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Profitability Optimization for Security Companies - Three Changes You Should Make

June 2019

How to Optimize The Profitability of Your Security Company

Staying competitive in the security industry includes many aspects, but the most important may be profitability. Trackforce's 20 years of experience in the industry has shown us how security companies matured and adapted over the years. We've seen changes in how companies address employee turnover and how they took their operations digital. We know that while some businesses focus on lowering costs or increasing revenues, it's definitely possible to achieve higher profitability by enhancing existing operations, tools and processes.

The Need For Security Transformation

Security companies of all sizes need to do more with their security officers and supervisors without a drop in standards. Optimizing equipment spend, middle management, and how officers do their jobs is easier when security companies can count on an advanced security workforce management platform. Keep reading to learn about three areas of optimization, so you can focus on the most-pressing areas of your operating budget.

1. Optimize Utilization of Officers

When using Trackforce's solutions, security companies can maximize their teams and put their officers to the best use. Our products are built with the purpose of providing security companies with analytics and business intelligence capable of helping security companies drill down on officer activities and allocate resources more efficiently. For example, a company needing to understand the number of sites one officer can effectively serve per shift, can easily compare and analyze similar sites in similar locations. This data helps security teams understand how to best utilize their officers without compromising security or threatening the client's contract.

Providing your guards with Trackforce mobile and web apps that guide them through their shift will allow them to do more with less. An officer that would traditionally work three sites could effectively tour four, for example. Easily have officers receive their post orders digitally on any smartphone with m-Post, as well as conduct incident and daily activity reports during and after tours.

An average security officer can increase profitability for each client contract by better performing their duties and efficiently carrying out more responsibilities. Here's how two competing companies might see different results:

Security Company A (without Trackforce):	Security Company B (with Trackforce):
Needs 4 officers to serve a contract to ACME Company	Needs 3 officers to serve a contract to ACME Company
Labor Cost: $8,800 per month	Labor Cost: $6,600 per month

Savings = 25% of the cost of officer personnel

The Bottom-Line Result?

Security Company B in this example have an advantage over companies who don't optimize officer duties. Based on what it costs to hire officers at an approximate rate of $2,200 per officer per month, Security Company B can service the same contract for a cost at 25% less than Security Company A. They can choose to charge the same as Company A and keep the profit. They may choose, however, to underbid Security Company A and gain an additional client!

Whether they make more profit, offer a more competitive price, or practice a balance of both, the benefits of optimized personnel resources are significant. Our clients do more with fewer officers. Data analytics provide opportunities to use existing security officer resources more efficiently. The officers you do have on a site will be better at their job, thanks to the easy-to-use app that guides them through their shift and ensures their paid time is spent doing the best work for your security company.

2. Optimize Middle Management

We've learned that optimizing a security company's employee costs can be challenging, yet extremely valuable when done right. Unifying the way officers on the field are managed with a Command Center allows supervisors to manage more officers in the field and cover additional client sites, without ever having to be present on site. A Command Center gives supervisors and managers direct access to relevant data collected by officers on the field. All data is conveniently located and centralized on any browser.

Added benefits to centralizing your operations with a Command Center will allow supervisors and managers to:

- ✔ See the location of every officer in the field

- ✔ Access critical operation data, such as late or missed shifts and lone worker alerts

- ✔ Easily and instantly communicate and give orders to individual officers through push-to-talk features

- ✔ Share mass notifications quickly to multiple officers in the event of an emergency or safety crisis

- ✔ Analyze resources and re-allocate officers, as needed

- ✔ Perform these supervisory duties from a centralized, off-site location

- ✔ Automated alerts for non-compliance issues

Non-compliance alerts in real time allow the Command Center operator to take immediate corrective actions. This adds another layer of accountability and increases service delivery which results in higher customer satisfaction. Not only does that save in supervisory overhead and benefits profit margins but it also demonstrates a competitive advantage and differentiator.

The best case scenario to optimize middle management is by enabling one supervisor to easily manage multiple sites at once. A Command Center gives access to accurate data that is easy to interpret, delivered in real time, and actionable.

How much can you save?

Below are savings representative of hourly wages, alone, and do not consider the added expense of worker benefits, training, administration, and soft costs associated with hiring and retention.

