Heartland SmartLink
HEARTLAND PAYMENT SYSTEMS

SOLVING NETWORK SECURITY AND CONNECTIVITY FOR RETAILERS

CART Registered PLUS Due Diligence
Second level due diligence validating and quantifying solution benefits with existing retail users.

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Section I  Executive Summary

Network security and connectivity have become significant issues for retailers and represent a particularly challenging set of issues for independent retailers who typically lack the resources, skill sets, and expertise that larger companies are able to maintain. Big name retailers that have been hacked over the past year have further raised the importance of the issue. The increasingly rapid growth of mobile payment and in-store Wi-Fi availability for shoppers adds yet additional complexity.

Retailers today are faced with numerous challenges related to their computer networks. They include:

- The need to be PCI compliant for payment systems
- Maintaining internet connectivity to authorize and process payments
- Having to deal with multiple vendors for purchasing hardware, providing internet connectivity, and network installation at store and headquarters levels
- Managing multiple invoices from disparate vendors
- Capital expenditures for hardware and installation
- The need to manage different warranty and service agreements from multiple vendors
- The need to integrate POS systems, payment systems, and other business systems into the overall store-level network
- Increasing demand for providing Wi-Fi services to shoppers in-store
- Lack of regular and ongoing reviews of network
- ‘Finger-pointing’ when there is an issue caused by multiple vendors

Heartland Payment Systems, one of the largest payment processors in the US market, recognized the issues and challenges faced by smaller merchants. The SmartLink solution was developed specifically for smaller merchants and is installed in thousands of locations today.

CART discussed in detail with Heartland representatives their typical process which includes a site survey, creating a network configuration map, solution recommendation, proposal and agreement, and installation.

CART has found the Heartland SmartLink solution to provide strong benefit to independent supermarket retailers and has awarded the CART Registered PLUS designation to SmartLink.

Section II  The Security Challenge

Home Depot. Target. Supervalu. Niemann Marcus. Staples. All big name retailers that have been hacked this past year, exposing hundreds of millions of shoppers’ payment related data. Each of these retailers is facing massive liability, major public relations hurdles, and a tremendous hit to their bottom lines.

Nearly all retailers are familiar with PCI compliance, by name if not by practice. The Payment Card Industry (PCI) has set security standards for any company that processes, stores, or transmits credit card or debit card information. There are four levels of standards driven by the annual number of
payments processed. Failure by a retailer to be PCI compliant can result in fines or even losing the ability to process payments. Needless to say, a non-compliant retailer that is hacked has significant liability.

While there is no question around the importance of being PCI compliant, actually complying can be an overwhelming process for retailers that seek to assume the responsibility themselves. Many independent supermarket operators rely on their POS system dealers to make sure their systems are PCI compliant, but ultimate responsibility remains with the retailer.

Internet connectivity is a must-have for retailer today, necessary for store associates using hosted services and increasingly to provide Wi-Fi service to their shoppers. This internet connectivity many times becomes the proverbial Pandora's Box, opening the door to myriad security issues. Maintaining Wi-Fi routers and keeping secure credit card data segmented from other applications can be daunting for the independent retailer.

In many cases, retailers are forced to use several vendors to get their in-store networks up and running. First the retailer must contract for internet service, often the local cable company, or in some cases dedicated lines from telecom carriers. Next they must procure all the necessary hardware; routers, switches, hubs, etc. Finally, the retailer must find a service provider to come in, install all the equipment, connect the service, and get the network up and running. All too often, the security of the POS system and related payments systems winds up being compromised.

And if the risk issue were not important enough, working with multiple vendors for equipment, services, and installation eventually leads to finger-pointing when there is a problem, adding yet another headache to the retailer. Coupled with having to manage multiple agreements, invoices, services and maintenance fees; network security becomes overwhelming.

While the risk and challenges are apparent, cost effective and easy to implement solutions are not. The largest retail companies have the resources and skill sets within their organizations to manage all this complexity. Independent retailers - even mid-market regional chains - are challenged to get systems installed operational and maintained over time.

Section III Innovation: Heartland Payment Systems SmartLink

Heartland Payment Systems delivers credit/debit/prepaid card processing, payroll, check management and payments solutions, to more than 250,000 business locations nationwide. Heartland handles more than 4 billion transactions annually. Heartland has grown to be the 6th largest payments processor in the United States by transaction volume, 8th largest by transaction dollar value and 9th in the world.

