

# Private Club TECHNOLOGY update

*Helping Private Clubs  
become educated technology  
consumers.*

Summer, 2017

## Why VCC's Are No Longer Optional



In previous articles we have extolled the virtues of Virtual Credit Cards (VCC's). This is the technology that offers businesses a significant financial upside with no real downside. Sadly, very few private clubs are taking advantage of this revenue-generating technology.

Just a quick review: a VCC is a credit card that is used by a business to pay vendor invoices online through the Internet. What makes VCC's remarkable is the rebates they offer – typically 1% of the club's "AP Spend". This can range from \$10,000 to \$50,000 and more – ANNUALLY - depending upon the size of the club's financial operations. With minimal fees or other costs to the club.

We've heard all of the excuses from clubs for not adopting VCC's – security fears, worries that vendors won't participate, concerns about the effort needed to onboard vendors. And they are just that – excuses. Completely unfounded.

The time for excuses is over. By not adopting a VCC at your club, management is making a purposeful choice to cost the club, and its members, a significant amount of money – every month - every year. Just think what the Board's reaction would be if management decided to no longer take the discounts offered by vendors, or to discontinue competitive bidding and just accept the highest price, or not bother to collect past due accounts receivable amounts from members, or not bill unused minimums. No difference with the absence of a VCC. The bottom line is a significant cost to the members. A cost that is easily avoided. A cost that is inexcusable for club management to allow.

There are lots of options available when it comes to VCC's. Banks offer them. Specialized service companies offer them. Some sources are better than others, but what matters is that you have a VCC in place – now – today.

### In This Issue

- ✓ VCC's - Revisited
- ✓ Paying Member Statements with Credit Cards
- ✓ New Technologies: eChecks
- ✓ Tech Stats: The Human Factor in Cybersecurity
- ✓ How Much IT Support Does Your Club Need?

### How to Subscribe

All articles are written by Bill Boothe unless otherwise noted. Information provided in this publication has been obtained by The Boothe Group, LLC. from sources believed to be reliable. However, The Boothe Group, LLC guarantees neither the accuracy nor completeness of any information and is not responsible for any errors or omissions or for results obtained by others as a result of reliance upon such information.

PCTU is published quarterly. Subscriptions are free. Visit the website at [www.boothegroup.com](http://www.boothegroup.com) to subscribe.

### Services We Offer

The Boothe Group, LLC provides Independent, unbiased technology consulting services to the private club industry, including:

- Strategic IT Planning
- Software Selection
- Software Reengineering
- Online Technology Education
- Network Security Analysis
- Cyber Security Employee Training

## Does Allowing Members to Pay Their Monthly Statements with a Credit Card Make Sense?



There's been a long tradition in the private club industry of prohibiting members from paying their monthly billing statements with a credit card. Of course, there are exceptions (especially city/athletic clubs with heavy business activity) but by and large the industry has frowned upon this practice. Clubs haven't wanted to pay the fees associated with credit card transactions, and haven't found a palatable way to pass those costs on to the membership. But the tide seems to be turning on this practice. Recently we have seen a growing number of clubs accepting credit card payments from members – in an innovative fashion.

Here's what's new. There are now services available that make it easy for members to pay their statements online with a credit card. And the associated fees are charged directly to the members, not to the club. For members who are laser-focused on accumulating rewards points on their cards, this could be a nice service to offer. One company in particular, Plastiq, works with all of the major club management packages by placing a link on the club's website. Members go to the Plastiq site to pay their statement balances, using a major brand credit card. Plastiq then sends the payment information back to the club and credits the club's bank account accordingly. The fees to the member range from 1-3% depending upon the credit card used, with no fees to the club. Clubs using Plastiq report great satisfaction with this no-cost and easy-to-use service.

Even if your club isn't comfortable offering the service to your membership at large, you might consider using it just for delinquent accounts. It may be easier for a member to pay a past due account with a credit card than to cough up the cash for a large delinquent balance. Many clubs have reported success with this method of encouraging payment of past due amounts.

So, think about it. Maybe it's time to consider credit card payments at your club. What have you got to lose?

## New Technologies – eChecks

The newest payment method to hit the club industry is eCheck. The concept is pretty simple: instead of paying vendor invoices with a printed check or a VCC, simply pay with an electronic check. The eCheck is sent as a PDF to the vendor and contains all of the information that would be found on a printed check. The vendor simply prints out the eCheck and deposits it - just like they would with a printed check received by regular mail. Benefits to the club are huge. No costs or labor for: printing, envelope stuffing, postage or mailing. eChecks are generated just like VCC payments, at a fraction of the cost of producing a manual check. Rates range from 50 cents to \$1.00 a check. Fast, easy, inexpensive. Look for this technology to blossom in the next 12 months as an increasing number of banks and VCC processors add eChecks to their list of payment methods.



## Tech Stats – The Human Factor in Cybersecurity

Proofpoint, Inc., a leading next-generation security and compliance company, recently announced its annual Human Factor report findings, which detail that cyberattackers are relying more than ever on exploiting people instead of software flaws to install malware, steal credentials or confidential information, and transfer funds. The report states that cybercriminals are aggressively using attacks that depend on clicks by humans rather than vulnerable software exploits—tricking victims into carrying out the attack themselves. Some key findings from the report:



- 99% of email-based financial fraud attacks relied on human clicks rather than automated exploits to install malware.
- Forty-two percent of clicks on malicious URLs were made from mobile devices, double the long-running rate of 20%. And 8% of clicks occur on potentially vulnerable versions of Windows for which security patches are no longer available.
- Social media fraudulent support account phishing increased 150% in 2016. During these attacks cybercriminals create a lookalike social media account posing as the customer service account of a trusted brand.

## What Level of IT Support Should Your Club Have?



It's a given that your club needs professional technical support for your computer systems and other technologies. Today's systems are much too complicated for your non-technical club staff to effectively maintain and support. But what level of support is appropriate for your particular club? And who should provide that support? Let's start by identifying the specific support services available to your club. There are two levels, or tiers of technical support available.

Tier One Services are pretty basic and focus on “keeping things running smoothly”. Tier one addresses the day-to-day maintenance and support of the club's technology. The following are normally included in Tier One:

- Desktop support of club staff.
- Network administration, maintenance and updates.
- Data backup, security and disaster recovery.
- Access control and malware management.
- Performance and activity monitoring.
- Equipment and connectivity troubleshooting and problem resolution.
- Purchase, installation, configuration and deployment of new equipment and related software.

Tier Two Services are more advanced and focus on “management and planning”. Tier Two addresses activities such as special projects, technology strategy, budgeting and the introduction on new tech ideas. The following are normally included in Tier Two:

## IT Support (continued)

- Consistent, proactive service approach.
- Adequate staffing to handle large projects.
- Attention to individual user needs.
- Introducing new technology ideas.
- Technology budgeting.
- Technology strategy/plan.
- Expertise with club environment and club software.

So what level of support should your club have, and from what source? Keep in mind that 91% of private clubs outsource their IT support to a local company. Just 9% hire in-house staff to provide this support. (Source – Club Benchmarking.) The following chart will give you an idea of how much support your club should have, and from what source:



## About Our Services... IT Strategic Planning

This is one of our most popular consulting services for private clubs. We begin with a thorough review of each club department's technology needs—software, equipment and connectivity. Our review explores all facets of technology available to the club. We then evaluate and prioritize each area of technology. Finally, we create a five-year technology implementation plan and budget – to create a roadmap for management to follow over the coming years. For more information on this and other services we offer, visit our website at [www.boothegroup.com](http://www.boothegroup.com).