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# Service and standards are the best solutions



**Neville Kiely**  
Managing Director

THE alarm industry is about to enter its toughest year yet. Not only does it face challenging economic conditions, but also significant technology shifts, and increasing pressure from police to resolve the problem of false alarms.

In terms of the economy, alarm businesses can act to recession proof their business and ride out the roller coaster ahead.

Concerning the other two areas — technology and preventing false alarms — there is plenty the industry can and should do to master its own destiny.

As digital technology becomes the norm in telephony, and default in alarms, Central Monitoring has moved quickly to future proof its service; we have taken on two IP monitoring products — Emizon and Fratech — as replacement options for the soon-to-be-defunct Securitel, as well as investing in a fibre optic upgrade.

Also, there is no reason why such IP products cannot be sold as alternatives to dialler monitoring. Especially when they offer fixed fees - as opposed to consumers paying hidden costs in phone bills — and a higher level of security. For that to happen, alarm installers need to get to grips with IP technology. Technical knowledge, however, is not enough. Sales people need to work at how to design and sell alarm systems in the first place.

Sadly, over the years, for many, the view of monitored alarms is that they have become a commodity - where the sale is no longer a negotiation based on establishing a long-term relationship — but a transaction where the primary concern is the cheapest deal.

Instead of alarms being designed to well defined standards and sold on the high level of service, they are sold primarily on price, leading to cheap kit, cut down to the bare minimum, sold at the lowest weekly monitoring price.

With police tightening rules — and charging for calls — for police response, a well designed system and professional monitoring is more important than ever before.

After all, if a system is properly designed, with quality equipment used, and proper installation procedures followed, chances of false alarms are dramatically reduced.

With up to date key holder information, correct response protocols and a nominated security patrol response, chances of having to call police are reduced even further.

The greatest tool in a tough market is professional service and higher standards — and an industry prepared to sell security, rather than a cut-price commodity.

# Securitel farewells with price hike

SECURITEL — due to cease operation in December — will increase its prices by 20 per cent from March 1, increasing pressure on customers to switch to alternative monitoring systems.

The only way to avoid the price hike, says Neville Kiely, Central Monitoring Services' managing director, is to switch to a Securitel alternative.

Besides, with time fast running out, the need to switch is increasingly urgent, Kiely adds. "When Telstra increases its [Securitel] fees, Central Monitoring Services has no choice but to increase its fees, accordingly," says Kiely. "The fact is, because Securitel will cease operation in December this year, customers should be switching to alternative systems now anyway."

Kiely points out that Central Monitoring offers two Securitel alternatives: the Emizon 21 IP network and Fratech Multipath IP.

"We have not taken up the Telstra alternative, because the two existing products we offer fulfil both our service provision and customer needs, at this stage," says Kiely.

## Securitel countdown

*November 21, 2007:*

Closedown announced.

*February 1, 2008:*

Sales to new customers cease.

*November 27, 2008:*

20 per cent hike in fees announced.

*January 1, 2009:*

Sales to existing customers stop.

*March 1, 2009:*

20 per cent fee increase starts.

*December 31 2009:*

Goodbye Securitel.

The Emizon and Fratech products provide Primary Ethernet and Backup GPRS as standard. Both Emizon and Fratech also provide Australian Standards AS/NZ2201.5:2008 Class 3 and 4 services, the same level as Securitel. Also,

converting systems is technically relatively simple and should ultimately prove cost effective to the customer.

"Most panels can accommodate the removal of the Securitel STU and be replaced by the Emizon TCD or Fratech STU with little other change and no connection fee," says Kiely.

Despite continual warnings that Telstra is phasing out Securitel services — sales to existing customers stopped on February 1 2009 — in the run up to ceasing operation, the conversion rate has been slow. With about 30-50,000 Securitel clients nationwide, only an estimated 30 per cent have been switched to alternative paths so far.

"The very real danger is that installers are going to run out of time," says Kiely.

"If, say, you have 100 Securitel clients and begin changing them in March, you are going to have to be doing 10 a month. Leave it until May, and that number goes up to about 15 a month, and so on, and by October you will be doing 30 a month.

"The sooner installers begin to make the alternative arrangements, the better it is for them and their customers."

There are also benefits that make IP an easy sell, even to customers not with Securitel, especially in the run up to both Telstra and Optus turning on their digital networks at the end of the year.

"There are solid financial and technical reasons for switching to IP," says Kiely. "Like Securitel, our IP products are fixed price and do not incur telephone costs, which are often a hidden cost to the customer."

