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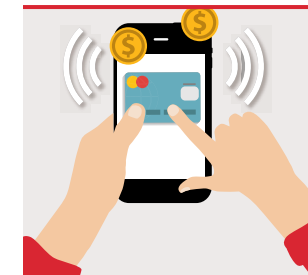
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SPECIAL CONTRIBUTOR LISTING

This issue's special contributors are pretty special indeed — all hail from RSPA member companies and provide wise insight — ranging from strategic technologies, to INSPIRE lessons learned, to what the industry can expect in 2017, their contributions provide great reading material to be contemplated, again and again.

Stephen Bergeron, APG Cash Drawer

Stephen is Vice President of Global Marketing. He's a longtime supporter of and frequent contributor to RSPA.

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Cochran is Senior Leader, Application Security, and is a co-author of the STS Profile article, "Securing the Network."

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Jim Roddy, PaymentsEdge Advisory Services, Vantiv

Jim is Reseller & ISV Business Advisor. A longtime RSPA member and former RSPA Board chair, Jim provides his insights on the most recent INSPIRE event in this issue.

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Kelly's Corner

With spring just around the corner, we are launching the “rebirth” of our member magazine, *connect*. As you page through this issue, you'll find new sections and an easier to read format with the important information that you rely on.

The great content of the magazine is also available online (www.gorspa.org/resources/connect-magazine/). This is an easy way to share articles of interest with your team or others you work with. Our online archive goes back through 2015, so if you missed an issue or article, you can find it here.

One of the featured stories in this issue is a recap of our 2017 INSPIRE event. More than 150 of us gathered in St Kitts in late January for our annual meeting of the minds. INSPIRE is executive education and so much more; it's where industry leaders gather to connect, collaborate and innovate. How? Let me share a few examples:

CONNECTION. There were many opportunities, both formal and informal, for attendees to meet new contacts and reconnect with old friends and partners. Whether at an event-exclusive reception or activity, during morning coffee breaks, or running into one another at various restaurants and pools on the property, opportunities for meeting others were abundant.

COLLABORATION. I saw several one-on-one conversations taking place poolside. The intimate nature of the event allows for individuals to speak in an informal setting. Rumor has it there was a vibrant game of pool volleyball one afternoon where collaboration (and competition) were very much on display!

INNOVATION. The Roadside MBA team shared several examples of small businesses innovating during the morning education. RSPA also tested the innovation of our attendees during Monday's group excursion, The Amazing Race. Teams of 15 competed in a scavenger type experience, while traveling around the island in an open-air Jeep. The team that returned with the most correct answers won. It was great fun and clearly an illustration of the clever and varied approaches our members take to solving any challenges put in front of them!

Continue reading to find out more of what transpired at INSPIRE 2017. And be sure to mark your calendars for January 28-31, 2018, when we'll take INSPIRE 2018 to the Waikoloa Marriott on the Big Island of Hawaii.



Kelly T. Funk

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REMINDER:

2017-2018 RSPA Scholarship applications are now being accepted. For eligibility requirements and deadlines, visit www.gorspa.org/scholar.
Don't forget, donations not only help the next generation, they are also tax deductible!

IN THE NEWS

Industry event calendar | FEBRUARY – MAY 2017

**20–22
MAR** **Southeast Acquirers
Association***
Charlotte, North Carolina

**30–01
MAR APR** **NCC Dealer Conference***
Daytona Beach, Florida

**04–05
APR** **BSM – Retail IT VAR of
the Future***
Orlando, Florida

**25
APR** **CRS Profit Booster
Conference***
Charlotte, North Carolina

**27
APR** **CRS Profit Booster
Conference***
Atlanta, Georgia

**10–12
MAY** **TRANSACT 17**
Las Vegas, Nevada

**20–23
MAY** **NRA – National Restaurant
Association**
Chicago, Illinois

* indicates RSPA presence at event.

Have an event you'd like other RSPA members to know about?
Submit to us (at least six weeks in advance) at
Publications@GoRSPA.org.

Our members have news to share

- Retail TouchPoints Unveils 2017 Outlook Guide: 13 Experts Share Insights on the Hottest Trends
- CISO of Netsurion and EventTracker Named to PCI SSC Small Merchant Task Force
- iPayment Holdings, Inc. and iPayment Inc. Announce Comprehensive Refinancing Agreement
- Thirdshelf Teams Up with Star Cloud Services to Bring Relational Retail to Millions of Independent Merchants in North America
- APG Presented Innovative Cash Management Solutions at NRF 2017 Convention
- Star Micronics Showcased New Point of Sale Technologies at 2017 NRF Big Show
- iPayment Names Philip Ragona Executive Vice President and General Counsel
- Auto-Star and Star Micronics Partner to Offer Retailers Eco-Friendly POS Printing Solution
- APG Cash Drawer Named 2017 Best Channel Vendor
- Sterling Payment Technologies Named Best Channel Vendor for Ninth Consecutive Year
- Datacap Releases Certified BluePay US EMV Solution for Point of Sale

