

Providing the World's First Integrated Security Workforce Management Software, TrackTik is Changing the Way Companies Deliver Security Services



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CEOCFO: *Mr. Ferragne, TrackTik Inc. is bringing to market the world's first integrated security workforce management software. Where did the idea for the platform come from?*

Mr. Ferragne: I had no prior experience in the security workforce management field. I had been working in software for a long time when I discovered something lacking in the security industry. About six years ago, I was at a bar in Florida having a discussion with a gentleman who was telling me all about the problems he was having running his security business, and in particular, a new contract he had just landed. He told me about all of the issues and challenges that he was experiencing due to a lack of visibility over his guards, which were causing some pretty serious growing pains. I was surprised the industry did not have all of the modern tools and technology to be able to run a smarter business.

Around the same time, a new technology came out called NFC (Near-Field Communications), and I recalled my discussion with the gentleman at the bar. NFC allows you to scan a chip or token with a small device such as a NFC-enabled smartphone. That's when I realized that there was something I could do to solve many of the problems in the security workforce management industry. I began to think of solutions for the industry that would enable security managers to have visibility in the field without actually being there. I came up with a real-time dashboard that would verify whether a guard was performing their duties or not. The guards or patrollers go to specific sites, scan NFC tokens and their security managers have a real-time dashboard to see it all happen.

I am from a technical background so I built the basic prototype in two weeks, brought it to a security director of a gated community in Fort Lauderdale, Florida, and he was skeptical but impressed by the solution. I worked with him and his security workforce to test and figure out the basic software. From there, I started exploring the industry and saw that there were many business challenges that needed technology to be

overcome. I worked with the security firm, Garda, to further build out TrackTik's functionality.

CEOCFO: *Did you have any prior entrepreneurial experience or is this your first venture as an entrepreneur?*

Mr. Ferragne: This is my first serious venture as an entrepreneur. I did have some smaller projects during the early age of the Internet when I operated as a one-man business, building websites and marketing content. After that, I was working with a company in Silicon Valley as a software engineer. This experience really opened my eyes to the world of Software as a Service (SaaS), startup culture, and the excitement of starting a tech business. I eventually used this newfound passion to create a start-up in security workforce management and was fortunate enough to have some paying customers early on. At that time my girlfriend was pregnant, but I still decided to quit my day job and jump headfirst into this business.

CEOCFO: *Would you tell us about the security industry, the demand for the services and how big it is worldwide?*

Mr. Ferragne: You can break down the security industry into two parts: contractual and in-house. The contractual industry consists of security firms that any company or entity needing a security force can contract to guard their facilities. Contract-based security is a \$265 billion industry worldwide that is growing fast, at somewhere between 3% and 5% per year depending on the region. In the US alone there is close to 1 million employees working for private contractors. In comparison, there are just under 800,000 people working in-house— security personnel that work for a corporation directly.

Overall, it is a very large industry. There is security everywhere, keeping people safe at buildings and events. There are the traditional security guards, but also a vast array of services that those companies offer, such as alarm response and patrols. When viewed in its totality, security is a big, healthy, growing industry.

It is also a changing industry. When I started building security workforce management software, guards did not always have a good reputation in the industry. Even when we were bidding on contracts there was still the attitude of guards being valued by the pound, so our clients really wanted to prove they could offer more for their services. As a result, there was a willingness for our clients, partners and prospects to evolve the industry and incorporate newer technologies. There was plenty of room and demand for a service like ours that allows security operations to not only track the people on the ground, but also offer analysis on incidents. It turns security into more of a professional service, versus a community-based one. We work with our clients to help them build their value proposition, so they can offer more to their clients, and be more competitive in the market. We are part of changing the mentality of the industry to become more of a value-adding service.

CEOCFO: *Is it difficult to sell technology to an industry where they have never used it before?*

Mr. Ferragne: When I started TrackTik, security operations were worried about putting cell phones in the field because they were afraid their workers would break them. The early adopters of the software were typically smaller firms that cared more about standing out with added value to their service than the risk of a few cracked screens or lost phones. TrackTik gave them a competitive advantage going up against

the larger firms in the industry. Eventually, software became the norm for security operations. We really worked on educating the industry on the value of not just putting people on the ground, but also following the guard's progress and incidents to generate useful data. Security managers were able to make better business decisions with access to the data and analytics generated by TrackTik. For the security firms, it also offered them a better understanding of the performance of their resources, which allowed them to improve the quality of their services.

CEOCFO: *Would you tell us about your software product? What are you providing that is different from how things have traditionally been done? What can they do with your software that cannot be done without it?*

Mr. Ferragne: If you look at day-to-day operations of people on the ground, their role is to report maintenance problems, risks, and liabilities. They have to follow protocols, such as looking for signatures, greeting people, and removing trespassers. Before our technology, all those reports were generated, but there was no centralized log of what was happening. If you visited a security office, you would see a paper log or what they call a daily report, where they would view and log the incidents that occurred. However, with paper logs you cannot easily show the client all of the work you have done, so without the newer technology it is difficult to prove the value of your operations. TrackTik allows security firms to show the value they are offering.

