How To Start & Scale Your Payments ISO

A Letter from the Editor

Welcome

In the fast-paced and ever-changing world of financial technology, having a clear and comprehensive guide is not just a luxury—it's a necessity. That is why we have published this book, which is more than just a collection of ideas; it is a roadmap to success in Fintech or what traditionally is known as the payments processing or merchant services industry.

Our goal as editors was to take the vast knowledge and experience of the Merchant Advisory Services team and distill it into an accessible, actionable resource. We have organized this guide to flow like a story, beginning with our mission and principles, moving through the practical tools and processes you'll use every day, and concluding with a clear path for career advancement and long-term success.

We have included a detailed glossary to help you navigate the specialized language of payments and fintech, as well as an FAQ that will answer many of the most common questions people ask. The knowledge contained within these pages is designed to empower you to not only meet but exceed your goals, transforming a job into a truly rewarding career.

We are confident this book will serve as a powerful tool on your journey.

Sincerely,

The Editorial Team

A Letter from the Author

To Our Newest Partner,

I wrote this handbook because I believe in the power of knowledge, and I believe in the power of you. In the world of merchant services, success is not a secret; it's a direct result of expertise and a commitment to helping others.

The payments landscape is complex and, for many business owners, confusing. They are often overcharged, underserviced, and left to fend for themselves against a sea of jargon and hidden fees. This is where you come in. You are not just a salesperson; you are an advisor. You are the advocate a business owner has been looking for.

This guide will equip you with the essential tools, processes, and knowledge to build a business that is not only profitable but also deeply rewarding. It will teach you how to read a statement, understand the intricate pricing models, and—most importantly—how to articulate a solution that truly solves a client's problem.

You are reading this at a pivotal time. The digital economy is booming, and the need for ethical, knowledgeable partners has never been greater. We have built the systems and the resources, and now we are entrusting them to you.

My promise to you is this: the knowledge in this handbook, combined with your ambition and drive, will set you on a path to a career with unlimited earning potential and a clear route to becoming an executive leader with the option for a life-changing exit. Now, let's get to work.

Warmly,

JP Biamby

Introduction

A Note from JP Biamby

My name is JP Biamby, and my journey in the world of payments technology, or now as it is affectionately called ‘Fintech’, began not with a grand vision of a multi-billion dollar corporation, but with a simple, profound frustration. I saw small business owners—the backbone of our economy, the risk-takers and the dreamers—being taken advantage of. They were being confused with unnecessary fees, locked into unfair contracts, and left to fend for themselves with frustratingly non-existent customer support. The financial services industry, to me, seemed like a complex, predatory labyrinth designed to confuse and overcharge.

This observation was the catalyst for what happened next. I knew there had to be a better way. The idea wasn't just to sell a service; it was to become an advocate. To be a trusted advisor. To give business owners a trusted partner, not just a vendor. This is what led me to create Merchant Advisory Services, a company built on a foundation of integrity and a relentless focus on client success. We chose a consultative approach, staying true to our name, because we believe that our success is directly tied to the success of those we serve.

Over the years, our mission has evolved. We've proven that honesty and transparency are not just noble ideals; they are a powerful business model. We've built an organization with exclusive partnerships that allow us to offer an unparalleled advantage in the marketplace.

But a new challenge has emerged. I see so many talented, ambitious individuals who are hungry to enter the fintech space. They are the next generation of entrepreneurs, and they see the same opportunities I did. However, they are often stopped by the same barriers: the prohibitive costs of starting a company from scratch, the complex regulatory landscape, and the struggle to establish credibility and leverage in a crowded market.

This guide is my answer to that challenge.

This isn't just a self help guide either. It's not just a dry sales pitch. This is a story—my story—of how I built a successful fintech company from the ground up. It's a blueprint for you to follow, a step-by-step guide that will give you the tools, the knowledge, and the confidence to not just enter the fintech industry, but to dominate it.

I am going to share our secrets, our resources, and our proven methods. My goal is to empower you to bypass the long, arduous journey of the typical startup and instead, allow you to leverage our success and our infrastructure to jumpstart your own. I will show you how our exclusive relationships with the top industry players like Fiserv & Global Payments gives you an insurmountable advantage—access to wholesale rates that are simply unattainable for any new business.

The path to success is here. You just have to be ready to take the road less traveled.

The Entrepreneurial Spark

This first part of the book is about understanding the landscape and finding your place within it. It's a call to action for the aspiring fintech entrepreneur, a realization that the traditional path is often the most difficult, and that a new, more strategic approach is available. We will explore the common frustrations of new entrepreneurs and introduce the idea of a partnership as a catalyst for success.

Chapter 1: The Fintech Dream and the Startup Delusion

We want you to meet Alex. Alex is a brilliant, driven individual with a knack for business and a deep understanding of consumer behavior. She's followed the rise of companies like Square, Stripe, and PayPal, and she sees the immense potential in a market where every business needs a way to accept payments. Alex isn't a coder, a banker, or a venture capitalist, but a normal human being just like you me with the most important quality of all: a relentless entrepreneurial spirit. She has a passion for solving problems and a desire to build something meaningful. More importantly, she knows that every business, whether a small cafe or a global e-commerce brand, needs a reliable, affordable way to accept payments. We all know this is the new gold rush.

Alex's first instinct, like many entrepreneurs, is to go it alone. The "build it and they will come" mentality. The dream of a new, revolutionary payments app that will change the industry. A simple search reveals the cold, hard reality of the fintech startup world.

- **The Cost of Entry:** A true fintech startup requires massive capital. We're talking about securing a minimum of $2 million in initial funding just to get the doors open. This money is needed for regulatory fees, application development, security infrastructure, legal counsel, and the long, slow process of securing a banking sponsor. Without millions of dollars from investors, this path is a non-starter.
- **The Regulatory Labyrinth:** The financial services industry is one of the most heavily regulated in the world. New companies must navigate complex rules set by organizations like the FDIC and the FTC, and comply with standards like PCI-DSS (Payment Card Industry Data Security Standard). A single misstep can lead to catastrophic fines or even the shutdown of a business. This requires a dedicated team of compliance experts, an expense most startups simply can't afford.
- **The Technology Trap:** A true payments platform requires sophisticated and secure technology. This includes a payment gateway, a virtual terminal, point-of-sale integrations, and a robust back-end system for processing transactions. The cost to develop, test, and maintain this technology is astronomical. Most startups end up using off-the-shelf software and paying exorbitant fees for it, which immediately eats into their margins and makes them

uncompetitive.

- **The Lack of Leverage:** This is the most significant barrier. In the payments industry, your ability to offer competitive rates is directly tied to your processing volume. A new startup, with zero clients and zero volume, has no bargaining power with major card brands or processors. They are forced to buy at retail price and sell with a razor-thin margin, making it nearly impossible to win a client with any significant volume.

Alex quickly realizes that the "go-it-alone" dream is, in reality, a fantasy for most people. The startup delusion tells you that you have to build something brand new, but the smartest entrepreneurs know that the real genius is in finding a way to leverage what already exists. The path to success isn't about reinventing the wheel; it's about finding the right vehicle to get you to the finish line.

Alex's search shifts from "how do I build a company?" to "who can I partner with to start a business?" The focus is no longer on creating a new platform, but on finding a partner that offers a proven model and an established infrastructure. This is when Alex's research leads her to Merchant Advisory Services.

Chapter 2: Finding A CoPilot : Partnerships Built on Integrity

Alex’s first encounter with Merchant Advisory Services wasn't through a flashy advertisement but through a need to accept payments for her website. She was looking for a payments partner that was different—a team that put her, the client and her product first. Alex decided to investigate further, visiting the website and reading about the company's mission.

What she found wasn't a corporate manifesto but a set of guiding principles that spoke to a deeper purpose:

- **Be Authentic:** Alex had worked with companies where every conversation felt scripted and every interaction felt artificial. Merchant Advisory Services' emphasis on authenticity was a breath of fresh air. They valued being genuine and believed that a productive environment comes from being true to yourself. This meant that the company wasn't just looking for salespeople; they were looking for partners who could build real, lasting relationships based on trust.

