



## **Transaction World Magazine**

### **The Next Generation Payment Terminal**

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Today's payment terminals are vertically-integrated, propriety, single-function devices that are starting to be replaced by lower-cost general purpose devices such as PCs, Pocket PCs and smart devices like smart phones built on open systems. Mass-market commodity devices built on open systems provide a more flexible, easier to integrate, faster time-to-market and lower-cost alternative to the traditional payment terminal. This creates an opportunity to transform the value-add in the payment industry from hardware to software, similar to what happened in the PC industry a decade ago.

The Next Generation Payment Terminal will be a mass-market commodity device like a cell phone or PDA built on an open platform. This device will really be just an input device, i.e. Client, where all the logic lives on a Server. Utilizing new industry standards like SOAP, this Client Server architecture lets merchants process transactions on virtually any device from anywhere at anytime with low cost, securely encrypted, lightening-fast transaction times. An additional advantage to this approach is, by placing the logic on the Server, only the Server needs to be certified with the payment processors, thus allowing new devices to be brought to market rapidly. Building upon familiar platforms, developers may use tools they already have, and know how to use, at a fraction of the time and cost of developing on propriety systems. This approach also has the advantage of making the device multi-application capable so retailers will no longer need to have multiple terminals on their countertops.

A real world example of this is TPI Software's Smart-Payments for Mobile POS. This product is a cost-effective solution that allows multi-function PDAs to be used to their full potential. The solution includes a PC or Web application that defines inventory, pricing and employees. Information is easily transferred to the Pocket PC Device. The Pocket PC Device reads a file and transforms it into a complete mobile point-of-sale solution. SmartPayments for Mobile POS has an easy-to-use touch screen interface and works with card readers and receipt printers to process the orders. Credit cards can be processed as retail card-present transactions in real time using standard Internet connectivity options or stored on the device for processing at a later time. The solution also supports signature capture functionality with charge-back retrieval capabilities. The Pocket PC Device is then synchronized back with the PC or Web application to process any stored transactions as well as upload the day's sales activity for complete reporting and inventory control analysis.

Tracy Metzger, CTO of Abanco International, LLC., worked with TPI Software to develop a specific version of SmartPayments for Mobile POS for the Airline Industry. This solution has been tested onboard with tremendous success and it has been accepted as the designated solution by one of the three largest Airlines in the world. "We solved the Airline Industry's in-flight issues by providing them a complete solution that not only provides payment processing and in-flight receipts, but provides inventory control and the enhanced data analysis they need to operate their businesses more efficiently", states Metzger.

Utilizing mass-market commodity devices running open systems like Windows Mobile, TPI Software is able to bring unique vertical solutions to market much faster with enhanced functionality and tremendous cost savings over traditional solutions using propriety POS payment terminals. TPI Software offers resellers of financial services the ability to differentiate themselves as they target new markets and grow their customer base with unique value-added solutions that retain customers for their long term potential.

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