

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.

Issue 9

March 10, 2009

Competing with the Big Guys - Using SaaS to Level the Playing Field

The latest trend in software applications is Software as a Service, or SaaS. What exactly is SaaS, and is it beneficial for Independent Sales Organizations (ISOs) and Merchant Service Providers (MSPs)? A SaaS provider is a company that offers individuals or enterprises access over the Internet to applications and related services that would otherwise have to be located in their



own personal or enterprise computers. SaaS solutions have become popular recently for both small and large organizations alike. SaaS provides immediate, flexible, and affordable access to a variety of business software for a relatively small monthly subscription fee. Through SaaS, advanced software and networking are no longer exclusive to the wealthiest companies, but

available to a company, or even individuals looking for software or a service.

There are many distinct advantages to a SaaS solution. The primary advantages, are technology related, and prove to be very compelling, especially in this tough economic climate where we all are trying to focus on running efficiently. For example, SaaS provides a cost reduction for technology. For users of all sizes from individual sales

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Special points of interest:

- Competing with the Big Guys - Using SaaS Technology to Level the Playing Field
- Are you sitting on a gold mine? - CRM
- Disaster Recovery for the Small Business
- White Collar Crime Day in Houston
- TCB Webinar Series for Risk Management
- Dragnet Accesses the Social Security Administration's Database

Are You Sitting On a Gold Mine?

What is your most valuable asset? Many of you think it's your merchants and the residuals you get from them. Well, that's not exactly the whole picture. Your residuals are the result of the activities your merchants generate. But it's not really an asset. Now you're thinking desks, computers and fax machines. Yes, they are assets and you probably couldn't run a business without a computer. Is your sales team your most valuable asset? They certainly think so. Sales

is the top of the food chain in many organizations. They bring in new customers and revenue. They should be nurtured, trained and compensated.

However, there is one other asset that is more valuable than any of the above. Believe it or not it's your data. ISO's have historically never taken advantage of their merchant information. Many don't even collect any information from their merchant beyond what is on

the merchant application. Often that information is available on paper only and filed away and archived to storage.

Many ISO's and sales people use contact management applications such as Outlook, Goldmine, or ACT! This is a great start to digitizing your merchant and prospect information. However, contact management software are

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often standalone applications and people only enter minimal information.

The answer is a two prater. Customer Relationship Management (CRM) systems are integrated solutions that help you to manage not just data but all touch points between your employees and your merchants. Data entered into CRM systems can be used to launch marketing campaign, track opportunities, generate pipeline forecasts, and provide a 360view of the merchant, including notes, call transcript, inbound activities, outbound activities, and other transactional information.

Picture this:

You import a list of leads that you purchased into your CRM system. You call the people on the list and enter notes from the call. Are they currently processing credit cards? Are they happy with their processor? Do they know what they are paying? Do they want to save money? What is their current volume? What is their average ticket? What types of goods and services do they provide? Would Mr. Merchant like a free analysis of their current statement? Great! Fax us your statement and our analyst will call you back.



The merchant faxes you his statement which you receive in your Outlook inbox and is now tracked in CRM under Mr. Merchant's account. You set up an appointment for the call back and assign the appointment to a sales person who gets an Outlook meeting request on their calendar.

The sales person meets Mr. Merchant who signs the application. Sales person takes the application back to the office, opens up his CRM, enter the additional information from the application, scans in the application and other needed documents. Since his CRM is integrated with the merchant boarding system, he clicks "Submit" and the appropriate information is sent for approval.

That afternoon, your sales person opens up his Outlook and receives an approval notification for Mr. Merchant. He clicks a link from the email to his CRM and Mr. Merchant's file now has the status of approved with an MID.

Wait! There's More

So now you have a bunch of merchants in your CRM. One day you decide that you want to run a special on equipment. You run a report from CRM for all merchants who purchased equipment from you more than 3 years ago. You click on a button and emails and faxes are sent to those merchants with your promotion. You click another button and create tasks assigned to three different sales people to call those merchants in three days.