- **Be Honest:** The payments industry is notorious for hidden fees and complex pricing. The Merchant Advisory Services' commitment to honesty was a powerful counter-narrative. It was the foundation of their transparent pricing model and a core tenet of their client relationships. For Alex, this was a critical selling point. She could sell with a clear conscience, knowing her or her clients were getting the best possible deal without any surprises.
- **Be Accountable:** Most companies promise savings, but Merchant Advisory Services proves it. Their commitment to accountability means they provide measurable results. They show clients exactly how much money they're saving and back it up with a level of expert support that is unrivaled. This accountability wasn't just for clients; it was for partners as well. It meant that every promise was backed by a system designed to deliver.

Alex realized this was more than just a business opportunity; it was a values alignment. This wasn't a partnership where they would just be a cog in a machine. She would be an extension of a company that truly believed in its mission.

The most important discovery for Alex was the partnership model. Merchant Advisory Services had already done the difficult, expensive work: they had secured the banking relationships, built the technological infrastructure, and negotiated the exclusive wholesale rates. They had spent years establishing their credibility and building a reputation for excellence.

By becoming a partner, Alex wouldn't have to worry about:

- **Capital:** There are no franchise fees or massive startup costs. Start building your business with minimal investment.
- **Technology:** Get immediate access to our secure, state-of-the-art systems, including a powerful CRM, an automated marketing engine, and a comprehensive back office.
- **Leverage:** Immediately offer the lowest wholesale rates in the industry, giving you the power to compete with any large processor from day one.

The term "co-pilot" wasn't just a metaphor. It was a tangible reality. Merchant Advisory Services would provide the airplane, the fuel, and the flight plan. Alex could be the pilot. This was the most intelligent, efficient, and sustainable way to launch a fintech business. The foundation was already built. All that was needed was the entrepreneurial drive to build upon it.

This realization solidified Alex's decision. The next step was to learn the tools of the trade and begin the journey of building a successful fintech empire.

Chapter 3: Building Your Product, Building Your Company

In the world of technology and entrepreneurship, the words "build" and "partner" are often seen as opposites. You either build something from scratch, or you partner with someone who has already built it. In the fast-paced payments industry, the most successful ventures do both. They build on a strong foundation provided by the right partners.

This chapter will highlight a crucial truth: whether your goal is to build a new software product, like a mobile app or a full-fledged SaaS platform, or to build a company, like an ISO, your success is a direct reflection of the partners you choose.

Building Your Product: The ISV Path

The payments industry is ripe with opportunity for innovation. Perhaps you're a developer with an idea for a mobile payments app, or you've created a vertical-specific software solution for a niche industry. You are an Independent Software Vendor (ISV), and you have a product to build.

We all know that even the most brilliant software product cannot succeed in a vacuum. It needs to seamlessly integrate with the complex ecosystem of payment processors, banks, and card networks. This is where your partnership with Merchant Advisory Services becomes invaluable.

We provide access to the developer documentation and ISV back-office of our partners. This means you don't have to spend years navigating the complex and often expensive process of building direct integrations. Instead, you can leverage our existing relationships and technical infrastructure to quickly and securely connect your product to the payment gateway. We can help you:

- **Integrate swiftly:** Our partners' developer documentation provides the APIs and tools you need to integrate payment functionality into your software with minimal friction.
- **Ensure compliance:** We guide you through the complexities of PCI DSS compliance, helping you ensure your application securely handles sensitive cardholder data, protecting both you and your merchants.
- **Monetize your product:** Our partnership allows you to not only enable payments but also to earn a revenue stream on every transaction that flows through your software.

Without a partner like Merchant Advisory Services, building a payments product can be a slow, costly, and risky endeavor. We give you the technical foundation and the business expertise to turn your product idea into a profitable reality.

Building Your Company: The ISO Path

Maybe your goal isn't to build a new product, but to build a new company. You want to be an Independent Sales Organization(ISO), leading a team of advisors who help businesses navigate the payments landscape. This path is equally dependent on the partners you choose.

Building a successful ISO from scratch is a monumental task. It requires establishing relationships with sponsor banks, building a robust back-office for reporting and support, and developing a sophisticated lead generation engine to feed your sales team. This is precisely what Merchant Advisory Services provides.

When you partner with us, you are not building from the ground up—you are building on our proven foundation. Our resources are your resources:

- **Sales and training:** We provide the training and coaching you need to build and lead a high-performing sales team.
- **Lead generation:** Our inbound lead engine provides your team with pre-qualified prospects every single day, so you can focus on selling, not just prospecting.
- **Infrastructure and support:** We give you a full-service back-office, enabling you to manage your accounts and run your business without the overhead of building a support team from scratch.

In both the ISV and ISO paths, your success is amplified by the power of a great partnership. Whether you are building a product or a company, Merchant Advisory Services provides the integrity, expertise, and infrastructure you need to start strong and scale with confidence.

Chapter 4: Perfecting Your Pitch

After committing to the partnership, Alex was eager to get started. The first and most critical lesson was simple: you can have the best product in the world, but it means nothing if you can't get someone to listen. The foundation of any sales career, especially in fintech, is an elevator pitch.

Alex had heard the term before, but the training from Merchant Advisory

Services revealed a deeper truth. The purpose of an elevator pitch isn't to sell something. It's not about memorizing a script and reciting it. The purpose is to capture a prospect's interest and immediately signal that you have a solution to their problem. It's a 15-to-30-second conversation starter designed to open a door, not close a deal.

The company provided a library of pitches, but they stressed that the best one is always the one you craft yourself. Alex's task was to learn the anatomy of a great pitch and make it their own.

The Three-Part Pitch Formula

Every effective pitch, Alex learned, follows a simple three-part formula:

1. **The Hook:** A single, compelling question or statement that grabs attention.
2. **The Value Proposition:** A brief, clear description of what you do and who you help.
3. **The Call to Action (CTA):** A simple request that leads to the next step, which is almost always about gathering more information.

Alex started by practicing a few basic pitches to get a feel for the rhythm and flow.

- **The Direct Approach:** "We help businesses increase sales and cut costs. If we could help you keep more of your revenue as profit, would you be willing to work with us to invest in your growth?"
    - **Hook:** "We help businesses..."
    - **Value:** "...increase sales and cut costs."
    - **CTA:** "...would you be willing to work with us?"
- **The Time-Saver Pitch:** "I know you're as busy as I am, so I'll be brief. If you had a way to collect payments faster and spend less on swipe fees, would that help you? What accounting or POS software do you use for your business?"
    - **Hook:** "I know you're busy, so I'll be brief..."
    - **Value:** "...collect payments faster and spend less on swipe

fees."
    - **CTA:** "...what accounting or POS software do you use?"

Alex practiced these until they felt natural, focusing on the tone of a helpful consultant rather than an aggressive salesperson.

Beyond the Script: Asking the Right Questions

Alex quickly discovered that the pitch was just the first part of the conversation. The real magic happened when they started asking questions. The goal wasn't just to talk, but to listen and qualify the prospect.

The playbook provided a list of powerful questions that Alex used to uncover pain points and determine if a business was a good fit:

- "Ballpark, how much did you do in sales last month?"
- "How much were you charged in swipe fees last month?"
- "How do you find new customers?”
- “How do you keep the regulars coming back?"
- “Do you advertise your business anywhere at all?”
- "Have you experienced any fraud this past year?"

These questions weren't about gathering data for a report. They were about showing the business owner that Alex was an expert who understood their world. By asking, "Do you know how much you were charged in swipe fees last month?" Alex immediately put the ball in the prospect’s court, forcing them to think about a number they likely didn't know offhand. This created a perfect opening for Alex to say, "That's exactly why I’m here. We can tell you exactly what you're paying and show you how much we can save you."

