

Moneris
SOLUTIONS



ISO ESSENTIALS
Building a Solid Foundation

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Agenda

The Building Blocks to go from Sales Organization ISO/Acquirer

- Getting Started
- Industry Specific Essentials
- The Evolution



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GETTING STARTED

“According to the SBA, over 50% of small businesses fail in the first year and 95% fail within the first five years.”

Companies fail for four main reasons:

- * Lack of planning
- * Lack of management
- * Lack of information
- * Lack of funds



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Strategy & Planning

Failing to Plan is Planning to Fail

- Mission Statement
- 5 Year Strategic Plan
- Marketing Plans - Marketing is EVERYTHING
- 1-3 Year Tactical Plans
- Metrics - Measurable
- Understand everything will change

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Navigating The Road to Success

- Starting off as an MLS
- Building a small sales organization
- Registering for the 1st time
- Taking Liability
- Renting a BIN



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Marketing Plan

SALES METHODS	➔	LEAD GENERATORS
DIRECT SALES Employee Contractor	➔	Cold Calling Appointment Setting Advertising Internet Referral Sources
TELESALES	➔	Associations VARs Agent Banks

How and when do we roll-out different methods and channels?
 How do they line up against targeted verticals?
 How do we allocate resources accordingly?

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Management & Team Selection



The Team is the Company - Internally and Externally

- Look for your complements, not your clones
- Incent them well
- They must buy-in and be able to grow with the organization
- Don't be afraid to make changes

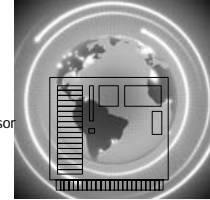


Information & Controls



Information is Power!

- Invest in a modular system upfront
 - ASP Model
 - Software Model
- Own the control (in house or 3rd party)
 - Don't rely on your upstream ISO or processor
- Track your progress to plan
- Manage by metrics
- Examine profitability



Without systems and up to date metrics you will never be able to track, analyze, audit, trouble shoot, or tweak. You will discover problems and errors after it is too late. In short, you will be flying blind.

Capitalization



Twice as Much and Twice as Long

- Start-up & Growth
 - Make sure you are prepared for each stage of growth
 - Have a fall back or cushion
- Equity
 - He who has the money has the control
 - Create a fair operating agreement & understand it
- Debit
 - Loan
 - Lines of Credit
- Friends and Family vs. Institutional
 - F&F is usually the best option.
 - Institutional is good when there is synergy or the amount needed is high
- Existing residuals/merchants
 - Borrowing against your portfolio
 - Selling accounts or residuals



INDUSTRY BUILDING BLOCKS



There are nuances in the payments industry that are important to keep in mind as you lay the foundation for your business. Take your time in evaluating these as the choices you make can affect you for years to come.



Partners & Contracts



Choose your vendors wisely. It will be a LONG time.

- Processor/Acquirer
 - Growth
 - Support
 - Services/Tools
 - Access and relationships
 - Who can get you from A to B to C?
- Auxiliary Service Partners
- The Contracts
 - Don't lose track of the MUST HAVES no matter what the price.
 - Assume to it will end
- Do not be your own attorney



Channel Contracts




- Channel Members
 - Employees
 - Sales Agents
 - Referral Partners
 - Contractors
 - Merchants
- Use an experienced attorney
- Pass on the liability - Make them RESPONSIBLE
- Require and confirm compliance
- Don't negotiate MUST HAVES
- Underwrite all your channel members
 - Background checks
 - References
 - Credit Checks
 - D&B's
- Audit regularly



Compliance

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- Associations & Networks
 - Security: PABP/CISP
 - Marketing
- Government Entities
 - FTC
 - IRS
 - State & Local
- ETA Best Practices
- Who do you need to make sure complies:
 - Employees
 - Sales Force
 - Resellers/Referral Agents
 - VARs
 - Third Party Vendors
 - Merchants
 - EVERYONE



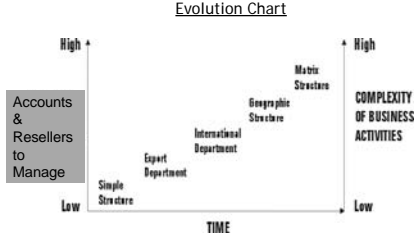
Compliance Survival Tactics

YOU ARE RESPONSIBLE FOR ANYTHING & EVERYTHING!
C.Y.A.

The Evolution

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Evolution Chart




Every organization has an evolution. Plan for it.

Building and Infrastructure

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If you build it they might NOT come. Build slowly.

- Think 5 years out
 - Plan for obsolescence
 - Build scalability
- Create systems that can grow with you
- Grow & Add according to planned metrics
- Look for opportunities to consolidate
- In Source vs. Outsource
 - In Source: high fixed, low variable
 - Outsource: low fixed, high variable
 - Never outsource core competencies



Execution

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- Develop a model
- Choose the right metrics
- Don't forget the plan
- Assess performance regularly
 - People
 - Processes
 - Even the plan
- Communicate

— Making Strategy Work: Leading Effective Execution & Change (Wharton School Publishing)

- Look for market opportunities and niches
- Listen First
- Think Team

Be resilient. Don't be afraid to make changes. But don't be foolish.

