

4SIGHT

Shift4's Customer Newsletter

January 2011 Issue



Happy New Year from all of us at Shift4. The year is off to a great start for us and we hope the same is true for you. In this edition of 4Sight be sure to take a look at our explanation of 4VT™ – this is a technology you've all had access to for a long time, but many of you are not yet taking advantage of it. Also, we hope our new Executive Insight section will prove both interesting and useful to you.

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A New Year's Letter from Shift4's CEO and COO

As we enjoyed time with our family this holiday season, we had opportunity to reflect on the things in life for which we are most grateful. Obviously, family and dear friends came to mind, along with the necessities of life that are so often taken for granted. We also found ourselves thinking of our loyal clients – those like you who have chosen to become part of the Shift4 family.

At this time, as we start a new year and strive to live up to the resolutions we set on New Year's Eve, we'd like to take the opportunity to personally thank you for choosing Shift4. We also want to make sure you know that Shift4 values your business and your opinions.

In our roles as CEO and COO, we have the opportunity to oversee all Customer Service activities. We love to hear stories of excellent service or surpassed expectations, as well as suggestions as to how we can improve.

Last year was a busy year for us as we diligently worked to improve our offering to you. Two weeks ago our Customer Service department moved to a new, much larger location that allows for a larger staff of Customer Service representatives and Installation/Implementation technicians. The new facility also gives us enough room for the creation of a new Customer Care and Account Advocacy team. (Keep your eye on future newsletters for the announcement of this new department. It will be tasked with managing new accounts.) In short, this new, larger facility will allow us to support you even better while adding dozens of new jobs in our Las Vegas office.

In addition, we are developing a new expanded and upgraded data center with 10x the processing power of our existing one. As your data is migrated to the new data center, it should be virtually transparent. Future newsletters will inform you of the progress of this migration.

This expansion was a Herculean undertaking to say the least. To move a Customer Service department in mid-December – perhaps the busiest time of year for us – with almost no impact to our customers, required exhaustive preparation and coordination. The growth, while not mandated by increased call volume, will allow us to more easily keep our commitment to provide you with the best possible service.

In the last year, we also introduced several new product features which you have heard about (and will continue to hear about) in our customer newsletter. Many of these features came in response to requests from customers just like you. We encourage these requests – and while it's not always possible to accommodate each one, we are committed to do what is best for our customers at large.

Again, we appreciate your business and we would like to personally wish you and yours a happy and prosperous year. We look forward to working with you for many years to come.

Best Wishes,
Dave and Kathy Oder
Founders, Shift4 Corporation



Shift4: Founded on World-Class Customer Support

In the late 1980s, the Shift4 founders were running a successful accounting software business in Southern California when a long-time customer approached them with an issue: she needed a way to integrate her front-of-house credit card system with her back-office accounting program.

Dedicated to providing stellar service and never prone to shy away from a challenge, the founders decided to take on the integration, and in the process found themselves on the cutting edge of a new discipline – online payment processing. They continued to hone the technology and a few years later left the old company to incorporate as Shift4.

With that kind of a corporate genesis, it was immediately evident that Shift4 would take customer satisfaction very seriously – and we still do. Shift4 Customer Support representatives are available to support you 24/7/365. And with us, you'll never get outsourced to some call center in Timbuktu – every Shift4 support call is answered by a Las Vegas-based Shift4 employee that is trained to support DOLLARS ON THE NET®, IT'S YOUR CARD®, and the Universal Transaction Gateway®. With that in mind, we would like to share with you a little bit about our Customer Service department – their practices, expertise, and the services they provide to Shift4 customers.

By contractual agreement, Shift4's support staff provides "Operational Support for ASP Service." Technically that means Shift4 service reps are to diagnose the problem sufficiently to determine where the responsibility lies. Just as a stool requires three solid legs to stand level, electronic payment processing requires coordination between numerous organizations (all of which must be functioning correctly) in order to be effective.

As this coordination is 100% necessary, Shift4 support staff may require that multiple third parties (Merchant Banks, Processors, POS/PMS, Internet Service Providers, etc.) be available for troubleshooting. If the issue is found to be something within Shift4's control, it is resolved as quickly as possible, in accordance with our clearly defined escalations policy. Tier 2 and 3 Technical Services Representatives are available to assist Customer Support staff when necessary. Supervisors, managers, and even executives are also on call 24/7 to resolve issues as needed.

