

2019

GROWTH
500

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COMPANIES

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YOU CAN COUNT ON IT

Software keeps cash transactions competitive

Namsys President and COO Jason Siemens enjoys a long tenure with the company his father founded in 1989. In successive roles as programmer, project manager and VP of operations, Jason worked his way up to taking over the day-to-day when his father retired eight years ago. This was long after NamSys went public (1996) to raise funds for a challenging chapter in its development that saw the company building cash-management equipment and the software to monitor it. The hardware part of the business was sold off in 2006, and software became the sole focus. “Building hardware,” says Siemens, “is much more capital-intensive.” Transitioning to Software as a Service (SaaS) in 2008, NamSys entered a chapter of its story with big payoffs.

Cash usage has been on the decline for a decade, but it’s still the chosen payment method for one in three purchases across North America. As labour costs increased, so did the cost of cash as a percentage of payment revenue. Retailers handling bills and coin sought technology to make it easier and more efficient. Many of them installed cash-management devices inside their stores. NamSys, with their expertise in this equipment and the software in hand, found themselves perfectly positioned to meet retailers’ needs. It quickly became the largest part of their business, and now they monitor upwards of 20,000 machines in over 25 countries, enabling billions of dollars in transactions every month. Says Siemens: “We had a ready-made solution and experience from a decade earlier.”

Until 2008, NamSys sold software as licenses. “We’d go to a

bank and they’d pay a large license fee upfront,” says Siemens. “There’d be residual income from maintenance contracts, but it made for a very lumpy revenue stream.” And it was difficult to reinvest without a consistent cash flow. Switching to a monthly subscription model smoothed out the ups and downs in the balance sheet. “Now we invoice monthly on a long-term basis,” Siemens says. “It’s given us the confidence to plan and allocate resources better.” NamSys charges only on active usage, sharing the risk with their clients and acting as a true partner.

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If a client suggests new functionality, such as a balancing report that looks at the usual numbers from a different perspective, NamSys shops the idea to other clients, and finding commonality, they’ll add the new reporting function to the next

release of a software suite that’s available to all customers, large or small, at the same monthly price point.

What’s the next chapter for NamSys? Siemens says it’s about the international market: “We’re searching out places where cash is still in high demand – the Middle East, Asia; right now, as we expand in Central and South America, we’re looking for more employees who speak Spanish.” New markets are important to NamSys because the North American market has become increasingly consolidated: eighty per cent of the cash transportation and processing market is dominated by three companies. NamSys has two of those as their customers, and many of the remaining 20 per cent. Now they’ll increase the count abroad.

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