



The Five Pillars of a Great Payments Partnership

Enablement, Intelligence,
Protection, Support and
Productivity

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Are You Getting the Most From Your Payments Partner?

There is no shortage of options in the payments industry. That's true for end customers, merchants and even merchant acquirers, who have more choice than ever in how they sell payment services. Most acquirers opt to work with a payments partner – a company that provides the payment rails and necessary technology to serve merchants. Payments partners work with all types of merchant acquirers, both big and small, including independent sales organizations (ISOs), payment facilitators (PayFacs), banks and independent software vendors (ISVs).

While all payments partners offer processing services at some level, not all partners are equal. There is a stark divide in the industry between good payments partners and great ones. Recognizing the differences and selecting the right partner can be the difference between just getting by or thriving. A great partner won't just sell you services - they'll enable you to stand out in a highly competitive industry.

“ A great partner won't just sell you services - they'll enable you to stand out in a highly competitive industry. ”



Table of Contents

02. Are You Getting the Most From Your Payments Partner?

04. The Five Pillars of a Great Payments Partnership

05. Pillar One: Enablement

05. Pillar Two: Intelligence

06. Pillar Three: Protection

06. Pillar Four: Support

07. Pillar Five: Productivity

08. The Five Pillars in Practice

08. AI-Powered Risk Assessments

09. Automated Underwriting

10. Automated Onboarding

11. Lead Management and Tracking

12. Merchant-Level Metrics

13. Advanced Reporting

14. Gateway Residuals

14. White Labeling

15. Comprehensive Payment Options

16. Fraud Prevention

17. Marketplace Apps

18. Tokenization and Customer Data Storage

19. Dedicated Partner Support Team

20. Training Resources

20. Joint Marketing Funds

21. Conclusion: True Partner vs. Service Provider



THE FIVE PILLARS OF A GREAT PAYMENTS PARTNERSHIP

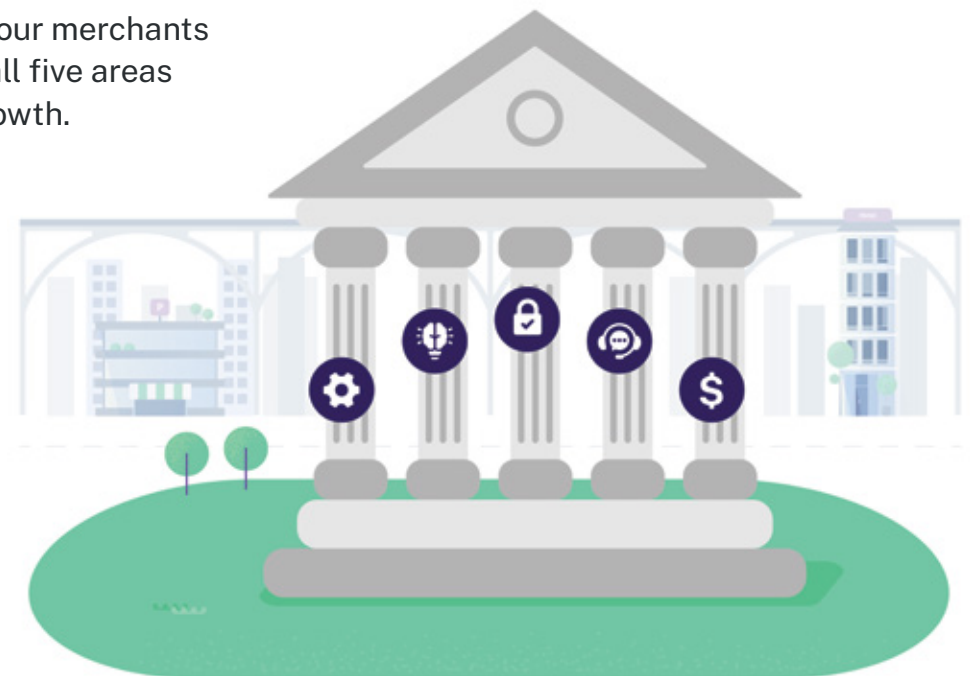
What differentiates a great payments partner from a good one? The right partner will strive to improve your business in five areas:

- Enablement
- Intelligence
- Protection
- Support
- Productivity

These five pillars represent the core aspects of a true partnership rather than just a transactional relationship between a merchant acquirer and a payment partner.

