**Increase Revenue and Profits with Electronic Payment Technology**

I would like to thank everyone for joining us today. Good afternoon or good morning. Before I get into the presentation I would like to share that I speak to many small businesses regarding their experiences with electronic payments and specifically accepting credit cards and debit cards. I recognize that there is a lot of mysteries in the marketplace. Whether it is issues related to pricing or contract terms or security issues. My main goal today is really to help demystify a few of the topics and hopefully at the end you will have two or three takeaways that will help you better manage your small business by using electronic payments and accepting cards in a more effective manner. At the end of the presentation I'm going to try to take roughly 30 to 40 minutes and hopefully we will have time at the end to answer a few questions that come in from the audience. Before I start I would also like to mention our sponsor. Our sponsor today is Master Your Card , and Master Your Card is an education program sponsored by Mastercard that really aims to help small businesses and consumers become more empowered with knowledge related to the electronic payment ecosystem. It's a great program and at the end there will be some links to further information that you can get online that hopefully will add to your learnings today. What are we going to cover today? Really four main topics I want to address today. The benefits of accepting cards. How do you get started? How do you negotiate with a processor and this is probably where the most interest may come from. This applies obviously for existing businesses that accept cards or new businesses that are going to take cards. And then I'm going to talk a little bit about some of the benefits of the technology. We will talk about EMV, which are chip cards, which I'm sure many of you are aware of. I assume your banks have sent you chip cards. I will talk about EMV and security and what's going on there. As I start here, I want to do a quick poll question. Do you currently accept payment cards at your business? That will help me frame some of my discussion as we move along here later on. The benefits to accepting credit cards,

