way to sum up what the year ahead will bring to ISOs and merchant level salespeople (MLSs), it's probably that a new approach to doing business will be critical to their success. Creativity in solving a wider range of merchant needs based on an excellent understanding of what's available on the marketplace is crucial.

As commerce and payment card transaction processing go wireless, get faster and ubiquitous, there will be far more opportunities for sales agents to inform merchants and earn new business than ever before.

If you don't see the landscape changing, consider everything from last year's



See Payments 2005 on page 59

### NotableQuote

**"A greater level of cooperation within the bankcard industry is imperative. ... I believe that the rules information gap is not solely the product of MasterCard's and Visa's organizational behavior or exclusivity. All participants in the credit card acquiring industry have a vital role to play in enabling the system to function in a positive and productive manner."**

See story on page 78



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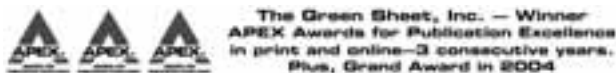
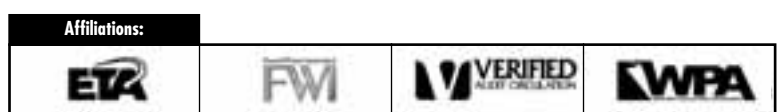
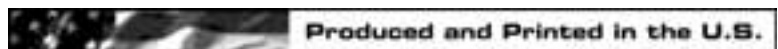
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# Forum

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costs you more than buying direct? Until we understand that the end doesn't justify the means, we will continue to be open to regulatory interference, customer antipathy, and out right disdain.

Mark Courchane  
Wind River Financial

## Looking for 2003 Processing Totals

Does anyone know the latest published numbers for the total processing volume for Visa/MasterCard combined? Was it 1.2 trillion for debit and credit in 2003? I plan to use this fact in an advertisement.

Thanks,  
Curtis

Curtis:

Refer to Visa's and MasterCard's Web sites for this information at:

- [www.usa.visa.com](http://www.usa.visa.com)
- [www.mastercardintl.com](http://www.mastercardintl.com)

Also, in the "2004 Payments Study," the Federal Reserve published data stating that general-purpose credit cards (includes Visa, MasterCard, American Express and Discover) were used for 15.2 billion purchases with a combined value of \$1.4 trillion in 2003. The study is available at [www.frb services.org/Retail/pdf/2004PaymentResearchReport.pdf](http://www.frb services.org/Retail/pdf/2004PaymentResearchReport.pdf).

The Green Sheet Inc. recently completed the "Payments Grand Prix," (GSQ, December 2004, Vol. 7, No. 4) which is our annual report on the acquiring market. We mailed this issue on Dec. 27, 2004.

We published numbers for credit and offline debit card transactions (combined) and online debit card transactions for the top acquirers:

- 2003 credit/offline debit transactions for the top acquirers totaled 34.9 billion and were valued at more than \$1.8 trillion.
- 2004 (estimated) credit/offline debit transactions totaled 45.8 billion and were valued at more than \$2 trillion.

For a full discussion of our methodology in reporting these numbers, please refer to this GSQ, which will be available on GS Online in January 2005.

Editor

## Merchant Lease Raises Questions

I read with interest Ed Freedman's recent article, "Asleep at the Wheel" (The Green Sheet, Dec. 13, 2004, issue 04:12:01), on how easy it is to miss business when it's right in front of you during everyday experiences. If we only paid more attention we could be so much more successful. Boy, how true that is!

What pained me to see in his story is that a competitor of his was able to soak a small limousine business owner out of \$3,357.60 for the privilege of using a terminal for four years on a lease. This must be some new-fangled terminal that drives the limo, washes it, accepts the payment and thanks the customer since it costs that kind of money. Ed didn't mention if the merchant was happy with the deal. Do you know?

Mike Hammer  
Chief Marketing Officer  
Heartland Payment Systems Inc.

Call it Midwest values, but did anyone else get a bad feeling in the pit of their stomach when in "Asleep at the Wheel," Ed Freedman basically "praised" the Cardservice International sales rep for selling a merchant a four-year lease at \$69.95 per month? Why do we wonder why this industry still can't escape the reputation of ripping off unsuspecting customers? Are we the only industry where a lease




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# IndustryUpdate

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## NEWS

### NACHA Reports ARC Is Highest-Quality Consumer ACH Debit

New statistical information from **NACHA – The Electronic Payments Association**, shows that the accounts receivable check conversion (ARC) application is the highest-quality consumer-oriented automated clearing house (ACH) debit application. The ARC application allows checks delivered to remittance and lockbox locations to be converted into ACH debits. NACHA recently reported that there were 266.2 million ARC payments in Q3 2004, compared with 5.3 million in Q3 2002. With an estimated total of 1.25 billion ARC payments in 2004, ARC will have surpassed 1 billion payments annually faster than any other ACH payment application. At the same time, the rate at which ARC payments are returned has fallen from 2.34% in Q3 2002 to 0.54% in Q3 2004, an improvement of 76.9%.

In other news, 553 payments industry professionals received accreditation or were re-accredited in 2004 by NACHA under the **accredited ACH professional (AAP) program**, bringing the current number of AAPs nationwide to an all-time high of 2,554. NACHA created the AAP designation in 1993 to recognize professionals for their understanding and knowledge of the ACH network and the payments industry.

## ANNOUNCEMENTS

### Deluxe CEO to Retire in 2005

Check and business form printer **Deluxe Corp.**

announced that **Lawrence J. Mosner** plans to retire in 2005, both as the company's Chief Executive Officer (CEO) and Chairman of the Board of Directors. Mosner has held a number of key leadership positions since joining Deluxe in 1995.

He assumed his current role of Chairman and CEO in 2000. Before joining Deluxe, Mosner previously served as Executive Vice President and Chief Operating Officer at Hanover Direct and prior to that he spent more than 28 years with Sears, Roebuck & Co.

### First National Extends ECHO Contract

**First National Merchant Solutions** renewed **Electronic Clearing House Inc.'s (ECHO)** processing contract under the Visa POS Check program. The contract is renewed until December 2005. First National provides check processing for national as well as regional retail merchants including the largest retailer currently on the Visa POS Check service. First National first contracted with ECHO to process Visa POS Check activity in December of 2002.

### GiftCertificates.com Adds 22 Partners

**GiftCertificates.com** announced the addition of 22 national merchants to its gift certificate product offering. The new merchants include Bennigan's, Famous Footwear, Reebok, Motherhood Maternity, Talbots, Budget Car Rental, and others.

### Lynk Deploys Triple DES; Achieves Visa/MasterCard Compliance

**Lynk Systems Inc.** completed triple data encryption standard (DES) certification for **VeriFone Inc.'s** Omni 3750 and PIN pad 1000SE payment solutions. Visa and



- **MasterCard International** reported a 17.9% increase in transaction volume for the 2004 holiday season, and processed more holiday transactions than any time in its history.
- **U.S. online shoppers spent \$16.7 billion** during the first six weeks of the 2004 holiday season, according to the Goldman, Sachs & Co., Harris Interactive and Nielsen//NetRatings' Holiday eSpending Report. This amount was 28% more than the same period in 2003.
- **The Conference Board's Consumer Confidence Index**, increased eight points in December 2004. The index had declined since August 2004.
- **Blockbuster** is considering a hostile takeover bid for **Hollywood Video** if the chain refuses to negotiate a deal. Blockbuster offered \$700 million plus assumption of the company's debt in November 2004.
- **The Wet Seal** said it will lay off 2,000 workers and close 150 stores. The women's clothing retailer reported a loss of \$24.6 million in Q3 2004.



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"I had nine merchant accounts approved in one month and was paid \$46,468.55 by AmericaOne. During my eight years of merchant services experience, I have worked with several other service providers and built many merchant portfolios, only to see them disappear without any personal benefits from their sale. I will never know that feeling again! Thank you AmericaOne!"

Michael K. Severna Park, MD

"I had six very satisfied customers approved and received \$6,827.30 from AmericaOne. After my 14 years of experience in the industry, I found someone who has finally come up with a program that eliminates waiting years to get paid. AmericaOne's Upfront Cash Program is definitely one of a kind. AmericaOne is a true partner and is always there to help make every sale."

Lewis C. Worcester, MA

"I had twelve merchant accounts approved in a one month period and I earned \$5,959.21. The AmericaOne Merchant Acquisition Program is the most rep-friendly program I have ever experienced. It is the best planned program, from the application, to the cash in my hand."

Ray E. Redding, CA

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## Industry Update

MasterCard mandate triple DES, a security feature, for all PIN-entry devices.

Lynk has shipped triple DES-enabled terminals since mid-2003, and as of mid-October 2004 it began deploying triple DES encrypted solutions for all new, exchanged and replacement VeriFone Omni 3750 and PP1000SE orders.

In other news, Lynk achieved compliance with Visa U.S.A.'s Cardholder Information Security Program (CISP) and MasterCard's Site Data Protection (SDP) programs.

### United Bank Card Launches Online Application

United Bank Card Inc. (UBC) launched its online application and instant approval program. With the new program, ISOs and merchant level salespeople (MLSS) can complete and submit merchant applications to UBC electronically from any computer with an Internet connection.

UBC's system immediately issues a merchant number, and it instantly activates the merchant account on UBC's processing network. The application allows UBC to set

predetermined pricing for ISO/MLS partners. This feature allows UBC's partners to offer the benefits of the instant approval online application directly from their proprietary Web sites.

## PARTNERSHIPS

### CVS Offers AmEx's ExpressPay

CVS agreed to become the first national merchant partner to accept ExpressPay from American Express Co. (AmEx). CVS has ExpressPay-enabled POS terminals in 485 stores and plans a full roll out to its entire fleet of more than 5,300 stores by mid-2005.

ExpressPay is a payment product that operates by radio frequency. It's available as a fob that hangs on a key chain and can also be embedded in a traditional AmEx card. Users simply hold ExpressPay next to a reader at checkout to make purchases; payment is authorized in seconds, and no signature is required to complete a transaction.

### CheckFree and Netonomy Sign Agreement

CheckFree Corp., provider of financial electronic commerce products, and Netonomy, provider of customer self-service and bill analysis solutions, formed a partnership in which CheckFree will integrate and resell Netonomy's customer self-service technology as part of its CheckFree i-Series suite of electronic billing software.

With CheckFree i-Series, organizations can send electronic invoices, bills and/or statements to customers from a single, integrated platform. Through the partnership, billers will allow customers to manage their accounts and buy new products and services through a single user interface at the biller's own Web site.

Business customers can order new products in bulk, activate accounts, automatically separate personal billing transactions from business transactions, and report and resolve problems online.

### ERAS Offers Compliance Solution

Banking software and solutions development company ERAS released FAST314(a), enabling financial institutions to create an electronic record of non-bank customers' transactions, as well as non-traditional transactions for bank customers, such as Visa gift cards, traveler's checks, cashiers check and money orders.

ERAS developed this addition to its suite of compliance products as a response to the USA PATRIOT Act. Under the act, banks receive bi-weekly reports listing names of individuals suspected of engaging in money laundering and have 14 days to search and submit information for any matches found. FAST314(a) enables banks to main-

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THIS IS SUCH A WONDERFUL AND SPECIAL TIME OF YEAR. THE HOLIDAY SEASON REPRESENTS A TIME FOR FAMILY, A TIME FOR CARING, A TIME FOR PEACE, A TIME FOR JOY, AND YES, A TIME FOR SHARING. THIS IS TRULY A TIME FOR HARMONY. LIKE MANY OF YOU, OUR WISH IS TO MAKE THINGS RIGHT IN THE WORLD, FOR ALL PEOPLE, IN WHATEVER SMALL WAYS WE CAN.

IF YOU ARE READING THIS LETTER, IT IS A SAFE BET THAT YOU HAVE ACHIEVED SOME LEVEL OF BUSINESS SUCCESS. AS A RESULT YOU ARE MOST LIKELY NOT HUNGRY, HAVE A PLACE TO LIVE, AND HAVE TRANSPORTATION TO GO ABOUT DAILY LIFE.

I WOULD LIKE TO ASK EACH OF YOU, AS WE HAVE DONE, TO LOOK INTO YOUR HEART AND TO FIND A WAY TO HELP SOMEONE IN NEED THIS HOLIDAY SEASON. I BELIEVE THAT WE HAVE A RESPONSIBILITY TO SHARE OUR BLESSINGS WITH THOSE LESS FORTUNATE THAN US. I KNOW WITH YOUR HELP, TOGETHER WE CAN MAKE A DIFFERENCE IN OUR LOCAL COMMUNITIES.



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**Industry Update**

tain, track and query the transactions of both account and non-account holders.

### Exante and MasterCard Deliver Health Benefit Debit Cards

**Exante Financial Services** now offers its suite of **MasterCard**-branded health benefit cards to medical benefit providers and insurers nationwide. Exante's programs include applications for flexible spending accounts and health reimbursement accounts and also enable verification of health benefit eligibility.

A new health savings account (HSA) prepaid MasterCard card gives consumers the ability to access funds stored in tax-deferred HSAs when paying for eligible medical expenses.

### Moneris Signs Two New Partners

**Moneris Solutions** will provide **Lambs Farm** with payment processing solutions. Lambs Farm is a non-profit organization for adults with developmental disabilities, providing residential, vocational and social support services.

The organization welcomes more than 300,000 visitors

each year to shop in its businesses and offers a corporate gift catalog of customized gifts and gourmet foods that are made, packaged and shipped by the men and women it serves.

Moneris will now be Lambs Farm's supplier of hardware, proprietary software, and service/support to accept credit and debit cards.

In other news, Moneris now offers **CrossCheck Inc.**'s check approval and guarantee services.

### NetSuite Provides Multi-currency Credit Card Processing

**NetSuite Inc.** announced the availability of multi-currency credit card processing for NetSuite e-commerce customers worldwide. NetSuite e-commerce customers can now accept credit card payments in 120 currencies and receive settlement in any of 14 currencies.

### NYCE Forms Agreement With MCBS

**Michigan Community Bankers Service Co.** (MCBS), a wholly owned subsidiary of the Michigan Association of Community Bankers (MACB), signed an exclusive agreement with **NYCE Corp.**

With the agreement, NYCE will provide banks participating in MACB with data processing services through **Metavante Corp.**, including card authorization services, ATM terminal driving, signature debit services and links to other networks. In addition, NYCE will provide fraud and loss prevention services for both PIN and signature debit card programs.

### Open Payment Technologies Solutions Available on Elite Terminals

**Ingenico** integrated **Open Payment Technologies'** Opticard gift card platform on the Ingenico Elite terminal platform. ISOs and acquirers will sell and activate Opticard gift cards in real-time using Ingenico Elite 710, 510 and 712 terminals. The solution also supports real-time redemptions, point accumulation, voids and balance inquires.

### POS Technologies Joins OneLynk Program

**POS Technologies Inc.** joined the OneLynk Alliance, **Lynk Systems'** value-added reseller program. POS Technologies is a reseller of Radiant Systems' Hospitality Division Aloha POS solutions for the restaurant and hospitality industry.

### Q Comm Services Offered to McLane's Account Base

**Q Comm International Inc.** signed a referral agreement with distribution service provider the **McLane Co.**

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Turnovers	ISO 7	Fraudsters 20
Lost Dollars	ISO 7	Fraudsters 999

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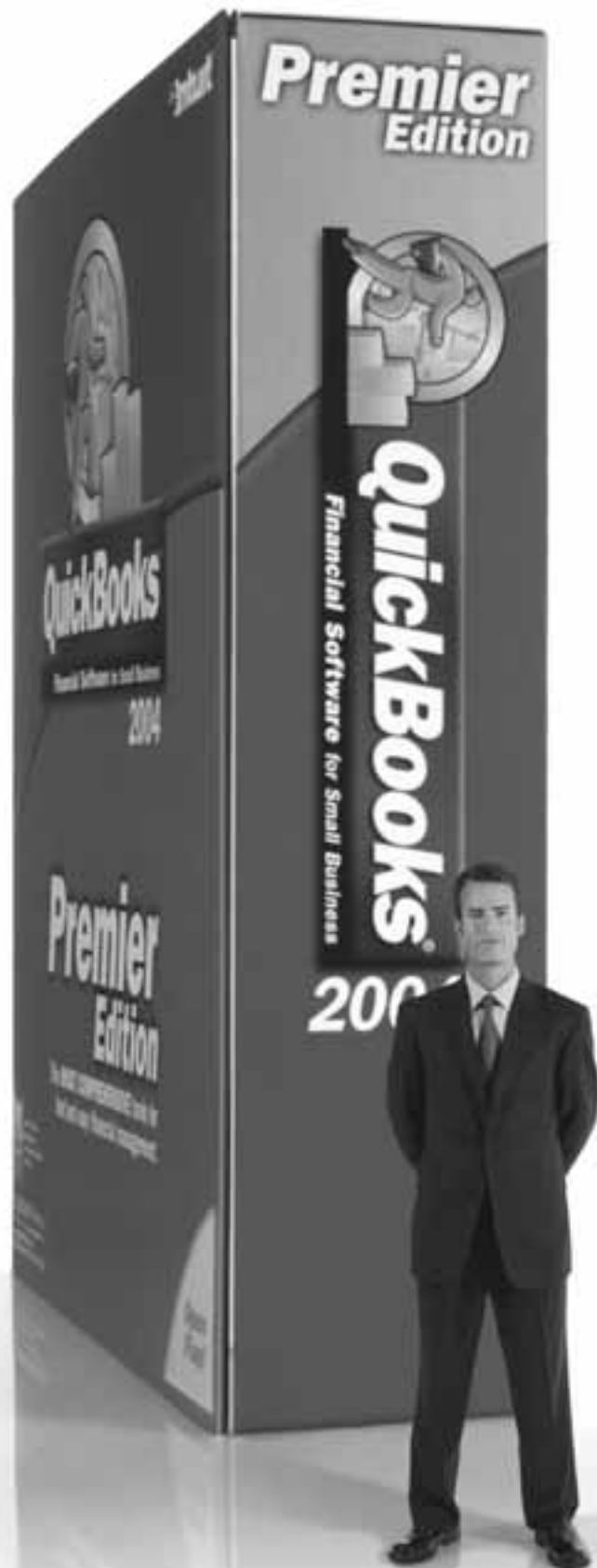
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**IndustryUpdate**

McLane delivers food and non-food products to more than 50,000 customer locations around the world, including the convenience store, drug store, mass merchandise, wholesale club, quick service restaurant and movie theater industries.