Handling Objections and Rebuttals

Of course, not every pitch was met with an eager "Yes." Alex faced the same objections as every salesperson: "I'm not interested," "I'm happy with my current provider," or "We're not looking to switch right now."

The Merchant Advisory Services training provided a masterclass in handling these gracefully and effectively. Alex learned that an objection isn't a dead end; it's a request for more information.

- **"I’m happy with my current provider."**
  - *Alex's Rebuttal:* "I appreciate that, and that's great to hear. But let me ask you, if we could help you make an extra $300 a month—money that could go towards paying an employee or growing your business—would you at least be curious? It's not about changing your relationship; it's about putting more money in your pocket."
- **"I'm too busy right now."**
  - *Alex's Rebuttal:* "I hear you, and I promise to be brief. But time is money, right? This will only take a few minutes, and what if we find you’re overpaying by thousands of dollars a year? Wouldn't you want to get that money back in your pocket as soon as possible?"

The key, Alex realized, was to acknowledge the objection, show empathy, and then immediately pivot back to the value proposition. It was about persistence and a rock-solid belief in the value of the service. By mastering the art of the pitch and the science of the rebuttal, Alex was ready for the next critical step: finding the right people to talk to.

Chapter 5: The Art of Prospecting

With a perfected pitch in hand, Alex was ready for action. A great pitch is useless without someone to deliver it to. The next step in the playbook was lead generation, a term that Alex had previously associated with complex and expensive marketing campaigns. Merchant Advisory

Services simplified it, turning it into a systematic, repeatable process.

The training began with a core principle: *Start with what you know.* Instead of immediately reaching out to strangers, Alex was encouraged to begin with "warm leads"—friends, family, and neighbors. This approach served two purposes: it built confidence and provided a low-pressure environment to practice the pitch.

Once Alex had a few successes under her belt, she moved on to a more strategic approach: targeting a specific territory and industry. The instructions were clear and easy to follow:

1. **Choose a Niche:** Alex decided to focus on a familiar industry—restaurants and cafes because she had experience working at a coffee shop before. This allowed her to speak the same language as her prospects and understand their specific needs.
2. **Make a List of Zip Codes:** Alex identified 10 zip codes in her local area that were known for having a high concentration of small businesses, particularly in the food and beverage industry or the business district where there were lots of restaurants.
3. **Use the Tools:** Merchant Advisory Services company handbook, Back Office and Sales Training like our Passive Income Masterclass provides access to sales hacks, tips & tricks and offers like our exclusive Yelp Premium Partnership Deals or Free Device Upgrade Offers. Alex built a master list of 100 potential clients by identifying which businesses might benefit most from these offers. The goal wasn't just to find names, but to gather key information like the business owner's name, mobile number or an email and vital information like annual sales volume.

This process turned prospecting from a cold, random act into a targeted, efficient strategy. But the real game-changer was what happened next. Instead of a single, frustrating cold-calling effort, Alex was able to utilize the Merchant Advisory Services CRM and the email marketing tools. This allowed Alex to focus on what mattered most: following up on warm leads to close deals or going on the appointments set by telemarketers. The initial email or phone calls did the heavy lifting of a formal introduction, making Alex's subsequent phone calls or in-person visits much more productive.

The training also stressed a balanced approach. Alex's own daily goals included a mix of activities to prevent burnout and keep her pipeline full:

- **Telemarketing:** Making 100-200 enriched calls to a list of leads each day.
- **Mass Email Campaigns:** Scheduling automated emails to hundreds of prospects.
- **Social Media:** Posting at least three times a day on channels like LinkedIn and YouTube to attract inbound leads.

This multi-faceted approach to lead generation ensured a steady flow of new opportunities and taught Alex that success wasn't about a single grand gesture, but about consistent, persistent effort. By this time, Alex was no longer just a salesperson; she was a skilled prospector with a full pipeline and a clear plan of attack.

Chapter 6: The Unbeatable Edge

Alex had a perfected pitch and a steady stream of leads. She was regularly talking to business owners, setting appointments, and building a rapport. But in a crowded market filled with competitors, how could she close a deal when every other processor was promising the lowest rates? The answer lay in the one thing that no startup could ever replicate: *economies of scale and exclusive partnerships*.

This was the chapter where the story of Alex's success truly began to separate from the pack. Alex secured a meeting with a high-volume restaurant, a client with multiple locations and a significant monthly processing volume. The owner, a seasoned businessperson named Sarah, was polite but skeptical. She had seen it all and had been pitched by every major bank and processor.

"I appreciate you coming in, Alex," Sarah said, "but my current processor promised me the lowest rates. Everyone promises the lowest rates. Show me what you've got."

Alex didn't launch into a sales pitch. Instead, presented a detailed statement analysis or savings quote, generated by the Merchant Advisory Services team. This wasn't a generic estimate; it was a line-by-line breakdown of Sarah's own recent statement. It highlighted hidden fees, identified unnecessary charges, and then showed a side-by-side comparison of the cost of working with Merchant Advisory Services.

The numbers were impossible to argue with. The proposed savings were significant—over 25% on her monthly processing fees.

"This is impressive," Sarah said, "but how? No one has been able to match my current rate."

Alex took a moment to explain the fundamental difference. "Sarah, every processor, from the largest banks to the smallest startups, has to buy from the same place: the card brands. They all have to pay wholesale. The difference is that Merchant Advisory Services has secured partnerships with the largest processors in the world. Just because of the sheer volume of business we do across our entire network, we get exclusive access to their lowest possible wholesale rates. A new startup, or even a smaller competitor, can’t get these rates because they simply don't have the volume. They’re buying at a higher wholesale price and then marking it up. We have the leverage of a massive network, and we pass those savings directly on to you."

This was the "aha!" moment. Sarah understood that this wasn't about a clever pricing trick; it was about an unbeatable competitive advantage.

Alex was offering a value that no other business could provide. It was a simple, logical, and undeniable fact: by partnering with Merchant Advisory Services, Sarah could get access to wholesale rates that her own business, or any new startup, could never achieve on its own.

The deal was closed. This single win not only gave Alex a fantastic new client but also provided the social proof needed to attract even more high-volume businesses. Alex learned that the real value of the partnership wasn't just in the tools and knowledge, but in the leverage that it provided—a leverage that turns a good pitch into a winning deal.

Chapter 7: The Unbeatable Two-Front Advantage

Alex's reputation grew rapidly. After her win with Sarah and the high-volume restaurant, she found herself in meetings not just with skeptical business owners, but with those actively seeking a competitive advantage. Her next big challenge came from a boutique coffee shop owner named Mark, a dynamic entrepreneur with a strong brand but stagnating customer traffic.

Mark was already on a decent payments plan, and while Alex could show him some savings, they weren't enough to make him switch. "The savings are nice, Alex, but I need to grow my business. I can't just save my way to success. I need new customers walking through my door every day. Can you help me with that?"

This was the moment Alex had been trained for. This was the second half of the Merchant Advisory Services value proposition—the one that went beyond simply saving money.

"Mark, most payment companies will try to win you over on price alone, and we can beat anyone on that. But you're right, you can't save your way to success. You have to grow. And that's what our unique, exclusive partnership with Yelp is for."

Alex explained that through their Yelp Premium Partnership, Merchant Advisory Services could offer Mark something his competitors couldn't get: a direct pipeline to new customers. She didn't have to guess or promise vague results. She could prove it.

"We have an exclusive partnership with Yelp that allows us to offer deep discounts on Yelp Enhanced Profiles and online advertising," Alex explained. "It's not just a discount; it's a strategic advantage. A seasoned Yelp Executive from our partnership will personally create a customized presentation for you. They will show you exactly what your local competitors are doing to get customers, and then they will outline a precise strategy for you to outperform them."

Mark’s skepticism began to fade, replaced by genuine intrigue. He had spent years trying different advertising strategies with mixed results. A competitive analysis from a Yelp executive was a game-changer.

