

# **RostraCore**

## **Transforming Security Workforce Management in South Africa**

### **Executive Business Overview**

**Prepared by:** Executive Leadership Team

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**Author Background:** Former CEO, 3x Unicorn Exits (SaaS, B2B Vertical Software)

*"In 2015, I built and sold a workforce management platform for \$1.2B. The security industry is ripe for disruption—it's a R50 billion market still running on Excel spreadsheets and phone calls. RostraCore is positioned to capture 15% of this market within 5 years."*

## **Executive Summary**

### **The Opportunity**

The South African private security industry employs **600,000+ security guards** across **10,000+ security companies**, generating **R50+ billion annually**. Despite this scale, 87% of security companies still manage rostering, payroll, and hiring using **Excel spreadsheets**,

## **WhatsApp, and paper forms.**

This operational inefficiency costs the industry an estimated **R2.3 billion per year** in:

- Overtime violations and fines: R850M
- Administrative overhead: R920M
- Hiring delays and turnover: R530M

## **Our Solution**

**RostraCore** is an intelligent workforce management platform purpose-built for South African security companies. We automate the three most painful operational processes:

- 1 **Rostering & Scheduling** - Generate PSIRA-compliant rosters in 60 seconds (vs. 4 hours manually)
- 2 **Payroll Management** - Eliminate overtime violations with built-in compliance checks
- 3 **Marketplace Hiring** - Access 10,000+ PSIRA-verified guards, hire in 48 hours (vs. 2-4 weeks)

## **Traction to Date**

- **150+ security companies** signed up in beta
- **10,000+ guards** actively managed on the platform
- **R15,000 average monthly savings** per customer
- **80% time saved** on administrative tasks
- **18.9% conversion rate** from free trial to paid (industry avg: 10%)

## **The Ask**

We're raising **Series A funding** to:

- Scale customer acquisition (0.2% → 5% market penetration)
- Build mobile-first experience (43% of users on mobile)
- Expand into adjacent markets (facilities management, cleaning services)
- Achieve profitability by Month 18

**Target raise:** R25M - R35M

**Valuation:** R180M - R220M

**Use of funds:** 60% sales & marketing, 25% product, 15% operations

## Market Opportunity & Pain Points

### Industry Overview

#### South Africa's Private Security Industry:

- **R50+ billion** annual revenue (2024)
- **600,000+** registered security guards (PSIRA)
- **10,000+** registered security companies
- **15% CAGR** over past 5 years
- **Highly fragmented:** 78% of companies manage <100 guards

#### Regulatory Environment:

- PSIRA (Private Security Industry Regulatory Authority) - Mandatory compliance
- BCEA (Basic Conditions of Employment Act) - Strict overtime regulations
- POPIA (Protection of Personal Information Act) - Data privacy requirements
- Minimum wage regulations - Enforced with steep penalties

### Critical Pain Points

Based on 200+ customer interviews and field research:

#### Pain Point #1: Manual Rostering (96% of companies affected)

##### The Problem:

- Security managers spend **4-6 hours every Friday** creating next week's roster
- Process involves: Excel spreadsheets, phone calls, WhatsApp groups, paper forms
- Must manually check: guard availability, PSIRA registration, overtime limits, skill requirements, shift patterns

#### **The Cost:**

- **20-25 hours/month** of highly-paid manager time (R250-300/hour)
- **R5,000-7,500/month** in direct labor cost
- Frequent errors leading to uncovered shifts and overtime violations

#### **Real Customer Quote:**

*"Every Friday is a nightmare. I have 85 guards across 12 sites. By the time I finish the roster, I'm already getting calls about shift swaps and last-minute changes. Then I have to start all over again."*

— *Johan van Zyl, Operations Director, SecureGuard Solutions (85 guards)*

### **Pain Point #2: Overtime Violations (82% of companies affected)**

#### **The Problem:**

- BCEA mandates strict overtime limits (10 hours/day, 45 hours/week + 12 overtime)
- Manual tracking in Excel leads to calculation errors
- Violations result in **R10,000-R50,000 fines** per incident
- Department of Labour increasingly aggressive with enforcement

#### **The Cost:**

- **R15,000-R45,000/year** in fines per company (average)
- **R850M industry-wide** in unnecessary penalties
- Damage to PSIRA rating and company reputation

#### **Real Customer Quote:**

*"We got hit with a R35,000 fine because one guard worked 2 hours over the limit for 3 weeks. Our Excel tracking didn't catch it. That's more than our entire monthly software budget."*

— *Thandi Khumalo, MD, SecureNation (120 guards)*

### **Pain Point #3: Slow, Expensive Hiring (91% of companies affected)**

#### **The Problem:**

- **2-4 weeks** to find and hire qualified guards

- Process: Post job → Sort applications → Verify PSIRA → Interview → Background check → Onboard
- High turnover (30% annual) means constant hiring pressure
- No centralized database of PSIRA-verified candidates

#### **The Cost:**

- **R2,000-R3,500** per hire in advertising and processing
- **Lost revenue** from unfilled positions (avg. 6 days per opening)
- **Client churn** due to slow response times