**CampMinder Partners With United Bank Card**

**United Bank Card** reached an agreement to provide its services to **CampMinder**, a Web-based management system used by camps. CampMinder provides an integrated database management system for camper and staff recruitment, alumni management, scheduling, transportation, mass e-mailing and other services.

The alliance will enable camps to process credit cards securely over the Internet and automatically record payments into family accounts.

**Smart Card Parking System Uses Omni 3750**

**Parcxmart Technologies Inc.** signed an agreement with the City of New Haven to launch a payment system for municipal parking and retail purchases.

The parking payment system combines a smart card for

use in parking meters while providing a revenue stream for merchants.

The consumer purchases a Parcxmart card for a fee from a participating merchant, loads up to \$100 onto the card using a **VeriFone** Omni 3750 POS terminal, and uses the smart card for payment at meters, parking garages, and participating merchants. Merchants benefit from commissions generated by selling and reloading dollar value on the cards. **Banknorth** manages all funds management.

**White Castle to Use Geac's Card Payment System**

**White Castle Restaurants** have begun a chain-wide installation of **Geac's** integrated credit card system. White Castle has issued purchase orders to install the Geac systems at more than 300 of its restaurants.

Geac's credit card solution is fully integrated to the quick service POS system allowing transactions to process over high-speed connections. Customers can swipe as they order, keeping their cards securely in hand.

At a time specified by the restaurant, the Geac software automatically performs settlements. Management involvement is not required and real time reports are available to confirm POS payment activity and settlement.

**ACQUISITIONS**

**Global Payments Acquires Europhil**

**Global Payments Inc.** acquired a group of European electronic money transfer firms from individual investors. The firms operate collectively under the name **Europhil**.

Founded in 1989, Europhil was one of the first money transfer firms established in Spain. Based in Madrid, the group operates 26 retail branches in Spain, Belgium and the United Kingdom. For calendar year 2004, Europhil anticipates approximately \$12 million in revenue.

**JCB Acquires One-third Ownership of EMVCo**

JCB acquired one-third ownership in **EMVCo LLC**. MasterCard International and Visa International own the other two-thirds. JCB will appoint representatives to the EMVCo board of managers and the executive committee as well as its working groups.

Since December 2001, JCB has deployed an EMV-compliant infrastructure. JCB has also issued new and renewal JCB smart cards. By April 2005, JCB anticipates

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that half of its JCB-branded cards will be EMV compliant smart cards.

**Optimal Payments to Acquire Merchant Card Acceptance**

**Optimal Payments Inc.** will acquire the operating assets from **Merchant Card Acceptance Corp.** and its affiliated companies, Precision Management Consulting Inc., and Merchant Card Interactive Corp. (collectively "MCA") for approximately \$4.6 million. MCA is an ISO providing Canadian-based merchants with credit card and PIN-based debit card acceptance. Its operating assets consist primarily of agreements with merchants, employees and suppliers.

**Robert Morgan**, the President and sole shareholder of MCA, will join Optimal Payments and continue to build MCA's merchant portfolio under the Optimal brand.

growth of the firm's card issuing and merchant acquiring practice areas through his involvement in partnership formations and strategy development. Grill will continue to lead the firm's emerging payments practice and advise clients on payments industry matters.

**Joseph Named Vice Chair at U.S. Bancorp**

The Board of Directors of **U.S. Bancorp** elected **Pamela A. Joseph** to the position of Vice Chairman. Joseph serves as Chairman, President and CEO of NOVA Information Systems Inc., a wholly owned subsidiary of U.S. Bancorp.

As Vice Chairman, Joseph will also continue to serve as Chairman, President and CEO of NOVA. She is also responsible for managing all operations of the organization's transaction services and EuroConex.

Joseph, with more than 20 years of financial services experience, joined NOVA in 1994. The company named her to her current position in November 2004.

**ID Analytics Promotes Morton, Appoints Williams**

**ID Analytics Inc.** promoted **Ken Morton** to Vice President of Global Sales. In this new role Morton oversees and directs worldwide sales efforts for the company's identity risk management solutions. Prior to joining ID Analytics, Morton spent 20 years establishing operations and driving the expansion of software companies in Europe. Companies he previously worked with included Covigo, E.piphany and Octane Software.

**Simon Williams** joined the company as General Manager of Europe, Middle East and Africa for ID Analytics Ltd., the UK subsidiary of ID Analytics Inc.

Williams has nearly 20 years of experience working with software solutions for the financial services and telecommunications industries. He previously served as the Managing Director for NIB Europe and also worked as Sales Director for AT&T Easylink Services.

**Richmond Fed Appoints Advisory Council Member**

**G. Kennedy Thompson**, Chairman, President and CEO of Wachovia Corp., was appointed as the Fifth Federal Reserve District's representative on the **Federal Advisory Council** for 2005.

The Federal Advisory Council, composed of a representative from each of the 12 Federal Reserve Districts, confers with the Board of Governors of the Federal Reserve System on business conditions and issues related to the banking industry. It also makes recommendations regarding system policies. ■

**APPOINTMENTS**

**First Annapolis Promotes Grill to Partner**

**First Annapolis** promoted **Paul Grill** to Partner. Grill joined First Annapolis in 1997 and has supported the

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Robustness	<ul style="list-style-type: none"> <li>• Automated Recurring Billing</li> <li>• eCheck.Net*</li> <li>• Fraud Detection Suite</li> <li>• Card Present Capabilities</li> </ul>	✓	?
Security	<ul style="list-style-type: none"> <li>• CISP Certified</li> <li>• Stable and Solid</li> <li>• Industry leading anti-DDoS solutions</li> </ul>	✓	?
Reliability	<ul style="list-style-type: none"> <li>• Competitive Buy Rates</li> <li>• Reliable Residual Payments</li> </ul>	✓	?
Support	<ul style="list-style-type: none"> <li>• Free Merchant and Reseller Support</li> <li>• Extensive Third Party Support</li> <li>• Dedicated Account Management</li> </ul>	✓	?

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# AgenTalk

## Insight and Advice From an Industry Veteran

**By Matthew Swinnerton**

*Merchant Services Direct*

**F**or this month's edition of "AgenTalk," I interviewed **Joyce Leiser** of **electronictrans.com**, based in Dallas. Joyce has seen a lot of changes in technology in the payments industry, but she has embraced these changes throughout her career and created a successful business and reputation by doing so.

**Matthew Swinnerton:** Why and how did you enter this industry?

**Joyce Leiser:** I had been involved in sales at the corporate level for many years in a variety of industries so I already knew that my area of enjoyment and expertise was in sales. A friend who had actually worked for me at a previous company suggested that I try merchant acquiring.

I knew little about this industry and feel fortunate that my introduction to it was working with an ethical company that taught me the basics from interchange on up and educated me correctly from day one.

Jack Martin, one of the founders of the Bankcard Services Association (BSA), which is now Electronic Transactions Association (ETA), was the President of the Dallas ISO for whom I worked in the early 1990s.

His involvement with the BSA/ETA exposed me to the key players across the board in our industry (terminal manufacturers, card Association executives and network innovators) so I became networked very quickly during this time of rapid industry growth.

**MS:** Provide a timeline of your experience in the industry.

**JL:** I began my career as an agent and worked out of an office surrounded by a hardworking, full service helpdesk and underwriting, deployment and IT departments.

I believe that was my most valuable experience because it enabled me to understand merchants' needs and what our office personnel had to know to get a merchant up and running and to supply customer service.

I clearly saw what was required to make the entire

process flow smoothly and how every detail had an effect on the signing, set up and servicing of a happy merchant.

I quickly learned that if I was knowledgeable about a particular merchant's industry that it was easy to infiltrate all merchants in that type of industry since I was familiar with their jargon and needs and spoke their language. I also found it easier to establish rapport by quickly gaining their respect with a true knowledge of their needs.

With the ongoing education provided to me by my ISO, I was also able to communicate that I was a professional in my industry. If I signed merchants whom I enjoyed working with that were also profitable, I immediately asked about their professional/trade association and became an actively involved member.

I became the first ISO Sales Manager of Martin Howe Associates and enjoyed signing new offices and helping to grow the business.

By continuing to be actively involved in signing merchants, and since I had walked in the shoes of ISOs and agents, I was also able to relate to them.

I think it would be hard to establish rapport with "feet on the street" on behalf of any ISO if you have not "walked their walk."

In the mid 1990s, I was drawn to wireless technology when the first Lipman units came out on BellSouth. These unique devices impressed me, and the first merchants who needed wireless were the ones that had a larger average ticket and required both speed and portability. Those merchants were the stadiums and arenas for concerts/sports teams across the country.

Back then, no one from our industry had taken the time to understand how to sell wireless correctly, so it was very easy for me to talk with merchants, educate them and gain their trust. I solved problems for them that no one else could talk about.

Plus, I really enjoyed learning about the emerging NASCAR industry and servicing merchants at All-Star games and other sporting events.

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**I will not work with too large of a "shop." My business is based on my reputation. The level of professionalism, industry knowledge and trust that my merchants receive from me must also be a match at the ISO/processor level.**

- Joyce Leiser

Some of my associates teased me that I signed teams because I liked the logos on their merchandise.

I had no competition and a very high closing ratio along with a strong word-of-mouth referral business. The ISO I worked with became a PMT company, and I left when they sold to Nova.

I went to work as Director of Emerging Markets for U.S. Wireless Data and stayed in wireless as the technology evolved. I enjoyed working with the card Associations to break new ground in taxi, vending, QSR and cell phone wireless technology.

After so many years specializing in only wireless, I felt I was missing out on other areas of payments such as electronic check conversion, gift cards, Internet and fixed location wireless (IP), so I made the decision

to work with an ISO to re-educate myself and get caught up on the rest of the industry.

This brought me back to the world of the ISOs and also to their "feet on the street" and the day-to-day issues selling directly to merchants.

When I had to begin turning down some large opportunities that came my way because the ISO with whom I worked was not equipped to handle them, I decided to go out on my own.

I did this in order to have the ability to "shop the deal" and make sure that I could direct the national merchant, VAR or merchant association to the best solution based on their needs.

I still get calls from ISOs/merchant level salespeople (MLSs) in the industry who are looking for a

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"home." I direct them to some reputable organizations based on their level of experience and their requirements for ongoing education to become successful in our industry.

**MS:** Do you focus on a certain market?

**JL:** I work with retail merchants and their associations and still lead with wireless; however, wireless today also means Internet protocol (IP)-based connectivity or "fixed-location wireless."

Many of the early mobile wireless users with whom I have maintained relationships for the past decade are now ready to upgrade to IP for POS. A lot of these are QSR. In addition to setting up merchants, most of my time is spent getting VARS up and running.

The bigger deals involve putting together companies that can compliment each other to obtain merchant accounts and share revenue. What keeps me busy are the vast number of companies that have existing relationships with their customers and see the value in adding merchant acquiring as another product to tie the customer to them. It also adds an additional revenue stream.

It's possible for these companies to become ISOs and learn our business if they're able to dedicate resources, but most companies I work with choose to partner with an ISO where cultures and resources fit and are complimentary.

They negotiate duties and responsibilities of signing the customer/merchant and share revenue based on that equation.

**MS:** Do you have a mentor?

**JL:** I really have to give credit to ETA as my mentor and as a key to my success. I started attending meetings many years ago, and I've been able to gain industry knowledge and meet other industry experts.

Even during the years I attended as a vendor, I spent many hours in the breakout sessions learning about new issues, problems, solutions and the developing technologies and industry trends.

**MS:** What factors made you choose your current processors?

**JL:** The industry knowledge and access to information I need to stay up-to-date are critical, and tools provided to me in real time that make it easy for me to keep track of all details concerning my merchants are key.

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## AgenTalk

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Those tools were not around many years ago, and all ISOs are not equal in regards to making this type of information available to agents and partners.

Also, every sales organization has its own level of professionalism. This was also key in my decision. The ISO that gets the majority of my business is one that fits with my mode of sales and service. It provides true 24/7 customer service to both me and to my merchants.

I do not believe in outsourcing a help desk on evenings and weekends. I will not work with too large of a "shop." My business is based on my reputation. The level of professionalism, industry knowledge and trust that my merchants receive from me must also be a match at the ISO/processor level.

I can't afford to trust business sent to me via referral to any ISO that will not have my same professional standards.

I am the first line of communication with my key merchants and want to stay in the selling mode; finding an organization that has the same standard of service allows me to concentrate on selling since I know they will be there for me and for my merchant when issues arise.

Sure there will be problems, but it's how the problems are handled that impress my merchants. Also, although I've been in this industry many years, it's important to find those whom you truly respect and who have also "walked the walk."

It's important that they can think through a creative solution in order to gain good business. After all, if you're sharing revenue, they should be as interested as you in finding a solution to keep the merchant happy.

**MS:** What future technologies do you look forward to in payments?

**JL:** Payments technology integrated into other business solutions that merchants use so that it isn't sold as a stand-alone product. I'm also excited about the contactless payment technology being rolled out in Dallas and New York.

**MS:** How has The Green Sheet helped you?

**JL:** I like the Industry Updates and also the articles highlighting new technology.

**MS:** If you could tell a new MLS one thing, what would it be?

**JL:** It's all about the people in this industry. If you are serious about making a life-long career in payments, then

it's your responsibility to stay up-to-date on the industry and the professionals in the industry.

Make it a point to attend industry trade shows at least once a year so that you can meet and learn from the people that make this industry run.

If you find people you can relate to and trust, then you'll be in a better position to find out "word of mouth" who is real and who isn't and who has experience and who's looking to make a quick buck and sell.

There's no way to know this unless you talk to people who have been around a long time. All of these industry veterans are accessible, but it's up to you to go out and meet and get to know them. It's also key to work with an ISO where the top management, including the Chief Executive Officer, has experience as an acquirer.

Also, the majority of the board and owners must also be from this industry and have walked in your shoes. This is critical because the industry is rapidly changing. I've experienced first-hand the frustration of how time-consuming and difficult it is to educate a decision maker on certain aspects of the industry in order to get a decision made.

If there's a history and base of industry knowledge, good decisions can be made faster and more efficiently. Just because an ISO has quickly assembled a staff of industry veterans, doesn't mean that it's the best company with which to align yourself for business.

**MS:** Do you attend any regional or national association shows?

**JL:** I have always attended ETA's Annual Meeting and Expo in the spring and try to get to one or two regional acquirers' shows every year when the time and location are convenient.

In recent years I've made attending the merchant association shows a priority. After all, that's where the merchants come for face-to-face time. It also saves a trip to their location.

**MS:** What has been your biggest achievement in this industry?

**JL:** My involvement in breaking new ground to bring card acceptance to Pepsi vending, the taxi industry and QSR business have been some of the most enjoyable highlights of my career.

It was exciting to be among "the first" in these areas and to lead the way for others to accelerate card acceptance in new areas from advances in wireless technology.



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### AgenTalk

**MS:** Describe a typical day in your life.

**JL:** The beauty of the MLS lifestyle is that you can control your appointments and schedule around any personal events without feeling guilty. E-mail, toll free phone numbers and cell phones make it easy to keep in touch with merchants from anywhere in the country.

I generally spend 50% of my time on new business and the other 50% split between servicing existing customers and consulting commitments.

I will make time in my schedule for early morning installations or the occasional Saturday installation/training. For large multi-location merchants, I will spend a lot of time training one person within an organization to train the others.

I try to return all phone calls and e-mails the same day or within 24 hours. Many merchants and business associates are not surprised to find a late night voice mail message from me simply letting them know that I received their message and that I plan to respond.

Working from the "home" office allows me to catch up at odd hours and work the occasional fragmented day.

**MS:** Is there anything else you'd like to add?

**JL:** I've found that it's really simple to succeed if you do two things consistently:

1. Demonstrate that you have a clear knowledge of this industry when speaking with merchants so they trust you and feel like they can depend on you, and
2. Follow-up. A lot of people make great presentations (including your competition) but lack the skills to follow up. Once prospective merchants understand that they can trust you to always follow up then they relax and become loyal merchants and a great source of referrals.

**MS:** Thanks, Joyce. What an inspiration you have been. You have certainly given us some great advice. Thank you for sharing your ideas and your story. 📧

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*Matthew Swinnerton of Merchant Services Direct has sold credit card processing solutions for the last seven-plus years as an independent agent. To find out more about Merchant Services Direct, visit [www.msdirect.net](http://www.msdirect.net) or e-mail Matthew directly at [matt@msdirect.net](mailto:matt@msdirect.net) or call him at 512-255-9791.*

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Business Sense**Creating a Mission Statement****By Vicki M. Daughdrill***Small Business Resources LLC*

*Editor's note: This is the third article in a series on considering building a business.*

**I**n previous columns, I discussed the necessary traits and characteristics of entrepreneurs, detailed the reasons businesses fail, and explained how to create a company vision. Now it's time to write a mission statement.

