

The Acquiring Mind

Take Charge Business Consulting, LLC is a full scale consulting firm specializing in merchant credit card acquiring risk, operations, and compliance. TCB publishes this newsletter as a service to the industry. We try to find a balance of articles for law enforcement, sales, risk, compliance, and merchants. We hope you enjoy this complimentary copy.

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July 17, 2009

An Operational Look at Improving Sales Force Training

By Deana Sellens

Many Operations Departments do not understand the struggles of sales. It is difficult to be a "behind the scenes" employee in this sales driven industry.

The ISOs/MSPs where Operations takes an active role in training new offices are the most successful.

There is nothing worse than finally getting a new enthusiastic sales guy on



board and three deals later, you never hear from him again. This is especially true for sales people who are coming from other industries. Merchant processing is a very difficult field to understand.

The average sales training consists of the delivery of a start up kit containing examples of various forms and policies.

Do not misunderstand. This is not a bad business practice. Sales starter kits are

necessary, but training should not end there.

Once the new office is on board and the Sales Training is complete, the Sales Department should step aside and turn the operational training over to the Operations people. The ideal situation is to assign an Apps/Underwriter to the new sales recruits.

Too often we hear clamoring about how a sales person does not understand operations. We tend to *Continued on Page 6.*



Special points of interest:

- Operations Role in Sales Force Training
- Defcon 17—July 31 - August 2
- Reengineering Workflows for Success
- Creating Smart Revenue in Tough Times (New Online Product for the Small Sales Force Now Available)
- New Social Networking Site for Risk and Compliance Investigators
- TCB Online Training Available Now!

Defcon 17 and a Look at Major Malfunction

By Deana Sellens

Defcon 17 is approaching quickly. I preach to you all every year, so nothing has changed! Defcon is the biggest hackers convention in the US and possibly the world. Hackers and security professionals gather in Las Vegas to compare notes on what is the latest and greatest in the hacking world. The conference begins on July 31 and ends on August 2nd. You can find

out more on the website: www.defcon.org.

So you don't think you should go huh?

I'd like to talk about my personal favorite hacker Major Malfunction. He likes to showboat with old skool technology, but he is probably by far the most brilliant mind attending. OK, I'm a groupie.

Major's lectures are always packed. His most popular was probably inferred

hacking. In this lecture he showed the audience how to hack into the hotel's television set in order to pwn the hotel's system. Basically he just hit the hotel's TV with every inferred signal at once and it confused the system. The TV gave him an error message with an IP address. Once he had that, all he had to do was to plug in his laptop.

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Reengineering Workflow for Success

By Laurie LeBoeuf

In today's current economic state mitigating losses are in the forefront of everybody's agenda. What exactly does this mean? For the most part, companies have already tightened up on their underwriting guidelines and have opened up the risk rule sets to review more transactions. Is that enough?

All too often we get caught up in the obvious while dollars continue flow out the door unnoticed. For instance, when was the last time someone in your company took a look at the processes by department to see if there is overlap? If you pay commissions do you offer multiple plans? Does your company run on more than one system? Does someone in your company do monthly audits of exceptions to verify they are valid?

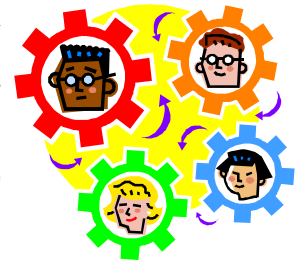
Although lately there has been a "break" for the risk groups with companies reacting so strongly to the economy, eventually this will change and the apertures will again open. During this time it could be a good idea to "look in your own back yard" to reduce costs elsewhere in order to compensate for the additional risk your company may be willing to take on in the future.

Speaking as an operational person, when the economy was booming and there seemed to be an abundance of new business if there were certain functions that could not be handled by one department all too often. We either moved it to another, added a position or sometimes even created an entire department. The need for speed also forced our hand all too often to have a function performed by one department and then double checked later by another. Now would be the time to evaluate that process to see if there are systems, or automations to handle this same process. In addition, an evaluation of

each department and each position and function could uncover functions that are no longer needed or are redundant.