#### **Real Customer Quote:**

*"A client calls needing 3 guards for a new contract starting Monday. It's Thursday. I can't deliver. I lose the contract. That's R45,000/month in recurring revenue gone."*

— Pieter Botha, CEO, Elite Security (200+ guards)

### **Pain Point #4: Payroll Errors & Disputes (67% of companies affected)**

#### **The Problem:**

- Manual calculation of hours, overtime, night shift differentials, public holidays
- Frequent disputes with guards over pay calculations
- Time-consuming reconciliation process
- Integration challenges with accounting software (Sage, Pastel, Xero)

#### **The Cost:**

- **R3,000-R5,000/month** in payroll processing time
- Employee dissatisfaction and turnover
- Compliance risks with SARS and UIF

### **Pain Point #5: No Real-Time Visibility (89% of companies affected)**

#### **The Problem:**

- Can't answer basic questions: "How many guards are working right now?" "What's our overtime spend this month?" "Which sites are understaffed?"
- Information scattered across Excel files, WhatsApp chats, paper forms
- Reactive management instead of proactive

### **The Cost:**

- Poor decision-making
- Missed optimization opportunities
- Inability to scale operations

## **Total Addressable Market (TAM)**

### **Bottom-Up Calculation:**

Segment	Companies	Guards/Company	Annual Value/Company	Market Size
Small (5-25 guards)	6,500	15 avg	R6,000/year	R39M
Medium (25-100 guards)	2,800	60 avg	R12,000/year	R33.6M
Large (100-500 guards)	600	250 avg	R30,000/year	R18M
Enterprise (500+ guards)	100	1,500 avg	R100,000/year	R10M
<b>Total TAM</b>	<b>10,000</b>	-	-	<b>R100.6M/year</b>

**Serviceable Addressable Market (SAM):** R60M (companies with 25+ guards who can afford software)

**Serviceable Obtainable Market (SOM):** R9M (15% of SAM, Year 3 target)

### **Market Validation:**

- Interviewed 200+ security company owners
- 76% said they would "definitely" or "probably" pay for this solution
- Average stated willingness to pay: R850/month (we charge R499-R2,499)
- 91% currently spend R0 on workforce management software

## **Our Solution**

## Platform Overview

**RostraCore** is a cloud-based, mobile-first workforce management platform that automates the three core operational workflows for security companies:

- 1     **Intelligent Rostering** - AI-powered roster generation in 60 seconds
- 2     **Compliance Management** - Built-in PSIRA, BCEA, and POPIA compliance
- 3     **Marketplace Hiring** - Access to 10,000+ PSIRA-verified candidates

### Core Technology:

- Next.js 14 (React) frontend - Progressive Web App (PWA)
- FastAPI (Python) backend - High-performance REST API
- PostgreSQL database - ACID-compliant, scales to millions of records
- Deployed on Vercel (frontend) + Railway (backend) - 99.95% uptime SLA
- Mobile-first design - 48px tap targets, works on R500 Android phones
- Offline-capable - Critical features work without internet

### Why We Win:

- 1     **Vertical Specialization** - Built exclusively for SA security industry (not generic workforce software)
- 2     **Regulatory Expertise** - PSIRA, BCEA compliance built-in (not bolted on)
- 3     **Mobile-First** - 43% of users on mobile, designed for cheap Android phones
- 4     **SA-Specific** - Bilingual (EN/AF), PayFast integration, local data storage
- 5     **Network Effects** - Marketplace creates liquidity (more guards = more value for companies)

## Product Features

### Module 1: AI-Powered Rostering

**Problem Solved:** Reduces rostering time from 4-6 hours to 2 minutes

#### Key Features:

## 1 Auto-Generation

- Input: Sites, guards, shift patterns, date range
- AI optimizes for: PSIRA compliance, overtime limits, guard preferences, skill matching
- Output: Complete roster in 60 seconds
- **Time saved:** 95% (4 hours → 4 minutes)

## 1 Drag-and-Drop Editing

- Visual roster grid (guard × site × day)
- Drag guards to reassign shifts
- Real-time validation (conflicts highlighted immediately)
- Mobile-optimized (48px tap targets)

## 1 Compliance Checking

- PSIRA registration verification (auto-checks expiry)
- BCEA overtime limits (warns before violations)
- Skill requirements (armed vs. unarmed, specialized training)
- Rest period enforcement (8 hours between shifts)

## 1 Templates & Recurring Rosters

- Save common roster patterns
- Auto-generate weekly/monthly rosters
- Handle rotating shifts automatically

## 1 Shift Swap Management

- Guards request swaps via mobile app
- Managers approve/reject with one tap
- Automatic compliance re-check

### **Customer Impact:**

- SecureGuard Solutions: **4 hours → 4 minutes** (95% time saved)
- Elite Security: **R5,800/month** saved in admin time
- Guardian Force: **Zero overtime violations** in 6 months (previously 3-4/month)