Every company, including your own, needs a mission statement. Why? According to business and technical consultant Wilson Mar on WilsonMar.com, for your internal customers, the mission statement coordinates the decisions and actions of your company.

It also inspires employees to do more; helps them anticipate customer needs, which results in better customer service; and gets them to act and work with a common purpose. A mission statement also limits what an organization should *not* do.

For your external customers, the mission statement serves as a public declaration of the benefits and advantages your company offers; it also fulfills a requirement of many customers and lending organizations.

What exactly is a mission statement? It's a powerful tool to clearly define your company's reason for existence. It's the articulation of how your dream will become a reality. It sets the tone, defines a path, and acts as a guiding principle for your company.

Your mission statement tells customers exactly what your company stands for, believes in, and what it intends to achieve.

A good company mission statement, according to the recruitment Web site [www.talentweave.com](http://www.talentweave.com):

- Captures the organization's essence without being too vague that the statement applies to all businesses
- Focuses the entire organization's energies in a purposeful way
- Engages emotions
- Displays accuracy, ambition, straightforwardness and practicality.

Phil Hardwick wrote in his weekly column for the "Mississippi Business Journal," dated Nov. 22, 2004, that a mission statement "should be a one sentence, clear, con-

cise statement that says who the company or organization is and what it does."

Here are some examples of mission statements: "Beat Coke" (Pepsi), "Crush Reebok" (Nike) and "Beat GM" (Honda). Do you think they meet the above criteria?

Following is a list of "don'ts" to keep in mind when writing your mission statement (I found these published on the University of Florida's Department of Telecommunication, College of Journalism and Communications Web site, [www.jou.ufl.edu/people/faculty/chanolmsted/mission.htm](http://www.jou.ufl.edu/people/faculty/chanolmsted/mission.htm)):

- Don't regurgitate a description of your business.
- Don't make it boring.
- Don't make it the length of a Ph.D. thesis.
- Don't fake emotion. If you don't believe it, don't include it.
- Don't lie. Intend to do exactly what you say you are going to do.
- Don't forget to write it down.
- Don't forget to get the input of as many people in your organization as you can.
- Don't forget to incorporate it into the rest of your business.

Some companies spend years and thousands of dollars working to formulate their vision and articulate their mission. More than 64 books on writing mission statements are available on online retailer Amazon.com; an Internet search on "mission statements" results in more than 44,000 hits.

However, don't get overwhelmed. On the Web site [www.About.com](http://www.About.com) ([http://management.about.com/library/howto/ht\\_stmt.htm](http://management.about.com/library/howto/ht_stmt.htm)), I found the following outline to help you create your mission statement:

1. List your company's core competencies, its unique strengths and weaknesses. This is an excellent occasion to conduct a thorough "SWOT" analysis to determine the Strengths and Weaknesses of, Opportunities for and Threats to your business. Be candid, honest and brutal with your analysis.
2. List your company's primary customers, internal and external, by type not by name. If your company is new, list your potential customers.
3. Review how each customer relates to each of your company's strengths, asking each customer if possible. Satisfaction surveys and customer focus groups are out-



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standing and recognized ways to gain information. Bring in a few of your best customers, serve them lunch and brainstorm with them.

4. Write a one-sentence description of each customer/company strength pairing. If writing a complete sentence takes the focus away from the process, brainstorm adjectives and adverbs that describe your current business or the business you intend to operate.

5. Combine all similar statements, adjectives and adverbs using words that are positive, action-oriented and in active voice, and prioritize them in order of importance to your company's vision.

6. If you have not yet written out sentences, write a one-sentence description of each customer/company strength pairing and combine the top three to five sentences into a paragraph.

7. Ask your customers if they would do business with a company with that stated mission.

8. Ask your employees if they understand, support and can fulfill the mission. I recommend and encourage you to engage your employees at the earliest stage of the process. Ask for their input in the SWOT analysis and utilize their skills in developing your written statements.

9. Ask your suppliers if the mission statement makes sense to them.

10. Incorporate the feedback from customers, employees and suppliers and repeat the process, if necessary.

11. Refine the paragraph into statements that clearly articulate the way you want your company to relate to those it works with, and use it everywhere.

Include it on all communications, print it on your letterhead and all marketing and branding materials, post it on your Web site, and display it in your office.

This process differs from Hardwick's recommendations to write one sentence that states who the company is and what it does. I personally agree with him and recommend that you refine your mission statement to be one sentence or a phrase that differentiates your company from the competition. However, since you know your company better than anyone else, you decide which method best describes your business. It's now time to (as Nike says) "Just do it!" Happy writing. ■

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# Cutting the Costs of ATM Cash

By Ann All, Senior Editor

ATMmarketplace.com

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**K**eeping an ATM filled with cash is one of the biggest monthly expenses for ATM deployers. According to the 2004 Dove Consulting ATM Deployer Study, deployers paid on average \$180 a month for cash replenishment and \$75 a month for cost of funds, a significant chunk of the \$1,194 average total monthly operating cost.

Many ISOs avoid these costs by asking merchants to fill machines with their own cash from the till. The merchant self-fill model isn't an option at some sites, however, because of security or other concerns.

"It's great to have an ATM that makes money, but the number one priority has to be the security of the customer," said Dennis Baker, owner of Supreme ATM, an Ohio ISO with some 100 ATMs under contract. "A rear-

**"It's great to have an ATM that makes money, but the number one priority has to be the security of the customer. A rear-loading, through-the-wall ATM is the perfect scenario because [merchants] can load it any time. If they don't have that type of machine, but can load it before or after the store closes, that also can work."**

- Dennis Baker  
Owner, Supreme ATM

loading, through-the-wall ATM is the perfect scenario because they can load it any time. If they don't have that type of machine, but can load it before or after the store closes, that also can work."

## Cash and Carry?

Baker, a former Regional Manager for a major armored carrier, said his customers load about half of his 100 machines. He fills three locations himself, a practice he doesn't recommend for most ISOs, although he is willing to do it because of his background.

It's difficult to get insurance to cover that kind of activity, said Ron Schuldt, Chief Operating Officer of Columbus Data Services, a transaction processor and vault cash provider. "Essentially, you're asking the insurance company to cover you from robbing yourself."

Filling machines also demands time that may be better used elsewhere, Baker said. "If you want to grow your business, you may not want to take the time to do it."

John Clatworthy, Vice President of Sales and Marketing for vault cash supplier Cash Connect, a division of WSFS Bank, said many ISOs do not wish to tie up their own capital for replenishment.

Noting that the cost of cash is generally the prime interest rate plus 1% or more, he said, "Most ISOs are smarter than we are; they know how to make more than 6% on their money."

Before loading an ATM himself, Baker said he calls ahead so his customer can "provide an extra set of eyes for me." He also avoids visiting those sites on a set schedule. "You always want to mix it up so you're never there at the same time," he said.

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reduce the costs of cash at sites where using an armored carrier for replenishment is a necessity.

Clatworthy advises ISOs to consider having machines replenished less frequently but loaded with more cash when interest rates, and thus the cost of cash, are low.

It's best to prepare for this possibility when purchasing equipment by buying ATMs that can accommodate added cassettes.

ISOs also need to be aware that some, though not all, armored carriers require ATMs to be equipped with electronic locks. Some carriers may be willing to help defray the costs of the lock, Clatworthy said. "It doesn't hurt to ask."

Most ISOs using armored carriers have machines filled monthly, biweekly or weekly, depending on transaction volumes. Clatworthy encourages ISOs to "take the time to do some analysis" and determine optimal replenishment schedules.

Baker's formula for determining load frequency: Multiply the number of weekly transactions by \$55 (average withdrawal amount), then add 20% (in case unscheduled runs are needed). Divide by four, then round to the nearest hundred.

Divide that number into the ATM's cash capacity, then round to the nearest one, two or four. This will help determine whether visits are needed weekly, bimonthly or monthly.

### Doesn't Hurt to Ask

Baker said ISOs may be able to negotiate a better rate than the average \$65-per-drop by asking the right questions during contract negotiations. For instance, ask if a carrier already provides a location with change orders.

"You should be able to piggyback on what that location is already paying," he said. "The carrier won't have any added miles and only limited additional exposure with ATM cash."

Schuldt, of Columbus Data Services, advises ISOs to ask a carrier if it provides its own service or sub-contracts with smaller carriers, a not uncommon practice.

"You might be able to get a better rate by going directly to the smaller carrier," said Schuldt, with the caveat that the risk of potential exposure could be higher for the ISO.

Find out when a carrier visits machines, Schuldt said. "If you've got a machine at a casino that does a lot of transactions over the weekend and they load it on a Monday

instead of a Friday, that money is going to sit in the armored vault over the weekend costing you in interest."

Speaking of interest, Baker said ISOs should try to get carriers to commit to a one-day turnaround, rather than the average two, between the time it picks up cash from a source bank and fills machines. This concession is easier to obtain in large metro areas, he said.

All three men encourage ISOs to be wary of added fees, such as higher charges for deliveries outside standard service areas or fuel surcharges.

"You want to be aware of those and keep them as low as possible," Clatworthy said. "For instance, you may want a contract to specify that fuel surcharges can't exceed the CPI (Consumer Price Index).

If you've figured your cash costs, then all of a sudden you find yourself paying 4% more per drop for fuel, it can wreck your margins pretty quick." ■

Link to original: [www.atmmarketplace.com/research.htm?article\\_id=21608&pavilion=99&step=story](http://www.atmmarketplace.com/research.htm?article_id=21608&pavilion=99&step=story)

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# In 2005 It's All About Execution

By Larry Bleiler

VeriFone Inc.

The year ahead will bring great progress in expanding the infrastructure required to enable the transition to wired and wireless broadband at the point of sale (POS). There has been a lot of conversation over the past two years about adopting Internet protocol (IP)-based technologies at the POS for high-speed transmission of payment transactions.

But this year, we transition from evangelism to implementation mode ... from theory to reality ... from discussion to execution.

That's not to say there won't be bumps along the way; in fact, in some areas, there will likely be a fair amount of contention. So without further ado, let's make some observations and then dig into the details for the upcoming year:

- Merchants at the POS will climb onto the broadband bandwagon in increasing numbers as they recognize the value and cost-savings of using this technology over dial-up.
- Digital wireless broadband will start to catch on, particularly for mobile merchants that want to capitalize on customers' increasing reliance on credit and debit cards. But we can expect a resurrection of the wireless wars of four to five years ago when competing standards slugged it out. However this time, major carriers are competing, not only for select vertical markets, but for a broad market of more than 100 million cell phone subscribers and their need for converged voice and data service.
- Merchants will readily adopt Wi-Fi for POS as they recognize the advantages of swapping out multiple phone lines for one shared connection. Many merchants already have a cable connection or DSL, so there's no additional telecom cost involved.
- Restaurant owners will begin to demand pay-at-the-table payment systems as they become aware of the advantages of Wi-Fi and invest in solutions to leverage the increasing consumer reliance on debit cards.

## Broadband Connections Proliferate

Let's talk a little bit more about broadband in general. It's always hard to get a firm grasp on what's going on in the small business market because it's so diverse, but according to various surveys, at the beginning of 2004 anywhere from one half to two-thirds of all small businesses in the United States had some type of broadband connection.

According to one survey, more than half of those who still rely on dial consider it too slow to meet their business needs and would consider moving to broadband.

Now consider that the above information is more than a year old, and count up how many people you know who have moved from dial to broadband in the past year compared with how many have dropped broadband to return to dial. There's inevitability in moving to broadband. As one technology writer said several years ago, you'd have to tear his cable modem out of his cold dead hands to get him to give it up. For many merchants, the issue is not over

whether to move to broadband, but indecision or confusion over what is the best broadband medium to adopt.

For fixed storefront merchants, DSL or cable is nearly ubiquitous these days. Many of them already have the connection for their back office PC, so it should be a relatively easy sell for an ISO and merchant level salesperson (MLS) to make the business case.

According to a report by the Small Business Administration, firms with zero to four employees face a monthly cost of \$82.81 per employee for local and long-distance telecommunications; that's almost four times the relative cost that larger companies pay.

Small businesses have an average of just over four telephone lines, each incurring a monthly fee. Reducing or eliminating some of those costs should put the expense of a new IP-enabled payment solution in a much more favorable light.

The increasing attention to broadband telephone services, otherwise known as voice-over IP (VoIP), is also expected to appeal to small- and medium-sized businesses and create more demand for broadband.

## Wireless Wars

A few years back, we had quite a battle among conflicting wireless transmission schemes: Mobitex, Motient and CDPD.

None of these ever attained the level of ubiquity required to generate mass adoption, which drives down the cost. Now we're moving to a new phase, with two flavors of broadband wireless dubbed code division multiple access (CDMA) and general packet radio service (GPRS).

So why should this time around be different than previously failed efforts? What's different now is that



# 1.5 billion

Number of cellular phone subscribers worldwide (approx).\*

# \$62.91

Cost per employee for local and long-distance telecommunications for a company with up to four employees.\*\*

# 400,000

Estimated number of U.S. households with Voice-over IP (VoIP) broadband telephone service.\*\*\*

\*Source: United Nations

\*\*Source: Small Business Administration

\*\*\*Source: www.emarketer.com

the wireless transmissions are based on the same standards used in mobile phones. CDMA and GPRS wireless broadband use the same towers, the same transmission standards, and the same service providers as the mobile phones that now proliferate our society and economy.

By climbing on the back of an already ubiquitous technology, wireless broadband is light years ahead of those older wireless schemes. In addition, the economies of scale are much better positioned for the anticipated success of wireless payments.

Some suppliers in the POS industry will be tempted to pick one or the other of these transmission technologies, quite simply because it's cheaper to do so.

But there's absolutely no chance that either CDMA or GPRS will wipe out the other, so any vendor that backs only one flavor will ultimately lose out on a substantial segment of the market, perhaps 50% of it!

With recent and pending mergers, the wireless industry has split into two gigantic camps with T-Mobile and the recently combined Cingular/AT&T promoting GPRS, and Verizon and the soon to be combined Sprint/Nextel lining up behind CDMA.

Ultimately, we expect that wireless will fully compete with wired POS terminals, once the economics get to the point where merchants do not have to pay a premium.

However, that day is not yet here, so in 2005 expect merchants to primarily employ new CDMA and GPRS terminals for mobile use, such as home delivery, and in locations where the cost of installing telephone lines is prohibitive.

As those numbers increase and manufacturing ramps up, the cost of wireless modems will continue to come down to the point where wireless and wired are on a level playing field for stationary use.

### Wi-Fi ... Wi-Not?

It's no secret we at VeriFone have been among the strongest proponents of Wi-Fi for POS. Others in the industry have placed their bets behind an effort to force-fit Bluetooth into a niche for which it was neither designed nor suited.

If you travel often, you increasingly find more hotels, coffee shops, even McDonald's franchises offering Wi-Fi access to their customers.

In fact, you don't have to stray far from home to find burgeoning Wi-Fi availability in many of your local businesses. (How many signs do you see offering Bluetooth access?)

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**View**

Wi-Fi is an incredible concept. It essentially extends a wired Ethernet connection over the airwaves where it can be offered in a secure or non-secure manner to anyone with appropriately equipped laptops and other wireless devices.

If I were an ISO/MLS, I'd be working right now with one of my best customers to set up a Wi-Fi installation that I could show future and prospective customers.

Pay-at-the-table is another one of those concepts that sounds great, but has yet to really get off the ground. The technology has not yet reached a level where rapid adoption could decrease the price of manufacturing. Now we have Wi-Fi, which without doubt, is experiencing rapid adoption, and we see wireless gateways available for \$50 per month or less.

So the technology is here. But more importantly, American consumers' increasing reliance on debit and stored-value cards virtually assures that restaurants will have to begin to adopt pay-at-the-table technology.

Not only is it more profitable for the restaurant, but the early adopters will undoubtedly realize a competitive advantage as diners find locations that make payment more convenient and secure.

