September 10, 2012 • Issue 12:09:01

Equipment leasing has its place

From the advent of electronic payments in the 1980s through the turn of the 21st century, the leasing of payment terminals helped countless ISOs and merchant level salespeople (MLSs) generate immediate income while gradually building their merchant portfolios. MLSs didn't have to live off of their savings or work more than one job when they embarked upon a payments industry career. They could devote full-time effort to the trade, and ISOs could easily retain and train the talent they needed to build their businesses. Thus, POS terminal leasing was booming.

Influencing factors

However, several factors have eroded the leasing business in recent years, among them are a rash of technological advancements, including online and mobile payment options that do not require terminals; the practice of giving away instead of leasing terminals to merchants, which began in 2004 and has expanded to include today's sophisticated POS systems; the ongoing recession; and, to some degree, old-fashioned greed.

Changing technology: New technologies continue to create new opportunities for ISOs and MLSs; however, they also bring new challenges. One challenge is the encroachment of newer entrants on the POS scene, such as Square Inc. and PayPal Inc., both of which have set their sites on obtaining a piece of the traditional payments pie.

Free terminals: Much has been said and written about the upheaval free terminal placement caused in the industry. Many feet on the street were strongly opposed to it initially; others endorsed the practice from the start. Debate still occurs over whether "free" terminal placement is really free, but the practice is now an accepted way to get equipment in the hands of merchants, along with sales and leasing.

Economic factors: When the Great Recession took hold several years ago, many small businesses defaulted on their equipment leases. These defaults contributed to banks' reluctance to lend money to new businesses and made it difficult for ISOs to find underwriters for leases.

Questionable behavior: The payments industry has long dealt with a fringe element of unscrupulous ISOs, MLSs and vendors, and leasing has not been immune. One recent example of trouble on this front: a leasing company in California, recently agreed to settle allegations it participated in unfair competition and misleading advertising by misrepresenting the terms, costs and length of the payment on equipment leases; misrepresenting the type of equipment; not delivering promised products and services; and even forging vendor signatures on leases.

Whether leasing has been more affected by greed than other aspects of

WE'VE CHANGED IT UP

NOW MORE AGGRESSIVE. NOW MORE COMPETITIVE.

Call us today to dscover the secret to advancing your career.

855.640.6718

CAPITAL *for* MERCHANTS

At Capital for Merchants, the opportunities are as big as the rewards.

The Green Sheet Inc.

AdvisoryBoard

NotableQuote

Some companies even have retention teams whose sole task is to contact merchants who leave and try to get them back. It's a noble effort, but it should be said the best retention effort occurs before the merchant leaves.

Inside this issue:
CONTINUED

Proud recipient of 45
Apex awards in 11 years

Things to do today

I ♥ GS

To reach Danielle directly!

The Green Sheet, Inc.

Danielle Thorpe
ASST. VICE PRESIDENT OF ADVERTISING SALES

(707) 284-1686 Direct
(800) 757-4441 Office
danielle@greensheet.com

1160 N. Dutton Ave., Suite 200
Santa Rosa, CA 95401
www.greensheet.com

Aly #1
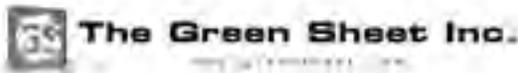
The Green Sheet Inc.

President and CEO:
Paul H. Green.......................................paul@greensheet.com
General Manager and Chief Operating Officer:
Kate Gillespie .... kate@greensheet.com
CFO/Vice President Human Resources & Accounting:
Brandee Cummins......................................brandee@greensheet.com
Assistant VP, Editorial:
Laura McHale Holland .... laura@greensheet.com
Senior Editor:
Patti Murphy...patti@greensheet.com
Associate Editor:
Dan Watkins .... dan@greensheet.com
Staff Writers:
Jim McCaffrey ....jim@greensheet.com
Ann Train ....ann@greensheet.com
Production Manager:
Lewis Kimble..lewis@greensheet.com
Assistant VP, Advertising Sales:
Danielle Thorpe ....danielle@greensheet.com
National Advertising Sales Manager:
Rita Francis .... rita@greensheet.com
Office Manager:
Kat Doherty ....kat@greensheet.com
Director of Information Technology:
Wolf Dean Stiles ....wolf@greensheet.com
Correspondence:
The Green Sheet, Inc.
800-757-4441 • Fax: 707-284-1968
1160 N. Dutton Ave., Suite 200, Santa Rosa, CA 95401
Send questions, comments and feedback to greensheet@greensheet.com
Send press releases to ....press@greensheet.com
       NOTE – Please do not send PDF versions of press releases.
Print Production:
Hudson Printing Company
Contributing Writers:
Jeff Fortney..jeff@clearent.com
Bill Hoidas...bhoidas@gmail.com
Alan Kleinman.................................akleinman@merituspayment.com
Chandan Mukherjee ....cm@paycubeinc.com
Peggy Bekavac Olson....................................peggyolson@smktg.com
Joe Porco ....jporco@harbortouch.com

Forum

What gives with Visa's FANF

As an industry veteran, I would love to get *The Green Sheet*'s perspective on the following:

1. The new Fixed Acquirers Network Fee is really mind boggling. Why would a merchant who is face to face with the merchant doing $132,000 a year only get charged $2.00 and a merchant doing $6,000 a month be charged $9.00 a month?

Obviously, this program was an answer to the Durbin Amendment. However, the problem is card-not-present businesses are being affected harder.

Has Visa done it again – robbing Peter to pay Paul? It would give me great pleasure to hear your perspective on this issue.

2. Why does Visa not publish the new FANF table on their website?

3. It is my understanding that Visa invested in Square close to $100 million. Does Square not use factoring as a way to get accounts? Did I miss a rule change by Visa, and now it's OK for merchant service providers to approve accounts that want to factor?

Bruce I. Reisman
Focus Financial Solutions LLC

Bruce,

Thank you for sending us your stimulating questions. We wanted to get several perspectives on the issues you raised, so we consulted members of The Green Sheet Advisory Board. The first response came in from Jared Isaacman, Chief Executive Officer of Harbortouch. His answers are provided below.

Several other members of the board subsequently offered their views. These will be shared in a special feature article in an upcoming issue of The Green Sheet.

Now for Jared Isaacman's thoughts:

1. *Correct, there is no logic behind FANF. However, I don't believe Visa and MasterCard have ever provided a thorough explanation on any rate changes or fees that have ever been implemented. Your question "Has Visa done it again?" I assume is in reference to the Wal-Mart settlement some seven years ago that resulted in a reduction in offline debit cards and then an immediate increase on credit transactions. I think your conclusion is spot on.*

2. *Good question.*

3. *The conflict of interest in Visa investing in Square*

is offensive in itself. Regarding factoring, this process has been permitted for aggregators. PayPal is another example. Regardless of the fact that they are factoring and properly registered as aggregators is the unsustainable business model that Square has. Another great discussion point.

Other payment professionals are welcome to voice their opinions on this as well. Email us at greensheet@greensheet.com.

Editor

Efforts appreciated

I saw the Washington article in GS today and I think it is terrific. Thanks for your great job!

Mary Weaver Bennett
Electronic Transactions Association

Mary,

Thank you for taking time out from your duties as ETA Director of Government and Industry Relations to appreciate our work on "A call to Washington," the lead article in The Green Sheet, *Aug. 26, 2012, issue 12:08:02. It gives everyone here a lift to know we're making a positive difference in the payments community.*

Editor

How do you unwind so you can gear up?

Autumn will be here soon, and we will all gear up for the holiday season. The coming boost in transactions will be a boon to many a residual stream, but the season, while joyous for many, can be stressful. What do you do to maintain your equilibrium during this time? Have you tried getting a massage once a week after work? How about booking an overnight stay at a cozy hotel in a picturesque location that also has plenty of stores selling gifts items? Checking in by phone with a friend who always lifts your spirits does the trick for some. We even know of someone who not only takes long walks to unwind, but also hugs a tree or two on the way. What works for you? Reach out to us via email at *greensheet@greensheet.com*, by phone at 800-747-4441, on Facebook at *www.facebook.com/thegreensheetinc* or on Twitter using *@the_green_sheet*.

CHANGE YOUR GAME

DECLARE VICTORY WITH THE BEST LIFETIME RESIDUAL PROGRAM IN THE BUSINESS

$3,000 SIGNING BONUS | $1,000 BONUSES ON EVERY MERCHANT

QSGS

A quick summary of key articles in this issue to help keep you up-to-date on the latest news and hot topics in the payments industry.

68

Education

Tips for managing remote sales teams

Remote sales teams can be tricky to manage. It is hard to build and sustain trust when staffs are in other cities, states or even countries. By instituting correct training procedures and taking advantage of technology to maintain open lines of communication, management can keep teams loyal and focused, and prevent all-out mutinies.

71

Education

The smart way to sell POS systems – Part 1

The selling process is all about perception. People generally don't like to be sold to, yet they love to buy. ISOs and MLSs can position themselves as providers of payment services that merchants desire by knowing what they need and then delivering solutions for those needs. To find out merchant needs, sellers should first become buyers.

73

Education

Ignite revenue with a sales incentive program

Keeping salespeople motivated is the eternal challenge of sales managers. One way to spur sales is by instituting incentive programs. With today's technology, sellers can be rewarded instantly for meeting quotas and closing deals. But to do this effectively, determine what you want from your salespeople and what your salespeople want from you.

81

Inspiration

Oasis in the workplace

Office environments too often add to peoples' stress levels. The office should be a haven of sorts from the obstacle course known as life. Co-workers should check rough language and derogatory talk at the door and strive to be respectful to all. By creating a workplace sanctuary in the corporate realm, everyone will have the opportunity to be at their best.

INNOVATE 2012

AGENT & ISO CONFERENCE

NOVEMBER 5-6 • BOSTON

Merchant Warehouse

LEADERSHIP

Network with top industry innovators

GROWTH

Explore new ways to expand your portfolio

TECHNOLOGY

Evaluate cutting-edge payment solutions

OPPORTUNITY

Discover the possibilities in the payment industry today and into the future

CONNECT THE FUTURE OF PAYMENTS WITH OPPORTUNITY.

Hosted by Merchant Warehouse, Innovate 2012 delivers two full days of industry presentations, interactive workshops, and networking.

It is the perfect chance to engage with market leading experts, innovation-minded professionals and Merchant Warehouse executives to get the latest information and developments within the payments industry.

REGISTER TODAY ONLINE AT:
merchantwarehouse.com/innovate2012

Not enrolled already?
Register online and join our agent program today to learn about our exclusive offer for first time attendees.

PLEASE BE SURE TO FOLLOW US ON:

CONFERENCE LOCATION:
THE OMNI PARKER HOUSE HOTEL

Industry**Update**

NEWS

Visa readies encryption for POS terminals

Visa Inc. will begin integrating its new point-to point-encryption (P2PE) service, Visa Merchant Data Secure, into payment terminals and critical systems across the payment processing industry in early 2013, the company reported Aug. 21, 2012. Visa said the service will enable merchants and acquirers to add P2PE to their systems with minimal impact.

Visa Merchant Data Secure employs the same encryption standard and key management used to encrypt PINs at the POS. The solution enables encryption and decryption in multiple zones, giving merchants and acquirers flexibility in how they deploy encryption in their own systems.

Visa said its new encryption technology is compatible with the Europay/MasterCard/Visa (EMV) technology standard the company is requiring processors to support by April 2013. P2PE technology will provide an added layer of protection against data breaches as the industry moves to the mass adoption of EMV chip-based cards and terminals, the company said.

Visa company spokesman Steve Burke said Visa Merchant Data Secure will be offered through acquirers. Pricing plans are still being finalized. At this point, Visa is not expected to offer incentives for adopting its P2PE compliance program. Burke said the card company is planning to have the P2PE service certified by the PCI Security Standards Council by the time it is released in 2013.

Payment processor leads Inc. 500/5000

Miami-based **Unified Payments LLC** has cause for celebration as the top company on the **Inc. 500/5000** ranking of the nation's fastest-growing private companies for 2012. Rankings were determined based on percentage of revenue growth from 2008 to 2011. In securing the top position, the payment processor achieved three-year sales growth of 23,646 percent and generated $59.5 million in revenue during 2011.

"To be recognized as the fastest growing private company in America is overwhelming," said Oleg Firer, Executive Chairman of Unified Payments. "This tribute would not have been possible without the hard work and dedication of our talented team at Unified Payments, our business partners, and our merchants."

More than 50 payments industry companies in the financial services industry category placed in the top 5,000; 10 earned a spot in the top 500, where minimum growth of 762 percent was necessary to qualify.

The next payment company in the rankings was **Bluefin Payment Systems**, formerly Capital Payments LLC, which placed sixth, with $55.6 million in 2011 revenue and 11,675.7 percent growth. "We are thrilled with the top 10 placement of our company on the Inc. 500/5000 in our very first year of application," said John Perry, President and Chief Executive Officer of Bluefin.

Following are other merchant acquiring businesses in the 2012 Inc. 500, listed by ranking: **Merchant Services Inc.** (18), **Complete Merchant Solutions** (19), **Century Payments** (87), **Transcendent One Inc.** (105), **Repay-Realtime Electronic Payments** (330), **TMG Financial Services** (340), **Allied Wallet Ltd.** (369) and **Braintree Payment Solutions LLC** (415).

McDonald's going mobile in France

Global quick service restaurant chain **McDonald's Corp.** is testing mobile payment technology in its locations in France. Payment technology company **PayPal Inc.** and payment terminal manufacturer **VeriFone Inc.** reported McDonald's is testing their payment systems in its French franchises.

VeriFone's Point Group is providing its Paybox Services

BOTTOM LINES

HEADLINES FROM THE RETAIL WORLD

- According to the **AAA** and **IHS Global Insight** *AAA Labor Day 2012 Travel Forecast*, about 33 million holiday travelers were expected to travel at least 50 miles from home – 85 percent by automobile, 8 percent by air and 7 percent by other forms of transportation.

- **Research and Markets**' *Musical Instruments Stores* report projected the U.S. musical instrument stores industry of approximately 3,500 stores will generate $5 billion in combined annual revenue in 2012.

- **The Global Industry Analysts Inc.** *Outdoor Appliances and Power Tools: A Global Strategic Business Report* predicted the global market for outdoor appliances and power tools will reach 110 million units by 2017 – led by outdoor grills and power tool sales

to process transactions through McDonald's GoMcDo pre-order service mobile application. Customers can use their mobile phones to place orders through the app prior to visiting store locations. At the restaurant they can complete the transaction at an unattended device, where they receive a printed ticket for food pickup. McDonald's confirmed it was testing PayPal mobile payments in France following the demonstration of a broader PayPal payments service during a franchisee convention in Orlando, Fla., earlier this year.

New virus attacks mobile phones

Mobile security company **TrustGo Mobile Inc.** warned it has discovered "a new and extraordinarily aggressive virus" in China's largest Google Inc. Android marketplace, GFan. The virus, named Trojan!SMSZombie.A, gives hackers remote control over the victims' short message service, mobile-phone-based payments system, allowing criminals to secretly authorize payments from the victim's phone. TrustGo Mobile said the virus poses a "significant threat" and that self-protection mechanisms make it difficult to remove from mobile operating systems. The company estimates more than 500,000 mobile phones have been infected with the virus.

ANNOUNCEMENTS

ACI updates commerce server

International payment processor **ACI Worldwide Inc.** released Retail Commerce Server 5.0, the newest version of its solution for acquiring, authenticating, switching and authorizing merchant transactions across multiple channels. Targeted to U.S. and Mexican markets, the framework integrates

with existing and emerging mobile wallet applications, the company said.

Apriva ACEs customer support

Mobile communication and payment services provider **Apriva LLC** launched Apriva Customer Education, a web-based, self-help and customer-support portal. ACE will share knowledge about payment terminals, network security and software, and how new technologies will impact Apriva's wireless payment solutions. Real-time assistance via live chat sessions is also available.

EMV commercial card at Fifth Third

Fifth Third Bank released an EMV-compliant chip card for business customers in the United States. The bank reported the new card will allow business clients traveling abroad to authorize international transactions more efficiently while improving the security of those transactions. Additionally, the new card contains a mag stripe for payment acceptance at terminals that are not enabled to read chips.

Intrix offers remote invoicing

Integrated payment processing solutions and services provider **Intrix Technology Inc.** released Invoice Creator, a payment gateway module that permits merchants to create and manage invoices online. Merchants can create merchant profiles, payment profiles and invoice templates for billing their customers electronically via email. The "Pay Now" function allows customers to remit credit card or automated clearinghouse payments.

Merchant Warehouse moves Genius

Merchant Warehouse continues its momentum with Genius, a customer engagement platform designed to aggregate and integrate emerging transaction technologies, payment types and consumer programs. The software is currently being preloaded into VeriFone's MX 915 terminal. Data is managed and accessed in the cloud. Genius is expected to be available for widespread distribution by January 2013.

IndustryUpdate

MCR receives technology award

My Clear Reports, a payment technology service provider that facilitates monetization of merchant portfolios for ISOs, acquirers and processors, was recognized as a 2012 Technology Innovation Award finalist in the Midwest Acquirers Association's Shark Tank competition.

MCR offers a virtual online business center with payment solutions, services and tools to help merchants manage and grow their businesses.

payvia joins ETA mobile committee

Mobile and online payment company **payvia Inc.** joined the Electronic Transactions Association's Mobile Payments Committee. The ETA committee was formed in August 2012 to develop policy and business strategies for the advancement of mobile payments globally.

Revel Touch receives funding

E-commerce technology provider **Revel Touch Inc.** secured $10 million in venture capital financing from a group led by **Foundation Capital** and **Lightspeed Venture Partners**. The funding will be used to build the company's retail cloud platform for tablet devices and smart phones.

USA Technologies adds mobile, web services

USA Technologies Inc., a wireless noncash transactions network provider, unveiled ePortMobile. The mobile payment solution will connect merchants to USAT's secure ePort Connect service platform. In other news, USAT introduced QuickConnect, a web service for software developers and equipment manufacturers to interface with ePort Connect.

PARTNERSHIPS

Alternet takes Utiba global

Alternet Systems Inc., an investment holding company focused on cyber security and mobile financial services markets, expanded its partnership with mobile financial services solutions provider **Utiba Mobility Inc.** to extend Utiba's software-as-a-service platform to financial institutions, mobile network operators and payment service providers globally.

