

POS Security Limited

A brief description

The Company

POS Security Limited (POSSec) is the sixth new venture company to be established by the Development Group, as part of its new technology company portfolio. The new venture has been organised to commercialise world-leading technology in advanced camera systems. The company will be offered for sale once the company documentation has been revised to current standards, in line with the Development Group's strategy of focussing on core activities and spinning off secondary projects at the completion of the commercialisation phase.

The Market

POSSec has been setup to bring cost-effective security products for small retailers to market. The market requires security of their point of sale location, monitoring customers and staff to control shoplifting and tools to assist identification of customers who have passed bad cheques, credit cards, EFT-POS cards and counterfeit cash. The target market is small stores, such as superettes, dairies/milk bars, service stations, convenience stores and kiosks, where a cost-effective answer to theft and fraud is required to maintain store profitability.

The POSSec technology and company structure have been specifically designed to be customer focussed, in order to provide security benefits within the cost-benefit requirements of the targeted market. The small retailer market is a particularly cost-sensitive market, is relatively difficult to target due to its dispersed nature and lacks technology support capabilities. Current competition consists of a combination of relatively expensive security products from security companies and DIY kits from electronic shops that fail to provide the security benefits required by the market.

POSSec is intended to promote its products and services internationally using local representatives to apply the products to local conditions. The large number of small retailers around the world ensures a significant opportunity for the company.

The Product

The core of the POSSec offering is a flexible camera system designed for protecting retail outlets from fraud, shoplifting and staff theft. The POSSec system consists of a video combiner, four head master units for storing images and four surveillance cameras mounted in head units for continuous monitoring of small retail sites.

The surveillance cameras are housed in roof mounted head units to ensure good surveillance arcs and to act as a deterrent. Some of the cameras can be replaced with dummy cameras to act as a more cost effective deterrent in locations in particularly cost-sensitive sites. The surveillance cameras are each wired to a head master unit using a 1-metre standard USB cable.

The head master unit incorporates a large amount of built-in storage for images with a customer configurable balance of surveillance frequency and the length of time images are retained before the system recycles the storage facility. The storage retains four weeks of images at the normal setting for most locations, while a maximum of six weeks can be retained when the system is set for the lowest surveillance level setting. The elimination of the video tapes used by conventional systems improves system reliability, improves image quality, speeds the retrieval of images and allows vastly increased storage capability.

Where dummy cameras are installed, the dummy master units are wired to dummy head master units to maintain the illusion of complete surveillance in the retail site. Each head master is connected to its head unit by USB cable, to the video combiner by a standard Ethernet cable and an electricity mains power source.

A video combiner is used to connect all cameras together. The video combiner can support a total of four head master units and has a spare socket for connecting a personal computer or laptop to view security screens. The video combiner is electricity mains powered.

For larger locations or sites with blind spots, a video combiner unit can integrate up to four video combiners to allow a total of up to sixteen cameras to be managed by the system. The flexibility offered by this modular approach also allows a retailer to enhance their system to add further functionality as their security needs develop over time or their business position justifies investment.

The POSSec system is normally powered from the mains power. In the case of a power failure, each head master unit has a built-in battery capacity that allows it and its attached head unit mounted camera to operate for up to two hours. Once the power is restored, the battery is automatically recharged by the head master unit.

Competitive Positioning

POSSEC offers customers security based on three competitive factors: (1) time accessed surveillance; (2) long-term storage of surveillance images; and (3) cost-effectiveness.

First, the POSSEC system can be connected to an industry standard laptop or desktop computer. The computer can view stored images on the controller or download images for later reference. Individual images for a specified time can be recalled, allowing the customer to easily recall information. This facility is useful in providing police with photographic descriptions of shoplifters and people making fraudulent transactions

Second, the POSSEC system uses a built-in massive storage system to store images. The controller is normally setup to store four weeks of images, providing the retailer with long-term recall of events in their retail site. The POSSEC system can be used in conjunction with the times recorded in bank records to identify individuals using stolen cards, bad credit and other fraudulent transactions, thereby enabling the retailer to recover bad debt, ban undesirables from the premises and to lay complaints to the police.

Third, POSSEC offers the customer a cost-effective solution. The system is designed to be modular to allow the customer to select only those components required to fit their store layout, thereby avoiding the necessity of buying more equipment than is required to fulfil their specific requirements. The Do-it-yourself (DIY) installation reduces the cost to the retailer, while the use of standard inexpensive cabling avoids hidden expense.

The Sales Channel

POSSEC is designed to sell product to its customers through a franchise network.

The company will appoint licensees in each country and state to promote the product locally according to local conditions and to develop a local franchise network. Licensees will receive their income through a margin on each product sold in their territory. Each Licensee is required to meet minimum income levels set on the basis of local economic conditions to retain their ownership of the licence, thus encouraging them to effectively promote the product.

The franchisees receive their income by selling product directly to customers. They receive a gross margin for all sales, thus giving them an incentive to maximise sales through maximising customers and through up selling sites.

The licensee and franchise network enables POSSEC to quickly grow its business to penetrate different countries and regions, and establish itself as a significant global player in its market.

Marketing

POSSEC will support the sales channel by participating in regional trade shows. The company will help develop its brand by seeking media exposure through technical magazines and web site reviews.

Further, 5% of each Licensee's income plus a further 5% above the licensee's required minimum income is allocated for local marketing. The Licensee may elect to allocate these funds to support local trade shows and approved local advertising.

The Business

A training system has been put in place to support the business. Licensees and franchisees receive product training using video training courses. Detailed manuals document the method by which they will operate the business and the steps required at each process. A sales manual provides support for the sales process and includes product literature to support the sales process.

Customers are supported by installation and setup manuals to enable a DIY (do-it-yourself) installation and configuration of the system by technical novices. An installation video is provided to demonstrate the DIY process.

Further, a logistical system has been developed for POSSEC. Each product is identified by a unique product code, allowing records to be easily managed. This system has been developed to integrate easily into the requirements of suppliers of the componentry used in the POSSEC technology.

Access to Product

The Development Group can provide for the supply of all equipment required by POSSEC on a normal commercial basis for as long as POSSEC requires.

Alternatively, the technical documentation provided to POSSEC includes all documentation, contact details and parts information required for POSSEC to directly arrange or establish manufacturing of the products if preferred. The Development group can assist by facilitating commercial arrangements as required.

What to expect

A core function of the Development Group is the creation of certified turnkey businesses. We enable operators to purchase a new complete business in a new market niche using new technology and to be able achieve a significant return in a reasonable period of time.

Each new business operator is supplied with a *cabinetibl*, including all documentation of systems, processes, strategies, product documentation and information required to operate the business. The *cabinetibl* specifies everything required to operate the business.

Our role is to create companies that other people can operate. It is up to others to define the future success in the market.