**Wait ... There's More**

There are other areas I would like to address, but I'm out of space. So I'll just quickly offer up a few points, and I'm sure we'll touch on them again throughout the year:

- Savvy ISOs/MLSs will hone-in on the quick serve restaurant (QSR) gold rush as individual franchisees start to catch the broadband bug that their corporate parents succumbed to in 2004.
- Value-added applications will become a more important part of most selling propositions, particularly as more processors and ISOs develop (or purchase) their own branded applications such as gift card and check conversion.
- We'll see more consolidation in the industry. It may not be on the scale of First Data Corp. buying Concord EFS Inc., but it's inevitable that consolidation breeds further consolidation as the larger companies strive to increase market share and economies of scale. ■

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|---------------------------|---|---|
| <b>Residual Program:</b>  | <ul style="list-style-type: none"><li>▸ Interchange revenue sharing program</li><li>▸ Buy rate program</li><li>▸ Custom pricing</li><li>▸ Income on all revenue streams</li></ul>   | <ul style="list-style-type: none"><li>▸ Direct leasing program with MBF Leasing</li><li>▸ Residuals paid by ACH or check</li><li>▸ Residual system online and detailed</li><li>▸ Residual ownership and sell rights</li></ul>   |
| <b>Bonus Program:</b>     | <ul style="list-style-type: none"><li>▸ \$100 bonus per application</li><li>▸ Free equipment for EVERY merchant</li><li>▸ Discover EASI bonus and basis points</li><li>▸ American Express ESA bonus and basis points</li></ul>  | <ul style="list-style-type: none"><li>▸ Monthly bonus contest</li><li>▸ Check service residuals</li><li>▸ Gift Card residuals</li></ul>   |
| <b>Standard Features:</b> | <ul style="list-style-type: none"><li>▸ 30 second approvals, 30 second file builds</li><li>▸ Same-day deployment of free equipment</li><li>▸ Auto approval program for Retail, MOTO and E-Commerce</li><li>▸ In-house 24/7 customer service and technical support</li><li>▸ In-house underwriting/risk management</li><li>▸ 6 front end platforms</li><li>▸ Leads referral program</li><li>▸ Two support offices NJ and AZ</li><li>▸ Interactive ISO System</li></ul> | <ul style="list-style-type: none"><li>▸ Online portfolio management</li><li>▸ Online detailed residuals</li><li>▸ Faxed PDF and online apps w/ instant approvals!</li><li>▸ Instant file builds</li><li>▸ Faxed lease apps – no originals</li><li>▸ No pictures</li><li>▸ Turnkey ATM Program – Nexus ATM</li><li>▸ Annual Sales Conference</li></ul> |

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United Bank Card, Inc. (UBC) is a payment and transaction processor serving businesses nationwide. UBC currently handles the merchant accounts for over 18,000 locations and processes in excess of 2 billion dollars annually. United Bank Card assists over 650 contracted ISOs around the country in building profitable merchant portfolios. UBC operates out of two main offices located in New Jersey and Arizona offering an entirely in-house processing solution from underwriting and risk management to customer service and technical support. United Bank Card earned 3 honors in the Green Sheet's "Best of the Best" Reader Surveys including "Best Customer Service" by an ISO and "Top 5" nominations for "Best Processor" and "Best ISO Organization". UBC was also ranked as the 48<sup>th</sup> largest processor by volume in 2004 by the Nilson Report. United Bank Card is continually making advances in the payment processing industry and providing free credit card equipment is just another example of our commitment to innovation.

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Jonathan Brandon , National Sales Manager x 145

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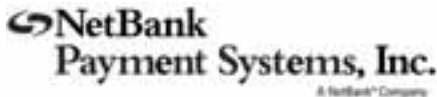
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(1-866-464-3277)

Rusty Martz - Vice President, Sales  
[Rusty.Martz@first-american.net](mailto:Rusty.Martz@first-american.net)





# CompanyProfile



## NetBank Payment Systems Inc.

### MLS contact:

Tommy Glenn, President  
Phone: 817-334-8871  
E-mail: tommyg@netbank.com

### Company addresses:

200 Briarwood West Dr.  
Jackson, MS 39206

108 West 8th St., Suite 300  
Ft. Worth, TX 76102

20984 Bake Parkway  
Lake Forest, CA 92630

Phone: 800-523-2104  
Fax: 601-957-9006  
Web site: [www.netbankpaymentsystems.com](http://www.netbankpaymentsystems.com)

### MLS benefits:

- A complete payment solutions package increases revenue potential
- Extensive marketing support
- Back office support system to ensure that deals are completed quickly and accurately
- Monthly training classes on new products

## It's an ISO and a Bank

When Tommy Glenn founded Financial Technologies Inc. (FTI) in May 1995, he had a goal of growing the company into one of the largest ATM deployers in the United States. At the time he didn't imagine that he would eventually sell it to a bank, much less an Internet bank.

But that's exactly what happened. In December 2003, NetBank Inc., the country's largest independent Internet bank, purchased FTI, and made it a wholly owned subsidiary.

Since that time, FTI has undergone not only a name change, it's now known as NetBank Payment Systems Inc., but also a new direction. The company expanded from offering only ATMs to now offering an entire payment systems platform for small to mid-sized businesses.

But it also remained true to its original goal; it's the second largest ATM deployer, among banks, in the country. Among ISOs, it's the third largest.

NetBank Inc., a public company (Nasdaq: NTBK), is a diversified financial services company. In addition to the bank, and ISO NetBank Payment Systems, it owns a few mortgage companies (collectively it's one of the 30 largest mortgage companies in the United States) as well as a business equipment leasing company and a specialty lending company serving the boating and RV market.

The bank was started in 1996 to provide products and services via the Internet rather than through bank branches in order to save customers money on deposit rates and fees.

NetBank offers products including small business and personal checking accounts, money market accounts, CDs, IRAs, ATM cards, Visa check and credit cards, mortgages and home equity loans. The bank serves more than 165,000 customers in all 50 states.

### Benefits of Being Part of a Bank

"NetBank Payment Systems is an ISO that's part of a bank, and with that brings many advantages," Glenn said.

Those advantages include more financial security and a quality, up-to-date and secure infrastructure; the company is also profitable.

So for ISOs and merchant level salespeople (MLSs), "there's a much higher probability that we're going to be able to pay you and that you'll have someone you can count on financially," Glenn said. "Not only can we pay you today, we'll be around long term to do it tomorrow.

"And although we're owned by a bank, we still operate like an ISO: We can move quickly and make decisions quickly. We try to have a fairly aggressive approach to the marketplace, but we also have this balancing factor of being part of a

### CompanyProfile

publicly run company and a financial institution."

The balancing factor Glenn referred to is regulation. As part of a publicly traded financial institution, the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corp. (FDIC) and the Securities and Exchange Commission (SEC) monitor companies such as NetBank. The companies must also follow the rules of the Sarbanes-Oxley Act, for example.

NetBank Payment Systems operates three main offices: its headquarters in Jackson, Miss., an office in Ft. Worth, Texas and one in Lake Forest, Calif. It has 65 employees and a market presence nationwide.

Glenn is NetBank Payment Systems' President. Before founding FTI, he ran the operations of a petroleum and convenience store operator. And

before that he was in a completely different field: He was a psychotherapist. "Oddly enough, my degrees are in psychology," he said.

Glenn became interested in the ATM and payments industry about nine years ago. "I was in the retail business and exposed to the low end, low cost value proposition of ATMs, which, coming onto the scene then, seemed like a good opportunity," he said.

After founding FTI and growing the company for nine years Glenn said he realized, "that if we were going to continue to grow, we'd need a partner with enough financial strength to start doing more acquisitions, so we could have a certain market share and the leverage that comes with that in terms of pricing.

"When NetBank came along, its history had been in buying companies

with good management, funding the company, and allowing them to run it. NetBank was a good fit for us, and we were in the right place at the right time."

Other officers of the company include De Lone Wilson, Vice President of Sales/Channel Distribution; Shana Bursi, Vice President of Operations; and Dave Murkherjee, Vice President of Finance.

### A Complete Solution

The company is focused on expanding from offering not only ATMs but to being "a fully integrated, single-source provider of payment processing solutions to small and mid-size businesses" including multi-function ATMs, merchant services and point-of-sale activated prepaid services.

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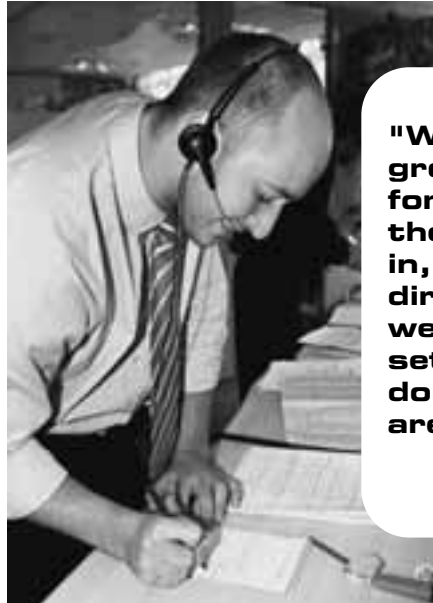


debit; electronic check conversion; government and payroll check cashing; recurring automated clearing house (ACH) debit; gift and loyalty programs; prepaid wireless and long distance cards; prepaid debit cards; and accounts receivable conversion.

The company can provide all of these services on one or two pieces of equipment. In the past, businesses have had to use one piece of equipment for each service, whether it was for credit/debit processing, prepaid services or check cashing.

To further explain "integrated," Glenn gave the example of a grocery store with an ATM at the front of the store that integrates with the store's POS terminals for check cashing.

"We're creating a platform where all of the payment solutions are strong and industry leading solutions, so if you work with us, you have a full range of processing solu-



**"We have a telemarketing group that sets appointments for qualified leads. You tell us the zip codes you're working in, and we provide either the direct marketing to retail or we contact them directly to set the appointment. If you're doing business with us, there are no fees for this service."**

- Tommy Glenn  
President, NetBank Payment Systems

tions that you can offer and all from one company," he said.

"You can also say, 'I'm a payment solutions provider for this merchant,' instead of, 'I provide only credit card solutions.'"

<h2>COMPARE</h2> <ul style="list-style-type: none"> <li>✓ Competitive Buy Rates</li> <li>✓ Revenue Sharing Programs</li> <li>✓ Faxed Merchant Apps accepted</li> <li>✓ Visa/Mastercard/Debit/EBT Check Conversion all in one Terminal</li> <li>✓ Leasing Programs</li> <li>✓ No Liability</li> <li>✓ In-house, Onsite Customer Service</li> </ul>		<h2>CHOOSE</h2> <p>the company with the goal to provide the highest quality service in the merchant processing industry.</p> <p><b>ORION</b> PAYMENT SYSTEMS</p> <p>Quality Service - Every Time. Contact us at 877-941-6500 or <a href="http://www.orionps.com">www.orionps.com</a></p> <p>We'll earn your business every day. ✓</p>
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## Company Profile

### An Important Sales Channel

NetBank Payment Systems highly values its distributor partners, or ISOs/MLSs; the company refers to them as "value-added partners."

As an MLS working with NetBank Payment Systems, you will benefit from monthly and quarterly training sessions for new products and services, personalized sales collateral, assistance with trade shows, advertising and direct mail services and back office support.

For qualified partners, the company will even set up initial appointments with prospects.

"We have a telemarketing group that sets appointments for qualified leads," Glenn said. "You tell us the zip codes you're working in, and we provide either the direct marketing to retail or we contact them directly to set the appointment. If you're doing business with us, there are no fees for this service."


In working with NetBank Payment Systems, MLSs earn their revenue through buy rate and revenue sharing programs. The company also offers performance bonuses and residual income.

The company's motto, "A person behind every machine," means that it offers 24/7/365 customer service and a staff of service technicians to repair equipment on site if needed.

NetBank's solution enables merchants to deliver all of their payment products through one POS device and also integrate those solutions with services offered on an ATM in their store.

"When you sell a value meal, per say, you are getting multiple streams of revenue, so it's more cost effective." This proves the same for both the merchants and MLSs.

Since the company has a history in the ATM business, NetBank has a strong presence in grocery and convenience store merchants, but also targets any retail brick and mortar merchant and medical facilities, too.

We feel like we're creating a new ISO/MLS model," Glenn said. "For people that have been out in the field selling one product for a company, we're leading a consolidated effort in bringing all these payment solutions together in a way so they have a better solution to bring to their customers." 



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2 Wheelers Farms Road Hillford, CT 86-668 (203)462-8397		ISO Office: JOE SMITH ISO Number: 21499001 Rep: <input type="text" value="JOL.Joe.Smith"/>	Location: <input type="text"/> of <input type="text"/> Location: <input checked="" type="checkbox"/> New <input type="checkbox"/> Additional
<b>MERCHANT APPLICATION</b> <small>Your active session will expire after 30 minutes of inactivity (* optional field)</small>			
<b>BUSINESS NAMES</b>			
Legal Name: <input type="text" value="MIXES RESTAURANT"/>	<input checked="" type="checkbox"/> CHECK TO COPY FROM LEFT TO RIGHT	Name of Account(Doing Business As): <input type="text" value="MIXES RESTAURANT"/>	
Legal Address: <input type="text" value="1 PALM DRIVE"/>		Physical Address(No P.O.Box): <input type="text" value="1 PALM DRIVE"/>	
City: <input type="text" value="OCEAN CITY"/>		City: <input type="text" value="OCEAN CITY"/>	
State: <input type="text" value="AL"/> Zip: <input type="text" value="32208"/>		State: <input type="text" value="AL"/> Zip: <input type="text" value="32208"/>	
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## Visa 2005 Interchange Fees

**Visa U.S.A. announced the following changes (shown in bold) to its consumer debit card fees: Rates effective April 1, 2005**

Fee Program Name	Current Rate	April 2005 Rate
CPS/Retail Debit - Tier I	0.70% + \$0.15	<b>0.62% + \$0.13</b>
CPS/Retail Debit - Tier II	0.83% + \$0.15	<b>0.81% + \$0.13</b>
CPS/Retail Debit - Tier III	0.95% + \$0.15	<b>0.92% + \$0.15</b>
CPS/Retail Debit - Tier IV	1.05% + \$0.15	<b>1.03% + \$0.15</b>
CPS/Supermarket Debit - Tier I	0.70% + \$0.15 (\$0.35 cap)	<b>0.62% + \$0.13 (\$0.35 cap)</b>
CPS/Supermarket Debit - Tier II	0.83% + \$0.15 (\$0.35 cap)	<b>0.81% + \$0.13 (\$0.35 cap)</b>
CPS/Supermarket Debit - Tier III	0.95% + \$0.15 (\$0.35 cap)	<b>0.92% + \$0.15 (\$0.35 cap)</b>
CPS/Supermarket Debit - Tier IV	1.05% + \$0.15 (\$0.35 cap)	<b>1.03% + \$0.15 (\$0.35 cap)</b>
CPS/Retail 2 Debit	0.80% + \$0.25	0.80% + \$0.25
CPS/Retail Key Entry Debit	1.60% + \$0.15	1.60% + \$0.15
CPS/Card Not Present Debit	1.60% + \$0.15	1.60% + \$0.15
CPS/Automated Fuel Dispenser Debit	0.70% + \$0.17	0.70% + \$0.17
CPS/Account Funding Debit	1.75% + \$0.20	1.75% + \$0.20
CPS/e-Commerce - Basic, Debit	1.60% + \$0.15	1.60% + \$0.15
CPS/e-Commerce - Preferred, Debit	1.55% + \$0.15	1.55% + \$0.15
CPS/Hotel and Car Rental Card Not Present, Debit	1.36% + \$0.15	1.36% + \$0.15
CPS/Hotel and Car Rental Card Present, Debit	1.36% + \$0.15	1.36% + \$0.15
CPS/e-Commerce Preferred - Hotel and Car Rental, Debit	1.36% + \$0.15	1.36% + \$0.15
CPS/Passenger Transport, Debit	1.60% + \$0.15	1.60% + \$0.15
CPS/e-Commerce Preferred - Passenger Transport, Debit	1.60% + \$0.15	1.60% + \$0.15
CPS/Small-Ticket, Debit	1.60% + \$0.04	1.60% + \$0.04
CPS/Restaurant, Debit	1.19% + \$0.10	1.19% + \$0.10
CPS/Retail Service Station, Debit	0.70% + \$0.17	0.70% + \$0.17
Express Payment Service, Debit	1.95% + \$0.02	1.95% + \$0.02
EIRF, Debit	1.75% + \$0.20	1.75% + \$0.20
Standard, Debit	1.90% + \$0.25	1.90% + \$0.25

**Visa U.S.A. also announced the following changes (shown in bold) to its consumer credit interchange reimbursement fees: Rates effective April 1, 2005**

Interchange Reimbursement Fee	Traditional Fee Amt.	Traditional Rewards Fee Amt.	Signature Fee Amt.
Standard Interchange Reimbursement Fee	<b>2.70% + \$0.10</b>	<b>2.70% + \$0.10</b>	<b>2.70% + \$0.10</b>
Electronic Interchange Reimbursement Fee	<b>2.30% + \$0.10</b>	<b>2.30% + \$0.10</b>	<b>2.30% + \$0.10</b>
<b>CPS/Program Rates</b>			
CPS/Supermarket - Performance Threshold I	1.15% + \$0.05	1.15% + \$0.05	<b>1.65% + \$0.10</b>
CPS/Supermarket - Performance Threshold II	1.20% + \$0.05	1.20% + \$0.05	<b>1.65% + \$0.10</b>
CPS/Supermarket - Performance Threshold III	1.22% + \$0.05	1.22% + \$0.05	<b>1.65% + \$0.10</b>
CPS/Supermarket - All Other	1.24% + \$0.05	<b>1.65% + \$0.10</b>	<b>1.65% + \$0.10</b>
CPS/Retail - Performance Threshold I	1.43% + \$0.10	1.43% + \$0.10	<b>1.65% + \$0.10</b>
CPS/Retail - Performance Threshold II	1.47% + \$0.10	1.47% + \$0.10	<b>1.65% + \$0.10</b>
CPS/Retail - Performance Threshold III	1.51% + \$0.10	1.51% + \$0.10	<b>1.65% + \$0.10</b>
CPS/Retail - All Other	1.54% + \$0.10	<b>1.65% + \$0.10</b>	<b>1.65% + \$0.10</b>
CPS/Automated Fuel Dispenser	1.50% + \$0.05	<b>1.65% + \$0.10</b>	<b>1.65% + \$0.10</b>
CPS/Service Station	1.43% + \$0.10	<b>1.65% + \$0.10</b>	<b>2.30% + \$0.10</b>
CPS/Card Not Present	1.85% + \$0.10	<b>1.90% + \$0.10</b>	<b>1.90% + \$0.10</b>
CPS/Retail Key Entry	1.85% + \$0.10	<b>1.90% + \$0.10</b>	<b>1.90% + \$0.10</b>
CPS/e-Commerce Basic	1.85% + \$0.10	<b>1.90% + \$0.10</b>	<b>1.90% + \$0.10</b>
CPS/e-Commerce Preferred Hotel and Car Rental	1.58% + \$0.10	<b>1.90% + \$0.10</b>	<b>2.30% + \$0.10</b>
CPS/e-Commerce Preferred Passenger Transport	1.75% + \$0.10	<b>1.90% + \$0.10</b>	<b>2.30% + \$0.10</b>
CPS/Hotel & Car Rental Card Present	1.58% + \$0.10	<b>1.90% + \$0.10</b>	<b>2.30% + \$0.10</b>
CPS/Hotel & Car Rental Card Not Present	1.58% + \$0.10	<b>1.90% + \$0.10</b>	<b>2.30% + \$0.10</b>
CPS/Passenger Transport	1.75% + \$0.10	<b>1.90% + \$0.10</b>	<b>2.30% + \$0.10</b>
CPS/Restaurant	1.54% + \$0.10	<b>1.90% + \$0.10</b>	<b>2.30% + \$0.10</b>

**The Special Incentive program fees remain unchanged as:**

CPS/Small Ticket	1.65% + \$0.04
CPS/Retail 2	1.43% + \$0.05
CPS/e-Commerce Preferred Retail	1.80% + \$0.10
Express Payment Service	2.00% + \$0.02
CPS/Account Funding	2.14% + \$0.10

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## Payments 2005 from page 1

lawsuits and Supreme Court rulings, mergers and acquisitions, and innovations in payments products.