Adyen, Fnbox team in Latin America

Hosted payment solutions provider **Adyen** and Internet business developer **Fnbox Ventures Inc.** teamed in Brazil, Europe and the United States. Adyen will host

IndustryUpdate

payment solutions for Fnbox as Fnbox expands its Internet companies, Cuponica.com, Recarga.com and Tarjetastelefonicas.com, internationally.

Bluepoint, Advance Fraud Solutions partner

Processing and content management solutions provider **Bluepoint Solutions Inc.** and software security provider **Advanced Fraud Solutions LLC** integrated Bluepoint's ImagePoint Teller with the AFS TrueChecks solution to automate identification of counterfeit checks.

Boku, Optus mobile partners

Australian broadband and telecommunications provider **Optus Group**, a subsidiary of Singapore Telecommunications Ltd., and mobile payment solution provider **Boku Inc.** inked a deal to offer Boku's direct-to-bill mobile operator billing service as a payment option for online merchants in Australia.

Cubic selected by Chicago bus system

Cubic Transportation Systems Inc. won approval from the Chicago Transit Authority to provide the CTA's Open Standards Fare System to suburban bus operator **Pace Suburban Bus**. The deal will allow transit custom-ers to make contactless payments on the suburban bus line and brings Cubic's contract total with CTA to $508.9 million.

ID Tech adds First Data encryption

First Data Corp. will provide its TransArmor data encryption and tokenization technology to **ID Tech** for integration with the POS equipment manufacturer's SecureMag swipe readers.

MasterCard, Everything Everywhere partner

U.K. mobile telecommunications company **Everything Everywhere Ltd.** signed an exclusive five-year partnership with **MasterCard Worldwide** to develop mobile and digital payment solutions for the company's 27 million U.K. customers, including co-branded solutions for person-to-person money transfers, digital payments, loyalty rewards and prepaid.

Everything Everywhere operates under the brand names Orange and T-Mobile.

ProPay connects with Constant Contact

Payment solutions provider **ProPay Inc.** and customer

IndustryUpdate

engagement marketing firm **Constant Contact Inc.** are collaborating on EventSpot from Constant Contact, an event management product to help small businesses and nonprofit organizations promote and host events. ProPay's technology will enable online mobile credit card payments through EventSpot.

TSYS signs SpareBank 1

Norwegian banking group **SpareBank 1 Gruppen AS**, an association of regional banks, licensed **Total System Services Inc.**'s PRIME 4 card management solution. SpareBank will utilize PRIME 4 for issuing and processing MasterCard and Visa retail, credit, prepaid and contactless payment cards to serve the evolving needs of its Norwegian consumers.

Virtual Piggy broadens with Payvision

Virtual Piggy Inc. entered into a strategic partnership with e-commerce payment provider Payvision. Through Payvision's international acquiring network, Virtual Piggy will have an opportunity to expand its parent-controlled e-commerce platform into the global marketplace, the company said.

ACQUISITIONS

Braintree acquires Venmo

Payment gateway operator **Braintree Payment Solutions LLC** acquired mobile peer-to-peer payment and social application startup **Venmo Inc.** for a reported $26.2 million. Venmo will continue to operate independently as a wholly owned subsidiary.

Futura reacquires processing division

Loyalty solutions provider **Futura Loyalty Group Inc.** exercised an option to repurchase the assets of the processing division it sold to three individuals in December 2010 for the same price at which the assets were sold, $8 million.

FIS sells division to Lightyear

Private equity firm **Lightyear Capital LLC** completed purchase of payment technology provider **FIS**'s Healthcare Solutions business. Renamed Alegeus Technologies, the company will continue to focus on benefits administration and payment processing for health-care accounts.

FrontStream acquires FirstGiving

Payment and donor solutions provider **FrontStream Payments Inc.** acquired nonprofit solutions provider **FrontGiving Inc.** FrontGiving's peer-to-peer fundraising platform raises money for 501(c)(3) organizations through web-based fundraising pages that leverage network support of events, campaigns and causes.

APPOINTMENTS

FTS names Bernicker CFO

ISO and payment processor Financial Transaction Services LLC appointed **Chuck Bernicker** Chief Financial Officer. Bernicker served as an Executive Director with Heartland Payment Systems Inc. before joining FTS, where he will be responsible for finance and accounting initiatives including merger and acquisitions analysis.

Moss moves up at CCS

Adam Moss, who has been associated with Charge Card Systems since 2003, first as an independent contractor and then as the company's Vice President Sales, National Sales Manager, was promoted to Chief Operating Officer.

He will continue to manage CCS' day-to-day sales and marketing efforts in addition to overseeing the company's growth strategies for continued success.

Redmond joins ClickPay

Electronic payments solutions provider ClickPay Services Inc. hired **John Redmond** to be its new Sales Director. Redmond joins ClickPay from real estate software developer Workspeed Management, a division of MRI Software LLC, where he was Director of Business Development.

Fiserv appoints Schmeltzer SVP

Fiserv Inc., a technology provider to the financial services industry, appointed **Ginger Schmeltzer** Senior Vice President of Emerging Payments, Digital Payment Solutions, a new company position. Schmeltzer comes to Fiserv from SunTrust Bank Inc. where she was Senior Vice President of Digital Channel Management. At Fiserv she will facilitate new payment services delivery.

Schmidt on board at PivotLink

Jeff Schmidt was hired by business intelligence software-as-a-solution provider PivotLink Corp. as its Chief Revenue Officer. Schmidt comes to PivotLink from IBM where he was Vice President of Worldwide Sales at IBM's marketing analytics company Coremetrics. At PivotLink he will oversee the company's sales and services organizations.

CO-OP promotes Scheuerlein

CO-OP Financial Services promoted **Jackie Scheuerlein** to Vice President, Relationship Management. She will be responsible for directing CO-OP's relationship management team and for guiding initiatives that impact retention, sales and client satisfaction.

Why Doug Olsen is an independent
agent with First Data Independent Sales (FDIS).

1) He got a 0% buy rate

2) He paid nothing to join

3) He received a week of complimentary training

4) He and his customers have all the support they need

5) He has access to state of the art boarding tools

6) He has confidence in FDIS' stability

7) He was eligible for an upfront conversion commission

8) He has a residual buyout option

9) He has access to turnkey marketing solutions

10) He found a partner for his success

"We have the support of [FDIS], which has been instrumental in our success"

–Doug Olsen

Call 1-888-680-8277 or visit www.firstdatapartners.com/douggs9

◄ To see Doug's testimonial video, scan this with a QR code reader app on your smart phone.

First Data Independent Sales

b>yond the transaction.

News

PayPal's Discover deal makes room for acquirers

PayPal Inc. will be issuing cards and working with acquirers as it moves toward its goal of ubiquity in the payments marketplace, Don Kingsborough, PayPal Vice President of Retail and Prepaid Products, said in an investor conference call about PayPal's new alliance with Discover Financial Services. PayPal's digital wallet is expected to be available at more than 7 million U.S. merchant locations that accept Discover cards by the second quarter of 2013.

Diane Offereins, President of Discover Payment Services, called the PayPal deal "a major industry milestone" that will "help shape the emerging payments landscape by bringing together an established direct banking and payments company with a leading commerce enabler to create an alternative payments option for consumers at the point of sale. This initiative will result in real change and innovation for the industry by bringing new technologies to the point of sale that benefit merchants and PayPal customers."

Kingsborough added that the partnership will create new benefits for Discover merchants without requiring them to install new hardware or software. "This relationship will deliver a truly seamless digital wallet, available most places consumers shop offline, which offers the speed, simplicity and security already enjoyed by 113 million active PayPal customers online," he said.

According to Kingsborough, PayPal/Discover transactions will not be considered debit payments, nor will merchants be required to have a PIN pad for swiped transactions. Regarding PayPal's pricing, Kingsborough said PayPal has been "in conversation with the Fed about debit interchange."

Mobile strategy

A leader in the mobile wallet arena, Discover is participating in the Isis wallet initiative, as well as in Google Inc.'s mobile wallet venture, which the search engine just transitioned to a cloud-based payment solution.

Offereins said Discover intends to shape the commerce landscape through partnerships. "We are focused on enabling solutions and partnerships spanning a spectrum of emerging payments, including mobile, chip, alternative and prepaid, and have gained significant momentum with this approach," she said. "We're focused on leveraging our network to support nontraditional payments," she said. "As commerce evolves, creating new channels and environments, our network also needs to adapt."

> *To enroll all Discover merchants by the second quarter of 2013, PayPal is going to need help from acquirers.*

Call to acquirers

PayPal has partnerships with 16 national retailers, including its recent teaming with Starbucks Corp. In less than a year, the company has attached itself to the POS at more than 3,000 U.S. retailers, launched a successful mobile POS system for small businesses called PayPal Here and entered deals to integrate PayPal with the POS equipment of the major U.S. terminal manufacturers.

During the investor conference call about the Discover deal, Kingsborough said that in addition to the 7 million merchant locations Discover brings to PayPal, the card company also provides access to its relationships with 135 acquirers.

"Discover acts as an acquirer for 1,500 large merchants," Kingsborough stated. "We plan to roll out at these merchants early and the balance in the coming months after that. These [Discover] merchants are already embedded with technology in existence, or will be by the beginning of the year."

To enroll all Discover merchants by the second quarter of 2013, PayPal is going to need help from acquirers. The company will work with acquirers to continue building online and offline networks, and acquirers will be compensated because they have a role in the value chain, Kingsborough noted. "You do have to get acquirers to cooperate with you," he said. "We are on a path and will continue to be on a path of getting full cooperation for all the acquirers." He added that the company will maintain the same 2.75 percent processing fees it has advertised.

Issuing cards

Kingsborough said PayPal intends to extend its online payment program to offline retailers using mobile as the "connecting tissue"; he sees card issuing as a "default" that will become less important as the company evolves.

"To integrate into the life of the consumer you have to be wherever consumers want to shop," he said. "That's what accelerates adoption. Issuing cards enables the integration into the consumer's life, and that enables new technologies into their life." The card is "an extension of the existing network into the physical world," he said. "This is not a transaction like any card transaction you've ever had." The card acts as a token used in the payment mix PayPal has built in the cloud, he added.

Square reaching beyond micro-merchants with flat rate

Square Inc. continued its push into the payments world when it introduced a monthly flat processing fee for small businesses Aug. 16, 2012. Square said merchants who process up to $250,000 per year in card transactions can now choose a flat monthly processing fee of $250, with no additional fees or contracts. Merchants will have the option of continuing to pay a fee of 2.75 percent of every transaction instead.

Square said its flat monthly fee is the first pricing option that gives small businesses a lower processing fee than bigger merchants.

"For 62 years, merchants have suffered complicated, expensive fees," Jack Dorsey, Square founder and Chief Executive Officer, said. "Square is the first company to rethink electronic payment pricing with the merchant in mind. We are giving merchants affordable, predictable pricing. With one monthly price, merchants know that the sales they've processed in a day is the same amount deposited in the bank."

The new pricing comes just a week after Square revealed that Starbucks Corp. invested $25 million in Square, and the coffee company will use Square technology to process card transactions in its network of 7,000 stores.

Mobile payment consultant perspective

Todd Ablowitz, founder and President of the consulting firm Double Diamond Group LLC, said Square's new pricing and the Starbucks partnership show Square should be taken seriously as a competitor. "This is the signal that Square is not just about the micro-merchants they were going after," he said. "They are interested in that sweet spot between the micro-merchant and the huge retailer in the level 2 and level 3 tier where the acquiring industry traditionally is."

Ablowitz noted Square is willing to disrupt pricing and technology to make a space for itself in payments. He added that ISOs will have to give merchants new reasons to continue to use their services, and offering better service is one way ISOs can compete. However, he noted that "the best way to do that is to remove the need for services at all" and "Square is doing that."

The consultant believes it is time for the payments industry to take Square seriously as a competitor. "I wonder how much longer the non-believers can keep dismissing it when it keeps working?" he asked.

A CPP's analysis

Thomas Waters, a Certified Payments Professional (CPP) and Director of Sales of Bank Associates Merchant Services, said that when numbers are analyzed the Square flat rate may not be so great.

"While the new pricing program recently rolled out by Square may at first sound attractive to merchants and disrupting to competitors, basic math shows us that only a small percentage of the market may truly benefit from this restructure of fees," he said. Waters' calculations indicate many businesses may pay as much as a full percentage less per month than the 2.75 percent Square charges, depending on the industry and transaction size.

Waters noted that a monthly fee of $275 based on a processing volume of $10,000 is "about average" for any merchant processor. "But a business's

News

volume varies per month, and the effective total rate will increase as volume decreases," he said. "For example, a month where volume is only $5,000 your effective rate essentially doubles to 5.50 percent, which is significantly high. Also, considering that there is a cap on that monthly fee at around $21,000 in volume, that leaves a pretty small 'sweet spot' of monthly volume where the new pricing will be competitive against a typical merchant account."

Waters pointed out that the monthly fee program only applies to swiped transactions, so merchants will still pay 3.5 percent and $0.15 for card not present transactions on top of the monthly fee. "There may be some businesses that can actually benefit from this program, but it's very likely they are few and far

between," he said. "It is true that simplicity is an effective means to retain new business, but I'd put my money on an educated agent or ISO over a Square flyer any day."

MCX – it's about more than the wallet

Paul Martaus, Chief Executive Officer and President of the consulting firm Martaus & Associates Inc., said the Aug. 15, 2012, launch of the retailer-backed mobile payment technology company Merchant Customer Exchange could involve more than a mobile wallet.

Some of the biggest retailers in the country back MCX. They include 7-Eleven Inc., Best Buy Co. Inc., Lowe's, Sears Holdings, Shell Oil Products US, Sunoco Inc., Target Corp., and Wal-Mart Stores Inc. Together these retailers serve "nearly every smart phone-enabled American" and "account for approximately $1 trillion in annual sales," MCX stated in its inaugural press release.

MCX will initially focus on developing a mobile application that will integrate consumer offers, promotions and retail programs on nearly any smart phone. Retailers on board strongly endorsed MCX, for example:

- Mike Cook, Wal-Mart Corporate Vice President and Assistant Treasurer, said the MCX wallet will eliminate unnecessary costs for all stakeholders.

- Terry Scully, Target's President of Financial and Retail Services, said MCX "is uniquely qualified to offer the most comprehensive mobile payment options for consumers."

- Mark Williams, Best Buy President of Financial Services,

HERE'S THE BIG QUESTION...

HAVE YOU EVER JUST WANTED TO WORK FOR....

A ☐ A GREAT COMPANY?
B ☐ GREAT REWARDS?
C ☐ A GREAT CAUSE?
D ☒ ALL OF THE ABOVE?

IF YOU ANSWERED "D" THEN YOU NEED TO CHECK OUT...
PROCESS PINK PAYMENTS

WHAT IF ....

... your revenue share was based on true interchange levels?

... you had the lowest Authorization, Capture & settlement cost in the industry?

... you had online access for residuals and portfolio management?

... you had up front bonus money on every deal?

... you could spend your time selling and not have to worry about who takes care of your merchant training, terminal deployment and customer service?

... there were no application fees and no monthly quotas?

... you had several different programs and platforms to offer your clients that no one else had?

... you never had to ask these kinds of questions?

A portion of the MasterCard/Visa credit card processing fees goes to support the...

NATIONAL BREAST CANCER FOUNDATION, INC.

process pink PAYMENTS

A Unified Payments Company

Process Pink, LLC is a registered ISO/MSP of BMO Harris Bank, N.A., Chicago, IL and Wells Fargo Bank, National Association, Walnut Creek, CA.

News

said, "No one understands our customers' shopping and payment experience better than we do."

MCX expects to gain more members in the coming months.

The bigger picture

Martaus informally surveyed a number of his clients and industry contacts for reactions shortly after MCX released its news. He found a general belief that MCX is just another competitor in the hot contest to get consumers to use branded mobile wallets.

"They think MCX is really about the wallet and data and it doesn't want to get involved with issuing cards and processing transactions," he said. "They could well be right. What I keep in mind is that it's a small step between collecting data and controlling the ability to pay."

Martaus added that acquiring payment data is now more valuable than acquiring traditional payment fees, but the traditional payments industry is slow to build on its advantage. "Banks are in a perfect position to tell the retailer all about consumer behavior because they have a global look at all purchase behavior," he said. "But banks have zero imagination, and they are caught up in a decades old [system].

"The problem for retailers is that the purchase behavior they collect is only relative to the store. This means they have access to only a small portion of the overall purchase behavior. I don't know if MCX retailers will have access to each other's purchase data, but if they don't, they are missing something."

Accelerated evolution

Martaus believes issuing cards (or account numbers) and processing transactions could be added to the MCX agenda quickly if that's what the retailers want to do. He pointed out that Wal-Mart looked at becoming a bank but gave it up because of the onerous regulation that went along with lending. "This MCX thing could evolve into something more interesting, and it could happen in a hurry," he said.

Martaus also said MCX is a way for a company like Wal-Mart to fight for the prepaid card business it's developed for its unbanked customers who might otherwise switch to the mobile network operators' Isis wallet or Google Inc.'s Google Wallet or some other wallet offering. "I see the wallet approach being the keys to the kingdom for them," he said. "I see a tremendous opportunity on the part of retailers to dramatically change the face of the game by applying intense competition in this area."

The key to payments in the future is developing relationships with consumers, and the MCX group is in a great position to do that, Martaus pointed out. "What does Isis bring the retailer?" he asked. "When you have retailers like Macy's, who are beyond proof of concept in payment technology and are implementing easy to use systems at every store, why not take it to the next step?"

Meanwhile, the payments industry has a problem: legacy platforms. These platforms are not easily adapted to rapidly changing mobile POS technologies brought to market by well-funded, hugely popular startup payment companies like Square Inc.

"You're asking people with legacy platforms to respond to technological changes nobody ever thought of when these systems were built," Martaus said. "To them Square isn't playing fairly because Square is taking advantage of a legacy platform that can't be changed. That's big stuff."

Selling**Prepaid**

Prepaid in brief

NEWS

CFPB may intrude into state gift card practices

The **Consumer Financial Protection Bureau** is considering whether to impose its regulatory authority on states with gift card laws that are inconsistent with federal gift card laws. Specifically at issue are regulations in Maine and Tennessee that allow the states to seize funds on unused gift cards two years after the cards have been inactive; federal law generally imposes an expiration date of five years on cards, according to the CFPB.

The bureau said if state law is inconsistent with federal law, then federal law preempts state law. However, federal law does not preempt state law if it is determined that state law offers greater consumer protection than federal law. The CFPB said it is obligated by the Electronic Fund Transfer Act to evaluate whether state law is inconsistent with federal law and which legal jurisdiction affords consumers more protection.