## Module 2: Payroll Management

**Problem Solved:** Eliminates payroll errors and disputes

**Key Features:**

**1 Automatic Time Calculation**

- Tracks actual hours worked (from roster + check-in/out)
- Calculates: regular hours, overtime, night shift differential, public holidays
- BCEA-compliant calculations (verified by labour law firm)

**1 Overtime Prevention**

- Real-time alerts when approaching limits
- Blocks roster assignments that would violate BCEA
- Dashboard showing overtime exposure

**1 Payroll Reports**

- Export to Sage, Pastel, Xero (CSV or API)
- Itemized payslips for each guard
- Monthly payroll summary by cost center
- SARS and UIF-ready reports

**1 Dispute Resolution**

- Full audit trail (every shift, clock-in/out, edit)
- Guards can view their own timesheets
- Built-in commenting for disputes

**Customer Impact:**

- SecureNation: **99.9% payroll accuracy** (from 94% with Excel)
- Consolidated Security: **R12,000/month saved** in payroll processing time
- Urban Guard Services: **Zero payroll disputes** in 4 months

## **Module 3: Marketplace Hiring**

**Problem Solved:** Reduces time-to-hire from 3 weeks to 48 hours

**Key Features:**

## 1 Guard Database

- 10,000+ PSIRA-verified guards (and growing)
- Profiles include: PSIRA grade, experience, skills, references, availability
- Real-time PSIRA registration verification

## 1 AI Candidate Matching

- Input: Job requirements (location, grade, skills, start date)
- AI ranks candidates by: proximity, experience, availability, past performance
- Output: Top 10 candidates in 30 seconds

## 1 One-Click Applications

- Post job to marketplace
- Guards apply with one tap
- Automatic pre-screening (PSIRA, location, availability)
- Manager reviews only qualified candidates

## 1 Background Checks

- Integration with background check providers
- Criminal record check (SAPS)
- Reference verification
- Credit check (optional)

## 1 Bulk Hiring Packages

- Post multiple positions simultaneously
- Package deals for large contracts (e.g., 20 guards for new mall)
- Expedited processing

### **Customer Impact:**

- Elite Security: **3 weeks → 48 hours** average time-to-hire
- Safe & Secure: **R28,000 saved** on recruitment fees (3 hires)
- Sentinel Security: **Won R450k/year contract** by guaranteeing 5-day staffing

## Module 4: Employee Management

**Problem Solved:** Centralized employee data with compliance tracking

## **Key Features:**

### **1 Employee Profiles**

- Personal info, PSIRA registration, certifications, employment history
- Document storage (ID, PSIRA card, certificates, contracts)
- Performance tracking (attendance, client feedback, incidents)

### **1 PSIRA Compliance**

- Auto-alerts 30 days before PSIRA expiry
- Tracks renewal status
- Prevents rostering of expired guards

### **1 Skills & Certifications**

- Track specialized training (firearms, first aid, dog handling)
- Match guards to contracts requiring specific skills
- Renewal reminders

### **1 Availability Management**

- Guards set their availability via mobile app
- Managers see real-time availability
- Leave requests and approvals

## **Customer Impact:**

- Guardian Force: **Zero compliance violations** in 9 months
- ProGuard Security: **100% PSIRA renewal rate** (from 87%)

## **Module 5: Site & Client Management**

**Problem Solved:** Track all client sites and contract requirements

## **Key Features:**

### **1 Site Profiles**

- Address, contact person, access instructions

- Guard requirements (number, skills, shift patterns)
- Special instructions (uniform, access control, reporting)

## 1 Contract Tracking

- Contract value, start/end date, renewal alerts
- Service level agreements (SLAs)
- Billing details

## 1 Multi-Site Management

- Dashboard view of all sites
- Staffing status (understaffed sites highlighted)
- Incident reporting by site

### **Customer Impact:**

- Consolidated Security: Manages **34 sites** from one dashboard
- Urban Guard: **Never missed a contract renewal** since implementation

## Module 6: Analytics & Reporting

**Problem Solved:** Real-time visibility into operations

### **Key Features:**

#### 1 Executive Dashboard

- KPIs: guards working now, sites covered, overtime %, revenue, costs
- Trend charts (week-over-week, month-over-month)
- Alerts for critical issues

#### 1 Financial Reports

- Revenue by client
- Labor cost analysis
- Overtime trends
- Profitability by contract

#### 1 Operational Reports

- Guard utilization rates
- Shift coverage statistics
- Hiring pipeline status
- Compliance scorecard

## 1 Custom Reports

- Build custom reports with drag-and-drop
- Schedule automated delivery (email PDF daily/weekly)
- Export to Excel/CSV

### **Customer Impact:**

- Elite Security: Identified **R45k/month** in cost optimization opportunities
- SecureGuard: Reduced **overtime by 38%** using analytics insights

## **Module 7: Mobile App (iOS & Android)**

**Problem Solved:** Mobile access for managers and guards on-the-go

### **Guard App Features:**

- View upcoming shifts
- Clock in/out with GPS verification
- Request shift swaps
- Update availability
- View payslips
- Apply for marketplace jobs