## Digital dilemma in short

- Optus and Telstra begin digital telecommunications networks in 2005, for completion by late 2009 - early 2010.
- All PSTN services to be migrated to a Multi-Service Access Network with an IP core by the end of 2010.
- ADSL, ADSL+ VoIP and Naked DSL are already commonplace.
- Signs are that security alarm diallers using DTMF are already being affected.
- Diallers looking for 50 volts to operate will almost certainly fail.
- The only indicator of the rollout happening may be loss of communication or multiple call costs to the consumer.
- More than one million digital dialler alarm clients around Australia could be affected.
- **Customers should act now to future proof alarms.**

"The IP products are compatible with digital networks, VoIP, and Naked DSL services, and offer a higher level of security than an ordinary dialler, which may or may not work with digital phone transmissions.

"A connection to IP security monitoring future proofs an alarm system, fixes monitoring costs, and provides more flexible monitoring. They also offer higher levels of security, because the multiple paths ensure they are always on service - using different technologies and lightning speed."

To find out more about Emizon, Fratech and IP monitoring, contact Suzette or Scott on 02 9809 9288.

## CMS telecoms upgrade

AS PART of its continual drive to improve services, Central Monitoring has upgraded its telephone network to fibre optic cable. "The latest investment in our communications is another sign of the growth of digital systems and IP technology," says Neville Kiely, CMS' managing director. The high-speed network access will allow for growth in IP monitoring, in addition to improving the reliability and speed of telephone and internet services.

## Tip o' the hat...

AS IMPORTANT as the latest technology and communications may be, professional monitoring still comes down to the right monitoring centre staff. This quarter, staff who have gone above and beyond in service are:

- Dec 2008: Jennifer Plattner
- Nov 2008: Stephanie Manley
- Oct 2008: Shirell Cowgill

Thank you, well done and keep up the excellent work.



• Shirell



• Jennifer



• Stephanie

# Police tighten response rules

NSW POLICE has introduced fees for monitoring companies calling a dedicated 1900 telephone number requesting police response.

The fees, which came into effect on December 1 2008, are aimed at reducing the number of false alarms police are called to.

According to NSW Police figures, Police received 80,809 calls from alarm companies in 2007/08, of which 95 per cent were false alarms or follow-up calls cancelling police attendance.

Comparing figures, call numbers dropped from 8,629 in December 2007, to 2,930 in December 2008.

The rate of false alarms, however, remains high, with only 6 per cent of the December 2008 calls identified as genuine.

NSW police says, though the overall drop in the number of calls is a "pleasing result", the high number of false alarm calls is "still a major concern".

NSW Police operators claim that "it is obvious that some companies make little or no attempt to validate whether an activation is genuine or not".

Other concerns raised by police, include:

- The number of duress alarms being reported as hold-ups, which breaches the alarm response agreement

with monitoring centres, as well as potentially putting police and public at risk.

- Companies using 000 services to report alarms, possibly committing an offence regarding improper use of emergency numbers, which police will prosecute if deliberate deception can be proven.

- Operators failing to supply the nearest cross street. From March 2, police operators will ask monitoring centre staff to call back when the cross street has been identified before any action is taken.

- Customers being asked to contact police directly, which in itself is not an issue, but customers will be questioned as to the validity of the alarm activation.

"Over the last four years, the NSW Police has been consulting with the security industry about the number of false alarms they are being asked to attend, and the end result is that they have had to get tougher to reduce calls to false alarms" says Neville Kiely, managing director of CMS.

The new charge of \$6.85 per call, plus a handling charge, will be passed onto the person responsible for paying CMS for monitoring, which, Kiely says, is no different to calling the fire service, which can entail both costs and property damage.

"Our standard response instructions have always been heavily weighted towards security patrol response, rather than simply calling the police," says Kiely.

"Clients should be made aware that alarm activation is best handled by security patrol response and for police only to be called for a crime in progress or for verified alarms in high risk situations."

CMS adheres to four schedules for alarms:

Schedule 1: Urgent alarm line calls for life threatening situations.

Schedule 2: Non-urgent calls for verified alarm attendance with a keyholder.

Schedule 3: Alarms that must not be given to police unless verified as a crime in progress.

Schedule 4: Information to be provided to police.

Customers signing up to allow the 1900 number called will need to ensure that equipment and descriptions for hold-up devices are correct.

To discuss or review conditions, call CMS on 02 9809 9244.

## Baton and handcuff use clarified

NSW HAS amended its weapons laws to clarify who can legally carry handcuffs and extendable batons.