Find these stories and more industry news at www.GoRSPA.org or scan the QR code



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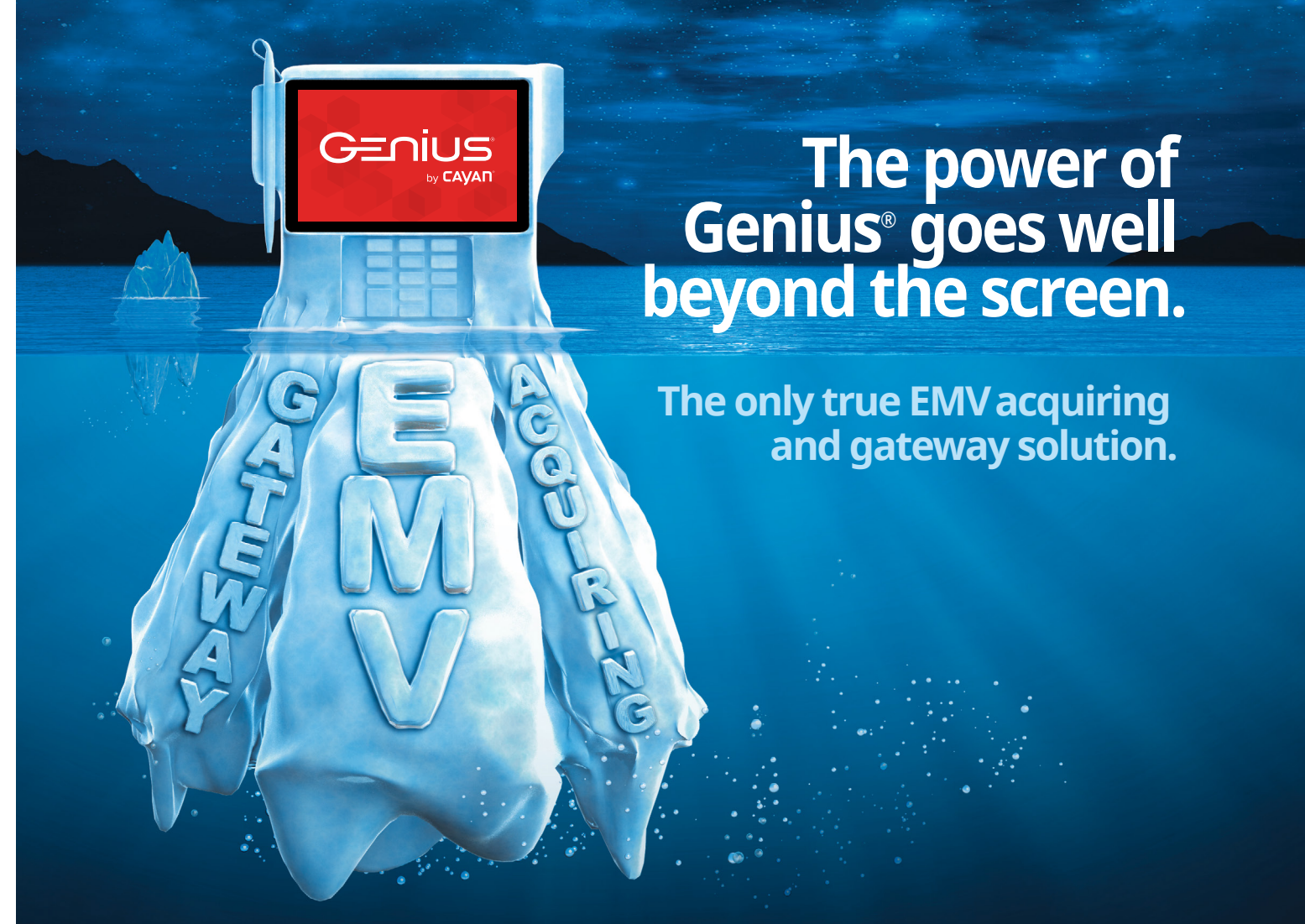
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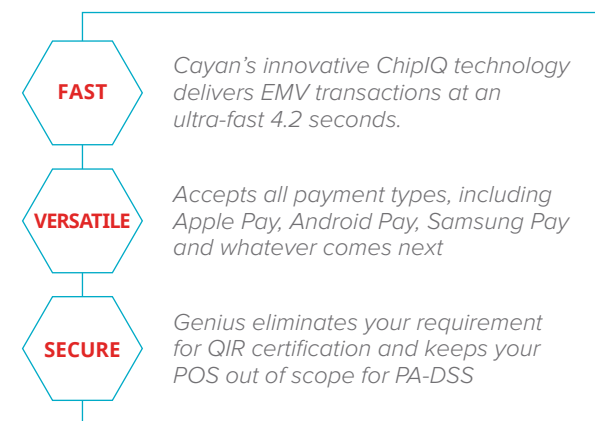
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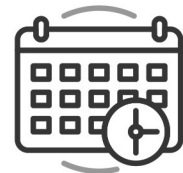
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Reviewed your employee manual lately?



By Bob Goldberg,
RSPA General
Counsel

Many states have laws and regulations that take effect on January 1. In some instances, such as minimum wage, even cities have instituted new requirements. Often forgotten among the tasks to be accomplished in time for the new year is updating your Employee Policy and Procedure Manual to reflect these changes.

ACCOUNT FOR STATE-SPECIFIC LAWS

As our businesses grow, many resellers have employees in more than one state and thus rules will vary based upon an individual's location. A manual that does not distinguish among states can be problematic.

Federal law requires that employers refrain from discrimination based upon an individual's race, color, religion, sex, national origin or age. Many states have gone beyond the federal requirements and prohibit discrimination based upon political affiliation, sexual orientation or even attending a political or religious meeting. Check your state requirements.

If your dealership operates in California and an additional state, it is important to distinguish California's rule requiring overtime after eight hours in a day rather than 40 hours in a week. A Nevada employee could sue based upon a manual statement that overtime is paid after eight hours even if Nevada law requires 40 hours.

KNOW WHAT NOT TO INCLUDE

Often, a manual is too inclusive. A well-prepared manual should clearly indicate that the manual is not a contract of employment and may be modified at any time. Important employment requirements should be contained in separate documents to assure enforceability. A provision in a manual setting forth a confidentiality provision was found not to be enforceable because it could be changed at the employer's will. The RSPA web site has examples of stand-alone confidentiality, non-solicitation and non-competition agreements.

MAINTAIN MANUAL-RELATED RECORDS IN PERSONNEL FILES


All employee personnel files should contain a signed acknowledgment that they have received, reviewed, understand and agree to comply with the policies and procedures in the manual. This should be an item on your New Employee Checklist. Give the individual a few days to review the document before signing. Review your current

employee files to verify each has a signed acknowledgment. Agreement to the manual can be given at any time during employment.

A frequent question to the Legal Hotline is whether policies must be enforced uniformly. Exceptions should be rare and documented with an explanation of the reasoning. A note in the employee's personnel file justifying an exception will be beneficial if a future claim is made regarding favoritism. Failure to uniformly enforce employment policies may lead to a charge of discrimination or a ruling that the policy is invalid.

STAY UP TO DATE

The recent election likely means changes to employment laws and regulations. Newly elected officials will seek to implement the promises made to voters. Regularly review your manual to assure compliance. Many resellers assign an administrative individual to be responsible for gathering acknowledgments, monitoring state and federal laws for changes and providing proper notification of policy changes.

RSPA is here to help: The templates available to members are regularly updated, and we are always available to answer your questions. Employment issues are the number one topic the Legal Hotline receives. 



