



*Steve Kimber, MD of Southern Monitoring Services Ltd and Chairman of the Fire & Security Association provides a perspective on the changing face of the industry and the role that ARCs will play.*

My belief is that a significant proportion of intruder alarm installations have moved to SSAIB recognized firms. As other installers have focused on the high turnover associated with larger integrated systems and integrated signalling I would advise SSAIB recognized firms not to follow suit.

We are all in business, hopefully to make money. One off sales of high turnover delivers high returns this year for both the Company and the salesman, but what about next year? Are you willing to risk your business on continued sales growth without increasing your recurring revenue streams? If so, what values will that put on your business? Recurring revenue streams are what allow you to underpin installation activity should you wish to do so and they help cover those rainy days when sales are not so good. Many larger installers have gone through this evolution only to return to concentrating on recurring revenue.

IP signalling which is a very hot topic at the moment is not without its issues, being an industry that has traditionally designed systems down to a cost, the financials seem attractive. The training requirements for installers are very important, as is the technical support and backup from the network providers. It is really important that you consider the issues about maintaining service when the client changes ISP, routers and or network configuration. Your engineers will be called because your equipment either no longer works or their network no longer functions.

Training forms part of the requirements for the European Standards and for sure will be required to underpin licensing through the SIA and don't think that's not on the agenda. The Security Industry Authority is looking at the electronic security systems sector being licensed for

security consultants, the definition of which is as yet unclear. Perhaps if there was support from certain sectors, the reversing of the inspection bodies into the SIA would fill a vacuum if ACPO pulled away from alarm response, who knows?

The next 5 years will see a convergence of technologies deployed on site for the detection of intruders, such as webcams with motion sensing and voice over IP. Police response may not be available to confirmed alarms after 2009, ARC's will possibly need to integrate with 1st response companies and provide better levels of information in the form of video to attending officers.

With the convergence of technology comes the increased volume of data that is transmitted to an ARC, some of which is related to the dispatch of alarm systems in the form of audio, visual or sequential information. However under the new requirements for European Systems we now receive many other types of signals including mains fail, failure to end a test signal, anti masking, zone omit, polling failures are to name but a few.

Our ARC's handle over 120,000 telephone calls a month and our computers process over 1,200,000 signals a month and we make 45,000 calls a month to the emergency services, key holders and our customers, the alarm companies. So you can see an ARC is a very busy working environment, but in our case there is also the CCTV centre activity as well (RVRC). All operators who work in this area of the business are licensed by the Security Industry Authority, which is the first section of the electronic security systems to find themselves embraced by statutory regulations.

Our ARC not only handles and dispatches on Fire & Security alarms but its services are used by many other businesses outside of the Fire & Security industry. Included are lift companies, disaster recovery and contingency companies, retailers, local authority, tracking companies, industrial and plant monitoring companies and counter surveillance companies as well as the manned guarding industry. Although it is fair to say our bread and butter is the Fire & Security marketplace.

Remote service and diagnostics will become more prevalent as panels send more information and this will need to be supported by the appropriate signalling networks. I am confident that Southern Monitoring Services will continue to influence the development of products for the signalling and servicing marketplace. We are investigating the opportunity of

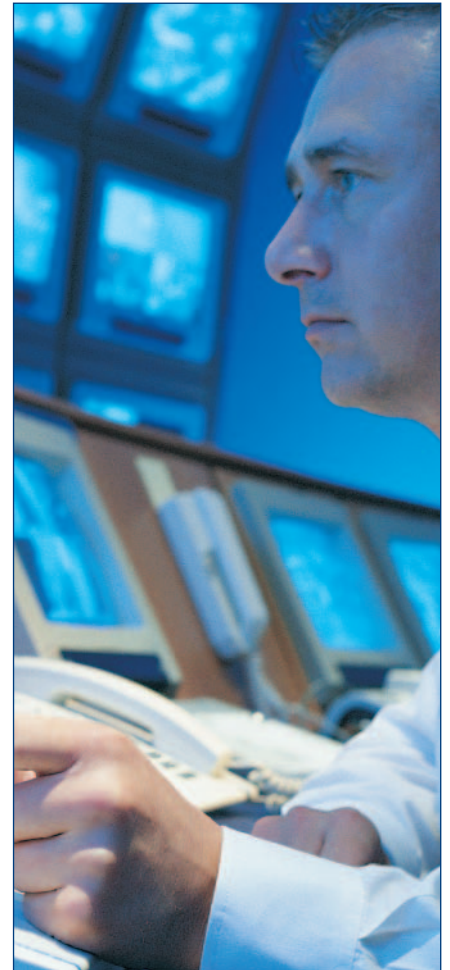
providing remote maintenance services and diagnostics for our customers in a new service desk environment. The facility would lend itself to receiving all technical alarms and liaising electronically with engineering during the working day on faults or problems as a result of remote servicing. A conclusion could be that we become the service centre for the installer 24/7, rather just outside of office hours.

Remote monitoring fees are constantly under pressure, our operational wages are increasing along with electricity costs and SIA licensing of operators, the demand to streamline and strip out cost is evermore important, as well as creating additional Fire monitoring and higher value remote service and CCTV revenue streams. However, there is a balance to be had between being highly automated and efficient and losing touch with the customer by relying on software and back office functions being carried out elsewhere in the World. Big on the outside we may be, but on the inside it is important that we maintain contact with all our customers either face to face or verbally.

Most recently as of 31st March, RedCare had terminated their contract with all the ARC's and a new contract has been offered to the industry. It is apparent that some ARC's have taken the conscious decision not to sign the new contract and probably will be changing their preference for receiving dual path signalling systems in conjunction with an increase on existing RedCare line rentals to installers, so don't be surprised if you see some RedCare price increases from some ARC's.

At Southern & Northern Monitoring we have embraced the changes enthusiastically and will continue to provide competitive prices for the RedCare product range, so no price increases from us. Furthermore we have great incentives in place for conversions as well as upgrade campaigns for both Fire & Security, where we pay you a commission for each successful upgrade. We do all the work, you sit back and enjoy the additional revenue stream and associated commission!

I mentioned earlier the need for training; well it goes a bit further than that. I believe our industry needs proper representation through the Fire & Security Association (FSA), a specialist group within the operating framework of the Electrical Contractors Association (ECA).



The FSA is dedicated to maintaining and improving industry standards by discussion and representation, the concept is one of nurturing companies through an evolutionary development of their business and the continued development of companies through coaching and mentoring. This will be facilitated through a structured approach to systems installations based around British and European Standards along with business development courses, opportunities and benefit packages including a Warranty Bond scheme to protect the client.

In summary, get into those recurring revenue streams, start promoting remotely monitored systems and grow your business with the help of both your ARC and the Fire & Security Association.

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