



BUSINESS MEETING

PSA LEADERSHIP TEAM | #PSACONVENTION

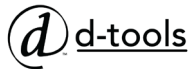


Thank You

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Quantum.



#PSACONVENTION

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*WELCOME MATT BARNETTE AND
ALLEG RIGGS TO CONVENTION 2021!*



Other First Time Attendees

- Robblee's Total Security, Inc.
- Security Solutions
- Security Solutions Northwest Inc
- Visible Intellect
- Vision Security Technologies



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Updates from the CEO

- Retirement of Bill Bozeman
- Steve King retires; Hiring of Allen Riggs
- Reorganization of Sales; USAV
- Training Bucks Expansion
- Hang 10 Club
- High Tide Club

2021 Hang Ten Members

- Tech Systems, Inc.
- Allied Universal Technology Services
- Netronix Integration
- REECE Complete Security Solutions
- Northland Control Systems
- PASS Security
- Convergint Technologies
- Unlimited Technology
- Security Equipment
- Vision Security Technologies



01

FISCAL UPDATES

01 Financial Review

| | 2021 | | 2020 | | 2019 | |
|--------------------------|-------------|-----------|-----------|-----------|-------------|-----------|
| | \$ | % Inc/Dec | \$ | % Inc/Dec | \$ | % Inc/Dec |
| Patronage Dividend | \$1,141,000 | 272% | 307,000 | -78% | \$1,399,000 | 25% |
| Training Bucks | \$901,000 | -4% | 935,000 | 2% | \$913,000 | 18% |
| Early Pay Discounts | \$415,000 | -15% | 488,000 | -16% | \$582,000 | 3% |
| Free Freight | \$1,051,000 | -9% | 1,156,000 | 2% | \$1,176,000 | 9% |
| Total Returned to Owners | \$3,508,000 | 22% | 2,886,000 | -29% | \$4,070,000 | 15% |