The CFPB issued a public notice asking for comment on the issue. Financial services companies have until Oct. 16, 2012, to comment. The CFPB's public notice can be accessed at *http://files.consumerfinance.gov/f/201208_CFPB_Intent_to_make_preemption_determination.pdf.*

Federal benefits mainly prepaid

In a July 2012 report to Congress, the **Federal Reserve** said the government's Supplemental Nutrition Assistance Program, formerly called the Food Stamp Program, disbursed nearly $73 billion in benefits in 2011, with all of those funds loaded onto prepaid cards. Out of a total of over $149 billion in government benefits disbursed last year, 67 percent were issued on prepaid cards, according to the Fed.

Prepaid cards were used in 158 programs across 36 states. Of 26 unemployment benefits programs, representing nearly $39 billion in funds disbursed, 37 percent of total funds were loaded on prepaid cards. Furthermore, funds disbursed for the Temporary Assistance for Needy

Families program were "almost exclusively" disbursed via prepaid cards, the Fed reported. In contrast, prepaid cards were used to disburse only approximately 1 percent of government payroll program funds, the Fed added.

Buffalo fights crime with prepaid

Buffalo, N.Y., paid out $32,140 in prepaid cards to people who turned in a total of 746 guns at the city's fifth annual Gun Buyback program held Aug. 18, 2012. The program is part of Buffalo's effort to remove weapons from the streets. "This year's gun buyback will continue to assist in our efforts to reduce the overall crime rate in the City of Buffalo," said Buffalo Mayor Byron W. Brown.

The program took place at seven Buffalo area churches and was financed by funds seized from illegal drug sales and other criminal activities in the city. Prepaid cards were issued in amounts ranging from $10 for non-working or antique guns to $100 for assault weapons, with rifles and handguns yielding $50 and $75 respectively.

The city reported it has swapped 2,951 guns for over $100,000 in prepaid cards since Buffalo instituted the program in 2007. The initiative is one of several anti-crime measures being implemented throughout the city.

ANNOUNCEMENTS

APPPA seeks to grow membership

The American PrePaid Phonecall Association opened its doors to new members. At its Aug. 6, 2012, board of directors meeting in Las Vegas, the APPPA decided to accept new membership applicants. Prepaid phone call providers interested in joining the association should contact APPPA Executive Director Gene Retske at 202-370-7600 or *execdir@apppa.us.*

CPI employees graduate

Eleven employees of gift card manufacturer **CPI Card Group** graduated from an accreditation program run by the International Card Manufacturers Association. The Advanced Card Education program provides instruction in card manufacturing and processes based on eight key areas: PVC/plastics, inks, adhesives, printing, collation, lamination, die-cutting and standards/testing.

Dunkin' Donuts dips into prepaid

Dunkin' Donuts introduced The Dunkin' App, a mobile

application that allows users to purchase the Virtual Dunkin' Donuts Card, an e-wallet prepaid card that functions with quick response codes. The app doubles as a Dunkin' Donuts location finder and virtual menu.

Magic touts financial literacy

National Basketball Association legend **Earvin "Magic" Johnson** is on an eight-city What Inspires You? Tour to educate people about positive financial management and promote the MasterCard-branded, OneWest Bank-issued Magic prepaid card. The tour began July 28, 2012, in Atlanta and moved on to Oakland, Calif., in early August.

Open-loop continues to drive prepaid

In the *Ninth Annual U.S. Open-Loop Prepaid Cards Market Assessment and Prepaid Industry Overview*, **Mercator Advisory Group** said the open-loop prepaid market in the United States grew to $184.1 billion in 2011, up 24 percent from $148.4 billion in 2010. "The growth has been driven by the cash access and government categories; however, the future growth of the market could be hurt by potential regulatory actions," said Tim Sloane, Director of Mercator's Prepaid Advisory Service and author of the report.

Vesta bolsters recharge portal

Prepaid calling card provider **Vesta Corp.** expanded its recharge portal, Prepaid.com, by adding recharge airtime services to several new countries, including Brazil, the Dominican Republic, the Philippines and Jamaica. Vesta said it plans to support over 200 mobile operators in 80 countries by the end of 2012.

PARTNERSHIPS

New team to identify potential prepaid customers

TransCard LLC chose customer analytics firm **Buxton** to assist the prepaid card processor in identifying specific families within a financial institution's "branch footprint" who would be suitable for prepaid products. The types of customers TransCard seeks to identify include minority homes and homes with teens and college students.

i2c supports Western Union in Philippines

Processor **i2c Inc.** joined with money transfer provider **The Western Union Co.** to process payments on The Western Union Gold Prepaid Card. The card was launched in the Philippines using i2c's global processing platform, MCP.

Identity verification in the U.K.

London-based corporate remittance processor **Payza**

joined with electronic identity verification solution provider **Intelligent ID** to enhance Payza's ability to perform real-time identity verification of its U.K. cardholders.

Syncron to market MoneyTrac

Sales organization **Syncron Payment Systems** will market **Global Payout Inc.**'s general purpose reloadable prepaid card, MoneyTrac. Syncron expects 1,000 new cardholders per month will activate the Discover Financial Services-branded cards. Syncron will also market its credit repair services to a select database of MoneyTrac cardholders.

Green Dot to manage tuition refund card

Green Dot Corp. inked a deal with student loan provider **Sallie Mae Inc.** to manage and distribute the My Flex Card by Sallie Mae, a MasterCard-branded financial aid refund card. The card is promoted as a low-cost option for students to receive financial aid funds left over after tuition is paid.

Xsolla integrates with Openbucks

In-game payment optimization specialist **Xsolla** teamed with **Openbucks Corp.** to extend the Openbucks Gift Card Payment Network to Xsolla's network of game developers. The integration allows gamers in the United States and Canada to pay for in-game items and subscriptions with new or unused gift cards.

ACQUISITIONS

U.S. Bank buys fuel card portfolio

U.S. Bank N.A. entered the large commercial truck market with the acquisition of **TransCard**'s Class 7-8 fuel card network, including its product technology and nationwide acceptance network. U.S. Bank's Over The Road Card features a dual wallet that combines charge card functionality with a MasterCard-branded prepaid account.

Bancorp purchases prepaid card platform

Financial holding company **The Bancorp Inc.** acquired several assets from Gibraltar-based prepaid program management provider **Transact Network**, including the MyCardData technology platform and the Easybuy website.

APPOINTMENTS

Ukash grows senior management

U.K.-based prepaid voucher provider Ukash hired two new senior managers: **James Allum** and **Jon Fox**. Allum was appointed Commercial Director. Fox joined Ukash as Sales Director.

If you think your ISO is taking you in the wrong direction,
turn this ad upside-down..

Welcome to SignaPay.
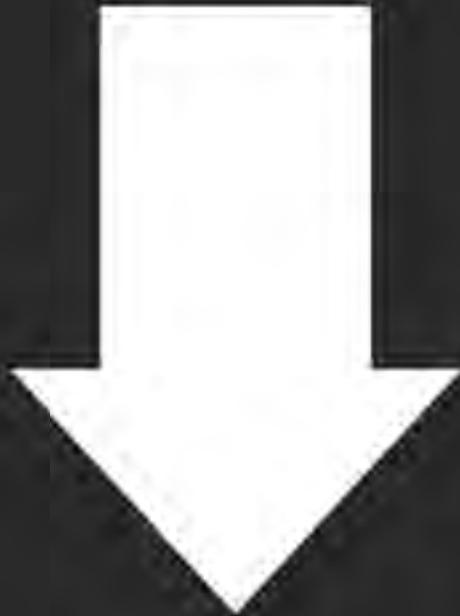
- Access Canada, with no minimums, no investments and no stress.
- Accept all merchants with access to Paymentech, TSYS and all of First Data.
- Meet the future now with Mobile, Google Wallet, NFC and EMV.
- Harness the powers of the Internet with customized state-of-the-art technologies for online boarding and residuals, plus e-application with digital signature.

Call us at **800-944-1399** and ask us what we can do to get you headed in the right direction.

SignaPay

www.SignaPay.com

Features

Campus card fees – fair or foul?

With the fall semester beginning for many colleges and universities, campus cards are in the news. Lawmakers and consumer advocates are concerned some campus card providers are taking advantage of students by charging high or hidden fees, especially on student loan disbursement products. But at least one provider, CardSmith, said it charges minimal fees, and it maintains that certain fees can legitimately be charged so providers and institutions of higher learning can recoup the costs of the programs.

On June 7, 2012, two Democratic legislators urged three federal agency leaders to scrutinize the business practices of campus card providers. Sen. Dick Durbin, D-Ill., and Rep. George Miller, D- Calif., sent letters to the heads of the

U.S. Department of Education and the Consumer Financial Protection Bureau, expressing concern that students are being "nickel-and-dimed" via fees on campus cards.

In the letters to U.S. Secretary of Education Arne Duncan, Department of Education Inspector General Kathleen Tighe and CFPB Director Richard Cordray, the lawmakers said campus cards can come with weak consumer protections and high or hidden fees, including PIN debit, balance inquiry, dormancy, account closure and reload fees.

Durbin and Miller cited U.S. Public Interest Group (U.S. PIRG) Education Fund research that said as many as 900 colleges are "pushing students into using campus debit cards that carry numerous unnecessary, costly and unknown bank fees." The lawmakers said, "At a time when total U.S. student loan debt is reaching the $1 trillion mark, we should not allow costly and inappropriate debit card fees to add to that debt."

High and low

The May 2012 U.S. PIRG Education Fund report, *The Campus Debit Card Trap: Are Bank Partnerships Fair To Students?*, singled out Higher One Holdings Inc., reportedly the largest provider of financial aid disbursement solutions in the United States. U.S. PIRG said 12.5 percent of all federal financial aid recipients nationally receive

MEET MR. FRANKLIN

He would like to live in your wallet...

IT'S ALL ABOUT THE BENJAMINS
WITH THE RELIABLE SOLUTIONS TEAM

Flexible Compensation Plan

OPTION 1: 95%
OPTION 2: 80% + $250 Bonus
OPTION 3: 60% + $650 Bonus
OPTION 4: $1,000 Bonus

Choose an option for each merchant you sign.

New Agent Start Up Bonus

30 Activations within 90 days - $4,500 bonus
60 Activations within 90 days - $10,000 bonus

Cash Advance Bonus

5% Payout on Advanced Amount

Online Application Submission Bonus

$25 per submitted application

Agent Referral Bonus

$1,500 for each referred agent

JOIN THE TEAM TODAY.
1.877.526.9382
INFO@CPRELIABLESOLUTIONS.COM

century payments
RELIABLE
SOLUTIONS

Inc
500

"refunds" (funds left over after tuition is paid and used for education-related purchases, such as textbooks) via check, direct deposit or Higher One OneAccount prepaid debit cards.

U.S. PIRG reported on criticism leveled at Higher One: students at universities in Oregon who were upset about fees for ATM transactions at out-of-network ATMs; a class-action lawsuit that claims Higher One violates fee disclosure laws; and a charge by the U.S. Department of Education that a $50 "lack of documentation" fee violated federal rules.

U.S. PIRG advised campus card providers to curb or eliminate ATM, overdraft, insufficient funds, transaction, abandoned account, check, account closure, replacement card and transfer fees. The agency also believes refund, reload and balance inquiry fees should be removed from programs.

In the wake of the higher level of scrutiny focused on the campus card market, prominent acquirer and campus card provider Heartland Payment Systems Inc. eliminated three fees from its financial aid disbursement card, Acceluraid.

On June 26, the Princeton, N.J.-based company said it removed the $30 dispute, the $1 bill pay and the 50 cent card-to-card transfer fees. "[S]ince our business model is not based on student fee income, we wanted to further decrease the potential financial burden on students by eliminating these specific fees," said Heartland President and Chief Executive Officer Robert O. Carr.

Service over profits

Jay Summerall, President of CardSmith, said the Doylestown, Penn.-based campus card issuer and program manager mainly offers instant-issue, campus identification cards tied to restricted authorization networks. The cards are essentially closed-loop and limited to use on campus and at select local merchants, he explained.

While the issue of financial aid disbursement largely does not affect CardSmith, Summerall said the debate lacks perspective. He believes, on the whole, the campus card industry

provides an efficient, cost effective service to universities and students. "If you're not disbursing [financial aid] to a card, then you're writing a check," Summerall said. What the industry provides are "scaled systems that … enable the schools to outsource and automate what is a very cumbersome manual process," he added

A main feature of CardSmith's cards is on-campus meal plan functionality – a vast improvement over the days of paper punch cards. "It's a way to make that more efficient," Summerall said. "And I think, in general, these services are viewed as valuable." In fact, Summerall said CardSmith's university partners do not view campus cards as a money making venture, but as a service to

students. Other than a card replacement fee if cards get lost, CardSmith programs are fee free, he said.

Summerall does not agree with all the fees other programs charge students, but if Congress were to regulate the campus card sector the way it regulated the debit card sector through passage of the Durbin Amendment to the Dodd-Frank Act, the law of unintended consequences would apply. He said if Congress passed a law that said students couldn't be charged fees on campus cards, then "banks would go back to the schools and say, 'OK, because I can't charge them fees, I have a cost to deliver this service, I have to charge you, the institution.' The institution is going to say, 'OK, my costs just went up. I'm going to raise tuition.'"

Prepaid profile:

International provider with local focus

As sectors of the global economy become progressively intertwined and interdependent, the need has grown for ways to connect businesses in developed countries with contract workers in the developing world. The goal of London-based e-commerce platform provider Payza is to bridge that gap with online ecosystems localized to the areas where workers receive their pay.

"We play a very strong bridging role between the developed markets and the emerging markets and facilitating e-commerce between the two," said Alastair Graham, the new Chief Executive Officer of Payza. "That's our mindset. We generally believe that we're a global company that has a local outlook." As an example Graham gave a U.S. corporation that contracts with a freelancer in Chenai, India, to work on website development. "We see our role is to make that [relationship] as seamless as possible," he said.

Payza has set up networks in 197 countries and deals in over 20 international currencies – a breadth and scope that rivals PayPal Inc., Graham noted. Payza supports over 75,000 merchants and has over 9 million end users (called "members" by Payza), with 8,000 new members joining daily, for 300 percent growth over the last three years. Information technology (IT) professionals comprise Payza's main membership base. "You have all of these highly educated people who have these outsourcing skills who just need to get paid," Graham said.

Case study: Bangladesh

Payza was formerly AlertPay Inc. MH Pillars Ltd., a U.K. provider of white-labeled prepaid card solutions, acquired AlertPay in April 2012 and relaunched it as

Payza in May. Among its global operations is an implementation in Bangladesh.

Of a population of over 150 million in the South Asian nation, Payza has targeted the country's 10,000 freelance IT workers. Their combined yearly income is $10 million in a total remittance market of $11 billion. The payments infrastructure in Bangladesh is not advanced. Therefore, wire transfers can be costly, corporate prepaid cards can include high fees and check payments involve lengthy mailing delays, Payza said.

Payza integrated with the recently instituted Bangladesh Electronic Fund Transfer Network by partnering with Bank Asia Ltd. Payza then set up a local presence, involving sales, marketing and customer support, by teaming with Bangladesh's version of an ISO, Casada Technology Bangladesh Ltd. Finally, Payza deployed a dedicated online payment gateway that facilitates payments from businesses in the developed world to their IT freelancers.

Since Payza Bangladesh went live in February 2012, Payza has seen member enrollment grow by 30 percent, the number of transactions processed over the network increase by 26 percent and the total volume of payments expand by 20 percent.

Ripe for expansion

Graham said the secret to Payza's success in Bangladesh is understanding the market and what types of services fit the needs of its members. "It's not just about, can somebody in that country get paid," he said. "Because that might mean somebody having to travel 10 hours to go to a U.S. bank in the capitol to get their money, or it could mean just traveling to the nearest town or the nearest ATM to get paid. So the detail is key here."

Payza has also created a kind of closed-loop, restricted access network of local Bangladesh merchants where the IT workers can transact online using their Payza e-wallets. "The wallet itself enables them to have money under their control," Graham said. "Still, they can only make local transactions through that wallet to other merchants in Bangladesh that also accept that wallet. It makes it possible for them to receive internationally and pay locally and never actually leave the wallet environment."

Graham believes that Payza will become firmly integrated into the payments infrastructure of places like Bangladesh and broaden its role as a financial services provider. Payza is already making plans to extend its services, in the form of cash remittances and Payza-issued prepaid cards, to the general Bangladesh citizenry, which is overwhelmingly unbanked.

Using its Bangladesh implementation as a template, Payza expects to expand into other emerging markets with large unbanked populations, including India, the Philippines, Pakistan and Sri Lanka.

Opening gateways to AVS

By Chandan Mukherjee

PayCube Inc.

While Address Verification Service (AVS) has been available for most networks and processors for a long time now, there are still significant pitfalls to integrating AVS into a payment gateway. As a result, many implementers have ignored AVS. But a carefully implemented AVS can reduce transaction fraud to a great extent.

AVS varies from network to network and between processors. There are also variations in AVS in the United States as opposed to international AVS. This article addresses basics that a gateway provider must be familiar with to implement a robust AVS.

Keep in mind that this is a general discussion; it is strongly urged that developers reference processor specifications.

Furthermore, please note there may be differences in processor support for AVS. Hence, if a gateway supports multiple processors, it is conceivable the AVS must be tailored to each processor.

Address verification basics

Conceptually, AVS validates that the individual holding a payment card and conducting a transaction – in either a card-not-present environment, such as online, or in a brick-and-mortar location – is indeed the person issued the card. It is assumed that if someone stole a card or card number, it is unlikely the thief would know the actual billing address tied to the cardholder's stolen card.

So, the billing address, or part of the billing address information, is sent along with the card authorization request for the network and the card issuer to validate. If the billing address information matches the billing address on file for the card, then a match is returned. Otherwise error codes are returned.

Address verification options

Fundamentally, three kinds of address verification services are available:

- **Postal Code Only:** Postal code verification is about validating the postal code in the billing address of the cardholder. In the United States, the postal code generally means the five digit ZIP, but there are implementations that use 5+4 ZIP formats.

  In some markets where the postal code contains alphanumeric characters, some issuers and networks implement matching for numeric compo-

nents only. In such cases, the alphanumeric characteristics are removed before matching is done. This may result in matching of fewer than five digits, depending on the postal code format.

- **Street Address Matching (in compressed form):** This type of address verification is more advanced than postal code matching. It takes into account the actual street address as stated in the billing address field. But the matching is not done based on the full street address.