Next, feeling pretty good about all the work you just did, you decide to look at your dashboard, where you see a report of merchants that have no volume since they were approved. You drilled down and found that many of these merchants have not completed a download. You send this list to your customer care department and they call to walk them through the download process.

Still feeling pretty good, you suddenly noticed the little pie chart that tells you how many merchants have called more than 3 times within the last week. Wow, there are quite a few of them. What's going on? You drill down and see a gamut of reasons they are calling. You form a small taskforce and assign these calls to them to find out what the issues are and how they can be resolved.

If all this sounds like it's too good to be true, it's not. Your organization can really benefit from a good CRM strategy and a flexible CRM system.

Management Advisory Systems is an impartial business consulting firm for over 15 years. Our experience in the credit card industry can help your organization maximize your technology investment, helping you increase your profits and revenue and decrease costs and errors. For more information about CRM, please contact Trinh Abrell at 832-439-6678 or visit the MAS website at www.MAS-Corp.com.

Article contributed by Trinh Abrell—Management Advisory Systems

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.

Disaster Recovery for the Small Business

The focus of this issue of *the Acquiring Mind* is helping small ISOs and businesses compete with the big boys. We're all tired of reading articles about the doomsday economy. Let's get focused on how the small business can compete. As TCB runs across new cool and groovy products, we like to feature them in our newsletters. We recently met a company called MX Logic at the SecureWorld Expo and their product is perfect for the smaller or start up ISO concerned about affordable disaster recovery and security.

MX Logic is the world's largest independent provider of managed email and web security services. Their services include:

Filtering of inbound and outbound email messages and attachments in order to identify and block spam, worms and viruses, and inappropriate content, while also protecting customers from coordinated email attacks and email fraud. This feature is particularly interesting to the processing world. As we all know, customer service people often just do not think and email out a credit card number or a merchant may email one in. This system can be set up to search emails for possible violations of this and stop them from going out.

Filtering of web traffic in order to protect business networks and users from web-borne malware,



including viruses and spyware, while enabling management and oversight of employee web usage.

Email disaster recovery services which range from spooling of all inbound messages in the event of an email outage to full web-based access to and use of email during outages. Once service is restored to your company, the system syncs up the email accessed via the web.

Email archiving which enables customers to automatically and securely archive their internal, inbound and outbound email messages to a centralized, secure location.

The MX Logic products are easy to implement due to the fact that there are no hardware or software installations required. The system can also be administered without an IT person. There are no set up fees and they offer a month to month agreement so their clients are not locked into a long term contract.

The system appears to be an ideal match for the ISO starting out who cannot afford a lot of down time. If you would like more information about the MX Logic product suite, you can visit their website at www.MXLogic.com.

White Collar Crime Day in Houston—Conference Planners Learn from Our Mistakes!

The Gulf Coast Chapter of the IAFCI has been coordinating a fraud conference for the last several months. We have experienced many more hurdles with this conference opposed to others we have put on in the past. We wanted to share some new ideas we have come up with to help save on resources and hopefully make your conferences more successful than ours has been.

Attendance has been very low for many reasons. Reduced budgets and so many conflicting conferences are the two biggest offenders. There are literally over 10 fraud groups in the Houston area. Normally we have over 100 rooms booked even though it is held in the Houston area. This year, budgets have been cut and people are having to commute. We made a fatal mistake by scheduling the conference in Galveston, so these poor attendees have a 2 hour drive to get to the conference.

After going through all of the motions, we have begun partnering with other local networking groups. Instead of each group putting on a separate conference, we are going to try coordinating a White Collar Crime Day in the Houston area next year. We will be involving insurance fraud investigators, law

enforcement, and other local networking groups so that we cover everyone's needs.

We are also sticking to a day seminar rather than worrying about hotel room counts. A day seminar can be hosted by a company, the local Chamber of Commerce, or a large library with meeting rooms.

