



# **License Plate Recognition as The Present and Future of the Repossession Industry**

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## Executive Summary

The current state of the economy has, unfortunately, forced many borrowers to default on loans. Nowhere is this fact more keenly felt than in the auto lending industry. Motor vehicles, a virtual necessity of contemporary life, are also, unfortunately, a commodity that most must borrow to obtain. More and more, people who take out car loans in good faith find themselves unable to keep up with the payments, at which point they can count on a visit from the repo man. For better or for worse, this state of affairs is making repossession and recovery a growth industry.

License Plate Recognition (LPR) is making today's repo industry more effective and efficient than ever before. Insurance companies can now keep "hot lists" of defaulting borrowers, as can car dealerships, banks, and other institutions. From these lists, assignments are distributed, either directly or indirectly, to repo agents, who often employ LPR to help ensure that their target vehicles are spotted quickly.

LPR offers the repossession and recovery industry more than simple efficiency, however. Using new, cutting edge LPR and video analytics technology offered by Cyclops Technologies, repo agents can realize new streams of revenue as well as ways to improve their image in the public sphere. They can create their own databases of license plate scans, which can be subsequently resold to law enforcement for a much lower cost than police organizations normally pay for access to a national database. They can also offer AMBER alert information to law enforcement free of charge as an act of goodwill. Through Cyclops' cloud-based subscription offerings, collaborative networks can be established among repo companies to manage the data. In addition to cost savings, this model ensures that the information is current, whereas in national databases it is often aged. Also, because the data includes state jurisdiction and vehicle make in addition to the license plate number, it is more refined and less inclined to cause a false positive. Finally, because Cyclops LPR solutions work with off-the-shelf interior mounted cameras, LPR operations can be conducted covertly, thus reducing the potential for public unease that often accompanies the use of such technology.

All in all, Cyclops' video analytics solutions offer better results and a higher return on investment for the repo industry than any competing technology now and in the future.

## Repossession and Recovery in the 21<sup>st</sup> Century

In today's marketplace, there are few large repossession and recovery firms. Many are small companies, and many others are concerns consisting of nothing more than a single truck and driver. Most often, lending institutions outsource their repo business to "forwarding"

agencies, which award assignments to the lowest bidder. The winning repo company then enters the data into an LPR unit and uses the technology to help find the vehicle.

In addition to bidding on recovery assignments, a number of repo companies also employ drivers who patrol assigned routes in “spotter” vehicles equipped with LPR. On a daily basis, these drivers compile license plate scans that are resold to large firms running national databases. These firms, in turn, make the data available to law enforcement agencies for investigative purposes, often for a fee. They also sell the data to forwarding companies to distribute to repo agents.

Until now, the use of such “middle men” to manage and distribute license plate capture data has been necessary, as smaller companies are generally unable to implement the server infrastructure necessary to store large quantities of data. However, the latest cloud-based LPR SaaS (Software-as-a-Service) offerings from Cyclops Technologies can completely transform the market landscape in this regard. Furthermore, Cyclops’ LPR solutions can form the basis of a new, more cost-effective business model, particularly for small operators.

## **A New Vision for the Repo Industry**

Cyclops Technologies has long been the dominant player in the LPR industry, providing the most accurate, affordable, and flexible mobile LPR solutions on the market. Now, Cyclops has taken mobile LPR to the next level with its cloud-based subscription LPR SaaS (Software-as-a-Service). This new model of LPR allows repo operators to extract license plate data from their video images in the cloud via a secure Internet connection. It also permits users to create license plate capture databases in cloud-based accounts, offering unlimited storage secured by state-of-the-art encryption and transmission protocols. Furthermore, just as in the non-cloud-based version of the software, Cyclops’ LPR provides state-of-the-art reporting capabilities for data mining, pattern recognition, predictive analytics, and more.

Of course, companies that wish to invest in their own servers can purchase software licenses to install and manage the software themselves, and still have the most cost-effective LPR solution on the market. Either way, repo operators get a higher Return on Investment than is possible with competing systems. Also, both the cloud-based and non-cloud-based versions of Cyclops LPR solutions come with Cyclops’ real-time service. Finally Cyclops solutions are software-only, which means that in the event issues should arise, they can be fixed far more rapidly than traditional hardware-based systems.