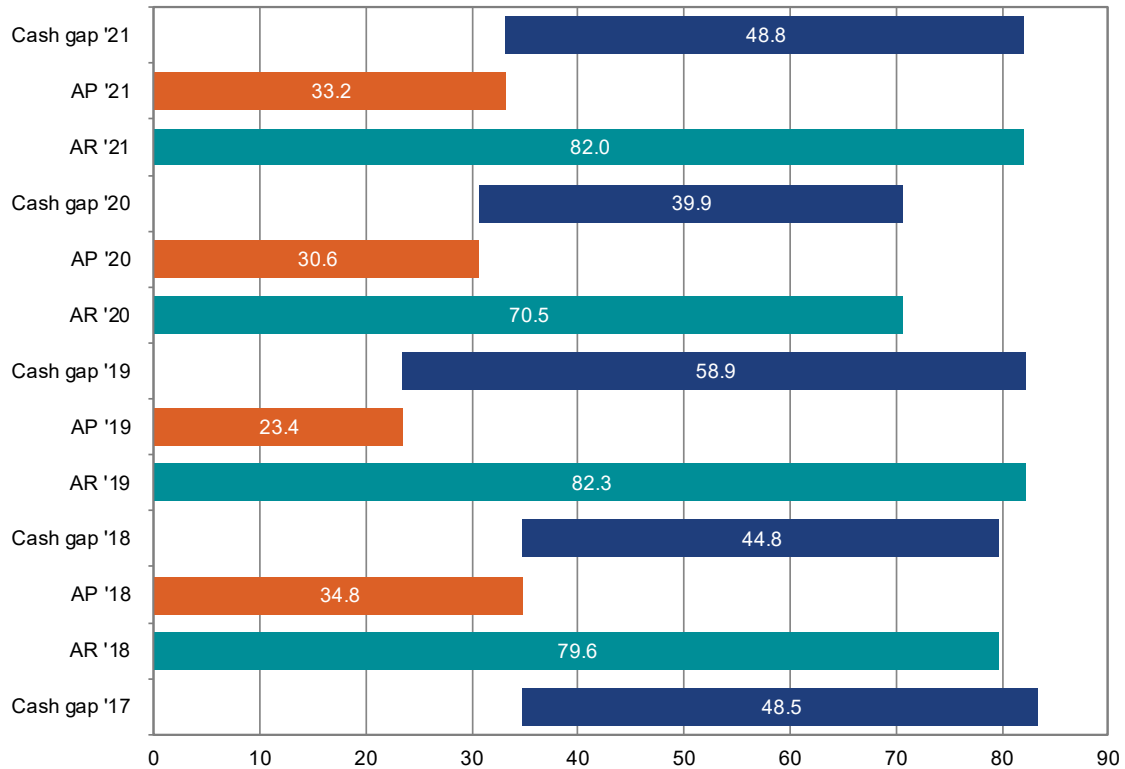
01

Operating Expenses as a % of Revenue

| | 2021 | | 2020 | | 2019 | |
|--|---------------|-------------|---------------|-------------|---------------|-------------|
| | Security | AV | Security | AV | Security | AV |
| Sales/Rebate Revenue | \$126,512,000 | \$1,716,000 | \$128,760,000 | \$1,553,000 | \$129,315,000 | \$1,133,000 |
| Operating Expenses | \$9,562,000 | \$528,000 | \$9,560,000 | \$606,000 | \$9,279,000 | \$519,000 |
| Percent Operating Expenses / Sales Revenue | 8% | 31% | 7% | 39% | 7% | 46% |