As the ISO relationships became vital to all acquiring companies and the residuals became so competitive most companies offered a variety of residual programs. Most of those were based on volume commitments. However most residuals systems are not sophisticated enough to monitor effectively. If the volumes are good but the results end up that the merchant is a poor performer all you have gained is front end work and back end losses. A profitability report should be run on your sales offices quarterly. At a minimum the profitability report should be run one month before the partners contract renews to allow for renegotiation.

In this industry it is inevitable that you will be driven to different systems due to the numerous selections of frontends, backends, GL systems, collection systems, underwriting systems, and risk systems. It is important you look for synergies and ways to streamline or link these systems to one database. All too often departments within a company are limited on what information they can access and this ends up costing the company money in mistakes or missed opportunities.



Many companies are looking at this "slow, unsure" time as a challenge. Maybe it is time to embrace it as an opportunity to do some housekeeping. Allow yourself to reengineer to cut overhead and improve processes.

Communication Corner

Helping Staff Through Change

With the closing of so many businesses and the downsizing of staff, change is inevitable. Communication during these times should be management's top priority.

During change, people are hungry for two things: up-to-the minute news and a forum to voice their opinions. Below are some tips to help you meet both those needs:

Stamp out silence. If you let silence reign, people will fill the gap with their own interpretation of the situation. Keep the information flowing even when you don't have much to relay to the staffers.

Repeat key messages. People do



not always fully understand the scope of change until you've reiterated it several times. So think about the several different ways to present the same information. For example, the use of intranet postings, monthly newsletters, group meetings and one on one sessions with employees are always effective.

Give background information. Corporate messages can sometimes seem hollow and insincere. Make sure people know how the organization is doing and why things must change. It is dangerous and patronizing to assume that staffers won't be interested in the reasons for the change or that they will not understand the reasons.

Adapted from "Managing Internal Communications during change" Sally Newman

Creating Smart Revenue in Tough Times

By Ray Somani and Jennifer Polito

Revenue is important to ISOs, but smart revenue is essential to an organization's sustained growth and profitability. What is smart revenue? Managing leads effectively and optimizing lead flow across sales and marketing to create an efficient and productive sales process generates smart revenue. By increasing the quality and quantity of leads, and therefore new merchant deals, an ISO can positively impact revenue generation. A robust and innovative lead management software solution geared specifically for the Payments industry is an essential tool to manage and train a sales force while providing an ample amount of tools for analysis and revenue forecasting.

In order to have an efficient and effective sales team, certain things are needed. All of these can be ascertained through a well designed lead management system. First, the ability for an ISO to forecast the number of deals coming in by the end of a given month is key. Accurate forecasting helps in managing resources, handling expectations, and most importantly, balancing out revenue. A lead management system that tracks prospects from all Sub ISOs and sales agents will accurately portray the expected number of deals that will close in a given time period. This forecasting is essential to oversee a healthy business and to set up a foundation for proper growth.

Second, data analysis and reporting is a very useful tool that can be made possible using a lead management solution. With a dashboard of sales activity, each sales agent can gauge his or her specific performance for a period of time. Furthermore, with a universal view of prospects and merchants, a sales agent has instant access to contact information, notes, and any electronic attachments for a prospective merchant. For the

ISO, the value of a data analysis and reporting module is paramount. An ISO can use reporting and dashboard functionality to aggregate all the different sales agents and Sub ISOs into one comprehensive view. In addition, the ISO has the ability to dissect the more productive and efficient sales agents, the types of merchants being signed most often, and even get a feel for profitability of the portfolio. This is

the just the first level of data analysis and reports. As the data continues to accumulate in the system, more comprehensive data mining can be done to produce a wide array of valuable information used to analyze the past and predict best practices and success for the future.

Another benefit to a solid lead management system is communication with the sales force. In most ISO and sales agent environments,

geography becomes a barrier. Sales agents may be spread across a region or even the entire country. With the expense of face to face contact, communication becomes tough. A proper software solution allows an ISO to convey promotional messages, informational downloads, and messages of general interest, to one or many of the Sub ISOs or sales agents. This creates an information portal where the ISO can convey useful information that the sales agents and Sub ISOs can read, download, and digest on their own schedule, whenever and wherever they are logged into the system. This overcomes expensive face to face or phone contact, and destroys the time zone barrier across the country as well. Furthermore, an ISO can use this type of analysis to determine which sales agents might need more education or training and also to see which are the most efficient and productive sales agents.