every day when I talk to businesses -- especially ones that don't accept credit cards -- often times they are not your typical retailers usually. But B2B companies or service companies that are not taking cards yet. I often am asked, Pat , do I really need to take cards? I tend to turn the question around and say do you like to pay with credit cards? And in most cases, the small business owners I talked to say yes, that's how I paid. In my mind they answered their question. More and more today consumers and businesses want to use electronic payment mechanisms because they are more efficient, safer and they add more value to the way that people do business. It's interesting that there is roughly 27 million small businesses in the US, yet about 55% -- calculated by Mastercard , don't accept credit cards today. I think that number is changing and I think if you are a millennial or if you work with millennial's, you will find that many of them never write checks. They do everything electronically these days. Obviously as old people like me fadeaway, millennial's will be running the economy and more and more so electronic payments will be the standard. It is not there yet, but it is definitely getting there. Furthering this point, opening up your electronic payments in different methodologies really opens you up to accessing more customers. Large businesses today for the most part all except payment cards, even large B2B companies. E-commerce companies obviously take credit cards. I don't know of a company that doesn't. Some of them may only take PayPal or other mechanisms but for the most part e-commerce companies universally take credit cards these days. By taking or accepting cards and opening yourself up to new markets, you can grow your business faster. You can expand web sales. That has been a big topic for a number of the small businesses that I work at or worked with. They have a retail store and they haven't built a website yet and they are thinking about it and they need to understand how to add payments to it. In today's world there is a lot more technology solutions that specifically address the Omni commerce experience. In the other words, the ability to universally have one database for your inventory and be able to track that both in the store and online. There are a lot of services out there that produce that and I think what you will find is if you begin accepting credit cards, you will find other modes for your customers to do business whether it is mobile, web or face-to-face. Another reason to accept cards is just being able to integrate the payment results or data into your accounting tools. Just as I mentioned various technologies that support on e-commerce, nowadays you are seeing more integration between payments and accounting systems. This happens both for people who are paying bills as well as entities that are accepting cards. Services that -- like PayPal and Square, allow you to integrate payment results easily into your accounting systems whether it is QuickBooks or other small business accounting systems like that. By doing that you can more efficiently track the dollars. You don't have -- you can get rid of dual entry of data and oftentimes by minimizing cash, you also minimize the potential loss that occurs with handling cash. And adding on to that point about cash, when you are handling cash and checks there is just more risk of either fraud by customers who bounced a check or theft potentially by employees, hopefully not, but that happens. You are also protecting your customers. The beauty of the electronic payment system is it really works both ways. It helps protect as Mrs. and get them paid faster, and it also protects consumers. They don't have to carry cash or checks. They are protected if they buy products that are -- obviously not appropriate or efficient. The beauty of the electronic payment system is it really helps protect both businesses and consumers. Now I want to talk a little bit about how the processing system works. You guys all know of Visa and MasterCard and you know probably about the large banks. On the merchant side of the equation, the primary entities that you would work with our processors. Often times -- there are a lot of terms for these. There are what we call acquiring banks, which are the banks that actually underwrite the merchant accounts when you sign up to accept credit cards. There are third-party processors and these are entities that really provide the backbone or technology that moves those from the point of sale or credit card terminal over to the bank that issues the credit cards. And I'm sure a lot of you run into what we call independent sales organizations. These are really small businesses themselves up to larger businesses that have contracted with acquiring banks or third-party processors to resell the acceptance of credit cards. They oftentimes use feet on the street salespeople or telesales people who will call you and ask you if you accept credit cards and do you want to accept credit cards and they want to sell you a new merchant account. Oftentimes they will ask you how much volume do you do? Give me your merchant account statement. They will all tell you they can eat the other party that you are using or that they are the best on the ground. There are literally hundreds and hundreds of these independent sales organizations and some of them are great, some of them are not so great. We are going to talk more about pricing as we go through here. All of the main banks also have their own merchant services organizations. If you talk to Chase or Wells Fargo, they all provide merchant services. You can get access -- connected through their retail branches or through the lending organizations. Most of them are very reputable and they provide good services. Not always the cheapest place to go for merchant services, but oftentimes a very dependable source for finding merchant services. I want to touch on the interchange for a moment. Probably most people have never heard of Interchange. It is basically a cost of goods sold that occurs on every payment transaction. It is a fee that is charged to the acquiring bank and ultimately to someone who accepts the credit card, a merchant, on every single transaction. It makes up usually the majority of the fee that you are going to pay if you accept credit cards. It is a fee that is transferred between basically the merchant and the bank that issues the card and it's really a glue that makes the whole system work. The interchange fees are set basically my merchant type and by card type, and they promote the activity in the system. They basically balance out the motivation for banks to issue cards and for retailers or merchants to accept credit cards. Without interchange a system really wouldn't work. Again, it is also -- it's a big chunk of the fees so it is a very sensitive topic in the system, but it is a peak -- key part you will run into. If you accept cards to -- today and let say you pay to .75% -- a big chunk of that let's say roughly 1.5% is actually interchange. The