In addition to these onsite and on-call resources, the Customer Service Management Team holds weekly meetings with the founders and members of the development staff to address any unresolved (open) cases and discuss our customers' concerns, issues, and suggestions. We have even been known to make back-end code changes to relieve our customers' networking, compliance, processor connectivity, and/or security issues as an outcome of these meetings. This is the beautiful aspect of an ASP or SaaS system – most changes can be facilitated without impacting the merchant. The solution is constantly improving.

If the issue is not with Shift4's solution, our mandate to assist goes no further than to refer the client to the responsible party. In practice, though, our support process is often quite different. You see, Shift4 Customer Service has a mantra: "if transactions aren't flowing, keep going." Meaning, if the flow of transactions is interrupted, we keep working on the problem until the flow is restored. Not only is this the best way to ensure world-class service, it's also the way we stay profitable.

With that in mind, our support staff is empowered to assist customers so far as they feel confidently capable to do so. We regularly assist with resubmitting customers' batches that suspend due to processor unavailability at time of settlement, we perform re-installations of the UTG to ensure continuous transaction processing, we perform quality control steps to ensure that our customers are set up by their Merchant Services Provider correctly, and assist in identifying downgrades if they occur.

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We act as our merchants' advocate with the POS/PMS companies as well as the Merchant Services Providers to explain issues so that our customers do not have to be experts in electronic payments. We happily do all this and more – even though we are under no obligation to do so.

Unfortunately, at times problems may fall outside of our control, leaving us (and you, our clients) waiting on a response or repair from a third-party organization. In these situations, Shift4 (being merchant-centric) often acts in a supportive or hand-holding role with third-parties in order to help facilitate getting a merchant back up and running as soon as possible. We are happy to be kept in the loop, but ask for your understanding that we can't control other companies' response times. (Trust us, we wish we could!).

We are proudly merchant-centric and are dedicated to providing you with quality service. If at any time you are in need of assistance, please contact us at 1.702.597.2480, Option 2. Non-urgent questions can be e-mailed to support@shift4.com.



NetCharge is now 4VT™

Shift4 has included the NetCharge virtual terminal as part of DOLLARS ON THE NET® since the product was released more than a decade ago. NetCharge has always been an extremely useful application, bringing the power of our solution to any merchant with a computer and Internet access. Now, however, with the ever-increasing use of mobile technology and wireless Internet access, a virtual terminal is more advantageous than ever. As such, we wanted to highlight the usefulness of NetCharge while bringing it in line with our corporate branding. The result is 4VT: a virtual terminal for virtually any environment.

4VT mimics a full-feature credit card terminal; extending your business opportunities by providing revenue centers anywhere you have Internet access. In the real world, that means a laptop with Wi-Fi out by the pool can act as a revenue center linked directly to DOLLARS ON THE NET – becoming an express lane for customer checkout. With 4VT the possibilities are endless.

In addition to flexibility and portability, 4VT maintains all of the auditing, fraud control, security, and reporting capabilities of DOLLARS ON THE NET, making it the ultimate tool for your business.

4VT allows you to process both card-present and card-not-present transactions, with full security support for both. Card data can be captured via a card swipe device plugged into a PC or mobile device's USB port, and a keyboard or 10-key for PIN entry. Address Verification Services (AVS), Card Verification Value (CVV2/CVC2), and CID codes (three- or four- digit security code) ensure better discount rates and chargeback defense. 4VT even offers the option to connect a terminal receipt printer.

You can take advantage of this functionality today, with no additional setup or configuration. Just log in to DOLLARS ON THE NET from any Internet connection and select "Online Entry" under the "Current" tab. If you need assistance, feel free to contact our support department at support@shift4.com or call (702) 597-2480 and select option 2.

By utilizing 4VT, merchants can do business where it is most convenient for them – with all the Shift4 benefits they already enjoy. We're excited to hear your ideas and success stories for this outstanding product; e-mail them to marketing@shift4.com or post them on Facebook or Twitter.

Stand-In vs. Dial-Up Backup

Last month we introduced you to a new feature we call Stand-In. If you didn't happen to read that article, you can find it in its entirety here. The basic gist of Stand-In is that you are able to continue processing transactions even when Internet connectivity is lost. Since we released that article, many clients have asked us how Stand-In compares to other backup methods, including dedicated dial-up connections. Here is our answer:

