

Introduction

The basic application model for the ESCort™ System is use in a business that has a relatively large number of field assets that are serviced by a relatively small number of personnel. The objective of installing this system is to better monitor and control resources and in doing so provide significant return on investment that not only pays for the system but returns a profit.

Automated Merchandising (Vending)

The Vending industry fits our market model. Vending machines are distributed widely in the field and require service to fill product and retrieve funds. These functions are handled by service personnel, either employees or subcontractors.

Currently the security on these vending machines is typically a plug lock in a T handle or a cam lock, usually “keyed alike” in groups called routes. There may be a few locks or thousands on any particular route. Keys are typically issued manually at the beginning of a shift depending on which route or routes a service person is working that day.

ESCort™ application:

We have developed a **system** including locks, keys and a management device called the ControlVault™ .

The ControlVault™ automates the issue of keys to service personnel. It also programs these keys for the area and time where the service is working. When the key is returned it downloads all activity into a data base within the ControlVault™. No extra personnel are required to perform this function and all activity is recorded automatically into the ESCort™ built in data base. All data is managed remotely with a browser on the Manager's computer.

Locks are installed into the vending machines installed in the field. Each machine ID is associated with an electronic ID based on the ESCort™ lock number. These numbers are recorded into the ControlVault™ data base along with the precise location of each machine “asset”.

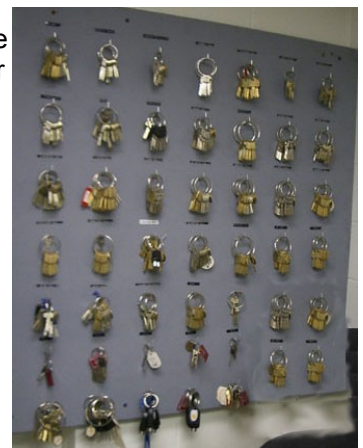


The locks are programmed with route information via a special key. There can be an unlimited number of locks on any route. If a machine is changed to a different route you need only touch the change key to the lock to update its route information. The lock does not need to be removed from the vending machine.

When a service person is given a work order there will be a record in the ControlVault™ data base that a particular service person used his or her key to open a specific machine associated with that work order. If the box was not accessed then the work was not likely done.

The data from the ESCort™ system can be used in conjunction with data from scheduling systems and machine monitoring systems to provide a more complete picture of employee's activity in the field.

ESCort™ locks are available in several versions. This allows you to replace all your locks and keys, eliminating the requirement to store, issue and keep track of all manor of keys.



Field Deployment

In our field deployment we installed a ControlVault™ and 34 ESCort™ Locks. 8 ESCort™ keys are controlled and issued by the ControlVault™.

This installation is at a major university in the midwest. The Escort™ Locks were installed on bill changers throughout the campus. These locks were programmed as belonging to 6 different routes. The installation was completed by 2 teams in about one hour.

All subsequent service is done by personnel issued ESCort™ keys.



ROI

There are several means to achieve return on investment with the ESCort™ System. One is increased efficiency of the workforce. Another is

reduced cost of managing the security of the field assets including the cost of issuing and retrieving keys and of changing locks when keys go missing.

The ESCort™ system monitors the activity of the service personnel by recording each time the key was used. This information can be “mined” to provide the metrics to compare the performance of each employee compared to the rest of the group.

This monitoring takes place automatically and requires no extra time or effort by the employee in the field. No forms to fill out and no opportunity for “keystroke error” in

entering data. Just use the ESCort™ key just as you would the existing keys.



The more the system is used the better the information becomes as a management tool. It will automatically identify the most-and the least- efficient employees. The managers can then concentrate on encouraging and learning the techniques of the best employees and teaching them to the least efficient ones. This will raise the productivity of the whole team. This will allow you to get more done with the people you have and reduce the cost of operations.

A side benefit of the ESCort™ System is increased accountability resulting in better workmanship. This should result in fewer service calls and increased quality of service for customers. Another benefit added to the ROI that will provide tangible returns.

The test installation represents a very small sample of the potential of the ESCort™ system and results described are from an installation at one application. We believe the results would be typical for a similar installation and that situation to represent 10-20% or more of normal vending situations. ROI may be higher or lower depending on demographics and company policies and practices.





Market Potential

The average system size we have been discussing with end users is 10,000 locks. To give you some idea of potential market size, Coke distributing (CCE) has over 450,000 vending machines in the US alone. There are more than 6 million other types of vending machines in the US. Pepsi has 20,000 vendors in Australia, Selecta more than 50,000 in France.

Other markets

There are many markets and applications that would benefit from our system. Our sales model is to address industrial customers with outside assets that use a large number of locks and relatively few keys who can benefit from better management of their employees.

We are targeting niche markets, each with a small number of potential customers that we can reach directly. To do this we team up with individuals and companies who are well connected in their market and already have relationships with the key players. The two markets we are currently concentrating on are vending and cable TV. We have also researched several additional applications including traffic signals, railroad and the potentially huge "smart" electrical grid.

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July 09



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