This module on owning and operating a guard service is one of 36 in a series on entrepreneurship. The introduction tells the student what topics will be covered and suggests other modules to read in related occupations. Each unit includes student goals, a case study, and a discussion of the unit subject matter. Learning activities are divided into individual activities, discussion questions, and a group activity. Units (and subject matter) in this module are planning your business (services, customers, competition; personal qualities, how to compete well; legal requirements); choosing a location (customers nearby; area; space; building; rent); getting money to start (business description; statement of financial need; meeting with loan officer); being in charge (hiring; matching people and tasks; training); organizing the work (work orders; work schedules); setting prices (costs for supplies and workers; demand for services; competition; operating expenses; profit); advertising and selling (plan your advertising; ways to advertise; "people" ads; how to design printed ads); keeping financial records (customer billing form; daily-cash sheet); and keeping your business successful (keep track of profits; changing your business to increase sales). A summary and quiz complete the document. (A teacher’s guide is available for this module.) (CT)
GETTING DOWN TO BUSINESS:

Guard Service

Module 27
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GETTING DOWN TO BUSINESS:

Guard Service

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INTRODUCTION

How are you going to use your job skills after you finish school?

Have you ever thought about starting your own guard service?

This module describes people who have started and managed guard services. It gives you an idea of what they do and some of the special skills they need.

You will read about:
- planning a guard service
- choosing a location
- getting money to start
- being in charge
- organizing the work
- setting prices
- advertising and selling
- keeping financial records
- keeping your guard service successful

You will also have a chance to practice some of the things that guard service owners do.

Then you will have a better idea of whether a career as a guard service owner is for you.

Before you study this module, you may want to read Module 1, Getting Down to Business: What's It All About?

When you finish this module, you might want to read:
Module 28, Getting Down to Business: Pest Control Service;
Module 29, Getting Down to Business: Energy Specialist Service;

These modules are related to other businesses in the technical field.
UNIT 1

Planning a Guard Service

Goal: To help you plan your guard service.

Objective 1: Describe the services, customers, and competition of a guard service.

Objective 2: List three personal qualities a guard service owner might have.

Objective 3: List two ways to help your service "stand out" from its competition.

Objective 4: List two special legal requirements for running a guard service.
STACEY SAKURA PLANS A GUARD SERVICE

Stacey Sakura wants to start a guard service. She studied police science in high school and has been a police officer for three years. At night she studies business at a community college. She thinks many homes and businesses need more protection than the police can provide.

Stacey decides she will only serve homes at first. She will offer a 24-hour car patrol. If customers call the emergency number, a car will be at their home right away. Stacey figures her most likely customers are in upper-class neighborhoods with expensive homes.

Next Stacey asks herself: "Do I have what it takes to run a guard service? I have a lot of energy and want to be my own boss. As a police officer, I'm proud to help keep my community safe. I'm 'on my toes' in tense situations. I don't panic in emergencies. I definitely think this business is right for me!"

She looks up "Guards" in the Yellow Pages and sees two businesses listed. So Stacey knows she will have competition. She decides to offer a special service at no extra charge. Officers will make "check-in" stops at homes where children are left with a babysitter at night.

Stacey's next step is a visit to her state licensing agency. She asks what the legal requirements are for running a guard service. She learns that her state requires a business operator's license and a special police license. There are also laws for car appearance and officer training. Stacey makes sure she understands how to meet all the requirements. Then she talks with a business insurance agent to find out what insurance she needs. Stacey thinks all this planning will get her service off to a good start.
Planning a Guard Service

There are many, many small businesses in America. Small businesses can have as few as one worker (the owner) or as many as four workers. A small business owner is "self-employed." Often a whole family works together in a small business.

There are four main things Stacey does when she starts planning her guard service. She decides what her services, customers, and competition will be. She decides she has the right personal qualities to run a guard service. She decides to offer a special service so she can compete well. She learns about legal requirements for running her service. The next few pages tell you more about these things.

Services, Customers, Competition

An important planning step is to decide what services you will offer, who your customers will be, and what your competition offers.

Services. A guard service serves homes or other businesses. Other businesses include stores, offices, and factories. The main service is to patrol the neighborhood or building, by car or on foot. Some guard services own or rent guard dogs, especially for patrols in big buildings. Most guard services say they can be "on the spot" before the police when customers call in an emergency. Later you will read about "special" services your business could offer.

Customers. People with expensive homes in upper-class neighborhoods are likely customers. They can afford to pay for the protection they want. Many upper-middle-class homeowners can also afford drive-by patrol services. Your Chamber of Commerce can tell you which neighborhoods in
your area are upper- or upper-middle class. Your city planning department can also help.

Most large businesses have their own security guards. Small businesses might be a source of customers, especially in neighborhoods where you patrol homes.

**Competition.** There is a lot of competition in the guard business. Like Stacey, you can look up your competition in the Yellow Pages. To learn more, call and ask about their services and prices. Your competitors will probably own or lease mobile radio-telephone equipment. That gives them instant communication with their patrol cars. Many patrols offer special services that give them a "competitive edge." You will read more about "special" services later.

**Personal Qualities.**

Stacey asks herself if she "has what it takes" to run a guard service. You know she has police experience. She is also studying business. Below are listed some of her personal qualities that seem "right" for her business:

- **Desire to protect people.** She feels good about helping to keep her community safe.

- **Community spirit.** She is proud to serve her community.

- **Alertness.** She is "on her toes" in tense situations.

- **A "cool head."** She does not panic in emergencies.

To attract homeowners as customers, the owner and staff of a guard service should want to be neighborhood protectors and friends. They should also be able to act quickly and calmly in emergencies.
How to Compete Well

Stacey decides to offer a special service when children are left with a babysitter. She hopes this will help her "stand out" from her competition. Below are several ways you can give your guard service an "edge" over your competition:

New services. Offer new services your competitors do not provide. Here are examples:

- **Housesitting** while customers are on vacation. Patrol officers will make the house look "lived-in." They will turn lights on and off and bring in mail and newspapers. They will check door and window locks. One business even puts garbage out for pick-up! You can also offer to water plants and feed pets.
- **Special events protection** for conventions, meetings, private parties, school and church events, fairs, and other community "happenings." Make this your main service, and aim your "sales pitch" at community groups and businesses.

Special services. Offer "special" services in addition to your regular patrol. Here are examples:

- **Babysitter check-in**, which Stacey plans to offer.
- **Escort** for customers who want officers to meet them at their driveways and escort them inside after late-night engagements.
- **K-9 patrol** for businesses, if you own or lease guard dogs.

Special business image. Create a business image that will stand out in people's minds. For example, pretend your service will be a neighborhood car patrol. Give your service a "catchy" name and emblem. To look professional, paint your cars the same color. Have your patrol officers wear neat, clean uniforms that look different from police uniforms. This way, people will remember them. Hire friendly people who have a lot of energy. Tell them to talk with people in the neighborhood while they patrol. Doing these things will build up your image of a professional, friendly "good-neighbor" patrol service.
Legal Requirements

Contact your state licensing agency to learn the state laws for starting your service. Most states require a business operator's license. They also require a special police license for a patrol service. Here is a list of other things the state will probably require:

- a "patrol" license for each of your officers;
- a weapon permit and registration for each of your officers;
- Red Cross certification for your officers if their cars carry first aid kits;
- "powers of arrest" course for each officer, who must carry that permit while on duty; and
- a firearms course for each officer, who must also carry that permit while on duty.

There are also state laws for how your patrol cars can look and what equipment they must carry.

You will need to insure your cars and have your officers bonded. Talk with a reliable business insurance broker about your insurance needs. Insurance expenses are high in this business. One large patrol service spends $11 out of $100 in sales on insurance.

Summary

It takes a lot of planning to get a business off to a good start. You now know some of the things to think about in planning a guard service.
Individual Activities

1. Pretend that your service will patrol homes and businesses. Look up "Guards" in the Yellow Pages of your phone book. Decide which businesses listed there would probably be competition for you. Call one or more and ask what services they provide.

2. Do you have the right personal qualities to run a guard service? Put a check by each quality you think you have:
   - desire to protect people
   - community spirit
   - alertness
   - a "cool head"

3. Think of a "special" guard service you think people in your area would like. An example would be Stacey's babysitter "check-in". Write down what the special service would be, and why you think people would like it.

4. Think of a "catchy" name for your guard service. Write it down. Draw an emblem for your cars and your officers' badges. Most states won't let you use star-shaped badges.

5. Call your state licensing agency. Ask what the legal requirements are for running a guard service. Make a list of the requirements. Ask questions about any you do not understand.
Discussion Questions

1. What needs do the services of a guard service meet? Do you think those needs exist in your area? Why or why not?

2. Why do you think Stacey decided her service will only serve homes at first? Do you think that is a good decision for her service? Why or why not?

3. Do you think Stacey is doing a good job of planning her service? Why or why not? What parts of her plan do you think are strong or weak? Why?

Group Activity

List questions to ask guard service owners about how they planned their services. For example: "Why did you decide to start a guard service? What did you do to plan it? What services do you offer? What customers do you serve? What is your competition like?" Those are just a few questions to get you started. You can probably think of many more.

Invite guard service owners to visit your class. Ask them your questions. Do the owners all have the same answers to the questions? If not, how are the answers different? Why do you think the answers are different?
UNIT 2

Choosing a Location

Goal: To help you choose a location for your service.

Objective 1: List three things to think about in deciding where to locate your service.

Objective 2: Pick the best location for a guard service from three choices.
STACEY PICKS A LOCATION

Stacey decides she is ready to pick a location for her service. First she visits a new shopping center with office space for rent. Many people would see her office when they shopped. But the shopping center is not near any homes. So Stacey decides against it.

