Turning Video Into Recurring Revenue

How Security Dealers Are Building Sustainable Growth Through Managed Services

WHITE PAPER

Executive Summary

For decades, the security industry has been built around a straightforward business model: sell hardware, install systems, and move on to the next project.
While that model has supported the industry for years, it has also created a challenge that many dealers continue to face today.

- **Revenue is often tied to new installations.**
- **When installations slow down, growth slows down.**
- **When projects are delayed, revenue is delayed.**

And when customers stop buying new equipment, opportunities can become increasingly difficult to find.
As a result, many dealers are rethinking how they generate revenue and deliver value.
Rather than viewing video surveillance as a one-time transaction, forward-thinking organizations are treating it as an ongoing service platform.
The result is a growing shift toward managed services, recurring monthly revenue (RMR), and cloud-enabled support offerings that create long-term customer relationships while generating predictable income.

This paper explores how dealers are transforming video surveillance from a hardware sale into a recurring revenue opportunity and why managed services are becoming one of the most important growth strategies in the security industry.

The Traditional Security Business Model

Historically, the security industry has been driven by projects.

- **A customer purchases equipment.**
- **A dealer installs the system.**
- **The project is completed.**
- **Revenue is recognized.**

The dealer then focuses on finding the next opportunity.
While this model can generate substantial revenue, it also creates challenges.
Growth depends heavily on maintaining a steady flow of new projects.
Sales teams are constantly hunting for the next installation.
Revenue can fluctuate dramatically from month to month.
And customer relationships often become reactive rather than proactive.
In many cases, dealers only hear from customers when something goes wrong or when a replacement project becomes necessary.
This creates a cycle that can make long-term growth difficult to predict.

Why Recurring Revenue Matters

Across nearly every industry, recurring revenue has become one of the most valuable business assets.

Software companies have embraced subscription models.

Managed IT providers have built entire businesses around service agreements.

Even consumer products increasingly rely on subscription-based services.

The reason is simple... **Recurring revenue creates predictability.**

Rather than relying solely on one-time sales, businesses generate ongoing income from existing customers. For security dealers, recurring revenue can provide several advantages.

Predictable Cash Flow

Monthly service revenue creates stability.
Rather than waiting for the next project, dealers can generate consistent income month after month.

Increased Customer Retention

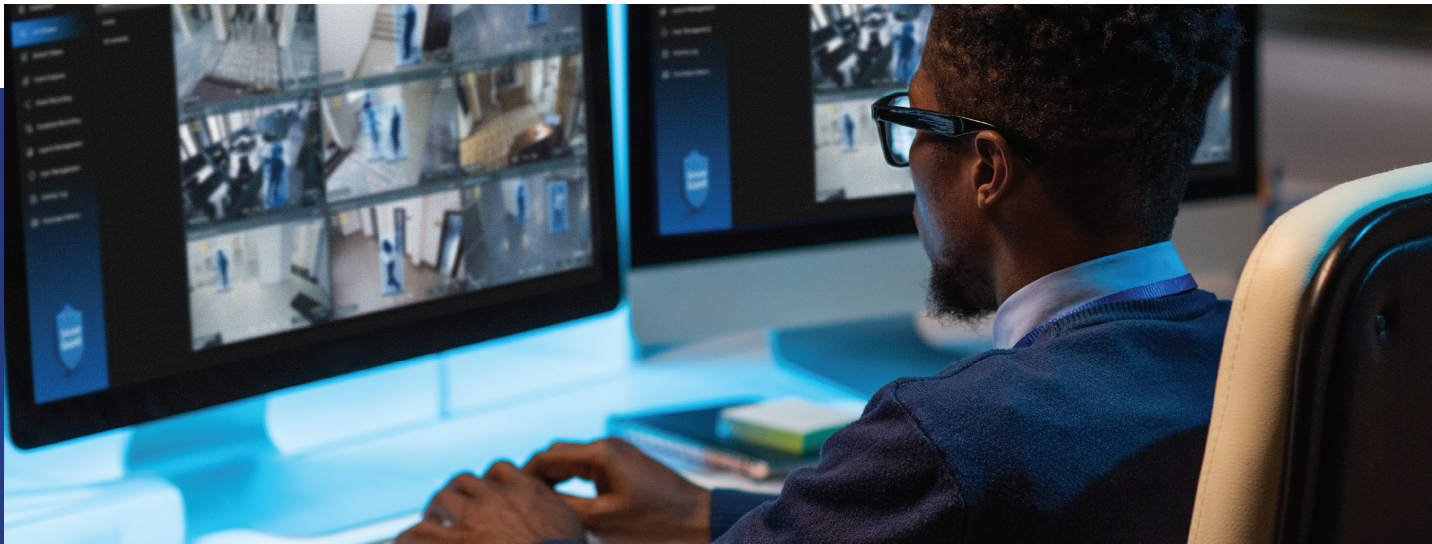
Customers receiving ongoing services are typically less likely to switch providers. The relationship extends beyond installation and becomes part of daily operations.

Improved Business Valuation

Companies with recurring revenue streams are often viewed more favorably by investors, lenders, and potential acquirers because future income is easier to forecast.