INSPIRE 2017

connecting and collaborating in St. Kitts



By Amber Murdock,
Executive Editor RSPA

Formally known as St. Christopher Island, St. Kitts is named for the patron saint of the most famous explorer to cross its shores, Christopher Columbus. The small island — a mere 18 miles long and 5 miles across — served as a stunning backdrop for INSPIRE 2017. Attendees descended upon St. Kitts from all over to bask in the warm sun, reconnect with old friends and make new ones.



Above: Teams wave goodbye as they head out for the Amazing Race group excursion.

Right: Colin Martin, Vigilix, LLC takes a selfie with a new friend during the excursion.

With its rich history and beautiful views, Brimstone Hill fortress served as the venue for the group dinner held during INSPIRE 2017.

The Star Micronics-sponsored Welcome Dinner proved the perfect opening to the event. More than 150 INSPIRE attendees and their guests dined on a sumptuous dinner buffet against a backdrop of ocean waves and distant mountainous cliffs. Harbortouch's Suzanne Davis captured the general enthusiasm when asked what she was looking forward to at INSPIRE 2017: "EVERYTHING! The connections, the networking, educational programs, and of course, experiencing St. Kitts!"

CONNECTING OVER IDEAS

Education is one of the top attractions of the three-day event. Billed as a "Meeting of the Minds," this year's INSPIRE featured keynote speakers Michael Mazzeo, Paul Oyer and Scott Schaefer, authors of business best-seller *The Roadside MBA*. Each morning, while partaking in the Networking Breakfasts (sponsored by BlueStar), attendees were able to chat over coffee. The event's promise that registrants would be able to "connect and collaborate" was fulfilled as attendees joined together in the morning educational session.

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Top: The groups stop to re-energize at the stately Saman Tree at Romney Manor.

Left: Attendees enjoyed a buffet style lunch at Blu Restaurant while saying their goodbyes before the official close of INSPIRE.

Right: Contacts are made over cocktails during the group dinner excursion at Brimstone Hill.

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Competing companies were often found elbow-to-elbow at tables. Two such companies were responsible for making the education come alive for attendees: Vantiv, the 2017 Thought Leadership sponsor, sponsored the keynote speakers, and Cayan provided the notebooks that attendees used during the educational sessions. Such collaboration — especially among industry rivals — makes INSPIRE special: It is a time to get to know other RSPA members casually and form connections over ideas and business concepts, removed from the high-pressure sales environment. As Rick Malthaner of Como explained when asked why he attended the conference: “INSPIRE provides the opportunity to network with the most important people in our industry.”

UNCONVENTIONAL COLLABORATION, ISLAND STYLE

INSPIRE attendees had two special opportunities to explore the island through the excursions included in event registration. After the morning’s education, attendees were encouraged to change into casual clothing, grab some sunscreen and report back to the



education room for lunch. After dining together, the decidedly more casual crowd was given a set of rules for the upcoming excursion, dubbed the “Amazing Race.”

Gathering in groups of 15 to 20, attendees, guests and RSPA staff were given a Sudoku puzzle to solve. The first to finish it correctly were able to depart in Jeeps awaiting them outside the hotel. Driven by local drivers, each team was given a list of Kittian-related questions that could only be answered by completing a giant scavenger hunt, which took the groups all around St. Kitts. The Amazing Race gave INSPIRE attendees the chance to experience all aspects of the island — the people, the sights, the wildlife (including some of the more than 40,000 vervet monkeys that inhabit the island) — as well as get to know each other better. The groups included old friends and new acquaintances working together to win the race.

On Tuesday, the annual INSPIRE group dinner also took attendees away from the St. Kitts Marriott property. Buses transported attendees and guests back in time to the magnificent Brimstone Hill, a fort that took more than 100 years to build. Brimstone Hill is now a UNESCO world heritage site, and a popular attraction for visitors to the island. The 45-minute ride from the hotel to the site allowed attendees to chat and even sing songs on their way to the dinner. Attendees were greeted by servers with signature rum punches, delicious hors d’oeuvres and the stunning 360-degree views of blue waters and serene mountain slopes. A huge tent with dining tables and a buffet that included local food brought the attendees together for an evening of casual networking. Sponsored by EPSON, the INSPIRE group dinner provided a dramatic backdrop and another unique experience for attendees to get to know one another. **C**



Left: With sand beneath their feet, and the sunset serving as the perfect backdrop, registrants kicked off INSPIRE 2017 with a welcome dinner on the beach.

Right: Attendees hold discussions while dining during the first evening of INSPIRE 2017.

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People You Need to Know to GET CONNECTED

RSPA's Canadian Community



Justine Terlon-Bohonis,
Chairman of RSPA's
Canadian Community

By Stephen Gift,
RSPA Member Services

RSPA's Canadian Community remains one of the most active committees in the Association. Recently, the Community met during INSPIRE 2017, and during that time, RSPA asked a few questions of the Community's chair, Justine Terlon-Bohonis:

What are some of the industry topics getting a lot of buzz within the Canadian Community?

JTB: Canada's Anti-Spam Legislation (CASL) and how VARs can better inform retailers on good record keeping practices. Another one of the challenges that we raised based on industry topics was the difficulty in hiring.

Some members of the Canadian Community recently had a chance to catch up at INSPIRE 2017. How was that discussion?

JTB: It was nice to see so many Canadians could join us at INSPIRE. We were pleased to have 4 out of 12 Canadian [Community members] participate for the first time at the conference. We gathered for a lunch after a second day of great learning. Since the Canadian community keeps growing, and we keep welcoming new members, we took the opportunity this time to go around the table and introduce ourselves. We talked briefly about the upcoming event in Canada in May, hot topics, current benefits to the Canadian members (UPS vs another courier company in Canada), and discussed having our members act as ambassadors representing RSPA during Canadian industry events. Additionally, we talked about getting [member] information translated to French to recruit more members from Quebec.

You mentioned that the Canadian Community is holding a networking event in May 2017, in Toronto. What is the target audience for that event?

JTB: The target audience for the Canadian Community event is any technology provider in the Point of Sale ecosystem. We will more specifically be looking for those providing solutions to the retail, hospitality, grocery and c-store verticals. We will welcome all RSPA Members as well as

non-members to this event as it will be a great way for non-members to learn about the value of RSPA.