Next she looks at newspaper ads of offices for rent. Her second visit is to an office that advertises "the cheapest rent in town." It turns out to be in a run-down area where several stores have gone out of business. Stacey decides just to visit offices with addresses near neighborhoods where she plans to attract customers.

Stacey has already decided her office needs at least two rooms. One will be the "communications center," with radio-telephone equipment. The other will be her private office. She also wants a locked storage area for weapons and ammunition.

The third place Stacey visits is in a business district near an upper-class neighborhood. There are a camera store, a jewelry store, and other small shops. The office she looks at has three small rooms, with several parking spaces behind the building. The building is not new, but it is in good condition. The rent is not cheap, but Stacey decides she can pay it.

Stacey visits several other offices in the same area. They are all bigger than the third place she saw. They also are much more expensive. She decides to rent the third office she visited.
Choosing a Location

There are several things to think about when you choose a location for your service. Stacey probably made a list of questions she was asking herself about each place. Here is what her list might have looked like.

- Are there enough customers nearby?
- What is the area like?
- Is there enough space to run my business?
- Is the building in good condition?
- Can I afford the rent?

Read on to learn more about each question.

Customers Nearby

Stacey is right that many shoppers would see an office in a new shopping center. But she decides against that location because it is not near any homes. Stacey makes that decision for three reasons.

1. To support her service, she figures that she needs 125 homes on her patrol route. She wants customers to think of her business as a "neighborhood friend." So she wants to be a part of the neighborhood where her customers live.

2. Her customers will want help right away in an emergency. Her service should be near where customers live. Then she can send extra cars from "headquarters" quickly.

3. Gasoline has become very expensive. Her patrol cars won't use as much gasoline if her business is close to the patrol route.
The second place Stacey looks at is in a run-down part of town. She figures that her customers probably won't visit her office often. But the location is not good for her business "image." She does not want customers to think her business is run-down!

Also, several stores have gone out of business in that area. That tells Stacey that it may not be a good area for businesses. Stacey knows many businesses fail. But she wants to start hers in a place where others are doing well.

Stacey picks a location close to homes and businesses. At first, her service will only patrol homes. But she hopes to expand someday and patrol businesses, too. So the small shops near her office may be customers someday. A location close to both homes and businesses is a good choice for a guard service.

A 400- to 600-square-foot office is large enough to start your service. Stacey decides she needs at least two rooms in her office. You will probably need at least two rooms for your guard service, too. Like Stacey, you will need room for your radio-telephone equipment. You will also need an office for yourself. You can work on the business records in your office. You can also talk with customers there, in person or on the phone. You may also want a room where your officers can "relax" between shifts. You can lock up weapons and ammunition in the officers' room or in your office.

Choose a building that is in good condition. You want your service to look professional. Also, you don't want to have to worry about
problems such as plumbing and electricity. The building does not have to be brand new to be in good condition.

Rent

If you locate in a middle- to upper-class area, your rent probably won't be cheap. Check several offices in the area to see what is the average rent. Then decide if you can afford it. Keep in mind that you won't need expensive office decorations. After all, few customers will visit there.

Summary

When you pick a location for your guard service, ask yourself these questions:

- Is it near my customers?
- Will the area help my business, "image"?
- Is there enough space?
- Is the building in good condition?
- Can I pay the rent?

If you answer "yes" to all the questions, it is probably a good location.
Learning Activities

Individual Activities

1. Get a city map from your Chamber of Commerce or city planning department. Find a neighborhood that is upper class or upper-middle class. Visit the neighborhood. Figure out how many streets you would have to patrol if you needed 125 homes on your route. Keep in mind that you probably won't get every home as a customer. So leave space for "no-sales."

   Estimate how many miles one car would drive during a 24-hour patrol of the area.

2. Look up newspaper ads for offices to rent. See how many are near neighborhoods where a guard service might find customers.

   Find out the number of square feet for each. For those with 400 to 600 square feet, find out the rent. Decide if someone starting a business could afford the rent.

   If you can, visit the offices. See if they have space for radioactive telephone equipment and a private office. Also decide if the building is in good condition.

3. Find a part of town that you think is a good location for a guard service. Write down a description of the area. For example, describe what the homes and businesses look like. Also write down what the businesses are. Or draw a picture of the area.

   Report to the class about the location you picked. Describe it. Say why you think it is a good location for a guard service.
4. Look up the addresses of guard services in the Yellow Pages. Visit one or more. Decide if you think they are in good locations.

5. Interview one or more guard service owners. Ask them why they picked the locations they did. Ask them if they are satisfied with their locations. Why, or why not?

Discussion Questions

1. Do you think Stacey picked a good location for her service? Why, or why not?

2. Pretend the shopping center Stacey looked at first was in an upper-class neighborhood. Would that be a good location for her service? Why, or why not?

3. Do you think that your service location can help make a good impression on customers? Why, or why not? What things about the location would make a good impression? A bad impression?

Group Activity

Invite one or more guard service owners to visit your class. When you invite them, ask where their services are located. Visit each location before their visit. Go alone or with a classmate. Write down what the area is like, the building condition, and other things that describe the location. Or draw a picture of the area. Report on the locations to the class before the owners visit.

When the owners visit, ask them why they picked the locations they did. As questions such as the following.

• Are your customers nearby? If not, how far away are they?
• Is gasoline a big part of your monthly expenses?
How much space do you have in your office? How is it divided up? How much space does your radio-telephone equipment take up?

- Is rent a big part of your monthly expenses?
- How often do customers visit the office? Can you tell what they think of the location?

Your class can probably think of many more questions to ask.

After the owners leave your class, decide which locations your class thinks are good ones, and why.
UNIT 3

Getting Money to Start

Goal: To help you plan how to borrow money to start your service.

Objective 1: Write a business description of your service.

Objective 2: Fill out a form showing how much money you need to borrow to start your service.
STACEY APPLIES FOR A LOAN

Stacey decides to figure out if she has enough money to start her guard service. She adds up everything she needs to pay for to start it. The total comes to $10,000. Stacey has $7,000 in her savings account. So she needs $3,000 more. None of her friends or relatives can lend her that much.

Stacey decides to apply for a $3,000 loan from her bank. She asks the bank's loan officer what she must do to apply. She learns her bank requires two kinds of information. One is personal information, such as her education, work, and finances. For that, Stacey will complete a résumé and a bank form about her finances.

The other kind of information the bank needs is about her business plans. That includes two parts: 1) a business description and 2) a statement of financial need. The loan officer explains to her what the bank needs to know. The statement of financial need is a lot like what Stacey did when figuring her start-up costs. It must show her start-up costs, how much money she has now, and how much more she needs.

The business description must tell the bank about Stacey's plan for her guard service. She needs to describe exactly what her service will be and how she will run it. Stacey knows she has all that information "in her head." Now she needs to organize it and write it down.

Stacey thinks to herself, "I'm excited about starting my guard service, and I think it's a good 'business risk.' I hope the bank will think so, too!" She meets with the bank's loan officer again when all her information is ready. He says her information is clear and complete. He asks if she will have money problems if gasoline prices keep rising. Stacey points out that she plans to use small, gas-efficient patrol cars. Also, her estimate of start-up gas costs is "high," to allow for price rises. The loan officer smiles and says, "You've planned well. Congratulations—your loan is approved!"
Getting Money to Start

When Stacey applies for a loan, the bank wants information about 1) her and 2) her business plans. If you apply for a loan, the bank will need information about you and your business plans. You can start now to keep a list of your education, work, and finances. That will help you provide the information about you.

For her business plans, Stacey's bank needs her 1) business description and 2) statement of financial need. Read on to learn how Stacey prepares those two things.

Business Description

Stacey's bank wants to know exactly what Stacey's business will be and how she will run it. Her business description must show that she has made complete plans. It must be organized and clear. Remember, she has to "sell" the bank on her idea!

Stacey's bank requires five kinds of information in the business description:

- **Kind of business.** Exactly what kind of business is it? What services will it offer? How will it be run?
- **Location.** Where will it be located, and why?
- **Competition.** What is the competition like?
- **Customers.** Who will her customers be?
- **Plans for success.** How does Stacey plan to make her service "stand out"?

Read on to see how Stacey's business description covers the five kinds of information.
Kind of business. Stacey writes: "I plan to start a guard service. Its name will be 'Neighborhood Patrol.' It will offer a 24-hour car patrol service to homeowners. I will be the sole owner.

"There will be ten full-time employees, including me. Six will be car patrol officers, two for each 8-hour shift. They will all have experience in the protective services. I plan to lease three low-maintenance, gas-efficient cars for patrol.

"I will also hire three trained operators of radio-telephone equipment, one for each shift. I will hire qualified part-time staff for weekends. I am qualified to fill in for staff as needed. I will always be on call for emergencies."

Location. Stacey writes: "I plan to locate the service at 23 Pine St., in an area with other small businesses. The location is near the neighborhood where I plan to serve customers. I can rent an office there for $500 per month on a yearly lease. The office is 500 square feet, with room for radio-telephone equipment. The building is in good condition, with parking spaces behind."

Competition. Stacey writes: "There are two other guard services in town. Neither one is near my location."

Customers. Stacey writes: "I plan to attract customers in the upper-class neighborhood near my location. I estimate that I need 100 customers to make a profit my first year. I have already talked with homeowners who said they would use my service."