However, it's important to remember that no pillar is more important than any other; they are more than just the sum of their parts. Knocking out one destabilizes the entire system, making your partnership and the experience you offer your merchants weaker. Finding a payments partner to enhance your business across all five areas will ensure you have the foundation necessary to support explosive growth.

“ The right partner will strive to improve your business in five areas: enablement, intelligence, protection, support and productivity. ”



PILLAR ONE: ENABLEMENT



Your payments partner must enable more than just processing. They will assist you at every step in your business journey, from onboarding your first merchant to enabling your hundredth. A great partner ensures every gear in your payments machine turns smoothly, making work faster and easier for everyone. Most importantly, a great partner always has the merchant experience in mind. They will provide the tools to make your customers' journey as frictionless and positive as possible.

Takeaway: A great partner doesn't just handle payment processing; they provide the comprehensive services your business needs so you can focus on growth. In addition, your partner should deliver unparalleled service to merchants at every stage of the game. The more complete the solution, the better.

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PILLAR TWO: INTELLIGENCE



Your payments partner should make you smarter. Payments is a competitive industry with tight margins. Thriving long-term depends on your ability to out-manuever the competition, seize relevant opportunities and make strategic, data-driven decisions. If your payments partner isn't helping you do all three, they aren't doing enough.

A great partner understands how business intelligence drives the payments industry and how it impacts your day-to-day operations. They also understand how data can lead to adverse outcomes if it isn't easy to understand. Your payments partner should ensure you can actively use the wealth of information generated by your processing systems.

Takeaway: A partner that helps you gain a deeper understanding of your business is a partner that enables you to become more competitive and profitable. Having a lot of data isn't the same as having near real-time, actionable data - your partner should help you recognize the difference.

PILLAR THREE: PROTECTION



Digital payment processing is risky. Your partner should be a key ally in fending off threats. Risks include everything from consumer-level payment scams and merchant fraud to the constant threat of data breaches.

Stakeholders that don't understand or appreciate how destructive payments fraud can be may inadvertently open the door to theft. Your payments partner should enable you to mount a vigilant and effective defense against every type of fraud. With the right tools, you can minimize financial losses and protect your bottom line.

Takeaway: Your payments partner should help guard you against risk and fraud. They should provide the tools and knowledge necessary to identify and control potential threats before they can harm your business.

“ Your payments partner should enable you to mount a vigilant and effective defense against every type of fraud. ”

PILLAR FOUR: SUPPORT



No successful business meets its goals without help. Whether you're integrating a new piece of software into your tech stack, scaling up to keep pace with rapid growth or tackling an unexpected problem, you may need expertise beyond what you have on staff.

Your payments partner should not only offer you help and guidance when needed, but they should also make it easy to access their services. That means dedicated support, open lines of communication, a commitment to education and training and a relationship with an account manager who understands the intricacies of your business. With the proper support system, challenges and growing pains become manageable, and problems are resolved efficiently without interrupting your business.

Takeaway: Getting the support you need should never be a challenging or frustrating experience. A great partner makes their team an extension of your team to ensure you never have to tackle challenges or unexpected problems alone.