Why should an RSPA Canada member, or prospective member, attend the May event?

JTB: There will be many leaders of the Canadian Community attending this event. This is a great way to gain access to the leading minds of the industry, learn more about solutions provided by our hardware, software, payment processor and distribution sponsors, gain a greater understanding of relevant industry topics and learn about how RSPA can help your business succeed.

Can you give us a preview of the event agenda?

JTB: The details of the agenda and exact location/date are still a work in progress. We are aiming to host the event the first week in May in Toronto, Ontario. We will have a handful of table tops available to our sponsors during the networking portion of this evening event. We will also look to provide some kind of panel discussion to address some of the identified industry hot topics. More details to come, which will be available at <http://www.gorspa.org/canada>. You can contact membership@gorspa.org to receive an invitation to attend this event and join the RSPA Canadian Community. **C**

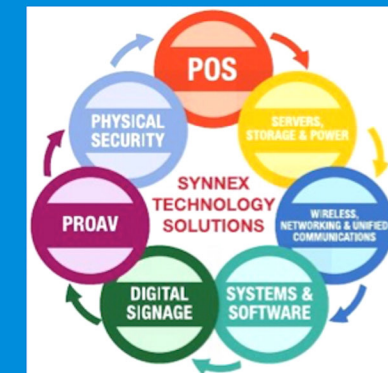
Some Canadian Community members gathered at INSPIRE (clockwise, from left): Bruce Mann, Paul Leduc, Christine Leduc, Colin Martin, Gilles Beauchamp, Michel Sirois, Jim Roddy, John Morgan, Justine Terlon-Bohonis, Andre Nataf and Lora Coggins



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Hot takes from RSPA INSPIRE 2017



By Jim Roddy,
Reseller & ISV
Business Advisor
for Vantiv's
PaymentsEdge
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While I wouldn't have thought to use Chris's terms (I've been married for 12 years), he's exactly right about INSPIRE's incomparable net-working opportunities. Soon after my arrival, I'd already had in-depth talks with C-level executives from reseller, ISV, vendor and distributor companies. Here are some of the tips I picked up at INSPIRE 2017:

HIRING TOP-NOTCH SALESPeOPLE

Resellers and ISVs often struggle to find and hire good salespeople. An ISV and I had discussed that problem the day before I boarded my plane to INSPIRE. Establishing that a candidate has the necessary sales skills is difficult, and asking them to sell you a pencil isn't an effective test. One reseller shared a tip: Ask sales candidates to prepare and present a PowerPoint on themselves. It's a perfect opportunity to learn about candidates and see their organizational and communication skills at work. If they can't sell you on their talents, they probably couldn't sell your product either.

SERVING MERCHANTS BETTER

I'm also always on the lookout for ways that solution providers can better serve their customers. In my list of "Guiding Principles for Growing the Value of a POS Reseller," we refer to this as continually obsessing over client satisfaction. One POS reseller told me that giving everyone on his team access to real-time messaging tool Slack has greatly enhanced their service. "Service calls get routed there, and our response time is 10 times better than before," he told me. "It's generally now a five-minute response time. It's great to watch how quickly issues are resolved."

"I'm talking with many people I never thought I'd have a chance to. I'm dating up — and it's awesome!"

— Chris Rumpf of Rumpf Computer Solutions on the RSPA's INSPIRE Conference

COMPENSATING SALES REPS IN THE SAAS MODEL

Another reseller struggle is determining the best way to compensate sales reps given the shift to the solutions-as-a-service/recurring revenue business model. Resellers know how to pay a rep on an install where the customer pays up front, but what do you do for a \$200-a-month sale? One reseller gives all the revenue from the first two months of the SaaS sale to the rep. Yep — *all of it*, and if they upsell the customer later, they get commission on that, too. This structure pays a living wage to the rep and keeps them hungry to keep selling new customers.

Selling solutions-as-a-service was a big part of many conversations at INSPIRE. Leading POS resellers are learning lessons and adapting their business methodologies. "In the past we focused on how large we could make the sale," one reseller told me. "Now we focus on the lifetime value of the customer. We ask ourselves, 'How do we maximize our revenues over three years?'"

continued on page 18



Top: The room was filled with attendees eager to gain insight from INSPIRE's guest speakers, the Roadside MBA Team.

Middle: Attendees listen intently during Monday's education session.

Bottom: Kelli Stewart (Advanced Data Systems) takes notes during an education session.



Kelly Funk (RSPA) with RSPA Chairman Tom Reichart (Vantiv) and Sharon Reichart.



Lora Coggins (Toshiba) asks a question during the session.

Michael Mazzeo, of the Roadside MBA Team, shares strategies with the crowd.



During the presentation by the Roadside MBA Team, Missy Berkshire, Scott Berkshire and Dale Seefeldt (all of Tulsa Cash Register) pay close attention.

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We lay managed services on top of what we already do for them.” To that point, I’ve been counseling resellers that their prior business model was a sprint; the Goddess of Commerce now requires that they run a marathon. The sprint was selling as much hardware, software and peripherals as possible initially. In the marathon, the customer must be sold technology and services over the course of a long relationship. This marathon isn’t 26.2 miles; it’s a never-ending race.

TRANSITIONING TO THE SOLUTIONS-AS-A-SERVICE MODEL

An executive told me that recurring revenue is “not that complicated, but you have to get moving. Migrating to that model will hit your top-line sales, but the swing isn’t as deep if you manage it.” This exec’s message for resellers who worry the subscription model will affect their operations and cash flow: “Your customers need to have the choice of monthly fees or someone else will provide it. It makes no sense to walk away from those deals and get zero instead of something.”

INCREASE IN SELF-SERVICE SALES

One medium-sized reseller told me 2016 was his best year ever in terms of revenue, sparked by a sharp increase in self-service kiosk sales. He said the increase in the legal minimum wage in several states is driving this spike, and he expects that part of his business to continue to rise in 2017.

ARE YOU FOCUSING TOO MUCH ON PRICING?

ScanSource POS/Barcoding President Paul Constantine commented to me that the presentation at Monday’s general session reminded him of an important truth: Despite customers talking about it all the time, your core value proposition isn’t your price. Of course, your price must be in the ballpark of acceptability, but what truly differentiates you are the services and customer experience you provide. If you innovate to become head-and-shoulders above the competition in those two areas, you have a winning and sustainable value proposition. **C**



Paul Oyer, Roadside MBA

5 HOT TIPS from INSPIRE 2017

1. Ask sales candidates to prepare and present a PowerPoint on themselves.

Learn about them — their organizational skills, communication skills, attention to detail, critical-thinking skills and more.