Plans for success. Stacey writes: "The business image will be an energetic, friendly neighborhood patrol. I plan to offer a special 'babysitter check-in' service at no extra charge. Officers will stop at homes where there is a babysitter. Many of my potential customers have children. This special service will add to their 'peace of mind.' Neither of my competitors offers this service."
You can see that Stacey's business description gives the information the bank requires. Read on to learn about Stacey's statement of financial need.

**Statement of Financial Need**

Stacey's statement of financial need must show 1) her start-up costs, 2) how much money she has now, and 3) how much more she needs. This is how Stacey's completed statement looks:

<table>
<thead>
<tr>
<th>Starting Expenses</th>
<th>Money on Hand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries (first month)</td>
<td>$5,000</td>
</tr>
<tr>
<td>Rent (first &amp; last month)</td>
<td>1,000</td>
</tr>
<tr>
<td>Equipment and Furniture</td>
<td>1,400</td>
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<tr>
<td>Supplies</td>
<td>800</td>
</tr>
<tr>
<td>Advertising</td>
<td>1,100</td>
</tr>
<tr>
<td>Other</td>
<td>700</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$10,000</strong></td>
</tr>
</tbody>
</table>

1. Office furniture, leases for cars, & communications equipment
2. Uniforms, car maintenance & gas, recordkeeping forms
3. State licenses & insurance (2 mos.)

You can see that Stacey's starting expenses add up to $10,000. You know she has $7,000 in her savings account—that's her "Cash on Hand." Nobody else is investing in her service now. So she needs $3,000 in loan money from the bank. The $3,000 loan plus her $7,000 will give her the $10,000 she needs to start.
You can see that Stacey uses footnotes to list the things included in some starting expenses. For example, "Other" includes state licenses and insurance for two months. If the bank wants, Stacey can show the cost for each of those. She's really done her homework on how much it will cost to start her service.

Remember that after Stacey completes her business description and her statement of financial need, she meets with the bank loan officer. Read on to learn four important things Stacey does in that meeting.

Meeting with Loan Officer

"After the loan officer smiles and tells Stacey her loan is approved, he says: "All the paperwork you gave me about your plans was organized and clear. You did four other things that made me think you will run your service well. First, you listened to my advice when I made suggestions about your service. That makes me think you will also listen to accountants or lawyers if you need their advice. Second, you were ready to answer questions about your service. You've thought about how to handle the problem of high gas prices. That makes me think you will be able to think through and solve other problems, too. Third, you are willing to invest your own money. That tells me you have confidence in the success of your service. Fourth, you are willing to put a lot of your energy into your service. You know it takes a lot of time and hard work to start a business and keep it running. Good luck, Stacey!"

The four things the loan officer describes can convince a bank you are a good business risk.

Summary

To apply for a business loan, you need to provide information about yourself and your business plans. You now know the kinds of information
to include in your 1) business description and 2) statement of financial need. You also know some other things that help convince people you are a good business risk.
Learning Activities

Individual Activities

1. Pretend that the statement of financial need shown below is for your guard service. Fill in the blanks. How much loan money do you need? $

<table>
<thead>
<tr>
<th>Starting Expenses</th>
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</tr>
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<tbody>
<tr>
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<tr>
<td>Rent (first &amp; last mo.)</td>
<td>1,100</td>
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<tr>
<td>Equipment and Furniture</td>
<td>1,500</td>
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<tr>
<td>Supplies</td>
<td>900</td>
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<tr>
<td>Advertising</td>
<td>1,200</td>
</tr>
<tr>
<td>Other (license &amp; insurance)</td>
<td>600</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$11,300</strong></td>
</tr>
</tbody>
</table>

**TOTAL STARTING EXPENSES**

**TOTAL MONEY ON HAND**

**TOTAL LOAN MONEY NEEDED**

2. Look up "Automobile Renting & Leasing" in the Yellow Pages. Call two or more of the companies listed. Find out the cost per month to lease a gas-efficient, low-maintenance car. Ask if the cost includes gas and maintenance. Ask if the cost includes insurance. If so, ask about the kinds and amounts of coverage. Decide which company would give you "the best deal" for your guard service patrol cars.
3. Look up "Radio Communication Equipment" in the Yellow Pages. Call two or more of the companies listed. Find out the cost per month to lease radio-telephone equipment for your guard service. Decide which company you would pick.

4. Write a business description about the kind of guard service you might start. You may have to "make up" some information, such as the address. Try to make your business description organized and clear. Include information about these five things: 1) kind of business, 2) location, 3) competition, 4) customers, and 5) plans for success.

Discussion Questions

1. Do you think Stacey's business description is organized and clear? Why, or why not? Does it describe what her business will be and how she will run it?

2. Can you think of any start-up costs Stacey forgot to include in her statement of financial need? If so, what?

3. If you were the loan officer at Stacey's bank, would you give her the loan? Why, or why not?

Group Activity

Invite one or more loan officers to visit your class. If possible, invite them from different places. For example, banks, credit unions, and the Small Business Administration all give loans. Ask what they require when people apply for a business loan. Do they all have the same requirements? If so, what are they? If they have different requirements, how and why are they different? Do they all require a business description and a statement of financial need? Ask questions about any requirements you don't understand.
UNIT 4

Being in Charge

Goal: To help you plan to hire and train employees and divide the work of your service.

Objective 1: Decide how to divide the work of your service among several employees.

Objective 2: Pick the best person for a specific job in your service.

Objective 3: Describe one kind of training you might give your employees.
Stacey hires her staff.

Stacey gets her bank loan. Then she decides to start hiring the staff she needs. She needs patrol officers and communications equipment operators. She runs two ads in the newspaper. One says: "Wanted: Energetic, athletic people with security training/experience for my private guard service. Completion of state courses in powers of arrest and firearms a plus. References required." The other says: "Looking for trained switchboard/CB operators for my private guard service. Third-class FCC radio operator's license a plus. Must work well under pressure." Stacey gets several responses to each ad. Two of the people she interviews are Joe and Sarah.

Joe has had military experience. He wants to work one weekend day plus four weekdays. That way he can spend one weekday at home with his baby while his wife works.

Sarah is an experienced communications equipment operator. Her husband works a factory night shift. So she wants night work, too. Joe and Sarah both have backgrounds and personal qualities Stacey wants in her staff. She hires them.

Stacey decides that she herself will operate the communications equipment during the day at first. That will keep her in direct touch with her officers. She also will be able to solve any day-to-day problems while the service is getting started.

Most of the people who call about Stacey's ads are qualified for the jobs. Joe tells Stacey, "The ads say exactly what kinds of people you want. So most people can tell if they're qualified." Within a month, Stacey has hired enough staff to start her service.

All the people Stacey hires as patrol officers have already passed the state courses in powers of arrest and firearms. Stacey wants them to be able to offer emergency medical help if necessary. So she pays for them to take a Red Cross' first aid course before they begin work.
Being in Charge

Being in charge means that you are the boss. You make the decisions about how to run your service. Some of your most important decisions will be about hiring. You will want to hire the best people you can for every job in your service. You will want to make sure they have the training required for those jobs. Read on to learn more about the kinds of decisions you will make when you hire and train your employees.

Hiring

Your first decisions are what jobs you need filled, and how many people you need for each job. Like Stacey, you will need patrol officers and communications equipment operators. The number of people for each will depend on the size of your service.

Next you must decide where to look for people to hire. Stacey decides to run ads in the newspaper. Her ads tell exactly what kinds of people she needs. For patrol officers, she wants people who are energetic and athletic. She wants them to have had security training or experience. She prefers people who have already had the courses her state requires in "powers of arrest" and "firearms."

For communications equipment operators, she wants people who are already trained to run the equipment. She prefers people with a third-class FCC radio operator's license. That means they can help install the special equipment required. They must work well under pressure in intense situations.
You can see that Stacey gets a lot of information into two short ads. That's because she knows exactly what she wants in her staff. So her ads are clear and to the point.

You can also contact police departments and the armed forces for people to hire as patrol officers. Police departments have waiting lists of people who have passed all the exams and background checks for police officers. Depending on the location, they can wait as long as five years. While they wait to be hired as police officers, many of them will be glad to get the same kind of experience working for you. Police departments also keep lists of people who are qualified except for minor things such as being too short. Those minor things won't be problems for your service. You can find good officers on those lists. The armed forces may put you in touch with former military people who were trained as military police.

For your communications equipment operators, hire people who know proper radio procedure. Quick, calm communication is a key part of your service. Encourage operators not to use any CB slang. Stress that your service is serious and professional.

Check people's references before you hire them. Look at the "pool" of people you interview. You can hire full-time or part-time staff, depending on your needs.

Matching People and Tasks

You will want to be sure that each employee knows what job is his or hers. Give each employee a written job description that exactly describes that person's tasks.

Stacey hires two people who want to work certain hours. Joe wants to work one weekend day plus four weekdays. Sarah wants to work nights. Stacey is glad to let them work the hours they choose. She want them to
be satisfied with their jobs. They will be happy if they can work when they want rather than having to work other hours.

Stacey is also thinking ahead when she hires Joe and Sarah. If Joe works one weekend day, he can help supervise the part-time officers who will fill in on weekends. Sarah is an experienced communications equipment operator. So she can help install the radio-telephone equipment Stacey plans to lease. Sarah can also help train the less experienced operators. Stacey is trying to match her employees with tasks they like and do well.

Training

By operating the communications equipment during the day at first, Stacey will keep in direct touch with her officers. She will know at once if problems arise. This can help her decide if her officers need any special training on the job.

The officers Stacey hires have already passed the courses her state requires in "powers of arrest" and "firearms." On duty, they must carry permits showing they completed those courses. Someday Stacey may hire people who have not had those courses. Then she must make sure they take and pass both.