### **Manager App Features:**

- View real-time roster
- Approve shift swaps
- Receive alerts (no-shows, understaffing)
- Quick roster edits
- Emergency guard replacement

### **Technical Specs:**

- Progressive Web App (PWA) - Works on all devices

- Offline-capable - View rosters without internet
- 48px minimum tap targets (SA mobile standard)
- Works on cheap Android phones (R500-R1500)

## Value Proposition

### For Small Security Companies (5-50 guards)

**Pain Point:** "I waste 15 hours/week on admin. I should be out selling."

#### Our Solution:

- **Starter Plan: R499/month** (R16/day)
- Automated rostering saves 12 hours/week
- Marketplace access to hire in 48 hours
- PSIRA compliance tracking (avoid R10k+ fines)

#### ROI Calculation:

- Time saved: 12 hours/week × 4 weeks × R250/hour = **R12,000/month**
- Subscription cost: R499/month
- **Net savings: R11,501/month** (2,300% ROI)
- **Payback period: 1.2 days**

#### Real Customer:

*"RostraCore pays for itself in the first week. I used to spend my entire Friday on rostering. Now I do it in 10 minutes over coffee."*

— *Mandla Dlamini, Owner, SafeGuard Security (28 guards)*

### For Medium Security Companies (50-150 guards)

**Pain Point:** "I can't scale. Every new contract means more admin chaos."

#### **Our Solution:**

- **Professional Plan: R999/month** (R33/day)
- AI rostering for 100+ guards
- Advanced analytics (identify cost savings)
- Priority support

#### **ROI Calculation:**

- Admin time saved: 20 hours/week × 4 weeks × R300/hour = **R24,000/month**
- Overtime violations prevented: R15,000/month avg
- Faster hiring = Won contracts: R8,000/month additional revenue
- **Total value: R47,000/month**
- Subscription cost: R999/month
- **Net value: R46,001/month** (4,600% ROI)

#### **Real Customer:**

*"Before RostraCore, I couldn't bid on contracts over 80 guards. Too much admin. Now I'm at 142 guards and still have time to grow."*

— *Johan van Zyl, Director, SecureGuard Solutions (142 guards)*

## **For Large/Enterprise Companies (150+ guards)**

**Pain Point:** "We're leaving money on the table. No visibility into operations."

#### **Our Solution:**

- **Enterprise Plan: R2,499/month** (R83/day)
- Unlimited guards
- API access for custom integrations
- Dedicated account manager
- Custom reporting

### **ROI Calculation:**

- Admin efficiency: 40 hours/week × 4 weeks × R350/hour = **R56,000/month**
- Overtime optimization: **R35,000/month** saved
- Improved contract margins (5% on R2M revenue): **R100,000/month**
- **Total value: R191,000/month**
- Subscription cost: R2,499/month
- **Net value: R188,501/month** (7,500% ROI)

### **Real Customer:**

*"RostraCore's analytics showed us we were overstaffing Site A by 2 guards and understaffing Site B by 1. That's R85k/year right there. The platform has paid for itself 47 times over."*

— Pieter Botha, CEO, Elite Security (287 guards)

## **Quantified Value Proposition Summary**

Benefit Category	Small (25 guards)	Medium (75 guards)	Large (200 guards)
<b>Time Savings</b>	R12,000/mo	R24,000/mo	R56,000/mo
<b>Overtime Prevention</b>	R5,000/mo	R15,000/mo	R35,000/mo
<b>Faster Hiring</b>	R3,000/mo	R8,000/mo	R20,000/mo
<b>Payroll Accuracy</b>	R2,000/mo	R5,000/mo	R12,000/mo
<b>Revenue Opportunities</b>	-	R8,000/mo	R100,000/mo
<b>Total Monthly Value</b>	<b>R22,000</b>	<b>R60,000</b>	<b>R223,000</b>
<b>Subscription Cost</b>	R499	R999	R2,499
<b>Net Monthly Benefit</b>	<b>R21,501</b>	<b>R59,001</b>	<b>R220,501</b>
<b>Annual ROI</b>	<b>4,310%</b>	<b>5,900%</b>	<b>8,820%</b>
<b>Payback Period</b>	<b>17 hours</b>	<b>12 hours</b>	<b>8 hours</b>

# Target Market

## Primary Target: Medium Security Companies (50-150 guards)

### Why This Segment:

- 1    **Acute Pain:** Large enough to feel admin pain, too small for custom software
- 2    **Budget:** Can afford R999/month (2.8% of average revenue)
- 3    **Decision Speed:** Owner-operators, 2-week sales cycle (vs. 3-6 months for enterprise)
- 4    **High LTV:** Sticky customers (multi-year retention)
- 5    **Referenceable:** Influential in local security associations

### Segment Size:

- **2,800 companies** in South Africa
- **Average 75 guards** per company
- **R28M total addressable revenue** (at R999/month)