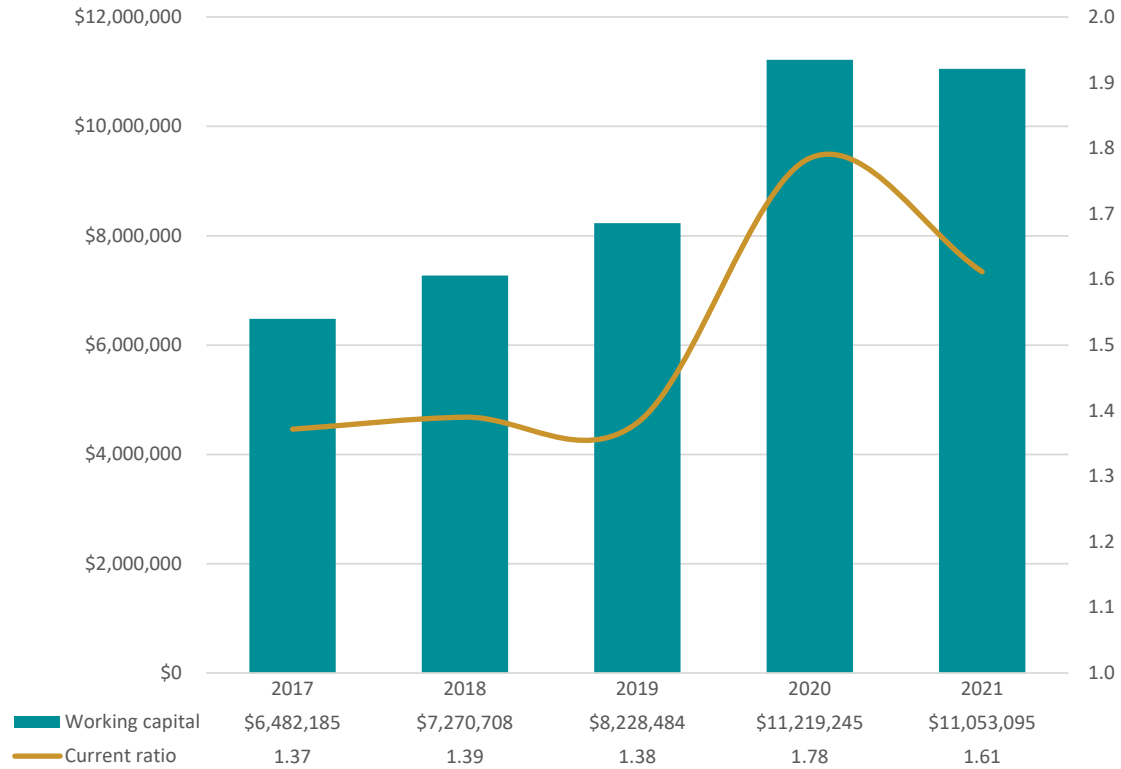
01

Operating Ratios and Cash Gap



01

Working Capital Analysis



01

PSA Gross Profit Analysis

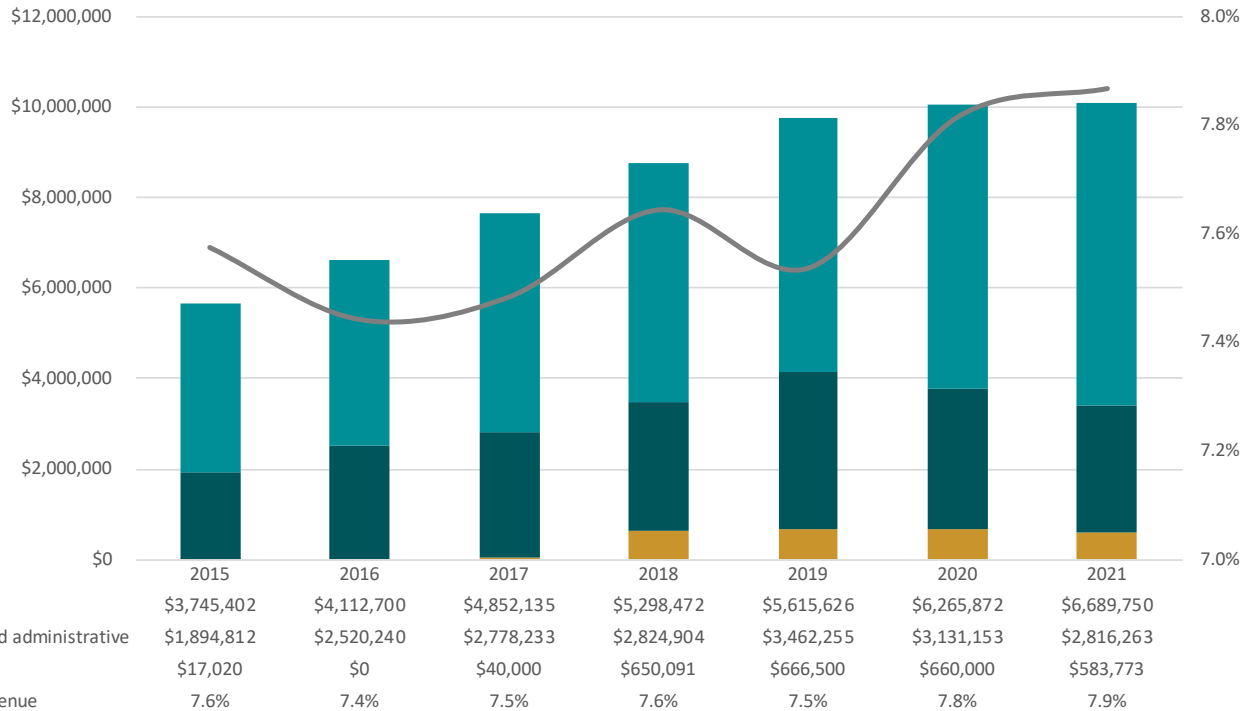
| | 2021 | 2020 | 2019 |
|---------------|---------------|---------------|---------------|
| Gross Profit | \$9,404,000 | \$9,554,000 | \$9,488,000 |
| Total Revenue | \$126,512,000 | \$128,760,000 | \$129,315,000 |
| Gross Margin | 7.4% | 7.4% | 7.3% |

01

USAV Gross Profit Analysis

| | 2021 | 2020 | 2019 |
|---------------|-------------|-------------|-------------|
| Gross Profit | \$1,284,000 | \$1,165,000 | \$692,000 |
| Total Revenue | \$1,716,000 | \$1,553,000 | \$1,133,000 |
| Gross Margin | 74.8% | 75.0% | 64.2% |