In some ways, merchant account processing has become very complex, but that's a good thing for ISOs/MLSs on the cutting edge.

The incredible variety of technologies and systems that allow more types of payments to be accepted, emerging markets and security requirements all create scenarios for you to step in, answer questions, find solutions, and be the informed expert and hero.

How do ISOs/MLSs really know what's important to focus on coming up?

To mark the beginning of a new year and a new era in payments, we talked with several industry leaders about what's on the horizon for 2005. They represent companies that are integral to the transformation taking place in the way payments are made and processed.

### Untapped Sources Awaiting Solutions

Everyone we spoke with agrees that last year's events and changes in technology that are falling into place will make it easier for more merchants to accept and process payments in 2005.

This year, while security issues remain important, the solutions that will matter will be those that create environments of speed and convenience for merchants and their customers.

That means wireless and mobile point-of-sale (m-POS) solutions will take off this year.

We'll also see an increase in payments made using cards with contactless radio frequency identification (RFID) or infrared chips. And services not previously available over wireless networks, including check conversion and guarantee, will become available from companies including AIRCHARGE.

With options ranging from cell phones equipped with attachments for processing highly secure card transactions and countertop devices operating on wireless wide- and local-area networks, to systems in which consumers wave a card or fob in front of a reader, it's up to sales agents to get to know their merchants in order to provide the solution that best fits their present and future needs.

"Anybody who should be processing retail but is not your prospect," said Ben Goretsky, Chief Executive Officer and head of IT development for USA ePay, a payment gateway provider.

"Any merchant who meets face to face with customers with a credit card in their hand, but for some reason is not accepting those cards, this is your client."

Wireless networks are standardizing, mobile phones are becoming less expensive, consumers prefer to use credit and debit cards, and solutions providers are able to get creative in developing the products and programs necessary to reach the untapped goldmine of small, independent merchants not processing card payments.

They number into the tens of millions, according to most estimates. Think about all the landscapers, home product parties (candles, cookware, cosmetics, etc.), artisans at crafts shows or airport shuttle drivers out there.

In its May 2004 report, "Mobile Merchant POS Terminals: Revisiting Untethered Card Acceptance," research firm TowerGroup said that targeting merchants including plumbers, non-store retailers, restaurants and taxi and limousine services who accept the majority of payments through cash and checks will greatly affect the wireless market, especially through handheld devices.

"While m-POS terminals have been on the market for sev-

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eral years, high prices and the need to alter sales force and consumer payment habits have thus far kept deployed numbers low," according to the report. "But this is changing, particularly as merchants seek to add convenience to the consumer payment experience."

By 2009, TowerGroup predicts that both handheld and countertop wireless devices will account for almost one in four new POS terminals delivered in the United States; in 2003, there were 12 million POS terminals in place.

### **Looking for the Whole Story**

Todd Carey, CEO of MP2 Solutions, a company that specializes in mobility products and data management services for mobile workforces, said it's up to agents to find the right partners with the right solutions. This will open up more opportunities for their customers to say "yes."

"In 2005, agents will be able to take advantage of new technology, especially wireless, to make themselves more valuable," Carey said.

"If agents can adapt to a new solution-selling model, they'll find opportunities not around today that will open doors to solutions and revenues."

Because of the increased capabilities inherent in the technologies, new solutions becoming available this year will include a more integrated approach to the merchant's overall business needs.

Prepaid gift and loyalty programs and inventory control, delivery confirmation, signature capture, check conversion and guarantee will all be offered in bundled packages.

Carey said when it comes time to select a system, decision makers want more from their POS systems, and that includes integrated programs and efficiency. "It has to do

more than one thing; the device has to be able to grow with the business," he said.

Features on the devices must be flexible, and Carey thinks the way to maximize that potential is through the development of strategic partnerships among solution providers.

Manufacturers will have to think differently, too, when it comes to aligning themselves with other vendors and developing their sales and marketing strategies.

Most importantly, people need to know these solutions are out there. Discovering new and exciting possibilities in payments can be challenging for independent merchants; if they don't know the solutions exist, how do they know to ask about them?

Goretsky said he sees things changing along those lines in the coming year. Beyond educating sales agents and retailers on technical specifications, the emphasis will be on making sure that people know the options are out there so they can choose the right solution.

"Technology providers live and breathe this stuff every day, and getting the information down to the resellers has been extremely tough," he said. USA ePay's Pocket Spectrum solution incorporates a cell phone loaded with the company's proprietary application that communicates with a separate card swiper/printer unit through Bluetooth wireless technology.

"At shows, when people see the phones in the cradles, they're surprised because they have the same phone," Goretsky said. "They ask, 'Are you telling me my phone can be a credit card machine?'"

"Wireless terminals are not the only wireless solutions out there. The technology is readily available to

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the general public. For resellers, it's a matter of informing them it's available."

### Out-of-the-Box for Simplicity

Part of merchants' confusion over m-POS solutions stems from how to go about getting all the necessary devices. But companies are coming around and seeing that it doesn't make sense to send merchants to several different providers for cell phones, carrier plans, card swipers and merchant accounts.

Part of the success in m-POS will come from getting packaged solutions to merchants. WAY Systems Inc., for example, set out to differentiate its products in the way they're sold to merchants and how the company deals with ISOs/MLSs.

The company's approach is so unique, in fact, that it caught the attention of several industry veterans. Hypercom Corp. founder and former CEO George Wallner, invested in the company and serves on WAY Systems' board of directors along with VeriFone Inc. founder Bill Melton and Transaction Network Services (formerly U.S. Wireless Data) founder Jack McDonnell.

WAY Systems' Mobile Merchant Terminal (MTT) solution targets the more than 10 million non-fixed location merchants in the United States and is designed to make things as easy as possible for merchants, said CEO Will Gaylin. It's an out-of-the-box system and when the merchant receives the unit, it's already activated and ready to process.

Strategic alliances and relationships with companies such as AT&T Wireless and Visa International, among others, allow WAY Systems to package and bundle the data service so that merchants don't have to think about wireless carriers, plans or processors.

"We wanted to make this very easy for everyone," Gaylin said. That includes everyone involved in the process, from sales agent to merchant to processor because sales agents don't always understand old-fashioned wireless and processors don't always support the niche markets this product is targeted to.

The shipped units include the phone, the MTT cradle and separate printer that attaches to the merchant's belt. The solution is certified to all the major processors and is highly secure with end-to-end encryption.

Wallner, who spent many years developing POS terminals for Hypercom, said the MTT solution is a way to provide true mobile architecture in a portable, robust device, giving merchants a convenient answer to the problem of accepting card payments.

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"Mobility means that it can be carried by and stay with the merchant, and can be operated when the merchant is holding it," Wallner said. "This solution really makes mobile transaction processing practical."

Paul Rasori, VeriFone's Vice President, Marketing, agreed that bundled solutions made possible through partnerships between vendors will proliferate in 2005.

"There will be companies that step up to provide turnkey packages, which include broadband connections or wireless communication packages, that really take it to the next level and make it deliverable by the MLS," he said.

VeriFone is also making things easier for ISOs/MSLs. The terminals in the company's Omni 3700 line are all upgradeable so that agents learn one product and can then choose which

upgrades they need to know about in the future, Rasori said, including the new generation V<sup>x</sup> solutions.

"In 2005, we're going to maintain our IP momentum and at the same time establish ourselves in the wireless space," he said. "We see tremendous growth opportunities for our customers. We can play a role in serving lower-needs merchants [smaller independent businesses]."

Other wireless terminal manufacturers are taking an integrated solutions approach to features. Lipman's NURIT line "has dozens of features built in," according to Tim McWeeney, Regional Sales Manager for Lipman USA. He said the security elements alone in the ergonomic, easy-to-hold wireless terminal are superior to other solutions.

"Every transaction from our wireless device is fully qualified and almost

always treated as swiped [interchange rate]," he said. "These devices allow agents to bring merchants to multi-app and online debit, which you can't get in the mobile environment."

McWeeney said it's up to the manufacturers and ISOs/MSLs to educate merchants so they can make the best buying decision possible.

**Not Making Contact in 2005**

Payment solutions using contactless technology will see tremendous growth in 2005, according to hardware and software provider ViVOtech's President and Chief Operating Officer Mohammed Khan.

"In 2003, in the United States, roughly 65% of transactions were cash and checks," he said. "There is a huge opportunity to replace these with contactless."

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In 2003, ViVOtech placed 2,000 contactless-enabled POS locations. In 2004, that grew to 50,000. The year 2006, Khan said, "will be a lot more beautiful."

He attributes the anticipated increase in contactless solutions to the speed and convenience in transactions, especially for consumers (contactless transactions process in two to three seconds, 63% faster than cash).

Bringing enriched payment offerings, including such value-added applications as loyalty and prepaid, to vertical markets will also contribute to the growth.

Cards and fobs that consumers wave in front of or over a reader are not only fast and easy, they're also more secure than mag-stripe cards because the data transmitted can't be replicated in a subsequent transaction, Khan said, and the consumer never loses control of the card.

As the card Associations, issuers and acquirers prepare their networks for the increased payload from more card-originated payments, ViVOtech will be working with Visa, MasterCard and American Express as an important part of its growth strategy.

"As a technology company, ViVOtech will continue to develop partnerships with other providers to offer all-inclusive solutions," Khan said. "Our goal is to work with service companies to help them expand their programs."

Khan said another contactless technology, near field communication (NFC), through which two consumer devices establish a link at close range, will also be big for ViVOtech in 2005.

Ingenico will also look to contactless solutions as a growth segment this year, said Michael English, Director of Marketing and Communications.

Despite previous issues with reluctance to the technology from card issuers and retailers, "2005 will be a significant year for contactless," he said.

"Especially in quick payment segments, including quick service restaurants, parking garages, gas stations and movies, merchants benefit from shorter customer queuing, and in not losing revenue from walk-aways.

"This is not purely technology; it's a solutions sale," English said. "These are prime value-added products; it's terminal sales and additional opportunities in prepaid products for revenue streams." ■

*This is the first of two articles on innovations in the payments industry and what you need to know about selling them.*

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# Banner Day for Authorize.Net

**A**mid projections for a banner holiday shopping season in 2004, especially in the area of online purchases, Authorize.Net Corp. announced on Dec. 20, 2004 it had reached a major milestone.

The payment gateway provider processed over 1 million transactions in a 24-hour period, reflecting not only the company's capacity for supporting a high volume of transactions and strong market presence, but the increasing number of people opting to shop on the Internet as well.

The National Retail Federation projected that in 2004, 86 million people would do at least some of their holi-

day shopping online and that e-commerce sales would reach \$21.6 billion in November and December.

Also, between Dec. 13 - 17, 2004, online retail sales shot up 49% compared with the same period the previous year. Other factors, including shorter shipping times and improved options to buy merchandise online and pick it up at brick-and-mortar locations, contributed to this increase.

Authorize.Net processes payment transactions for more than 108,000 merchants in almost every category of e-commerce, so it's likely that some shoppers' purchases were made possible by Authorize.Net technology this holiday season, the company said.

As e-commerce continues to grow, Authorize.Net will leverage its reputation for stability and reliability to

maintain its role as a vital piece of the Internet e-commerce infrastructure. Data indicate that 30% of the U.S. population has made online purchases; that could increase to 50% of Americans spending \$230 billion online by 2008.

In November, we reported on expectations for e-commerce for the 2004 holiday season and overall (see "On Every Merchant's Holiday Wish List: E-commerce," The Green Sheet, Nov. 22, 2004, issue 04:11:02). By the end of the year, shoppers will have spent \$144 billion online.

The growth of e-commerce, as well as Authorize.Net's foothold in the market attracted the attention of Lightbridge Inc., a company that provides a wide range of e-business solutions. Authorize.Net was founded in 1996 and was acquired by Lightbridge in April 2004. ■



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## Julie O'Ryan Takes the Helm

**E**very once in a while something newsworthy happens at The Green Sheet Inc., and we get to report on ourselves for a change.

In 2004, we had plenty of opportunities to do just that:

Paul Green received The Lifetime Achievement Award from the Midwest Acquirers' Association in July. And The Green Sheet's print and electronic publications received five Awards of Excellence and one Grand Award in the APEX awards program.

But the big news around our office in December was Julie O'Ryan's promotion to President and Editor in

Chief; she will take the reins from Paul in running The Green Sheet Inc.'s publications and projects.

Julie's tenure at The Green Sheet includes 11 years working with Paul and growing the publication from a two- to four-page "sales newsletter" produced on a photocopier to the highly respected, semi-monthly, 112- to 120-page magazine it is today.

One of Julie's key strengths is her ability to foster relationships. For example, The Green Sheet now features monthly articles contributed by well-known names in payments, providing readers with expanded information and viewpoints.


"From so many years of working closely together, I have come to appreciate her as a most dependable team player," Paul said.

"Her good judgment and mature

outlook ensure a logical and practical approach to her endeavors.

"During the years that I have worked with Julie, I have depended on her to assist me in the opening of several new businesses along the way. On more than one occasion, she helped to foster a business idea, research and champion the fund raising and start-up phase of one of our new business ideas.

"After more than 20 years as the company's President, I am pleased to have Julie take the lead role in the day-to-day operations of The Green Sheet.

"As the company's Publisher and Founder, I am confident that Julie can find new and even better ways for the company to serve the needs of the merchant level salesperson," he said. 

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## Staying Alive in 2005

**W**ith the beginning of each new year, I can't help but to contemplate what it will bring. Will it be a breakthrough year for you as a merchant level salesperson (MLS)?

*Will new products change the merchant marketplace? Will competition increase in an already fierce arena? What will be the most compelling issues in the coming year?*

As one of its contributing writers, The Green Sheet asked me to give my point of view on these topics.

No one has a bankcard crystal ball to predict the future, but based on what transpired in 2004 and how the industry met the challenges that year, I see a number of opportunities in 2005.

### New Technologies

Emerging technologies changed the face of payment processing in 2004 and created a competitive edge that made the difference for you as MLSs. This past year was the first year that we all started selling more solutions other than credit and debit card processing services.

New terminal equipment technology served as the key to this transformation. VeriFone Inc.'s Tranz 330 and Omni 3200; Hypercom Corp.'s T7Plus; and Lipman's NURIT 2085 all received makeovers.

The terminal manufacturers have seen the future and responded with an updated generation of terminals. I'm

## Education Index

<b>Anthony L. Ogden</b> .....	78
<b>David H. Press</b> .....	80
<b>Peter Scharnell</b> .....	84
<b>Nancy Drexler</b> .....	86
<b>Joel Rydbeck</b> .....	90

not only talking about a better printer or a bigger roll of printer paper; I mean new technology with new services that you can sell successfully.

VeriFone's Omni 3700 series (3750, 3740, 3730 and 3730LE) and Lipman NURIT's new 8000 series terminals (the 8320 replacing the 2085 and the 8000 or 8010 replacing the 3010 wireless terminal) are only a few examples of the amazing technology that hit the industry in 2004.

What does this new technology offer you? Multi-application capabilities with credit, debit, EBT, check conversion with guarantee (or plain check guarantee), gift/loyalty card and prepaid applications, all in one terminal.

And the best part: The terminal manufacturers designed the technology so there's no risk of blowing out your credit/debit download program while adding on new applications.

### Residual Opportunity: Check Conversion With Guarantee

Of all of the value-added applications, I believe check conversion with guarantee has had the biggest impact on the market. In the past, the problem with regular check guarantee was that retailers did not always use the service (only when they were processing a suspicious transaction).

So there wasn't much money for you to make. It was a monthly minimum collection business and eventually merchants called in and canceled the service. Check conversion with guarantee requires check imagers, and retailers accept and process every check.

This adds up to a lot of processing volume.

You can also sell check conversion with guarantee at the same rates as credit card processing as well as a cost of 1% and \$0.10 per transaction (which is much lower than



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interchange cost), so there's a huge amount of residual income that you could have earned in 2004 and can still earn in 2005.