This will not only benefit your group in terms of resources and increased networking potential, but it can also help financially. A bigger turn out will mean more money the vendors will be willing to pay for booths, more vendors, and more sponsors. It will also allow smaller groups to benefit from a conference they could not have coordinated themselves. Simply split the conference proceeds based upon membership counts or by how many from the group registered.

If the first is a success, we may expand to a two day plan or maybe a one day course every 6 months. There are so many more possibilities when you partner with others to achieve a common goal.



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agents, to ISOs, and even to large MSPs, the SaaS advantage is a monthly fee to access applications instead of having to invest many thousands of dollars to create and maintain IT infrastructure. Aside from the cost of the IT hardware, organizations will have to bear the costs of recruiting, retraining, and sustaining IT personnel that will be necessary to manage the IT systems and software.

Secondly, SaaS provides shorter implementation cycles for a user or organization. How? A SaaS provider has already invested in the technical systems, access permissions, software configuration, and technical personnel required to run the systems. By offering a web-based, remote login to a user or organization, with minor configuration to personalize the system, the SaaS provider can have you operational on your new software system in a fraction of the time (and not to mention a fraction of project management headache) that would be required to install something internally.

Thirdly, a SaaS solution allows agents, ISOs, and MSPs to focus on their core competency, generating new merchant accounts, and maintaining relationships with existing accounts. I personally believe this is the most convincing reason for a SaaS solution. It allows specialization of labor, letting the SaaS provider do what they are best at (providing online access to software on robust technical systems), while allowing you, as a sales, operations, and service organization to focus on your current merchants and prospective merchants. It eliminates the need for a small organization to become an expert in all areas of running the business. Most people outsource financial work to an accountant and legal work to a lawyer. In the same way, why wouldn't you outsource your software management issues to a company experienced and equipped to handle this?

Last, but not least, especially with the economic state as it is, the ability to reduce financial expenditure is always a welcome approach. SaaS solutions allow a user to utilize enterprise grade software from day one, but at a low cost monthly rental rate. The SaaS provider is able to provide this service by creating economies of scale by offering the solution to many users. The SaaS provider is able to spread the cost of software development, software maintenance, technical support and hardware infrastructure across the many users accessing the system.

Sounds great right? What are the drawbacks? There are some. For example, the software and service you are seeking may not be available exactly as you wish by the SaaS provider. In this case, the user must determine whether the difference in features or functionality in the solution being provided is offset by the advantages of cost, quicker implementation time, and ability to focus on core competency to grow the business. Also, some companies want to "own" their solution, and are not

willing to access a remote solution. Once again, this is a behavioral change.

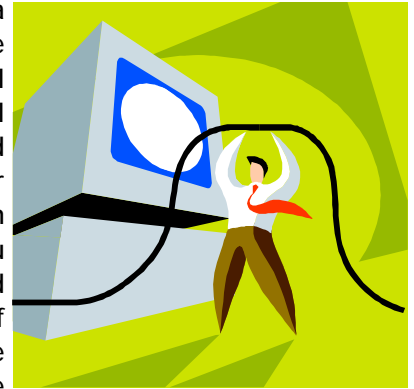
Technical systems are secure, and as long as card holder data isn't being stored in a remote system, you can feel reassured regarding the safety of your data in a secure data center. In the same

way we all access a search engine on the web instead of creating and housing one internally, the new trend in optimizing and creating efficiency is to utilize the assets and ability of external service providers.

My company, 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 SaaS 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 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.

Article Contributed by Ray Somani—ePayware, Inc.



TCB Risk and Loss Prevention Webinar Series

TCB has officially kicked off our new webinar training series. As we all know, travel budgets have been cut and even if they had not, a company can usually only send one or two people to industry training. For this reason, we have designed a series of webinars to address training issues within the industry.

Our webinar instructors have over 10 years of industry experience in operations and risk management. The webinars are held at lunch time to allow brown bag settings for departments on tight schedules.