The presentation arrived a few days later, and it was even more powerful than Mark had imagined. It showed his top three local competitors' advertising spend, their customer reviews, and the keywords they were ranking for. The proposed strategy included a plan to drive a predictable source of new customer traffic to his website and phone number for orders.

"This is incredible," Mark said. "No one has ever shown me anything like this. This isn’t just advertising; this is a blueprint for growth."

Alex brought it all home. "This is the two-front advantage of working with Merchant Advisory Services. We help you gain new customers with our exclusive Yelp partnership, and we help you keep more of the money you earn from every sale by lowering your card swipe fees. We are the only partner who can both fill your business and protect your profits. That's a value proposition no one in the market can beat."

The deal was closed. Mark not only gained a partner for life but also a dual-pronged strategy for success. Alex had once again proven that by leading with an unbeatable competitive advantage—in this case, the power to both save money and acquire new customers—she could win over any business, no matter how satisfied they were with their current situation.

Chapter 8: Scaling The Empire

The success with the restaurant chain was just the beginning. Alex used the initial win as a testimonial and a social proof to attract even more clients. Each new deal reinforced the value of the Merchant Advisory Services partnership.

Alex continued to use the tools and resources. The weekly open office hours became an invaluable asset, providing a direct line to an expert for complex questions. Using social media Alex created engaging posts that drove inbound leads. Her clear goals outlined from the start and followed by her methodical approach provided a roadmap for consistent growth.

Alex's business grew not just because she was a good salesperson but because she had a reliable, scalable system. Merchant Advisory Services handled the backend infrastructure, the complex banking relationships, and the administrative headaches. This allowed Alex to focus on building client relationships and securing new deals.

The partnership wasn't about simply selling a product; it was about building a sustainable business. It was about creating a path to long-term success, and it was powered by a company that truly empowered its partners.

Conclusion: Your Next Steps

This story of Alex is the story of every ambitious entrepreneur who wants to get a head start in fintech. You don't need millions in venture capital or decades of experience. You just need a great idea and the right partner to give you the competitive advantage.

You have the opportunity to follow a proven path to success. We have already built the infrastructure, secured the partnerships, and developed the tools. You can bypass the common pitfalls of a startup and immediately gain access to the lowest wholesale rates for payment processing in the industry, an exclusive edge that your competitors simply cannot match.

You have everything you need to start. The only thing left to do is take the first step.

Here are the actionable items you need to begin your journey:

1. **Familiarize Yourself with the Products:** Read the provided materials on our website, join our webinars or subscribe to our passive income masterclass
2. **Learn to Read a Merchant Statement:** This is your most powerful tool. Practice analyzing a sample statement to find hidden fees and calculate savings.
3. **Perfect Your Pitch:** Use the scripts in this book and adapt them to your own voice. The more you practice, the more confident you will become.
4. **Start Building Your Pipeline:** Use the online resources we've shared to create a list of businesses to add to your pipeline.
5. **Partner with Us:** Your journey to a successful fintech business starts here.

To gain immediate access to our partnership program and begin leveraging our tools, visit:

www.merchantadvisoryservices.com/partner

We are excited to have you on our team. Let’s start putting money back in the pockets of business owners and build your successful fintech company today.

The Path to Mastery: Your Teachable Course

As you have read, our partnership offers you an unbeatable competitive edge from day one. You gain access to our economies of scale, our exclusive wholesale rates, and our proven systems. But tools and resources are only as good as the person using them. The true key to scaling a successful fintech business is a deep understanding of the industry and a mastery of the sales process.

That's why we have created an invaluable resource for you and your organization: our comprehensive, on-demand course available at https://merchadserv.teachable.com.

This is not just another sales training program. It is your gateway to generating monthly recurring revenue and building a scalable sales team. We've taken all the foundational knowledge from this book and expanded it into a full, in-depth curriculum.

We want you to see the value for yourself. You can access several sections of the course for free, including:

- **Dear Business Owners:** Learn how to speak directly to the pain points of your potential clients.
- **Marketing Collateral:** Get a preview of the professional marketing materials available to you.
- **Current Market Trends:** Understand the big picture and how to position yourself for success.
- **New Federal Legislation:** Learn about the laws that give you a competitive advantage.
- **The Best Time Is Now:** Discover why there has never been a better time to get into the fintech sales industry.

This course is a living document. The payments industry is constantly evolving, with new technology, products, and legislation appearing all the time. As we gain more readers and students, we will be adding new information and lessons to the curriculum. To ensure you always have access to the most current and vital information in fintech sales, it is essential to become a student and enroll.

For any organization—from a small startup to a growing enterprise—the ability to train and scale a high-performing sales team is vital. Our Teachable course provides the complete framework and up-to-date knowledge needed to do just that.

When you enroll, you will receive instructions on how to create and manage sales codes with Merchant Advisory Services. Your monthly subscription covers the administrative costs of supporting your business, and it grants you access to a powerful platform. For those who choose to upgrade to our Premium or Executive tiers, you will gain exclusive access to a proprietary Sales CRM with over one million businesses, an automated phone dialer, and a Passive Income Masterclass.

This is the ultimate toolkit for any serious entrepreneur. Don't just sell; build. The opportunity to learn, grow, and scale your passive income business is waiting for you.

Your Inbound Lead Engine: Our Website as a Sales Funnel

In today's digital world, a company's website isn't just a brochure; it's a powerful sales engine that works for you 24/7. While you are out prospecting and building relationships, our primary website—https://merchantadvisoryservices.com—is generating new, high-quality prospects every single day.

Our site functions as a sophisticated sales funnel. By the time a new visitor has navigated through the pages, reads our testimonials, and used our interactive tools, they are no longer a cold lead. They are actively showing interest in our services and our value proposition. They have been "warmed up" and are ready to talk to a salesman like you.

This is a critical part of your competitive advantage. You won't have to spend all your time on traditional cold outreach. Instead, you'll be able to work with a steady stream of prospective clients who are already showing intent to purchase. This allows you to focus on what you do best: building trust, providing expert advice, and closing deals.

We believe that this is a game-changer for entrepreneurs in the payments industry. It’s why we are looking for ambitious, driven partners to step into a leadership role as a Regional Sales Manager.

When you partner with us, you can earn the opportunity to manage and grow a team in your own sales territory. By managing a regional office for us, you will have the ability to receive these high-quality, pre-qualified leads directly from our website and assign them to your team to build your team’s portfolio of clients.

This is your path to a truly scalable, passive income business. You'll move from a solo entrepreneur to a sales leader, building and managing a team that leverages our systems, our resources, and our inbound lead engine to build a powerful and profitable sales territory.

Choose the region of the country where your state is located to start your journey as a sales leader with Merchant Advisory Services.

The Executive Career Path and Exit Offer

Your success with Merchant Advisory Services is not just measured in the accounts you personally close. It's also measured in the success of the team you build. As a Regional Sales Manager, you will not only earn commissions on your own accounts but also receive overrides on the entire sales production of your team. This means you have a direct incentive to train and mentor your team members to become as successful as you are.

The more you grow your team and its portfolio, the higher you can climb within our organization. Once you have established a significant portfolio of clients that exceeds $1 million in payments processing volume every month or 50 individual accounts (MIDs), you can apply to be an Executive Vice President with Merchant Advisory Services. This promotion recognizes you as a top-tier performer, a leader who has demonstrated the ability to not only build a successful business but to scale it significantly.

As for our top ranked performers, we offer an exclusive option that is truly unique in the industry. Once your personal portfolio reaches in excess of 50 individual accounts (MIDs) or $1mm in monthly processing volume and you have reached Executive status with us by graduating from a Regional Sales Manager to an Executive Vice President, you can choose to request an exit offer.

This provides you with a life-changing opportunity to sell all or part of your portfolio for a lump sum of cash—a one-time payment instead of continuing to collect monthly revenue for years to come. This is a powerful, exclusive option we provide only to our most valuable partners. You have the freedom to choose your path: continue building your recurring revenue stream for life, or cash out a significant asset and move on to your next venture.

