

Credit Card Processing: An Insider's View: What You Don't Know is Killing Your Bottom Line

by Leo Townsend

I'm Leo Townsend, president of International Payment Solutions. You've probably seen or read some of the more than 2 dozen articles I've written about credit card processing for *The Profitable Dentist* since 2001. I've been writing educational articles to try and help dentists sort through the quagmire of credit card processing sales. I'd like to emphasize the importance of educating yourself and share with you some of the ways dentists get taken advantage of by the people they should be able to trust.

I've been involved in the dental industry for fifteen years and have seen all the gimmick pricing that dentist have to sort through. Companies claim to have medical or healthcare pricing when there is no such thing other than the gimmick of the name. I've seen dental associations knowingly recommend companies that are overcharging their members and have hundreds of complaints. The new gimmick is 1.99% flat rate pricing. I have clients averaging a 1.40-1.50%, why would you want to pay 1.99%.

If you Google™ a credit card sales organization's name and add the word "complaints", you will see who you are really dealing with. Google™ your present processor, or any company that is soliciting your business. You will probably be surprised at the results. Most companies complaints are about misleading pricing, over priced equipment, and outright fraud. Most merchants would never do business with a company if they took a moment to do the research. The complaints you find are probably what is or will be done to you. Also, understand these are the online complaints, what complaints didn't get posted?

I've found that over 95% of merchants and their staff don't understand credit card processing. Salesmen know this, and use this to their advantage. From my experience, you're better off assuming that your staff is part of the 95%, not the 5%. Ask your staff what rate you're paying for credit card processing, if they give you a single percentage like 1.69%, you're probably being overcharged. Take control and learn it yourself, I can explain it to you in 5 minutes.

Most salesmen quote you a rate, like a 1.49% or 1.69%. When you consider that credit card interchange is hundreds of card types and rates, what does a 1.49% or 1.69% really mean?

Everyone in credit card processing has the same cost. It's called interchange dues and assessments. The rates are tied to risk. It's roughly 10 pages of single line type, and for salesmen to only quote you one rate is how the shell game is played. For example, your rate is 1.69% and this new company is offering 1.49%. This seems lower but when you make the switch, your cost is actually higher. How does this happen? When you're quoted one rate out of 10 pages of rates, this allows the company to put one or two cards at that rate but the other 10 pages of card types are put at whatever rate they want.

The lowest risk, therefore the lowest rate, are check cards. Cost for a check card can be as low as .17% and 22 cents and you don't need a PINpad. Why would you want to pay 1.49% for these cards?

The most important thing I want you to take away from this is do your research. And do it yourself. I've had office managers tell me the doctor was not interested in \$3000 a month in savings, only to speak directly with the doctor and find out that the manager told them that we could not save them any money. The biggest obstacle I face is office manager's not willing to do what's right for your bottom line. They are too embarrassed to admit they don't know what they're talking about and don't want to admit this to the doctor. Contacting me and taking 5 minutes to have it explained to you, could result in hundreds if not thousands of dollars back in your pocket each month.

Contact International Payment Solutions for more information on saving money on your processing costs. Call International Payment Solutions at 844-483-1995 for a free, no obligation analysis of your current processing statement. Simply fax your statement to 844-483-1996 and visit our web site at www.inter-pay.com for more information.