The "powers of arrest" course covers some basics of law and the rights of citizens and officers. Guards have no more power to arrest suspects than do average citizens. Guards do have more responsibility because they are authorized to carry weapons.

The "firearms" course covers weapon safety and handling. Your guards' main job if they catch a suspect is to hold the person until police arrive. All well-run guard services emphasize a basic rule with their officers. The rule is that guns should be used only as a last resort if someone's life is threatened.
Stacey has her officers take a Red Cross first aid course before they start work. She also plans to set aside at least two days a month for on-the-job training. On those days, she or Joe will train the officers in things that she hopes will help them in their jobs. Training might include these things:

- "refresher" in law basics, such as the difference between a felony and a misdemeanor;
- how to use "passive resistance" in dealing with suspects;
- techniques of self-defense that do not require weapons; and
- other topics the officers request.

All her officers will get this training, whether they work full-time or part-time. Stacey wants all her staff to keep their skills up to date.

Summary

Hiring the best people you can is a key part of running your service well. You need to know exactly what jobs you need done. You also must know what kinds of people you need to do them. The people you hire need to know exactly what is expected of them. You may want to give your staff on-the-job training to help them keep their skills up to date.
Learning Activities

Individual Activities

1. Write an ad to recruit people as patrol officers or communications equipment operators for your service. Write the ad so that it tells exactly what kinds of background and personal qualities they need.

2. Write a paragraph about the employees you need for your service. Include these things in the paragraph: (1) the number of employees you need, (2) what their duties will be, and (3) what background and personal qualities you want them to have.

3. Call your police department. Ask if they have lists of people who (1) passed the police officer exams and are waiting to be hired, or (2) qualified except for minor things such as being too short. Ask if someone who wants employees for a guard service could contact those people.

4. Call one or more guard services. Ask how many employees they have and what their jobs are. If you call more than one service, compare their answers to see if their employees' duties are the same or different.

5. Call one or more guard services. Ask what training their employees need before they start work. Also ask if the service provides any on-the-job training, and if so, what. If you call more than one service, compare their answers to see if their training is the same or different.
Discussion Questions

1. Do you think Stacey's ads do a good job of telling what kinds of employees she needs? Why, or why not?

2. Do you think Stacey made good decisions to hire Joe and Sarah? Why, or why not?

3. Do you think Stacey will be a "good boss"? Why, or why not?

4. Do you think the on-the-job training Stacey plans for her patrol officers will help them in their jobs? Why, or why not?

Group Activity

In pairs, take turns role playing a hiring interview. One of you is the owner of a guard service. The other is someone applying for a patrol officer job with that service. The purpose of this activity is for you to practice being a guard service owner. When you run your own service, you will interview people before you hire them. This gives you a chance to practice an interview.

When you play the "owner," decide what background and personal qualities you want your officers to have. You must do two main things in the interview: (1) ask questions to find out if the "applicant" qualifies for the job; and (2) tell the "applicant" what the patrol officer duties will be.

When you play the "applicant," decide on your background and personal qualities. Then "be" that person during the interview. When the "owner" describes your duties, ask questions about anything you don't understand.

Before you begin the role plays, the whole class can list on the board these things: (1) questions the "owner" can ask to find out if the "applicant" qualifies for a patrol officer job; (2) patrol officer duties
the "owner" can describe to the "applicant"; and (3) kinds of background and personal qualities "applicants" can have. Those lists can help you in your role plays.

At the end of each interview, the "owner" should decide whether or not to hire the "applicant." Talk about the reasons for your decisions.
UNIT 5

Organizing the Work

Goal: To help you organize the work of your guard service.

Objective 1: On a work order form, list what needs to be done for one of your customers.

Objective 2: Write a work schedule for yourself or an employee.
EMERGENCY!

Stacey is operating the communications equipment at headquarters on Saturday night. The regular operator called in sick at the last minute. So Stacey took over. It's been a quiet night. Stacey's officers on this shift have radioed in to report their positions every 30 minutes.

All of a sudden an alarm goes off! Stacey sees right away that it's the alarm hooked up to client 85's house. Some of Stacey's clients have burglar alarms hooked up to headquarters.

Stacey acts quickly and calmly. First she radios to the patrol cars: "Emergency. Proceed to location 85 at once."

Then she phones client 85's house. The line is dead. Client 85 had called headquarters earlier to say he was going out for the evening. It looks as if someone cut his phone line after he left.

Stacey calls the police next. She says, "This is Stacey Sakura of Neighborhood Patrol. The burglar alarm in a home at 112 Grove St. was tripped at 10:52 p.m. The phone is dead. I have dispatched two of my patrol cars to the scene."

Stacey records everything she has done on a form she designed to keep track of emergencies. Two minutes after her call to the police, the radio crackles: "Car 4 reporting. This is Evans. Suspect caught entering location 85. No weapons. We will hold suspect until police arrive."

Five minutes later the police reach the scene. They arrest the suspect on a charge of breaking and entering. Stacey's officer Evans radios this information to her. Stacey radio back: "Good work! Take five minutes to write report of incident. Then proceed with regular patrol."

Stacey is proud of her officers. She is glad her service handles emergencies so well.
Organizing the Work

Stacey's service acts quickly and smoothly in an emergency. This is partly because Stacey has organized the work well. To organize the work of your guard service, you must (1) keep track of the work and (2) schedule the work.

Keeping Track of the Work

Keep track of the work that has to be done. This will help you schedule your staff assignments. Stacey keeps a logbook at headquarters. Her officers check the logbook before they begin their shifts. It shows if they have special assignments, such as babysitter check-in.

Then the officers get a copy of the "Babysitter Check-in Work Order" for each home listed. Look at the work order below. It shows how Stacey keeps track of requests and assignments for babysitter check-in.

BABYSITTER CHECK-IN WORK ORDER

<table>
<thead>
<tr>
<th>DATE:</th>
<th>CLIENT #:</th>
<th>ASSIGNED TO:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>START TIME:</th>
<th>FINISH TIME:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PHONE # WHERE CLIENT WILL BE:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DOCTOR'S NAME:</th>
<th>PHONE #:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>BABYSITTER'S NAME:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CHILDREN</th>
<th>AGE</th>
<th>SEX</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
You know that Stacey also designed a form to keep track of emergencies. Look at the "Emergency Work Order" below. It shows how Stacey kept track of the Saturday night emergency you read about.

### EMERGENCY WORK ORDER

- **DATE:** 4/26/80  
  **TIME:** 10:52 p.m.  
  **CLIENT #:** 85  
  **PHONE CALL:**  
  **ALARM:** X  
  **TAKEN BY:** Sakura  
  **ACTION**  
  **DISPATCH CAR**  
  **CALL HOUSE**  
  **FALSE ALARM:** Recall Car  
  **TRUE ALARM:** Call Police  
  **DONE**  
  **OFFICER(S) AT SCENE:** Evans  
  **COMMENTS:** Police arrested suspect.

After Officer Evans writes her report, she gives it to Stacey. Stacey makes copies of it and gives one to Evans. The client and the police also get a copy if they want. Officer Evans needs a copy of her report in case she is called to testify in court.

### Scheduling the Work

You can't schedule emergencies! But you can schedule your regular shifts. Stacey's service has three 8-hour shifts every day. This is how the schedule for each shift works:

- Officers check in at headquarters at the start of the shift. They sign the logbook, check assignments, get car keys, and do a car and equipment safety check.
- On patrol, officers radio in every 30 minutes to report their positions. They keep a log in the car of the times they patrol.
each house on the route. The communications operator at head-
quar ters also keeps a log there. These logs are a record of what
happens on each shift. Stacey needs to know what her service
does. Also, clients may want to know at what times officers
patrol their homes. You know that Stacey uses numbers for cli-
ents on the radio. This protects client privacy if someone else
listens on that radio frequency.

- Officers check out at headquarters at the end of the shift. They
sign out and turn in car keys and reports.

Stacey's communications operators also sign in and out for their
shifts. They know to call Stacey at any hour if they or the officers
need her when she's not there.

Stacey took over when her regular operator called in sick. Scheduling
the owner's work is not easy! You need to be "on top of" everything that
your service does. You will spend time doing all of these things:

Hiring staff
Training staff
Organizing the work
Supervising staff (Stacey sometimes drives the route
with her officers)
Keeping records of work
Meeting with clients
Keeping financial records
Talking with clients
Handling staff problems
Meeting with other people you deal with (accountant, insurance
agent, car and equipment leasers, and others)
Dealing with emergencies
Solving routine problems
Planning for the future.

With all those things to do, you can see why it is important to be
organized.

Summary

You now know some of the things Stacey does to (1) keep track of the
work and (2) schedule the work. Keep these things in mind when you
organize the work of your guard service.
Learning Activities

Individual Activities

1. Call one or more guard services. Ask how they handle emergencies. Compare their answers to what Stacey did on Saturday night. Do they handle emergencies the same way? If not, what do they do differently?

2. Fill in the "Babysitter Check-In Work Order" below, using this information: Client # 101 calls you. She says she is going out to dinner tonight. She wants an officer to check in with the babysitter while she's gone. She'll be gone from 6:30 to 10:30 p.m. She's having dinner at a friend's house, phone # 862-9345. The children's doctor is Jaime Castillo, phone # 637-2927. Steve Carver will be babysitting. The children at home are Leslie, a 10-year old girl, and Jim, a 5-year old boy. You assign the check-in to Officer Whitley.