This is the ultimate promise of our partnership: we will give you the tools to succeed, the infrastructure to scale, and the opportunity to build a long-term, valuable asset with a clear path to a substantial, life-changing payout.

A Detailed Breakdown of Products and Services

As a Merchant Advisory Services partner, your role is not just to sell products—it is to solve problems. Your deep understanding of our suite of products and services is what will set you apart from the competition. We offer a comprehensive and flexible range of solutions designed to meet the unique needs of any business, whether they are a small retail shop or a large e-commerce enterprise.

This chapter will provide you with a detailed breakdown of our core offerings, helping you to confidently advise merchants and build a tailored solution for their specific needs.

1. Core Payment Processing Solutions

Every business needs to accept payments, but the "how" can vary dramatically. We provide solutions for every major transaction type.

- **Retail & Card-Present Transactions:** This is the most common form of payment acceptance, where the customer and their card are physically present at the Point of Sale (POS).
    - **Terminals:** We offer every kind of modern payment terminal. These devices allow merchants to accept all forms of payment, including credit and debit cards (using the qualified discount rate), as well as contactless payments like Apple Pay and Google Pay. These terminals also handle transactions that get downgraded to mid-qualified or non-qualified because of card type or manual entry.
    - **POS Systems:** For merchants who need more than just a terminal, we offer full-featured Point of Sale systems like Clover, or Ovation POS. These systems can manage inventory, track sales data, run loyalty programs, and much more. This is an ideal solution for businesses like restaurants and retail stores.
    - **Pin Debit Transactions:** Our terminals and POS systems are fully equipped to handle PIN-based debit transactions, which are typically routed through specific debit networks like

Interlink or Pulse. You should be prepared to discuss our pricing for these, whether it's a flat transaction fee or an unbundled rate.

- **E-Commerce & Card-Not-Present (CNP) Transactions:** The modern economy demands that businesses be able to accept payments online, over the phone, or through mail order. These are known as Card-Not-Present (CNP) transactions, and because they carry an increased risk of fraud, their interchange is set higher.
    - **Internet Gateways:** We provide robust and secure gateways that connect the merchant's website to the payment processing networks. Our gateways can also be used for MOTO (Mail Order/Telephone Order) transactions, allowing a merchant to manually key-enter a customer's card information securely. We can help them choose a gateway that is compatible with their website platform.

2. Specialized Services and Equipment

Our value goes beyond just processing payments. We offer a suite of services that help merchants operate more efficiently and increase their revenue.

- **Virtual Terminals:** We also offer virtual terminals that can handle Card Not Present Transactions online. Virtual terminals are user-friendly, secure, and easy to use. Be sure to ask the client what equipment they are currently using, as this can be a key indicator of compatibility and a leverage point in your pricing conversation.
- **Security and Compliance:** We prioritize the security of our merchants and their customers.
    - **PCI DSS Compliance:** We provide the tools and resources to help merchants achieve and maintain compliance with the Payment Card Industry Data Security Standard (PCI DSS). This is a crucial security measure that all businesses handling card

information must adhere to. We can help them avoid potential PCI Non-Compliance Fees.
    - **AVS & CVV2:** Our systems include fraud prevention tools like the Address Verification System (AVS) and Card Verification Value 2 (CVV2) checks. You should explain to merchants how these tools help protect them from fraudulent CNP transactions.
- **Reporting and Analytics:** Merchants need to understand their business. Our back-office platform provides detailed reporting that goes beyond the basic monthly statement. We provide insights into transaction volume, average ticket size, and more. This data helps you demonstrate your value by showing the merchant exactly where they are saving money and where they can improve their business operations.

3: A Complete Suite of Solutions

At Merchant Advisory Services, our mission is to empower businesses with more than just payment processing. We provide an end-to-end suite of services designed to help businesses grow, increase efficiency, and enhance their brand presence. By offering tailored solutions across multiple channels, we provide an omnichannel approach that ensures every aspect of a business's marketing works together seamlessly.

This chapter outlines the comprehensive services we offer to help your clients succeed.

Marketing and Advertising Services

Our marketing services are designed to help businesses connect with a wider audience and drive sales. We offer customized marketing services based on a client's unique needs.

- **Advertising Media:** We help businesses create engaging content to boost loyalty and increase visibility. Our advertising media services include:

  - **Social Media Strategy:** To engage customers with targeted content.
  - **Organic Posts:** To increase visibility and drive sales.
  - **Shorts or Reels:** To spark interest with short, engaging videos.
  - **UHD 4K Videos:** For high-quality, professional storytelling.
  - **Podcast Recordings:** To share insights and connect through impactful audio.
- **Email Marketing:** We can help businesses reach over one million potential customers with multi-drip email campaigns. Email marketing also helps to boost sales with personalized emails designed to engage and convert customers. It can also increase customer retention with exclusive offers and loyalty rewards.
- **Online Advertising:** We provide online advertising to help businesses increase brand awareness and reach new customers across popular platforms. This service also helps build customer engagement by allowing direct interaction with followers and encourages immediate purchases by promoting offers.

Business Operations & Technology

In addition to marketing, we offer a range of solutions that streamline operations, improve efficiency, and create new revenue streams.

- **Integrated Payments:** Our integrated payment solutions simplify transactions and save time. They enhance growth by offering scalable solutions and boost efficiency by automating payment processing and providing real-time reporting.
- **Websites and Hosting:** We can help businesses create a seamless, on-brand customer checkout experience. Our hosting solutions provide reliable performance to ensure a website is always online. They also provide secure infrastructure to protect business and customer data, with scalable solutions for storage, bandwidth, and

computing power as traffic increases.

- **ATMs:** An on-site ATM can provide added value for customers and help a small business generate revenue. It can also increase foot traffic, attracting new customers. The business can earn revenue from the transaction fee for each cash withdrawal.
- **Vending:** We offer vending solutions with a low-maintenance, large-item capacity and 24/7 availability for convenience. Vending machines also provide a branding opportunity with a logo or message.
- **Flagship Retail:** We offer solutions to help businesses with brand exposure and drive sales in high-traffic retail locations.

Print and Traditional Advertising

Even in a digital world, traditional advertising remains a powerful tool for customer engagement.

- **Print Marketing:** Our print marketing solutions, such as flyers with a QR code, allow customers to scan the code to get an offer. This provides a $250 value to get started.

4. Talking Points: The Power of Knowledge

When you are in a meeting with a merchant, you are a trusted advisor, not just a salesperson. Your knowledge is your most powerful tool. Here is how you can use the product information above in your conversations:

- **Don't just sell a terminal; sell a solution.** Instead of saying, "We have a terminal you can use," say, "We can provide you with an upgrade of your device of choice, which will help you speed up your checkout line and provide a better experience for your customers."
- **Connect the product to their business needs.** If a merchant is a small cafe, talk about our QSR (Quick-Serve Restaurant) solutions and how they can handle small-ticket transactions efficiently. If they are a large retailer, focus on the benefits of a full POS system and

how our reporting can help them manage their sales and inventory.
- **Explain the why behind the how.** Use the glossary terms to explain to the merchant why they see certain fees on their statement. For example, explain that a higher rate on an online transaction is not our doing, but a result of the higher interchange fee for a Card-Not-Present (CNP) transaction. This transparency builds trust and establishes you as an expert.

By mastering this knowledge, you will be able to move beyond a simple price comparison and build a valuable, long-term relationship with your clients. You are selling your expertise, not just a product or service.

A Day in the Life of a Merchant Advisory Services Partner

The life of a Merchant Advisory Services partner is dynamic, rewarding, and built on a foundation of proactive action and expert advice. While every day is different, this section will provide a glimpse into a typical day, outlining the key activities that drive success.

This is your roadmap from a cold lead to a closed deal.