### **The Future: Super Speedy Transactions**

Another advancement that will prove significant in 2005 is the Internet protocol (IP)-based POS terminal. In the last year, terminal manufacturers successfully implemented the technology and the processors Class-A certified it.

However, as an MLS, you haven't quite begun selling this technology. My prediction is that 2005 will be the year IP takes off. At the end of 2005, the MLSs with smiles on their faces will be the ones who figured this out.

It's not complicated. You select a terminal that's certified with your ISO/MSP partner and you partner with a local broadband company that will take care of the installation issues (routers, WiFi, etc.).

You'll be there to consult on how many terminals your merchants need, how to effectively use the terminals and whether merchants want to lease or purchase.

With IP, the large processing accounts are suddenly up for grabs. With much faster transaction speeds, the benefits of getting rid of expensive local telephone lines and the freedom of merchants placing terminals anywhere in the store and moving them around as they need to represent some of the most compelling issues of 2005. These accounts will quickly fatten up your residual income.

### **Leasing as the Comeback Kid**

Another compelling area is leasing. Leasing started to make a comeback in 2004, and I see it as the comeback kid in 2005. Why? Because you use leasing properly. You set up the right types of merchants (credit worthy merchants) who want to lease new technology as noted above.

There's a real business case for this. If the merchants are credit worthy and the salesperson sells terminals with valuable services, then these leases perform. What happens when lease portfolios perform? The leasing companies come out with better factor rates, making it even more compelling to offer great lease deals to your merchants.

### **Partners, Leads and Education**

As I've mentioned in previous columns, one of the most

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**Education goes hand in hand with participation. I strongly urge you to take advantage of training programs to prepare for opportunities coming in 2005. There's a clear shift in the industry toward you, MLSs, and your role in the bankcard business.**

compelling aspects of business is selecting the right strategic partners. In view of the many mergers and acquisitions in 2004, you need to know with whom you're actually working. Due diligence will play big in 2005.

Along those lines, compliance will be big in 2005 as well. You need to be more knowledgeable about liability when it comes to your business contracts. Read over every detail of every contract you sign in the coming year. Another area of increased financial opportunity in 2005 will be lead generation. Referrals are always important and will continue to affect your bottom line.

What will also support lead generation is your participation in industry associations such as the regional acquirers' associations and the Electronic Transactions Association. This is critical if you hope to reach new levels in 2005.

Education goes hand in hand with participation. I strongly urge you to take advantage of training programs to prepare for opportunities coming in 2005. There's a clear shift in the industry toward you, MLSs, and your role in the bankcard business.

How well your voice is heard in the next year is critical in terms of changes in policies and procedures, as well as increased support for the feet on the street.

**Bottom Line: Take Action**

The bottom line for 2005: Staying alive and prospering will prove easy if you are smart and see what's happening in the industry and actually do something about it.

It's time to make some changes to your offerings, marketing approach and the merchants you talk to.

The good news is that these changes will result in higher profits. What's more exciting? Nothing. There's still no better business to be in ... and there's never been a more lucrative time to be an MLS.

I wish everyone a very happy, healthy and prosperous New Year!

**"Yesterday is not ours to recover, but tomorrow is ours to win or to lose."**

- Lyndon B. Johnson

See you where the rubber meets the road. ■

*Ed Freedman is founder, President and Chief Executive Officer of Total Merchant Services, one of the fastest-growing credit card merchant account acquirers in the nation. Freedman is the driving force behind all business development activity as well as the execution of Total Merchant Services' marketing plan, including recruiting and training independent sales offices and establishing strategic alliance partnerships with leading vendors, so that Total Merchant Services can provide its customers with the highest quality and most reliable services available.*

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# Education (continued)

## Legal Ease

# The ISO, MLS and Card Association Rules: Who Ya Gonna Call?

**By Anthony L. Ogden**

*Attorney at Law*

In November 2004, I attended the Western States Acquirers' Association (WSAA) inaugural conference where I had the distinct pleasure of participating in the National Association of Payment Professionals' (NAOPP)-sponsored panel of attorneys, along with Adam Atlas, Esq. and Paul Rianda, Esq.

The panel format offered a Q&A session between the audience, which included industry players ranging from sizeable ISOs and processors to "feet-on-the-street" merchant level salespeople (MLSs), and the attorneys, who each brought a different perspective to the table.

The Q&A revealed that ISOs, processors and MLSs continue to feel "out of the loop" with MasterCard and Visa regarding these card Associations' rules.

The Association rules have a significant impact on the environment within which ISOs/MLSs and processors must operate, and they generate an uncomfortable level of confusion. When an ISO/MLS or processor has a rules-based question, the prevailing sentiment is, "Who ya gonna call?"

To illustrate, I'll focus on one question from the audience that day. The question was, "How can we get access to Association rules at the processor or MLS level?" For more than 10 years, I've encountered this issue in representations involving merchants, ISOs/MSPs, processors, MLSs, acquiring banks, and MasterCard and Visa security and risk personnel. And this question is as timely now as it's ever been.

My general response: A greater level of cooperation within the bankcard industry is imperative. And contrary to popular belief (and recent well publicized lawsuits), I believe that the rules information gap is not solely the product of MasterCard's and Visa's organizational behavior or exclusivity.

All participants in the credit card acquiring industry have a vital role to play in enabling the system to function in a positive and productive manner. The trick, if you will, is for all participants to recognize their roles and then play those roles enthusiastically.


The roles of ISOs/MSPs, processors and MLSs might consist of diligently pursuing access to the Associations' rules

in order to promote uniform application and compliance. Appropriate access to the rules would promote fairer competition for merchant accounts and hopefully reduce attrition and abuses. After all, if the applicable rules are well known and uniformly applied, this should curb that rogue deviation by abusive participants tainting the industry and leading to truly unfair competition, among other undesirable results.

So "Who ya gonna call?" Visa's and MasterCard's acquiring member banks. Why? It's a matter of the chain of connections linking the multitude of players in the fragmented bankcard industry. Simply put, these member banks and financial institutions comprise MasterCard and Visa.

MasterCard and Visa promulgate card Association rules and impose a duty upon member banks to ensure rule compliance by themselves, their ISOs/MSPs, MLSs, processors and merchants. These banks are your key point of contact. They can provide you with the rule information that you need to better perform your role in the industry, which also helps the acquiring bank remain compliant.

I admit that my solution offered above is easier said than done. But remember, you're engaged in a highly competitive sales industry. Your level of determination and motivated selling unquestionably drive your success.

Now you can devote a critical part of your sales effort to convincing your acquirer that you are a valuable asset for achieving rule compliance as well as success. By your acquirer providing you with the applicable rule information, you both win. Moreover, the industry as a whole wins. So be a determined force for positive change! I wish you well in your efforts. 

---

*The above article is authored for general informational and educational purposes and is not to be construed as legal advice, nor relied upon as legal advice from The Law Offices of Anthony L. Ogden ("BankCardLaw"). Individual facts, circumstances and applicable law may vary. Therefore, you are strongly encouraged to seek the advice of a qualified attorney regarding your particular matter. BankCardLaw is the micro-niche legal and consulting practice of Anthony L. Ogden, a bankcard attorney with more than 10 years of industry experience and author of the merchant handbook titled, "What Every Business Should Know About Accepting Credit Cards." The mission of BankCardLaw is "strengthening merchant credit card accounts." To obtain more information about BankCardLaw services and publications, visit [www.bankcardlaw.com](http://www.bankcardlaw.com) or call 310-278-2708.*

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## Education (continued)

# A Must for 2005: CISP and SDP Compliance Reviews

By David H. Press

*Integrity Bankcard Consultants Inc.*

**I** predict one of the hot and compelling issues for the ISO community in 2005 will be the hefty fines charged by Visa U.S.A. and/or MasterCard International for security breaches of the ISO's or one of its merchant's systems that result in the compromise of cardholder data.

The card Associations require certification of all entities that store, process or transmit Visa or MasterCard cardholder data. Visa's program is called the Cardholder Information Security Program (CISP) and MasterCard's is the Site Data Protection (SDP) service.

Every day hackers attack and breach computer systems and compromise cardholder account data. An organized and profitable criminal enterprise, mostly centered in Eastern Europe and Russia, carries out this practice.

As ISOs increasingly provide merchants with transaction details and other information/services via the Internet, they become more vulnerable to attack.

Visa created the CISP program specifically for merchants and service providers that process, store or transmit cardholder data. The Association mandated the program to take effect May 1, 2001.

And as of Sept. 30, 2004, Visa required service providers (which includes many ISOs) to submit compliance documentation (see [http://usa.visa.com/business/accepting\\_visa/ops\\_risk\\_management/cisp\\_service\\_providers.html](http://usa.visa.com/business/accepting_visa/ops_risk_management/cisp_service_providers.html)).

The number of entities now certified is far less than the card Associations require to be certified.

The result of this lack of certification will be fines and more fines to ISOs and merchants who are not compliant in 2005 and massive fines (i.e. \$500,000 from Visa alone) for those who are compromised and are not CISP or SDP certified.

Visa's CISP compliance penalties for failure to comply with CISP standards or to rectify a security issue might result in:

1) Restrictions on the merchant or 2) permanent prohibition of the merchant or service provider's participation in Visa programs. In addition, the following fines apply for

non-compliance, within a rolling 12-month period:

- First Violation .....\$50,000
- Second Violation .....\$100,000
- Third Violation .....Management Discretion

For loss or theft of account information:

- If a Visa member knows or suspects a security breach with a merchant or service provider, the member must take immediate action to investigate the incident and limit the exposure of cardholder data.
- A Visa member or the member's service provider, or a merchant or the merchant's service provider, must immediately report the suspected or confirmed loss or theft of any material or records that contain Visa cardholder data.
- If a Visa member fails to immediately notify Visa U.S.A. Fraud Control of the suspected or confirmed loss or theft of any Visa transaction information, the member will be subject to a penalty of \$100,000 per incident.
- Visa might levy additional fines for exceptional circumstances where the violation presents immediate and substantial risks to Visa and its members. A member that Visa determined committed an egregious violation (i.e. ISO that is not CISP certified) will be subject to a fine of up to \$500,000.

For MasterCard, an acquirer is subject to an assessment in cases of account data compromise.

MasterCard rules require members to ensure that all e-commerce merchants and ISO/MSPs secure all systems containing MasterCard account, cardholder or transaction information (whether physical or electronic) to prevent access by or disclosure to any unauthorized party.

If an intrusion occurs, whether in the acquirer's merchant systems or in an ISO's/MSP's systems, the acquirer must provide MasterCard with complete information about the compromise and engage a data security firm to assess the vulnerabilities of the merchant or ISO/MSP systems.

MasterCard also can impose assessments, including an incident assessment, administration fees, and issuer card-recovery fees on the acquirer.

If an ISO's system is compromised, the ISO should expect that both Visa and MasterCard will fine it, but it doesn't stop there. Visa charges all transactions to the offending merchant/ISO/processor, and MasterCard charges the



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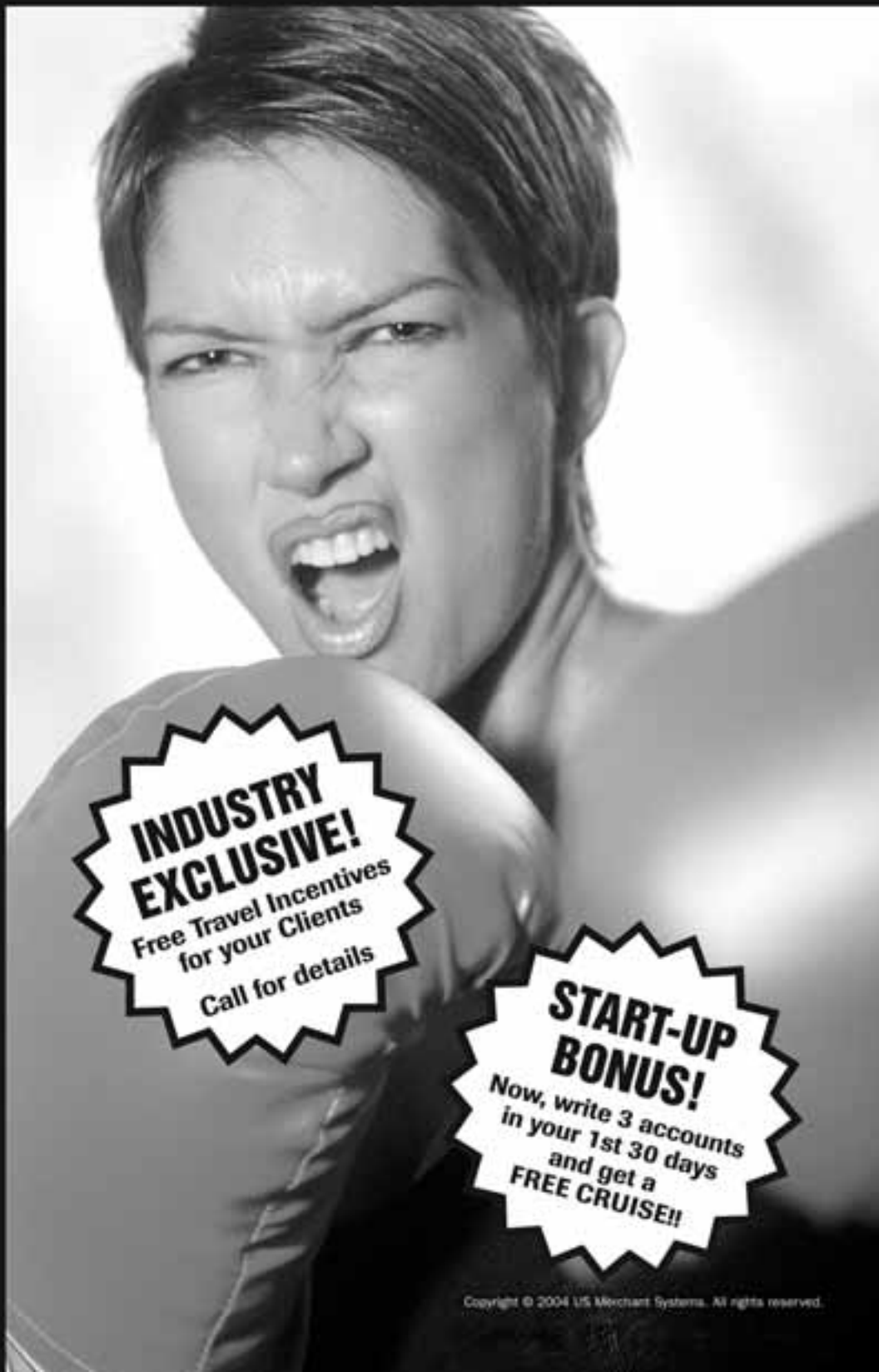
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offender for each new card that the issuers must re-issue to the cardholder as a result of the breach.

Many ISOs have delayed going through the CISP/SDP certification process because of the cost involved. The fine structure that's in place today could drive an ISO out of business if its system is breached.

Having CISP/SDP certification (think of it like an insurance policy) can protect the ISO from the massive fines from the card Associations for breaches of its system when it's non compliant.

Even the fine schedule for non-compliance (see previous page) would cost the ISO more than the typical CISP/SDP certification process. It's like driving recklessly: Not only do you not want to get stopped by police, but you also don't want to get in an accident or harm someone else.

But it doesn't stop there. Many states have adopted consumer disclosure provisions similar to the California provision that requires:

"[A]ny agency that owns or licenses computerized data that includes personal information shall disclose any breach of the security of the system following discovery or notification of the breach in the security of the data to any resident of California whose unencrypted personal information was, or is reasonably believed to have been, acquired by an unauthorized person.

"The disclosure shall be made in the most expedient time possible and without unreasonable delay ... consistent with the legitimate needs of law enforcement, as provided in subdivision (c), or any measures necessary to determine the scope of the breach and restore the reasonable integrity of the data system." (For more information, go to <http://www.privacy.ca.gov/code/cc1798.291798.82.htm#one> .)

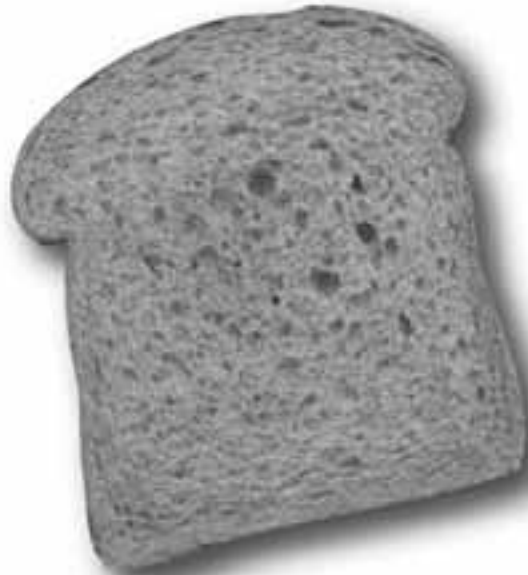
For more information on the CISP requirements, refer to my previous article, "Visa's Cardholder Information Security Program (CISP)," The Green Sheet, Dec. 22, 2003, issue 03:12:02.

Both Visa and MasterCard provide detailed information about the programs on their Web sites:

- Visa: [http://usa.visa.com/business/accepting\\_visops\\_ops\\_risk\\_management/cisp.html?ep=v\\_sym\\_cisp](http://usa.visa.com/business/accepting_visops_ops_risk_management/cisp.html?ep=v_sym_cisp)
- MasterCard: <https://sdp.mastercardintl.com>

David H. Press is Principal and President of Integrity Bankcard Consultants Inc. Call him at 630-637-4010, e-mail him at [dhp@integritybankcard.net](mailto:dhp@integritybankcard.net) or visit [www.integritybankcard.net](http://www.integritybankcard.net) .