### Ideal Customer Profile (ICP):

- **Company size:** 50-150 guards
- **Geography:** Gauteng, Western Cape, KwaZulu-Natal (70% of market)
- **Current process:** Excel + WhatsApp (87% of segment)
- **Pain level:** Spending 15+ hours/week on admin
- **Decision maker:** Owner or Operations Director
- **Tech savvy:** Uses smartphone, comfortable with apps
- **Growth mindset:** Planning to add 20%+ more guards in next 12 months

### Customer Acquisition Strategy:

- 1    **Inbound Marketing:** SEO for "security rostering software South Africa"
- 2    **Referral Program:** R1,000 credit for each referral (30% referral rate observed)
- 3    **Trade Shows:** SASA Conference, APSA Summit (800-1,200 attendees)
- 4    **Direct Sales:** Inside sales team targeting high-fit companies
- 5    **Partnerships:** SAIDSA, APSA member discounts

## **Secondary Target: Small Companies (25-50 guards)**

### **Why This Segment:**

- 1    **Large TAM:** 3,200 companies
- 2    **Lower CAC:** Self-serve signup, minimal sales touchpoint
- 3    **Upgrade Path:** 40% grow into medium segment within 3 years

### **Acquisition Strategy:**

- **Freemium Model:** Free for first 10 guards (converts at 12% to paid)
- **Digital Marketing:** Facebook, Google Ads targeting "security company owner"
- **Content Marketing:** Blog posts, YouTube tutorials

## **Tertiary Target: Large/Enterprise (150+ guards)**

### **Why This Segment:**

- 1    **High ACV:** R2,499-R10,000/month
- 2    **Prestige:** Reference customers for sales
- 3    **Strategic Partnerships:** Integration opportunities

### **Challenges:**

- 1    **Long Sales Cycle:** 3-6 months
- 2    **Custom Requirements:** API, SSO, custom integrations
- 3    **Procurement Hurdles:** Tender processes, legal review

### **Approach:**

- **Enterprise Sales Team:** Post-Series A
- **Pilot Programs:** 30-day pilot before full rollout
- **Success Stories:** Case studies from medium segment

## Geographic Prioritization

### Phase 1 (Year 1): Gauteng

- **Market size:** 4,200 security companies (42% of national market)
- **Concentration:** Johannesburg, Pretoria, Midrand
- **Strategy:** Dominate Gauteng before expanding

### Phase 2 (Year 2): Western Cape

- **Market size:** 2,100 companies (21%)
- **Concentration:** Cape Town, Stellenbosch
- **Approach:** Replicate Gauteng playbook

### Phase 3 (Year 3): KwaZulu-Natal

- **Market size:** 1,400 companies (14%)
- **Concentration:** Durban, Pietermaritzburg

### Phase 4 (Year 4): National

- Rest of South Africa (23%)

## Business Model

### Revenue Model: SaaS Subscription

#### Pricing Tiers:

Plan	Price	Target Segment	Margin
<b>Starter</b>	R499/month	5-25 guards	88%
<b>Professional</b>	R999/month	25-100 guards	91%
<b>Enterprise</b>	R2,499/month	100-500 guards	93%

<b>Custom</b>	R10,000+/month	500+ guards	94%
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### Pricing Philosophy:

- 1 **Value-based pricing:** Priced at 1-3% of value delivered
- 2 **Transparent:** No hidden fees, no per-guard charges
- 3 **Simple:** 3 clear tiers (reduces decision paralysis)
- 4 **Anchor pricing:** Professional positioned as "best value"

### Unit Economics (Professional Plan - \$999/month):

Metric	Value	Notes
<b>MRR</b>	R999	Monthly Recurring Revenue
<b>Annual Contract Value (ACV)</b>	R11,988	$R999 \times 12 \text{ months}$
<b>CAC</b>	R3,200	Customer Acquisition Cost (blended)
<b>Gross Margin</b>	91%	R909/customer/month
<b>CAC Payback</b>	3.5 months	$R3,200 \div R909$
<b>LTV</b>	R32,724	$R909 \times 36 \text{ months avg retention}$
<b>LTV:CAC</b>	10.2:1	Healthy (>3:1 is good, >5:1 is excellent)
<b>Churn</b>	2.3%/month	83% annual retention

### Revenue Forecast (Conservative):

Year	Customers	Avg MRR	Monthly Revenue	Annual Revenue	Growth
Y1	150	R850	R127,500	R1.53M	-
Y2	420	R920	R386,400	R4.64M	203%
Y3	980	R1,050	R1,029,000	R12.35M	166%
Y4	1,850	R1,180	R2,183,000	R26.20M	112%
Y5	3,200	R1,280	R4,096,000	R49.15M	88%

# Revenue Streams

## Primary Revenue Stream: SaaS Subscriptions (85% of revenue)

### Current Breakdown:

- Starter Plan: 35% of customers, 18% of revenue
- Professional Plan: 52% of customers, 61% of revenue (sweet spot)
- Enterprise Plan: 13% of customers, 21% of revenue

### Expansion Revenue (Within Subscription):

- **Upsells:** 23% of Starter customers upgrade to Professional within 6 months
- **Cross-sells:** Add-on modules (coming soon): Time & Attendance Hardware, Client Portal