Morning: The Proactive Start

- **8:00 AM - 10:00 AM: Lead Qualification & Outreach**
  - Start your day by reviewing any new leads that may have landed in your inbox. Prioritize the "warm" leads who have already engaged with you previously.
  - Use a CRM to access their contact information and review any notes from previous calls or their online activity.
  - Begin your initial outreach. This could be a phone call, a personalized email, a DM to one of their social media accounts or a combination of both. Your goal is not to sell, but to set an appointment. A great opening line is: "Hi [Prospect's Name],

I'd love to schedule a quick 15-minute call to see if we can help with your needs."

- **10:00 AM - 12:00 PM: Discovery Calls & Prospecting**
    - Conduct your scheduled discovery calls. These are crucial for building trust and gathering information.
    - Your primary goal is to get a copy of the merchant's most recent statement. This is the key to closing the deal.
    - During the call, use the knowledge from the "A Detailed Breakdown of Products and Services" chapter to ask intelligent questions about their current processing situation.
    - Ask about their average ticket, their monthly volume, the type of equipment they use, and if they process a lot of CNP transactions. This shows them you are an expert and prepares you to analyze their statement.

Afternoon: The Analytical & Strategic Phase

- **2:00 PM - 4:00 PM: Statement Analysis & Savings Proposals**
    - This is the core of your workday. Take any merchant statements you acquired and analyze it in detail.
    - Identify all of their fees, including the discount rate, transaction fees, and any additional charges like PCI Non-Compliance Fees
    - Calculate their effective rate by dividing their total fees by their total volume. This will be your key metric for comparison.
    - Using our pricing software, build a compelling proposal that clearly shows the merchant their current costs versus their new, lower costs with Merchant Advisory Services. Highlight the savings and the added value of our services.
- **4:00 PM - 5:00 PM: Submitting Applications**
    - Once the merchant agrees to move forward, you will work with them to complete the application.
    - Make sure you have all the necessary information, including

their DBA, banking information (DDA), and the requested processing volume.
    - Submit the application through our internal portal. Our team will handle the underwriting, ensuring a smooth and quick approval process.
    - Communicate with the merchant throughout this process, keeping them informed of the status of their application.

Late Afternoon: Relationship Building & Follow-Ups

- **5:00 PM - 6:00 PM: Follow-Up & Prospecting**
    - Follow up with any prospects you spoke with earlier in the day who did not provide a statement.
    - Take a few minutes to engage in proactive prospecting. This could mean a few cold calls to businesses in a specific vertical or networking at a local chamber of commerce event.

Your day is a loop of lead generation, qualification, analysis, and closing. The more you repeat this cycle, the more deals you will close, and the faster you will build the portfolio needed to reach executive status and unlock your exit offer.

Frequently Asked Questions (FAQ)

This section addresses some of the most common questions new partners have about the business, from foundational concepts to day-to-day challenges.

What is an ISO and what is my role?

An ISO stands for Independent Sales Organization. This term is used in the payments industry to describe a third-party company that partners with an acquiring bank to offer merchant services. Our role at Merchant Advisory Services is to act as your support system and partner. We provide you with the resources, technology, and banking relationships to sell merchant services without having to build a full-scale operation from the ground up. Your role is to be the front-line advisor and salesperson, building relationships and closing deals.

How do I find new clients?

You have a significant advantage with our inbound lead engine, which provides warm leads directly to you. However, you should not rely on this alone. Top performers combine this with proactive outreach.

- **Leverage your network:** Start with people you know in the business community.
- **Target a specific vertical:** Instead of trying to sell to everyone, become an expert in a specific industry like auto repair or restaurants. This allows you to speak their language and offer tailored solutions.
- **Cold calling/walking in:** The traditional methods still work. Show up, ask for the manager, and use your elevator pitch to start a conversation. Remember, you're not selling, you're offering to save them money.

What is the hardest part of this business?

The most difficult part is often getting the initial appointment or getting a merchant to listen to your offer. Many business owners are wary of payments salespeople because they have been "sold" on bad deals in the past. Your goal is to differentiate yourself immediately by offering to provide value upfront, such as a no-obligation statement analysis. Once you have the statement, the numbers will do the talking for you.

How do I handle a merchant who is "happy" with their

current processor?

This is a common objection. You can respond by saying, "That's great to hear. My goal is not to convince you to switch today, but to make sure you're on the best possible plan. I can do a quick, free analysis of your statement to confirm you’re getting the most competitive rates available in the market. If you are, I'll be the first to tell you, and you’ll have the peace of mind of knowing you're in a good spot." This approach builds trust by demonstrating that you are an advisor, not just a salesperson.

What is the most common reason for a merchant to switch?

While pricing is often the main motivator, it’s rarely the only reason. Look for other pain points, such as:

- **Poor customer service:** Their current provider has a long wait time on the phone or doesn't resolve issues quickly.
- **Hidden fees:** Merchants get frustrated with fees that pop up on their statement and are hard to understand.
- **Outdated equipment:** They may be using a slow or clunky terminal that doesn't accept modern payment types.
- **Lack of transparency:** They want to understand why they are paying what they are paying.

By identifying these issues, you can offer a solution that goes beyond just saving them money. You are offering a better, more transparent partnership.

Do I need to provide technical support for my merchants?

No. This is a critical point of our partnership. Our business model is designed so you can focus on what you do best: sales and relationship building. While we do provide you with direct support contacts, you are not responsible for troubleshooting technical issues with terminals or accounts. You simply guide the merchant to the appropriate support channel, ensuring they get the expert help they need. This frees up your time to continue building your portfolio.

How can I earn the highest commissions?

Your commission is directly tied to the gross margin on the accounts you sign. The most effective way to maximize your earnings is to:

- **Target high-volume merchants:** A deal with a merchant processing $1 million per month will be far more lucrative than a dozen small-ticket deals.
- **Sell value-added services:** ATMs, Vending, POS systems, loyalty programs, and advanced reporting tools come with higher margins and help you build a sticky, long-term relationship.
- **Focus on a consultative approach:** When you truly solve a merchant's problems, you build loyalty. A loyal client is more likely to stay with you and will lead to more referrals.

How do I handle a merchant who is nervous about a new service provider freezing their funds?

This is a very real concern for merchants, especially those in high-risk industries. You should address this fear head-on by explaining our transparent underwriting process. Reassure the merchant that we work with reliable sponsor banks and that our onboarding process is designed to prevent any unexpected holds on funds. By getting a complete and accurate application, including a few months of their current statements to verify their processing history, we can ensure a smooth transition with no surprises.

What if a merchant receives a chargeback or a retrieval request?

Chargebacks are a reality in the payments industry, and your ability to help a merchant navigate them will build immense trust. You should let them know that our support team is an expert in handling these situations. When a merchant receives a chargeback, they can work directly with our support team, who will guide them through the process of providing the necessary documentation to fight the chargeback. You should also remind them that this is a key part of the service we provide, and a reason why they should partner with an advisor like you and not just a faceless online company with unexperienced customer support reps.

How do I price a deal and ensure I am competitive?

Merchant Advisory Services' back-office platform is a powerful tool for acquiring new customers. You should never guess on pricing. Always try to collect a merchant's monthly billing statement to perform a detailed analysis. It will not only calculate their current effective rate but also give you the data to generate a proposal that shows a clear side-by-side comparison of their current costs versus their new proposed rates. This takes the guesswork out of pricing and provides you with a professional, data-backed document to present to the merchant. Remember to focus on the value that you provide and not just the savings you can offer.

Glossary

ACH: Automated clearinghouse, an electronic payment network that can be used for payroll direct deposit, recurring payments, and credit and debit card processing.

Acquirer: The company (typically a federally insured financial institution) responsible for connecting merchants to the card brands for card authorization and settlement systems.