  The matching is done for the first five numeric digits before the first alphanumeric character is encountered in the address, going from left to right.

  Though it is a better matching option than Postal Code Only, the compressed form of Street Address Matching does not take into account the street name, etc., especially for street names that are character-based. (Please see comments in best practices below).

- **Street Address Matching (in expanded form):** This is the best available form of AVS. It involves an attempt to match a minimum of 20 characters (and up to a predefined maximum) of the street address – numeric and text included.

  The first 20 characters, read from left to right, are taken into account for matching of the address. Address lines that are fewer than 20 characters are padded with spaces on the right.

  Address lines that are longer than the maximum character length are truncated at the maximum character amount. (Generally the maximum is 40 characters, but refer to processor specs for exact numbers.)

Best practices

Here are high-level best practices for implementing AVS at the gateway's application protocol interface or card entry web page.

- Some card networks match the cardholder name, too. If that is supported by the processor, the cardholder name is added to the billing address.

- There is no need to restrict what card applicants provide when they fill in personal information on application forms. All special characters are generally ignored during matching anyway.

- Convert all spelled-out numeric values to actual numbers. (for example, convert "Nine My Street" to "9 My Street" or "21 First street" to "21 1st Street").

- Even with street address matching, the postal code

is matched, too. So the postal code must be entered.

- Ensure that the user is aware that what is required is the billing address, not the shipping address or service address, etc.

- If the gateway tokenizes cardholder data and stores it, provisions must be made so that the billing address is stored along with tokenized data. If the gateway supports storing of multiple card information for the same customer, multiple card billing addresses must also be stored.

- Make sure to program for error codes that are returned. If the street address and the postal code both match, success is returned. Otherwise, error codes may be any of the following types:

    - Either street address and/or postal code did not match

    - AVS not supported for the card type

    - AVS not supported by the card issuer

    - "Street-level" AVS is not available, only postal code is matched

    - AVS system is not available or is offline

- Program for "auth-cancellation" if the AVS does not return success. In most cases, the issuing banks do not decline the authorization due to AVS failure. This results in funds (available balance) being withheld as part of the authorization. If you do not wish to use this authorization, submit an auth-cancellation promptly.

A fraud deterrent

Given the amount of fraud associated with credit and debit cards, it is imperative that AVS be implemented by all reputable gateway operators. While the implementation of AVS can be time consuming, it can be successfully implemented if basic rules are followed. The benefits of implementing AVS are huge and go a long way toward reducing fraud.

Chandan Mukherjee is the co-founder of PayCube Inc., a San Francisco Bay Area-based payment consulting and IT services company providing custom software solutions and custom gateways for acquirers, ISOs, retailers and varied organizations in the world of payments and consumer transactions, including prepaid and gift card program, loyalty and promotion, payment start-up, POS solution, mobile payment and e-commerce players. PayCube uses a blend of on-site and offshore delivery capabilities, with a staff of retail and payments-focused software engineers, systems architects, project managers, tech leads and systems analysts. For more information, email cm@paycubeinc.com, call 510-545-6854 or visit www.paycubeinc.com.

Company**Profile**

getMCR

My Clear Reports

ISO/MLS contact:
Jacques Breton
Director of Sales
Phone: 855-438-6271
Email: *jacques@myclearreports.com*

Company address:
800 Shames Drive
Westbury, NY 11590
Phone: 855-438-6271
Fax: 516-478-4129
Email: *info@getmcr.com*
Website: *www.getmcr.com*

ISO/MLS benefits:
- Creates additional ongoing merchant revenue streams
- Increases merchant account margins and profitability
- Offers dashboard portfolio reporting, merchant tracking
- Eliminates paper processing costs for statements, tax filing
- Builds merchant retention through valued-added offerings

Merchant mission control

When *The Green Sheet* contacted Amedeo "Dino" Sgueglia about profiling IRN Payment Systems, a company he founded in 1987 that now supports over 25,000 mostly niche market and transportation businesses, he opted instead to talk about My Clear Reports, a new enterprise he launched in April 2012.

A serial entrepreneur, Sgueglia had also formed Merchant Rewards Network to integrate merchant services and prepaid offerings before developing My Clear Reports. His new venture is an online virtual business center that delivers payment solutions, services and tools designed to help ISOs and merchants organize and expand their businesses.

"We concentrated on building a really sophisticated analytics and reporting tool, but in building it we wanted to build something that would attract merchants to come back to, that could actually benefit and grow their business," Sgueglia said. Equally important to Sgueglia was the idea of creating additional revenue streams for ISOs in an era of margin compression. "Knowing the issues and concerns that ISOs, banks and acquirers have been facing for some time now is the loss in gross margin," he said. "That's been the significant impact on our industry."

Changing the game

According to Sgueglia, further compounding the problem for ISOs is the fact that statistics suggest a majority of merchants continue to be sold card acceptance based on rate alone. Through MCR, he hopes to change the ISO-merchant relationship dynamic to one that is driven by a core of value-added online business tools that can help merchants of all sizes compete cost-effectively.

MCR formed a number of strategic partnerships while in development, and it continues to do so. "All the different value-added companies that are out there – gift and loyalty, check gateway services, sales tax services – we've integrated them," Sgueglia said. "It's fully integrated in one place to one solution. "What we do is we get their best pricing, their best products. We integrate it directly into MCR, so that merchants can opt into it directly. And we monetize everything through a dashboard for our clients, so our clients see a check every month for all these different products and services that help grow a merchant's business."

This integration also enables ISOs to offer a broader merchant solution, Sgueglia noted, adding that another advantage is that merchants can control the products and services they use when they most need them, which is critical in managing the daily ebb and flow of operating a business. Although ISOs have access to analytics tools, MCR reportedly takes some of the guesswork out of trying to determine what's best for merchants. The value-added revenue streams MCR can generate could add up for ISOs as well. For example, on a merchant portfolio of 5,000 accounts, if 10 percent of those merchants were to opt into MCR's paid offerings, the ISO could see a monetization value annually of about $650,000 in additional revenue, Sgueglia said.

Inside mission control

Once merchants register online using their merchant identification numbers, they are directed to the MCR web portal. There, they can view detailed reports, analytics and account summaries. Merchants can also request funding, pay

bills online, become Payment Card Industry (PCI) Data Security Standard (DSS) certified, view sales trends and projections, and access products and services available through MCR.

MCR reported that its online marketplace includes such items as SalesGuard, a cash advance program that functions like a line of credit merchants can use to cover emergencies or expand businesses. The MCR MerchantCard MasterCard Prepaid Business Card can be used for purchases and to access cash. It sends automatic email and text alerts whenever purchases are made, allowing merchants to manage and restrict employee spending. Daily settlements can be deposited onto the card as well.

Another value-added service MCR mentioned is its automated online PCI-compliance program, which guides merchants step-by-step through the self-assessment questionnaire and provides custom certifications. Online Internal Revenue Service 1099-K reporting and sales tax filing are other options that can help streamline operations. "In fact, our MasterCard product actually has merchants able to file their sales tax directly online through My Clear Reports," Sgueglia said.

He also said MCR's online bill pay system enables merchants to select funding source, make payments, view payment history and add payees. Merchants can also track and manage their merchant accounts with tools for viewing daily transaction histories, account summaries, adding new accounts, adding new store locations and ordering supplies.

Merchants can download reports, documents and monthly statements directly from the MCR website. "We have a whole document center for merchants to be able to download documents from invoices to confidential agreements, all the different types of documents necessary to support and grow their business, from W-9s to W-2 forms," Sgueglia said.

Under the documents and forms section, merchants can also file expense and sales projection reports, produce profit and loss statements, create contracts and schedule weekly planner activities.

MCR's Customer Relationship Management (CRM) system contains sections for dashboards, accounts, customers and campaigns. The CRM offers tools for communicating with customers, including templates for generating seasonal campaigns. "They can actually track their own customers, and send out e-mail and text message campaigns," Sgueglia said. "They can also create custom sales campaigns, a newsletter or just a thank you."

MCR's business center includes business templates and forms, as well as tips and reports on social media marketing, local advertising and recommended blog sites for merchant users. It also features a directory of local vendors that offer discounts and bonuses to participating MCR merchants. MCR merchants may also offer their own products and services through the network for a nominal fee, MCR said.

MCR continually integrates new products and services into its offerings; merchants currently have 24/7 access to the following:

- Virtual business center
- Online merchant statements, reporting
- Online bill pay, financial calculators
- IRS reporting, sales tax filing
- PCI compliance certification
- Prepaid corporate cards
- Automated clearing house processing
- SalesGuard cash advances
- Gift and loyalty programs
- CRM software capabilities
- Business discounts through the network
- Analytics, marketing and business tips

In late 2012, MCR plans to release a free mobile application that will enable merchants to access all the features of MCR from mobile phones. Other integrations in the foreseeable future include shipping and other business-related services and products to enhance merchant performance.

Boarding payment partners

Sgueglia said initial response to MCR from the merchant and ISO communities has been positive. "We're going through ISOs, banks and processors, but merchants are actually calling us that want to be integrated," he said. "We're letting the processors know that they've reached out to us, they want this service and we can integrate it with their whole portfolio."

ISOs that contract with MCR must initially provide a data file for integration, which can be updated monthly when new merchants are added to their portfolios. "It tracks everything on a dashboard," Sgueglia noted. "We built the dashboard so they even have down lines for monetization purposes. Our client controls everything." ISOs can also determine what merchants view on screen and have the screen available to customer service representatives when interacting with merchants, Sgueglia added.

MCR is also proud that it offers corporate branding through its white-label program, which is available to ISOs, banks, acquirers and payment processors for marketing to merchants in their portfolios. The platform's flexible infrastructure permits merchant service providers to add or drop modules in order to create a custom merchant offering, the company noted. MCR also welcomes new vendor and service partners interested in integrating their products and services with the company's web platform.

trust:

reliance on the integrity, strength, ability, surety of a person or thing; confident expectation of something

Trust. It's a small word with a very big definition. And it's what makes a partnership with NPC different from the rest. Our ISO relationships are built on trust that comes from delivering what we promise, from decades as an influencing force in the payment processing industry, and from our innovative payment products and services. At NPC, a Vantiv Company, we're committed to your success as an ISO partner. And that's something you can trust.

Let's Talk
Payment Processing
877.453.5933
npt.net/gs

npc.
A Vantiv Company

MLS Direct Network has been offering a true 80% residual payout on all

revenue streams since 2004. Because we are a member owned cooperative buying network

and through our national buying power strength, we're able to use our collective volumes to gain strategic

pricing. With MLS Direct Network, you'll get peak residual payouts and put more money in your pocket.

Finally. A High-Performance Vehicle that Exceeds Your Expectations.

For ten years, Cynergy Data's VIMAS™ set a new pace in the industry. What we've done now will change the industry.

Flexibility. Price your merchants your way to maximize profit.

Pay Out. Takes the weight of calculating and paying residuals off your shoulders. Unlimited pricing configurations let you create, edit, save, assign and administer residuals for all downstream hierarchy levels.

Sign and Drive. Intelligent online application with digital signature gets merchants boarded quickly and easily.

Intuition. So fast, so simple, you won't ever need a user manual.

Options. Drill down or get the long view with dynamic, customized reports that transform raw data into actionable business intelligence.

Navigation.
User-selected and organized desktop content with single click functionality puts a roadmap of your business right at your fingertips.

Brand. Support your brand by adding your logo, colors and a personalized home page.

payments is debatable. And despite these impediments to leasing, many ISOs and MLSs believe leasing remains a credible option for some merchants and a viable, supplementary source of revenue for ISOs.

A niche for leasing

Jack Kimbal, President of the ISO World Payment Services Inc., believes leasing still has a place in the ISO tool kit and is especially useful when reps are assisting new businesses that don't want to tie up resources that could be used to invest in the new enterprise. For example, a terminal that would cost $700 upfront to purchase can be leased for $40 per month, reducing upfront expenses.

Kimbal added that leasing even makes sense for established companies when money is tight or when the business can't borrow enough money for the POS system it needs. Also, it is often easier to upgrade equipment when leasing versus when buying. In addition, leasing can be deducted on tax returns right away, reducing tax liability immediately. And leasing typically does not use up available credit lines, Kimbal noted.

Cost considerations

On the downside, a lease typically binds a merchant to a 36- to 48-month contract and yields an effective interest rate of more than 20 percent per year in borrowing costs.

"Although the effective interest rate is high on the lease, remember that the leasing company is taking the risk of the default and you are joining a pool of lessees who are typically higher risk," Kimbal said. "Remember, most business owners will lease when money is tight, and this increases the risk of default to the leasing companies."

If the money saved from not having to buy POS equipment is invested, the returns could more than make up for the high interest rates charged for the POS system. "The decision to borrow money at 20 percent annual interest and re-invest it at 30 percent annual interest makes sense all day long, don't you think?" Kimbal said. He added it should be simple to find an investment that would offset the annual interest expense of leasing.

When advising merchants, Kimbal urges them to calculate the annual interest rate on a lease before signing a contract. Also, in determining whether leasing makes sense, a merchant can conservatively estimate the expected profits from additional credit and debit card sales every month and subtract the cost of the lease payment to calculate whether leasing is a viable option, Kimbal noted.

Negotiation tips

That said, Kimbal feels leasing should be considered only when there is no better way to finance the POS terminal or system the customer needs. And for when a merchant decides to opt for a lease, Kimbal offered the following advice:

- Negotiate a lower payment. Even a $5 per month difference can add up over 48 months.

From the mouth of the SBA

The U.S. Small Business Administration endorses leasing to a point. "Although leasing is not right for everyone, it is a good alternative to buying equipment, and in some situations it can be just what your business needs to succeed," the agency stated on its website, *www.sba.gov*.

Following are several other points the SBA made:

- Leasing equipment can cost a business far more money than buying it, but leasing allows businesses to cut down on startup costs.

- Most lease payments are tax deductible.

- Leasing agreements can be intricate and complex and sometimes more difficult to manage than equipment purchases. Leasing agreements can also be rigid, as well as difficult or even impossible for merchants to get out of.

- Leasing gives businesses access to "higher standards of equipment than the business could afford if buying outright. Making smaller monthly payments can help a business obtain a product that they would not generally be able to afford."

- Equipment upgrades are another benefit of leasing. "Because technology is constantly evolving, your company may want to use a new model after several years. Rather than having to worry about getting rid of your current model and purchasing a new one, you don't need to worry about sales."

- Negotiate a shorter term. "Ask the salesperson to calculate their funding on a 48-month lease versus a 36-month lease. The salesperson may be surprised to learn that the funding to them is nearly the same – so they won't care too much about lowering the term."

- Avoid "loss and destruction" insurance if possible. Have the insurance agent provide a rider for the equipment leasing company, making them the loss beneficiary of the terminal

- Remember, most leases cannot be canceled, so try to find another business to take the terminal for the remainder of the lease contract. If someone does take the terminal for the remainder of the contract, the original lessee remains the guarantor in case of default.

- Watch out for hidden fees such as sales tax, loss and destruction insurance, and the cost of the equipment's "fair market value" at the end of the lease's term.

An alternative income stream

"Coach" Ron Tunick is President and Chief Executive Officer of the ISO Nations Transaction Services in Ventura, Calif. He took his company out of the leasing business after the recession hit. "Leasing is not what it was 10 years ago," he said. "Merchants are much more intelligent. They know there are outlets out there for new and used equipment. Some have learned to ask questions. Five years ago, when the recession hit, leasing changed dramatically. Today leasing is almost nonexistent."

Tunick needed a way to replace the revenue source his MLSs lost as a result of the lost leasing channel. His solution was to develop a mobile payment application for his merchants, and he foresees the app replacing the equipment lease as an upfront income vehicle for his MLSs.

"We put our processing system into a mobile app," he said. "When we roll it out, it will be a competitive edge. We can sell the mobile app for $1,500 to $2,000 and have it installed in a week to two weeks. It is very comparable to doing an equipment lease model, and the merchant, salesman and consumers all benefit."

Looking back at his leasing experience, Tunick offered ISOs still involved in leasing this advice: educate the merchant. "Too many times how leasing works, when it comes to credit, equipment costs and the term length, when these are not properly explained to the merchant," he said. "The merchant needs to understand what happens at the end of the lease, as well as other costs like prepaid penalties."

Tunick said if leasing is the only option available to the retailer, the merchant needs to calculate whether the business has the ability to monetize and recoup the lease. "It might be smarter to put a $400 piece of equipment on a credit card," he said. "You can't get out of a lease. The failure rate of new businesses makes a three- to four-year lease a risk."

"As an ISO, I want to do what's right for the merchant and make sure the merchant gets it right for the consumer," he said. "Before considering their sector, go to a local bank and ask for a loan to buy the equipment. Sometimes a small community bank will work with a startup business. When a customer asks about equipment leasing, inform, educate and do what's right."

The leasing company perspective

Though the number of ISOs and MLSs offering leasing has thinned, leasing companies are cautiously optimistic about the future of their sector. "We are seeing a resurgence of the respectable lease," Wendy Zucker, National Sales Director at Barclay Square Leasing in Hicksville, N.Y., said. "There is a niche for leasing. It just depends on what's right for the customer and what's right for their business."

Kyle Moys, President of Executech Lease Group in Vancouver, Wash., stated, "Leasing can offer a great rate and put $500 to $1,000 in a sales agent's pocket. We offer great rates and upfront money, and the merchant can write the payments off."

He added that often merchants who sign a lease can save on processing costs. "For a merchant, when they show a savings on processing, it is a win-win even after you add the merchant lease," he said.

Brad Oliver, President and CEO of Azura Leasing in Grand Rapids, Mich., affirmed that leasing is still viable even in a marketplace where many companies are offering free equipment. He said it is essential to adapt the lease terms to the customer and the lease to the technology. "Our customers end up with a good new piece of equipment, and they get a good buy-rate on processing," he said. "We don't gouge the company."

According to Oliver, now that banks are so cautious in the leasing market, companies offering leases must get complete background information on potential customers. He also recommended diversifying by offering complete processing systems and ATMs in addition to credit and debit card terminals.

"Leasing is a very essential part of an ISO if it wants to help its reps," he said. "Leases make money upfront for agents while they build their residuals. Leasing is vital to building a sales force. Employees need to make money while building a residual income. When you are looking for another revenue source, leasing makes for a perfect choice."

Leasing may not be the right choice for all payment professionals, but it clearly still has a place at the payments industry table.