<table>
<thead>
<tr>
<th>BABYSITTER CHECK-IN WORK ORDER</th>
</tr>
</thead>
<tbody>
<tr>
<td>DATE:</td>
</tr>
<tr>
<td>START TIME:</td>
</tr>
<tr>
<td>PHONE # WHERE CLIENT WILL BE:</td>
</tr>
<tr>
<td>BABYSITTER'S NAME:</td>
</tr>
<tr>
<td>CHILDREN</td>
</tr>
</tbody>
</table>
3. Pretend that at 11:20 p.m. tonight you get a phone call at headquarters from client #12. He says: "I think I heard someone outside. Please send a car right away!" You radio car #3 to go to his house at once. You are just about to call the police when the phone rings again. It's client #12 again. "Forget it," he says. "It was my cat!" Officer Todd has already reached the house. Todd checks around the house to make sure there's no prowler.

Fill in the "Emergency Work Order" for what happened.

```
EMERGENCY WORK ORDER

DATE: __________ TIME: __________ CLIENT #: __________
PHONE CALL: _______ ALARM: _______ TAKEN BY: _______

ACTION
DISPATCH CAR
CALL HOUSE
False Alarm: Recall Car.
True Alarm: Call Police

OFFICER WRITE REPORT

OFFICER(S) AT SCENE: ____________________________
COMMENTS: ____________________________
```

4. Officer Curtis works the shift from 4 p.m. to midnight. The following clients want babysitter check-in during that shift:

<table>
<thead>
<tr>
<th>Client #</th>
<th>Babysitter Check-in Times</th>
</tr>
</thead>
<tbody>
<tr>
<td>47</td>
<td>5:00-7:00 p.m.</td>
</tr>
<tr>
<td>123</td>
<td>6:30-11:00 p.m.</td>
</tr>
<tr>
<td>14</td>
<td>8:00-midnight</td>
</tr>
</tbody>
</table>
The schedule below for Officer Curtis is filled in from 4:00-7:00 p.m. Finish filling it in:

<table>
<thead>
<tr>
<th>TIME</th>
<th>CLIENT #</th>
</tr>
</thead>
<tbody>
<tr>
<td>4-5</td>
<td></td>
</tr>
<tr>
<td>5-6</td>
<td>47</td>
</tr>
<tr>
<td>6-7</td>
<td>47,123</td>
</tr>
<tr>
<td>7-8</td>
<td></td>
</tr>
<tr>
<td>8-9</td>
<td></td>
</tr>
<tr>
<td>9-10</td>
<td></td>
</tr>
<tr>
<td>10-11</td>
<td></td>
</tr>
<tr>
<td>11-12</td>
<td></td>
</tr>
</tbody>
</table>

5. Design a work order form for a service you plan to offer. For example, you may offer an "escort service" to meet clients and escort them inside when they get home late at night. You will need an "Escort Work Order" to keep track of this work. Design it!

If you design a work order for emergencies or babysitter check-in, make it different from Stacey's.

Discussion Questions

1. Do you think Stacey designed a good form to keep track of emergencies? Why, or why not? Would you change it? If so, how?

2. Do you think Stacey designed a good form to keep track of her babysitter check-in service? Why, or why not? Would you change it? If so, how?

3. Do you think it's a good use of Stacey's time for her to fill in for her sick operator? Why, or why not?
Group Activity

Look at the list of things the owner of a guard service has to do. The list is in your text, right before the Summary for this unit. Can you think of other things the owner might have to do? Add them to the list.

On the chalkboard, make two columns with these headings:

<table>
<thead>
<tr>
<th>Every Day</th>
<th>Not Every Day</th>
</tr>
</thead>
</table>

For each thing on your list, decide whether you would have to do it every day when you run your service. Write it in the column where you decide it belongs.

Try to decide how much time you think you would spend doing each thing. For each thing in the "Every Day" column, write down how many hours you would spend on it every day. For each thing in the "Not Every Day" column, write down how many hours you would spend on it each week.

Does it look as if you will work many hours running your guard service?
UNIT 6

Setting Prices

Goal: To help you decide how to set prices for your services.

Objective 1: Pick the best price for one of your services.
STACEY DECIDES HOW MUCH TO CHARGE

The loan officer at the bank gives Stacey advice on prices for her services. He says, "You plan to offer a babysitter check-in at no extra charge. I think you should charge for it. Here are my reasons:

"You planned that the free babysitter check-in would help you 'stand out' from your competition. But there is no competition in your location. Your guard service will attract customers because it is the only one in the neighborhood. So right now you don't need to do things to help you 'stand out.'

"There will be high demand for the babysitter check-in. Many of your customers have children. They will ask often for that service.

"That means your officers will spend a lot of time on it. You may need to hire more officers and lease another car. You will also spend a lot of time organizing the work. You will have to keep track of orders for the babysitter check-in and the work. So your expenses for running your whole service may go up more than you planned.

"For all those reasons, I think you should set a price for the babysitter check-in."

Stacey thinks about the loan officer's advice. She decides she will lose money if she doesn't charge for services that take up a lot of staff time. So she decides to charge her customers a little extra for the babysitter check-in."
Setting Prices

How will you decide how much to charge for your services? Here are five things to think about when you set prices.

- What are your costs for supplies and workers?
- How much demand is there for your services?
- How much competition do you have?
- What are your expenses to keep the service running?
- How much profit do you want to make?

Read on to learn more.

Costs for Supplies and Workers

Remember that you will have many expenses when you start your service. You will lease cars and communications equipment. You will buy office supplies and furniture. You will buy uniforms and other supplies for your officers. You already know that there are many other start-up costs.

Costs for things go up with time. Inflation may make the costs for your supplies and workers go up. But your customers won't like it if your prices go up often. So don't set your prices too low at first. If your costs go up a lot, you may have to raise your prices soon. Your customers won't like that!

Demand for Services

Your customers will pay more for services they want than for those they don't want. They will also pay more for a service they want if it's the only one around. So you need to decide how popular your services are.
For example, think about Stacey’s babysitter check-in. The loan officer says there will be high demand for that service. Many customers will want it. Right now, no one else offers that service to Stacey’s customers. So they probably will pay well for it.

**Competition**

Remember that Stacey has no competition in her location. Her guard service will get customers partly because it is the only one in the neighborhood. So right now she doesn’t have to worry about competitors charging lower prices.

But maybe someday Stacey will have competition in her location. Then she will have to see how much her competitors charge. If her prices are a lot higher than theirs, she may lose customers.

You will need to know what your competition charges. If you can offer lower prices, your customers will be happy. If you can’t offer lower prices, you must convince customers that your service is better. Then they won’t mind paying you more.

**Operating Expenses**

"Operating expenses" are your expenses to keep your service running. Expenses to run your guard service will include:
- Rent and utilities (phone, electricity, water, heat)
- Salaries
- Advertising
- Insurance
- Maintenance (cars and communications equipment)
- Professional services" (accountant, lawyer, insurance agent).

Remember that most guard services spend a lot for insurance. Your expenses for salaries will depend on how many employees you have. To
attract and keep good staff, you may want to pay higher than average salaries.

Stacey's loan officer says her operating expenses may go up more than she planned. She and her officers will spend a lot of time organizing and doing the babysitter check-in. Staff time costs money.

You will need to figure out how high your operating expenses will be. If your operating expenses are very high, you may decide to charge more for your services. Or you may figure out how to cut your operating expenses.

Profit

How much money do you want to have left over after your expenses are paid? That amount is your "profit goal." It should be enough to pay yourself a salary and to make payments on your loans. Hopefully, too, you'll have money to put back into the business to improve it.

Many small business owners give themselves only a small salary at first. They want to be sure they have enough money to keep the business running and to pay their staff.

How high you set your prices will depend partly on how much profit you want to make. Stacey decides she will lose money if she doesn't charge for her babysitter check-in. Since she wants to make a profit, she decides to charge a little bit extra for that service.

Examples

Here are examples of how some guard services set prices.

Some guard services charge more if officers walk through a home or business than if they just drive by. They charge for each time officers
walk through. That way, customers can choose how often they want it. A customer who wants many walk-throughs will pay more than one who wants few or none.

Some services charge more if they use dogs to patrol with the officers. Customers can decide whether they want the dog patrol. They pay more if they do.

Some services charge businesses extra every time they respond to alarms. This is because high-power business alarms can be set off by things like a car backfire. So false alarms sometimes take up a lot of staff time.

Can you think of how Stacey might charge for her babysitter check-in? One way would be to charge for each time officers check in with the babysitter. Customers could choose how many check-ins they want while they're gone.

Summary

You now know things to think about when you set your prices. Those things include costs of supplies and workers, demand, competition, operating expenses, and profit.
Individual Activities

1. Call two or more guard services. Ask what they charge for their services. Compare their prices. Do they charge the same prices? Which service would you choose to protect you? Why?

2. Luis Aguilar runs a guard service for businesses. Luis was the first physically handicapped guard service owner in his area. He made a large profit last year. He wants to expand his service to patrol homes, too. Another guard service in his location already patrols homes. So Luis will have competition. The competition charges $40 per month for a drive-by home patrol. How much do you think Luis will charge per month, and why?

3. Melicia and Booker Hays have been running a guard service for five years. Their prices have stayed the same since they started. This year their office rent and utility bills went up a lot. They also gave all their staff raises. Now it looks as if they won't make any profit this year. They're thinking about raising their prices. What do you think they should do, and why?