## Eliminating the Middle Man

Cyclops' LPR solutions allow even small repo operators to create their own databases of LPR captures, stored securely in the cloud, without the expensive server infrastructure usually required for such an enterprise. Lending institutions, car dealerships, and insurance companies can provide their lists of vehicles for repossession directly to repo operators, who can then use their LPR systems not only to find the target vehicles, but also to collect scans of other plates which they can store. This provides multiple advantages: (1) Repo operators in a given region can form their own collaborative databases and completely bypass the large national firms; (2) Law enforcement can pay repo companies directly for data instead of paying the high subscription fees charged by the national databases; and (3) The data in these smaller local databases is guaranteed to be current, as they are constantly updated in real time. In addition, Cyclops LPR solutions have built-in automatic data retention policies, which users can employ to ensure that old data is deleted. This has the advantage not only of ensuring up-to-date information for law enforcement, but also of helping to protect individual privacy by disposing of old unused data.

Insurance companies can benefit from the use of Cyclops LPR solutions in the repo industry as well. By purchasing data directly from repo operators, they gain expanded knowledge of drivers and vehicle movements in a given area for a lower cost than they would have to pay a national firm with high overhead.

## Flexibility and More Detail

In addition to the cost savings mentioned above, Cyclops LPR solutions offer other advantages found nowhere else on the market. Because Cyclops LPR works with off-the-shelf interior mounted video surveillance cameras instead the special exterior dual-system cameras most LPR solutions employ, repo companies can conduct LPR operations covertly and avoid raising unnecessary suspicion or public hostility. Also, the use of such cameras affords the repo operator greater latitude in the positioning, zooming, and focusing of the cameras, thus breaking free of the fixed angle (45 degrees) and limited focal distance (10-15 feet) of competing technologies. It should be noted, however, that Cyclops solutions will also work with exterior mounted cameras if desired.

Moreover, although License Plate Recognition is the backbone of Cyclops' mobile LPR technology, repo operators who use them will soon have access to far more detailed information. Cyclops Technologies will soon be adding more data acquisition capabilities such as vehicle make and model, thus helping to ensure that the correct vehicle is recovered.

## Building Goodwill

Repo companies, which often are looked upon with disfavor by the general public, can help to rehabilitate this image through the use of Cyclops LPR solutions. As part of an agreement with law enforcement, repo operators can be supplied with the license plates of persons of interest in AMBER alert cases. Upon detection, police can be instantly informed. This not only helps repo operators build a better reputation in the community, it also multiplies exponentially the chances that an abducted child will be found within the critical first three hours after disappearing. This is especially true of areas where repo companies have formed collaborative networks as described above.

## Analytics

Whether users choose to purchase a software license or subscribe to the cloud-based service, they can take advantage of a back office suite that allows for data mining, pattern recognition, and predictive analytics. In conjunction with a comprehensive database, repo operators can use these features to predict where a target vehicle will be with a high degree of certainty.

## The Future

The business model that has been outlined above is the future of the repo industry. Much as with law enforcement, repo companies increasingly need to be covert and self-contained, as much to protect operator safety as to mitigate ever-increasing costs. As more and more applications move into the cloud, the repo industry is in a prime position to take advantage of this new world of subscription-based services requiring low bandwidth and minimal infrastructure on the user side.

## Conclusion

Cyclops Technologies offers the best and most cost-effective LPR and analytics solutions for the repossession and recovery industry in the 21<sup>st</sup> Century. In addition to its industry-leading LPR accuracy and unbeatable price point, Cyclops is able to provide cloud-based subscription LPR services that can liberate small repo operators, as well as the financial institutions that employ them, from the necessity of having to rely on large national license plate capture databases to find and track target vehicles. With Cyclops' cutting-edge technology in place, repossession agents can enter into a new era of collaboration with law enforcement and with one another as they gain the previously unavailable freedom to gather, manage, and resell their own LPR data. Furthermore, they can build goodwill in the community for their industry by assisting the police in locating missing children free of charge.

Additionally, Cyclops' LPR solutions permit repo operators to conduct their LPR operations covertly, which helps to protect operator safety and also increases the likelihood that target vehicles will be found.

The future of the repossession and recovery industry is one of heightened self-sufficiency, enhanced intra-industry collaboration, and lower costs, facilitated by the groundbreaking cloud-based and non-cloud-based LPR and video data analytics solutions provided by Cyclops Technologies.