Under an amendment to the Weapons Prohibition Regulations, introduced in December 2008, security licensees holding subclasses 1A, 1D, 1F or P1F, can use handcuffs and extendable batons, but only while they are performing the activities authorised by their licence, and only if the Firearms Registry is satisfied that the licensee has been trained in the use of the prohibited weapons.

The Firearms Registry is currently reviewing training requirements for people exempt from the requirement to hold a permit to possess and use handcuffs and extendable batons.

When that review is completed, details will be posted on the Firearms Registry's website. The new amendment was made to Schedule 1 of the Weapons Prohibition Regulations 1999 to correct an error caused when the security industry legislation was amended on 1 September 2007.

## Consider your response

### Hold-up/Duress alarms

- Activating devices must be connected to a separate zone.
- An exact description of the location.
- Double push devices to be used to avoid accidental activations.

### Keyholders to all events:

- Preferably three keyholders with keys, alarm code, and prepared to attend.
- More maybe needed; if none of the keyholders responds, CMS can no longer default to calling police.
- Use of security patrol response as default should be seriously considered.

### Request for police attendance:

- Monitoring centres can no longer call police simply at the request of the keyholder, to do so would

breach the 1900 number contract.

- Only in cases of emergency or crimes in progress can 000 be called.
- Police can, and at times have, fined people for calls to false alarms.
- Police never advise third parties, such as monitoring centres, of the results of their attendance.
- Customers can report incidents after an event or at a later date to 131 444.

### Update keyholders:

- Keyholder information should be updated twice a year, especially since people change mobile numbers frequently.
- Updating details only takes minutes, and can be done by phone, fax or email.

## Strongarm sales warning

DOOR-TO-DOOR alarm salesmen are using strongarm tactics, tricks and lies to drum up business, especially on NSW's Central Coast, says CMS.

"We have received a number of reports of sales people going door-to-door and making claims that CMS does not exist, or does not provide the services it, in fact, does," says CMS.

In addition to lies, these sales people reportedly often resort to tricks to "prove" their point.

In one case, an elderly woman allowed one salesman to inspect her alarm panel and, while doing so, he unplugged the dialler. He then triggered the alarm and said, "See, it doesn't work."

The woman called her alarm installer, who found the dialler unplugged, but the woman could not explain how it had come to be so. It was then she told him about the salesman's visit.

"People need to be aware that these kinds of people are about. At times, they will use strongarm tactics, at others, outright lying and deception," says CMS.

If consumers feel threatened in any way, they should call the police. Also, ASIAL has a complaints procedure in place (should the salesperson work for an ASIAL member).

## Customers say...

FROM the call logs: Darren says he "loves CMS' work". Another Darren says CMS "does a good job of monitoring". Alan says: "CMS do a great job and don't get thanked enough for it — good work!"

Helen would like to pass on that she "truly appreciates CMS' service and promptness and feels safe, now CMS is looking after her" and wouldn't "trade CMS for any other monitoring company". Niel comments that CMS is "doing a good job, as always". Lyndal thanks CMS for "always being on the ball when

## Emizon appoints new manager

EMIZON, the advanced, secure, dual-path alarm signalling service provider, has appointed Jonathan Johnson as Business Manager for Australia and New Zealand.

Sydney-based Johnson will head up the company's expansion into the Pacific region, where Emizon's Global 21 service is proving an increasingly popular choice for monitoring centres and installers seeking a secure, user friendly and cost effective replacement for Telstra's Securitel service.

Johnson joins the Emizon team from SECOM Australia, where, as Business Development manager, he managed major clients with more technically challenging systems. He brings over 10 years of experience in the region to the team. With a background in electronics, his career has spanned technical, commercial and more

latterly business development roles at senior and national level.

"With more than 20 Monitoring Centres already embracing Emizon, it's great to be joining

Emizon at such an exciting time in its development," said Johnson. "With the National broadband rollout accelerating, the opportunity is enormous, and I am thoroughly looking forward to working with such a great team of people."



*Johnson: to head up Pacific region expansion.*

## Better gun security needed

THE AUSTRALIAN Institute of Criminology (AIC) is advising gun owners to take greater care with security after an increase in firearm theft was recorded in its latest report. The Firearm Theft in Australia 2006-07 annual report shows 1,526 firearms were stolen in 626 reported incidents in 2006-07, representing an increase of 81 stolen firearms from the previous year.

AIC Research Manager, Dr Judy Putt, says that while the incidence of firearm theft in Australia had remained relatively constant in recent years, safe storage of firearms remained a serious issue for law enforcement agencies.

