

Valuable insight for both new and veteran merchant services salespeople.

Please enjoy this excerpt from Marc Beauchamp's indispensable publication *How to Survive and Thrive in the Merchant Services Industry II*.

Interview with Chris Brundage, President of Global eTelecom, Inc.

For more information on this insightful publication, please visit these sites:

www.BankCardBootcamp.com
www.SurviveAndThrive.biz

About the Author

Marc Beauchamp is a dynamic and engaging entrepreneur who has developed several successful companies. He has over 20 years' experience in sales, training, and marketing in various roles. In addition to merchant services, he has sold payroll systems, human resource management solutions, computer software, hardware, Website design services, and a variety of financial and insurance products.

Marc has served in multiple capacities, including Account Executive, National Account Manager, Sales Manager, Marketing Director, Vice President, and CEO.

He has worked in the merchant services industry for well over a decade. Marc has hired and trained several thousand merchant services professionals over the span of his career. At one point he managed a full-time outside sales force of 80 representatives, an inside sales force of 25, and an office staff of 8 with sales offices in most major markets in the United States.

Through his consulting company, Performance Training Systems (www.bankcard101.com), Marc has provided consulting and training services to literally thousands of ISOs and agents. He is uniquely aware of the challenges facing field sales representatives, sales managers, issuers, acquirers, and ISOs.

In 2009, in order to reach a wider audience and provide unbiased and affordable training, Marc founded the Bankcard Boot Camp (www.bankcardbootcamp.com). The Bankcard Boot Camp's mission is to provide industry-leading education, sales training, and resources to help merchant-level salespeople thrive in this competitive business.

Interview with Chris Brundage

Christopher W. Brundage was appointed President of Global eTelecom, Inc. (GETI) in 2006. Prior to joining Global eTelecom, Brundage was the owner of Merchant Services of Columbus, OH. His company provided merchant accounts, check processing, ATM machines, and Web development services. Chris has grown GETI's merchant base from 1,000 to over 55,000 active merchants.

Global eTelecom provides proprietary electronic check processing and Gift/Loyalty services to merchants nationwide. GETI's products are marketed through a sales channel of banks, independent sales offices, and credit card processors. Global eTelecom's value-added solutions include: Electronic Check Conversion, Check Guarantee, ARC Lockbox Conversion, Recurring ACH Debit, Checks-By-Phone, Check 21 remote deposit capture, and Gift/Loyalty Card Processing. GETI is part of Sage Software, Inc.

Brundage graduated from Bowling Green State University in Ohio with a Bachelor's degree in Sales & Marketing.

Question: Tell us how you got started in the business.

CB: In 1996 I responded to an advertisement in the paper for a sales rep position. I began running leads for a local company in Ohio. Eventually I created lead generation system targeting new businesses and started my own company. I contracted directly with processors, lease companies, check companies, equipment vendors, etc. I just wanted to learn everything I could about every aspect of the business. I loved the independence and creativity the industry afforded. Most importantly, I recognized early on the tremendous benefit of residual income.

Question: What advice would you give to someone new to the industry?

CB: Get educated. Set aside time on a regular basis to expand your knowledge base on every aspect of the industry. Learn about all the services, vendors, regulations, technology, equipment, etc... Knowledge builds the foundation for growth.

Question: In your opinion, what are the key characteristics that salespeople in the industry need to possess to be successful?

CB: All the standard characteristics that you might normally think of would apply here. There is nothing materially unique about success in the payments industry that you couldn't say applies to most other industries. Agents who are successful over the long term are more "relationship- and service"-oriented vs. a "make the one-time sale" type of strategy.

Question: I know you offer a wide variety of check solutions; which solutions are seeing the most growth or traction?

CB: GETI has experienced explosive growth with our new Check 21/Remote Deposit Capture (RDC) product. A unique aspect of our Check21/RDC product is that we have a "Check Guarantee" option that offers merchants security against bad checks. This empowers those selling our products to offer something the competition is not. We find that almost 50% of our merchants elect to have this protection.

Other check solutions gaining traction with GETI are products for the "Consumer-Not-Present" environment; specifically, our Checks-By-Phone and Checks-By-Web products. Merchants are increasingly looking to accept consumers' check payments in these environments.

Question: I know you been offering gift and loyalty cards for a while now; what type of growth are you seeing in those lines?

CB: This was slow to start for us due to the learning curve of a completely new product line. We had always been just a “check” company. But today we have over 5,000 gift merchants, and the growth in the gift sector has outpaced checks for the past 3 years. We see this trend continuing. Gift/Loyalty programs offer ISOs multiple income streams and dramatically increase merchant retention rates. We will continue to focus our resources on making further enhancements to this product line.

Question: I know there has been a lot of talk about check 21 and Remote Deposit Capture (RDC); are agents starting to embrace RDC?

CB: I would guess that less than 10% of bankcard agents are selling any type of Check21/RDC product. This is due in part to Check 21 being a relatively new product. But I believe it is also because very few service providers are good at packaging products for the ISO Channel to re-sell. Service providers need to be very meticulous at customizing every aspect of a program. Branding, merchant applications, boarding, equipment, service, reporting, residuals, etc.... all need to be customized to align with how ISOs do business.

The agents that have embraced Check21/RDC are experiencing phenomenal success with it. It has really revived many agents’ interest in check processing solutions.

Question: What tips or advice would you give reps to help them sell more check products?

CB: Embrace and integrate value added products into every facet of your business. Don’t think of value-added products as “side items” – but rather as core offerings. Apply the same creativity and resources towards value-added products that are afforded to bankcards. These are the ISOs that we see doing tremendous volume.

Question: Are there any key niche markets or less-competitive segments that your products are a good fit for?


CB: The Business-to-Business environment is a great market segment for our Check 21/RDC solutions. This market is very much untapped and many merchants have never been approached. Although consumers have slowed down in writing checks at the point-of-sale, businesses still pay the majority of their invoices with a check. In fact, when approached, most businesses are very responsive to solutions that enable them to “skip the trip to the bank.”

Question: What products do you see being developed that may be game changers or may impact the check industry in a major way?

CB: The “paper check” may be on the decline, but the number of “checking accounts” continues to increase. Products that simplify and facilitate consumers’ ability to utilize their checking accounts in expanding environments (phone, Web, mobile, person-to-person) will continue to be in demand and successful.

Question: In your opinion, what are the major challenges facing the check processing or bankcard industry?

CB: A continuing downturn in the economy will be a major challenge for the payments processing industry. The decrease in processing volume shouldn’t be as much of a threat as the potential skyrocketing of losses and fraud. There will, however, be a drastic effect if we start to experience a wave of merchants going bankrupt and a wave of good consumers going bad.



Question: What do you think this business will look like in 5 or 10 years?

CB: The trend for the next 5–10 years will continue to see more consolidation, margin compression, and increased regulation. As a result, larger companies' direct sales models will squeeze out many of the smaller independent sales agents.

Question: Any final thoughts or comments?

CB: There are many ways to be successful in this industry over a short time period. Organizations and people that have been successful over the long term build relationships, establish reputations, and adapt to changing environments.

Business models that successful ISOs have used in past won't always sustain them. It has been interesting to observe the success of those who truly adapt vs. those who are trying to cling to past, obsolete, business models.