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## Education (continued)

### What Will Be Hot in 2005?

By Peter Scharnell

Electronic Exchange Systems

**F**ollowing are some new technologies and market segments that I think will take off in the coming year in the payment processing industry.

#### IP-based Processing

Because of the need for speed in the marketplace and the cost saving capabilities, companies are certifying more and more networks, terminals and software products for Internet protocol (IP)-based processing.

Any busy establishment such as a nightclub, theatre, independent grocery store and convenience store that has a multi-lane setting and the need for quick transaction times will benefit from using high-speed transaction processing.

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#### Integrated Solutions

Merchants who need to integrate multiple locations or terminals into a single payment and reporting system might also benefit from using high bandwidth technology. Retailers are always looking for ways to integrate their payment processing with a back-end system for data retrieval, reporting and reconciliation.

IP processing is not exclusively about speed. Merchants can now take advantage of the powerful networking capabilities that the Internet provides. Networking processing, inventory and accounting systems together in one location can drastically help companies run more efficiently and effectively.

#### Wireless

No longer is spotty coverage a major hindrance for wireless transactions. Today, wireless processing is faster than landline transactions and portability is becoming more attractive to many service related industries. A benefit wireless processing provides is a transaction time of around three to five seconds, and combined with a speedy thermal printer, generates customer receipts in an instant.

Wireless technology helps save merchants money on processing by allowing them to pay the swiped retail rate while out in the field, which will help eliminate chargebacks caused by bad cards and hand-keyed transactions.

#### Business-to-business/Government Processing

Visa estimates that business-to-business (B2B) and government markets will generate \$14.4 trillion in spending by the end of 2004. That indicates a tremendous amount of opportunity for ISOs and merchant level salespeople (MLSs) in 2005 in a surprisingly underserved market segment.

The B2B space includes businesses that sell to other businesses, large corporate clients and the government. With the advent of level-3 processing programs, ISOs and MLSs can now address the needs of these large corporate and government accounts and focus on a new frontier of payment processing sales opportunities. ■

*Peter Scharnell is Vice President of Marketing for Electronic Exchange Systems (EXS), a national provider of merchant processing solutions. Founded in 1991, EXS offers ISO partner programs, innovative pricing, a complete product line, monthly phone/Web training, quarterly seminars and, most of all, credibility. For more information, please visit [www.exsprocessing.com](http://www.exsprocessing.com), or e-mail Peter at [peter.scharnell@exsprocessing.com](mailto:peter.scharnell@exsprocessing.com). EXS is a registered ISO/MSP for HSBC Bank USA, National Association.*



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# Education (continued)

## Marketing 101

### From Tips to Trends: What's up for 2005

**By Nancy Drexler**

*Cynergy Data*

**L**et me be trite. The more things change, the more they stay the same. Everything old is new again. If it's not broken, don't fix it. My point? It's a new year, and I've been assigned the task of reviewing the latest and greatest marketing trends and how I expect them to have an impact on your efforts for the coming year.

Not one to shirk my responsibilities, I researched. I polled my peers. I examined the literature. And what I found is that while the channels and means of communicating change all the time, the basics do not. And probably never will.

So here's a look ahead at the future of marketing and a look back at what brought us to where we are.

#### **Know Your Audience**

This is and always will be the key to success in any marketing effort. If you don't know who your market is, and you don't understand the needs, desires, fears and motivators driving your customers, then you won't be able to craft a message (never mind a product or service) that sells.

Time and technology have certainly created new ways to understand a market. The Internet, at the very least, gives marketers a timely and accessible overview of the marketplace.

Market news is accessible at the touch of a button. Competitive research is easy to dig up. Web "zines" and "blogs" are virtual diaries of consumer information.

Comprehensive information on your existing audience, not to mention new audiences, is just a click away. Take advantage.

#### **Find Your Audience**

As marketing opportunities grow, marketers should do the opposite. Narrow your focus and think small. Most marketing budgets simply do not allow for the kind of broad marketing efforts that "throw it all out there" to see what sticks.

And I believe that the trend in our industry is toward market segmentation and specialization. By narrowing your audience, you make it both easier and cheaper to find them.

If, for instance, you want to "own" the supermarket industry, then you should spend the bulk of your marketing efforts on buying and building specialized mailing lists, creating targeted direct mail, attending niche trade shows and advertising in appropriate trade journals.

By focusing your marketing and sales efforts on those whom you truly believe to be excellent prospects, none of your dollars or efforts will go to waste. This concerted, repetitive, targeted effort will, in the long run, be a much more effective and efficient tool for building business.

#### **Get Their Attention**

Now that we all have mail and e-mail, telephones, computers, radios and television, we're bombarded with advertising and marketing "pitches." How many of us rip up and throw out mail that is clearly not from someone we know?

How often do we leave the room or refocus our attention when a commercial comes on television? How is it that telemarketers can make us behave more rudely than we ever thought possible?

Technology has created so many channels of communication that we as consumers are forced to defend ourselves by tuning out. And since about 90% of today's marketing messages don't even register on the awareness screens of intended recipients, how do we as marketers make sure messages get through? It isn't easy.

With massive amounts of marketing messages practically banging you over the head, what determines which message gets your attention?

I believe two things make a difference: The message has to stand out visually, and it has to speak directly to what's on your mind.

Differentiating on value alone doesn't work anymore. Savvy marketers will separate themselves with benefits,

**It's no longer wise to invest in sending volumes of information that recipients have not requested. (Think pop-up ads, telemarketing calls and e-mails about discount pharmaceuticals). It's more important than ever to send a message only to people who want it.**

not features. For instance, it's not enough to say, "We process your applications quickly."

Instead, it's more effective to turn that feature into a benefit, by saying, "Within 24 hours, your merchant will be processing and you will be profiting."

It's not enough to position yourself as the best. You have to demonstrate how you can easily solve a problem that concerns your reader or speak clearly to the unique ways you can fill his needs.

You have to be clear about what you want your reader to do, and convince him that he has everything to gain and nothing to lose by doing it.

Lastly, you have to do all this in a way that stands out. Send your message through a unique channel (on a hand-delivered bouquet of balloons) or in a creative format (extra large, extra bright, or even the opposite, extra

small), or showcase a different kind of benefit (i.e. "Here are two tickets to Paris and \$500 worth of free credit card processing.")

Remember: With the new national "do-not-call" list, and with new e-mail spam filters and pop-up blockers gaining enormous popularity, so-called "interrupt marketing" is on the way out.

It's no longer wise to invest in sending volumes of information that recipients have not requested. (Think pop-up ads, telemarketing calls and e-mails about discount pharmaceuticals). It's more important than ever to send a message only to people who want it.

### **Be Repetitive, Integrated and Consistent**

Familiarity doesn't breed contempt in the case of marketing. It breeds awareness, recognition and retention. Marketing is a slow process, and the rule of thumb is that the first ad (or direct mail piece) never works.

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Consistent, long-term results come from consistency of message. This means not only repetition, but also integration. As mass media become more massive, integration takes on new importance.

With countless vehicles available to get your message to your market, smart management of this marketing mix is critical. The whole of marketing is greater than the sum of its parts, so blend marketing vehicles to reach your audience, but keep your message consistent. It's not a new concept.

Walt Disney first promoted the idea in the 1950s. He called it synergy. Hmmm.

### Build Loyalty

What's love got to do with it? Everything. The adage about it costing far less to keep a customer than to replace one is as true as always. What's different is that because of the Internet a lost customer can be far more costly than in the past.

Blogs, customer review sites, competitive sites, bulletin boards, Internet magazines and e-mail. There are countless ways for criticism to spread and spread quickly. Remember the old "telephone" game, in which a message changed as people repeated it down the line? Just imagine what happens online.

Viral marketing has become a new catchphrase, and it's all about loyalty. Use this type of marketing to encourage satisfied customers to speak well of you, and the "referral" value will be tremendous.

But fail to address customer complaints and problems quickly and effectively, and you'll see how costly that one customer can be. No news certainly can be good news. And bad news now travels faster than ever.

### The World Is Your Oyster. "Google" It.

When a noun becomes a verb, you know it's serious. And Google, now the Internet's most-used search engine, is very serious business.

Try "Googling" your business or industry; see what comes up. If you don't see the results you desire, then hurry up and do everything you can to boost your spot on the Google hierarchy.

How do you do this? First, remember that search engines search text, so use as many industry buzzwords as possible in everything you post on the Web. Flash movies and beautiful page designs look great, but they're invisible to search engines.

Encourage linking. Offer links on your Web site to other

Web sites in exchange for the sites also linking to yours. The more pages that link to your pages, the better ranking you will get in Google.

Provide something useful. Helpful "how-to" articles or interesting features will bring repeat customers to your site, allowing your marketing messages to sink in.

See, everything old IS new again: new year, new technology, new industry, same marketing challenges. The good news is that as long as the challenges are the same, you can simply spin the time-tested strategies to get results and get your messages out. Here's to a record-breaking 2005 for all of you. ■

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*Nancy Drexler is the Marketing Director of Cynergy Data, a merchant acquirer that distinguishes itself by relying on creativity and technology to maximize service. Cynergy offers its ISOs: VIMAS, a cutting edge back-office management software; TrackIt, a ticketing system that makes responses to customers fast, accurate and efficient; Brand Central Station, a Web site of free marketing tools; plus state-of-the-art training, products, services and value-added programs, all designed to take its ISO partners from where they are to where they want to be. For more information on Cynergy e-mail Nancy Drexler at [nancyd@cynergydata.com](mailto:nancyd@cynergydata.com).*

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## Education (continued)

# Securing Your Computer Against Spyware

By Joel Rydbeck

Nubrek Inc.

**A**nnoying pop-ups, sluggish Web surfing and programs that mysteriously appear on your hard drive often bog down your computer and make something as simple as opening Internet Explorer a chore.

Small programs that disrupt your use of the Internet, usually installed on your computer without your knowledge, are known as "spyware." Spyware programs have infected almost every computer that I've tested to some extent.

Following are some steps to rid your computer of spyware and help secure it from future attacks.

### First Step:

#### Acknowledge That You Have a Problem

According to Webopedia.com, spyware is "any software that covertly gathers user information through the user's Internet connection without his or her knowl-

edge, usually for advertising purposes." Your computer might have spyware installed if:

- You close several pop-ups each time you view a new Web site
- Your computer seems sluggish
- You see toolbars on Internet Explorer that you don't remember installing
- You find yourself taking a coffee break while you wait for a page to open on the Internet
- You can't load certain Web sites that others can view
- Your home page has changed without your consent
- You have animated conversations with your computer about its ineptitude

Steps two and three below offer simple tips to help you clean up your computer and get you on your way to a more productive 2005.

### Second Step:

#### Repair Spyware Damage Using Free Utilities

Several anti-spyware programs do a great job removing spyware from computers; however, only using one

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won't always remove everything. I recommend a combination of two programs: Ad-Aware and Spybot. Below are basic instructions that will walk you through installing and using these tools; however, if you need more detailed information, visit my blog: [www.merchanttechnology.org](http://www.merchanttechnology.org).

Ad-Aware is a tool distributed free of charge by Lavasoft for personal use on Windows computers. Lavasoft states that Ad-Aware is designed to provide advanced protection from known spyware, such as "data-mining, aggressive advertising, parasites, scumware, selected traditional trojans, dialers, malware, browser hijackers and tracking components."

Fortunately, the good folks at Lavasoft have not only uncovered these known problems so you don't have to, but they also offer an excellent solution for fighting them.

#### To download Ad-Aware:

1. Go to [www.download.com](http://www.download.com). Search for Ad-Aware. Scroll down and select the download option next to Ad-Aware SE Personal Edition 1.05.
2. Select Save to Disk.
3. Before installing applications on your computer, close Internet Explorer (or the browser you use) as well as any other applications that you have running.
4. To install: Find the Ad-Aware .exe file where you saved it, and double-click to open it. Follow the prompts. Ad-Aware will check your hard drive for spyware.
5. Running: Once Ad-Aware has run (this takes several minutes), it will display "Scanning Results." Objects recognized are spyware and other malicious software that you don't want.
6. Select all of the items you want to remove. I try to remove all of them (Hint: When you click the right button on your mouse, a menu will pop up that enables you to select all of them).
7. Click Next and Ad-Aware will remove selected spyware.

Ad-Aware will remove a very large portion (if not all) of the spyware from your computer. To remove the smaller and harder to find programs, I recommend using Spybot. Spybot is an anti-spyware application that a collection of developers created. Generous sites that provide free hosting distribute it. While you can download Spybot from several different Web sites, I suggest using [www.download.com](http://www.download.com).

#### To download Spybot:

1. Go to [www.download.com](http://www.download.com). Search for Spybot. Scroll down and select the download option next to Spybot - Search & Destroy 1.3.
2. Select Save.
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close Internet Explorer (or the browser you use) as well as any other applications you have running.

4. To install: Select Run when prompted, or find the Spybot .exe file where you saved it and double-click to open it. You will be prompted along the way to install various options. At this point you might find a detailed tutorial helpful. Visit the Web site [www.safer-networking.org/en/tutorial/index.html](http://www.safer-networking.org/en/tutorial/index.html).
5. When Spybot opens, select Check for Problems and Spybot will check your hard drive for spyware.
6. After Spybot has located spyware on your computer, select Fix Selected Problems. This will remove the spyware. Your job is complete.

After running Ad-Aware and Spybot, perform a task on the Internet that previously gave you trouble. If you still have problems, consult a local computer expert. You can always find one at a local computer store or even through nationwide chains such as Geek Squad ([www.geeksquad.com](http://www.geeksquad.com)).

### Third Step: Get Offensive

If you run these applications once a month, your computer should remain free of spyware. Each time you run Ad-Aware and Spybot, you will be prompted to download updates. I highly recommend doing this because they remove the most recent forms of spyware your computer might have contracted. You will most likely

pick up spyware when you install programs from vendors with which you are not familiar. Staying on top of anti-spyware updates will help solve this problem.

Web browsers also contribute by installing spyware programs without your consent. You can't avoid Internet browsing; however, you can control the browser you use to surf the Internet. Internet Explorer has had some vulnerability to spyware in the past, though Microsoft has done a lot of work to correct these issues. If you want to use Internet Explorer, make sure you run Windows Update.

If you're looking for an alternative Web browser, I recommend Mozilla's Firefox, an open source Web browser. To download it for free, visit [www.getfirefox.com](http://www.getfirefox.com).

Don't let spyware get the better of your computer this year. You now know how to solve the problem, and this knowledge will help keep you ahead of the game in 2005.



*Joel Rydbeck, Chief Executive Officer of Nubrek Inc., brings his strong background in e-commerce and business process automation to the merchant services industry. Nubrek offers eISO, a software application that tracks clients and provides automated commission and residual calculations. For more information on spyware visit Rydbeck's blog: [www.merchanttechnology.org](http://www.merchanttechnology.org). E-mail him at [joel@nubrek.com](mailto:joel@nubrek.com) or call him at 877-390-1887.*

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## Making Check Images More Secure

### Product: ImageSECURE

Company: International Security Products Inc./ ProDocumentSolutions

**W**ith the Check Clearing for the 21st Century Act taking effect Oct. 28, 2004, we've now entered the age of check truncation, which means check images and lots of them. An important question for financial institutions and all entities dealing with electronic images of checks is how to protect themselves from fraud?

International Security Products Inc. (ISP) is a company that specializes in the development, production and marketing of technologies that are related to anti-fraud security solutions.

The company's mission is "to engineer effective security methodologies to protect original content from replications, forgery and counterfeiting."

International Security Products (ISP) is a company that specializes in solutions to prevent document fraud problems. Its latest product, offered through its sister company, ProDocumentSolutions, is called ImageSECURE.

ImageSECURE enables the verification of the authenticity of printed checks after they've been scanned and digitized by a bank or other financial institution.

ISP said that check fraud prevention works in a similar manner to protecting your computer against a virus: You create layers of security features. ImageSECURE has six security layers, and the company said it's virtually impossible to replicate its images digitally without detection.

Here's how it works: At one level, ImageSECURE involves the printing of microstructures. Then, using a patent-pending technology, the product embeds a secondary verifier into the background of these microstructures, all of which are printed behind the common areas of payee amount and signature fields.



This digital alphanumeric verifier can create a nearly limitless amount of custom patterns. When these are scanned and compressed into a low-resolution bitmap image, they form pixel-latent verification identifiers.

These embedded or hidden images survive scanning and compression to become part of the digital check. The images can be verified visually or using a software application.

"The image-survivable security technology of ImageSECURE allows an inspector to determine whether a low-resolution bitmap was created by the original document or a counterfeit, long after the original has been destroyed," said George Phillips, Chief Executive Officer.

"It works in concert with our other security measures to enable a bank to identify a counterfeit check at any point in the process cycle. From the point of presentment all the way down to the digital copy, this security technology can dramatically reduce a bank's, and/or corporate customer's, liability against fraudulent checks."

Some of the features and benefits of the technology are: It verifies authenticity at the point of presentment without any secondary devices; survives a low resolution image scan and verifies that the digital conversion was from the original source; does not require further equipment to verify; and works as an effective deterrent for preventing counterfeiting.



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## A Thin Client for Batch Verification

**Product: JU\$TCHEX thin client application for processing batch verification**

*Company: JU\$TCHEX LLC*

**J**U\$TCHEX LLC provides an online gateway for verification, loss prevention, electronic recovery and collections of payment and settlement transactions for managing personal checks and automated clearing house (ACH) debits.