remainder goes to visa or MasterCard and the majority would go to Square as their profit to cover their cost. I want to talk a little bit about pricing models. The payment system or merchant acquiring system for accepting credit cards is for the most part a very odd market. When I first got into it, and started working years ago at a processor, I thought it was just bizarre that most merchant accounts are individually negotiated. Even a merchant who might take $25,000 a year in credit cards up to somebody taking $1 billion. Each contract is negotiated individually and it's really a strange outcome. Nowadays we have some business models from PayPal and Square that give a very simple, standardized price that is transparent and applies to almost all the businesses. But most of the model out there is pricing that is individually negotiated. And therefore, you can really make a difference by shopping around and getting multiple quotes on how much you pay for accepting credit cards. We have oversimplified this a little bit but there are three main pricing models that you will see if you go out and negotiate a merchant processing contract. The first one is what I call a bundled rate, which is the processor tells you you are going to pay 2% or 2.5% for taking credit cards. What that usually means is regardless of the card type that comes in, you are going to pay a flat 2.5%. That being said, most of the contracts will have additional language that will say something like your 2.5% applies on these types of transactions or all transactions but if these come through we are going to add additional fees on top of it. It is a way that many of the sales entities will come in and they try to offer you a very low bundled rate, but then in the fine print you will find a whole lot of reasons why they can charge you hire fees. In many ways it's a simple way to understand the pricing, but it is also a way that I see that processors are able to get the highest fees. I'm not a big fan of bundled rates. I do like what Square and PayPal do and that there bundled rate basically applies on all face-to-face transactions. They are not going to bury it just because it is a rewards card or business card. They will give you the same type of rate. I do like some of those models, but many of the ones you will see from either banks or ISOs are often times almost like a teaser rate. Not always, but often. Another common method -- and this is less common than it used to be -- would be what they call tiered rates. This looks almost like a bundled rate. They will come in and say I can do your credit card processing for 15% -- one .5% but I will give you a tiered structure. 1.5% is settled within a timeframe. All of the other transaction types will end up in these other tears -- tiers. If it is a business card or reward card it will end up in tier 2 or tier 3 and they will charge you much higher fees on those other two tiers. The other thing that will happen is they will set you up with a three-tiered structure on day one and then over time they will raise some of the fees on tier 2 and tier 3. Not all processors do it, but many of them do. So if you want to go with a three-tiered structure where you only get three rates, and you think they look like fair rates, then be very careful about what happens later in the contract. Oftentimes these contracts allow the processors to change these rates over time. The last model is what we call interchange plus and some people call it interchange pass-through. It is the one I prefer and I tried to get all of my clients to use. It is one that many clients don't like because it also shows a lot of data on the statements and it looks very confusing but basically what the model is, is one where they say I'm going to charge you the interchange at cost, then I'm going to charge you the network fees at cost, and then I'm going to put my fee on top of it. Their fee might be 10 setbacks per transaction or 0.2%. Or even the combination of those. If they are really giving you an interchange plus pricing structure, then it is easy to take the structure and compare it to other processors. And they also are unlikely to raise your prices during the term of your contract. When you go with this type of pricing structure you get, in my mind, the most fair and transparent model. It used to be it is only for people over 1 million but that is really not true anymore. More and more what a small business owner can get in interchange plus pricing model -- you just have to ask for it. And there are many processes servers -- out there offering it. If they steer you away, say no it is too complex. That is probably because they are trying to get you to do something that is simpler but they make more money at. You really have to be careful. That is the high level on these three primary pricing models. Have you get the best deal? Buying merchant services -- once you understand the basics of pricing -- is really not that much more difficult than anything else you are buying. Really what you want to do is you want to get a good set of potential partners. It could be your local bank, it could be a friend of yours who runs an ISO, it could be one of the major players in the industry like Heartland or First Data. You want them to all come in and give you a proposal, whether it is on the phone or in person, and you want to go out there and talk to multiple parties. You will need to understand, and we will talk about these things, but you will shop and get multiple offers some of the basics you will need to know and they will ask about will be what do you sell? What is your product? That can determine whether they will serve you are not. What is your transaction size? How much hard volume do you think you do a month? If you don't accept today, how much do you think you do and if you do, how much are you doing today? They will know -- want to know about your business history. Opening a merchant services account in the banking industry is just like a lending structure. They look at it from an underwriting perspective like they have to underwrite you so they will run a FICO SCORE on you personally. They will understand -- want to understand how your business is set up and who the owners are. They have to go through some really basic checks and things we call know your customer activities. They will check you against database customers who might've been terminated by other merchants. There are a bunch of steps they will go through when they look at you. Let's skip over to the questions you want to ask these processors. You want to understand who you are doing business with. Are they just a sales organization? Or are they a sales organization plus they on the processing? You will want to check into their reputation and maybe get references just like you would when you go out and buy products from anyone else. You will want to know who your day-to-day -- oftentimes you have a sales guy that will come in to sell your -- you an account and you will never see him again. There is a lot of sales turnover in this industry. You want