Company A (Without a centralized Command Center):	Company B (With a centralized Command Center):
1 supervisor can effectively manage up to 100 officers	1 supervisor can effectively manage up to 150 officers
Cost: $4,500 /month (per 100 officers)	Cost: $3,000/ month (per 100 officers)

Savings = 33% of the cost of supervisory personnel

Optimizing middle management with Trackforce's Command Center can save a security company over 30% of their middle management labor costs and overhead. If your personnel costs need reigning in, this is a substantial opportunity to make reductions in this spending category. Or, if you want to grow your business with additional officers without increasing middle management.
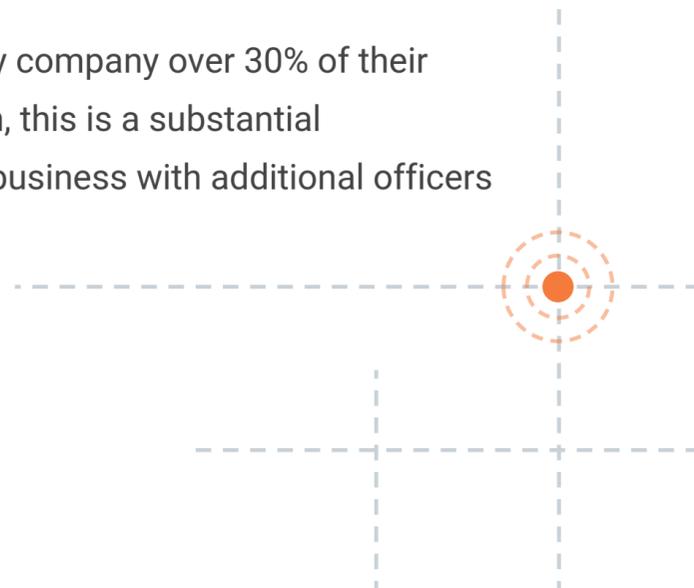
3. Optimize Investment in Security Officer Equipment

Security company equipment costs can easily skyrocket to an unmanageable expense. Reducing and controlling the number of devices your officers use to perform their duties can greatly improve profitability. Trackforce's m-Post currently enables companies to reduce dependency on multiple different devices. Instead of paying for a wand and walking-talkie, users of m-Post experience a mobile application that provides multiple channels of communications, simplified guard tours, real-time incident and activity data reporting, and more. Our security workforce management platform interlinks with a management portal that bolsters all the facets a security company needs.

With this reduced equipment tactic, you'll see two positive outcomes:

- Officers and supervisors will use only one app-enabled device that comes with multiple modes of communication, including push-to-talk, mass notification, and text or voice, reducing the need for additional equipment.

- Officers become more productive and accountable because everything is recorded and captured in real time using NFC, QR, and barcode technology. From guard tours to incident and activity reports, more can be done with fewer pieces of equipment – and in a more efficient manner.

With fewer tools, maintenance and replacement costs naturally decline. Upgrade a single device instead of two or three per officer. Because equipment is never a one-time purchase, security companies can see optimized profits for years after they make the initial switch.

Here's a look at how minimizing equipment, automating, and digitalizing the way security officers conduct their tasks can reduce costs by eliminating the need for multiple devices:

For Example:

Security Company A (without Trackforce)	Security Company B (with Trackforce)
Cost of quality radio: $300	Smartphone for Trackforce: $180 (plus individual licensing costs per device)
Cost of wand device: $600	
Total cost: $900	Total cost: $180 plus monthly license

Savings = 80% of the cost of equipment purchases

These numbers demonstrate the potential savings an average security company could have when digitizing the way their officers conduct their tasks with Trackforce. Moving to Trackforce would save a security business 80% in equipment purchases, alone – a significant portion of an operating budget. This example doesn't take into effect an even bigger savings opportunity with the added maintenance and device replacement cost that the traditional investment plan requires. Money not spent on equipment can add incredible value for the security company focused on optimizing profits.

Three Areas to Save: Which Is Best?

While it's understood that optimization is an essential part of staying in business and maintaining relevance in an ever-changing market, it can be overwhelming to know which area of profitability to tackle first. Security companies face unique challenges to stay ahead of the curve in the areas of equipment, management, and personnel. Deciding which efficiencies to prioritize can be a burden on its own. Where do you start?

Yet, should you have to focus on one area of profitability? Significant savings can be realized with just one change. Trackforce's approach can alleviate stresses in all three categories and ultimately bring the operating costs down. Once implemented, the platform quickly yields a bottom-line return on investment by paying for itself on a monthly basis. You'll also realize more potential opportunities to compete with other security company contracts on price. Better profits are within reach for security companies who choose it.

