



Sign Up for EM24's New Program that Provides FREE Videofied Hardware and Pays You to Install Alarm dealers can optimize their cash flow and use their money as needed most



- Video is the future of the industry and the provided equipment from EMERgency24 delivers a higher level of protection for subscribers.
- You pay nothing for equipment use.
 - We PAY YOU for installation.
 - We PAY YOU for new service agreements.
 - We PAY YOU for each renewal.
 - Paid service visits after first year of agreement.
 - Free training for sales people and technicians.
 - Free leads from www.VideoMonitoring.com.
 - Free mobile-compatible web portals for dealers and subscribers.
- For more information on EM24 Video Monitoring, contact the Sales Department at 855.760.0030.

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The Transmitter

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What You Need to Know About New Video Program

With no out-of-pocket equipment cost and immediate funding for the value of the subscriber service agreement, EM24 has another way for alarm dealers to go to market. "This program was developed to empower alarm dealers to grow their business with an instant cash infusion and no upfront investment further than your time and efforts," said Kevin McCarthy, National Sales Manager. "We take care of everything from credit checks and monthly billing to handling technical-support calls and arranging for paid service visits. This allows dealers to focus on their core competency: sales and installation."

EMERgency24's innovative program keeps participating dealers stocked with Videofied equipment to sell and install at any time. "Dealers can count on EM24 for a reliable supply of Videofied equipment," McCarthy said. "By receiving equipment for installations and cash up front, dealers won't be in a position of passing on a job because of equipment costs and their credit is tight. At the same time, dealers develop a revenue stream and they are still building an asset value in subscriber accounts."

If a company sells just ONE base-

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EMERgency24 Helping to Define Video Verification

Company leaders on the committee to define best practices

EMERgency24 is part of a combined alarm-industry, public-sector and private-sector coalition that is tasked with defining the process for video-alarm verification that will be recognized as a best practice and may eventually become a nationally recognized American National Standards Institute regulation.

Senior Vice President Patrick Devereaux and Vice President and Director of Technology Baird Larson both are on the Partnership for Prioritized Video Alarm Response (PPVAR) committee that is updating an existing standard that was developed by the Central Station Alarm Association ten years ago.

"The standard we follow now is effective, but what we are doing with this version is making sure we reflect the increased technological advancements, as well as give greater confidence to law enforcement that we are dispatching on a true emergency instead of a false alarm," Devereaux explained. "For this version, we have law enforcement agencies from across the United States giving their input. It is critical that law enforcement has confidence in the procedures we prescribe. Without their support, this would be a wasted exercise."

The draft of the video-verification standard call for central station monitors to review the video stream or

clip and then perform a Threat-Level Assessment.

Under the proposed guidelines, a Threat-Level Assessment is based on a numeric system in which the observed presence or lack of presence of human activity dictates the actions taken by an operator.

Threat Level 1, for instance, is assigned when the video shows no apparent human activity. Threat Level 2 shows human activity but no discernible suspicious or criminal activity and no apparent criminal activity about to take place.

Threat Level 3, the highest priority tier, shows human activity (suspicious or possibly criminal) either in progress, having just occurred, or about to take place.

"For a Threat Level 1 assessment, monitors will treat this like a traditional alarm and make call-list notifications. For Threat Level 2, the presence of a person at the protected property does NOT constitute probable cause to believe a crime is in progress," Devereaux said. "However, once a member of the call list has been contacted and the monitor is told there should not be anybody at the protected property, then the presence of a person does constitute suspicious activity. We would dispatch this as a crime in progress."

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Check out EM24's new website with many more dealer features!

Marketing Metrics May Change Your Mind on Door-to-Door

The fastest growing company in the alarm industry, Vivint, added 161,441 new subscribers during the first three quarters of 2013 by selling to homeowners using door-to-door tactics.

Between 1999 until the beginning of 2014, the company cultivated an astonishing 800,000 subscribers. Yet for some reason, many alarm dealers across the country have spurned door-to-door sales while others have spent a lot of energy railing against it.

Unfortunately, both of those reactions leave the door open for any enterprising company to do a sweep through your traditional territory and claim the low-hanging fruit that could have been yours.

The fact of the matter is: door-to-door sales is here to stay. So why not claim (or protect) what's yours and pay a properly credentialed employee to canvas neighborhoods? (Please understand that we admire Vivint's impressive rise and encourage alarm dealers to practice ethical door-to-door sales as a part of their marketing spend.)

