PCBancard

Mentor Call — Josh Yagow

October 27, 2026 · Rep Group · Full Meeting Notes

Section 1 — Rep Updates

Giovanni Rodriguez — Two Deals in Motion

Giovanni had a strong week and came to the call with live updates on two accounts:

Mexican Restaurant — First Account Live

- Giovanni's first account is processing. The son of the owner asked to switch from dual pricing to surcharging — Giovanni made the call quickly, worked with Kristen to update the application, and looped in Eric to reprogram the equipment on the spot.
- The account is now surcharging at 3% on both credit and debit. Since ~80% of their transactions are debit, their effective cost works out to around 1.32% — still a strong deal for the merchant.
- Josh's takeaway: not every account has to be dual pricing. A clean surcharge setup on a debit-heavy merchant can still generate solid residuals. The merchant wins either way.

Weight Loss Clinic — Closing This Week

- Switching from Clover to an MX build for retail.
- Will be on surcharging. Application going in Thursday or Friday.
- This is an account Giovanni first contacted 3 weeks ago — a good example of follow-up paying off.

Section 2 — Surcharging vs. Dual Pricing: When Each Makes Sense

Josh walked through the real difference between the two models and why surcharging isn't a fallback — it's a legitimate strategy, especially in markets where dual pricing is harder to sell.

Surcharging as a Gateway to Dual Pricing

Josh's approach: start merchants on surcharging, let their customer base adjust, then revisit dual pricing 6–12 months later. By then the fee concept isn't new — and the transition is much smoother.

- With surcharging, merchants can tell customers: 'No fee if you use a debit card.' That eliminates most of the friction.
- After 6–12 months on surcharge, customers are already used to the fee. Converting to dual pricing at that point is a much easier conversation.
- Josh set up a car dealership this way — traditional + surcharge first, with dual pricing as the plan for year two.
- Giovanni's market insight: In his area (Clarksville, TN — heavy military population), surcharging is easier to sell because dual pricing isn't proprietary and competition has caught up.

When Surcharging Works Best

- High debit card mix — debit interchange is very cheap (5–80 basis points), so the rep makes strong margin on the debit side even at a 3% surcharge rate.
- High credit card volume — the merchant washes their credit card fees completely with the surcharge, and you earn on the debit side.
- Merchants with recurring customers (chiropractors, salons) — customers adjust to the fee quickly after a few visits. For merchants with infrequent customers (mechanics, seasonal businesses), expect 12 months for the customer base to normalize.

Section 3 — How You Get Paid on Traditional & Surcharge Accounts

Josh walked through the residual math live for newer reps. This was one of the most detailed explanations of traditional account compensation the group has had.

The Formula

You earn **50% of the gross over interchange** — separately for credit cards and debit cards.

Variable	Credit Card Example	Debit Card Example
Rate sold at	3.0%	2.2%
Interchange (cost)	1.8%	1.2%
Gross over interchange	1.2%	1.0%
Your residual (50%)	0.6%	0.5%
On $30K credit / $20K debit	$180/mo	$100/mo

Important Notes on Pricing

- Interchange varies by industry, card type, and risk profile. Firearms dealers, smoke shops, and furniture stores carry higher interchange than mechanics or restaurants.
- Card-not-present transactions (phone orders, text-to-pay, invoicing) add an extra 0.5% to your cost. Factor this in before setting rates.
- Transaction fees add up fast on high-frequency merchants (restaurants, liquor stores). A dime per transaction is standard; going below that reduces your margin.
- New reps: do NOT set your own rates yet. Send the statement to Jason, let him do the proposal. Study the math after you close the account. Josh didn't start pricing his own accounts until after a year in the field — and he still calls Jason to double-check.

Section 4 — How to Read a Merchant Statement

Josh and Giovanni shared practical tips for pulling the key numbers from any merchant statement.

- **Interchange/pass-through** — usually in the lower left corner. This is the average cost across all card types. It's what Jason uses to build proposals.
- **DB next to a card brand** (e.g., Visa DB) = debit card transaction. Helps you see the debit vs. credit split.
- **Total discounts due** — another way to back into the credit vs. debit breakdown. Giovanni uses this with his own Excel formula to estimate residuals before closing.
- **Last page fees** — monthly minimums, PCI fees, network access fees from processors like WorldPay or Wells Fargo. This is largely junk added on top of the real processing cost. Isolate it in your comparison so merchants can see what they're really paying.
- If they're a B2B merchant, look at their corporate and commercial card mix — those carry the highest interchange rates and are most impacted by Level 2/Level 3 changes.

Section 5 — Building & Managing Your Portfolio

Josh shared a live look at his PCB Helper dashboard — 110+ accounts in 2 years, ~80 currently active. He walked through real examples of what works, what doesn't, and how he manages his time.

PCB Helper Dashboard — What to Look At

- Main screen: bar graph showing signed (green), signed/not processing (yellow), and canceled (red) accounts.

- Dollar sign icon next to each account = Profitability Report. Shows lifetime profit, year-to-date basis points, and monthly earnings per account.
- Residuals tab: left-hand column, with a drop-down to see any month's payout breakdown.
- Josh checks his total volume every morning. He divides month-to-date volume by days elapsed, then multiplies by total days in the month to see if he's on pace for his goal.

Real Account Examples from Josh's Book

- E-commerce suspension parts store (LA) — traditional account, $206K/month, $1,906 gross profit in September. Josh splits 50/50 with a web developer referral, netting ~$953/month. Would have been $11K+ over 10 months without the split.
- Top 10 earners: 8 out of 10 are traditional accounts — not dual pricing. Don't write off traditional.
- Firearms dealer — traditional account, $100K+ volume, but Josh priced too aggressively (5 basis points over interchange on credit). Making very little on credit side; survives on debit card margin.
- Mechanic on TechMetric/Stripe — currently a LOSS account. Stripe doesn't provide card type data, so Josh couldn't anticipate the card-not-present 0.5% add-on. Lesson: always send statements to Jason.
- Dance studio — $53/month, dual pricing. Kept it because the owner referred another account. Relationship and reputation have real value even on small accounts.

Managing Your Time Like a Business

- Value your time: if you're worth $100/hour and an account pays $600/month, that account gets 6 hours.
- High-volume accounts almost never call with problems. Low-volume accounts call constantly — often for user error, not real processing issues.
- Negative accounts pull directly from your total residual payout. Know which ones are costing you.
- Some low-earning accounts are worth keeping for referrals or reputation. Some aren't. Know the difference and manage accordingly.
- Visit your active accounts every 3–4 months to check in, answer questions, and stay top of mind.

Section 6 — Setting Goals & Tracking Progress

Josh closed with a straightforward challenge: set a real goal and work the math backwards.

- Write your goal down on paper — not on your phone, not in a doc. Paper, pen, carry it with you.
- Work backwards: what monthly volume do you need? How many accounts? How many pitches per day?
- Check your PCB Helper dashboard daily. Know where you are vs. where you need to be.
- Josh's current goal: $2 million in monthly processing volume by end of year. He's tracking daily.
- 75% of Josh's accounts are dual pricing. But 80% of his top 10 earners are traditional — proof that the account type matters less than the volume and the relationship.
- Hitting PCBancard's bonus targets is a great forcing function. If you hit them, you're building a real book. If you don't, focus on the volume snowball — it compounds.

> *"Don't sell them a Ferrari when they have a Hyundai budget. Find out what they need, meet them where they are, and they'll never leave you."*
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> — Josh Yagow, PCBancard · Mentor Call, October 27, 2026