



### Investing in Prevention

When considering investing in a video surveillance system, it's important to remember that such a purchase is just that—an investment. Those in the market for a video surveillance solution are often scared off by initial sticker shock, opting for a budget system that does nothing more than record video. A large percentage of these systems are purchased by victims of theft looking to prevent future occurrences, yet ironically, the systems they install aren't capable of preventing anything.

The realization of their system's true capabilities (or lack thereof) doesn't usually come until they are victimized again—this time watching their valuables walk away on a relatively useless evidence tape.

When shopping for a new video surveillance system, it's important to consider all the options, be open-minded and keep the objective in sight. Ask yourself, "Am I looking to stop bad things from happening or simply record them?" For some, a passive system will meet their needs, but for those with something to protect, a more proactive approach is needed. At VideoIQ we understand this need and have placed our focus on developing

products that prevent crime, not just document it.

What if you could install such a system and still see a significant return on your investment even before preventing a single crime?

### Meet Joe

Joe Wheal owns two Ford dealerships. One in a quiet, affluent suburb, the other in an urban area with a high crime rate. With millions of dollars worth of inventory sitting outside every night, Joe knows he's vulnerable. To combat potentially massive losses at his urban dealership, he has been hiring a guard during off hours (6pm – 6am) and round the clock on the weekends to patrol his facility. At \$18.10 an hour\*, he spends \$101,649 a year (not including overtime) just to keep his cars, staff and customers safe.

After watching video clips of VideoIQ in action and reading an informational piece on potential cost savings, Joe decides to take the plunge and hire his local security company to install 10 cameras around his urban dealership. Because VideoIQ analytics require no custom setup, are 100% self-calibrating, and can be installed just like an IP camera or DVR – installation is significantly easier and cheaper than other alternatives. All told, Joe's total installed cost comes to roughly \$25,000.

With his new system up and running, Joe eliminates the guard altogether and hires XYZ Security to monitor his cameras daily during the times the guard would have been present. The average cost for this type of

monitoring for a car dealership is about \$500–\$600 per month (we'll use \$550). Joe's Total Security Cost in Year One can be seen as


\$ 25,000 Installed VIQ system  
\$ 6,600 Monitoring service

---

\$ 31,600 Total Cost

Thus, Joe's Return On Investment for Year One is:


**Year One ROI**



**On-site Security Guard**


\$ 101,649 / yr

vs.



**VideoIQ Cameras, Software & Install**


\$ 25,000



**Off-site Monitoring Service**

\$ 6,600 / yr

---



**Year One Savings**

\$ 70,049

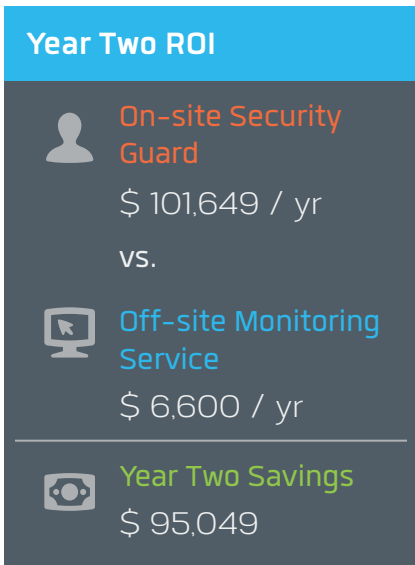
By installing a VideoIQ system and utilizing a professional monitoring service rather than an on-site guard, Joe saved **just over \$70,000** in his first year.

Many customers have cited that having an onsite guard does not completely prevent monthly losses. This is due to situations where the guard missed someone on the property, was away from their post, or was distracted by other duties. It would be common for Joe to still experience \$10,000–\$40,000 in

\* Bureau of Labor Statistics, mean hourly wage of security guard is \$13.10, + ~\$5 overhead added by guard company to hourly wage.

annual losses, even with an on-site guard.

Now, take that a step further and consider Year Two in which the system is already paid for and installed:



Joe and his bank account are happy campers. His staff, customers, and cars are safe and he has saved a whopping **\$165,098** in the first two years!

While such a huge return so quickly may seem farfetched, VideoIQ has numerous customers with similar savings.

### Others See Results Too

Malmö School District in Sweden was experiencing substantial arson and vandalism until adopting VideoIQ – after the first year the district reduced costs by an astounding 90%! Daniel Venhammar of CCTV Systems Scandanvia spoke with us about the deployment stating, “In the first year, the city **saved \$300,000 USD** on a reduction in the number of smashed panes and broken glass alone. Malmö’s expenses were improved within a very short space of time. They now have more money that can be used to make other needed

improvements at the schools. This security system is seen as an investment and one that will help reduce crime for years to come.”