- Offline Mode with Stand-In Mode is fast – it's almost instantaneous once engaged. With a dial-up backup solution, you would need to wait for the modem to connect and transfer at the rate of the dial-up connection.
- It is also completely reliable. You don't have to worry that you will get a busy signal when trying to approve a transaction, which cannot be said of a dial-up connection.
- Stand-In is secure. The data is encrypted and can only be decrypted once it arrives at the Shift4 data center. The UTG encrypts the credit card data in a one-way encrypted file that can only be used by the computers at our data center. Other offline solutions may store the information in plain-text, meaning that if someone were to obtain the machine, they would have ready access to the cardholder data.
- It utilizes Shift4's proprietary DUKPT with MTE and Assured Delivery technologies. Offline Mode with Stand-In is simply a method to hold the transaction securely while the merchant has Internet-connectivity issues. Once the UTG regains access to the Internet, the UTG takes the encrypted information in the offline file (which can only be decrypted at the Shift4 data center) and encrypts it again using DUKPT with MTE before transferring the data using Assured Delivery.
- Stand-In offers considerable cost savings over a dial-up backup solution. In fact, it's essentially free. Offline Mode with Stand-In Mode is a standard part of the UTG and is provided at no extra cost to the merchant. (Compare that to having to pay for additional phone lines or Internet providers and the value becomes instantly apparent.)
- Like all Shift4 products, Stand-In is flexible. Offline Mode with Stand-In Mode has floor limits that are set by the merchant; this allows the merchant to set a level within which they are comfortable issuing the automatic approvals. The UTG can be configured to allow Stand-In authorization for low ticket transactions while still asking for a voice authorization on any transactions over a certain threshold.

IT'S YOUR CARD® Promotion Extended

We've seen such a great response on our IT'S YOUR CARD (IYC) promotion for new and existing customers that we have decided to extend the offer through the first quarter of 2011.

From now until the end of March, new and existing Shift4 customers can add IYC, our proprietary gift card solution, to their existing account with no set up or installation fees. IYC is a customizable, world-class gift card solution that will surpass your existing gift card solution by adding a bevy of new features including merchant-centric breakage, full POS/PMS integration, flexible, and Shift4-hosted, Web-based sales and inquiry pages that can be customized using our Web-builder functionality for layout/design. It also includes our comprehensive reporting options.

IYC also integrates seamlessly with DOLLARS ON THE NET®, meaning you'll see the same speed, reliability, and security to which you've grown accustomed. (NOTE: While gift cards are not governed by PCI-DSS, we provide secure gift card processing technologies at no additional cost).

For more information, or to take advantage of this offer, visit: www.shift4.com/itsyourcardoffer





Executive Insight: Credit Card Security

As a merchant advocate, Shift4 strives to make you aware of your obligation to protect the cardholder information in your possession (card swipes, primary account numbers and associated expiration dates, etc.). This information can be of a physical nature or of an electronic nature within your Point-of-Sale (POS) or back-office accounting systems.

The actual responsibility to inform you of and assist you with your cardholder data security obligations lies with your Merchant Bank or Merchant Services Provider (MSP). Because you pay the most to your MSP for payment processing, and because they are the intermediary organization between you and the card associations, your MSP should be the one helping you to secure cardholder data. Unfortunately, they are bankers and generally they don't have the security and technical expertise necessary to provide you with the help you need. In addition, many MSPs are promoting a new rate structure with the card associations where the discount rate goes up if the merchant can't demonstrate that they can secure cardholder data. Generally, if the discount rate goes up, the MSP makes more money. So why then would they want to help you secure your cardholder data? What's their incentive?

Some MSPs will provide you with security systems at an extra cost (including hardware-based end-to-end encryption or weak tokenization solutions). While such solutions may give you some level of protection, they are essentially a Trojan Horse. Once you start using them, you are tied to the MSP either with proprietary equipment or with tokens that are only usable with that specific MSP. It seems that whenever you are tied to the technology provided by the MSP, the "low" discount rate you think you negotiated goes up and up (rate creep) and there is very little you can do about it because the MSP holds all the cards (pun intended).

If your MSP doesn't supply you security technology and doesn't supply you security expertise, they will generally point you in the direction of a Qualified Security Assessor (QSA). MSPs are interested in maximizing their income, so they are happy to have you pay a third party to do what they should have done in the first place. (In our next newsletter we will discuss with you some of the perils and pitfalls to avoid when dealing with QSAs.)

I am extremely proud to say that Shift4 supplies the strongest suite of cardholder security technologies available anywhere — and we provide it at no additional cost to our clients. With our technologies you will never be tied to a specific MSP or Merchant Bank. You have the option to easily change MSPs and thus avoid the rate creep that comes with MSP-specific solutions.

Watch this space in future issues for an in-depth discussion of security-related matters and how Shift4 "has your back" when it comes to cardholder data security.

Dave Oder
Shift4 Founder & CEO