"Around a quarter of owners who reported a theft in 2006-07 were known not to have complied with the requirements for safe firearm storage," Dr Putt says. "And of those, one in five owners locked their firearms in an approved receptacle but had not properly concealed their keys.

something happens" and for "always being quick to respond".

Gordon rang to thank CMS for "the excellent service provided". Stefan says a "big thank you to Ross for all his help with an Emizon account — very much appreciated".

Tom called to say he is "very happy with CMS". John says he would "like to thank CMS for the professional and wonderful service he receives and a big thank you to the operators who helped

"In some incidents, firearms were stolen from unlocked vehicles, left lying in unlocked sheds or stored in wardrobes and cupboards." The report found firearms were largely stolen from private residential premises (76% of incidents). The majority of incidents involved theft of multiple firearms, with rifles and shotguns comprising the bulk of firearms stolen (57% and 25% respectively). Handguns represented seven percent of all stolen firearms. Most firearm thefts (86%) resulted from the unlawful entry of a home, business premises or vehicle. Dr Putt says the report found that firearms from only a small proportion of thefts were used in subsequent criminal activity. "Firearms stolen in just 13 firearm-theft incidents (3%) were later involved in the commission of an offence," she said. The Firearm theft in Australia report is available at [www.aic.gov.au](http://www.aic.gov.au).

him reset his panic alarm, it was very much appreciated".

Lyce advised she is "very happy with the service" from CMS. Jamie thanked CMS staff for their help. Natasha says she is "extremely happy with the service she received from the control room following a break and enter...well done". Darren notes it is "good to see that CMS is so efficient".

Karen "thinks CMS are great - the way they always action alarms so quickly".

## Beat the recession blows

REGARDLESS of how deep or how long the affect of economic crises on industry may be, small-to-medium size businesses — because of their potential to react and change quickly — are perhaps best placed to survive any downturn.

But, it will take proper planning and effort — not to mention the right outlook.

**Look ahead:** Look at your books and prepare a 12-month cash flow projection, allowing for a 10 to 20 per cent drop in revenue. Identify what changes you can make and when. For example, are leases coming up for renewal? Can office space be reduced? Are there better deals to be had on the likes of phone services? After all, even if revenues remain steady, you'll still be making your company more profitable. From appearance to policies, make everything as efficient as possible. Drop services that are not profitable in favour of ones that are. A little investment of time into investigating these areas can potentially save serious money.

**Keep your customers:** All businesses will be affected by the state of the economy — and the best long-term relationships are built in hard times. Find ways to keep in touch with your customer base, even if it is as simple as an email update, phone call, or complimentary service check while in the area. Downturns can also mean an increase in crime, so keep in touch with customers about their future security needs.

**Look for business:** The really smart business manager will cut costs and increase sales. This is not a time to be cutting back on advertising or marketing efforts. Renew your sales efforts and consider potential new markets. Look to existing and past clients. They may have projects coming up, such as moving premises; make sure you are the first to know. Successful small businesses can win a bigger share of a shrinking pie, especially since businesses may be less inclined to stick to the big name security providers.

**Get involved:** Make sure your local area knows you, and not just as a business, but as a part of their community. Joining Rotary, your Chamber of Commerce, or sponsoring school events and community campaigns will bring you closer to existing and potential customers. Charity is a good way to help others, while getting your name out there. Customers will continue

to buy security services, and they'll do so from companies well positioned in the marketplace and the community.

**Maintain prices:** Selling on price is a bad mistake in the best of times, not to mention somewhat stupid in the worst. You may be tempted to think that dropping prices will increase cash flow. But it will also cut profit margins — or see them disappear altogether — and can potentially ruin your reputation, with customers in the future expecting cheap deals. It is by no means easy, but you will be glad you held firm.

**Think service:** Make sure you, and your staff, do everything to create a positive customer experience. Courtesy, eye contact, a handshake, presentable installers, cleaning up after an installation, and a thank you note - provided free and without fuss - will help your company stand out. Ensure that every step, from making a quote to commissioning a system is part of your customer service strategy. It's not all about money and products; exceptional customer service is one of the best ways to add value without costing money.

**Look to improve:** Selling the cheapest kit and cutting corners on installation wastes money. Look at your service calls, especially when it comes to false alarms. Each call is potentially both time wasted and the basis for losing a customer. Make high quality equipment and proper installation part of your ethos. Explain to potential new customers why you take such care to use the right equipment and adhere to Australian Standards for installation. The aim is to be as efficient and effective as possible so as to ensure your company runs smoothly and profitably.