4. Stan Tracy's guard service patrols offices and factories. This year he decided to rent guard dogs so he could offer a K-9 patrol. Customers told him they would like this. So he set a very high price for it. Only one customer signed up. What did Stan do wrong? What can he do now to get his customers to sign up for the K-9 patrol?
5. Pretend you are just starting your guard service. You are trying to decide what your prices will be. Your competition charges $60 per month for home patrol. You would like to charge $60 per month, too, because then you will make a big profit. But you will still make a profit if you charge $50 per month. Customers will like it if you charge less than your competition. Pick the best price charge:

- $60 per month
- $50 per month
- $40 per month

Discussion Questions

1. Do you agree with Stacey's decision to charge for her babysitter check-in service? Why, or why not?

2. Pretend there are two other guard services in Stacey's location. So she has a lot of competition. Stacey knows their prices. She could set her prices lower, higher, or the same as theirs. What do you think she will decide, and why?

3. What do you think will be Stacey's highest operating expenses? Why?
What do you think will be her lowest operating expenses? Why?

Group Activity

Divide into two or more groups. Each group should write down this list of things to think about in setting prices:
- cost of supplies and workers;
- demand for services;
- operating expenses; and
- profit.

Read the case study below about "Julie's Home Patrol." Which of the five things do you think will be most important to Julie when she sets
prices? Which will be least important? When all groups have finished, report to each other what you decide. Did all the groups decide the same? If not, talk about why you decided what you did.

Julie's Home Patrol

Julie is starting her guard service in a location where there have been a lot of robberies. She has talked with many customers who want protection. There are no other guard services in the neighborhood. Julie wants top quality staff. So she plans to pay higher salaries than other guard services. Her office rent and insurance costs are higher than she planned. Julie plans to pay her staff and other expenses before she takes a salary for herself.
UNIT 7

Advertising and Selling

Goal: To help you learn ways to advertise and sell your services.

Objective 1: Pick one way to advertise your guard service.

Objective 2: Design a printed ad for your guard service.
STACEY ADVERTISES

Stacey wants to advertise when she starts her service. She wants her ads to attract customers. She knows there are many ways to advertise. She decides to start with a printed ad she can use in several ways. The ad will go in the newspaper, Yellow Pages, and flyers in her customers' neighborhood. Here is Stacey's idea for her ad:

FIGHT LOCAL CRIME!
Fight back against crime in your neighborhood. Protect your home and family. We offer:

- 24-hour car patrol
- Babysitter check-in
- Instant emergency response

We are professionals. Call now to begin your protection today!

Neighborhood Patrol
23 Pine Street
968-2100
A guard service sells services, not products. Your services are protection for your customers. How can you sell and advertise your services? Read on to get some ideas.

Plan Your Advertising

1. Who is your audience?
   Stacey decides her audience is potential customers.

2. Why are you advertising?
   Stacey is advertising to attract customers at the start of her service. Later she may plan other ads if she expands her service.

3. How will you advertise?
   Stacey plans to start with a printed ad. If she has enough money, she may also run a radio ad.

4. What will your ad say?
   Stacey’s ad lists her services. It also gives the address and phone so customers can contact her.

5. When will you advertise?
   Stacey plans to start advertising right away. Some guard services advertise before they begin their service. That way they sign up customers ahead of time.
6. How much will your ad cost?

Stacey will show her ad to several local printers. They will give her cost estimates for printing fliers. She will decide which is the best deal. The newspaper and Yellow Pages have set prices for ads.

Ways to Advertise

There are many ways to advertise your guard service. Here are some ideas:

- newspaper ads;
- the Yellow Pages;
- radio ads;
- television ads;
- brochures you mail to potential customers;
- fliers you put on cars or doorknobs— you could also give fliers or brochures to:
  - travel agents who would give them to people who could use your service when they're on vacation.
  - personnel departments of companies, to give to employees in your location. You might offer a "company discount" for some of your services if enough people sign up.
  - other guard services that don't want to offer the same services you do. For example, not all guard services want to feed pets or water plants for people on vacation.
  - emblems on your patrol cars so people notice them; and
  - uniforms for your officers that look professional and different from police uniforms.

Some of the ways are more expensive than others. For example, television ads cost a lot more than newspaper ads.
“People” Ads

You and your staff can do a lot personally to advertise your service. Here are examples.

- Some guard services hire a salesperson to phone and visit potential customers.
- Your officers can talk with people in the neighborhood about your service. That’s one reason why it’s important to hire friendly, well-qualified staff. You can pay them a bonus for each new customer they sign up.
- You can plan events to advertise your service. These are some examples:
  - Provide protection at school, church, and other community events at reduced rates.
  - Have your officers give self-defense demonstrations at shopping centers and fairs.
  - Give a "neighborhood award" to customers who contact you in time for your officers to stop crimes. Tell newspapers about the award so they can be there to take pictures and write articles.

How to Design Printed Ads

Printed ads will probably be a big part of your advertising. These include newspaper ads, Yellow Pages ads, brochures, and fliers. Printed ads should have these five parts: headline, illustration, copy, layout, and identification.

**Headline.** The headline of Stacey’s ad is "FIGHT LOCAL CRIME!" Your headline should attract attention. It should make people want to read the rest of the ad.

**Illustration.** Stacey’s illustration is the Neighborhood Patrol emblem. She will also put this emblem on her patrol cars and uniforms. Your illustration should help people remember your service.
Copy. This is what you write about your service. Your copy should:
- appeal to customers' needs. For example, Stacey's ad says: "Protect your home and family."
- describe your services. Stacey lists three services she offers.
- call for customer action. Stacey's ad tells customers to "call now" to begin their protection right away.

Layout. This is the way you organize your ad on the page. Stacey's ad is simple and easy to read. Your layout should make your ad attractive.

Identification. Give the name, address, and phone number of your service, so customers can contact you. Stacey's identification is at the bottom of her ad.

A good printed ad gives important information about your service. It should be simple and truthful. Use your imagination to make your ads attractive.

Summary

You know ways to advertise your guard service. You can decide which ways you will use. You also know about the five parts of printed ads.
Learning Activities

Individual Activities

1. Look up two or more guard services in the Yellow Pages. Call them and ask what ways they advertise, besides the Yellow Pages. Ask why they picked those ways.

2. Pick two or more ways to advertise. For example, you might pick the Yellow Pages, newspaper ads, radio, and fliers. Find out the costs for each. If you can, figure out how much it would cost you per month to advertise your guard service each way.

3. Look at two or more guard service ads in the Yellow Pages or newspaper. Do they each have a headline, illustration, copy, layout, and identification? Which ads do you think are best and why? Can you think of ways to make them better? If so, how and why would you change them?

4. Ken Stanfield retired from the police force five years ago. Four years ago he started his own guard service. The service is doing well. Ken plans to add "vacation house-watching" to the services he offers. He's trying to figure out the best way to let his customers know about it. He narrows his choices down to these two: (1) he could hire high school students to put fliers on his customers' doorknobs; or (2) he could mail fliers to his customers with their bills next month. Write a paragraph saying which choice you think Ken should pick, and why.

5. Design a printed ad for your guard service. Include a headline, illustration, copy, layout, and identification. Use your imagination.
Discussion Questions

1. Do you think Stacey's ad will attract customers? Why, or why not?

2. What other ways of advertising do you think Stacey will decide to use, and why?

3. Pretend you are running your guard service now. Think about all the ways of advertising. Which ways do you think would take the most time for you to do? Why? Which ways would take the most money? Which ways would reach the most customers? Why? Which ways would you decide to use, and why?

Group Activity

Bring to class as many different guard service printed ads as you can find. Divide into small groups so that each group has at least one ad.

Each group will decide if its ad has these five parts: headline, illustration, copy, layout, and identification. If parts are missing, what are they? Can your group think of ways to improve its ad?

When all groups have finished, take turns showing your ads to each other. Each group will point out its ad's parts. The group will talk about any ways to improve the ad. The other groups can make suggestions, too.

When all groups have reported, decide which ads you think are the best; and why.
UNIT 8

Keeping Financial Records

Goal: To help you learn how to keep financial records for your guard service.

Objective 1: Fill out a customer billing form for services you do for a customer.

Objective 2: Fill out a daily cash sheet for money you receive and pay out in one day.
STACEY WORKS ON FINANCES

Stacey keeps track of the finances for her guard service. Maybe someday she will hire a bookkeeper. But for now she keeps all the financial records herself.

Stacey spends some time every day working on finances. She records customer orders and payments. She pays bills that are due. Once a week, she pays her staff. Once a month, she mails bills to her customers.

On April 30, Stacey thinks out loud as she works on her finances:

"Let's see, today I received payments from these customers:

<table>
<thead>
<tr>
<th>Client</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>$50.00</td>
</tr>
<tr>
<td>57</td>
<td>$55.00</td>
</tr>
<tr>
<td>43</td>
<td>$75.00</td>
</tr>
<tr>
<td>6</td>
<td>$50.00</td>
</tr>
<tr>
<td>79</td>
<td>$100.00</td>
</tr>
</tbody>
</table>

That's a total of $330.00.

I paid the following bills:

- Rent: $600.00
- Quality Print Co. (fliers): $200.00

I also got next week's babysitter check-in work orders from Client 2:

<table>
<thead>
<tr>
<th>Dates</th>
<th>Times</th>
<th># of Check-Ins</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 May</td>
<td>7:00-9:00 p.m.</td>
<td>1</td>
</tr>
<tr>
<td>4 May</td>
<td>7:00 p.m.-midnight</td>
<td>3</td>
</tr>
<tr>
<td>5 May</td>
<td>8:00-11:00 p.m.</td>
<td>2</td>
</tr>
</tbody>
</table>

It's a good thing I set up records to keep track of all these things!"
Keeping Financial Records

When you run your guard service, you will need to keep track of your finances. This includes income and expenses. Financial records will help you know how your service is doing. They will help you make business decisions. They will help you fill out income tax forms and other government reports.