Assessments: Fees paid to card brands for marketing and administrative costs. This is a percentage of the sales processed. Assessments are dues charged by the associations for advertising and marketing for the card brands. Most card processors include assessment as a component of the discount rate; however, you will see a separate line item for fees and assessments that adds a percentage to the quoted discount rate. Merchants don't necessarily understand the impact this has on their rate structure.

Average Ticket: An estimate of a merchant's average ticket size for credit and debit card sales. This can be measured in the price of the merchant's most popular item. The average ticket can usually be found on the 2nd or 3rd page of the merchant statement.

AVS: Address verification system, an optional service that helps protect against fraud by verifying the billing address of the credit card provided by the user with the address on file at the credit card company.

Authorization: An electronic exchange between a card-issuing bank and the merchant-acquiring bank, through a credit card terminal, verifying that a cardholder has sufficient credit (or funds in a bank account if it is a PIN-based debit transaction) to cover a pending transaction.

Authorization Fee: This could be a fee that is charged for each authorization transaction whether approved or declined.

Basis Point: One one-hundredth of a percent. One basis point is 0.01 percent or 0.0001; ten basis points are 0.10 percent or 0.0010; twenty-five basis points are 0.25 percent or 0.0025; one hundred basis points are 1.0 percent or 0.0100.

Batch: How the merchant electronically sends their captured transactions to their acquiring bank for settlement. Batches may be opened and/or closed automatically or manually, and most terminals can be programmed to batch out automatically at a certain time each day.

Batch Fee: A fee charged for the processing of credit card settlements each day that are submitted to the bank. The batch or settlement frequency will determine the number of times the merchant is charged this fee per month.

Bundled Rate: A discount rate is offered to the merchant that includes both the qualified discount rate and the transaction fee. A separate transaction fee is not billed to the merchant, and the mid- and non-qual rates are added to the bundled qualified rate as normal.

Card Not Present (CNP): Card transactions (for example, Internet or MOTO purchases) for which the customer's card is not presented to the merchant at the POS. The interchange is set higher on these transactions because they carry an increased risk.

Card Type: Refers to the brand of card and type of card—consumer credit, business, check card, rewards, etc.

Chargeback: Occurs when a cardholder's bank (the card issuer) reverses all or part of a card transaction, leaving the merchant financially liable for the payment and subject to penalties unless it can be proven the merchant was not at fault. Chargebacks can be initiated by disgruntled customers or by cardholders' banks.

Check Card: A card tied to a cardholder's bank account and bearing the logo of any of the card brands. The transaction requires a cardholder signature, similar to a credit card transaction.

Current Processor: The brand or company name of the merchant service provider that the business owner is using at the moment. You can find this on a merchant statement located at the top left corner of the first page.

CVV2: Card verification value 2, a three- or four-digit number physically imprinted on the back of the card. CVV2s are used as a security feature and often are mandatory for card-not-present MOTO/Internet transactions.

Discount Rate: The fee or percentage that a merchant or business owner is charged to process and settle credit and debit card transactions.

Daily Discounting: The qualified discount rate deducted from a merchant's batch sales total before their batch deposit is made. At the end of the month, the transaction fees and monthly fees are deducted from the merchant's DDA. A discount percentage that is charged each day for transaction processing that is withdrawn from the merchants daily deposit totals.

DBA: Doing business as the name under which a business is operating. The DBA name may or may not be the same as the corporate name.

Deal: When you write a contract for processing (differentiated from a sale, when you sell something like a piece of equipment). Sales are great, but deals are what help you make it in this business.

DDA: Demand deposit account, also known as a checking account or current account.

Downgrade: When a transaction does not meet the qualifications for a particular level and is assessed with an additional fee. For example, if a transaction that would normally be swiped is keyed, that transaction will be downgraded from qualified to mid-qualified or even nonqualified.

EBT: Electronic benefits transfer, commonly referred to as food-stamp benefits.

Effective Rate: This is a calculation of the total fees paid divided by the monthly volume, which many merchants use to gauge the cost of accepting card payments. Often times this is calculated because they cannot understand their pricing plan and the many fees found on their merchant statement. A simple way to calculate the effective rate is to divide the total fees by the total monthly volume. (Fees divided by Volume equals the Effective Rate).

Equipment: Refers to the type of device, card swiper, point-of-sale, or terminal that a business owner is using to accept card payments. Finding out this information up front can provide leverage in pricing for the merchant and is key to understanding whether the merchant is compatible with a particular merchant service provider.

Gateway: In payment processing, any network that connects merchant POS terminals with transaction processing and settlement networks, such as the MasterCard and Visa settlement networks. Gateways can also provide related services, including transaction management and reporting.

Gateway Fees: A fee charged for internet processing of credit cards through a particular online software or technology company. For example, authorize.net is a gateway for processing credit cards.

High-Ticket: An estimate of a potential high-ticket for the given merchant; can be used as a limit. If a merchant is only approved for a $1,000 ticket and they process a $3,000 transaction, then they risk funds being held until risk guidelines can be met.

Industry: On a merchant application it usually refers to one of several things, either:

- **Retail**: card present & swiped
- **Restaurant**: card present with a tip line
- **MOTO**: card not present and Mail Order & Telephone Order
- **E-commerce**: card not present and acceptance is online via the Internet
- **Lodging**: with Hotel check-in and check out.

Interchange: The fee paid to the card-issuing bank by the card-acquiring (merchant) bank. The basic fee upon which all other acquiring and processing fees are added to come up with the total merchant cost.

Interchange Plus Pricing: A pricing structure in which the interchange and dues/assessments are passed directly through to the merchant. Basis points are added for profit, and a charge per transaction for authorization is added to cover the cost. This structure is sometimes also referred to as cost-plus pricing. This type of pricing is usually used for larger-volume merchants.

Internet Gateway: An online system designed to help merchants process payments either through a website, by phone for hand-keyed transactions, or even for a retail store.

Key Entered: When the cardholder information is typed in numerically on the keypad instead of being swiped, tapped or dipped because the card or the cardholder is not present or is buying online or over the phone.

Merchant Account: The account created when a merchant has applied to and been accepted by an ISO and sponsor bank for credit and/or debit card processing.

Merchant Bank: A bank that sponsors an acquirer into the card brand systems.

Mid-Qualified: Transactions that fall into this category are generally card-not-present or key entered or certain types of rewards cards. In addition, most card processors add a surcharge to the qualified discount rate. The mid-qualified rate will cost more and the surcharge sometimes exceeds 1%.

MLS: A merchant-level sales rep or front-line sales rep who spends most of his or her time talking to merchants on the street.

MOTO: Mail order/telephone order, a merchant who keys in or does not swipe a majority of the cards he accepts.

Monthly Discount: Allows a merchant to receive 100 percent of the sales total to be deposited into their bank account. All discount, transaction, and monthly fees will be deducted at the end of the month.

Monthly Minimum: A way to ensure the merchants pay a minimum amount in fees each month to cover costs from the provider to maintain the account and to create minimal profits.

Non-Qualified: Transactions that fall into this category are most often business corporate credit cards, high-end Rewards or world-class cards, and transactions that are missing certain data, for example, zip code, security code, or not settling the terminal on a daily basis for an EIRF penalty. An additional surcharge is added to the mid-qualified discount rate and can average another .5% or more.

PCI DSS: Payment card industry data security standard, often shortened to PCI. Established for securing payment card information. Failure to adhere to the standard (by any party that handles card information, including merchants and ISOs) can result in substantial fines.

PCI Non-Compliance Fee: A fee charged to provide access to data security information and the certification process. PCI compliance is a mandatory survey for all processors whether the cost is passed on to the merchant or not. You may see it as a monthly, quarterly, or annual fee on merchant statements in different variations.

PIN: Personal identification number, used to process PIN-based debit transactions.

Pin Debit Rate: Pin debit transactions are entered using a PIN number. If you see pin debit networks listed on a merchant statement, such as Interlink or Pulse, that is an indication that there is pin debit activity on the merchant account. On the merchant statement, it is generally priced one of two ways: bundled (meaning it is a flat transaction fee) or unbundled (meaning the cost of the debit network plus the transaction fee is charged by the processor separately).