2. Give everyone on your team access to a real-time messaging tool.

Enhance service by routing service calls to a tool such as Slack.

3. Give all the revenue from the first two months of the SaaS sale to the sales rep.

Keep them hungry to keep selling new customers by rewarding them.

4. Keep an eye on issues and trends impacting the verticals you service — and capitalize.

State minimum wage increases translated to increased kiosk sales for one reseller.

5. What truly differentiates you are the services and customer experience you provide.

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PRINCIPLES

for POS resellers

Conference keynote speakers should make you look up from the day-to-day concerns of your business and think about your organization through a strategic lens. Michael Mazzeo, Paul Oyer, and Scott Schaefer, authors of *The Roadside MBA*, did just that across the three mornings at INSPIRE 2017.

By Jim Roddy, Reseller & ISV Business Advisor for Vantiv's PaymentsEdge Advisory Services

The key lessons from *The Roadside MBA* authors align well with a list I've compiled — "Guiding Principles for Growing the Value of a POS Reseller" — based on a framework developed by Peterson Brothers, Inc., combined with analysis of POS-reseller organizations by Vantiv's PaymentsEdge Advisory Services.

The following are the lessons I took from *The Roadside MBA* authors' INSPIRE presentation and my corresponding Guiding Principle. As you read this, identify areas where your business could use some shoring up.

ROADSIDE MBA LESSON: The only thing that matters about how good your product is a customer's willingness to pay. Always think about the relationship between the cost you're putting into the product and what the customer is willing to pay for it. Customers will be willing to pay for better knowledge, better information or a better perception of your product.

GUIDING PRINCIPLE: Vertical-market expertise enables resellers to charge more. Focus only on the areas where you can charge more.

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ROADSIDE MBA LESSON: Delegation is an important part of scaling your business. You can't scale if you can't teach someone else to do your job.

GUIDING PRINCIPLE: Delegate so you can do all the things that only you can do effectively and efficiently. A top manager delegating too slowly harms company growth and profit.

ROADSIDE MBA LESSON: Small businesses often add more people as they add more customers, but economies of scale can go away when you have to add a management layer.

GUIDING PRINCIPLE: Outwork your competition: Do more and do it better with fewer employees. Hire high-capacity employees who are far more productive than average employees in order to maintain the fewest possible employees. Maintain average revenue per employee of \$200k.

ROADSIDE MBA LESSON: Costs and Strategy Principles:

1. Businesses must understand their costs.
2. Capitalize on economies of scale to generate profits and growth.
3. Many businesses hit DISeconomies of scale quickly.
4. Identify activities that are not scalable and resist the temptation to grow in such areas.

GUIDING PRINCIPLE: Force your operating-cost-per-dollar-of-sales lower than your competitors and lower this year than last year. Keep maneuvering the business into growing, non-cyclical markets. "Many a fortune has slipped through a man's fingers because he was engaged in too many occupations at a time."
— P. T. Barnum

ROADSIDE MBA LESSON: Financing is a problem for your customers. Don't just solve their technology problems, solve their financing problems, too. Think broadly about your customers' problems, and solve any problem that you can.

GUIDING PRINCIPLE: Know your clients' goals and problems well enough to build a business model that provides indispensable products and services to them. Conduct QBRs (quarterly business reviews) with as many clients as reasonable.

ROADSIDE MBA LESSON: Ask yourself, "Why do customers choose us? Where does the willingness to pay come from?" If you can't answer those questions, then you don't have an effective understanding of what's going on in your customers' minds.

GUIDING PRINCIPLE: Focus your business on superior client value. Pursue sales opportunities that tolerate higher margins; build a revenue stack with high margins.

ROADSIDE MBA LESSON: Make the outside of the hardware look good — shine, buff and polish. Signal to your customers "this is a well-made machine on the inside." That's hard to do because you can't see the inside, but it's something customers care about.

GUIDING PRINCIPLE: Ensure employees exude professionalism. This goes beyond attire to include grooming, posture, grammar, a sparkle in the eye, enthusiasm and a sense of substance.



ROADSIDE MBA LESSON: Competitive advantage can be defined as resources or capabilities that enable a firm to create or capture value better than existing or potential competitors. It's not as important to identify what you do well as it is to know what you do better than the competition.

GUIDING PRINCIPLE: Aggressively invest in those things that allow you to deliver higher value to your clients than your competitors do.

ROADSIDE MBA LESSON: Don't just make your company seem like a great place to work; actually make it a great place to work.

GUIDING PRINCIPLE: Establish a world-class organization. Attract, hire and retain high-quality employees who can improve the business. Create a learning culture that both piques and satisfies curiosity. Employee training and mentoring is an investment that yields high dividends. **C**



Jim Roddy is a Reseller & and ISV Business Advisor for Vantiv's PaymentsEdge Advisory Services. For your copy of "Guiding Principles for Growing the Value of a POS Reseller," which includes dozens of examples from leading resellers in our channel, contact Jim at Jim.Roddy@vantiv.com or **814-520-6342**.

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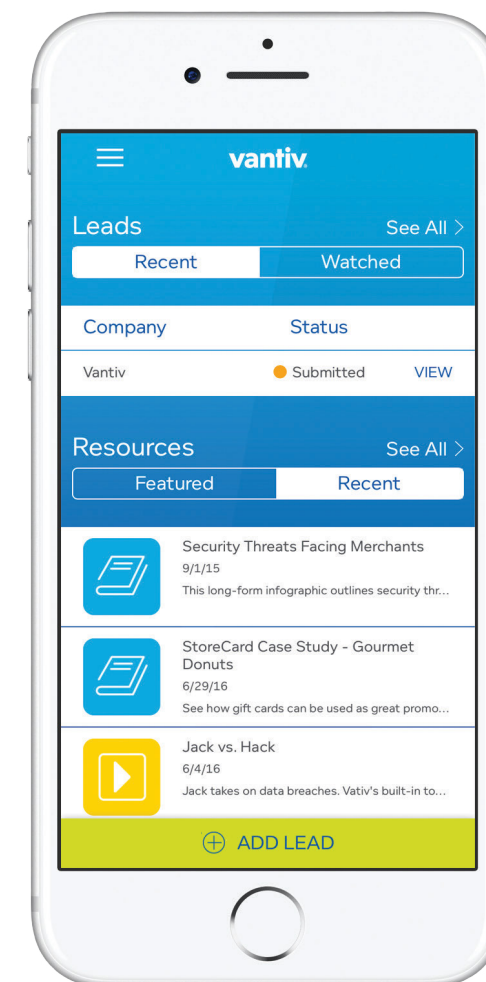
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The Info You Need to Be IN THE KNOW