Accountants can give you advice about your financial records. You may want to hire a bookkeeper to do some of the records. What records will you need for your guard service? You will need a way to bill customers for your services. You will also need to keep track of money you receive and money you pay out. Read on to learn about forms that can help you keep track of your finances.

Customer Billing Form

You will decide how often to bill your customers. Stacey mails bills to her customers once a month. This is the customer billing form she uses:

<table>
<thead>
<tr>
<th>Date</th>
<th>Dates of Service</th>
<th>Amount Charged</th>
<th>Payment Received</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>4/15</td>
<td>4/1 - 4/15</td>
<td>$25.00</td>
<td>-</td>
<td>$25.00</td>
</tr>
<tr>
<td>4/30</td>
<td>4/16 - 4/30</td>
<td>$30.00</td>
<td>-</td>
<td>$55.00</td>
</tr>
</tbody>
</table>
You can see on the form that on April 15 Stacey charged customer 63 $25.00 for services during April 1 - 15. On April 30 she charged $30.00 for services during April 16 - 30. No payments have been received yet, so customer 63 now owes a balance of $55.00.

Stacey attaches the following form to show customer 63 exactly what services were provided:

<table>
<thead>
<tr>
<th>Date</th>
<th>Services</th>
<th>Amount Chased</th>
</tr>
</thead>
<tbody>
<tr>
<td>4/1 - 4/15</td>
<td>Car patrol</td>
<td>$25.00</td>
</tr>
<tr>
<td>4/16 - 4/30</td>
<td>Car patrol</td>
<td>$25.00</td>
</tr>
<tr>
<td>4/18</td>
<td>Babysitter check-in, 3 times</td>
<td>$3.00</td>
</tr>
<tr>
<td>4/20</td>
<td>Babysitter check-in, 2 times</td>
<td>$2.00</td>
</tr>
</tbody>
</table>

You can see that car patrol was the service provided during April 1 - 15. During April 16 - 30, the services provided were car patrol and babysitter check-in. Customer 63 can see the dates and amount charged for each service.

These forms can give you ideas for what you will decide to use in your own guard service. The exact forms you decide to use will depend on what your service is like.

Daily Cash Sheet

Stacey uses the following daily cash sheet to keep track of money she receives and pays out each day. Your daily cash sheet will depend on what you decide will work best for your service.
### DAILY CASH SHEET

<table>
<thead>
<tr>
<th>Cash Receipts</th>
<th>Cash Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Customer Payments</strong></td>
<td><strong>Salaries</strong></td>
</tr>
<tr>
<td>$200.00</td>
<td></td>
</tr>
<tr>
<td><strong>Building Expenses</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Equipment &amp; Furniture</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Supplies</strong></td>
<td></td>
</tr>
<tr>
<td><strong>$10.00</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Advertising</strong></td>
<td></td>
</tr>
<tr>
<td><strong>50.00</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL CASH RECEIPTS</strong></td>
<td><strong>TOTAL CASH PAYMENTS</strong></td>
</tr>
<tr>
<td><strong>$200.00</strong></td>
<td><strong>$60.00</strong></td>
</tr>
</tbody>
</table>

You can see that on April 20 Stacey received $200 in customer payments. She also spent $10 on office supplies and $50 for a newspaper ad, for a total of $60 paid out.

Stacey summarizes her daily cash sheets at the end of each month. At the end of the year she summarizes the monthly reports. This gives her a yearly report on her overall profit and loss. You will learn more about this in the next unit.

**Summary**

You have seen a sample customer billing form and a daily cash sheet. Forms like these can help you keep the financial records you need for your guard service. The exact forms you decide to use will depend on what your service is like.
Learning Activities

Individual Activities

Use information in the case study to do items 1 and 2.

1. Fill out Stacey's DAILY CASH SHEET for April 30.

<table>
<thead>
<tr>
<th>DAILY CASH SHEET</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Receipts</td>
</tr>
<tr>
<td>----------------</td>
</tr>
<tr>
<td>Customer Payments</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>TOTAL CASH RECEIPTS</td>
</tr>
</tbody>
</table>
2. Fill out the SERVICES PROVIDED form for Client 2's babysitter check-in requests for May 1 - 5. Stacey charges $1 per check-in.

<table>
<thead>
<tr>
<th>Date</th>
<th>Services</th>
<th>Amount Charged</th>
</tr>
</thead>
</table>

3. On April 15, Stacey charged customer 94 $30.00 for services during April 1 - 15. On April 30, she charged the same customer $45.00 for services during April 16 - 30. She hasn't yet received payment. Fill out the following CUSTOMER BILLING FORM for customer 94. Payment is due May 15.

<table>
<thead>
<tr>
<th>Customer:</th>
<th>Payment Due Date:</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Date</th>
<th>Dates of Service</th>
<th>Amount Charged</th>
<th>Payment Received</th>
<th>Balance</th>
</tr>
</thead>
</table>

74
4. On April 15, Stacey charged customer 65 $40.00 for services during April 1 - 15. Last month, the customer paid an "advance" of $25.00, so that covers part of the April 15 charge. On April 30, Stacey charged the customer $25.00 for services during April 16 - 30. She hasn't received any payment for that. Fill out the following CUSTOMER BILLING FORM for customer 65. Payment is due May 15.

NEIGHBORHOOD PATROL
CUSTOMER BILLING FORM

Customer: ____________________________

Payment Due Date: __________________

Date  Dates of Service  Amount Charged  Payment Received  Balance

5. Design a customer billing form or a daily cash sheet for your own guard service. Fill in some sample information to show how it will work.

Discussion Questions

1. Why do you think Stacey decides she will keep all the financial records while her service is getting started? Do you think this is a good decision? Why, or why not?

2. Do you think Stacey's forms will help her do a good job keeping track of her finances? Why, or why not? Can you think of ways to improve her forms?
3. What other kinds of financial records does a guard service owner probably keep, and why?

Group Activity

Divide into small groups. Each group should decide the type of guard service it will run. Try to have the groups pick different types. For example:

Group 1 - Car patrol for homes
Group 2 - Car patrol for homes and businesses
Group 3 - Car and K-9 patrol for businesses
Group 4 - Security for conventions and other "big events"

Each group should decide exactly what services it will offer. For example, Group 1 might decide it will offer babysitter check-in and late-night escort, plus routine car patrol. Then decide how much you will charge for each service.

Now design a customer billing form and a daily cash sheet for your service. Fill in some sample information to show how to use your forms.

When all groups have finished, take turns showing your forms to the other groups. Say why you designed them the way you did. Show how to use them.
UNIT 9

Keeping Your Guard Service Successful

Goal: To help you learn how to keep a guard service successful.

Objective 1: Figure out the net profit (before taxes), profit ratio, and expense ratio for a guard service.

Objective 2: State one way this business could increase its profits.

Objective 3: State one way this business could change its services to increase sales.
WILL STACEY STAY SUCCESSFUL?

Two years have passed. Neighborhood Patrol made enough money the first year to pay back Stacey's bank loan. Stacey's customers liked her service so well they told their friends about it. Stacey got more new customers the second year than she expected! To serve all the new customers, Stacey had to hire six more patrol officers. She also had to increase her insurance and lease two more cars. Her rent and other expenses went up, too.

Now Stacey's worried about her finances. It's great that she has so many new customers. But her expenses have also increased a lot. She's afraid that her expenses may be increasing faster than her profits. Stacey decides she may need to raise her prices. She talks with her customers to find out how big a price increase they will accept. She learns that she won't lose customers if she raises prices slightly.

In her survey, she also asks for customer comments about the service. Many customers comment that they wish Stacey would add "vacation housewatch" and late-night escort services. They would be willing to pay extra for these.

Stacey looks at her financial records for the last two years. She wants to see exactly what her profits have been. In the first year her income was $195,000. The second year her income increased to $245,000. However, her expenses also increased from $103,000 the first year to $169,000 the second year.

Stacey decides the service does have a problem. Customer payments have increased, but expenses have increased even more. Her profit has decreased. Stacey decides she'd better make some changes to try to increase her profit.
Keeping Your Guard Service Successful

Every small businessperson wants to be successful. How can you keep your guard service successful? Here are three important ways:

- make sure you have enough cash;
- keep your profits up and costs down; and
- make changes in your service when necessary.

In the last unit you learned how to keep track of your finances. That will help you make sure you have enough cash.

In this unit you will learn how to:

- keep track of your profits and increase them, and
- change your service to increase sales.

Keep Track of Profits

To keep track of profits, you must keep records of your income and expenses each year.

Profit/loss statement. Stacey summarizes her yearly income and expenses on a profit/loss statement like the one shown on the next page.
<table>
<thead>
<tr>
<th>TWO-YEAR PROFIT/LOSS STATEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
</tr>
<tr>
<td>$</td>
</tr>
<tr>
<td>Income</td>
</tr>
<tr>
<td>Customer Payments</td>
</tr>
<tr>
<td>TOTAL</td>
</tr>
<tr>
<td>Expenses</td>
</tr>
<tr>
<td>Salaries</td>
</tr>
<tr>
<td>Building Expenses</td>
</tr>
<tr>
<td>Vehicles (lease)</td>
</tr>
<tr>
<td>Supplies</td>
</tr>
<tr>
<td>Advertising</td>
</tr>
<tr>
<td>Other (licenses, insurance, professional services, etc.)</td>
</tr>
<tr>
<td>TOTAL</td>
</tr>
<tr>
<td>Net Profit (before taxes)</td>
</tr>
</tbody>
</table>

To find her net profit, she subtracts total expenses from total income. You can see that the profit/loss statement shows 100% next to total income. The blank space in the percentage column next to total expenses is for the expense ratio. The blank space in the percentage column next to net profit is for the profit ratio. The ratios can help you compare your expenses and profits from year to year.

