First Data™

Easy Payment Solution for Self-Service Kiosks

3M, a major supplier of self-service kiosks for libraries, wanted to add payment capability to its kiosks. It found that First Data Payment Software (formerly known as ICVERIFY) enabled it to easily add payment capability at a reasonable, fixed licensing cost. Not only does this solution offer flexible payment options, but it is also easy to configure and deploy to accommodate 3M's diverse customer payment needs.

Executive Summary

3M is the largest provider of library systems and solutions in the world. As part of its offerings to library clients, it provides self-service kiosks to help libraries improve customer service and productivity. For the most part, only check-out and check-in services were provided to customers through the kiosks. As use of the kiosks expanded, however, demand for self-service payment options did as well. Library customers wanted to pay fees and fines, and rent materials (such as DVDs) on their own.

To add payment capability to its kiosks, 3M turned to First Data Payment Software for three primary reasons:

1. The product allowed acceptance and processing of payments using Internet connections.
2. It was an automated solution that could work in a wide variety of payment situations and with multiple types of individualized merchant accounts.
3. Implementation and installation were flexible and simple, with fast and easy integration into both existing and new kiosks.

Through a partnership with First Data, 3M was able to quickly meet customer demands by acting as a value-added reseller (VAR), managing only the installation and integration of software for each kiosk. First Data created the software and individual codes for each library, provided technical support and managed the

merchant processing technology behind the scenes. In approximately 60 days, the first kiosk was updated to accept and process secure payments. Today, 3M has installed more than 200 library payment kiosks in the United States.

Challenges Facing 3M

A recognized leader in research and development, 3M produces thousands of innovative products for dozens of diverse markets. 3M's core strength is applying its more than 40 distinct technology platforms—often in combination—to a wide array of customer needs.

Perhaps a lesser-known fact is that 3M is the largest provider of library systems in the world. Although it provides a variety of services to libraries, some of its most innovative offerings involve self-service solutions. For example, libraries using 3M desktop-based kiosks offer customers a full range of check-in and check-out solutions, including the ability for customers to manage their own transactions, review account status and renew materials.

This self-service approach improves library productivity by freeing librarians from mundane administrative tasks so they can focus on providing improved service. The benefits of these self-service kiosks include:

→ Reduced waiting lines for checkout
→ Increased personalized customer service
→ Enhanced customer privacy

As the kiosk approach gained in popularity, library demands grew to include automated self-pay options, as well. Paying fines and other fees or renting materials weren't part of the initial kiosk offering from 3M. The company and its client libraries, however, realized that as more and more consumers grew comfortable with self-service technology, they were willing to conduct financial transactions on them as well as other library-related tasks.

Why Use Payment Software?

Payment software is fast becoming a sought-after solution for retailers and mail order firms, particularly in situations where multiple users, products and merchant accounts are involved. It helps to reduce processing time for both businesses and consumers, and it streamlines financial transactions and documentation.

When the software is highly flexible, businesses can use it to meet niche needs or as a complete solution. First Data Payment Software, for example, uses a payment engine that runs behind the scenes to support and process ever-changing transaction types simply, reliably and quickly.

Critical to the security of any payment software solution is its compliance with all applicable data security standards and practices. Visa® validates the quality, security and data encryption of such software through its PABP-compliance program.

To offer payment capability to libraries, 3M turned to ICVERIFY, now known as First Data Payment Software. The options that First Data Payment Software provided gave 3M the perfect solution: the ability to act as a VAR and offer its library clients varied choices for accepting and processing multiple forms of payment while leveraging existing kiosks.
The software was also easy to install in new kiosks.

The 3M-First Data Partnership

3M did not possess the technology and services to provide a self-service payment solution to its library clients by itself. It also had limited desire to develop the technology or deal with the wide variety of certifications and other technical requirements that were involved in processing financial transactions. Instead, the company searched for a solution that offered reliability, flexibility and easy integration—one that allowed it to simply install and integrate payment options in its kiosks as needed.

3M's ultimate goal was to find a payment solution that would work with multiple payment types as a single, stand-alone unit that could be installed in a kiosk using an Internet connection to complete transactions.

Because of First Data's reputation as the top provider of easy, fast and secure payments for people and businesses around the world, 3M approached the financial services company with its needs. The result was a partnership that gave 3M the VAR role it wanted and allowed First Data to do what it does best: create a simple, integrated process that allowed its partner to deliver seamless innovation in payment and processing services for its customers.

First Data's Approach

From First Data's viewpoint, the entire payment functionality needed to be as painless as possible for 3M to install and integrate. Because 3M's client libraries each employed a unique kiosk setup and maintained their own merchant accounts, the solution also required the flexibility to allow it to be placed into multiple types of client computer environments with numerous different hardware and software configurations.