How mPOS affects table turnover



By Grace Parazzoli,
Content Marketing
Manager, Lavu

Value-added resellers (VARs) in the food and beverage sector know that, while restaurants vary drastically in their menu offerings and ambience, they all share one goal: the pursuit of total efficiency. That pursuit must be managed carefully, because an overt focus on efficiency can detract from the leisurely experience that restaurant goers frequently expect.

mPOS (mobile point of sale) solutions allow restaurants to integrate technology that boosts speed of service and customer satisfaction. The result? An attractive return on investment for any restaurateur, and maybe some glowing Yelp reviews.

FASTER TABLE TURN-OVER WITHOUT RUSHING CUSTOMERS

One of the trickiest aspects of running a restaurant — and one of the ways in which VARs can most help

their customers — is table turnover. Turn a table over too fast, and customers feel unwanted. Turn it over too slowly, and you can watch those margins atrophy (in real time, if you're checking reports on an mPOS).

Taking orders and charging cards at the table is a customer-friendly way to speed table turnover. Using a mobile device to take orders enables a server to move from table to table — not from table to kitchen to table and back. This process also streamlines order changes: If someone orders a quinoa burger but then wants a cheeseburger instead, the server can update the order on the floor and the kitchen staff will see the change immediately.

Without mPOS, 15 minutes can pass between the time the server drops the check and the time the cards are charged and receipts signed.

Diners might be deep in conversation, or the server could be distracted by requests from other guests.

mPOS CAN IMPROVE EFFICIENCY AND CREATE A BETTER CUSTOMER EXPERIENCE

mPOS systems give servers control of the time at the end of the meal. Receipts are offered by email, and tip amounts can be suggested, saving customers from having to do the math. Those customers will be on their way faster and happier, with new ones seated at that table, perusing the menu.

No matter how upscale or casual a restaurant, its patrons will admire an establishment that offers not just excellent food but also attentive service and sleek, modern technology.

The increased efficiency and customer satisfaction that mPOS creates is easy to demonstrate: Labor reports can indicate exactly how much individual servers are selling during specific time frames, gift and loyalty programs encourage new and repeat patronage and mPOS shift management cuts back on the amount of time and effort a restaurateur has to put into determining staff schedules. In a challenging and competitive restaurant landscape, a better POS solution enables restaurants to operate more efficiently (and profitably) while improving customer service. **C**



KNOWLEDGE



Securing *the network*

SIMPLE TRUTHS

Brian Krebs' January 17 post on Krebs on Security, "DNI: Putin Led Cyber, Propaganda Effort to Elect Trump, Denigrate Clinton," is not only an excellent piece of analysis, it also contains important cybersecurity lessons. In the post, Krebs lists five "fairly simple, immutable truths" that should strike fear in anyone interested in merchant security:

- If you connect it to the Internet, someone will try to hack it.
- If what you put on the Internet has value, someone will invest time and effort to steal it.
- Even if what is stolen does not have immediate value to the thief, he can easily find buyers for it.
- The price he secures for it will almost certainly be a tiny slice of its true worth to the victim.
- Organizations and individuals unwilling to spend a small fraction of what those assets are worth to secure them against cybercrooks can expect to eventually be relieved of said assets.

These "simple truths" resonate loudly as the conversation about merchant security continues. EMV, point-to-point encryption and tokenization are not sufficient defenses from cyber criminals. The merchant environment still contains valuable data — and the immutable truths still apply.

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By Rachel Cochran,
Vantiv, Sr. Leader,
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By Kirk Nesbit,
SYNNEX Corporation,
Vice President, Design
and Support Services



By Dan Ourada,
Vantiv, Technology
Evangelist

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BREACHES

Attackers use any number of strategies to steal data and the consequences of a data breach can be far reaching. Some of the more prominent recent data breaches include the following:

- 1. **Mirai botnet.** In October 2016, attackers leveraged connected Internet of Things (IoT) devices to launch a DDoS (distributed denial of service) attack against Dyn (an Internet infrastructure company). No data were stolen and no payment data were breached, but even without a compromise of the merchant environment, merchants likely suffered. The attack caused instances of “clogged pipes,” which created intermittent issues accessing the Internet, preventing merchants from processing payments or accessing cloud-based services and degrading the consumer experience. The attack was made possible because devices had been connected to the Internet without changing the default login.
- 2. **Yahoo!** Yahoo! reported in late 2016 that it had been the victim of two major data breaches in 2013 and 2014 that affected over one billion user accounts, the largest breach ever discovered. The Yahoo! network itself was breached, and names, email addresses, telephone numbers, dates of birth, and other user data were compromised. One major repercussion of this breach: According to Tech Times, Verizon is rethinking its bid to acquire Yahoo! assets or may significantly reduce lower its \$4.8 billion bid.
- 3. **Wendy’s.** In January 2016, Wendy’s reported that malicious software had been discovered on POS systems in approximately 300 locations. In June, Wendy’s issued a separate statement providing information that the affected locations were “considerably higher than the 300 restaurants already implicated.” The path to the card data in this case? Compromised service provider’s remote access credentials. The number of credit cards compromised was not provided.
- 4. **Hollywood Presbyterian Medical Center.** The Center paid \$17,000 in ransom in February 2016 after hackers penetrated their systems and locked staff out of certain devices. Ransomware attacks are on the rise and while it appears that data are typically not “stolen,” there are business losses and customer service impacts.

VALUE

When determining value of a breach, the typical components are: fines, the cost of repairing the cause of the compromise, lost business, reputational damage, etc. But it is also important to consider the value proposition for the attacker. Understanding an attacker’s motivation can help in the creation of a holistic data security plan and prioritization.