### Meanwhile, at Joe’s Other Dealership

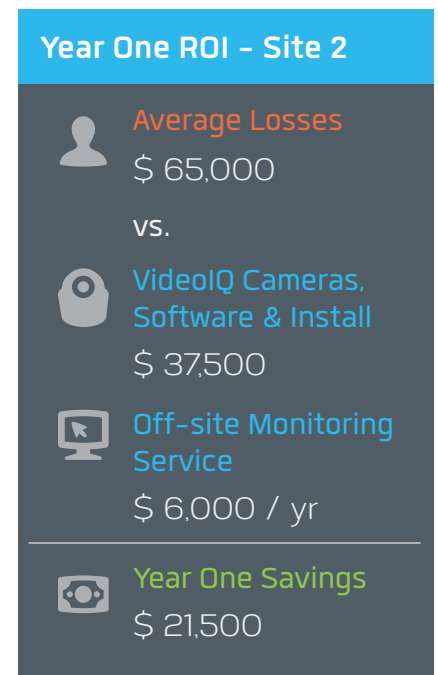
So, after a year of successfully preventing any potential thefts at his urban dealership, Joe begins to see sporadic yet measurable losses at his other dealership. Though only hit twice within the past year, he suffers losses of roughly \$25,000 and \$40,000. As is common, only a portion of this can be attributed to the value of lost components (GPS’s, airbags, catalytic converters, etc.), the remainder being comprised of physical damage, raised insurance premiums, and forfeited potential revenue due to lack of inventory.

With \$65,000 in total losses last year, Joe can’t justify a guard for off hours, as the guard’s wages would very likely outweigh his losses. And though impressed with the protection his system provides at his urban dealership, installing another VideoIQ solution here is a harder decision. Without guard wages to eliminate, he won’t see an immediate return and will have to treat a new system as an investment.

Joe decides to consult with his local integrator who explains that using a VideoIQ system will not only protect his dealership but also help improve operational efficiency. He shows Joe how to draw a region of interest around his most expensive cars and have his top salesman get mobile alerts anytime a customer is browsing in that section. To give Joe a real world example he points him to a recent success story at Bill Kolb Jr. Subaru, where their VideoIQ system is being used to facilitate everyday operations while successfully preventing crime.

Impressed by the operational benefits he was previously unaware of, Joe decides to think long-term and install another system at his second dealership. His suburban lot is a few acres larger and requires a total of 15 cameras for a total installed price of \$37,500. Again, Joe opts for a professional monitoring service to watch his cameras during off hours. Though this deployment has more cameras to monitor, the lower level of activity/risk associated with the affluent location of his second dealership makes for a slightly cheaper fee of \$500 a month.

A year later Joe hasn’t experienced a single successful theft and although it is hard to say for sure, believes he has already come out ahead. Had the trend continued Joe would have saved over **\$21,000** in Year 1:



It’s also possible Joe’s dealership could have been hit only once (lets say for \$35,000) in this first year, leaving him in the hole for Year One. However, even if Joe were again hit only once in year 2, this time for just \$23,000, his investment would have paid off.

## Year One ROI - Site 2

Actual Losses  
\$ 35,000

VideolQ Cameras,  
Software & Install  
\$ 37,500

Off-site Monitoring  
Service  
\$ 6,000 / yr

Year One Loss  
\$ (8,500)

## Year Two ROI - Site 2

Actual Losses  
\$ 23,000

Off-site Monitoring  
Service  
\$ 6,000 / yr

Year Two Savings  
\$ 17,000

### First 2 years

\$ (8,500) Year One ROI

\$ 17,000 Year Two ROI

---

\$ 8,500 Total ROI  
over 2 years

Despite the fact Joe's dealership was targeted less than he had expected, he still sees a return on his investment within the first two years. Additionally, he now has an extremely effective surveillance solution in place that will continue to save him time and money while increasing operational efficiency.

While the above monetizes tangible losses and extrapolates on the "what ifs", a few important factors are overlooked. Though hard to measure, insurance discounts, operational best practices, reputation and time all play an important part in the overall ROI equation. And while it's difficult to put a price tag on peace of mind or things that truly matter to you, it's easy to protect them. VideolQ solutions are a one-time investment in your business's future. If your business could be susceptible to theft and vandalism, don't wait until it's too late.

Give us a call or contact your local integrator to learn how we can help secure your business while saving you money.



VideolQ, Inc. [videoiq.com](http://videoiq.com)

Available through



**SkyGuard Virtual Security**

a Division of Skynet Security Systems  
4800 S. Central Ave.  
Chicago, IL 60638  
(877) SKY-CCTV  
[goskyguard.com](http://goskyguard.com)