



Tell A Profit STORY: POS

by Steven Pavent

Pricing pressure has really hurt the MLS when it comes to both residuals and terminals. Where we used to earn a respectable upfront profit on a terminal sale we now know that is much more difficult. This has left three paths for people to take and we're going to look at those in this article. The first is to keep doing what you've been doing, which is working harder to produce the same results. The second is to do the same thing as the next guy, but do it for less. And finally, the third is to have an offering that solves problems for merchants and thus allows you to earn decent margins. The third group has succeeded in being able to earn a respectable upfront and residual income because they are adding value to what they offer. This article is one in my contributing series on 'telling a profit story'.

Let me take a minute to reiterate exactly what a profit story is. It is built on a series of questions that reveals inefficiency, pain, overpayment, lost profit, opportunity, new revenue and new customers. It then quantifies what these mean to the merchant in terms of dollars and ROI. If your product or service is worthwhile and you're speaking to the correct target market, it's usually fairly straightforward to show someone why it makes financial sense to own your product or service.

To combat falling terminal margins some ISO's have been partnering with POS vendors to offer full systems to their customers. Last week I met with one such POS company that offers turnkey POS systems for the retail environment. James Eldred the President of Biztracker Point-of-Sale Software had some interesting input about POS and the VALUE they can add for the customers.

First let's look at why more of us don't sell POS systems. In a nutshell it all comes down to expertise. It takes a tremendous amount of expertise to properly configure, install and support a system. So if you're going to get involved in this you need to find a partner that offers installation, training and support. Most of the time MLS's are varied geographically so it makes sense to make sure they can support customers remotely.



Due to competition and technological advances in the POS business, pricing has come down and features have increased. Here is a list of some things Biztracker and most other reputable providers offer that you can use to tell your POS profit story.

- Automated Lay-A-Way
- Fast product or customer searches
- Automated accounts receivable
- Integrated Gift Cards
- Customer loyalty functions
- Automated redundancy and backup
- Quantity and mix and match discounts
- Consolidated Reporting
- Inventory tracking
- Integrated credit card processing
- Remote support

In search of a value-added POS we also must address Restaurant / Hospitality functionality. A system that suits the need of the ISO / MLS business model is Positive Feedback Software. Todd Norvell, the President of the company has a unique proposition for the middle market restaurateur. Todd's POS systems do 98% of what some of the big names do at a fraction of the price. They have a ROI worksheet that quickly works it's way up to \$700 plus per month in waste and lost revenue using the "Tell a Profit Story" scenario. Therefore even if the investment for the POS is \$300 to \$400 per month you can still show a net of \$300 to \$400 per month. You make a good commission on the system and pricing on credit card processing. Again some of the bullet points to build a profit story are:

- Table and seating management
- Tracking tickets from the bar to table
- To Go ordering
- Online ordering
- Integrated credit card processing
- Integrated Gift Cards
- QSR modes
- Remote support



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To wrap it up, this can be a way for you to get customers interested in ways other than pitching someone a “lower rate” or place a “free terminal”. So much of the rate lowering and terminal giving comes with so much fuzzy math and strings attached, you should find it refreshing to offer merchants something that can make and save them legitimate money. ■

Steven Pavent is the V.P. of a small organization that is flourishing in one of the most competitive markets in the country, providing full disclosure and excellent service. He can be reached by phone: 727.344.2378 fax 727.343.6878 email spavent@mysalesoffice.net website: www.mysalesoffice.net.