

## Education (continued)

# The intelligent sale

By Aaron Bills

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**Q**ualifying sales prospects early and effectively saves time, especially when it comes to helping clients who are business suppliers select the right card processing solutions.

Many factors can influence their decisions. And as business size and complexity grow, so do a merchant's card-processing requirements.

Qualifying questions should uncover whether the prospect has a real need, problem, issue or opportunity that you can address. If there's no problem, there's virtually no likelihood there will be sales.

Good business people don't spend money unless they are eliminating an undesirable situation or capitalizing on an important opportunity.

Sometimes we forget one of the most basic principles of selling: People buy to meet their needs or solve their problems. To get them to buy from us, as ISOs and merchant level salespeople (MLSs), we need to clearly address whatever matters the most to them.

At 3Delta Systems, we work closely with suppliers in the business-to-business (B2B) and business-to-government (B2G) markets.

The first step in our sales process is to understand a company's business and customer requirements *before* recommending a particular payment processing solution.

For instance, we ask prospects whether they're currently accepting credit cards and, if so, what type of POS solutions they're using. We also probe on questions such as:

- Who are their customers

– large corporations or small businesses? Consumers?

Government agencies?

- How do these customers buy – by telephone, mail or e-mail? Do they use e-commerce or purchase cards (p-cards)?
- Do the merchants need payment systems that support multiple locations and users per location versus stand-alone processing systems with one person using a computer?
- Do they need real-time authorization and capture of credit card data as well as secure offsite storage of that data? Or is non-real-time authorization more appropriate?

At the enterprise level, we've found that larger or more complex businesses must often balance a range of requirements. If a business has several types of customers (retail consumers, corporations and governments) or specialized industry requirements, the choice of system can be influenced by the merchant's need for:

- Integrated real-time processing for an e-commerce Web site
- Integrated invoice processing from an accounting system with credit card collection
- Stand-alone exception processing
- Management reporting
- Automated cash applications
- No storage of card data on host systems

Many small to mid-size businesses work with large corporate or government customers. They must balance customers' expectations of top-notch service delivery, including the requirement to accept p-cards and deliver more detailed payment transaction detail, while remaining within the limits of

modest operating budgets or constrained internal resources.

Merchants must find high-performance systems that meet their needs without being too expensive or difficult to use. For example, their business requirements might call for:

- Manually processed transactions
- No distributed software/easy deployment
- Multiple users with tracking
- Automated e-mail confirmations
- Level 3 p-card capability
- Management reporting

Your discovery questions could also reveal that merchants have corporate clients using p-cards. This would be an ideal time to emphasize the role of reduced interchange rates through better qualification.

Many B2B and B2G merchants can qualify for lower interchange rates by processing more in-depth, line-item detail with each transaction, commonly known as Level 3 data.

This type of detail is provided electronically by the merchant and contains the same type of information typically found on an itemized invoice.

How much can a merchant conceivably save by using Level 3 data? A great deal.

Consider, for example, a merchant who processes p-card transactions and receives a statement reflecting low "Data Rate 1" rates. For the merchant, this low level of data qualification could equate to nearly 3.5 percent in processing costs on every commercial card transaction (interchange + downgrade charges + surcharges).

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By having the merchant capture Level 3 data on every p-card transaction, however, an ISO could reduce the merchant's rate to 2.2 percent, while reducing the merchant's cost by 130 basis points.

Here's another example: If accounts receivable operators complain about having to manually batch-out transactions nightly or baby-sit the data transfer, the door is open to discussing the benefits of hosted applications that manage this process automatically.

In a third example, some merchants we speak with historically have used terminals and must do a lot of manual processing, after receiving their


### Typical Level 3 Data includes:

- Item description
- Item ID
- Quantity
- Unit of measure
- Commodity code
- Price
- Invoice number
- Order number
- P-card customer code

authorization, to send a confirming e-mail or fax to their cardholder customer. This is a terrific opportunity to illustrate the benefit of a system that can provide automated e-mail confirmations and, thus, reduce total cost through administrative efficiency.

In summary, to get around cost or operational objections related to making changes, focus on value rather than price, and remind suppliers of their potential savings generated by the discount rate, which would offset product cost.

As part of that discussion, also provide a cost-benefit analysis so that merchants can easily compare their current charges versus what their total cost savings will be with a new payment solution.

Uncovering what matters to suppliers, knowing why they're seeking payment solutions and discovering what needs or problems they want to address will lead not only to more sales, but also greater ISO and MLS credibility and deeper, more satisfying customer relationships over a much longer period of time. 

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