01 Operating Expenses



02

PSA UPDATES

02

PSA Sales Update

Mark Alig, New Inside Sales Manager

- Focused Outbound Contact
- Redefined inside sales roles
- Focused on managed service ops

Elimination of Customer Level

- Now just Owners and Members
- Current customers have until the end of FY2022 to upgrade to Owners or Member status

Sales Incentive Contest Updates

- Q4 emphasis
- Awarded to Q4 top 5 sales increases by percentage and dollar amount

Vector Firm MSP Training

- Six-month program
- Recurring Revenue Playbook

02

PSA Sales Update

New Owner and Member Activity Q1 FY22

- 4 new owners signed
- 4 new members converted to owner
- 3 new members signed

SDM Top Systems Integrator of the year:



02

PSA Supply Chain Update



02

PSA Supply Chain Update

Outreach

- 5 Managers working with top 25 Tech Partners
- Weekly calls and updates

Member Notifications

- Sales is requesting updated lead times monthly
- Lead times are posted per item in buypsa.com
- Buypsa.com landing page has updated list of price increases, surcharges, etc.

02

USAV Sales Update



\$95M On Program Spend



6 New Integrators

Bluewater, Coitcom, Redwire, SCI Electronics, Strategic Connections, Visual Sound



5 New International Partners

Creatio (Mexico City), Dekom (12 offices throughout Europe), Hereworks (Ireland), Progress Security (UAE) Smartcomm (UK)

02 Marketing Update

Website Redesign

New site launched early September 2021

Launch Marketing Consultancy

Custom-tailored marketing offerings for PSA and USAV members and partners

Customer Experience Program

Oversee new member onboarding, on-going customer success, VOC program, new member ambassador program

Personnel Updates

Katie Blough – Customer Success Manager

Michaela Austin – Marketing Coordinator

Taylor Lampar – Marketing Coordinator

Brittany Board – Senior Channel Marketing Manager

Jennifer Anderson – Director of Events

02

Customer Service Updates

- Team Expansion in Q1 FY22
- Active role in order updates and supply chain management

Education Updates

- Expansion of committees
- Placed all PSA Committees and USAV SIGs under 1 roof
- PSA TEC 2021 (live and virtual) - first live event in security post-COVID

02

FY22 Sales Incentive Contest



Ritz-Carlton, Amelia Island, FL
August 14-14, 2022

03

PSA STRATEGY OVERVIEW

03

Mission, Vision & Core Values

Mission:

ThePSA Network elevates the industries we serve by providing owners and members exceptional education, networking, services and connections with technology partners.

Vision:

Be the rising tide.

Passion

We are passionate about our work and have fun doing it!

Integrity

We are honest and trustworthy.

Boldness

We are forward thinking & innovative. We aren't afraid to take risks or have a different opinion.

Service

We live and breathe exceptional customer service.

03

Ideal Customer Profile

We are looking for security/AV integrators who:

1. Are fiercely loyal – referrals, have our back
2. Support us financially – significant portion of available product spend through PSA
3. Have strong leadership
4. Are growth oriented
5. Are financially stable – pay bills on time
6. Are forward thinking
7. Have strong core values
8. Communicate well
9. Are cooperative
10. Are engaged in the network – attend functions and serve on committees
11. Are adaptable

Who can join?

- Integrator serving physical security, managed services and/or professional AV markets
- Five year minimum in business
- \$3 million in annual sales volume
- Financial stability

03

Competitive Advantage

Networking

NDP and global partner networks, committees, TEC and Convention, Peer exchange sales incentive contests, access to AV integrators and manufacturers, exclusive technology relationships, enterprise access control

Education

TEC and Convention, committees, LMS, thought leadership

Financial

Dividends, early pay discounts, equity ownership, training bucks, payment terms, credit lines, rebate programs

Value Added Services

Marketing consultancy, certification tracking, public relations and media opportunities, business analytics dashboard