What about administrative costs? Retiring pen and paper to reduce administrative time streamlines how security companies automate their back-office responsibilities. Ultimately, going digital gives you and your staff site data easily accessible through the analytics and business intelligence collected by every officer on the field who conducts a tour, an activity or incident report, or completes a post order. Automatically generate reporting data needed for supervisors and managers to complete payroll and client invoicing. Provide supporting reports to clients by easily generating a summary of your officer activities.

If you are interested in learning more about how you can optimize your security company for profit with Trackforce mobile and web applications, please contact us today for a free consultation.
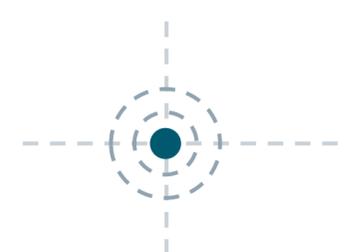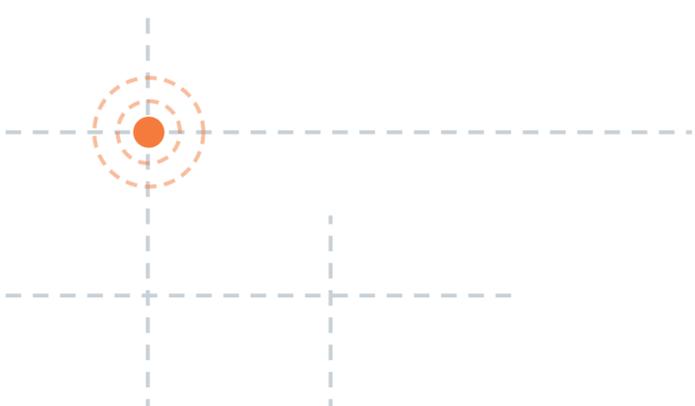
What Our Customers Are Saying

"Trackforce has been vital to our success and continues to go above and beyond to meet all of our objectives"

**Dave Katzenmeyer President** | SecureNet Protection Services

"As a manned security provider, officer accountability is paramount to gain a client's trust. With Trackforce, we can prove to our clients that security officers are doing what they are supposed to."

Amber Claunch Regional Manager | Global Protection Management Services

"Trackforce has helped us generate more value and trust with our clients. Once we introduced Trackforce to our operation, we completely movef away from the legacy guard tour system we were using."

Hector Guerrero Manager | Inter-Con Security
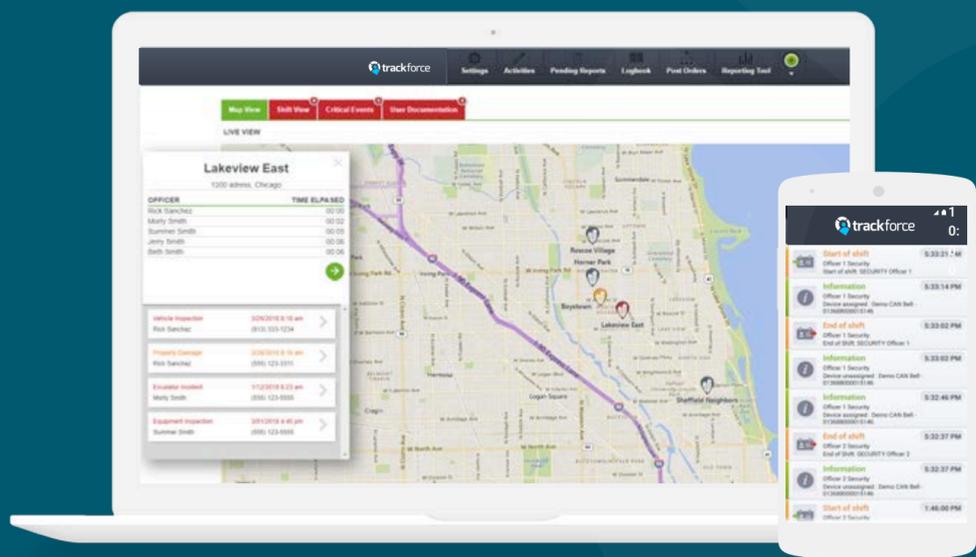
Trackforce provides the world's most advanced security workforce management platform. For over two decades, the company has been improving security officer accountability, operational efficiency, and enabling better communication between all stakeholders. mobile and desktop, provides operation managers and security end users with real-time data and KPIs.