Examples of data value from “The Hidden Data Economy” report from McAfee in October 2015.

PrimaryAcct, CVV, ExpDate	\$5-10 US, \$25-30 in EU per record
AnnotatedCC data: address, PIN, SSN, DOB	\$30 US, \$45 in EU per record
Bank credentials with \$2,200 balance	\$190 per record
Bank credentials with \$6,000 balance	\$500 per record
Online content services	\$0.55 – comic book site
	\$7.50 – cable streaming
	\$15.00 – professional sports streaming

THE EXPERTS WEIGH IN

The steps outlined are well known, but botnets are still successfully attacking IoT cameras that have default admin usernames and passwords. Are people not listening, not acting or are the risk models out of sync? How can security-minded professionals make clear the magnitude of the threats posed by data breaches?

One solution is a free (limited) vulnerability assessment to resellers offered by the SYNnex team, which includes live assessments at industry conferences. To date, over 400 of these assessments have been provided, and only eight resellers passed. Of those that failed, approximately 80 percent asked for a follow-up assessment after addressing the issues identified by the assessments, resulting in significant improvement. Many of those resellers have provided similar assessments for their clients. In one instance, a free assessment gained a reseller a new client who in the six months since, has procured nearly \$1 million in product from that reseller.

The obvious place to start is in securing payment data, but what if you already have EMV, end-to-end encryption, and tokenization in place? The next place to look is card not present (CNP) transactions. As the technologies above are introduced, attackers are transitioning to online attacks.

SECURING THE NETWORK

The following steps are not exhaustive, but — in addition to securing payment data — they are essential elements of any small-business data security plan.

- **Keep applications, Operating Systems and firmware updated.** Many attacks target vulnerabilities for which a vendor has already released patches. Sign up for notifications of vendor updates for all products in use and install those updates in a timely fashion.
- **Implement a firewall.** Use a firewall to restrict what traffic can enter and leave a customer’s environments, reducing an attacker’s ability to gain access. A firewall also mitigates one of the major issues presented by IoT devices: Some vendors stop supplying security patches to devices long before the device would be expected to be removed from the environment, creating vulnerability. Don’t allow internet access to IoT devices unless absolutely necessary; if such access is essential, secure the device as thoroughly as possible.
- **Change default credentials.** Default credentials on applications and devices such as routers, firewalls, wireless access points, etc., are readily available and attackers frequently use them to gain access to systems. Always change default credentials — not only the password, but also the account name if possible — and make the password complex.
- **Do not share credentials between systems.** Brushing off news of credential compromises because nothing sensitive was compromised is a mistake. Attackers know people reuse passwords across sites and systems and will try stolen credential information against more valuable targets.

- **Back up your data.** Implement a backup routine that protects customers data against system failures, accidents and ransomware. Ensure that backups themselves are not vulnerable to ransomware; if you keep backups on a general-use file server, a successful ransomware attack will lock them along with everything else. Even a willingness to pay the ransom may not mean data will be recovered; some victims of ransomware attacks who have paid hackers have never recovered their data.

THE ROAD AHEAD

In a chaotic world where breaches are constant, it is difficult to remain optimistic. The simple, immutable truths do not help, but playing ostrich is also futile. We are all in this struggle together. Keep your heads up, engage in the security dialog, follow the advice given here, print out the simple immutable truths and tape them to your mirror. Help your customers secure the network! **C**



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Heartland



By Stephen Bergeron,
V.P. of Global Marketing APG Cash Drawer, LLC

In the retail and hospitality space, 2017 will likely see a continuation of the trend toward mobility and cloud-based solutions and the emergence of unified commerce strategies. Some belt-tightening should also be expected as these industries waded through economic and political uncertainties, particularly in Europe.

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WHAT TO EXPECT IN 2017:

1 TABLET POS CONTINUES TO GROW More customers, both in the U.S. and globally, are requesting product designed for tablets and mobile POS. The difference is significant: Although both solutions are typically cloud-based and thin client-based, one is stationary and the other is, well, mobile. This aligns with a trend in hospitality, convenience, retail and service stations to use tablets for checkout and data access. With mPOS gaining traction, especially in the SMB space, heavy-duty peripherals are giving way to more cost-effective hardware. Rather than spending thousands of dollars on POS components, companies now are spending hundreds.

2 EMV AND BREXIT/POLITICAL/ECONOMIC UNCERTAINTY In Europe, for example, the Brexit vote and a recent referendum in Italy have created economic uncertainty. The EMV liability shift has been pushed out from 2017 to 2020 for U.S. automated fuel merchants. Key decision makers within the retail petroleum industry may hold off on POS upgrades as the new EMV deadline approaches. These political and economic issues and compliance uncertainty have retailers holding onto their hardware.



3 BRICKS AND MORTAR VS. ONLINE Brick-and-mortar retail is alive and well, despite online competition. Online retailers such as Amazon are crossing into the physical domain, while physical stores strive to offer a more online-like experience. For example, they are making tablets available for transactions and information lookup. Shoppers can place orders from home for store pickup and vice versa. The future of retail will combine elements in an emerging unified commerce. In many cases, the retail store is becoming a local warehouse.

4 MOBILE WALLETS, CREDIT CARDS AND CASH Despite all the buzz around mobile wallets, including Apple Pay and Google Wallet, they haven't displaced cash — nor are they likely to. Indeed, some mobile wallet users are going back to cash. More budget-conscious consumers would rather budget with cash and spend accordingly, avoiding the temptation to spend more that comes with the convenience of mobile wallets — or credit cards, for that matter. While some users will prefer the ease of electronic payments, ultimately we'll see a healthy mix of plastic, electronic and cash payments.



5 INDUSTRY CONSOLIDATION A mature market always features mergers and acquisitions, and activity in the POS space is bound to continue. Consolidation likely will continue as payment processors step into the POS hardware space and ISVs merge. The large players will continue to acquire portfolio accounts to expand or complete their solutions offering.

6 EXPANDING CLOUD The trend to deploy POS systems and peripherals in the cloud will gain traction in a pay-as-you-go model that makes it easier for customers to access the latest technology and keep their systems updated. For resellers, this approach creates opportunities to build value-based services around your offerings and increase profit margins. POS systems are being integrated through the cloud not only with peripherals, but also with payment card services and back-end solutions. This disruptive philosophy is reshaping the POS technology space.