Stronger Customer Relationships

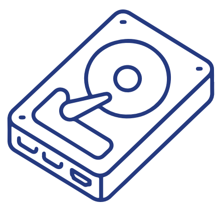
Managed services create regular engagement with customers, increasing opportunities for upselling, renewals, and long-term partnerships.



Video Is No Longer Just Video

For many years, video surveillance systems were viewed primarily as evidence collection tools.

Record footage.



Store footage.

Review footage when necessary.

Today, video systems are becoming operational platforms that provide ongoing value long after installation.
Organizations increasingly rely on video systems for:

- **Operational awareness**
- **Loss prevention**
- **Risk management**
- **Compliance**
- **Employee accountability**
- **Safety initiatives**
- **Incident investigations**

As the importance of video grows, so does the opportunity to provide services around it.
The conversation is shifting from "What cameras should I buy?" to "How can my provider help me manage and maximize my system?"
That shift creates significant opportunities for dealers.

The Rise of Managed Services

Managed services allow dealers to provide ongoing value while generating recurring revenue. Rather than charging solely for equipment and labor, dealers can offer continuous support and management services that customers rely on every day.

Common managed service offerings include:

Remote System Health Monitoring

Monitoring system status and identifying issues before customers are impacted.

Remote Troubleshooting

Diagnosing and resolving issues without requiring onsite service visits.

System Reporting

Delivering operational reports, system status updates, and compliance documentation.

User Administration

Managing users, permissions, and access rights on behalf of customers.

Cloud Playback Access

Add, remove, and modify user permissions remotely

Video Verification Services

Supporting alarm verification and incident response workflows.

These services create ongoing value that extends far beyond the initial installation.

What Customers Are Willing To Pay For

One of the most common misconceptions about managed services is that customers do not want additional monthly costs.
In reality, customers are often willing to pay for services that solve meaningful business problems.

Organizations increasingly value:

Convenience

Customers want support without needing to become technical experts

Reduced Downtime

Every minute a system is offline creates potential risk.

Operational Efficiency

Many businesses would rather outsource system management than dedicate internal resources to it.

Faster Response

The ability to resolve issues quickly is often worth more than the cost of the service itself.

Peace Of Mind

Knowing that someone is actively monitoring and supporting the system creates confidence.

The key is shifting the conversation from **“monthly fees”** to **“ongoing value.”**

Building Service Agreements That Scale

Not every customer requires the same level of service. Many successful dealers create tiered service offerings that align with customer needs and budgets.

A common framework may include:

Essential Service

- Basic health monitoring
- Limited support
- System status alerts

Professional Service

- Health monitoring
- User administration
- Remote troubleshooting
- Cloud playback access

Premium Service

- Full remote management
- Priority support
- Advanced reporting
- Video verification support
- Multi-site administration

The Financial Impact Of Managed Services

The power of recurring revenue becomes clear when viewed at scale.

Consider a simple example:

25 Cameras = $375 Monthly Revenue

50 Cameras = $750 Monthly Revenue

100 Cameras = $1,500 Monthly Revenue

250 Cameras = $3,750 Monthly Revenue

However, recurring revenue compounds.
Each month builds on the previous month. Each customer adds to the recurring revenue base. Over time, these services can become a significant contributor to overall business performance.
Many dealers discover that their existing install base represents one of their largest untapped revenue opportunities.

Why Cloud Management Is Accelerating This Shift

Managed services become significantly easier to deliver when systems can be monitored and managed remotely.
This is where cloud management is playing an increasingly important role.

Cloud-managed platforms allow dealers to:

- **Monitor system health remotely**
- **Manage users and permissions**
- **Access cloud playback**
- **Troubleshoot issues**
- **Support multi-site customers**
- **Deliver proactive service experiences**

Without cloud-based management capabilities, many managed services become difficult to scale.
With cloud management, dealers can support larger customer bases while maintaining operational efficiency.
The result is a service model that is more profitable, more scalable, and more valuable to customers.

The Future Of The Security Business

The future of security is not simply about selling more cameras.
It is about delivering ongoing value.
Customers increasingly expect service, support, visibility, and convenience.
Dealers that continue to focus solely on hardware sales may find themselves competing primarily on price.
Dealers that embrace managed services create opportunities to compete on value instead.
The most successful organizations in the coming years will likely be those that view every installation not as the end of a transaction, but as the beginning of a long-term service relationship.

Conclusion

Video surveillance has evolved far beyond its role as a simple recording tool.
Today, it serves as the foundation for a wide range of managed services that help customers improve security, reduce risk, and operate more efficiently.
For dealers, this evolution creates an opportunity to build recurring revenue streams that strengthen customer relationships while creating more predictable business growth.
The question is no longer whether recurring revenue will become an important part of the security industry.
The question is how quickly dealers will adapt.
Cloud-managed platforms such as SecureGuard® Cloud VMS are helping support this transition by providing the remote management, health monitoring, cloud playback, and administrative capabilities needed to deliver scalable managed services.
The dealers who embrace these opportunities today will be better positioned to build stronger customer relationships, improve profitability, and create sustainable growth for years to come.

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