First Data's approach was to provide 3M with four key items:

1. **First Data Payment Software.** This software includes unique setup files for each specific library installation.
2. **Software developer kit (SDK).** This kit allows enterprises to write code that can be used on any system to send all payment information into the First Data Payment Software for ultimate processing approval. 3M used the SDK to integrate each kiosk to ensure that all codes and information were in the proper format and up to date with certifications to meet compliance concerns. The SDK was designed for use in a variety of formats, depending upon the processor used and payment processes involved.
3. **Level II integration support.** This purchased, ongoing support provides 3M with direct telephone access to the Level II team for assistance with testing, verification and maintenance procedures. In some cases, this assistance can also include support for on-site installations and integration.
4. **Monitoring of processors.** As processors change codes or procedures, First Data tracks the updates and notifies 3M of any required modifications. First Data supports 3M as needed by providing periodic updates and upgrades to the software.

These four items allow 3M to install and integrate First Data Payment Software where needed and to provide individual libraries with unique payment solutions, depending upon their banking and processing relationships.

3M as a VAR

As the VAR, 3M's role in the partnership is to provide the libraries with the physical kiosks, to integrate and install the software, and to install the kiosks. When the SDK for a specific library was received from First Data, 3M added the necessary information to the kiosk, and then went out to the physical location to complete the installation.

In many instances, 3M chose to simply upgrade existing kiosks. However, many libraries also received completely new kiosks. The overall process for implementing the payment solution, however, didn't differ. First Data was a background provider of the payment solution; 3M was the front-line solution provider to libraries.

The Deployment Cycle

The 3M and First Data partnership became a reality at the end of 2006 with the signing of the contract. The first kiosk went online in January 2007, after approximately two months of development.

As additional kiosks went online, the deployment cycle sped up to a process that now takes just a few days:
→ 3M sends to First Data the processor setup information for the library involved
→ First Data develops the set file in approximately 24 hours and delivers it to 3M
→ 3M integrates the set file into the kiosk and then:
  - ships the kiosk to the site
  - installs the kiosk

3M specifically requested a stand-alone solution, because many of its client libraries used just one kiosk—even in multi-user, multi-merchant situations. First Data Payment Software, however, is flexible enough to be used in both individual and multiple-kiosk situations. In locations where there are multiple kiosks, for example, all kiosks can be linked together through a central portal.

Easy to Integrate

First Data Payment Software can be used with existing phone lines, Internet connections or lease lines. Clients can even leverage existing personal computers (PCs) or electronic cash register (ECR) equipment using this software.

The software can also be used as a stand-alone solution or integrated with other applications to accept and process credit cards, personal identification number (PIN)-secured ATM/debit cards, checks, purchasing cards, stored-value/gift cards and private-label cards.

First Data Payment Software comes in two editions to provide scalability for both small and large businesses. The Standard edition runs on virtually any PC or PC-based register platform, supports multiple operating systems and provides multiple features. The Enterprise edition uses a client-server architecture that can support online stores, sales departments, customer support, voice response systems or brick-and-mortar stores.

The 3M Licensing Approach

Different licensing options are available for First Data Payment Software. For example, customers can purchase a single-user license to be installed in each workstation where the software is to be used. In this scenario, each workstation (or kiosk) must have a direct connection to the processor. Or they can purchase a multi-user license and network multiple workstations to process from a single master station that has the processor connection. 3M chose to use one license per kiosk for accounting purposes. It wanted to know which transactions were run using specific kiosks, for example, or how many transactions were being conducted on a given kiosk. This method meant that 3M paid a one-time licensing fee. Merchant fees are negotiated by libraries and have no impact on licensing.

Using one license per kiosk also helped ease installation and sales for 3M. Tying multiple kiosks together through a central portal involves increased installation and communication; 3M wanted the simplest possible solution so that it could sell both stand-alone and multiple-kiosk solutions to libraries.

Payments in the Wired World

Kiosks are here to stay. Consumers like the self-service aspects they provide, and businesses enjoy the ease of sales they supply. From movie theaters that offer tickets through kiosks to DVDs that are sold in kiosks outside McDonald's or in the grocery store, payment software is finding a role in nearly all types of retail environments.

As long as there is an Internet connection, there is opportunity to make a sale. High-speed Internet connections reduce redundancy, free-up counter space and can eliminate "per click" fees to process payments. Plus, transaction histories are archived for up to nine years for comprehensive reporting.

First Data Payment Software is a complete kiosk-ready solution that can even support the processing of transactions with Level III information.

Conclusion

By initiating a partnership with First Data, 3M was able to act as a VAR and provide a fast, flexible payment capability solution to its client libraries. The partnership yielded a payment solution that would work with multiple payment types as a single, stand-alone unit that could be installed in a kiosk using an Internet connection to complete transactions.

By managing only the installation and integration of software for each kiosk, 3M avoided costly software development and certification costs. At the same time, it was able to implement a solution quickly because of First Data's field-tested solution. Because First Data created the software and individual codes for each library, provided technical support and managed the merchant processing technology behind the scenes, 3M was able to integrate convenient, timely payment services into its library self-service offerings.

A Global Leader in Electronic Commerce

First Data powers the global economy by making it easy, fast and secure for people and businesses around the world to buy goods and services using virtually any form of payment. Serving millions of merchant locations and thousands of card issuers, we have the expertise and insight to help you accelerate your business. Put our intelligence to work for you.

For more information, contact your First Data Sales Representative or visit firstdata.com.