First**Look**

A new strategy for health-care payments

John D. Reinecke, President and Chief Operating Officer at Aligned Payment Systems LLC, is passionate about improving the U.S. health care system because deficits in the system directly affected his family. Reinecke said his youngest son, who was born in 2000 with cerebral palsy and passed away in 2003, couldn't get the care he needed from the Las Vegas health care system. "It's just that the communication, lack of patient education, delivery and the organization all was really horrendous," he said.

Reinecke served a long tenure with MGM Resorts International before becoming Executive Vice President of Business Development at Outcomes Based Delivery Systems, a Florida-based startup primary care organization that operated in Las Vegas as Canyon Gate Medical Group. While with Outcomes, Reinecke, spurred by his son's tragedy, helped create an onsite health clinic for casino employees at the New York-New York Hotel & Casino in Las Vegas.

Then in 2011, Reinecke co-founded APS with the mission to assist the uninsured, or patients without financial means, in obtaining services, as well as to help health-care providers get paid for their services more efficiently.

Las Vegas-based APS provides a financing platform to practices that allows patients to pay in full for medical services at the time they receive them. Thus, the patient receives medical attention, and the practice doesn't have to receive incremental payments over time. Reinecke said the service takes debt off medical practitioners' balance sheets and reduces collection headaches.

Checks at the POS

Right at the POS of a doctor's office or medical facility, patients who are unable to pay are given the option of signing up for APS' service. The preapproval process is based on patients' check writing history, rather than credit scores, since an increasing number of people have poor credit records or have had no access to credit at all.

The patient authorization process is handled by APS' partner, check guarantor Secure Payment Systems Inc. The health-care associate enters the patient's driver's license number into the POS terminal, and a physical check for the patient's initial installment on the balance

Aligned Payment Systems LLC

John D. Reinecke
President and Chief Operating Officer
Phone: 702-297-6514
Email: *info@alignedpaymentsystems.com*
Website: *www.alignedpaymentsystems.com*

goes through a check reader to capture the payment amount and the patient's bank account information. SPS matches that data against its check database, which accesses both local and national negative files of unpaid checks, according to SPS' website.

Reinecke said the preapproval process occurs in real time. APS offers three-, six- and 12-month financing plans to patients and pays the remaining balance due to the medical provider. The payment terms are based on a combination of the length of the loan and the maximum loan amounts set by the practice. "The health-care providers get paid in three days after they batch out the POS terminals," Reinecke added.

Horse at the gate

Reinecke, who sits on the advisory board of Meridian Medical Practice Solutions, said by leveraging the portfolios of APS' partners – SPS and Atlantic-Pacific Processing Systems Inc. (for credit and debit card processing) – the service can be expanded nationwide within three to five years.

This service is part of a paradigm shift occurring in the health-care space, according to Reinecke. "Instead of the doctor saying let's work out a payment plan with you, [it's now] let's get you financed based on your check writing history," he said.

That's why Reinecke characterizes APS' service as a "Trojan horse" selling strategy for merchant level salespeople (MLSs). They can use the service as a way to skirt the defenses of health service gatekeepers who are often skeptical of salespeople and their claims. "Nobody has heard of this financing before," Reinecke said. "It's new. It's innovative." Using the service as the hook, MLSs can then delve into APS' other value-added offerings, he added, noting that an MLS can say, "'Yes, by the way, let's look at your merchant services and statements so we can see where we can save you money.'"

Research Rundown

Despite regulation, debit growth continues

Despite profound regulatory changes, debit card transaction volume experienced strong growth in 2011, according to a *2012 Debit Issuer Study* commissioned by the PULSE network and Discover Financial Services. Since the implementation in 2011 of Regulation II, as mandated by the Durbin Amendment to the 2010 Dodd-Frank Act and which restricted debit interchange fees charged by financial institutions with at least $10 billion in assets, there has been speculation about the long-term financial implications of the regulation.

"The latest *Debit Issuer Study* provides more evidence that growth in debit remains robust even in the face of significant regulatory headwinds," stated Steve Sievert, Executive Vice President of Market and Communications for PULSE.

Study results indicate issuers showed a strong interest in shifting consumers from more costly signature debit transactions to lower-cost PIN transactions. In addition, with revenue reportedly being driven by the number of transactions rather than the amount spent, issuers are also seeking to increase small-ticket, cash-displacement transactions.

Findings released in the study:

- 76 percent of consumers now have debit cards (73 percent in 2010)
- $8,326 was the average total debit-card spend in 2011 ($7,781 in 2010)
- 18.3 debit card purchases per person was the monthly average in 2011 (16.3 in 2010)
- Signature debit transaction volume grew by 11 percent in 2011
- PIN debit transaction volume rose 9 percent in 2011

In addition, issuers expect the market to continue to grow across both consumer and business debit cards, with 15 and 8 percent growth anticipated in PIN and signature transactions, respectively. "Sixty-nine percent of regulated issuers and 76 percent of exempt FIs agreed that focusing on improving penetration, activation and usage for debit cardholders is key to growth in 2012," PULSE stated.

For more information about the 2012 Debit Issuer Study, visit www.pulsenetwork.com/distudy.

Hospitality industry engages customers

The inaugural customer engagement technology study by **Hospitality Technology** revealed current and projected trends in customer engagement technology. Following are the latest levels of deployment in U.S. restaurants and hotels. For more information about the study, visit w*ww.hospitalitytechnology.edgl.com.*

Interactive marketing technology	Restaurants	Hotels
Social media	76.5%	73%
Traditional loyalty program	42%	69.7%
Brand website offering rich media	37%	43.8%
QR code technology	33.3%	24%
Deal-of-the-day marketing	28.4%	33.7%
GPS/location-based marketing	27.2%	14.6%
Social media integrated into loyalty system	11.1%	10.1%

Source: Hospitality Technology, *Customer Engagement Technology Study 2012*

Tech vendors address data security

Cloud-based network management and security provider **Mako Networks Ltd.** collaborated with five other technology vendors on a white paper that encourages further cooperation by industry partners in making card transactions and consumer data safer in small business environments. The paper addresses Payment Card Industry (PCI) Data Security Standard (DSS) compliance issues, hidden risks and vulnerabilities related to data exposure, and outlines best practices for closing the "PCI loop."

Uptick in CNP fraud

Data released by the **FICO Falcon Fraud Manager Consortium** showed that from January 2010 to September 2011, card-not-present fraud losses increased at twice the rate of counterfeit card losses. During the same period, card authorization volume also grew by 15 percent, FICO said. ATMs, grocery stores and fuel dispensers were cited as top sources for debit card fraud; while grocery stores, restaurants and online retailers ranked highest in credit card fraud.

New POS core to the store

According to a report by **Aberdeen Group**, the POS is having an enterprisewide impact on customer engagement strategies in the current era of mobility and device connectedness. Nearly 42 percent of merchants surveyed in *The New Point-of-Service (POS): The Core of the Retail Store* said they were moving beyond simple transaction processing on POS systems to integrating merchandise, inventory and customer relationship management functions as well.

CrossCheck Is Taking Check Services In a New Direction:

Straight Up!

Looking to add to your income? Check processing services give you another way to reach out to your merchants and another source of monthly residuals.

Merchants are asking for services that save them time and money and help their bottom line. Check services including Remote Deposit Capture Plus from CrossCheck fit the bill with innovative guarantee features and enhancements such as Future Deposit that set our service apart from all others.

Remote Deposit Capture Plus from CrossCheck offers merchants:
- Streamlined check processing with guarantee
- Enhancements such as Future Deposit (Multiple Check)
- Online Check register at no additional charge

Contact CrossCheck today to see how check guarantee services, including Remote Deposit Capture Plus, provide merchant retention and can help you tap into additional revenue and income opportunities.

(800) 654-2365
partners@cross-check.com
www.cross-check.com

CrossCheck™
Innovative Payment Programs and Technology Since 1983

☑ Win / ☑ Win

TSYS Central Payment is an affiliate and part of a joint venture with TSYS (NYSE: TSS)

A winning career move

Give yourself the double career advantage of aligning yourself with a leader in the industry AND a company that will partner with you to reach ultimate success.
Now offering huge upfront, weekly and monthly bonuses on top of residuals.

- Next day funding (evening settlement time) • AMEX One Point • Upfront commissions (paid daily)
- Bonuses (volume and monthly) • Aggressive Interchange splits (not break even)
- Competitive residual buyback program
- President's Club (trip to corp office, investment into your business and more)
- Free equipment promotions (stand alone terminal, mobile processing device, e-commerce solution)
- CRM – Agent Portal with superior on-line management tools
- Detailed earning reports (residuals/commissions)
- Exceptional agent support, customer service (24/7) and technical support (24/7)
- No annual fees with minimal PCI fees • Transparency, full disclosure and no hidden fees

Referral Program
Refer Sales Reps to CPAY and earn commissions and residuals on every deal they submit. No experience necessary, we provide all of the training and support. View referral reporting through our agent portal CRM.

EXCLUSIVE PRODUCT **SpotOn**

SpotOn is ONLY available to Central Payment

A consumer facing loyalty program (that comes with a FREE tablet) and a merchant facing marketing machine. M to M contract and one low monthly fee. No transaction fees and no charge for loyalty cards.

We will work with you to create a compensation program customized to your needs.
Call Jason Chan, Director of Recruiting, today.

888-881-3818

CentralPayment®

Inc. 500|5000

2 Years – 2010 and 2011 Inc. Magazine's Top 500 Fastest Growing Companies in 2010 – Ranked 18th in Financial Services

www.cpay.com
www.facebook.com/centralpayment

NEW ENHANCEMENTS: Next Day Funding with late settlement time and Amex One Point

A winning combination

TSYS and Central Payment are proud to announce a joint venture that brings together two winning companies, around-the-clock customer support and innovative technology for unmatched expertise and reliability.

When you combine a strong independent sales agent channel with one of the most well-respected processing companies in the industry, the result is greater than the sum of its parts. Central Payment is nationally-recognized as a leading provider of transaction processing services and social marketing software, with more than 700 active, independent agents that support more than 40,000 small, medium and large businesses across the United States. TSYS is a recognized leader in payments, supporting more than 38 million transactions a day and settling more than 14 billion transactions last year alone.

Known for our elite levels of customer service and a long-term commitment to the merchant services industry, TSYS and Central Payment are focused on lasting relationships and people-centered payments.

Learn more at tsys.com or cpay.com

CentralPayment®
A TSYS® Joint Venture

Education

StreetSmarts℠

Proudly presented by

Clearent LLC

Perry Mason and the post mortem

By Jeff Fortney
Clearent LLC

Like any child in the 1960s, I had my favorite television shows. But one show stood out for me, even though it could only be seen in reruns. That show was "Perry Mason." Watching an episode of the show recently, I realized the key to the success of the title character, an L.A. defense attorney played by Raymond Burr, was the post mortem.

Like crime dramas today, usually a murder was committed in a "Perry Mason" episode. And Perry's client was arrested, although he or she did not commit the crime. Perry had to find out who the real perpetrator was.

The main difference between today's crime thrillers and "Perry Mason," though, is stark. In the earlier days of television, crime stories centered on finding the criminal through the piecing together of small clues that led to the killer, rather than the application of whiz-bang forensics technology, although fingerprints did play a role.

The post mortem

One common theme exists between "Perry Mason" and the crime dramas on TV today: each performs some type of post mortem. A post mortem has two primary definitions.

1. An examination and dissection of a corpse to determine the cause of death or the changes produced by disease.

2. The discussion of an event after it occurred.

In today's courtroom dramas, both definitions apply, but with emphasis on the former. When you look closely

at the older shows, though, the primary focus was on the latter; they focused on reviewing events and gathering information.

When Perry conducted the post mortem, he collected information from various sources, listening to what was said, and examining the suspects' actions. This process easily translates to every industry, including ours, as we have very specific instances where a post mortem is needed.

The reason for a post mortem is simple, to learn from our actions. If we do not learn from history then we are likely to repeat it. Still many in our industry disagree, such as GS Online MLS Forum member **MAKETELINC**, who wrote, "I have learned in business, and for that matter life in general, that the best thing one can do is move on. Look forward not backward. Focus on new customers, and stop trying to work the ones you didn't get or that left you."

Although this strategy helps your mental approach to sales, it ignores the benefits found in a post mortem. Most sales training programs today have moved away from the old mantra of "no means next" and have begun to teach the proper way to conduct a post mortem.

Before you start, you should define what a post mortem

mobilePAYMENT

pinpadPAYMENT

mobilePAYMENT

D900
secure mobile
payment terminal

SP30
secure handover
countertop terminal

S90
secure mobile
payment terminal

PAX

Innovative **SECURE POS** Solutions

countertopPAYMENT

multilanePAYMENT

pinpadPAYMENT

contactlessPAYMENT

S80
secure countertop
payment terminal

MT30
touchscreen secure
multilane terminal

SP20
secure PINpad

R50
secure RFID
acceptance

Certifications:

EMVCo pci Security Standards Council

RoHS C SGS FC UL

© 2012 PAX us. All rights reserved.

Contact Us:

www.pax.us
1-877-859-0099
inquiry@pax.us

> *Most individuals are interested in helping others and will be free with their input. There are times when the merchant may have heard something you didn't intend for him or her to hear, and you can correct it and save the sale.*

is, and what it is not. First and foremost, a post mortem is not an effort to assign blame or fault. It is not an effort to ridicule or to denigrate. It is not a tool to measure failure, and it should not be an emotional process.

Rather it is an effort to identify areas of improvement, to track the effectiveness of different sales approaches, and to learn what should be repeated as well as what should be avoided.

In our industry there are three specific instances where a post mortem is useful:

1. When a prospect says no
2. When a customer leaves
3. When a customer says yes

Each instance should be handled differently.

1. When a prospect says no

Conducting a post mortem is always a wise step when a merchant says no. Make sure you start the process before you walk out the door, otherwise you will miss the opportunity to learn from this experience.

Start by asking the merchant for honest feedback. For example, say: Mr. Customer, off the record, could you give me a little input on my approach that will help me in the future? What did I say, or not say, that led you to your decision?

Most individuals are interested in helping others and will be free with their input. There are times when the merchant may have heard something you didn't intend for him or her to hear, and you can correct it and save the sale.

Other times, it may be an impression left by a previous merchant level salesperson (MLS) and have nothing to do with you. If it's the latter, that impression may be corrected, or at least understood, so it does not affect your next call.

REXD uses a similar approach. "I call the merchant and do a simple survey to find out why he chose not to do business with me and the company I represent," he posted. "What I have found in these many years is that most of the time the customer will be straightforward and provide you with a wealth of information that can assist you down the road in your sales endeavors."

So ask the prospect who turned you down a simple question: Could you please help me out? Do you mind me asking why you choose not to do business with me?

The second step in this post mortem is self-examination. This should not take more than a few minutes. Answer these basic questions:

- Did I first identify if the merchant was a good fit or if he or she needed my services?

- Was there a point at which the tone changed? Did the merchant first seem interested but later backed off?

- In hindsight, did I miss a closing opportunity or a pain point?

- Was my approach the correct one for this merchant?

Don't spend too much time on each answer, and don't beat yourself up, as that can negatively affect your next call. Remember, you can't make a person say yes. You can only help someone make a decision.

"Personally, I review just about every call for at least a minute or two," said **MBRUNO**. "For me, this simple review helps greatly. If I'm trying out a new sales tactic, then I'll usually write down the answers to those questions so I can do a larger review after I've contacted enough merchants."

In addition to the questions above, here are others **MBRUNO** likes to ask:

- What products or services did I feel would benefit the merchant (that is, what was my pitch)?

- How did the merchant respond when I provided the solution (that is, the products and services)?

- If rejected, was it a soft or hard rejection (that is, come back later or get out)?

- If successful, what was the tipping point? Why did the merchant choose my services?

- Was there anything in the conversation that could have gone better? What was it? How and why could it have gone better?

The questions you ask may be those just provided, or they may be specific to how you market and who you market to. You might also find out that no means not now.

2. When a customer leaves

Everyone recognizes the need to reduce attrition. Closing the back door is just as important as adding new merchants. If you leave the back door wide open, all of your work to build a portfolio will be in vain. Although the importance of this concept is widely understood, rarely do we research why a merchant leaves.

The first step of a lost merchant post mortem is to determine the "why." For example, if a merchant sold or closed the business, the post mortem is easy because the business no longer exists.

However, if the merchant left for another processor, call and ask why. Make sure you get the merchant's permission first and make it clear that this is to help you improve your sales skills, not an attempt to try to get them to come back. Ask the merchant to be blunt. You are looking for the actual reason, not a general answer.

Ask specific questions such as:

- What didn't you like about our services and offerings?
- What didn't we do or provide that was important to you?

Listen closely for the real reasons, and not platitudes. Ask follow-up questions on anything that is confusing or seems vague.

Some companies even have retention teams whose sole task is to contact merchants who leave and try to get them back. It's a noble effort, but it should be said the best retention effort occurs before the merchant leaves.

After talking with the merchant, examine how you related to him or her, and how you relate to the rest of your portfolio. Did this merchant fall through the cracks? Are you in regular contact with your merchants? What tools do you have, if any, to identify merchants at risk?

Use this examination to adapt your current retention efforts, and in so doing, reduce or eliminate the need for this type of post mortem in the future.

3. When a customer says yes

It would seem that a yes should always be celebrated, and that is true. But if you ignore the post mortem you may miss out on future successes. In this post mortem, the review is centered on what you did and what you heard that led to a signed application.

- Did I do anything differently with this merchant call than the previous one?
- What key point or pain did I recognize? How did I address it?

- Did I miss any other pain points?
- Did I miss other opportunities to close?
- Did I miss any cross selling opportunities? Why?

These are not all celebratory questions. The intent is to identify areas for improvement, and even though the merchant signed, there is likely room for improvement in your sales process. If the merchant signed based on cost savings alone, you may find that he or she is at risk; the merchant could sign with the next MLS who walks through the door and promises big savings.

If the merchant signed because he or she was angry with the previous processor, the merchant could also be at risk. If the anger subsides before you complete the download, you could lose the opportunity.

Maybe the merchant signed because you offered a solution to a pain point. What are you going to do to ensure that the solution fully meets the client's needs? What happens if it doesn't?

Make sure you don't over promise and under deliver. If you missed closing opportunities, you lost time that could have been spent on a future sale. What's worse is that if this happens in the future, you could lose out on additional sales.

As you know, a signed contract isn't the end of the process. It's the beginning. If you don't do a post mortem, you might miss a step that could help start the relationship off on a positive note. Even though a post mortem takes less time than the other steps in the sales cycle, it's just as important.