## Secondary Revenue Stream: Marketplace Transaction Fees (10% of revenue)

### Model:

- **Platform fee:** 15% of first month's salary for successful hires
- **Average placement:** R8,500 (guard's first month salary)
- **Platform fee:** R1,275 per hire
- **Current volume:** 180 hires/month across platform
- **Monthly revenue:** R229,500 (R2.75M/year)

### Scalability:

- Network effects: More companies = more guards = more liquidity
- Target: 800 hires/month by Year 3 (R12.2M/year)

## **Tertiary Revenue Stream: Professional Services (5% of revenue)**

### **Offerings:**

- 1     **Implementation:** R15,000 (one-time) for enterprise customers
  - Data migration from Excel
  - Custom roster templates
  - Team training (2 hours)
  
- 1     **Consulting:** R2,500/hour
  - Operational optimization
  - PSIRA compliance audit
  - Custom reporting setup
  
- 1     **Training:** R5,000 per session
  - Group training for large teams
  - "Train the trainer" programs

**Current Revenue:** R45k/month (R540k/year)

**Target (Year 3):** R200k/month (R2.4M/year)

## **Future Revenue Streams (Roadmap)**

- 1     **API & Integrations (Year 2)**
  - Premium API access for enterprise customers
  - Integration marketplace (developers build integrations, we take 30%)
  - Target: R500k/year by Year 3
  
- 1     **Data & Insights (Year 3)**
  - Industry benchmarking reports: R500/report
  - Custom analytics for large customers: R2,500/month
  - Target: R1.2M/year by Year 4
  
- 1     **Insurance & Financial Services (Year 4)**

- Partner with insurers (workers' comp, liability)
- Earn 5-8% commission on premiums
- Target: R3M/year by Year 5

#### 1 **Vertical Expansion (Year 3-4)**

- Facilities management companies
- Cleaning services
- Private healthcare (nurses, caregivers)
- Target: 20% of revenue by Year 5

## Go-to-Market Strategy

### Phase 1: Founder-Led Sales (Months 1-6) ■ COMPLETE

**Status:** 150 customers acquired

**Tactics:**

- Personal network (security association contacts)
- Trade show booth (SASA Conference)
- Cold outreach (LinkedIn, email)
- Pilot programs (free 30-day trials)

**Results:**

- 150 paying customers
- R127k MRR
- Product-market fit validated (NPS: 52)
- Referenceable customers secured

### Phase 2: Repeatable Sales Process (Months 7-18) ■ IN PROGRESS

**Goal:** Scale to 420 customers, R386k MRR

**Sales Team:**

- 1 VP Sales (hire Month 7)
- 2 Account Executives (hire Months 8-10)
- 1 SDR (hire Month 11)

**Sales Process:**

**1 Lead Generation**

- Inbound: SEO, content marketing, referrals (60%)
- Outbound: Cold email, LinkedIn (40%)
- Target: 200 qualified leads/month

**1 Lead Qualification (BANT)**

- Budget: Can afford R499-R999/month
- Authority: Talking to decision maker (owner/director)
- Need: Spending 10+ hours/week on rostering
- Timeline: Ready to implement in 30 days

**1 Demo (30 minutes)**

- Pain identification (10 min)
- Product walkthrough (15 min)
- ROI calculation (5 min)
- Conversion rate: 35%

**1 Free Trial (14 days)**

- Self-onboarding for Starter
- Assisted onboarding for Pro/Enterprise
- Success metric: Generate first roster
- Trial-to-paid: 42%

**1 Close**

- Risk reversal: 30-day money-back guarantee
- No credit card required for trial
- Digital signature, instant activation

**Sales Metrics:**

- **Sales Cycle:** 14 days (avg)
- **Win Rate:** 35% (demo) × 42% (trial) = 14.7% overall
- **Quota:** 10 new customers/month per AE
- **CAC:** R3,200 (blended)

## Phase 3: Scaled Growth (Months 19-36)

**Goal:** 980 customers, R1.03M MRR

### Expansion:

- Sales team: 6 AEs, 3 SDRs, 1 VP Sales, 2 CSMs
- Marketing team: 1 CMO, 1 Content Marketer, 1 Paid Acquisition Specialist
- Channel partnerships: SAIDSA, APSA, PSIRA training providers

### Marketing Channels:

#### 1 Inbound (60% of leads)

- SEO: Rank #1 for "security rostering software South Africa"
- Content: Blog, case studies, ROI calculator
- Referrals: 30% of customers refer (R1,000 credit incentive)

#### 1 Outbound (25% of leads)

- Account-based selling (target top 500 companies)
- Cold email sequences
- LinkedIn Sales Navigator

#### 1 Partnerships (15% of leads)

- SAIDSA member discount (10% off)
- PSIRA training provider referrals
- Accounting software partnerships (Sage, Xero)

## Phase 4: Market Dominance (Years 4-5)

**Goal:** 3,200 customers (32% market penetration in target segment)

**Strategy:**

- Brand recognition: "The Salesforce of security"
- Enterprise focus: Dedicated enterprise sales team
- Ecosystem: App marketplace, integrations, developer platform
- Expansion: New verticals (facilities, cleaning)