**Tackle technology:** If economic woes aren't bad enough, the alarm industry is in for a tough time with technology changes. Securitel ends this year. By the beginning of 2010, the major telcos will be switching, or already have switched, to digital networks. The time to switch Securitel customers over to replacement paths, such as Emizon21 or Fratech Mulipath, is now. Now is also the time to start thinking about future proofing your customers' digital diallers. If you delay too long, someone else will be offering your customers their solutions, and the loss will be yours.

**Invest in staff:** Many employees are going to be nervous about their future. Involve them in solutions for improving productivity. Impress on

them the importance of confidence and professionalism. Consider incentive schemes, reward programs, and training opportunities. Simple recognition, such as a letter of commendation, will cost next to nothing in fiscal terms but provides immeasurable payoffs to employee morale. Another relatively cheap, but valuable, incentive can be offering time off for a job well done.

**Stay focused:** Despite the rough patches, don't get bogged down in the present — keep an eye on long term goals. No one knows how long this current economic cycle will last, given the variety and complexity of economic factors in play. All decisions, cutbacks, and improvements must be aimed not only at making your business better for today, but long into the future. Think about the long-term effect - three to four years down the track - before taking measures such as slashing prices, laying off staff, cutting overheads or lowering standards.

**Develop yourself:** In tough times, bean counters look for ways to cut costs - smart business people ask how they can make more money. Work at being one of those smart business people. Identify the skills gap holding you back and do something about it. Talk to business leaders, read business books and magazines, get feedback from staff and customers, look for short courses and attend seminars or conferences.

**Be a leader:** Even if you only have one or two employees, you still need to make the most of their abilities and aptitudes. True leadership - especially in difficult times - is not only about eloquent speeches and motivational rallies. It is about confidence, sensible planning, effective decision-making, and regular communication. Your staff - and, for that matter, your customers - need leadership that is supportive, concerned and committed to their welfare, while recognising that tough decisions need to be made. It is about building trust that brings hope for better times in the future, and coping with the current economic climate much easier.

**Begin now:** By staying positive, being aggressive in going after market share, and developing recession-proof strategies, you can build assets, opportunities and profits, while other businesses face extinction. During a downturn, the answer is to change now, but maintain high standards, be alert to opportunities and continue to stay in the game for as long as it lasts.

CMS made its celebration all about kids and family as it entered its 20th year of business.



Left: *I didn't get this off that strange man:* Rose, her daughter, Bianca, with Neville. Above: *And next, we'll show you how to update keyholders:* Suzette (left), her daughter, Ziah, with Lisa.



Above Left: *Family and friends are what count:* (top l-r) Jennifer, Amy, (New) Sue M, and Shirley. (bottom l-r) Merran Kiely, Eric, Sue C, Mary, and Angela. Above Right: *All hats and flowers:* (top l-r) Amy, New Sue M (bottom l-r) Sue C, Mary, and Shirley. Left: *No, no, no, that's not the real Mr Kiely:* Amanda with Jonathan (Amanda's Son), Cooper (Lisa's little man), Marcus (Amanda's Son), and Santa of course! Left Below: *You don't really have to be crazy to work here:* Shirell, Maria and Kelly. Below: *CMS has much to smile about:* (top l-r) Jennifer, Sue M, Amy, and Kristen, (bottom l-r) Chris, Shirley, Sue C, and Mary.



we have invested heavily in an important business

your business



cms

Central  
Monitoring  
Services

11 Porter Street Ryde NSW 2112  
E: [alarms@centralmonitoring.com.au](mailto:alarms@centralmonitoring.com.au)  
W: [www.centralmonitoring.com.au](http://www.centralmonitoring.com.au)  
T: + 61 1 300 655 009  
• ACN 003 630 877 • ABN 64 003 630 877  
Master License Number 401988582

You work hard to win customers. And Central Monitoring Services works just as hard to keep them for you. Always has. Always will. Offering only the best in monitoring equipment, staff, management and resources. Now CMS goes even further. Helping you win more customers.

We know looks are not everything. But, our customers tell us it makes a difference in clinching deals. So we have redesigned our premises from top to bottom. At CMS advanced technology and years of experience combine with modern style and careful design. Creating an atmosphere of total professionalism. You can confidently showcase the monitoring service you offer your customers. Because, when you bring your customers to CMS, you just know they are going to be impressed. We have even added conference and training facilities for your customer presentations. Which means you can compete with the biggest - by demonstrating you are with the best.

To find out more, or to arrange to see for yourself how CMS invests in the success of your business, call

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