If you're new to the business, don't hesitate to involve your professional mentor in any and all post mortems. In fact, it's wise to have your mentor participate in a post mortem at least once per month. Encourage your mentor to be honest in assessing you and to ask questions. Voice your areas of concern and encourage your mentor to be blunt. In turn, you must take time to honestly answer all questions.

No matter what the answers, the purpose of using a mentor in a post mortem is to learn, not to place blame. As I said before, blame has no place in a post mortem, as it can do significant damage to your future sales efforts.

Remember the importance of a post mortem and weave it into your everyday sales activities. As you do, I bet you'll see less attrition and will be able to watch your portfolio grow at the pace that Perry Mason solved crimes.

Jeff Fortney is Vice President, ISO Channel Management with Clearent LLC. He has more than 17 years' experience in the payments industry. Contact him at jeff@clearent.com or 972-618-7340. To learn about how Clearent can help you grow faster and go further, visit www.clearent.com.

How to help merchants counter fraudulent orders

By Bill Hoidas

Matrix Payment Systems

With the ever-growing problem of identity theft, fraud is of increasing concern to merchants, especially those in the MO/TO and e-commerce categories. Some merchants take an unreasonable approach and say they want a 100 percent guarantee that if they do next-day or same-day delivery with customers they don't know, they'll never have a chargeback. To that, I reply the dream factory is located in their nearest casino.

Nowadays, it's relatively easy for thieves to make credit cards and enter data they steal via skimming. Machines to make physical credit cards can be obtained for as little as $865. MO/TO and e-commerce merchants are prime targets for these identity thieves.

So how are merchants supposed to know if a new client's credit card is legitimate? I suggest they take the following steps:

- Determine whether the cardholder's street address, ZIP code and cardholder verification value match the information given by the purchaser.

- If the information matches – and only if it is a physical delivery – require the cardholder's signature with delivery.

- Have cardholders sign credit card authorization forms, provide copies of their driver's licenses, as well as the front and back of credit cards.

If a cardholder doesn't have ready access to a fax machine, one company has devised a way to get signature and ID images. RightSignature LLC (*https://rightsignature.com*) provides the technology to enable customers to create digital signatures online.

Use every available means to ferret out fraud

The merchant should always ask the purchaser for a phone number and call the number provided to confirm the order. In 90 percent of cases, the fraudster will provide a phony or disconnected number.

The merchant should also call the issuing bank's phone number on the back of the card image. In fraud cases, the phone number usually doesn't correspond to the name of the issuing bank on the front of the card.

It's a good idea to request an email address. It can tell a lot about the purchaser. Ideally, the email address will be similar to the cardholder's name. For example:

- John Smith's email is *jsmith@gmail.com*. This is good.

- John Smith's email is *enerygyman@comcast.net*. This could be bad.

- John Smith's email is *istealstuff@yahoo.com*. Red flag!

In addition, the merchant should do an Internet search on the email address. Often, fraud related to that address will show up in the results. And the merchant should do a search on the purchaser's name, address and ZIP code for indications of fraud. Information will usually be available and provide the customer's professional associations and other clues.

For looking up a person by name to see if the information he or she provided is accurate, use Spokeo.com. This service is free, but for $3.95 per month you can get more detailed reports. Or use PeopleSmart.com. For looking up the location of sender's IP Address, use *www.ip-address.org*.

Take it even further

If the customer comes to pick up merchandise, the merchant should give it only to the cardholder and require a driver's license or other valid form of identification. If the merchant has already run the card as a MO/TO, he or she should require the customer to swipe the card used on a manual imprinter and sign the slip. A signed card receipt is as good as or better than a terminal-swiped receipt.

To get issuing-bank information for U.S. and foreign cards, use these contact numbers:

- Visa Inc.'s Merchant Verification Service: 800-847-2750, an automated line. Option 1, address verification: enter the numeric portion of the street address, ZIP code and card number. It will tell you if they match. Option 2, issuing bank phone numbers: Enter the card number, and it will provide you the 800 number for the issuing bank. Call and verify the name on the account.

- Visa's International Address Verification: 800-228-1122.

- MasterCard Worldwide Assistance: 800-622-7747 (to obtain issuing bank phone number). It provides a phone number for the bank identification number range. For English, press 1. Then, for merchants press 2.

- Discover Financial Services' Address Verification:

Why advertise in the new GSQ?

Ads are full color

Each issue is topic specific so you can target a paticular audience

GSQ retains its value

It mails separately from The Green Sheet

GSQ Buyers Guide is distributed at major industry events

For more information about advertising in The Green Sheet GSQ, call

Rita Francis 866-429-8080 or rita@greensheet.com

Danielle Thorpe 707-284-1686 or danielle@greensheet.com

800-347-7988, an automated line. You will need your merchant number. It verifies only a card member's address.

- American Express Co. Address Verification: 800-528-2121. Choose option 3 to verify name and address.

- International Credit Card Verification, International Telex Verification. To use this, call Visa's normal card authorization phone number and hold for an agent. Don't press any selection for a destination. Just wait. I waited nearly three minutes. Once on the line, agents will request cardholder information and the address you have. They will also ask for your merchant number. If the issuing bank is not immediately available, a telex operator will make contact or will take down all appropriate information and contact the merchant after the issuing bank has responded.

Many merchants call an authorization phone number if they get a decline or nonmatch from the address verification system. No authorization "genie" will answer the phone. Calling will not change a decline or AVS nonmatch.

The U.S. Department of Justice recently reported seizing 36 websites or domain names that allegedly dealt in stolen credit card numbers. The federal action was part of an international effort.

Stolen card information can be purchased on these types of sites for as little as $3.50 per number.

Merchants sometimes take the view that issuing banks should know which cards have been stolen and warn merchants. But how could banks possibly know until cardholders report unauthorized charges on their accounts?

Merchants also claim that banks should reimburse merchants when stolen credit cards are used. This is a double-edged sword. Banks aren't always the good guys. But if they reimbursed for losses, many merchants wouldn't bother to screen out fraudulent orders.

Fight the kickback trend

In the last six months, some of my merchants have answered chargebacks with full documentation, only to have the issuing bank frivolously kick back the charge-back as a "pre-arbitration" for a decision.

Often, it's a clear example of allowing a chargeback to continue, although even a child could see that the cardholder is just trying to rip off the merchant.

I feel that legal pressure should be put on card issuers to rectify this. I suggest my merchants contact an attorney when this occurs, and I can recommend to readers an attorney with expertise in this matter.

Merchants should be aware of the facts regarding charge-back replies that come from card issuers.

- Chargebacks sent back for pre-arbitration go back to the issuing bank for a decision.

- Only chargebacks sent for "arbitration" are decided by MasterCard or Visa for final rulings.

- Merchants can go to the card brands' websites and file complaints if they disagree with final arbitration rulings, but they are not allowed to ask for reviews unless the amount is over $5,000. And they usually have to put up 25 percent of the amount pending review. Fees are incurred at all stages.

Meanwhile, merchants should reply to all chargebacks in as much detail as possible. Recently, one of my merchants told me he had answered a chargeback in detail. The copy he sent me of his reply showed otherwise. Following is my guidance to him and to all merchants on the best way to reply to chargebacks.

In an era of frivolous bounce-backs on chargeback replies from issuing banks, ISOs need to document things well and in a professional manner. Don't just circle items and write remarks. Print out supporting documentation and include each item on a separate document.

Put your remarks in a cover letter, not just written here and there on the supporting printouts. While documenting everything, highlight pertinent points in the charge-back documents. Make your replies look as professional as possible.

Build a strong fortress against chargebacks

The merchant's website should list the exact products and the price the customer pays, including all charges and fees such as shipping and tax. There should be a click-to-agree icon before customers can enter orders. If the merchant receives a chargeback, he needs to include in his reply a screenshot of any click-to-agree pages.

Finally, merchants should be reminded that they are business people. They have to make the final decision as to:

- How much risk to take.

- How worthwhile it is to spend their time fighting chargebacks, especially the small ones, just to prove a point.

- Whether they will view smaller chargebacks as a cost of doing business, similar to shrinkage in retail.

Bill Hoidas is a Director for Matrix Payment Systems, a leading ISO specializing in larger MO/TO, e-commerce and retail accounts. Bill has been in the industry for seven years and can be reached at bhoidas@gmail.com.

Tips for managing remote sales teams

By Alan Kleinman

Meritus Payment Solutions

T he 1999 cult movie classic "Office Space" about a company rebellion isn't your usual guide for management techniques, but it can reveal strategies for managing a remote sales team. Between protagonist Peter and corporate nemesis Initech, there's a lesson to be learned about how operating with trust, training and technology can translate into success.

Taking trust to the bank

It may seem obvious that the toughest challenge with distance is building and maintaining trust. But as the movie demonstrated, it's the only way to achieve goals. Following are some methods for achieving trust.

- **Honesty:** When Peter bluntly explains his discontent to the company consultants at Initech, he is instantly promoted. In reality, this would never happen. But honesty is far more rewarding in the long run. Alerting your remote sales force about

industry or company changes and addressing issues or concerns as they arise demonstrate honesty. Establishing trust digitally may be difficult. But if you're honest, trust should follow.

- **Clarity:** Being clear about objectives and responsibilities can help your team build trust and prevent miscommunication. Communicating effectively is more challenging with a decentralized office space. But by keeping clarity in mind, you can accomplish tasks on time and on budget, while building trust. When Peter decided to plant a virus in the Initech software, the heist would have fallen flat if he had not delegated tasks with precision.

- **Competence:** Having the skills and knowledge to execute tasks instills credibility and establishes trust. Your remote sales force can't see that you've spent hours preparing for a meeting, just as you can't see them working at odd hours to land a deal. Thus, competence matters. You hired your team to do a job, and they trust that you'll give them the proper training and space to get the job done. While a hands-on approach is tempting, a hands-off approach can be equally effective. If you don't trust your team members, why did you hire them?

- **Flexibility:** Consider encouraging flexibility regarding work hours, timelines, training sessions and projects. Doing so, will make your team feel empowered and boost morale. Remember, Peter's breaking point at Initech came when flexibility was diminished, driving him to devise the plot to steal millions from the company.

Checking in

Staff meetings and trainings are great. But "Office Space" lets us know it's not what you do, but how you do it. Here are some tips on the latter:

- **Critical discussions:** Training sessions teach key benefits and features, but routine critical discussion maximizes effectiveness. While presenting a new product or service to your remote sales force, foster discussion of potential and critical issues during the training. This prevents a disconnect between the remote sales team and the company's expectations by creating opportunity for everyone to uncover problems and brainstorm solutions. Remember when Peter's boss suddenly pulled an impromptu staff meeting? No one benefited from it.

- **Face-to-face meetings:** The mobile landscape has virtually dissolved office walls, but physical training sessions allow you to truly connect with your remote sales force. It's easy to get comfortable with the convenience of digital conversations, but training in person better communicates intent and enthusiasm and promotes team bonding.

Education

Technology leagues beyond 'Office Space'

Face-to-face sessions have intrinsic value, but may not always make sense for quick check-ins and status updates. The floppy disk and computer technology in the film are leagues behind today's digital platforms.

Yet technology is a perfect conduit between management and your remote sales force. Here are some apps and resources to help your team stay in touch and creatively present products and services:

- **PresentiaFX:** This service uses PowerPoint software that can run on any laptop or tablet device. It includes a full range of features and templates for easy presentations, making it a reliable tool for communicating across different platforms.

- **OoVoo (paid edition):** This alternative to Skype allows HD-quality videos, text messaging, secure file sharing, up to 12 callers and a recording option during meetings, making it a terrific way to include the whole team.

- **GooglePlus Hangouts:** It connects you to everything Google, allowing file and video sharing with up to 10 calls during a meeting. You can broadcast your meeting live for others to watch. GooglePlus provides exclusive apps such as Scoot & Doodle to draw and sketch live with callers or SlideShare to view and review PowerPoint presentations.

- **GoToMeeting:** This application is online meetings, webinars and training made easy. It allows you to share screens while conducting audio or video calls with others. After a 30-day free trial, the $49-a-month service is well worth the cost to improve communication with your remote sales team.

- **Skype:** Whatever size your business, Skype is a great resource to connect employees in and out of the office. The application allows for screen, file, program and video sharing in real time to improve group calling. Following a seven-day free trial, monthly business charges range from $2.10 to $7 per person.

By promoting trust, giving thought to the quality of routine discussions and utilizing appropriate technology, you can successfully manage a remote sales team and avoid "Office Space"-type acts of defiance.

Alan Kleinman is the Principal of Meritus Payment Solutions, the trusted global payment partner. Contact him at akleinman@merituspayment.com or 888-851-7558, ext. 141.

The smart way to sell POS systems – Part 1

By Joe Porco

Harbortouch

People hate to be sold, yet they love to buy. On principal, most people do not especially care for salespeople. Don't take it personally. We will always be blamed for the sins of all the salespeople who came before us.

But when business owners need us, we earn the opportunity to get added to a more favorable list. POS systems deliver satisfaction. When we remove merchants' pain, when we deliver on our promises, when we make merchants' wishes come true, we can become their most valuable vendors.

Sell your company by making it personal

Tell prospects why you chose to join your organization rather than any other company, and be sure to make it personal. By recounting your decision-making process, you can influence their decision to purchase from you.

We have hundreds of POS solutions from which to choose in the marketplace. You must differentiate yourself from the pack, or end up in "commodity jail." Make sure your prospect knows what separates you, your product and your service from the competition.

Be sure to follow up with your existing customers on a regular basis. This underscores exceptional customer service. Demonstrate that you care enough to make sure the business owner is satisfied with your product and service. The best customer service takes place before a problem arises.

Most importantly, provide a personal letter, assuring your promise to deliver outstanding personalized attention. Keep in mind, every one of your actions with your prospect must remain consistent with your promise, whether it's simply remembering to email a document you promised to send or to make a phone call at a precise time.

Know what your prospect needs

Knowing what your prospect needs is as crucial as knowing your own product. Conduct an assessment of the prospect's needs, strategically probing to find out the desired benefits and commitment points. This will identify exactly what your prospect values. His or her exact words should be used when presenting your proposal.

Remember, we are not selling hardware and software. We are selling management systems that provide tangible and intangible benefits. POS systems streamline operations, enhance communication and eliminate waste. More specifically, POS systems:

- Provide reporting tools and better organization to help merchants make more informed business decisions

- Assist with customer interactions, producing happier and more satisfied customers

- Increase profits by reducing losses, controlling expenses and delivering unprecedented control with key performance indicator reports

- Lower payroll expense by utilizing fewer staffers more efficiently and by providing the tools to enable less-experienced managers to perform as well as highly paid, seasoned veterans

- Reduce the time normally spent on back-office work, freeing up merchants for high-value tasks

Before you go in to sell, go in to buy

Before approaching a merchant as a salesperson, visit the target business, phone as an interested customer and view

Education

the business's website to become familiar with its operations. Drop by the business without identifying yourself as a salesperson so that you can experience exactly what customers experience. Then record your observations.

Observe how your transaction is handled. When you pay your bill, mention that you happen to be a POS consultant and see what develops. Typically, a paying customer is extended greater courtesy and the benefit of consideration.

Research if any of your friends or family members are actual customers, and politely inform business owners of that fact through a compliment as you request the opportunity to schedule a meeting. Compliment them with a positive observation, while also suggesting an area where a POS system could enhance their operations.

Happy and satisfied with existing POS

Even if a merchant already has an existing POS system, you still have an opportunity to earn his or her recognition. Acknowledge the merchant's relationship to the existing vendor and respect it.

Then tell the merchant that many of your current customers were customers of other solution providers before you connected with them. And follow-up politely with this comment: If anything should ever change, it would be my pleasure to see how I might earn an opportunity to do business with you.

Be mindful that many business decisions are part pride, part need. If you attack their existing POS providers, you may also be perceived as attacking their character. After all, those relationships represent decisions they made, even if in the past.

Never denigrate the competition. The worst thing a salesperson can do is stomp on a competitor's reputation, even when the business owner is eagerly trashing the business and eager for you to join in.

It can be very tempting. But if you resist, you will ensure an image of high integrity. Simply focus on all of your benefits. 🖼

Joe Porco is a seasoned POS sales professional and National Sales Trainer for Harbortouch, an emerging leader in the POS industry. His strategies are tried-and-true representations of daily sales activities that enable him to turn around territories plagued with issues, as well as earn him sales leadership recognition. Joe regularly shares his strategies as part of Harbortouch's free POS training program. If you would like to know more about this innovative program, email jporco@harbortouch.com.

Ignite revenue with a sales incentive program

By Peggy Bekavac Olson
Strategic Marketing

Your sales force is your company's front line in the battle to increase revenue and market share. This is true of both direct and indirect sales teams. What if merchants aren't signing up as fast as they have in the past, or your sales force just isn't selling with enthusiasm anymore?

You may have a compensation and commission plan firmly in place, but have you considered that it might not be sparking the action needed for your company to reach its revenue goals?

So what more can you do to stimulate your salespeople to meet and exceed the quotas you've set? Adding a good incentive program to the mix may just be the answer to give your sales force that little extra nudge, or push, that's needed from time to time.

What is an incentive program?

An incentive is something that stimulates or motivates, with the intent to spur determination and action. As such, an incentive program is a powerful business tool that can be used to recognize salespeople and motivate them and thereby increase performance levels that support organizational goals.

Incentive programs are generally looked at as a means of generating business your firm wouldn't otherwise have realized. You fund such programs out of sales revenues, and related expenses are based on how well the program does. Good programs can bring in sales in both favorable and tough economic times. But no matter the state of the economy, this old saying always rings true: you have to spend money to make money.

What should incentive programs include?

Incentive programs are frequently referred to as rewards programs; however, they are, in fact, more comprehensive than that. Rewards comprise just one integral component of them. To achieve success, incentive programs should encompass the following areas:

- **Research and assessment:** Develop a deep understanding of your current business situation, as well as that of the marketplace environment. It's basically a process of doing your homework.

- **Goal-setting:** Identify the desired outcome you want for your program. In most cases, this is financial in nature.

- **Program design:** Decide what type of reward(s) you will offer, develop clearly defined rules for achievement that are neither easy, nor impossible for salespeople to attain, set guidelines for communication frequency, and determine how you will track progress and fulfill rewards.

- **Program management:** Execute the incentive program through all its steps and phases. A well-designed program is useless unless it is carried out fully.

- **Measurement and feedback:** Identify and track corresponding sales revenue, and solicit feedback. This is essential for future program improvement.

What value do incentive programs provide?

