

PARTNER SUCCESS STORY

Danners Security
+ West Point Car Dealership Group

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Over the year's Danner's, like most security integrators, traditionally worked with clients by focusing on a one-time, project-based sale, coupled with providing video monitoring. While this approach worked well for many customers, Guy Savage, Director of Sales, took notice that customers were limited in the scope of the work they could invest in due to the high-up front costs often associated with a commodity-based sale.



PARTNER HIGHLIGHT

In business for 80 years, Danner's Security is a fourth-generation and family-owned security company based in Pasadena, Texas. The company was started by retired Houston Police officer D.D. Danner, who signed his first security account with Walgreens Drug Stores. For \$15 a day he provided on-site security guard services to the drug store. Over the years the company expanded into providing security guard services for shipping centers of the West Gulf Coast. In 2002, the company began offering live video monitoring services through the use of surveillance cameras, providing greater protection to its customers.

Today, the company installs and monitors video surveillance systems and is now run by Brad Maxcey, president, and great-grandson of the company's founder. However, it was Danner's Director of Sales, Guy Savage, who saw the need and began championing the pivot to a security-as-a-service model.

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Therefore, Guy turned to TAMCO to help implement a subscription, security-as-a-service monthly payment offering that not only brings customers the predictable monthly payment option, but Danners is able to easily bundle in the support services they would otherwise not be able to sell with a one-time sale. The opportunity to sell more service contracts results in building recurring revenue for their organization and longer-lasting customer relationships with its customers.

"We definitely believed there was an opportunity for us in offering security-as-a-service. It's easy to see the industry shift and the value in it. The predictable monthly expense opens doors for us to increase the sale and give customers what they really want and need without high upfront costs," said Savage, from Danners Security. "Also, with the right financing partner an as-a-service monthly payment option it makes bundling in multiyear support services simple, allowing Danners to actually build recurring monthly revenue from equipment sales."

THE CHALLENGE

Like most security integrators the way of selling technology has been very black and white. The primary focus is selling a customer technology equipment. That customer then pays the integrator the full amount and the integrator moves on to the next customer. Danner's decided to take a different approach.

The general manager with the West Point dealerships needed to install a security solution for their new location. At the same time he was having problems with an existing system at another location. While it was only a few years old, some of the technology quickly became obsolete, they had problems receiving support services and the solution wasn't addressing the dealership's security needs.

The GM of the car dealership knew he had the budget for the capital expense at the new facility, but did not have the financial resources readily available to address the obsolete security equipment at its existing location. Guy leveraged this information and turned it into an opportunity. Instead of presenting a project that required a large lump sum amount and asking for precious capital, he proposed a low monthly as-a-service subscription-based payment option with value-added services. This solution allowed the customer to not only install the needed technology on their new facility, but it opened up the door to upgrade and scale the obsolete equipment for that existing facility.

THE SOLUTION

The solution Danner's Security proposed was TAMCO Shield, Security as a Service which would offer the customer a predictable monthly payment, multi-year support services, and increased protection against obsolete technology in the future.

By offering a predictable monthly payment option and the ability to save precious capital through TAMCO Shield, the car dealership was able to make the investment in both security projects. In addition, the program protects the car dealership against technology obsolescence and provides maintenance support for the entire term of the agreement.

"This transaction went from a one-time sale to a multi-location opportunity that allowed us to get the customer everything they needed and more," said Savage. "We actually doubled the amount of cameras just by proposing a different way to pay. With the as-a-service agreement, the customer is subscribing to the use of and access to the technology instead of having to own it and be handcuffed to it if it becomes obsolete again."

The exclusive Shield option provides a Solution Replacement Guarantee, meaning the car dealership can migrate to new technology with no penalty or rollover balances if the solution no longer meets their needs. Their existing agreement will be completely forgiven.

For Danner's Security, the agreement was mutually beneficial. Prior to implementing an as-a-service offering it was rare for the company's sales team to sell on-going support services at the point of sale with a regular cash purchase. This new way of selling now creates more opportunity to bundle in critical maintenance needs for the customer for their entire term, while creating recurring revenue streams for Danners.

THE FUTURE

Danner's Security now proposes security-as-a-service as part of its regular sales process with clients. They are bundling multiyear service agreements right into the proposed monthly payment, making it seamless for the customer and helping build new recurring revenue for Danners.

"Danners had the right mindset to see success with our Shield, Security as-a-service program. Guy understood from the start how much easier it is to sell additional support services and build recurring revenue when it is bundled into a monthly payment instead of a large capital outlay. Guy identified early on in his discovery process the concerns the dealership had over technology obsolescence," said Michael Laccabue, Partner & Client Sales Manager, TAMCO. "He was able to address and solve the budgetary concerns with a monthly payment, and sell on the value of the Solution Replacement Guarantee and bundled maintenance for the entire term. Guy provided the customer with peace of mind, flexibility, and more control than any other competitor could match."

"This was the first time we were able to sell a multiyear service agreement at the point of sale. This never happened with the traditional cash sale,"

***- Guy Savage
Director of Sales | Danners Security***

For the Houston-based car dealership, the arrangement means the next time the dealership has a problem with their equipment, whether it's obsolete technology or their security needs change, they can exercise the Solution Replacement Guarantee, but must go through Danner's to do so. Contractual loyalty, another perk for Danners for implementing this security-as-a-service offering.

Danner's Security has provided its customer with more financial and technical freedom, flexibility, and peace of mind that a capital expense payment option could ever match.

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