

ETAU: COLLEGE OF GENERAL STUDIES
INTRODUCTION TO OPERATIONS
2011 COURSE OUTLINE

Learning Objectives:

At the end of the course, participants should be able to:

- Define the various operational terminologies.
- Understand the functions of merchant settlement, risk management, data security, exceptions/chargebacks, interchange, reporting, customer support and outsourcing.
- Understand the resources available for each of the above functions.
- Understand how to determine the potential benefits of bringing the various operational functions in-house or through third party providers.

I. Merchant Settlement

- ❖ Terminology
- ❖ Federal Reserve System
- ❖ The Settlement Process

II. Risk Management

- ❖ Terminology
- ❖ ISO
- ❖ The Acquirer
 - Liability
 - Underwriting
- ❖ Merchant Level Monitoring
- ❖ Card Brand Level Monitoring

III. Chargebacks / Disputes

- ❖ Terminology
- ❖ Why Chargebacks Occur
 - Categories
 - Six basic reasons
 - Substantive
 - Procedural
- ❖ The Process
- ❖ Compliance
- ❖ How to Help a Merchant

IV. Data Security

- ❖ Brief History of PCI
- ❖ What PCI is Comprised Of
 - 6 control objectives
 - 12 requirements
- ❖ Acquirer
- ❖ Service Providers
- ❖ Merchants
- ❖ SAQs
- ❖ Payment Applications (PABP)

V. Interchange

- ❖ Definition and Key Players
- ❖ Diagram of Example
 - Discount Rate vs. Interchange
 - Qualifications

- Downgrades

VI. Reporting

- ❖ Merchant
- ❖ Residual
- ❖ Payment Card Brands
- ❖ Processors
- ❖ Acquirers

VII. Customer Support

- ❖ Definition
- ❖ Who Provides What Support
 - To merchants
 - To sales agents
 - For terminals
 - For POS equipment

VIII. Outsourcing

- ❖ Considerations
- ❖ For Risk Management Duties
- ❖ For Chargeback Concerns
- ❖ Merchant Customer Support
- ❖ Deployment and Equipment