Ownership

Exclusive membership only for top integrators, dividends, voting rights, board member potential, corporate core values, customer success program

03

Key Issues to Address



**Future
Relevancy**



**Brand
Awareness/
Value
Proposition**



**Clear and
Consistent
Communication**
(Both Internally
and Externally)



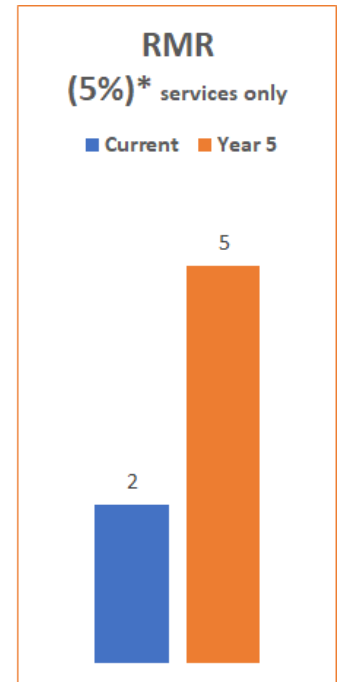
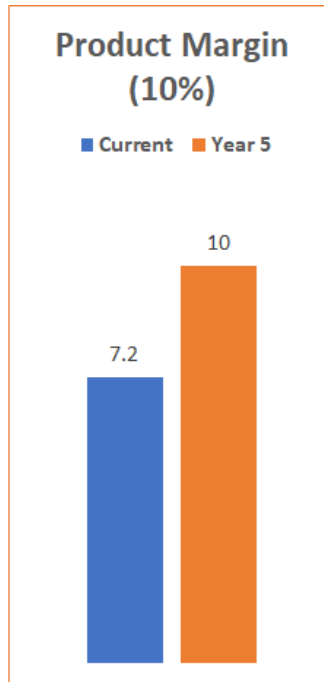
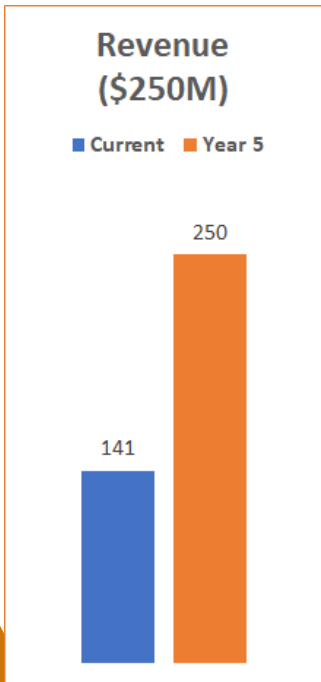
**Technology
Platforms**
(E-Commerce,
NDP, ETC.)



**Interdivisional
Synergy**

03

5 Year Strategic Targets



03

Strategic Objectives

- Loyalty
- Technology Platform
- Education Programs
- Outreach – Events & Consultant Engagement
- Service Offerings

04

ELITE PARTNER
PROGRAM

04

Renewed Approach to Partnerships



Grow revenue



Gain market share



Transparency and trust between organizations



Deepen engagements with integrators



Offer exclusive codeveloped benefits



Expand outreach with PSA integrators

04

PSA Commitments

- Co-create revenue growth goals and plans
- Generate new account leads with partner
- Train inside sales on partner offerings
- Host partner webinars
- Qualify account opportunities for partner
- Organize meetings between members and partner
- Conduct quarterly business review (QBR)
- Integrate information systems
- Provide point of sale access
- Discount event sponsorship
- Implement robust marketing deliverables, timelines and tracking
- Provide access to PSA Training Bucks via PSA exclusive training

Q4

Qualification Criteria

Technology partner meets 5 or more of the following in a rolling 12-month period:

- ✓ \$500K sales volume
- ✓ 10%+margin
- ✓ Free freight
- ✓ PSA category highest sales
- ✓ Established rebate program
- ✓ Early pay discounts
- ✓ Lead time accuracy
- ✓ Advanced replacement policy
- ✓ Event sponsorship
- ✓ Event participation
- ✓ PSA exclusive training
- ✓ VP level or above for escalation
- ✓ Automation with PSA systems
- ✓ RMR Offering with revenue share
- ✓ Project registration
- ✓ PSA Channel friendly
- ✓ PSA CS Approval