The company's solutions help merchants resolve returned check and ACH return issues to maximize return of funds without having a negative impact on relationships with valued customers.

"Our goal is to help our clients and processing partners minimize returns and the unnecessary processing fees," said Richard McShirley of JU\$TCHEX.

Over the past year and a half, the company has added new capabilities to its product offerings such as online collections for returned checks, online verification, mobile phone check verification, ARC returns processing and Web services.

Its latest offering is a thin client application for processing batch verification.

In client/server applications, a thin client is an application designed to be especially small so that the bulk of the data processing occurs on the server, according to Webopedia.com .

By providing a thin client solution, which uses the Internet and generally does not require significant hardware demands, merchants are able to process high volumes of check verification without costly system integrations.

As part of its technology for high volume processing JU\$TCHEX provides: consolidation of returns from depository bank or lock box and confirmation of funds in

over 200 million draftable accounts through online verification.

It also offers the capacity to process thousands of rule-based transactions per second; complete reporting in online, downloaded or custom formats; online customer service functionality; and no back office handling requirements for returned checks.

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**"As higher volumes of data are processed, ERAS realizes the importance of evolving our technology to align with our customers' needs."**

- Carlos Rodriguez, Jr.,  
Executive Vice President at ERAS.

## The Lockbox Has It Covered

### Product: iLockbox, Version 3.2

Company: ERAS LLP

**E**RAS LLP, a provider of software systems and solutions to the financial services industry, has upgraded its iLockbox browser-based payment processing solution.

Version 3.2 of iLockbox offers small- to medium-sized businesses ERAS' enhanced Web-based image lockbox system.

iLockbox enables a bank's customers to manage their lockbox accounts with encrypted access over the Internet. They can view coupons, payments and other documents at any time.

They can also manage stops, exception items, user access and automated clearing house (ACH) payments. iLockbox accepts any coupon format and enables customers to post the payments to any accounting system.

The system uses Internet Explorer version 4.0 or higher and it enables users to process mass amounts of payments with images. The system also provides image research capabilities, payment files and payment image reports.

It can be used as a stand-alone application, over a network, the Internet, or a combination. Payment processing and secure server hosting is also available as a service from ERAS JV.

"As higher volumes of data are processed, ERAS realizes the importance of evolving our technology to align with our customers' needs," said Carlos Rodriguez, Jr., Executive Vice President at ERAS.

"iLockbox 3.2 equips our users with a streamlined payment processing solution that can handle growing volume and still provide tremendous convenience to both the bank and its customers."

The company is looking for resellers of its solutions. For more information, call Robert S. MacMahon at 305-255-1452 or e-mail him at [rob@erasjv.com](mailto:rob@erasjv.com).

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# Inspiration

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**WaterCoolerWisdom:**

**"Honesty is the best image."**

- Tom Wilson

## Earning and Maintaining Trust

**W**hat can you offer an existing or prospective customer that will guarantee a positive experience for both of you? Honesty and full communication.

Nothing is more valuable to customers than honesty. When they know that you're being truthful and forthright, they trust you. People want to work with and buy from people they trust. They value honesty and will pay more for that peace of mind.

Since honesty is so important, once someone loses trust in an individual or company, it's very difficult to earn it back. Many times, if a customer feels that she has been deceived, she will not give a company a second chance.

She will simply move on to a competitor. So make sure you earn and maintain the trust of every client and prospect. Here's how:

### Tell the Truth

Always tell the truth. Never say something simply to appease the customer or sidestep an issue. For example, I recently picked up a friend at the airport. I checked the flight status on the Internet; it stated the flight had departed, so I went to the airport.

After waiting for 90 minutes I found out that the plane had not taken off yet. "Departed" meant that the plane had pushed back from the gate, but it didn't necessarily mean it had taken flight.

Tell your customers the truth rather than something else that will keep them at bay for a while.

### Tell the Whole Truth

If a prospect doesn't ask about an important issue, it's not OK to not mention it. If you have a required monthly minimum or a set up fee, make sure you inform your client. She will find out eventually, and it's best if she hears it from you before she commits to the sale.

If she learns of it later, which she will, she'll probably

wonder what else "slipped your mind." Also, if it's an issue that she didn't know to ask about, she might feel stupid in addition to feeling manipulated.

### Acknowledge Frustration

Mistakes happen, but they don't necessarily mean that your clients will lose faith in you. The key is to acknowledge their frustration.

If a client feels misled or undervalued, nothing will get her more riled up than you or your company making her feel that she isn't important or that her feelings aren't significant.

Acknowledge her feelings, and let her know that you empathize. This doesn't necessarily mean that you're admitting fault. Regardless of the situation, always give proper attention to a client's feelings.

### Be Proactive

When an account hits a snag or something is delayed or incorrect, don't wait for the client to complain. Act as soon as you are aware of the situation. Apologize and accept responsibility, even if the snag was not a direct result of your actions.

The client doesn't care if someone in another department dropped the ball. You are her contact and she trusts you, so she needs to hear the apology from you. Acting quickly is also beneficial because the client might not yet be aware of the problem.

If you can approach her with a solution and an apology before she even knows of the situation, she will not have had time to build up steam to let loose on you.

### Don't Give Up

If things have gone south with a customer, you might be tempted to simply write her off. You might feel that you've lost her and all you can do is move on; after all, it's only one customer.

But this customer knows people, and if she's upset, she

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For more information,  
please contact Alan Forgione, President  
at 1-800-698-0026 ext. 410

[www.nexusatm.com](http://www.nexusatm.com)

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will be sure to tell everyone about it. She might not share her story with others to retaliate against you; rather, she simply may need to vent.

That's why you have to listen to her and try to win her back. Even if you aren't successful, you may be able to smooth things over so the feelings aren't so raw and so she doesn't feel the need to tell others about her experience.

Customers want to know that they can have an open dialog with their service providers. They need to feel that they are understood and that they understand you.

This understanding leads to a feeling of unity and that you're on the same team, working toward the same goals. Be honest and open with your clients, and show them that you are worthy of their trust and their business. ■

## Courting Less Than Cordial Clients

**W**hat do you do when you can't stand your prospect? What if he's irritating, frustrating, rude or annoying? Sure, you could walk away from the sale, but a sale is a sale, and his money is just as good as everyone else's. So even if the thought of pitching a certain prospect feels like nails on a chalkboard, you should still meet with him and see what you can accomplish.

The first thing to do is find out if he's being annoying for sport, or if his irksome habits are only an element of his personality. Some people get a kick out of yanking other people's chains, and in a long workday that gets monotonous. Some prospects look forward to watching you jump every time they voice an objection, request a change to a contract or modify an order.

On the other hand, what you perceive as "exasperating" might simply be that person's character. You might find it tedious to answer the same questions over and over or have to explain a concept in minute detail. Perhaps this prospect prefers to have all of his bases covered and wants to be certain that he understands the fine points of your service. He's not trying to frustrate you, that's simply how he is.

If his tiresome behavior is part of his personality, treat him as you would any other prospect. If he's aggravating or provoking intentionally, you will need to employ some other tactics, such as the following:

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Inspiration



**The Food Marketing Institute**

MARKETECHNICS

**Highlights:** This conference is designed to showcase merchandising and operations technology for retailing and wholesaling. MARKETECHNICS is the only event of its kind dedicated to helping retailers improve their operation through a better understanding of available and emerging technologies and applications in areas, including customer loyalty.

Store owners/operators, retailers/wholesalers, senior executives, IT and operations professionals as well as marketing and merchandising professionals will be among the 6,000 people expected to attend the expo and educational sessions at this year's event. Vendor exhibit opportunities are available; RFID, biometrics and smart cards will be featured, but there will be 60 product categories of exhibitors at the show. Contact FMI for information at 202-452-8444.

**When:** Feb. 13 – 15, 2005

**Where:** Washington, D.C. Convention Center

**Registration:** Visit [www.fmi.org](http://www.fmi.org)

**The Kiosk Show**

**Highlights:** This tradeshow and conference will open up the secrets to successful self-service kiosk projects and explain how your business will benefit: Interactive, self-service kiosks can increase your sales and profit, decrease your costs and provide better service to customers and employees.

At the show, attendees will be able to test drive best-in-class self-service technology in a real world setting and connect with the world's top suppliers of kiosk solutions. Learn about turnkey solutions for application in retail; quick serve restaurant (QSR)/meals-to-order; travel and tourism; hotel/motel; transportation; banking and finance; gaming and entertainment; photo processing; healthcare; human resources; government and other markets.

**When:** Feb. 22 – 23, 2005

**Where:** Gaylord Palms Resort & Convention Center, Orlando/Kissimmee, Fla.

**Registration:** Visit [www.kioskshow.com](http://www.kioskshow.com)

- **Embrace the Challenge.** While your competitors might flee from a difficult prospect, this is an opportunity for you. Their discomfort is your opportunity to sell this client with less competition.

- **Don't Fall for the Distraction.** Being tiresome or exasperating might be the way this prospect wins negotiations. He is so annoying that people surrender to his demands just to get him out of their hair. Stay focused on your presentation and your sales points, and ignore his efforts to derail you.

- **Feed His Ego.** Being rude or annoying might be pure theater for this prospect. This is a drama and his role is to get you to give him what he wants. Feed his ego by demonstrating how good he is at his job and what a tough bargainer he is. Give him the satisfaction of knowing that he "won" as you get the signed agreement.

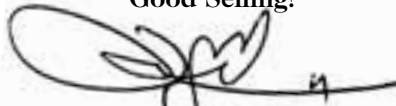
- **End the Game.** Some bothersome prospects and clients like the thrill of the chase, the fox and hound of the sale. Once you see signs that he's no longer asking relevant questions or getting off topic, you can eliminate some of the annoying banter and time wasters by simply asking for the sale earlier in the process.

- **Call Him on It.** If your client says something annoying or disrespectful, repeat it back to him and ask if that's what he actually meant to say. When faced with his words coming out of your mouth, he might understand why you consider them rude or offensive.

- **Maintain Control.** Many times a prospect will be intentionally uncouth or ill mannered just to confuse you or make you uncomfortable. Once he has you disoriented, he's able to take control of the situation and manipulate it in his favor. Keep this tactic in mind as you manage the meeting.

Remember, as much as this person might irritate you, he's only one employee in a larger organization. Resist the temptation to judge the entire company based on his behavior.

He could be in this position because his superiors understand that his personality works to their advantage when negotiating contracts or pricing. Or maybe those within the company don't particularly want to work with him so he is tasked with working with outside contacts. Either way, he's not going anywhere so, you might as well get his business!

Good Selling!<sup>SM</sup>  
  
 Paul H. Green



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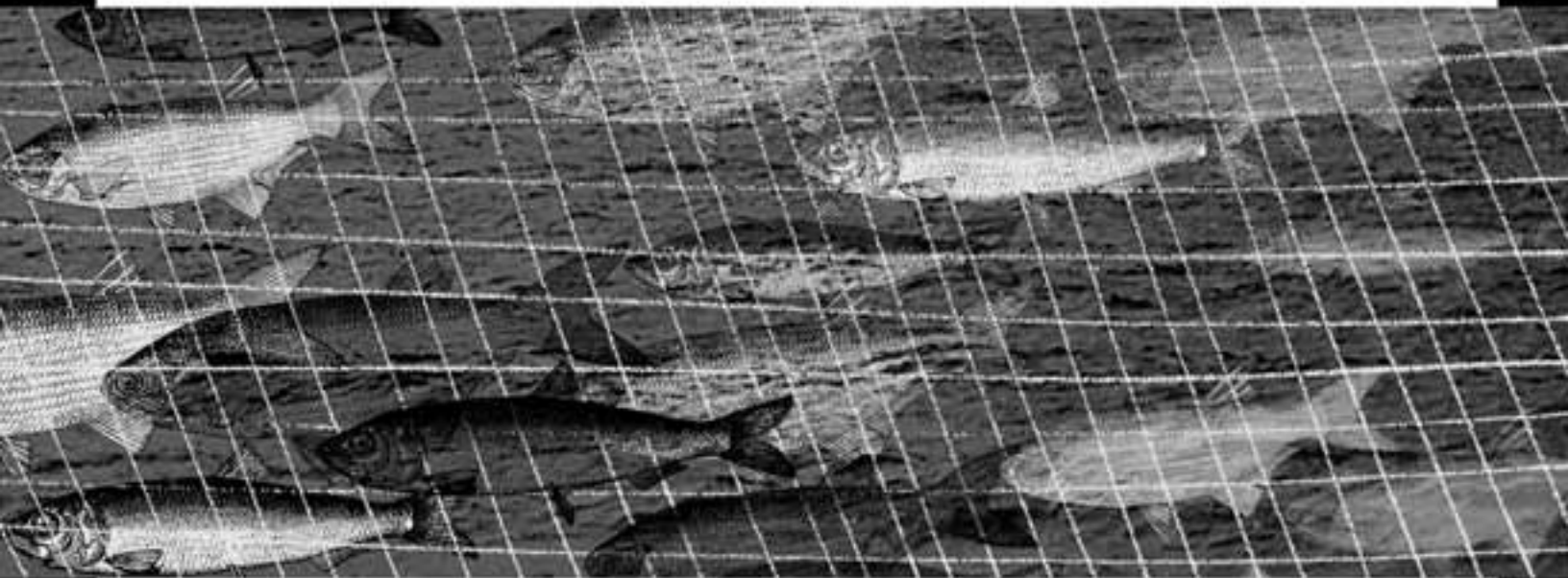
### First Data's ISO/Agent Program:



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# Comstar Interactive

# Sales Contest



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We want to thank you, our sales partners, for our success. We want you to share our excitement about the future of wireless POS transactions and our future sales successes with you as well.

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**DETAILS.** Accumulate points for each Comstar product sold and/or activated on the Comstar Gateway. There will be fifty-two prizes awarded.

The point values:

Comstar Charge Anywhere Device	100 points
Lipman Nurit 3010/8000 Activation	25 points
Comstar VT Account	25 points
Battery Powered Printer	10 points

Points will be tallied each month and updates will be available from your processor/ISO.

**REGISTER.** Dealers and Resellers can register their MLS via Comstar account reps or at [www.comstarinteractive.com/corvettecontest.htm](http://www.comstarinteractive.com/corvettecontest.htm). Call 1-800-211-1256.

**CONTEST DATES.** Contest starts at the conclusion of the 2004 mid year ETA meeting in Miami and concludes the last day before the start of the 2005 ETA annual meeting in Las Vegas.

**PRIZES AWARDED.** The prizes will be announced and awarded at the ETA Annual Meeting at the Comstar Booth on Day 2 of the show.



\*\$6 monthly lease payments paid by Comstar on \$10,000 cash



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A picture of Ben Franklin - \$100 cash



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### AdvertiserIndex

A-1 Leasing .....	32
ABC Leasing, Inc. ....	89
Addressograph Bartizan .....	103
Advanced Merchant Services .....	107
Advanced Payment Services.....	92
AlphaCard Services.....	40, 91
American Bankcard Corporation .....	35
AmericaOne Payment Systems .....	9
ATM Industry Association .....	68
Authorize.Net .....	17
Bancnet Corporation .....	46
Bank Card Depot .....	96
Barclay Square Leasing .....	10
Best Payment Solutions.....	47
BUDGET Terminals.....	16
Business Payment Systems .....	100
Cardservice International .....	88
Central Bancard, LLC.....	94
Charge Anywhere LLC.....	109
Charge Card Systems .....	79
CoCard Marketing Group .....	93
Cornerstone Payment Systems .....	39
CrossCheck, Inc. ....	83
Cynergy .....	36, 37
Datalink .....	55
E-Chex .....	58
Electronic Exchange Systems .....	90
Electronic Payment Systems .....	63
Electronic Payments (EPI) .....	82
Electronic Transactions Association .....	65
eProcessing Network .....	97
EVO Merchant Services .....	52, 53
EZCheck Check Services .....	48
Fastback.biz .....	12
First American Payment Systems.....	44
First Data Merchant MD.....	105
Global Electronic Technology .....	11
Global eTelecom .....	76
GlobalTech Leasing .....	62
Humboldt Merchant Services .....	69
Hypercom Corporation .....	112
iMax Bancard .....	31
Ingenico .....	2
Innovative Merchant Solutions .....	13
IntelliPay .....	30
IRN/Partner America .....	70, 71
JR's POS Depot .....	33
Lipman USA .....	15
Money Tree Merchant Services .....	73
Mp2 Solutions .....	22
MSI NJ .....	19
MSI NJ 1-800-Bankcard .....	60, 61
NetBank Payment Systems .....	29
New Edge Networks .....	21
Nexus ATM.....	102
North American Bancard.....	6, 7
Northeast Acquirers' Association .....	87
NOVA Information Systems .....	50
NPC .....	25
Orion Payment Systems .....	49
Paymerica.....	98
PayPoint USA .....	99
Pipeline Data Processing .....	26
POS Payment Systems .....	84
Reliant Processing Services.....	64
Retriever Payment Systems .....	27
Signature Card Services .....	59
Sterling Payment Technologies .....	51
TASQ Technology .....	111
Teertronics .....	34
Terminals Direct.....	85
The Phoenix Group .....	67
Total Merchant Services .....	56, 57
Touch-n-Buy .....	77
Trustwave .....	74
U.S. Merchant Systems .....	81
United Bank Card, Inc. ....	41, 42, 43
United Merchant Services.....	20
USAePay .....	14
VeriFone .....	23
Vital Merchant Services .....	75

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