PILLAR FIVE: PRODUCTIVITY

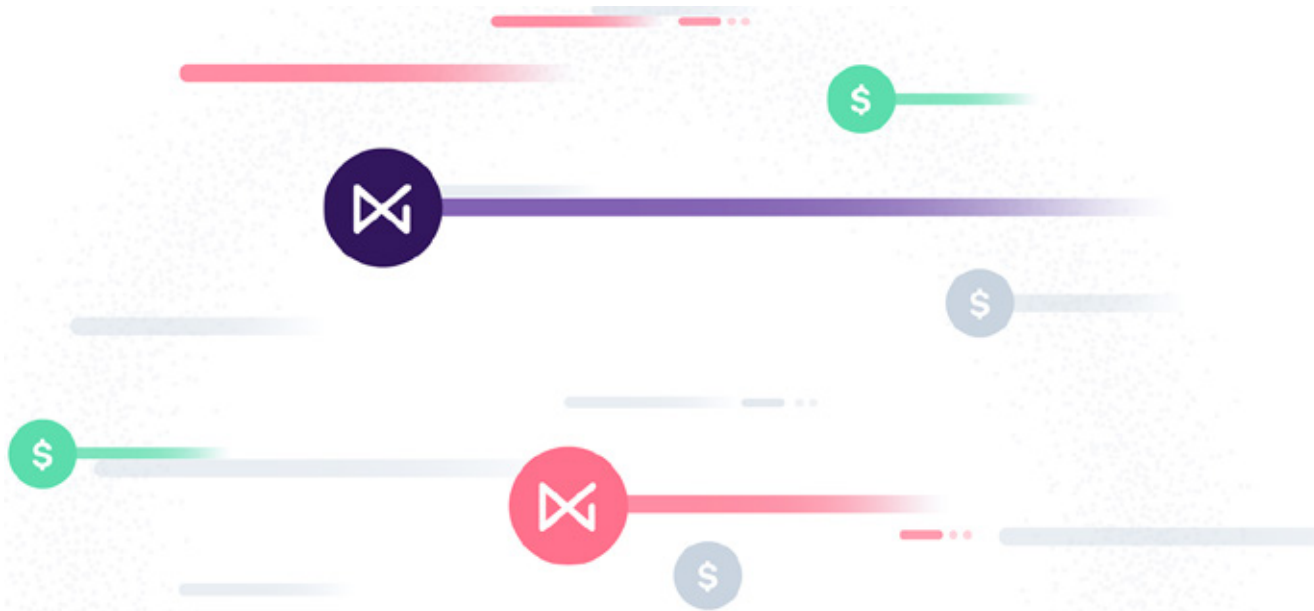


The final pillar of a great payments partnership is a culmination of the previous four: enabling your team to be more productive and efficient. In an industry as competitive as merchant services, your payments partner needs to be a source of constant improvement, both in the amount of time it takes to execute workflows and the effort required to complete those tasks.

Over time, higher productivity will result in lower operational costs and a greater merchant experience. Rather than an expense, choosing the right payments partner represents an investment in your company's future—an investment that, when done right, will offer a significant return.

Takeaway: Besides processing your transactions, your payments partner should make your teams more productive and efficient.

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THE FIVE PILLARS IN PRACTICE

With a better understanding of how a great payments partner should elevate your business, let's look at common ways the industry's best payments providers accomplish the task. From innovative features and dedicated resources to investments in futureproofing and beyond, there are many ways your payments partner can go the extra mile to ensure your company gets the most value from your partnership.

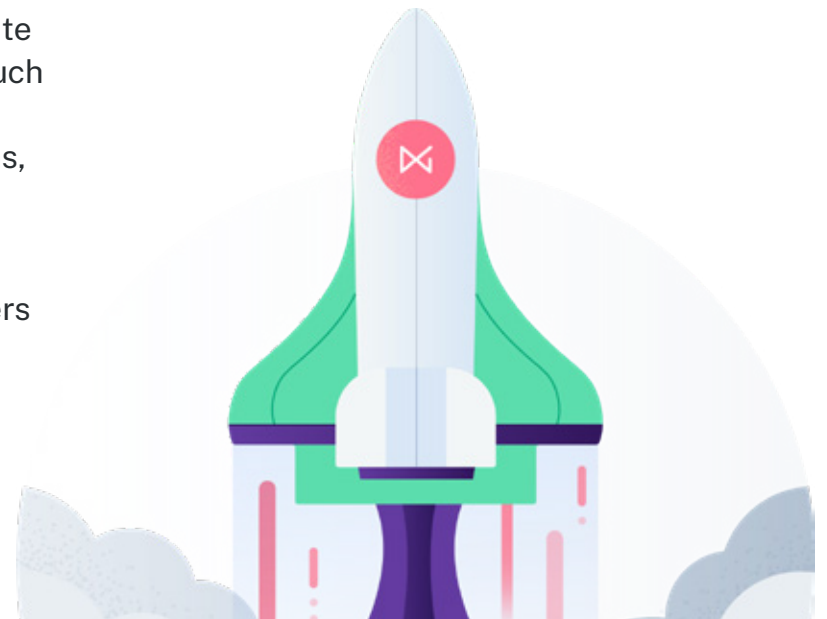
AI-POWERED RISK ASSESSMENTS

In a world where even our refrigerators are connected to the Internet of Things (IoT), an enormous amount of data is available online. With so much information, you can quickly gather insights about merchants before approving their applications.

