

The Info You Need to Be IN THE KNOW

Pinpointing the right verticals as a value-added reseller



By Brad Giles,
Senior Director,
Channel Marketing,
Cayan

RSPA's member directory can be a key asset in helping you delve into new verticals. Utilize the member directory to search vendors and reseller members by vertical market. Discover new connections or continue discussions from RSPA events: The member directory is a terrific tool to help you continue to grow your portfolio.

Value-added resellers (VARs) aim to build strong residual portfolios, but they have a lot to consider when pinpointing whom to target. VARs commonly focus on merchants that have substantial processing volumes, given that most residual compensation structures are based on processing volume. However, in today's competitive world, VARs need to be creative and take a broader look at nontraditional verticals that can expand their portfolio, open new opportunities and significantly boost their revenue.

FINDING VALUE IN NONTRADITIONAL VERTICALS

Seeking out verticals with large dollar transactions — such as jewelry, furniture, antiques, flooring and home improvement — can add great value to a portfolio. These retail segments may

also open up additional opportunities to sell back office solutions and ancillary products, such as networking equipment, security and business continuity software, backup power, surveillance and access control systems along with a POS solution.

Nontraditional verticals may not seem lucrative initially, but they certainly offer long-term revenue opportunities. Business-to-business environments where a credit card is typically not present often have recurring transactions, which can be a huge opportunity for VARs. A few examples of card-not-present (CNP) verticals are automotive parts dealers, plumbing supply, electrical supply, lumber, construction, landscaping, HVAC, pest control and waste management. These are businesses that sell goods and/or services in-store and to the field and bill directly to a credit card number that is on file. In these CNP environments, there are typically healthy processing volumes, and the recurring nature of business-to-business transactions keeps these processing levels consistent. Plus, they provide the opportunity to upsell additional hardware, software and services.

Salons and spas are also a great target to consider. They tend to have high-ticket values and consistent processing volume without any seasonality impacts.

BUILDING A PORTFOLIO FOR THE FUTURE

Testing out new verticals may mean VARs need to represent multiple POS solutions, but it allows them to expand their portfolio of offerings and increase their number of opportunities. More and more vertical-specific POS solutions are entering the space, so VARs need a variety of solutions that can be tailored to specific markets. For example, salons and spas have unique business management requirements and need a POS solution that incorporates appointment scheduling, walk-in management, multi-station support and email/text reminders.

More and more small businesses are moving toward POS; now is the time to get ahead of the game. VARs should start exploring new opportunities and build their portfolios. Also, it's important to take advantage of the opportunity to upsell ancillary products and services to help establish relationships and create long-term success. Merchants are already buying these necessary services from other vendors, so VARs might as well take advantage of being their single point of contact for all business management services. **C**