04

Elite Partner Program Levels



ELITE

Meets **10**
criteria
requirements



PLATINUM

Meets **7**
criteria
requirements



**PSA
APPROVED**

Meets **5**
criteria
requirements

04

2022 Elite Partners



05

Q&A

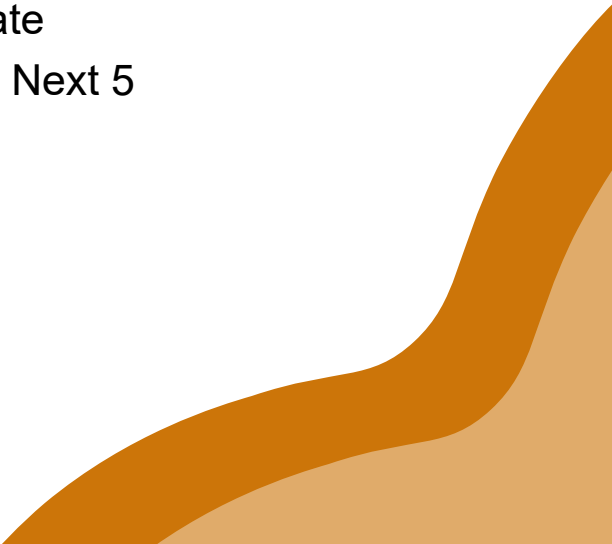
Q5

Q&A

- With the emphasis on Artificial Intelligence and custom analytics increasing because of commercial end user awareness and demand, what is PSA doing to step outside the VMS space and introduce Independent Software Vendors (ISVs) into the PSA community to cultivate AI solutions to address specific problems for the end user?
- What is the recommendation for industries in dealing with long term supply chain issues?

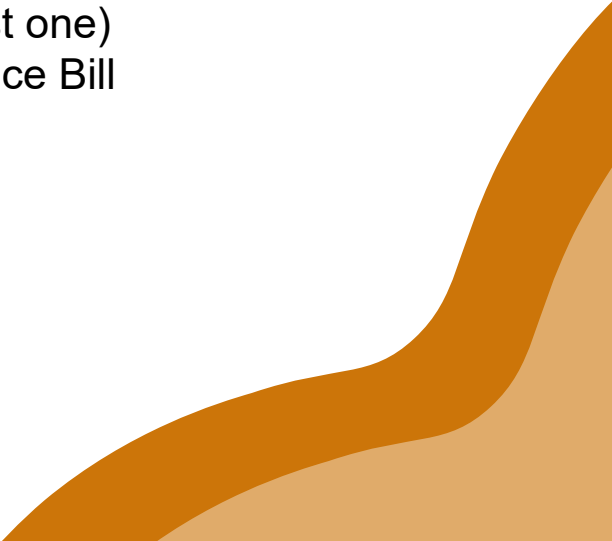
Q5

Q&A

- What are the biggest challenges you anticipate PSAs as an organization will face over the next year? Next 5 years?
 - What are the biggest challenges you anticipate PSA integrators will face over the next year? Next 5 years?
- 

Q5

Q&A

- What is PSA doing different from normal processes to manage through supply chain challenges, and what are manufacturers saying about when things might return to a level of normalcy?
 - What has been the biggest success (pick just one) and the biggest challenge (pick just one), since Bill left PSA and Matt arrived?
- 

Q5

Q&A

- Are there any target manufacturers that PSA integrators buy a lot from (like Axis), that PSA is hoping to add to their list of manufacturers they can do business with soon? And, part 2: are the manufacturers mostly happy in their agreements with PSA? I sometimes hear from manufacturer reps that “things would be easier and cheaper if you bought from us direct”.

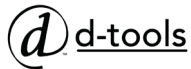


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