With the help of artificial intelligence (AI), risk assessment tools can search the internet for information related to a merchant business, including high-risk website content detection, adverse media & negative news, reviews, maps, images and much more. The AI can then use this information to identify and flag potential risks. For instance, if a merchant has a string of negative reviews or sells questionable items, the algorithm will flag their account for manual risk review.

AI-powered risk assessments provide more detailed applicant information in less time than human assessors. It's a game changer in protecting you from the dangers and costs associated with risky merchants slipping through the cracks.

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AUTOMATED UNDERWRITING

Automated underwriting solves an age-old problem: the tradeoff between speed and compliance. Manual underwriting is extremely slow, but the costs of getting it wrong are high. In 2020 alone, anti-money laundering (AML) compliance failures resulted in \$14 billion in fines. Without an automated underwriting solution, penalties and fraudulent merchant activity could impact your bottom line.

An automated underwriting system changes the game by letting your tech stack handle the heavy lifting of verifying merchant data and checking it against key databases – jobs ideally suited to automation. It allows you to cut the time to run an in-depth credit and merchant risk assessment from days (or weeks) to minutes.

In turn, your human underwriters will have the capacity to focus on what they're best at – making decisions about complex and risky cases. Automated underwriting also enables you to monitor merchants in the background as they process transactions. This allows you to identify and react to new risks and fraud as quickly as possible.

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AUTOMATED ONBOARDING

Onboarding merchants to payment services is one of your business's most important tasks. Unfortunately, it's also one of the most time-consuming and error-prone. Manually onboarding a single merchant often takes 30 minutes or more and invites simple yet costly mistakes like merchant data or pricing typos. If left unchecked, some errors could sink an application outright.

Payments partners offering automated onboarding improve this process in several ways, including:

- Increasing your processing capacity
- Reducing boarding time from 30 minutes or more to under five minutes
- Enhancing the merchant experience
- Allowing your team to focus on more strategic tasks

Because top automated onboarding tools automatically handle all merchant data entry, they eliminate easy-to-make human errors and ensure more successful applications.

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LEAD MANAGEMENT AND TRACKING

The best payments partner empowers your sales process from the beginning -lead collection. Keeping the top of your sales funnel full while preventing quality leads from being lost on the way to the bottom will help you grow your overall MIDs. The best way to do this is with an industry-centric customer relationship management system (CRM).

With the right payments CRM, you can automate organic lead collection and management, freeing up resources and reducing your reliance on expensive paid lists. And, because CRMs are designed to collect, track and report on lead and customer data, every interaction with a prospect becomes a valuable source of information. With data-driven insights, you can develop more customized solutions and a faster, more personalized sales process.

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MERCHANT-LEVEL METRICS

Merchant-level metrics are invaluable. Your partner should provide in-depth merchant-level reporting that covers current and historical sales volume, profitability, payment types and more. Access to better merchant data ensures you have a holistic view of the health of your merchant accounts. Insights should include:

- Which merchants are your top performers (so you can provide them with the attention they deserve)
- Which merchants are struggling (so you can provide them with the assistance they need)
- Which merchants have stopped processing (so you can remove them from your platform)

In some cases, you can even extend reporting access directly to your merchants, giving them valuable insight into their business's profitability and sales performance.

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ADVANCED REPORTING

You can't manage what you can't measure. Access to deeper, easier-to-understand analytics transforms the data your business generates from numbers on a page into valuable intelligence. A great payments partner should help you define your reporting goals and offer the resources necessary to meet them.

For instance, your partner should provide in-depth reporting tools that cover your entire portfolio and put information at your fingertips in seconds. Having the information you need without sifting through a sea of irrelevant numbers allows you to take advantage of relevant, actionable data. That, in turn, ensures your management team can make informed business decisions (rather than relying on intuition).

Another area that payments-specific reporting tools can impact your business is residuals management. Calculating and tracking your residuals the old-fashioned way is inaccurate, time-consuming and a major headache. There's a good chance you even spend money to outsource it. A great payments partner will offer automated tools to make managing and calculating your monthly residuals quick and easy.

The best residuals reporting tools will:

- Take in all your monthly processor statements
- Automatically combine statements into a single unified report
- Instantaneously provide you with all the data you need to run and grow your business, including your gross residuals, net residuals and agent splits (calculated to the penny)

With automated residuals management, you can save dozens of hours each month. Then, with more time, your sales reps can focus on generating revenue and helping customers.

