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Brivo Complete provides an exciting opportunity for you to grow your RMR (recurring monthly revenue) more quickly than any other dealer program in the industry. It is structured with built-in advance payments, a flat monthly service price from Brivo, and a customizable set-your-own price strategy.

We all know RMR is great for building the enterprise value of your business, but what about near-term profits? We need to pay the rent, and future value doesn't always cover the tab.

In the following examples, we take a look at how profits stack up with a traditional one-time sales approach versus the subscription model behind Brivo Complete.

Traditional Access Control Profits

Let's consider an example access control project with five doors that are priced at an average of \$2,500 per door. According to industry research, average gross profits for access control projects are in the low to mid-20 percent range. If your profits are similar, then a typical job would profile as follows:

TRADITIONAL 5-DOOR PROJECT	
Sell Price / Door	\$ 2,500
Total Revenue	\$ 12,500
Materials & Other	\$ 5,500
Labor	\$ 4,000
Total COGS	\$ (9,500)
Gross Profit	\$ 3,000

BRIVO COMPLETE 5-DOOR PROJECT	
Activation Fees	\$ 1,500
Advance Payments	\$ 6,000
Total Fees & Payments	\$ 7,500
Total COGS	\$ (6,500)
Gross Profit at Install	\$ 1,000

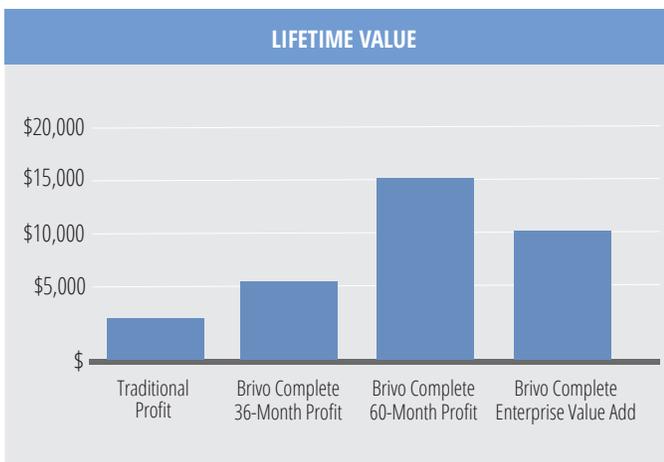
Brivo Complete Profits

Profits earned at project completion look a bit different than if they are paid up front, but they quickly surpass earnings from a traditional one-time job. Here is the math for the same five-door installation. This time, however, we will calculate profit for each contract year. Your profits stem from the activation fees you charge at the outset, plus the advance payments that Brivo issues to you upon closing the project.

Your Profits Controls

The preceding example presumes that you will sell the five-door Brivo Complete job at the MSRP. But, you can adjust your margins upwards as needed to fit unique installation requirements as well as your own business goals. When you combine these factors and look further down the road at a 36-month contract term, your margins are likely in the 20% range and your RMR has far exceeded your potential profit from the traditional model.

36-MONTH EARNINGS FOR 5-DOOR PROJECT	
Gross Profit at Install	\$ 1,000
36-Month Term Payments	\$19,800
36-Month Service Cost	\$ (15,300)
Service Gross Margin	\$ 4,500
Total Revenue	\$ 27,300
Gross Profit Total	\$ 5,500



Lifetime Value

Brivo Complete really shines when you consider both long-term profits and enterprise value because your Brivo service costs go way down and your margins go way up. Years of attrition data show that Brivo end-users have a 95% renewal rate and stick around for well over ten years. As indicated in the Lifetime Value chart, the first two years after the contract term can be far more profitable than the original contract term. The enterprise value of the RMR also adds about three times more exit valuation to your company. That's money in the bank for when you sell or pass along your company.

In Summary

Only you can decide what works best for your markets and your customers. We hope the Brivo Complete model gives you a leg up on winning more business by structuring a more attractive payment stream for your customers.



For More Information Contact:
 Kelly Bond - kelly.bond@brivo.com
 Luci Harrison - luciana.harrison@brivo.com