to understand is that the type of organization you are dealing with or are you going to have a point of contact that you can come to when you have problems? The next step is around fees and I mentioned the pricing models. You want to understand what the pricing model is and what the fees are and one of the things I always tell friends is -- a friend of mine has a restaurant and they were really upset with their last processor. They told the one thing and they would get statements and there would be all these other things on the statements. What I told him was, before you get a new processor, ask them to show you what the statement is going to look like. What are the fees? Show me what they will be on the statement so I can do the math myself and figure out how much I'm really going to pay. Oftentimes they will give you a low processing price but then they will try to charge you $40 to lease a terminal for 48 months the costs $200. It doesn't take a rocket scientist to figure out if you are paying $40 a month for 48 months, that is a lot more than $200. They will try to nickel and dime you with other fees and examples will be a PCI management fee. Things that cost them five dollars that they want to charge you $30 a month for. You want to dig into the other fees. Not just what the bundled rate was or the interchange plus rate was, what are all the other fees that they are going to charge you? Depending on your business you are going to need to know how you are going to connect to them. Are you going to buy a terminal? Are you going to rent a terminal? Have you already bought an integrated point-of-sale solution from a local vendor? If you go out and buy one of those point-of-sale solutions you will need to understand who those point-of-sale solutions can connect to. What processors can do the merchant processing and sign you up? It's not universal that you go out and buy an integrated point-of-sale that has -- that it will be connected to everybody. That's not always the case. You will want to know if you are a retailer what other products to they have that can help you? Nowadays there are many client point-of-sale solutions. There is one called Clover and NCR has one. There are multiple solutions you can get and you want to understand if they offer those are you have to buy them from a third-party. From a supports perspective, depending on how big you are they are either going to send you into a call center or they are going to have a relationship manager for you, or some entities you can still call the salesperson. A friend of mine runs in ice -- ISO tier in Minnesota and he doesn't always have the best pricing for his customers, but guess what? His salespeople support the customers moving forward and whenever they have an issue, they have someone they can directly call and work with and can solve the problems for them. It's one thing to get the best price, but the best price doesn't always mean the most service or the best service. The last thing I want to mention about these contracts is flexibility. Many processors will sell contracts with a five-year term on them and if you read the fine print, a bunch of termination fees. And by the way, during the contract they can raise the price basically whenever they want to but you are stuck with the term of the contract. I know that seems bizarre but that is oftentimes how the contracts are written. I'm a big stickler about making sure that you either -- you don't have term at all because some will do it that way or if you have a term that there is a very low termination fee. It's just not fair to have a long-term and a high termination fee in a contract. Believe me, these contracts can be 10 to 15 pages long and pretty confusing. I'm not pushing people one way or another, but with entities like PayPal and Square common there's really no terms. It is just month-to-month you use them and there's no term. You might pay a little more in those circumstances, but you get a lot of benefit of not being locked into a long-term contract. I'm a little bit behind so I'm going to click through a couple more of these. Again, you guys by services all the time. You buy product and services and really buying merchant services or contracting to take credit cards is just like anything else. Get a group of entities to bid on the business, compare the pricing, try to make sure the pricing is apples to apples, get them to mopped up what the statements are going to look like and all the fees you are going to pay. And negotiate with them. Drive them down. If you find somebody you really like, but they are charging you more than somebody else, drive down his price. He will likely compromise with you. There is a lot of competition in the merchant processing space and that is usually a good thing as a buyer. You can negotiate good deals. Again, I touched on this earlier. Don't pay a bunch of nuisance fees. They might have a statement fee of $15. $15 for a chargeback. Those are fees that you might have but don't pay $15 for a statement. Pay three dollars. For a chargeback they should be willing to negotiate that down to five dollars to eight dollars. Negotiate all of the items in the contract that are likely to create cost for you. I talked about contract terms. I don't like signing a five-year contract. It is possible in some cases that you get an interchange plus deal and they want you to sign a five-year contract or offers you a three-year contract. Make sure you get the lowest price possible. You can use the term to negotiate the price down a little bit. Let me skip over to technology these days. I don't know how many people on the phone use Apple pay. I love it. I use it all the time now. If I go out for a run, I can stop it Jamba juice and not have to have a wallet or cash with me. I love mobile payment and I think you will see more and more consumers that want to pay with mobile. The adoption hasn't been great so far, but it is moving along slowly. Mobile payments is a big opportunity and if you are going to accept credit cards and have a terminal, it makes sense to have one that is enabled with mobile payments. The same these day for [Indiscernible], if somebody tries to sell you a terminal and it is not EMV enabled, that is a red flag. I would never science -- sign with somebody these days who doesn't want to provide that. The rules have changed in the merchant processing space and if you are a merchant, you really need to have EMV acceptance. It protects you against chargebacks, it protects your consumers data because when you have a chip card, the chip is much more secure than the old magnetic stripe that we used to have. I'm going to flip over and we have another poll question here. The question is are you more likely to accept payment cards after hearing this information? I hope most people would agree or want to accept cards more after today. After that poll question we are going to open it up for questions. Alexa, I think you are going to manage the questions? Let's see if we can get if you that I can hopefully answer and add a little more value here.