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GATEWAY RESIDUALS

Every merchant needs a gateway to process payments. The question is, where are they getting it from? If your merchants rely on third-party providers for their gateway services, you may be making their lives more complicated and leaving revenue on the table.

Your payments partner should not only provide you with access to a robust gateway solution, but they should also provide you with the tools to monetize that service through residuals. Adding a small markup can generate more income for your business and allow you to pass along an affordable rate to your customers. For your merchant, it's all upside – a major boost in convenience, one less vendor to juggle and centralized support across their entire tech stack. It's a true win-win.

A payments partner who can offer you the ability to resell gateway services is a partner who puts extra money in your pocket while improving the merchant journey.

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WHITE LABELING

Although sometimes overlooked, success in the payments space involves proper branding. Your merchants should always see and interact with your brand. Not only can seeing an unfamiliar logo confuse or even alarm a merchant, but any brand impression that isn't yours costs you the chance to foster loyalty.

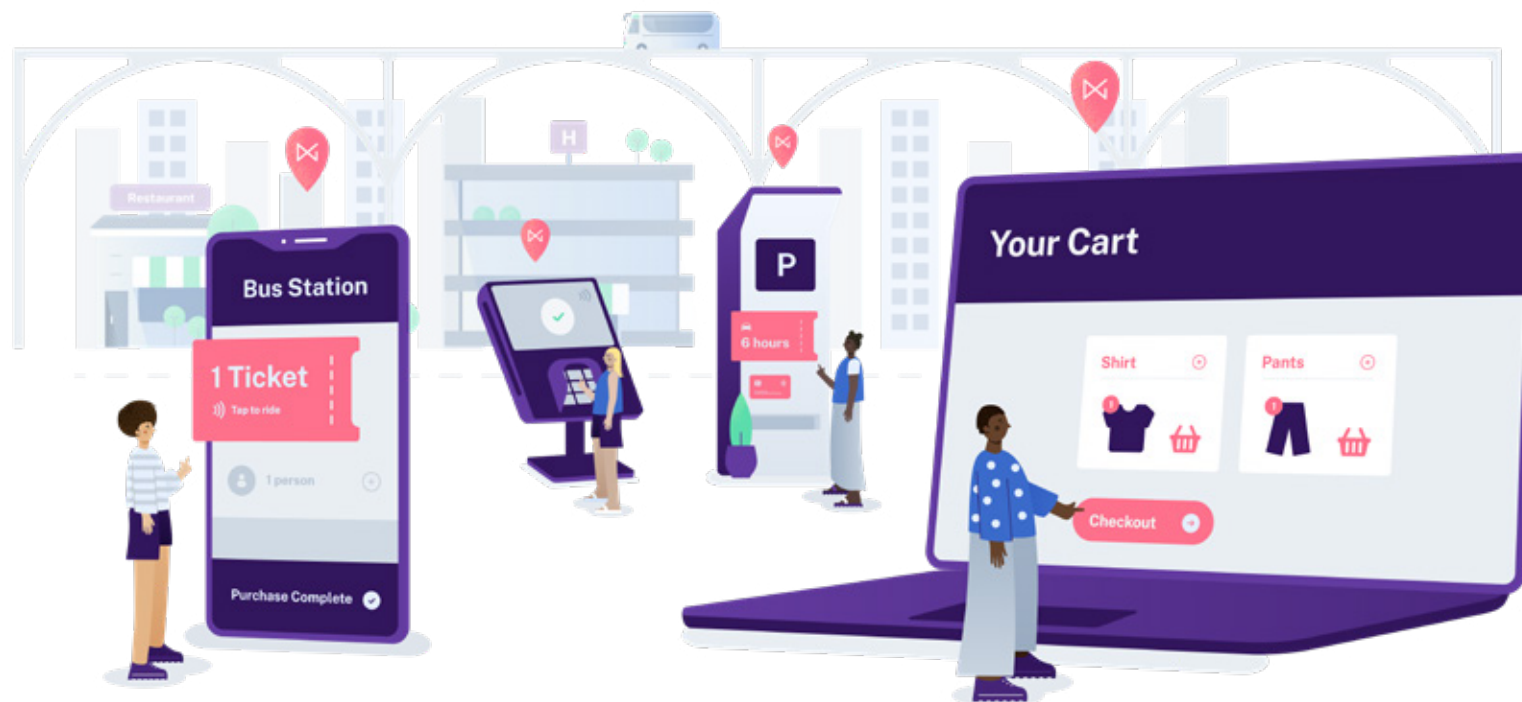
This makes white labeling an essential feature when selecting a partner. Your payments partner should allow you to white-label as many aspects of your offerings as possible. If you're selling gateway services, the gateway should carry your branding. The same is true if you offer access to reporting or if your partner is billing merchants for you. For the best merchant experience, all communications should appear to come from your brand.