7 UNIFIED COMMERCE Largely driven by millennial shoppers who expect their in-store experience to be similar to online shopping, retailers are developing unified commerce strategies that serve consumers when, where and how they prefer. Rather than having multiple channels, unified commerce streamlines communication to a single software platform, linking existing legacy applications and providing a holistic shopping experience. A step beyond omnichannel, unified commerce connects physical stores, online and mobile app stores, telephone sales and any other transaction methods in real time. Retailers also are starting to personalize service with promotions tailored to groups or even targeted at individual shoppers. These trends will drive much of the retail industry's IT investments in 2017.



8 REDUCED LABOR POOL, RISING MINIMUM WAGE AND NEW OVERTIME RULES Labor and compensation will continue to be an issue. Retailers are struggling to find enough qualified help — regardless of the position. A rising minimum wage and new overtime rules only exacerbate the problem. Retailers will seek out solutions to help control store-level labor or reallocate labor back into customer-service activities. **C**



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Challenge to Innovate



During the education session on Monday, spouses and guests of INSPIRE attendees met to discuss the book *Big Little Lies* by Liane Moriarty

INSPIRE is a unique event that challenges all attendees to return to their businesses thinking differently. As the unconventional group excursions proved, what seems straightforward can transform into something truly unforgettable when approached with a different lens.

In a peaceful, faraway Caribbean setting, INSPIRE 2017 attendees were challenged to think innovatively about their particular business challenges and came away with a fresh perspective, new ideas and innovative solutions.

IS IT A VACATION?

Business owners who are normally on call 24/7 often view INSPIRE as a way to get away, network with industry contacts in a relaxed setting and participate in top-notch executive education, while enjoying some sunshine and beautiful views.

IS IT A NETWORKING EVENT?

Not in the traditional sense, but the event is contained within one resort and the INSPIRE backpacks (spon-

sored by WorldPay) and INSPIRE-branded hotel key-cards (provided by Future-POS) made it easy to identify other attendees, creating a sense of community not found at many events.

IS IT AN EDUCATION CONFERENCE?

INSPIRE focuses on ideas. Its keynote speakers and education agenda provides industry leaders with time to think about and brainstorm ideas to enliven their businesses. Whether it's applying tried-and-true economic principles (like value creation and capture) or building stronger relationships with vendor partners or customers, INSPIRE is all about the little "gems" that new owners, experienced owners and even industry leaders can all benefit from. **C**

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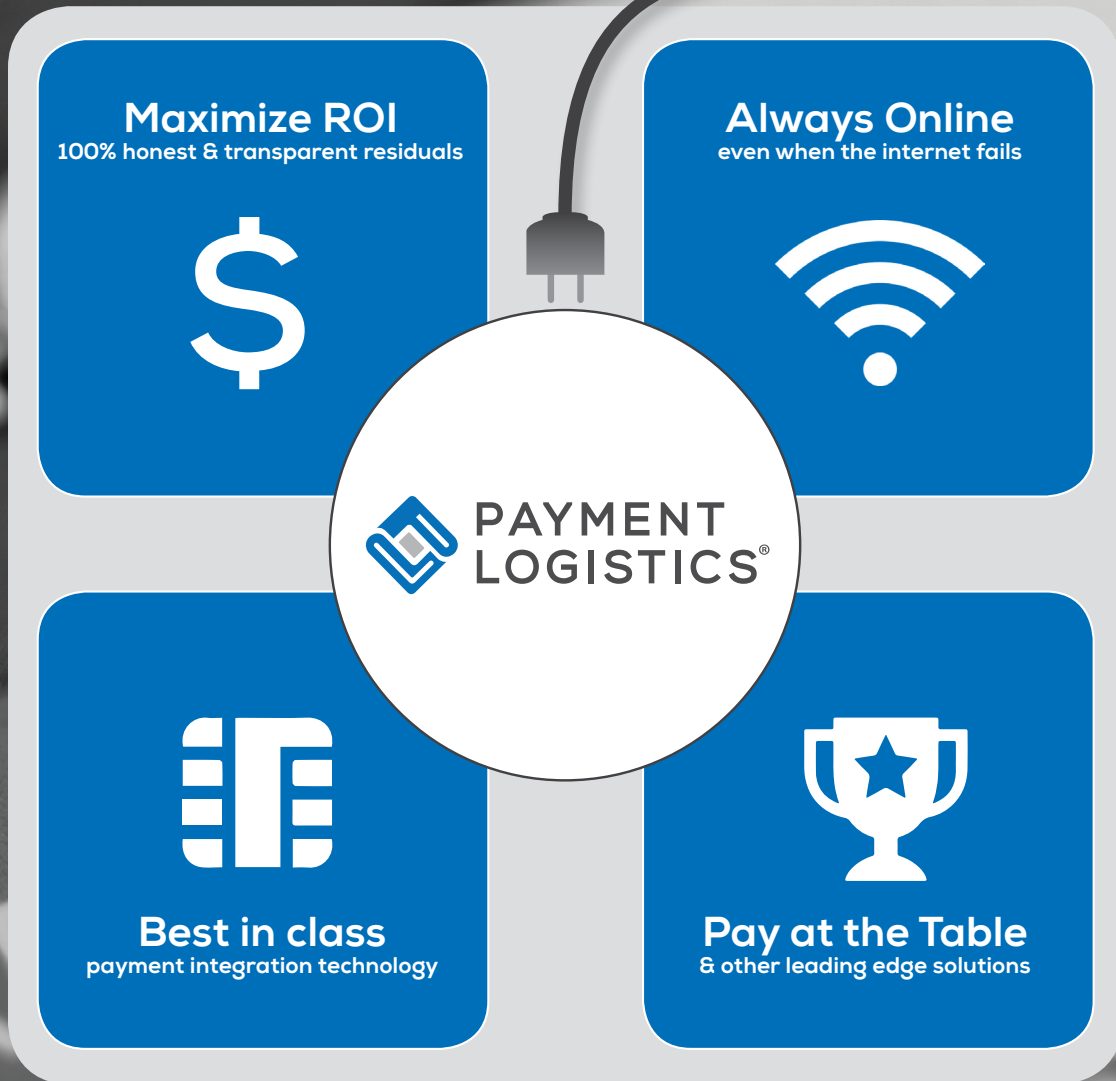
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