More importantly, when there is a risk on site or just something worth reporting, instead of a guard logging the incident in a log book to eventually be evaluated, TrackTik automates this process. As soon as an incident is logged on a guard's cell phone, the program can be set up to automatically alert the client via SMS, email, message or personal notification of the incident. For example, if there is a broken window that won't close, an automated alert will allow the client to respond immediately by sending a contractor to fix it. We are not only providing the resources out in the field to find problems and incidents on site, but are also providing clients notifications and alerts in real-time. It drastically improves the communication between the building owners, managers, and security firms.

CEOCFO: *Does your solution help security firms on the business side?*

Mr. Ferragne: Yes, we help security firms with scheduling, saving on overtime costs, putting together their invoices, and onboarding their employees. There is a wide array of value that we deliver to our clients.

CEOCFO: *Is there any hardware that is needed to run your software? Do you have an app that works on smartphones, tablets and laptops? Is your software in the cloud?*

Mr. Ferragne: The entire platform is cloud-based, so if you are in the dispatch center or supervising on site, you can access your entire operation from any web browser. For the operators in the field, we have standard Android and iOS applications for them to use and report on. We leverage a great deal of mobile capacities such as NFC, GPS and even pictures from the guards' mobile phones.

CEOCFO: *What is your business model, including pricing and can you tell us the revenue potential for a software that lowers costs and increase revenues and productivity as TrackTik will?*

Mr. Ferragne: We are Software as a Service, so it is subscription based. We offer three suites that can be packaged together. One is called the Back Office Suite, where your scheduling, invoicing and payroll services are found. These are the tools that help you automate and improve the efficiency of your admin work. The cost for this service is comparable to your average full-time employee. Then there is the two suites that cover everything in the field — Guarding Suite covers guard tours, reporting and more, while Mobile+ covers alarm dispatch and mobile guarding. The cost for these services are on a pay-per-device basis. There is no cost associated with purchasing physical hardware as employees can install the app on their own devices.

CEOCFO: *What is the geographic range and markets for your product today? How many facilities are you currently in and what is your vision for future growth and expansion?*

Mr. Ferragne: We have clients in over 30 countries right now, with hundreds of thousands of facilities. We have employees in four countries, but are mainly stationed in Montreal. We recently opened an office in Amsterdam to serve our European clients and we also have some employees in the UK and US as well.

CEOCFO: *Has anyone tried to develop a software platform like this in the past? Are there barriers to entry that will keep you ahead of any potential competition for years to come?*

Mr. Ferragne: One of our visions is to build TrackTik into an end-to-end solution for our clients, where we take care of all of your operational needs; including most of your back-office functions. We do have some competitors that have been in the security field for a long time, but they seem to be lagging behind on innovation, which is why we have been grabbing a great deal of the market share. We also have some competitors on the back-office end for services like scheduling, but it is going to be hard for a competitor to offer a best-in-class service for those two different aspects of their business in one platform. In addition, we are continuing to innovate with new technologies on the horizon. We have some machine learning and AI projects coming up that we are scheduling for 2019. We recently had some new investor partners come in to help us build a game-changing technology that will help improve the bottom-line of security firms.

CEOCFO: *What are you doing to get the word out? Are you attending conferences? Do you participate in social media and online market or traditional marketing?*

Mr. Ferragne: Our goal is to get potential clients to understand the value of using our technology in improving the security industry. We go to the major security industry conferences, and are part of 15 organizations across the world where we are instrumental in defining the new standards in security. We do e-magazines every quarter that cover the state of the industry and what's on the horizon. We also have business influencers, who are key industry people in different countries that we work with to educate the rest of the industry on new trends and all things security. Our core mission is not only to provide software, but to help the security industry leverage technology to move into the next phase. Therefore, we see education through content delivery as part of our mission. We believe strongly that if we can bring value to our clients and prospects through best practices and industry trends, we are going to be successful. We are not only trying to sell software, but we are also trying to help them run a better business.

CEOCFO: *What is involved in bringing your software to the marketplace? Are there distribution channels in place that you make use of or is it strictly about calling on security businesses?*

Mr. Ferragne: We do not have resellers right now. We use an internal sales team, which is responsible for building relationships and partnerships. There is also a great deal of market pull for our software, so we have inbound leads that come from word of mouth. In addition, we have a client success department, where we follow up with current clients to help them onboard and see if they wish to expand their use of our services. We work with them to help them better understand how using the entire TrackTik software can optimize their entire operations. Many clients go from using one part of our service to the entire package this way. For us, building long-term relationships is crucial to our success. We do not want a quick sale only to abandon the client once their payment is processed. We listen to our clients and try to find the next feature or service that we can build to help them achieve their business goals.

CEOCFO: *Do you have the funds to continue your growth plans? Will you be reaching out to investors or partners?*

Mr. Ferragne: We are actually closing a new investment round right now. In 2019, our focus is international expansion, which we started this past year. 2018 was about extending and setting up for success in other countries. We started looking, modernizing and building the next generation of our product to leverage new technologies that have popped up over the last two years. In addition, there are many clients that are reaching out to us directly that have security departments and want to leverage our software. We also have governments, regions and cities that want to adopt our software as well. This is where we are exploring new opportunities and continuing to accelerate growth in our core market.

CEOCFO: *Final thoughts. Why is TrackTik an important company that is key to the growth and success of the security industry worldwide?*

Mr. Ferragne: TrackTik is key to the growth and success of the security industry worldwide because we created a disruptive new technology that radically improves security operations and has quickly become the industry standard. We will continue to lead the industry by working with our partners to bring game-changing solutions that make businesses more profitable.