Underwriting 101 is a beginners or refresher course for underwriting. It addresses identity theft, fraud apps, the basics of a credit bureau report, the importance of data accuracy, and tricks and tools to help get applications approved in a timely manner.

Fraud Detection and Prevention is a focus on merchant fraud. It is an in depth look at all types of fraud, the latest in fraud trends, how to detect each type of fraud, and how to prevent getting hit over and over again by the same perpetrators.

Fraud Damage Control and Case Preparation looks at what to do when a loss occurs and how to present a case to law enforcement so that it is looked at. We address how to get banks to return money, how to find other accounts on your books potentially associated with the account, what agencies to contact, building the loss to get law enforcement's attention, and we touch on SARs briefly.

Risk 101 is a beginners or refresher course for risk personnel. We address the fundamentals of risk monitoring and why we look at the flags we look at. We also discuss how monitoring future service merchants is ineffective with the standard risk flags.

Suspicious Activity Reports is a step by step guide to filing reports so that they are useful to law enforcement. 80% of the SARs filed are next to worthless due to inappropriate or lacking information provided by the filer.



Customer Service for Loss Prevention Personnel is in two sections. We have one geared toward managers and one toward investigators. These webinars are an in depth look at how Loss Prevention can be effective and still be service oriented. We also discuss how to better involve the sales force to grow a cohesive bond between them and risk.

Loss Prevention for Customer Service is a course geared for those employees on the front line every day. If you are not using them as your first line of defense, you are letting money walk out of the door. We show customer service some of the things to look for and encourage communication between them and Loss Prevention.

Acquiring Fraud for Law Enforcement is geared for members of law enforcement who want to know more about merchant fraud. There is no charge for this webinar and we will arrange individual trainings for single squads or task forces. We go through each type of merchant fraud, how we detect it, and what they should ask for when investigating these cases.

If you are interested in joining us on any of our webinars, please contact Deana Sellens at 713-822-4368 or dsellens@tcbconsultingonline.com.

Dragnet Accesses the Social Security Administration's Database

The banks get all of the cool toys. We do not have the luxury in the processing world to be able to see our customer face to face. We cannot check an id and validate its legitimacy. We are lucky to get a copy. Well, I ran across a product that made me drool and wish we could somehow integrate it into the processing world. The product is called Dragnet.

Dragnet is a system many banks are using to validate identity. The system scans a state issued id and validates all of the security features of the id including the 2D barcodes, magnetic stripe, micro print, etc. It also allows banks to scan known bad pieces of identification in and the system compares them to those being used by people to open accounts. Facial recognition is even being used. About now, I am sure you are all thinking the same thing I was, "How can we use this? I want one!!!"

Another feature of the system is that the Social Security Administration is allowing them to directly access their database. As we all know, credit bureau reports are easily manipulated over time with enough bad hits. Besides, who even looks at the date of birth any more because the information is so tainted. Dragnet gives users a portal to the SSA to make sure the Social Security Number, date of birth, name, and gender actually match the SSA's records.

The system can be integrated into a data entry system and can accept batches of data. Now don't get me wrong, I am still trying to figure out how we can use the rest of this cool and groovy system. Until then, we can at least get a taste of what the banks are benefiting from.





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Delivering significant and measurable results!

TCB Found More Than \$400,000 in Lost Residual Revenue Last Month!

Residual Auditing Services Are Now Available from TCB.

No risk! We get paid only if we find money for you!

TCB has audited many portfolios and to date, we have found losses in revenue on every portfolio we have audited.

The lowest amount identified was \$13.68 (average) per merchant per year. The highest was \$83.40 (average) per merchant per year. How much could we save you?

Savings Calculator

\$13.68	\$83.40
X _____ <i>Insert # Merchants</i>	X _____ <i>Insert # Merchants</i>
_____	_____
\$ _____ add'l revenue/year	\$ _____ add'l revenue/year

Call 713-822-4368 for more information about our NO RISK program!