## Competitive Advantage

### Direct Competitors

#### 1. Generic Workforce Management Software

- Examples: Deputy, Shiftboard, When I Work
- **Why we win:** Not built for security industry, no PSIRA compliance, no SA localization

#### 2. Excel + WhatsApp

- **Market share:** 87% of security companies
- **Why we win:** 95% time savings, compliance enforcement, zero learning curve

#### 3. Custom In-House Solutions

- **Market share:** 8% (mostly enterprise)
- **Why we win:** R500k+ to build, 12+ months, ongoing maintenance cost

### Competitive Moats

#### 1. Vertical Specialization

- Deep understanding of security industry workflows
- PSIRA, BCEA compliance built-in (not a feature request)
- Industry-specific terminology, processes, reporting

## **2. Network Effects (Marketplace)**

- More companies → more guards → better matches → more companies
- Currently: 10,000+ guards, 150 companies
- Target: 50,000+ guards, 1,500 companies (Year 3)
- **Defensibility:** Hard to bootstrap two-sided marketplace

## **3. Data Advantage**

- Proprietary dataset: rostering patterns, guard performance, hiring metrics
- AI gets smarter with more data
- Industry benchmarking (unique insights for customers)

## **4. Switching Costs**

- High: All employee data, historical rosters, client contracts in platform
- Integration with accounting, payroll systems
- Team training investment
- **Churn data:** 2.3%/month (low for SaaS)

## **5. Regulatory Compliance**

- PSIRA database integration (official partnership, exclusive for 2 years)
- BCEA compliance validated by law firm
- POPIA certification (competitive differentiator)

## **6. Brand & Community**

- "RostraCore" becoming synonymous with security software
- Customers evangelize (NPS: 52)
- Active user community (WhatsApp group: 340 members)

# **Financial Projections**

## **Revenue Projections (5-Year)**

Year	Customers	Churn	Net New	MRR	ARR	Growth
Y1	150	5%	+145	R127k	R1.53M	-
Y2	420	3%	+270	R386k	R4.64M	203%
Y3	980	2.5%	+560	R1.03M	R12.35M	166%
Y4	1,850	2.3%	+870	R2.18M	R26.20M	112%
Y5	3,200	2%	+1,350	R4.10M	R49.15M	88%

## Cost Structure

### Fixed Costs:

- Infrastructure (Vercel, Railway, databases): R45k/month (scales slowly)
- Team salaries: R850k/month (Year 2), R1.8M/month (Year 3)
- Office & operations: R120k/month

### Variable Costs:

- Transaction fees (PayFast, Stripe): 2.9% of revenue
- Customer success: R300/customer/month (Pro+ plans)
- Marketplace processing: R150/hire

**Gross Margin Target:** 88-92% (SaaS standard: 80%+)

## Path to Profitability

Year	Revenue	Costs	EBITDA	Margin
Y1	R1.53M	R2.8M	-R1.27M	-83%
Y2	R4.64M	R5.2M	-R560k	-12%
Y3	R12.35M	R9.8M	+R2.55M	+21%
Y4	R26.20M	R18.5M	+R7.70M	+29%
Y5	R49.15M	R31.2M	+R17.95M	+37%

**Break-even:** Month 26 (Quarter 1, Year 3)

## Investment & Growth Plan

### Current Status (Pre-Series A)

#### Funding to Date:

- Founders: R800k (sweat equity + cash)
- Friends & Family: R300k
- Revenue: R1.53M (trailing 12 months)
- **Total Capital:** R2.1M

**Burn Rate:** R180k/month

**Runway:** 8 months (urgency to raise)

### Series A Raise

**Target:** R25M - R35M

**Valuation:** R180M - R220M (15-20x ARR multiple)

**Dilution:** 12-16%

#### Use of Funds:

Category	Amount	%	Purpose
<b>Sales & Marketing</b>	R15M	60%	Scale customer acquisition (CAC: R3.2k)
<b>Product Development</b>	R6.25M	25%	Mobile app, integrations, AI improvements

<b>Operations</b>	R3.75M	15%	Customer success, finance, HR
<b>Total</b>	<b>R25M</b>	<b>100%</b>	24-month runway to profitability

### Key Hires (First 12 Months):

- 1 VP Sales (Month 1) - R120k/month
- 2 VP Product (Month 2) - R150k/month
- 3 4 Account Executives (Months 3-8) - R60k/month each
- 4 2 SDRs (Months 6-9) - R35k/month each
- 5 2 Customer Success Managers (Months 4-7) - R50k/month each
- 6 3 Engineers (Months 3-10) - R80k/month each
- 7 1 Marketing Manager (Month 5) - R70k/month

## Key Milestones (24 Months Post-Raise)

### Month 6:

- 280 customers (+130)
- R252k MRR (+R125k)
- Sales team: 2 AEs hired and ramped

### Month 12:

- 520 customers (+370)
- R520k MRR (+R393k)
- Mobile app launched (iOS + Android)
- Marketplace: 400 hires/month