COMPREHENSIVE PAYMENT OPTIONS

In an omnichannel environment, acquirers must be ready to serve merchants when, where and how the end consumer demands. To stay ahead of ever-evolving payment trends, you need a partner with the broadest set of payment options available.

Basic card processing isn't enough. Merchants need the ability to accept payments in-store, online, on mobile devices and even in unattended settings. In addition, merchants expect their payments providers to offer frictionless recurring payments, echeck acceptance, ACH transfers and more. Not every merchant will use every payment channel. However, offering more comprehensive solutions will ensure your business has the foundation to meet evolving merchant needs. Your payments partner should make that possible.

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FRAUD PREVENTION

Fraud is rampant in the payments space. Gross losses across the industry for 2021 topped \$32 billion, up almost 14% over 2020. When the dust settles, 2022 numbers will likely be even higher. For acquirers, the direct costs of fraudulent transactions and chargebacks are obvious – lost revenue. But the damage often extends beyond surface losses. You must also consider the cost of eroded relationships with merchants and expensive remediation programs.

Fraud prevention tools aim to build a wall between your business and bad actors by catching fraud as soon as (or before) it happens. Fraud prevention tools can protect you in several ways. For example, transaction scoring tools automatically evaluate each payment as it comes in and compares it against dozens of user-definable rules and known fraud cases. This ensures any suspicious charges are quarantined or denied.

Payment partners can also provide tools designed to combat false chargebacks known as “friendly fraud.” Although chargeback defense tools can’t stop friendly fraud before it occurs, they can make it easier to win cases by notifying your team as soon as fraudulent chargebacks are detected and making it easier to take defensive action.

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MARKETPLACE APPS

In addition to gateway residuals, a great payments partner will offer you a suite of value-added features and services to sell your merchants. From anti-fraud tools, billing and invoicing to Level 3 processing and accounting integrations, there is no shortage of value-added services you could be reselling to increase your earnings and improve your merchants' experience.



TOKENIZATION AND CUSTOMER DATA STORAGE

There is a delicate balance in the payments industry between convenience and risk. A perfect example is stored customer data. eCommerce giants like Amazon have made it easier for customers to pay with one click. They do this by storing payment data, so customers don't have to re-enter their information for each purchase.

While saved payment information is convenient for consumers, storing data means taking responsibility for it. Unfortunately, this responsibility could become a liability in a data breach. The right payments partner will recognize this problem and take the necessary steps to ensure that your merchants have the best payment options available while insulating you from risk.

One way a partner can do this is by offering data tokenization. This advanced security feature goes beyond standard encryption, making it nearly impossible for hackers to access and use payment data (even if they steal it). Another way your partner can reduce risk is with off-site customer data storage. This feature gives merchants access to saved customer data when needed without storing it on internal servers.

Off-site data storage and tokenization are excellent ways to enhance the consumer experience while shifting liability away from you and your merchants.

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DEDICATED PARTNER SUPPORT TEAM

There will always be obstacles, problems and unexpected surprises along your journey. When those moments come, having access to proper support at the right time can be the difference between thriving and struggling to keep your head above water. However, it is important to remember that not all support is equal. While accessibility is essential, there is no room to compromise on quality or expertise.

Rather than a single, overworked support specialist or a faceless call center, a great payments partner will provide frictionless access to a team of support professionals. You should have access to:

- A launch specialist to get you up and running
- A channel manager to guide your journey and provide you with a consistent point of contact
- A qualified team of technical support experts

A dedicated partner support team will offer timely and effective solutions regardless of what your challenges are or when they occur. A great partner will also provide a primary source of contact, so you don't have to worry about your account being passed around.