Ultimately, incentive programs work better when you keep them simple and deliver rewards quickly. This motivates your entire sales force by providing regular feedback for maximum momentum and engagement.

While incentive programs can help to keep top talent, the real value is in motivating sales personnel in the middle 60 percent of performers. If you can change the behavior of this middle group, by even a small percentage, it can have a significant impact on your bottom line. Remember, it's really not about the rewards; it's all about the psychology of attempting to change the behavior of your sales team.

Can you trust what people say they want?

Although many salespeople indicate a preference for monetary awards, in this and many other cases, a real disconnect exists between what people say they want and what they actually respond to. Money does indeed elicit a response when enough is given, but it is not necessarily the most effective incentive choice. If money were the be-all, end-all motivator, then every commissioned salesperson should be a superstar.

Once basic needs are met through adequate compensation, people typically are interested in something more – something that touches them emotionally. Noncash rewards that fall into the category of hedonistic luxuries often fit the bill, having a greater impact than cash incentives.

What kinds of incentives motivate people?

Perks such as high-end merchandise, electronics, jewelry

Education

and spa treatments; group or individual travel; movie, sports and theater tickets; fine dining; automobile leasing; stock options; and even time off work are highly desirable offerings that provide incremental lifts in sales performance over established, traditional commission-only programs. Why? Because they have widespread trophy value and brag-appeal, which makes people willing to work harder for them.

Let's go back and talk about why cash incentives are not quite as effective. When offered cash rewards, people become practical, economical and, unfortunately, less willing to work for them.

Recipients consider cash rewards to be extra money. They use the funds to pay for ordinary, everyday living expenses and bills instead of pampering themselves with what are commonly perceived as nonessential or luxury items.

Cash incentives can also become an expected form of compensation. This can create dissatisfaction when the program ends because recipients feel they've taken a pay cut. Further, after only a short time, most cash incentive winners don't remember what they did with their reward; they don't remember why they received it or what they used the money for.

Do incentive programs work?

Sales incentive programs are perhaps the biggest, most logical, bottom-line boosters because their results are readily measurable in the form of sales revenue generated.

The plans speak for themselves, with numbers that back them as proof.

CALL TO RSVP: 800.722.GISO (4476)

Join Group ISO for a relaxing time in our ocean front Governor's Suite

WSAA Sept 26th – 27th
Hyatt Regency Resort & Spa
21500 PCH
Huntington Beach, CA 92648

GROUP ISO
- NEW MOBILE SOLUTIONS AT 2.50% FLAT - LIFETIME RESIDUALS

Research also confirms that incentive programs work. A study by the Forum for People Performance Management and Measurement found that on average, during the lifetime of a program, incentivized sales nearly double. A major study from the Site International Foundation confirmed that incentives increase work performance by an average of 22 percent – on top of going a long way to improve morale.

And a study by the Gallup Poll and Carlson Marketing Group shows that incentive programs that combine sales performance measurements with rewards equal success.

Is it wise to label incentives discretionary?

Ironically, many companies are willing to invest in everything from capital improvements to research and development, but they are often hesitant to include incentive programs in their arsenal of business tools.

This is because incentive programs are viewed as a discretionary expense, rather than an investment opportunity. This is a huge mistake. Incentive programs can make more money at less risk than most other things companies can do.

So whether you're interested in generating new or incremental sales, improving sales effectiveness, or simply getting a faster start to a new product or service launch, incentive programs can be very useful in achieving your company's goals.

Get going today by giving your sales team the motivational nudge; dangle the proverbial carrot in front of their noses with an incentive program. It will be sure to generate more revenue and boost your bottom line. ◪

Peggy Bekavac Olson founded Strategic Marketing, a full-service marketing and communications firm specializing in financial services and electronic payment companies, after serving as vice president of marketing and communications for TSYS. She can be reached at 480.706.0816 or peggyolson@smktg.com. Information about Strategic Marketing can be found at www.smktg.com.

2012 events calendar

To submit your event to this calendar, email a press release to press@greensheet.com. Please include the name, date and location of the event, as well as highlights of planned activities and registration contact information.

Event	Date	Location	Website
WesPay Payments Symposium 2012	Sept 17 – 18	San Diego	www.wespay.org/symposium/
Smart Card Alliance, Transportation Council Meeting	Sept 18 – 19	Philadelphia	www.event.com
Cartiek Group, CardSmart Bosphorus 2012	Sept 20	Istanbul, Turkey	http://euromessage.mxv.eb.denim.com
Niche Media, Niche Digital Conference	Sept 24 – 25	Chicago	www.nicheDigitalConference.com
WSAA 2012 Conference	Sept 26 – 27	Huntington Beach, CA	www.westernstatesacquirers.com
W.net, LINC Northern California with WSAA	Sept 26	Huntington Beach, CA	http://wnetonline.org/Default.asp
Emerging Payments Systems Conference	Sept 27 – 28	Washington	www.americanconference.com/emergingpayments
5th Mobile Contactless Payment Innovations Summit	Oct. 2 – 3	Chicago	www.paymentinnovations.net/Register
BAI Retail Delivery	Oct 9 – 11	Washington	www.bai.org/retaildelivery/registration.aspx
W.net, LINC New York	Oct 10	New York	http://wnetonline.org/PageDisplay.aspx?p1=8042
The Prepaid Awards	Oct. 11	London	www.prepaidawards.com
American Conference Institute, Prepaid Card Compliance	Oct. 11 – 12	San Francisco	https://transactions.c5groupinc.com
AFP Annual Conference	Oct. 14 – 17	Miami	www.cfpconference.org/2012
ETA, 2012 Strategic Leadership Forum	Oct. 16 – 18	Palm Beach, FL	www.electran.org/content/section/6/38
Prepaid Card Compliance West Coast Iteration	Oct. 18 – 19	San Francisco	www.prepaidevent.com
Terrapin Holdings Ltd., Cards & Payments USA	Oct. 18 – 19	Las Vegas	https://secure.terrapinn.com/V5/rCalc.aspx?E=5212
20th Annual ATM, Debit & Prepaid Forum	Oct. 22 – 25	Phoenix	www.paymentssource.com/conferences/calendebit
MONEY 2020 Expo	Oct. 22 – 24	Las Vegas	http://money2020.com/#panel-register
Financial Services Collections & Credit Risk Conference	Oct. 24 – 26	Scottsdale, AZ	http://register.sourcemediaconferences.com
W.net, LINC Northern California	Oct. 30	San Jose, CA	http://wnetonline.org/Default.asp
Cartes 2012 Exhibition and Conference	Nov. 6 – 8	Paris	www.cartes.com
Gulf Bay Consulting LLC, Social Mobile Payments Americas	Nov. 6 – 8	Miami	www.socialmobilepayments.com/registration
5th Annual World Congress Healthcare Payment Expo	Nov. 7 – 8	Arlington, VA	https://www.confreg.com
European Prepaid Summit 2012	Nov. 19 – 20	London	http://european-prepaid.com
11th Annual Government Conference	Nov. 28 – 30	Washington	www.event.com
W.net, LINC New York	Nov. 29	New York	http://wnetonline.org/PageDisplay.aspx?p1=8042

Quit playing the rate game!

Change the rules with free POS systems.

A Truly Unparalleled Opportunity to Revitalize Your Revenue Stream!

By leading with POS systems, you will get in front of more decision makers. Avoid the "rates and fees" sales pitch and begin offering something of real value to the merchant. Once the merchant realizes the advantages of a full-featured POS system over a standard credit card terminal, the sale becomes effortless. Instead of being just another credit card rep, this program quickly makes you the merchant's most important vendor. Harbortouch's free POS program has changed the rules of the game!

More than double your average monthly residual!
Double your average monthly processing volume!
Benefit from approximately 66% less merchant attrition!
Earn up to $500 up-front commission per POS system!

An average merchant needs 2-3 systems, which means $1,000 - $1,500 in your pocket

YOUR PATH TO A STABLE, MORE PROFITABLE RESIDUAL PORTFOLIO

Higher Margins!

Due to the high value offered by a free POS system, there is no need to decrease your margins by lowering the merchant's processing rate. The processing rates and fees become a secondary concern, allowing you to maintain a lucrative residual on these accounts.

Larger Accounts!

You are also able to reach the better quality, higher volume merchants who require the efficiency and reporting of a full featured POS system.

Lower Attrition!

Since a POS system is integral to the merchant's business operations, Harbortouch offers unmatched retention benefits. This lack of attrition provides you with a much more stable residual stream and a more valuable bank card portfolio overall.

Harbortouch Offers More Than Just POS

Free POS Systems | Free Electronic Cash Registers | Free Terminals | Free Gift Cards | Free POS Leads
Mobile Payments | Check Services | ATM Services | e-Commerce | Cash Advance

Visit www.isoprogram.com today

for more information on the free POS program
and how to become a "Certified Harbortouch Reseller"

For more information, contact:
Brian Jones, EVP Sales and Marketing: 800-201-0461 x 138
Jonathan Branden, National Sales Manager East: 800-201-0461 x 145
Brian Fitzgerald, National Sales Manager Central: 800-201-0461 x 257
Max Sinovoi, National Sales Manager West: 800-201-0461 x 219

HARBORTOUCH

Harbortouch is a registered ISO/MSP of First National Bank of Omaha, 1620 Dodge St., Omaha, NE · Member FDIC

NewProducts

Online loyalty builder for merchants

Product: Simpli Marketing

Company: Tecmark Inc.

Loyalty program provider Tecmark Inc. is preparing to launch Simpli Marketing, a web-based loyalty and marketing tool designed to help restaurateurs and retailers manage all their customers' communications and engagement needs in one location. The software-as-a-service product debuted during the Electronic Transactions Association 2012 annual meeting, when Tecmark began actively partnering with ISOs and merchant level salespeople (MLSs).

Tecmark said the program operates on two tracks: SimpliConnect and SimpliReward. SimpliConnect provides the tools for enrolling customers, creating customer databases, and sending targeted promotions and communications based upon customer preference, whether email, text message, standard mail or social media. Using a PC or Internet-enabled device, merchants can import existing customers into the database, set up promotions, identify recipient groups and track results.

Under the audience builder section of SimpliConnect, merchants can segment customers by gender, shopping frequency, amount spent and other user-defined fields. According to Tecmark, real-time and batch transactions from a variety of POS systems can be tracked and analyzed, with charting capabilities to track promotion results over time and by individual communications channels.

To further drive customer engagement, SimpliReward offers enhanced tracking capabilities for tracking promotions redeemed to specific customers and to identify revenue patterns. It also charts the number of enrollments over time and offers advanced dashboard features for in-depth analysis of marketing results. Flexible earning structures allow merchants to set specific rewards for targeting their best customers, Tecmark noted.

With Simpli Marketing, merchants may also customize the enrollment form by selecting criteria for customer identification, communication and login preferences. Personalized questions can be embedded into the form, if desired. Customers enroll via a paper or web form and then use a phone number or driver's license as identification to start earning rewards, thereby eliminating the expense of a physical rewards card.

Although Tecmark is not a consulting agency, the compa-

Features of Simpli Marketing include:

- Paperless enrollment-to-rewards, web-based program
- Centrally managed communications and rewards tools
- Customer-targeted promotions and communications
- Customer-selected communications preferences
- Results-driven tracking and analytics

ny does support merchants by sharing valuable insights on how to make loyalty programs successful, including strategies for preplanning and determining which creative options might be most suitable for a particular brand, product or service.

Tecmark offers ISOs and MLSs a revenue-share opportunity. And the company continues to welcome sales partners interested in incorporating Simpli Marketing into their merchant portfolios. For ISOs and MLSs, this is offered as another tool to build merchant retention using the latest marketing knowledge and technology.

Tecmark Inc.

855-574-6754
www.simplimarketing.com

POS software delivers optimum control

Product: Syspro Point of Sale

Company: Syspro

Syspro Point of Sale is the latest addition to the Syspro enterprise resource planning (ERP) system currently deployed in over 14,500 businesses worldwide. Built on a single source code for ease of integration, the POS software is designed to help retailers manage the entire business cycle from critical back-office functions to customer-facing sales, payments and returns.

"Syspro has a large number of smaller and mid-sized companies that, like Syspro, compete against multibillion-dollar competitors, yet grow and thrive because they offer better, specialized and/or unique capabilities," stated Brian Stein, Chief Executive Officer of Syspro USA. "Syspro is delivering a single-code, highly integratable enterprise software solution, versus trying to bolt on extensions like so many other ERP companies.

"It gives us better control of our own operations, and it similarly advantages our customers and partners. This is a great tool for companies who want to reap quality, con-

trol and margin benefits resulting from managing their own production through sales cycles."

Syspro stated the product features include a customizable touch-screen interface, off-site access with easy to manage security options, online and offline capabilities, multiple payment and loyalty card options, entry and pricing configurability, and inventory management. End-of-day or -shift processes, supply chain and in-transit stock functions, sales audit trails, inventory and customer balance queries, warranty and stock returns can also be tracked and managed using the web-based software.

According to the company, Syspro Point of Sale is adaptable across multiple channels, including e-commerce, mobile and brick-and-mortar environments. Built-in security includes comprehensive permission security and supervisor override controls. Businesses also have the option of integrating other Syspro ERP functions, including general ledger, accounts payable/receivable, sales and purchase orders, and inventory and contact management.

"This is about empowerment from a visibility, analysis and cost and cash-related decision-making standpoint," Stein said. "A high percentage of Syspro customers are both manufacturers and retailers, like Apple distributor Core Computer Business. We're simplifying the com-

Features of Syspro Point of Sale include:

- Touch-screen capability and bar-code scanning functions
- Web-based back office and store management capabilities
- Comprehensive reporting and tracking options
- Comprehensive permission security controls
- Cash management support of daily cash-up routines

plexities involved in the entire order through sale cycle." Target markets for this and other Syspro products include manufacturers and distributors of electronics, machinery and equipment, food, medical device and other products.

The system was designed for enterprises that choose to independently manage all operations, from manufacturing and distribution down to the retail chain, the company said. Syspro offers a reseller program to sell, implement and support its products.

Syspro

800-369-8649
www.syspro.com

DateBook

Visit *www.greensheet.com/datebook.php* for more events
and a year-at-a-glance event chart.

Trade Associations

Women's Network in Electronic Transactions
LINC Northern California

Highlights: Scheduled to coincide with the Western States Acquirers Association's annual meeting, this Local Interest Networking Circle (LINC) presented by Women's Network in Electronic Transactions (W.net) will provide a forum where female payment professionals can motivate one another through the exchange of ideas, insights and career development tips.

LINCs are held throughout the year in different regions of the United States and offer women a chance to work with other highly successful women, learn new professional and personal skills, and have fun. Founded in 2005, W.net aims to empower and inspire women in the electronic payments industry. In addition to meetings, it offers mentoring, workshops, newsletters and a website with comprehensive career training information.

When: Sept. 26, 2012
Where: Hyatt Regency Resort & Spa, Huntington Beach, Calif.
Registration: *www.w-net.biz*

Trade Associations

Western States Acquirers Association
WSAA 9th Annual Conference

Highlights: WSAA's 9th annual conference will provide networking opportunities and a chance to participate in breakout sessions and panel discussions about key issues impacting the payments industry. Keynote speaker Jeffrey Hayzlett, a former Fortune 100 business executive and author of *The Mirror Test* and *Running the Gauntlet*, will present fresh perspectives on professional development, mass marketing and social media.

Attendees who register for the optional golf tournament in Fountain Valley's Mile Square Golf Course will be treated to a continental breakfast, opportunities to win prizes and barbeque lunch afterward. The conference site is situated on the sprawling sands of Huntington Beach, Calif., also known as Surf City, U.S.A.

When: Sept. 26 – 27, 2012
Where: Hyatt Regency Resort & Spa, Huntington Beach, Calif.
Registration: *www.westernstatesacquirers.com*

Industry Events

Bank Administration Institute
2012 BAI Retail Delivery

Highlights: For more than 30 years, BAI Retail Delivery has showcased innovations in banking and technology, as well as insights from global thought leaders. This year's event will feature banking and financial services professionals in sessions covering multichannel strategies, sales effectiveness, technology for business, marketing and management, mobile services, compliance, and more. Over 200 exhibitors and thousands of senior-level decision makers are expected to attend.

Slated keynote speakers include Sir Richard Branson, founder of Virgin Group; Guy Kawasaki, former Chief Evangelist for Apple Inc.; and Aaron Dignan, Founding Partner and CEO of Undercurrent. New this year will be the prepaid, debit and card services hub, and a business and customer analytics showcase on harnessing big data.

When: Oct. 9 – 11, 2012
Where: Walter E. Washington Convention Center, Washington
Registration: *www.bai.org/events/registration/register.aspx?ec=3966&rt=conferences*

Inspiration

When people honor each other, there is a trust established that leads to synergy, interdependence and deep respect. Both parties make decisions and choices based on what is right, what is best, what is valued most highly.
– Blaine Lee

Oasis in the workplace

It can sometimes feel like every work day is an onslaught. You arrive at the office after almost getting sideswiped by a reckless driver, and you see the voicemail button flashing on your phone – is it an irate customer with a POS problem? A vendor with an IT issue?

Then the sales manager is at your office door asking if an important processing deal ever got finalized. And what about that simmering tension between colleagues that threatens to morph into all-out office war?

The stress of these and other issues derives from the fact that they are largely beyond your control. For example, you can't dictate how other people drive or prevent your company's server from crashing in the middle of the night. And what can you do if personalities in the office clash or a co-worker has a child who is acting up or a parent in need of nursing care?

However, you can control the overall office environment, making it a place where every employee takes responsibility for adding to a calm, positive workplace – an oasis of sorts against the pressures of the job and life itself.

Banish that banter

First, the workplace should be a sexuality-free zone. Relationships are already complex enough between men and women, and between people with different sexual orientations, religious views and life experiences.

If employees can refrain from making sexual references of any kind – whether they be jokes or seemingly innocuous observations – then staff members will be far less likely to become embarrassed or feel harassed due to unwanted attention on what is a private area for most.

Avoiding sexual banter is a tall order; our popular culture seems to be obsessed with sex, to the exclusion of just about everything else. That is all the more reason to make the workplace free of it. If workers feel that the office is a safe haven in that respect, the environment will be more relaxing for all involved – and more productive.

While you're at it, ban all comments about the appearance of colleagues. Humans come in all shapes and sizes. People who are handicapped or are different from you in some superficial way deserve the same respect and consideration as anybody else. Juvenile taunts and talking badly about others behind their backs fosters a negative, even vicious, atmosphere. Managers who tolerate such behavior undermine morale and efficiency.