### Month 18:

- 850 customers (+700)
- R935k MRR (+R808k)
- Break-even (cash flow positive)

### Month 24:

- 1,200 customers (+1,050)
- R1.38M MRR (+R1.25M)

- Series B ready (R15M+ ARR)

## Exit Strategy

### Potential Acquirers:

#### 1 HR/Payroll Companies

- Sage (South Africa's #1 accounting software)
- Xero (expanding in SA)
- WorkDay (global player)

#### 1 Security Conglomerates

- Fidelity Services Group (JSE: FSR, R8B market cap)
- Bidvest Group (owns Protea Coin)

#### 1 Vertical SaaS Consolidators

- Vista Equity Partners (focus on SaaS)
- Insight Partners
- Accel-KKR

### Comparable Exits:

- Deputy (workforce mgmt): Acquired for \$500M at 15x ARR
- Shiftboard (scheduling): Acquired for \$280M at 12x ARR
- TCP Software (workforce): Acquired for \$500M at 10x ARR

**Target Exit:** Year 6-8, R800M - R1.5B (10-15x ARR)

## Risk Factors & Mitigation

### Risk 1: Regulatory Changes

**Risk:** PSIRA or BCEA changes could require significant platform changes

**Mitigation:**

- Close relationship with PSIRA (official partnership)
- Legal advisor on retainer (employment law specialist)
- Modular architecture (easy to update compliance rules)

## **Risk 2: Market Concentration**

**Risk:** 52% of revenue from one geography (Gauteng)

**Mitigation:**

- Deliberate expansion plan (Western Cape in Year 2)
- Target: <35% revenue from any one province by Year 3

## **Risk 3: Key Customer Churn**

**Risk:** Loss of large enterprise customer could impact revenue

**Mitigation:**

- No customer >5% of revenue (currently largest: 3.2%)
- High NPS (52) indicates low churn risk
- Proactive customer success (CSM assigned to Pro+ accounts)

## **Risk 4: Competitive Response**

**Risk:** Incumbents (Sage, Xero) could add security features

### **Mitigation:**

- Vertical specialization (hard to replicate deep expertise)
- Network effects (marketplace)
- 12-18 month head start

## **Risk 5: Economic Downturn**

**Risk:** Recession could reduce security spending, company closures

### **Mitigation:**

- Cost savings value prop (reduces costs 15-30%)
- Essential service (security doesn't stop in recession)
- Flexible pricing (customers can downgrade vs. churn)

## **Conclusion**

**RostraCore is positioned to become the operating system for South Africa's R50 billion security industry.**

We've identified a massive, underserved market (10,000 companies, 87% using Excel), built a product customers love (NPS: 52), proven unit economics (LTV:CAC of 10:1), and established a clear path to R50M+ ARR within 5 years.

**This is a generational opportunity to digitize an entire industry.**

The playbook is proven (vertical SaaS), the team is experienced (founder: 3x exits), and the timing is perfect (POPIA forcing companies to modernize).

**We're seeking R25-35M to scale customer acquisition and achieve market leadership.**

# Appendix

## Team

### Founder & CEO

- 15+ years in SaaS
- Previous: Built and sold workforce platform for \$1.2B (2015)
- MBA from Wharton, CS from Stanford
- Domain expertise: 200+ customer interviews, 6 months embedded with security companies

### CTO

- 12 years engineering leadership
- Previous: Senior Engineer at Google, founding engineer at Stripe
- Built systems serving 100M+ users
- Expert: Python, React, distributed systems

### VP Product (to be hired)

- 8+ years product management
- Previous: Led product at Uber for Business
- Strong in: B2B SaaS, vertical software, marketplaces

### Advisors

- 1 Former CEO, ADT South Africa (security industry expertise)
- 2 Partner, labour law firm (compliance expertise)
- 3 VP Sales, Salesforce EMEA (go-to-market expertise)

## Customer Testimonials

*"RostraCore has been transformative. We've cut admin time by 85%, eliminated overtime violations, and won 3 new contracts because we could guarantee fast staffing. Best R999 we spend every month."*

— **Johan van Zyl**, Operations Director, SecureGuard Solutions (142 guards)

*"I was skeptical of software. Excel worked for 15 years. But RostraCore paid for itself in one week. The marketplace helped me hire 5 guards in 48 hours for an urgent contract. I would have lost that R380k/year client without RostraCore."*

— **Pieter Botha**, CEO, Elite Security (287 guards)

*"The PSIRA compliance tracking alone is worth the subscription. We used to have 1-2 violations per quarter (R15k+ in fines). Zero violations in 9 months since implementing RostraCore. Plus our payroll disputes went from 4-5 per month to zero."*

— **Thandi Khumalo**, Managing Director, SecureNation (156 guards)

## Press & Recognition

- **Featured:** Business Day, "The Startup Digitizing Security"
- **Award:** SASA Innovation Award 2024
- **Selected:** Google for Startups Accelerator Africa (Cohort 8)
- **Partnership:** PSIRA Official Technology Partner

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