Thank you so much, Pat. We will now start the Q&A portion of our call. I will read the chat questions that everyone Sinton. Please continue submitting your questions by using the chat function located on the left-hand side of your screen and in the time remaining we will address as many as we can. Please note that if we don't have time to get your questions, I encourage you to connect with a SCORE mentor after today's webinar. Mentors are available online or in a chapter near you to help you apply the strategies that have been presented today. Let's go ahead and jump into these questions. The first question came in from a couple of different people regarding the last segment. What is EMV?

Maybe I didn't articulate it well enough, but that stands for euro MasterCard Visa. Basically it is a set of standards for how payment information is transmitted in the payment system. If you pull out your wallet today, I won't say all of your cards but many of them will have a chip embedded and what happens is that chip technology is much more secure than the old magnetic stripe where we used to just swipe. The reason is more secure is because the EMV chip has data on it that changes in every transaction and therefore if the bad guys are able to capture the data and route somehow, think about what happened with target where they got in and they captured transactions, if they get a EMV data transaction, he cannot go and counterfeit the card but if he gets the data from a magnetic stripe, they can counterfeit the card. It is a much more secure way -- believe it or not the rest of the world is using chip cards and the US is the last place to get on board and move forward. Hopefully that answers that.

Thank you. The next question comes from [name unknown]. Can you charge customers a convenience fee to try to offset the cost of what the credit card company charges?

There are rules around what we call -- and this is a one hour discussion in itself. Let me talk about surcharge. A surcharge is where you charge a percentage based fee for taking a card. A convenience fee is where you charge a fixed fee. Like a five dollars fee for taking a card. Surcharges themselves are allowed in the payment system by the rules but only for credit cards, not for debit cards. The amount you are allowed to charge has to be limited to the cost of accepting the cards. So because it is only allowed on credit cards and debit cards, it is very hard to implement it in the marketplace. Layer on top of that there are about 10 states that actually outlaw surcharging. So intent of the states in the US, you cannot charge another consumer a percentage based fee for taking a card. There are things called convenience fees and you will see these often times when you go to pay an electric bill. Those are a fee for using a technology or payment process outside of the standard process. If you go instead of mailing a check to your utility, you pay them with a credit card, they may charge you a five dollar fee. They are allowed to do that, but that is a different structure than the surcharge structure. What I would recommend is if you accept cards today and you are interested in surcharging then you should have a discussion with your processor. I can tell you most processors are going to have no idea how to answer that and it's a difficult question. I don't see a lot of people doing surcharges. It is allowed, only allowed on credit cards and there are a bunch of other rules around it including the state laws that might apply.

Okay. What do you do in the event of needing to issue a refund?

Sure. Running a refund is -- it depends on the payment technology you have but you can run a refund almost the same way you enter a credit card charge. If you are using a terminal, there is a process on the terminal for entering a refund and it's going to vary depending on what kind of terminal you are using or if you are using a web solution. There is a number of processes, but you can do a refund pretty easily in the same manner you would do in a regional sales transaction.