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TRAINING RESOURCES

Training is key to maximizing your success and getting the most value out of your offerings. The more tools a payments partner has to offer, the more important training becomes. Unsurprisingly, one of the biggest complaints many acquirers have with the biggest names in the payments space is lackluster training and education.

A great payments partner offers flexible training options to ensure you and your team have the knowledge and resources you need. Although self-help knowledge bases are an important part of training and support, they're not enough; high-quality live training is crucial. Even after you are set up and well-established, access to human trainers and multimedia materials like webinars or conference sessions are invaluable.

“ The more tools a payments partner has to offer, the more important training becomes. ”

JOINT MARKETING FUNDS

Joint marketing funds represent a way for your payments partner to support combined efforts to gain new merchants. Marketing funds are primarily used for demand generation activities, events or the creation of customer content. While the allocation of joint marketing funds require strong proposals from proven acquirers, payments partners willing to back up your partnership with funded marketing efforts are valuable assets.

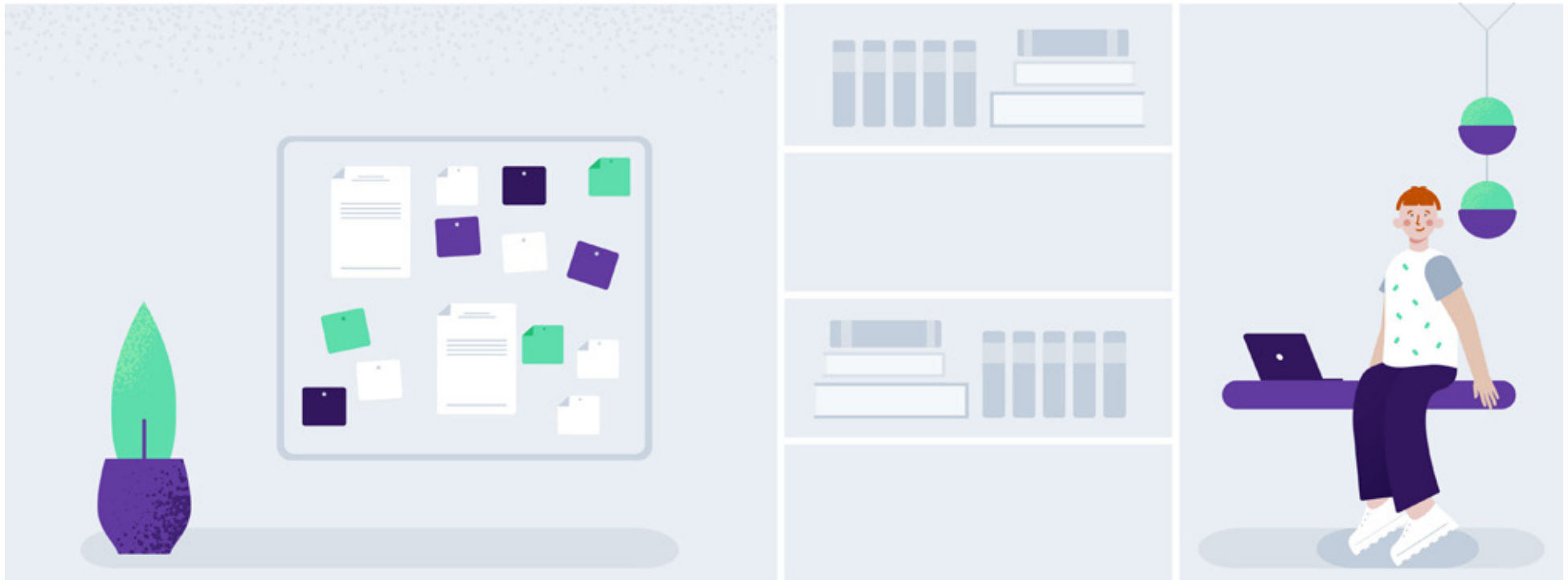


CONCLUSION: TRUE PARTNER VS. SERVICE PROVIDER

A true partner views your success as their success. They will enhance and enable your processes, provide you with more functional business intelligence, protect you from risk, support you during challenging times and make your teams more efficient, month in and month out.

Choosing a partner that can support your business with all five pillars is crucial to ensuring your long-term success in a competitive and fast-moving industry like payments.

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