



The Value of a Payment Gateway

The payments business isn't easy. And today, it's harder than ever for merchants, VARs and processors to keep up with the changing payments landscape. Remaining competitive requires investment and scale, a challenge that has become increasingly complex, especially when considering the demands of expanding payment options, the challenges of complex interchange models, and the requirements to protect cardholder data.

By Michelle G. Wagner

Payment Industry Challenges

The turbulent global economy is making it difficult to control costs while building and maintaining a processing infrastructure to meet customers' needs. Plus, the spate of recent mergers and acquisitions in both the financial and payment industries has caused instability in the market. Keeping up with emerging payment and technology initiatives, on top of rigorous data security standards, requires continual focus and investment.

Merchant Challenges

It is increasingly difficult for hospitality, retail and restaurant businesses to respond to the demands of global commerce. Payment systems must deliver stability and uptime while seamlessly connecting to a variety of point-of-sale (POS) and property management (PMS) systems and processing endpoints.

Businesses must control processing, technology and operational costs while often maintaining disparate legacy systems. Finally, it's important for merchants to stay compliant with expanding security standards in a regulatory environment that demands the protection of cardholder data.

Gateway Solutions

A payment gateway acts as a consolidator of transactions, sitting in-between a merchant's often numerous POS/PMS systems and a bank's/acquirer's processing network. It provides secure multi-point connectivity across a merchant's enterprise. As a result, merchants don't have to worry about certifying and maintaining numerous payment system releases. And transaction/batch management and reporting are simplified, thanks to a consolidated view of all payment activity.



Gateways can provide significant benefits over a direct certification, including:

Visibility: Transactions are consolidated, extending one view into the entire payment processing lifecycle. Training is simplified since operators typically only need to learn and access one system to reconcile payment activity.

Security: Critical cardholder data is relocated to a centrally managed host to mitigate risk and meet the strictest security standards, including PA-DSS. Further advances, such as tokenization, remove the storage of actual cardholder account numbers by replacing them with a Unique ID. Secure device entry methods preclude the card number from ever entering the payment stream. Additionally, gateways often limit the scope of PCI audits, resulting in significant savings for businesses.

Connectivity: A gateway system provides connectivity to all the leading POS/PMS providers for seamless card acceptance and provides end-to-end connectivity to any bank/processor for any payment type.

Flexibility: Payment types, communication methods, processing endpoints, system rules and user rights are mapped to the unique needs of a business and can easily be changed without a full recertification process.

Simplicity: There are no complexities of managing multiple releases and certifications, and version control is easily maintained across an enterprise.

Multi-Point Connectivity Across Your Enterprise



The Value of a Payment Gateway (continued)

Hosted vs Distributed

Hosted solutions are hosted and maintained by a gateway solutions provider, such as Elavon, and all cardholder data is relocated and stored at a centrally-managed host within the provider's secure data center, mitigating risk for the merchant. PCI liability for the merchant is often reduced, and most importantly, upgrades are made centrally, eliminating the need for costly onsite installation.

Distributed solutions are managed on-premise at a corporate data center or installed at individual store locations, extending control to the merchant. Since cardholder data remains within the business, it is important that solutions adhere to the latest PCI and PA-DSS standards and provide advanced security measures. Upgrades are made via downloads and onsite installations.

Next Generation Gateway Solutions

Payment industry challenges have resulted in the need for next generation gateway processing solutions, and Elavon is out front leading the charge. We know that gateway solutions must provide a robust, secure and flexible platform with multi-point connectivity to meet the demands of the payments business. A solution must:

- Be built on proven and dependable switch technology that provides redundancy and failover capabilities, resulting in maximum uptime and data preservation
- Offer a secure hosted environment and advanced security tools to protect cardholder data, as well as mitigate the risk and liability associated with maintaining PCI compliance
- Feature the ability to quickly certify new payment types, perform

upgrades and add enhancements across an enterprise

- Deliver end-to-end connectivity to any bank/processor
- Extend visibility into the entire transaction lifecycle

Gateway Expertise

Elavon, Southern DataComm (SDC), and Global Card Services (GCS) bring together more than 20 years of experience in global processing networks and gateway technology to deliver the next generation payment gateway solutions. Elavon offers a wide range of hosted and distributed gateway solutions to meet the evolving needs of your business. For more information, please call 800-476-4456 or email gatewayinfo@elavon.com. ■



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Michelle Wagner is responsible for managing all aspects of product marketing, communications, and training for Elavon, a leading global payments company. She led the effort to rebrand the company in 2008, and oversees the delivery of all products and programs through Elavon's multiple direct and indirect sales channels.

Ms. Wagner joined Elavon in 2004. She has more than 20 years experience in the electronic payments industry. Prior to joining Elavon, she was vice president of delivery marketing at VeriFone, managing all global product launch and communication efforts. She has held various product and marketing positions for payment and loyalty companies throughout her tenure in the payments industry.