The SmartLink solution securely links the business to the outside world by providing tools and services to increase productivity and extract more value from the network investment. SmartLink provides PCI compliance tools, reliable network communications, secure business Wi-Fi or public Wi-Fi access, and
multi-function firewalls. The unique strength of SmartLink is the flexibility and depth of support services while using the latest innovative technologies.

SmartLink is in thousands of smaller merchant locations such as gas stations, convenience stores, restaurants and retail shops and Heartland is now focused in bringing the SmartLink solution to the independent supermarket sector.

Section IV  Benefits

**Benefits**: SmartLink provides the following benefits to retailers:

- Automatic Cellular Back-up Connectivity for Payment Processing
- Secure and Segmented Business and Public Wi-Fi Access
- Secure Network Management and Monitoring
- 24 x 7 Professional Help Desk Support
- Auto Facebook Check-in or branded splash page for Guest Wi-Fi
- Managed Professional Installation, Test and Turn-up,
- Comprehensive project management and network design
- Lifetime Warranty and Replacement of all SmartLink Equipment

Why it is innovative: The idea of bringing a turnkey, easy to implement solution to address network security, card processing, and store networking, along with low monthly costs and ongoing support provided by one solution provider, qualifies SmartLink as an innovative solution.

Section V  Process

Heartland has developed a proven process for assisting a retailer with getting secure network systems in place quickly and efficiently.

**Site Survey**: Heartland has one of their field people visit each store to do a complete site survey of all existing network equipment and connections.

**Network Documentation**: Following the site survey, Heartland develops and documents the network configuration, literally mapping connections, routers, Wi-Fi points, and other critical components on a map. This configuration map begins to surface where security risks reside, showing where security breaches may occur, such as a hacker accessing the store's Wi-Fi system for shoppers to gain access to the payment network. It includes an examination of how secure card data traffic is segmented from other non-secure traffic.
**SmartLink System Recommendation**: Based upon all this information, including the goals of the retailer, Heartland provides a comprehensive system recommendation back to the retailer, including all needed hardware components, scoping installation requirements, and any other factors.

**Agreement**: All the recommendations are detailed in an Agreement which bundles all the costs into one low monthly payment which encompasses everything: hardware, installation, ongoing service, and regular reviews.

**Installation**: Once a retailer accepts the SmartLink system agreement, a target date is set for the store installation. Hardware is then shipped to the store so it is there when the Heartland solution engineer arrives to do the installation and setup

**Ongoing Service and Reviews**: Retailers’ needs and the services provided to shoppers constantly change. SmartLink includes ongoing service and regular, periodic reviews of the system at each store with a goal of maintaining security over time.

**Section VI  Conclusion**

Based on CART’s review and research, CART is able to validate SmartLink’s benefits and has registered Heartland’s SmartLink solution for independent retailers. The system is cost effective and, most importantly, brings leading-edge network security capability to smaller and mid-market retailers to help maintain the best defense against security threats.

Heartland’s approach to providing sophisticated network security to independent retailers qualifies the solution as a **CART Registered PLUS**.
Appendix

About CART:
CART powers an exclusive marketplace connecting stores, brands and solutions. We have decades of experience serving as both retail operators and technological innovators. Our retail experience has given us first hand exposure to the complexity of navigating and implementing the latest technologies. During our careers as solution providers, we saw the difficulty in proving real ROI and scaling to a critical mass of stores, especially in the independent market. Today, through retailer reviews and independent studies, we’re able to provide transparency, objectivity and accessibility never before seen in retail to allow solution providers to shine and let independent retailers confidently take advantage of the newest technologies, services and benefits available.

About Heartland Payment Systems:
Heartland Payment Systems, Inc., one of the largest payments processors in the United States, delivers credit card processing and other business solutions to over 250,000 business locations nationwide including over 49,000 petroleum/C-store locations.

A FORTUNE 1000 company, Heartland provides managed network solutions and payments processing for many petroleum sites across America. SmartLink Managed Network Services have been designed to reduce your expenses, enhance your operations and increase your profitability.

Incorporating industry-leading managed Wi-Fi, network controls with secure managed network services, SmartLink helps drive costs down, significantly improving the economics of your enterprise. Supported by an Indiana based service team and with technical network experts available 24/7/365, SmartLink will grow as the industry — and your needs — evolve.

For press inquiries about the case study or to learn more about CART, please contact:

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