Keep it civil

Another important aspect of social interaction is the need for civility. Vulgar language has its place in certain venues, like comedy clubs, where its shock value can be funny. But the workplace is not one of them.

The problem with using foul language at work is that it can seep into the foundation of the business and negatively affect every area of the company, including customer service. It is hard to imagine a best-in-class enterprise that encourages the use of comedy club language on the job.

Maybe some folks can cuss up a storm with co-workers, then moments later be completely professional on the phone with potential clients. But can the best workers really be satisfied upholding a clean-as-a-whistle corporate image that is false? Stellar professionals gravitate to businesses where the culture matches the image.

Respect-o-nomics

This is not to say that ideal workplaces should be uptight environments, where everyone is on pins and needles about getting in trouble over saying the wrong thing or making a tasteless joke.

But payment jobs are tough enough. Don't make your office culture an energy-draining obstacle. Co-workers who watch their language and strive to be respectful to all will help create a kind of workplace where everyone has the opportunity to be at their best.

Good Selling!℠

Paul H. Green, President and CEO

Resource Guide

To add your company to our expanding listing, call 866-429-8080 today.

ACH - CHECK 21

Global eTelecom, Inc.
(877) 454-3835
www.checktraining.com

ACH - CHECK 21 BOC

Netcom Check Services
(800) 875-6680
www.netcompaysystem.com

Convergence Processing Merchant Services
ACH Check21 BOC ARC Age & ID
Recurring ACH Check Verify
All Major Credit and Debit Processing
LifePay Residual No Exit Fees

AGE VERIFICATION

Legal Age ID Systems Inc.
(800) 779-4945
www.legalagesotware.com

AGENTS / ISO PARTNERSHIPS

GROUP ISO
800.722.GISO (4476)
www.groupiso.com

ATM CHANNEL SUPPORT

KAHUNA
Kahuna ATM Solutions
(888) 357-8472
KahunaATM.com

ATM ISOs LOOKING FOR AGENTS

ATM ACCESS to MONEY
(888) 701-1004
www.accesstomoney.com

Looking for agents. 100% of surcharge
plus 100% of interchange on all monetary
and non monetary transactions Call
Ralph @ x4241
or Jim @ x4243

United Cash Solutions
(800) 698-0026 x1430

ATTORNEYS

LAW OFFICES OF
MICHAEL A. BREWER, APC
(949) 679-6060
www.brewerlawyergroup
com /cclitigation

Premier payment processing attorneys
specializing in creditcard processing,
ISO, Acquiring bank and Merchant
representation with offices
in Orange County and Los Angeles.

Biggins Law
Experienced. Proven.
(877) 817-8700
(213) 223-2234
www.bigginslaw.com

Adam Atlas Attorney at Law
(514) 842-0886

BANKS LOOKING
FOR AGENTS

Redwood Merchant Services
Division of Westamerica Bank
(707) 569-1127
www.redwoodmercantservice.com

BANKS LOOKING
FOR ISOs / MSPs

A.V.P. Solutions
(800) 719-9198
www.avpsolutions.com

Integrity Payment Systems
(888) 477-4500
www.integritypays.com

CASH ADVANCE
LOOKING FOR AGENTS

GBR
Funding
(678) 813-4727
www.gbrfunding.com

Merchant Loan and
Merchant Cash Advance Products
Turns as long as 15 months at 1.31
Funding up to $2,000,000 per Affiliation
No Processor Switch Required

1st Merchant
F U N D I N G

(866) 710-BANK (2265)
www.1stmerchantfunding.com

Board More Merchant Accounts!
Instant Approval Calculator
Co-Fund & Profit on Your Own Deals
$5000 Signing Bonus
Same Day Funding Available

CHECK GUARANTEE /
VERIFICATION

CrossCheck, Inc.
(800) 654-2365

EMPLOYMENT OPPORTUNITIES

HiTECH
MERCHANT SERVICES

(718) 234-9500 x2216
relations@hitechmerchants.com

We are looking for a
National Sales Recruiter
We offer salary + commision

Advance Restaurant Finance
(650) 341-2850 x20
www.arfcash.com

EQUIPMENT

JRS
POS DEPOT
(877) 999-7374
sales@jrposdepot.com

Celebrating 12 years of service
New and remanufactured equipment
Deployment and equipment repairs
Retail and restaurant POS Systems
TG3 certified key injection facility

ATT Services
(714) 999-9566
www.attpos.net

Discount Credit Card Supply
(877) 298-6939
www.discountcreditcardsupply.com

General Credit Forms, Inc.
(800) 325-1158
www.gcfinc.com

Ingenico
(800) 252-1140
www.ingenico.com

JRs POS Depot
(877) 999-7374
www.jrposdepot.com

POS Portal
(866) 940-4767
www.posportal.com

The Phoenix Group
(866) 559-7627
VeriFone
(800) VERIFONE

FINANCING FOR ISOS

Super G Funding
(800) 631-2423
www.supergfunding.com

GIFT / LOYALTY CARD PROGRAMS

Electronic Payments
(800) 966-5520 x234
www.egiftsolutions.com

FLEXGIFT/UMSI
(800) 260-3388

Global eTelecom, Inc.
(877) 454-3835
www.giftcardtraining.com

HIGH RISK

National Transaction Corp.
(888) 996-2273
www.nationaltransaction.com

EPPS
Electronic Payment Processing Solutions
(561) 655-3670
www.myepps.com

INTERNATIONAL PROCESSING

2CHECKOUT.COM
Referrals
(877) 294-0273 x147
referrals@2co.com

Stop the leak in your Sales Funnel

Partner with 2Checkout.com and turn discarded business into revenue today! We specialize in international online business. Contact us now!

ISO/POS DEALER LOOKING FOR AGENTS

MSI, Merchant Services Inc.
(800) 522-3661
www.1800bankcard.com

ISO RELATIONSHIPS AVAILABLE

COCARD
(800) 882-1352
www.cocard.net

A streamlined network of uniquely skilled ISOs, CoCard creates value by sharing services, strategies, best practices and technology.

The Power of We. Collaborate. Cooperate.

Advanced merchant services
(888) 355-VISA (8472)
www.amspartner.com

Elavon
(678) 731-5000
www.elavon.com

Electronic Payments
(800) 966-5520 x234
www.bankcardprogram.com

EVO Merchant Services
(800) CARDSWIPE x7800
www.goevo.com

Harbortouch
(800) 201-0461

MSI, Merchant Services Inc.
(800) 537-8741
www.1800bankcard.com

North American Bancard
(800) BANCARD x1001

Total Merchant Services
(888) 848-6825 x9411
www.upfrontresiduals.com

ISOs / BANKS PURCHASING MERCHANT PORTFOLIOS

Nationwide Payment Solutions
(877) 290-1975 x5210
www.getnationwide.com

Unique buyout opportunities with or without production. Let NPS service your merchant base. Call us today to discuss the options NPS has to offer.

ResourceGuide

1866-55SWIPE
(866) 557-9473
www.digitalfg.com

Electronic Payments
(800) 996-5520 x234
www.bankcardprogram.com

EVO Merchant Services
(800) CARDSWIPE x7800
www.goevo.com

Harbortouch
(800) 201-0461 x136

GROUP ISO
800.722.GISO (4476)
www.groupiso.com

Money Tree Merchant Services
(888) 211-2991 x9411
www.moneytreerewards.com

MSI, Merchant Services Inc.
(800) 351-2591
www.1800bankcard.com

Experience The NPS Difference
(877) 290-1975 x5447
www.getnationwide.com

North American Bancard
(888) 229-5229

Total Merchant Services
(888) 848-6825 x9411
www.upfrontresiduals.com

United Merchant Services, Inc.
(800) 260-3388

ISOs SEEKING SALES EMPLOYEES

Total Merchant Services
(888) 848-6825 x9420
www.totalmerchantservices.com

LEASING

BARCLAY SQUARE LEASING
(866) 396-2754
www.barclayleasing.com

We fund & service all our leases
Same day funding – Fast scoring
Low factors – Written verifications
Online reporting – Faxable/PDF leases
48 month wireless – Split funding

(888) 684-6111 x 3007
www.1stamleasing.com

We lease ATM, wireless and credit
card terminals. Approvals in 2 hours
with funding the next business day.
Great Rates, underwriting guidelines,
and 24 hour verification

(888) 574-9178
www.elgleasing.com
kylem@elgleasing.com

60 month leasing on CC terminals.
ATMs and POS systems with $1.00
buyout available. Same Day Funding.
24/7 support from account manager.

Azura Leasing
(888) 424-7142
www.AzuraLeasing.com

First Data Global Leasing
(800) 897-7850

Ladco Global Leasing Solutions
(805) 267-7247
www.ladco.com

LogicaLease
(888) 206-4935
www.logicalease.com

Northern Leasing Systems, Inc.
(877) 325-6469
www.northernleasing.com

ResourceGuide

MARKETING

Call to find out about our
new large custom box at

866-429-8080
www.greensheet.com

MARKETING AND ADVERTISING

Strategic Marketing

(480) 706-0816
www.smktg.com

+ Advertising and Public Relations
+ Branding and Corporate Identity
+ Product Launches
+ Sales and Marketing Materials
+ Web Design, Strategy and more...

Acquired Marketing

Acquire Marketing
from experienced
payments professionals

(917) 743-5258
www.acquiredmarketing.com
Nancy Drexler, President

Advertising • Public Relations • Training
Social Media • Sales Collateral
Presentations • Direct responce

PAYMENT GATEWAY

NMI
NETWORK MERCHANTS INC

"Building Payment Gateways
One Partner at a Time"

(800) 617-4850
www.nmi.com

• PCI Compliant Customer Vault™
+ Encrypted Retail Swiped Solutions
• Multi-MID Transaction Routing
+ ISO / MLS Transparent Branding
• Non-Compete Guarantee

MAAS GLOBAL
Solutions

(866) 666-2141
www.MaasGlobalSolutions.com

• Creators of Paymentsite Gateway
• PCI DSS Compliant payment gateway
• Robust mobile app for anytime access
• White Label and reseller opportunities
• Built for startups to enterprise

ezic

"Industry Leading Solutions
Fueled By Market-Driven
Features"

(847) 327-9870 x205
www.ezic.com

Innovative | Progressive | Robust

eProcessing
Network

The *everywhere* Processing Network,
Anywhere Merchants Do Business

800-296-4810
www.ePNReseller.com

ProCharge
(800) 966-5520 x221

USA ePay
(866) 490-0042
www.usaepay.com

SERVERS / ISPs

Network Merchants, Inc. (NMI)
(800) 617-4850
www.nmi.com

PCI DSS COMPLIANCE

PCompliance

(866) 949-9777
www.gotpci.com

ResourceGuide

Trustwave
(312) 873-7500
www.trustwave.com

PORTFOLIO PURCHASES AND LOANS

Cutter LLC

Purchasing Residual Streams and
Portfolios with Strength, Speed, Trust

1-610-451-4096
www.cutterfinancial.com

POS CHECK CONVERSION

CrossCheck, Inc.
(800) 654-2365

POS CREDIT CARD EQUIPMENT REPAIR

ATT Services
(714) 999-9566
www.attpos.net

JRS POS DEPOT
Serving the Transaction Industry
(877) 999-7374
slaes@jrposdepot.com

New Image P.O.S.
(877) 581-6201
Info@NewImagePOS.com

POS SUPPLIES

General Credit Forms, Inc.
(800) 325-1158
www.gcfinc.com

PROCESSORS LOOKING FOR ISOs

Clearent
(866) 205-4721
www.clearent.com

Elavon
(678) 731-5000
www.elavon.com

Jetpay, LLC
(972) 503-8900 x158
www.jetpay.com

PUBLIC RELATIONS

Advanced PR Solutions
(314) 222-9095
jasonwgranger@gmail.com

SITE SURVEY

Spectrum Field Services
(800) 700-1701 x286
www.spectrumfsi.com

WIRELESS RETAIL / KEYED PROCESSING

USAePay
(866) 490-0042
www.usaepay.com

Advertiser**Index**

Inserts
Alpha Card Solutions
Card Payment Solutions
Harbortouch
North American Bancard
Total Merchant Services
Cover Wrap
North American Bancard
Business Reply Card
North American Bancard

Important *Green Sheet* and *GSQ* ad dates

GS12:10:01 ads due Sept. 19, 2012

GS12:10:02 ads due Oct. 3, 2012

GS12:11:01 ads due Oct. 24, 2012

GS12:11:02 ads due Nov. 17, 2012
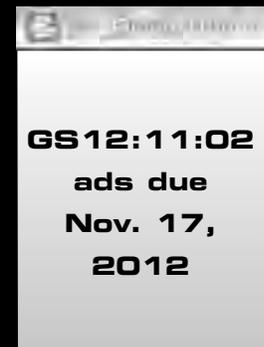
To reserve your space call
Rita Francis: 800.429.8080 • rita@greensheet.com
Danielle Thorpe: 707.284.1686 • danielle@greensheet.com
For more information, visit www.greensheet.com/gs_mediakit.php

Payroll Services

Merchant Services

Gift & Reward Cards

Cash Advance

POS Systems

ATM Services

α

- Bonuses are paid on monthly productivity. We have the largest ISO bonus program in the industry!
- Zero transaction fees
- Residuals are always paid on the 20th of every month
- Aggressive residual splits (with or without bonuses)
- Next Day Funding & Petroleum
- TSYS, First Data (Front End) and Global (Front End)
- Free merchant statement analysis
- Zero hold times with our 24/7/365 Multilingual Customer Service & Technical Support
- Relationship Managers ensure your Alpha Card Services' experience is exemplary
- Dedicated merchant setup and retention teams
- Quarterly quality assurance calls
- East coast and west coast offices to better support you and your merchants

Contact us today to become a true ISO partner.

866.253.2227 ext. 252

Scan

www.thealphaedge.com

ALPHA CARD SERVICES

ACS_DM_0612

AMAZING BONUS PROGRAM!

- $500 Per Account! ◀
- Free Terminal! ◀
- NO Chargebacks! ◀
- Bonuses Paid Daily! ◀
- $5,000 Signing Bonus! ◀
- Up To $10,000 Monthly Bonus! ◀
- Revenue Shares Up To 100%! ◀
- Free Marketing Material! ◀
- Excellent Support Team! ◀

CALL TODAY
LET US CUSTOMIZE A PROGRAM
TO FIT YOUR NEEDS:

1-877-513-1339
info@csiprocessing.com

CardPayment
S O L U T I O N S

A NEW BEGINNING

UNITED BANK CARD
IS NOW

HARBORTOUCH

We're changing our name!

Our free Harbortouch POS program has been an enormous success, differentiating our sales partners and enabling them to build a stronger merchant portfolio. We are confident that this is the future of the industry and, as such, it has become increasingly central to our operations. To reflect the fact that we are moving in this direction, United Bank Card's name will be changed to "Harbortouch". It is important to note that we will be the same company, same management and same employees; it is simply a name change to highlight our shifting focus as an organization.

Introducing

HARBORTOUCH
POS *Elite*

THE FREE POS SYSTEM FOR HIGH-END MERCHANTS

All-in-one design - the CPU is built right into the monitor

Cast aluminum body for maximum durability and sleek appearance

State-of-the-art processor delivers blazingly fast speed

Massive storage and impressive power

Visit www.isoprogram.com today

for more information on
the free POS program and
these exciting new announcements

For more information, contact:
Brian Jones, EVP Sales and Marketing: 800-201-0461 x 136
Jonathan Brandon, National Sales Manager East: 800-201-0461 x 145
Brian Fitzgerald, National Sales Manager Central: 800-201-0461 x 257
Max Sinovoi, National Sales Manager West: 800-201-0461 x 219

HARBORTOUCH

Apple, and iPad* are registered trademarks of Apple Inc.
Harbortouch is a registered ISO/MSP of First National Bank of Omaha,
1620 Dodge St., Omaha, NE - Member FDIC

PLUS OTHER EXCITING IMPROVEMENTS TO THE EXISTING FREE POS PROGRAM:

▶ **Innovative Enhancements to Harbortouch Hospitality**
- Harbortouch Reservations - allows restaurants to accept online reservations and track them through their POS system
- Harbortouch Tableside - enables servers to input orders right at the table using an Apple iPad*

▶ **Major Improvements to Harbortouch Retail**
- Color/size/style matrix
- Support for rentals and consignment
- Robust customer and inventory management
- Vendor and PO management
- and many more new features!

NEW SPECIALTY SOFTWARE!

▶ **NEW Harbortouch Delivery**
- Perfect for pizzerias, Chinese restaurants and any other hospitality business offering delivery services

▶ **NEW Harbortouch Spirits**
- Custom features for wine and liquor stores

▶ **NEW Harbortouch C-Store**
- Designed specifically for convenience stores

HT1921_12162011

REGISTER NOW!
Join us for our Hospitality POS Certification Course in Allentown, PA on October 23-24, 2012

Let us teach you POS systems.
It's easier than you think!

Harbortouch is pleased to invite you to our complimentary training course which will provide in-depth, individualized training on POS systems, specifically focusing on the Harbortouch Hospitality POS solution. This course will cover everything from hardware to software, from features and functions to effective sales techniques.

Integrated POS solutions are becoming increasingly central to the payment processing industry and this is your chance to get on board. Invest in your future by taking advantage of this valuable opportunity!

Become a Certified Harbortouch POS Reseller and benefit from:
Larger accounts! Higher margins!
Lower merchant attrition! A stable, more profitable residual portfolio!

Visit www.harbortouchcertification.com
for more information and to register today

Questions? Please contact:
Brian Jones, EVP Sales and Marketing: 800-201-0461 x 136
Jonathan Brandon, National Sales Manager East: 800-201-0461 x 145
Brian Fitzgerald, National Sales Manager Central: 800-201-0461 x 257
Max Sinovoi, National Sales Manager West: 800-201-0461 x 219

HARBORTOUCH

Harbortouch is a registered ISO/MSP of First National Bank of Omaha, 1620 Dodge St., Omaha, NE - Member FDIC

HT1338_08022012

Boob?

[boob] *n. Slang*
A stupid person; fool; dunce.

Avoid being one with Total Merchant Services.

Who wants to get slapped with an undisclosed $79 - $99 Compliance Fee? **Not your merchants!**

Who wants to get angry phone calls from merchants who feel they were tricked? **Not You!**

Who is going to get a referral from those angry merchants? **Not You!**

See the many ways Total Merchant Services **protects you and your merchants!**