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Advertising Space Now Available in the Acquiring Mind!

Law enforcement and industry non profit organizations advertise conferences and seminars at no charge provided space is available.

Contact Deana Sellens at (713) 822-4368 or
dsellens@tcbconsultingonline.com for details.

New Social Networking Site for Compliance and Risk

By Deana Sellens

TCB is pleased to announce that we have set up a new social networking site for risk and compliance people. The site has some fantastic features that should be beneficial to the industry. It is free to register, however you do need an invitation.

Forums

The site features forums on Fraud, Underwriting, Account Monitoring, Compliance, General Discussions, and Careers. The forums allow users to carry on discussions about issues they are currently involved with.

Online Chat

Users can use the online chat feature to instant message those who are online at the same time. This feature is handy if you have a quick question or if you just want to keep up the personal contact with other investigators. Chats can be with individuals or the entire group of whoever is online.

RSS Feeds

The site features RSS Feeds from Watchguard Wire, CNN, TCB's online journals, Phone Dog and Snopes. The feeds change so you are current on the latest computer viruses, news events, and industry information.



Calendar

The calendar allows users to post industry events and any other important training that may be coming up.

Blogs

There is a blogger for use by any member. Users can blog about cases they are working together. Other users can see the data and add to the case.

Photos and Videos

Photos and videos are to be used for training scenarios only, but they are very useful. Users can share counterfeit identification pieces,

interviews, training videos, etc.

Email Members

Rather than digging through various lists of people, any member can quickly email through the network.

As always, TCB hosts these training tools at no charge to the users, but the site is what the users will make of it. The more you use it and provide input, the more helpful it will be to the industry. We look forward to hearing your input! If you would like an invite to the website, please email dsellens@tcbconsultingonline.com.

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Another lecture went into passport hacking and how to change who you are on your passport. Our brilliant government bought cheap chips from China with the worst encryption they could find and it showed!

My personal favorite was his lecture on translating full magstripe data into .wav (sound) files. Oh how this brought back memories of the IAFCI Conference where one of the card Associations got up to explain that they were working on this technology that would record the sound of the mag stripe and this would be an additional check. A fellow investigator and I had a good giggle over that one over drinks at the hotel bar that evening. Major actually proved you could not only duplicate the sound, but you can actually duplicate all of the card data on the stripe as a sound. He hooked a tape deck to a credit card machine and was translating the card data into .wav files.

Let's think about this...How do investigators find card data on hacker's machines?

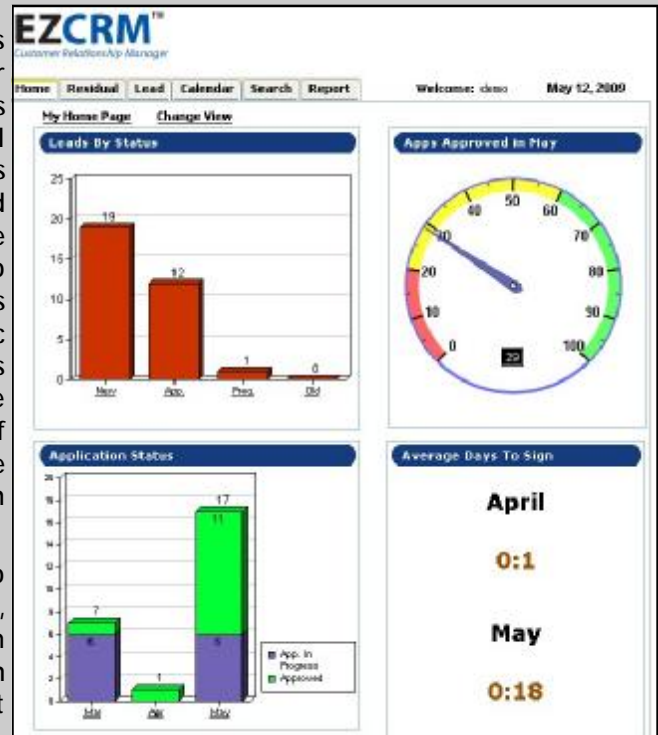
They look for algorithms in number sequences...not music files. That makes you think a little bit doesn't it?