Our next question comes from Dennis. Let's say you are a manufacturing business doing custom work. You will have a prepayment policy before manufacturing your product, how does it work and how can both parties be protected? Is there an arrangement with the bank? There isn't. You can take deposits for a product. It is a perfectly reasonable thing for you to do. You will see it all the time, like furniture stores take deposits. That needs to be very clearly communicated to the customer, but what happens in that situation, if you take a deposit you will get those funds in your account and if the customer doesn't like the product, especially if it is e-commerce, he will be able to charge back the sale if the goods are not delivered. My recommendation is if you are going to do deposits, you either have a written agreement or a click through agreement where people understand the terms and conditions and how that deposit is being applied and what their rights are if they don't ultimately like the goods or services.

Okay. Our next question comes from Bridget and this goes back to the refund. Are there charges that apply to the business or customer as it does with charging for services or products?

Yes, it depends on what your contract says. Most small business merchant contracts will charge you on the gross volume you do. Imagine you do $100,000 of volume and you have $10,000 of returns. That would be a large number of returns. They will charge you on gross. They will charge you 2.5% and then they won't reverse your charges on the returns. If you are larger and you get an interchange plus contract, it is possible to get the merchant service fees back on returns. It's going to depend how large you are and how much negotiating leverage you have as to whether you can get your fees back on returns. We talked about interchange being the main cost on a payment transaction, on returns, interchange goes the other way. It gets paid back from the bank to the merchant when a return happens. Weather that flows through to you in your merchant account is going to be dependent on what your contract says.

Our next question comes from [name unknown]. Who is handling the [Indiscernible] requirements? >> That is required whenever you set up a merchant account and that is typically handled by the bank but it could be -- the bank that sponsors a merchant into the system may delegate that authority but they need to make sure that it is being run on every merchant account that gets set up. That stands for office of foreign asset control. It is basically a check to make sure people are not setting up merchant accounts and laundering money and supporting terrorism and things like that.

Is square and MasterCard system?

Yes, Square is -- the way it is set up as they go through a merchant processor, specifically chase, and Chase connects to Visa MasterCard, discover and American Express and they can accept any type of traditional payment card, debit or credit, through Visa or MasterCard, American Express and Discover.

We plan to start accepting electronic payments next spring, will EMV cards be mandatory by then?

EMV, the way they have dealt with it is by incentivizing the system. If you are a merchant and you don't have it, and someone comes in with a counterfeit card and uses it at your location, the bank can charge back that charge and you will lose the money on that transaction. It used to be in face-to-face transactions that if they counterfeit card was used, validly, it's never valid if it's counterfeit but if it was used properly in a face-to-face transaction the bank took the fraud loss. Now if an EMV card is used -- a fraudulent card is used at a merchant who doesn't take EMV, and the merchant is liable. Is someone comes in with a magnetic stripe card and you accept EMV and it gets used as a magnetic stripe and its counterfeit, the bank in that case would keep -- the liability or loss. I know it's confusing but the bottom line is if you are going to set up a merchant account today, you need to have EMV. I see a couple people asking about square accepting EMV. Square does have an EMV reader now. So you can typically get them from just about every entity that offers merchant accounts these days.

Molly asks if you could please explain more about reward cards.

Yes, basically reward cards are credit cards that have -- you get points for. Visa and MasterCard basically set up these multiple tiers of credit cards. They have credit cards that have no rewards, they have credit cards that have a mid-level amount of rewards and then they have credit cards that have a lot of rewards. A visa signature card is a credit card with a lot of rewards that the consumer gets and a lot of points. Basically the difference -- the interchanges higher on each step of the card a low-level credit card with no rewards will have a lower interchange level than a visa signature card that has a lot of rewards on it. It simply has an impact on how much you pay as a merchant when you accept those various cards.

Can you please talk a little bit about level II and level III data in the contact of B2B acceptance and its impact on rates?