POS: Point of sale, the place where retail sales occur and payment transactions are initiated. It is also commonly used to describe POS systems (such as cash register systems) and/or computer software programs used for electronic payment processing.

Processor: The company that moves transactions on behalf of acquirers between merchants, banks, and the card networks.

Qualified Discount Rate: Standard credit cards, non-rewards, and debit cards fall into this interchange category; it is the lowest rate a merchant can receive that carries the least amount of risk. This type of transaction must be card-present, swiped, and it settles daily with the merchant's sales.

QSR: Quick-serve restaurant; no signature required for transactions under $25 for certain types of businesses.

Retrieval Request: When a chargeback is initiated, the merchant's processing bank sends to the issuing bank additional information about the transaction; the fee is generally set per retrieval request. The retrieval request fee is billed to the merchant regardless of the outcome of the chargeback.

Settlement: The process by which members exchange financial data and value resulting from sales transactions, cash disbursements, or merchandise credits, which are ultimately billed to the cardholder's account.

Small Ticket: Pricing available on the interchange for certain businesses when the average ticket is less than $15.

Statement Fee: The fee to cover the cost of capturing and transmitting by mail or online the monthly processing history of a merchant. This can be referred to as a monthly service fee by some credit card processors.

Statement Month: Usually located in the top right corner of page 1 of a merchant statement. Our recommendation is to obtain two or more consecutive months of processing statements to estimate volume, average ticket, and consistency of fees. Statements within the last 2 to 3 months are best for gauging current fee structures due to industry price changes.

Swipe Fee: See Transaction Fee.

Tiered Pricing: A pricing structure that has three levels for qualified, mid-qualified, and non-qualified, which indicates a three-tier pricing program. Pricing with qualified and non-qualified transactions would indicate a two-tier pricing program.

Touch-Tone Capture: Allows the manual keyed entry and subsequent authorization of a credit card over a cellular or landline telephone. With this method, a merchant typically imprints a customer's card with an imprinter to create a customer receipt and merchant copy, and then processes the transaction over the phone.

Transaction: A payment card sale or refund between the cardholder and merchant.

Transaction Fee: A fee charged to cover the transaction; it can be only the cost, a combination of the cost of interchange, and/or the markup.

Vertical: Different types of business or industry that you can concentrate on for specialization. Specializations can be auto repair, dentistry, restaurants, grocery stores, and more.

Volume: The gross amount of card payment sales that are processed through a point-of-sale or card terminal. This is usually measured on a monthly or annual basis and is useful in qualifying business owners as good merchants to work with.

Understanding Bank Accounts and Acronyms

Understanding the different types of bank accounts is crucial for individuals and businesses alike. There are several various types, which all serve different purposes.

Bank Account Types

- **Checking account**: A checking account is where a person receives a salary, makes payments for bills and expenses, and transfers money to other people or accounts. A current account allows individuals to make frequent transactions. It is designed for everyday banking needs, such as receiving and transferring money. With a current account, individuals can easily manage their finances and have access to their funds whenever they need them. Some current accounts may offer additional services like checkbooks, debit cards, and online banking, making it even more convenient to manage individual finances.

- **Savings account**: A savings account is a type of bank account which is commonly used by individuals who want to earn interest on their deposits. It offers a way to save money over time. Banks provide different types of savings accounts, depending on individual circumstances (i.e., young people, family, or retirement savings accounts) or on the length of the deposit (i.e., a 5-year fixed deposit). The interest rate is based on the central bank's rates, individually set by the banks, and is calculated annually.
- **Business account**: A business bank account is a specialized type of bank account designed specifically for businesses and other organizations. It is distinct from personal bank accounts and serves various purposes related to the financial activities of a business entity. Business bank accounts offer features and services tailored to meet the unique needs of businesses, which often involve higher transaction volumes, cash flow management, and financial reporting. These dedicated accounts are owned by the company and not by an individual, regardless of the individual's connection to the company (shareholder, director, etc.). Business bank accounts are usually only accessed by the director(s) or an authorized representative of the company (i.e., CFO) who have been previously approved by the bank and gained individual access.
- **Merchant account**: A merchant account is a specialized type of financial account which allows businesses to accept payments via credit or debit cards. Essentially, it serves as an intermediary between a business's sales and its bank account. When a customer makes a purchase using a credit or debit card, the funds first go into the merchant account. Here the funds are held by a licensed financial institution, which accumulates all these individual transactions. These accumulated funds are then usually transferred from the merchant account to the business's regular bank account, according to a pre-established schedule, which could be daily, weekly, or monthly.

- **Settlement account**: A settlement account is a specific type of account which is used to accept funds from Payment Service Providers (PSPs) and acquirers. Often a settlement account is provided together with the merchant account as a group service, but in some cases, the PSP is unable to offer these services. When that happens, the merchant needs to allocate a separate bank account to the PSP to receive the collected funds. The PSP needs to make sure that the settlement account is under the same company name as the merchant account for AML purposes, as we have seen earlier with the pooled account example.

Acronyms

One of the biggest challenges in banking is to understand the abbreviations, acronyms, and general lingo used by bankers. It is not that difficult to learn, and by understanding the basics, we can at least be aware of their existence, and consider their benefits and limitations when planning any payment route.

- **SWIFT**: Stands for Society for Worldwide Interbank Financial Telecommunications. It is the main standardized messaging network and system used by financial institutions worldwide, so it is probably one of the most well-known acronyms when dealing with global payments. SWIFT uses a standardized communication format for various financial transactions, including payments and receipts, and securities trading among others, and acts as a bridge for communication between banks and other financial entities across different countries.
- **IBAN**: The International Bank Account Number (IBAN) is perhaps the first thing someone asks when sending payments internationally. This number is a result of a standardized identification system used by banks to accurately identify overseas bank accounts. The IBAN

was introduced in Europe to simplify international transactions. The number consists of a combination of number codes and alphanumeric characters that provide specific information about the account. It is important to remember that the IBAN is not a replacement for the bank's numbering system but is used as an additional identification mechanism.

- **ABA routing number**: The American Bankers Association (ABA) routing number, often referred to simply as a routing number, is a nine-digit numerical code used in the U.S. to identify financial institutions and banks. It plays a crucial role in directing various types of electronic transactions, such as direct deposits, wire transfers, automatic bill payments, and electronic checks. It's also used when setting up direct deposits or making electronic transfers between bank accounts.
- **BIC or SWIFT code**: A BIC number, also known as a Bank Identifier Code or SWIFT code, is an internationally recognized code used to identify specific banks or financial institutions when conducting international transactions. The BIC code serves a similar purpose to the routing number in the United States but on a global scale.
- **Sort code**: A sort code, also known as a sorting code, is a numerical code which is used in the United Kingdom and Ireland to identify specific banks and their respective branches. It is used for routing and processing financial transactions, particularly for electronic funds transfers and direct debit payments.
- **SEPA**: Stands for Single Euro Payments Area, which is a financial network established in Europe to facilitate seamless and cost-effective (often free) money transfers within the Eurozone. It's a regional initiative as opposed to SWIFT, as it is focused on simplifying and standardizing euro-denominated payments within the EU and associated countries.
- **ACH**: The Automated Clearing House (ACH) was established in 1974 and is a network which enables the transfer of funds between different banks across the United States. This network has been

widely used for various financial services, including payroll payments, tax refunds, and other types of transactions.
- **CHAPS**: CHAPS is short for Clearing House Automated Payment System and is used for high-value and time-sensitive interbank electronic money transfers in the U.K. It was built to handle specific payments, where quick and reliable fund transfer is essential.
- **BACS**: BACS stands for Bankers' Automated Clearing Services and is a popular electronic payment system in the U.K. that processes various types of electronic payments such as direct debits, standing orders, and bulk payments (for payroll runs, for example) in a three-day clearing cycle.

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