Pretend these are the totals for your guard service one year:

- **Total Income** = $100,000
- **Total Expenses** = $80,000
- **Net Profit** = $20,000
This is how you would compute your expense and profit ratios:

Expense ratio = \( \frac{\text{Expenses}}{\text{Income}} = \frac{80,000}{100,000} = 80\% \)

Profit ratio = \( \frac{\text{Net Profit}}{\text{Income}} = \frac{20,000}{100,000} = 20\% \)

You can compare those ratios to the ratios for other years. A year when your profit ratio is 30% would be a better year than when it's 20%.

Improving profits. If you think your profits are too low, you will try to increase them. Three ways to increase profits are to (1) increase sales, (2) raise prices, and (3) reduce expenses.

Raising prices is simple. But you must be sure you won't lose customers because of it.

Reducing expenses is not always easy. You need to look carefully at all your expenses and decide where you can save. For example, maybe a different company would give you a lower lease rate for your cars.

To increase sales, you probably will need to change your service in some way. Read on to learn more.

Change Your Business to Increase Sales

If you want to increase sales to raise profits, you can:
- improve the quality of your service, or
- change the services you offer.

You may decide to do one or both of those things. First you must figure out what will help increase sales. Talk to your customers and staff. Look at any changes in your community and competition. Study new business trends.
When Stacey sees her profits are down, she talks with her customers. She finds out she won't lose them if she raises prices slightly. They are pleased with the quality of her service. But there are additional services they would like. So Stacey may decide to change her guard service by adding those extras.

Summary

A profit/loss statement keeps track of your yearly income, expenses, and net profit. Compare the statements from year to year to see how your service is doing. The expense and profit ratios can help you compare years.

To increase profits, you must increase sales, raise prices, or reduce expenses. To increase sales, improve your quality or change your services.
Learning Activities

Individual Activities

1. Figure out the net profit, profit ratio, and expense ratio for Stacey's business for each year.

<table>
<thead>
<tr>
<th>TWO-YEAR PROFIT/LOSS STATEMENT</th>
<th>Year 1</th>
<th>Year 2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td>$195,000</td>
<td>$245,000</td>
</tr>
<tr>
<td>Customer Payments</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>72,000</td>
<td>120,000</td>
</tr>
<tr>
<td>Building Expenses</td>
<td>7,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Vehicles (lease)</td>
<td>12,000</td>
<td>20,000</td>
</tr>
<tr>
<td>Supplies</td>
<td>2,000</td>
<td>3,000</td>
</tr>
<tr>
<td>Advertising</td>
<td>2,000</td>
<td>3,000</td>
</tr>
<tr>
<td>Other (license, insurance, professional services, etc.)</td>
<td>8,000</td>
<td>13,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net Profit (before taxes)</strong></td>
<td></td>
<td></td>
</tr>
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2. Which year was a better one for Stacey?
Discussion Questions

1. Stacey's service made money both years. So why is she worried about profits? If you were Stacey, would you be worried? Why, or why not?

2. What do you think Stacey will do to try to increase her profits? Why? Do you think her profits will increase? Why, or why not?

3. List all the reasons you can think of why sales of a guard service might decline.

Group Activity

Here are new facts about Stacey's service in its third year. Read them and plan how Stacey can increase her profits. If you do this in small groups, take turns reporting your plans when they're done.

1. People in other neighborhoods have heard about Stacey's service. They have asked if she can patrol their neighborhoods, too.

2. Two of the small businesses near Stacey's office have been robbed lately.

3. A new guard service is trying to get customers in Stacey's area.

4. There seem to be a lot of home weddings and parties in Stacey's area recently. Many of her customers have expensive paintings, furniture, and other valuables in their homes.
You have seen how Stacey Sakura starts her guard service. It takes a lot of planning to get off to a good start. Stacey looks at her competition and customers. She decides she has the personal qualities of a guard service owner. She plans how to make her service "stand out" from its competition. She finds out about legal requirements for running it. She picks a location, and applies for a loan to get started.

Stacey hires the best people she can. She knows her staff will be a key part of making her service a success. She also sets her prices and plans how to advertise.

Stacey knows it is important to keep financial records. She uses forms to help keep the financial records she needs. She reviews her financial records carefully. That way she can see if her service is staying successful. She knows how to compare her finances from year to year. She also knows ways to increase her profits if she needs to.

To own and operate a successful guard service, you need several things. You need training in police science, work experience, and the special business management skills we have covered in this module. If you have not had a course in police science, you should take one before deciding to own a guard service. You can learn business management skills through business classes or experience. Another way to learn these skills is by using the advice and example of an expert.

You may not make a lot of money by owning a guard service. However, you would have the personal satisfaction of being responsible for your business and making your own decisions. Think about how important these things are to you in considering whether you should start your own guard service.
1. What is one thing a guard service does for customers?

2. Which person would be better at running a guard service?
   a. Alex has a lot of energy and thinks the crime rate is too high.
   b. Joe wants to run a business someday, but he's not sure what kind.

3. What are two ways to make a new guard service "stand out" from its competition?
   a. 
   b. 

4. What are two special legal requirements for running a guard service?
   a. 
   b. 

5. List three questions to ask yourself when you're picking a location for your service.
   a. 
   b. 
   c. 
6. Which location would be best for a guard service?
   a. Farm area with a few big farms far apart
   b. Run-down part of town
   c. Business area with many homes nearby

7. List three things to include in a business description when you apply for a loan.
   a. ____________________________
   b. ____________________________
   c. ____________________________

8. Pretend your total starting expenses are $11,000. You have $4,000 of your own, and a friend will invest $3,000 in your service. How much do you need to borrow from the bank? __________

9. Put a P next to the employee(s) you would assign to patrol the neighborhood. Put a C next to the employee(s) you would assign to operate your communications equipment.
   a. Jack has a third-class FCC radio operator's license.
   b. Anne studied police science in high school and junior college.
   c. Sandy worked as a patrol officer for another guard service for two years.

10. Check the best person to hire as a patrol officer for your service.
    a. Chris wants to be a patrol officer but doesn't want to take the state courses in "powers of arrest" and "firearms."
    b. Steve says he wants an "exciting" job.
    c. Leslie is on the police department's waiting list of people qualified to be police officers.
11. What is one kind of on-the-job training you might give the employees of your guard service?

12. The burglar alarm hooked up to client #36's house goes off! Which form will you use to keep track of what happens next?
   a. Babysitter Check-In Work Order
   b. Emergency Work Order
   c. Headquarters Logbook

13. Which person's work is hardest to schedule?
   a. Guard service owner
   b. Patrol officer
   c. Communications operator

14. List two things to think about when you set your prices.
   a. ____________________________
   b. ____________________________

15. You don't have much money for advertising your guard service. Which way of advertising will you pick?
   a. Newspaper ads
   b. Television ads
   c. Radio ads

16. Pick the best "attention-getter" headline for a guard service printed ad:
   a. PROFESSIONAL PRIVATE SECURITY!
   b. PROTECT YOUR LOVED ONES!
   c. WE OFFER MANY SERVICES!
17. Which two kinds of information would probably be on a customer billing form?

a. Payment received from the customer
b. Monthly rent for your office
c. Balance the customer owes

18. Which of these would be in the "Cash Receipts" part of your daily cash sheet?

a. Advertising costs
b. Customer payments
c. Insurance costs

19. Wendy Chang runs a guard service. Her end-of-the-year records show total income of $100,000 and total expenses of $70,000. Compute the following:

a. Net profit = $

b. Profit Ratio = ____%
c. Expense Ratio = ____%

20. Wendy's profits decrease the next year. List two things she can do to increase profits.

a. _______________________

b. _______________________

21. Wendy doesn't want to raise her prices. What is another way she could try to increase sales?

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PROJECT PRODUCTS

Entrepreneurship Training Components

Vocational Discipline | Module Number and Title
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General | Module 1 - Getting Down to Business: What's It All About?
Agriculture | Module 2 - Farm Equipment Repair
| Module 7 - Tree Service
| Module 4 - Garden Center
| Module 5 - Fertilizer and Pesticide Service
| Module 6 - Dairy Farming
Marketing and Distribution | Module 7 - Apparel Store
| Module 8 - Specialty Food Store
| Module 9 - Travel Agency
| Module 10 - Bicycle Store
| Module 11 - Flower and Plant Store
| Module 12 - Business and Personal Service
| Module 13 - Innkeeping
Health | Module 14 - Nursing Service
| Module 15 - Wheelchair Transportation Service
| Module 16 - Health Spa
Business and Office | Module 17 - Answering Service
| Module 18 - Secretarial Service
| Module 19 - Bookkeeping Service
| Module 20 - Software Design Company
| Module 21 - Word Processing Service
Occupational | Module 22 - Restaurant Business
Home Economics | Module 23 - Day Care Center
| Module 24 - Housecleaning Service
| Module 25 - Sewing Service
| Module 26 - Home Attendant Service
Technical | Module 27 - Guard Service
| Module 28 - Pest Control Service
| Module 29 - Energy Specialist Service
Trades and Industry | Module 30 - Hair Styling Shop
| Module 31 - Auto Repair Shop
| Module 32 - Welding Business
| Module 33 - Construction Electrician Business
| Module 34 - Carpentry Business
| Module 35 - Plumbing Business
| Module 36 - Air Conditioning and Heating Service

Related Resources

Resource Guide of Existing Entrepreneurship Materials
Handbook on Utilization of the Entrepreneurship Training Components