Absolutely. Another intricacy of the interchange is that Visa and MasterCard have a number of lower interchange rates if -- what we call level II and level III data is submitted alongside the transaction. What that means is level III data is basically what we call line item detail of the transaction. If you are a B2B company and you sold 1 million bolts and 500,000 of them were half-inch then level III data would break out that 1 million bolts and tell which is which and how much each one is. The reality is if you are going to be be to be in you think you can let -- do level to. You need software that will allow the payment system to receive that data. Then you will need a pricing model with your processor that gives you a benefit for using level II and level III and that would be an interchange plus type model. If you are be to be and you want to lower your rates as much as possible, you can get lower interchange but you need to also make sure your merchant contract and the pricing model you are using gives you the benefit of that and passes it through to you.

Sandra asks what is the best pricing model for very small or brand-new businesses starting?

I'm not going to point you to a specific processor, but I'm a big fan -- in the same breath I'm a big fan of PayPal and Square. If you are a small business, those are great solutions. It really is going to depend on what products you are selling and what kind of technology you need, but I think products like square are very good products and the pricing is transparent and fair.

Is square the most realistic or safer method for low-volume?

Yes, I think so. Oftentimes if you go to an ISO and let's say you are only doing $20,000 a year in card volume to start and you deal with a processor, they might give you a low rate but they are going to put all these other monthly and annual fees on you and you end up paying all these other ancillary fees that ramp up your cost, whereas with Square, it is really just one fee that you will pay and you don't get nickeled and diamond. If you are a really small merchant using square or PayPal, it's a great solution. It minimizes the contract risk of having a big term and all of the ancillary fees.

Brenda asks does the bank you use matter for mobile payments and the processing company you select?

I'm not an expert in all of the different ways you can do those payments, so I hate to do it but I am going to punt on that question. I would have to do more research. I'm sorry. I can't answer that question.

Okay. Bridget asks, is there any Google search selections that you think give the best results when searching for best mode of card or mobile payments?

I don't have one off the top of my head. I would look -- if you are doing face-to-face and you are in a specific city, I would simply Google best payment processing options, and see what comes up. It may just be big companies. I don't know. I think what you want to do is get two or three or four entities and make sure you shop amongst the different entities.

Paul asks, can you speak to with -- with -- direct withdrawal for recurring payments?

I'm not sure. Let me try to answer the question. I may not be getting these. I hope what Paul is referring to is recurring ACH payments. ACH is the automated clearinghouse. This is where you enter in your DDA, checking account information and routing number and then there are recurring payments that might be made, let's say for a utility bill or other entities. What you will need to do is a little different technology. You will need a solution that has ACH. There's a company called Profit Stars that provides that service. There's not as many that provide that as there are for credit card processing. You tend to have to be a bigger company to be able to get ACH processing, but it can be a cheaper way if you get large and have a lot of transactions. It can be a cheaper way to do electronic payments than taking credit cards.

We have time for one more question. For clarity, SMS is used for attaching to mobile phones?

Yes, I think I know what SMSes, I'm just not sure -- I think the question was what banks could be used for doing that and I'm not sure I have a good answer to that. I'm sorry.

Okay. Let's take one more question. What is the average -- overall rate for card fees that we can build into our pricing models?

Let me explain it this way, the cost for a processor -- and it will vary by what type of merchant you are and what type of -- whether you are taking e-commerce or face-to-face. Let's say at a high level if you are taking credit cards face to face in a retail setting, your average interchange might come out -- interchange plus what the might -- networks might charge might be around 2% and then a reasonable processor fee might be another half percent on top of that. And without knowing the details it's tough to say but let's say between 2.2% and to .6% would be a good fee to put in assuming you can negotiate.

Okay. Pat, those are all the questions we have time for today. Ladies and gentlemen, on behalf of SCORE, I would like to thank you all for attending today's SCORE Live webinar. A survey will launch when we sign off and we would appreciate if you could take a couple of minutes to complete the survey and tell us your thoughts and suggestions. In closing I would like to give a big thank you to Pat Moran for presenting today. Thank you very much.

Thank you and thanks to everybody for attending.

We wish you all a wonderful day and we look forward to seeing you back next time. Thank you. [ Event Concluded ]