If Defcon is not on your travel plans, I would highly recommend rethinking it. You go to MAC and IAFCI for contacts. You go to Defcon to learn!

Creating Smart Revenue in Tough Times Continued from Pg 3

The ePayware EZLeads lead tracking and management system gives sales agents and ISO offices fast access to data-online, with a user interface so simple and intuitive it is the one solution every sales agent will love to use. The interactive dashboard is fully functional and allows the user to drill down for as much detail as needed as well as contextual links which truly allow the user to interact and make sense of the data. This system offers customization to fit the way you sell, instant global deployment, and security controls so agents can only access their own leads. EZLeads monitors leads from creation to conversion with capabilities that include automatic date/time stamping, campaign or lead source tracking, lead status changes, and lead activity management. The calendar feature enables the user to effectively plan their time and keep track of their to-do-items and the extensive reporting option allows the user to generate and save reports based on their specific search criteria.

EZLeads is an online hosted SaaS (software as a service) solution so there is no need to buy any hardware or software. Currently, ePayware is offering a free base version as well as a paid premium version of its EZLead Management System. For more information go to http://www.epayware.net/products_lead.asp or contact jennifer.polito@epayware.net for an online demonstration.



ePayware Inc., has been a technology solution provider to the Payments Industry since 2002. We have created a suite of operational efficiency solutions from lead management, merchant enrollment, underwriting, merchant boarding, terminal file building, customer service, inventory management, agent residual payouts, risk, and merchant portal. We have many large, satisfied MSPs, and have started bringing subsets of our enterprise system as SaaS offerings to smaller MSPs, ISOs, and sales agents looking for cost effective solutions, without a high cost outlay, but with the ability to get up and running rapidly. We currently offer lead management and application status, agent residual payouts, and merchant enrollment as modules in a SaaS environment. As you start your journey on choosing a proper software and technology provider and offering for you or your organization, make sure the company has a quality product, has been servicing your industry for a while, and has a proven track record with exceptional customer service. This will allow you to utilize a beneficial offering for you or your organization, and focus on growing your business during these tough times.

Ray Somani is President and Jennifer Polito is Client Manager of ePayware, Inc., a technology solution provider dedicated to the United States Payment Industry since 2002. ePayware started with its flagship product, EZPOS Builder, which is used throughout the country in large MSPs and Processors to manage terminal file builds through a web-based interface. Consequently, ePayware has worked with MSPs to create a suite of efficiency products called MSP in a Box that helps ISOs and MSPs manage the entire life cycle of prospecting, enrolling, and servicing a merchant. Ray can be reached at ray.somani@epayware.net or at 408-417-0123. Jennifer can be reached at jennifer.polito@epayware.net or at 650-704-5054.

Has your travel budget been cut but you find yourself still in need of a training solution?

TCB can help!

We are now offering a webinar training series. Subjects include:

Risk 101, Underwriting 101, Fraud Detection and Prevention, Fraud Damage Control and Case Preparation, Customer Service for Risk Management, Risk Management for Customer Service, and Acquiring Fraud for Law Enforcement.

For more information, please visit our website www.tcbconsultingonline.com.



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***Delivering significant and measurable
results!***

Continued from Page 1—Operations and Sales Training

blame them for this lack of understanding, but if we do not invest in their training, we have no room to complain.

It is important that operations always thinks about how it would be if you were out on the street meeting with potential clients and offering them products that you were counting on someone else to deliver. If sales loses the customer due to an operational issue or miscommunication, they also run the risk of reputational damage. A sales person's reputation and paycheck are both on the line. Does it make sense that they would just not want to understand operations?

Have your operations trainer do an introduction call and boarding 101 training. Make sure the trainer gets any applications from new sales offices. This person should go through the applications and look for training issues. As issues are identified, go back through the process with the sales office. If you need to call the merchant, do it with the new sales office on the phone so they can hear the approaches you are using.

So you say your ops people do not help in the training process... Will this help your shop?

Test it:

How many of your new sales offices send in less than 10 deals and then vanish? Of these deals, how many of them were held up? How many were pended because of something missing or wrong? How many fell into the risk area almost immediately?

Try it.....

Beta test on 10 new groups. If you do not see a difference, you can always discontinue the program. Not only should you see more sales representatives writing with you longer, you will begin seeing more camaraderie between your sales and operations areas.