The Economics of Going to Market

Word of mouth is great, but you can't rely solely on only your customers to promote your business. The Yellow Pages once had use — not so much any longer. Bidding on Internet search terms can be expensive and the national companies have pretty much pushed the price-per-click beyond sustainable levels. And while some of the larger regional companies buy TV/radio placements, that is not possible for most alarm dealers.

So how do today's average-sized companies promote their security services?

Are you focusing on direct mail? Using rough costs, a single sheet in a 500-piece, front-to-back print job costs about \$0.50. Then you need to add in \$0.49 for each stamp. This does not account for the cost of developing the marketing materials, nor the rental of the mailing list that is likely aged and atrophied.

Also keep in mind that the best direct-mail campaigns will result in about a five percent response rate, which is 10 to 30 times higher than email blasts. However, based on ROI, email outperforms direct mail by up to 400 percent.

The reason is that the net you cast with email blasts can be far and wide without the printing and postage costs. If an email bounces back, so what? It cost you nothing.

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package system a week, this equals \$36,000 in revenue. Keep doing that for five years and you've made a quarter of a million dollars. Plus, you have a little over \$214,000 in potential market value based on a 36 multiple.

With the way the program was

designed, a dealer can financially justify adding staff to sell this system and cover costs now in order to enjoy the huge benefits down the road as renewals are signed. "We anticipate that this program will be very popular with new dealers who may not have a

lot of cash flow. They continued to get paid as the cycle of renewals churns in the coming years," McCarthy said.

To enroll in the program, dealers should call the EMERgency24 Sales Department at 1-855-760-0030.

RMR Marketing Metrics You Should Track

Customer Acquisition Cost (CAC) is your total sales and marketing cost. That includes your advertising spend, salaries, commissions and bonuses — for a specific time period. Take that total and divide by new customers in that time period to determine the CAC.

Using the figures of an average direct-mail campaign of 2.5 percent, you can estimate you'll gain about 12 new customers with those 500 printed sheets referenced earlier.

Based on printing at \$250, \$245 for postage, \$350 for its development and \$50 for list rental, the cost is \$845. ***That puts the CAC at \$74.58 for this direct-mail campaign.***

For our industry, which is based on recurring revenue, you need to compute the Lifetime Value (LTV), which is the revenue a customer pays you during a period, subtracting the gross margin, and then dividing by the estimated cancellation rate percentage for that type of customer.

So, for a customer who pays you \$600 per year when gross margin on revenue is 38.72%*, and that customer type is predicted to cancel at 5% per year, then the LTV is \$232.32 annually. Now, once you have the LTV and the direct mail CAC (\$74.58), you compute the ratio of the two. **For this direct-mail campaign, LTV:CAC is 3.11 to 1.** Remember that a higher ratio means you have a higher ROI.

If a dealer chose to hand deliver the same material from the direct-mail campaign to the same addresses to which those were mailed, the impact is tremendous. **Even after adding \$100 for someone to affix the material to those 500 doors, by eliminating the cost of postage and list rental, the CAC is reduced to \$58.33, which changes the LTV:CAC ratio to 3.98 to 1.** This is a 22 percent ROI advantage for door-to-door sales compared to direct mail. Plus, you may have the chance for meaningful sales conversations along the way as the material is delivered.

Although these are all generalizations, you can see that there is greater value for door-to-door sales when compared to direct-mail campaigns. Even if door-to-door sales will never be the main marketing tactic your company uses, doing an occasional neighborhood sweep in densely populated areas can be quite profitable. Failing to do so in the areas where you have the greatest concentration of customers could prove just the opposite should your competition choose to market to your existing customer base.

* http://www.paulweyland.com/gross_profit_margins.pdf

Promote Your Strengths to Generate New RMR

Increasingly, alarm contractors and electricians are competing for business as technologies evolve and system integration often includes audio and visual components, as well as smart-home automation capabilities.

Even in jurisdictions where licensing restricts security system installation to its trained and traditional practitioners, the lines are blurring as to where the entertainment and security systems intersect.

One way to leverage your security experience is to target home and business owners with information about integrated security services while promoting the distinguishable fact that your years of experience of working with a central station to monitor accounts makes your firm the best one for the job.

Make it clear that the most critical integrated-system components — meaning the burglar, fire and environmental-monitoring devices, as well as two-way voice capabilities — are your forte. If you, as a prospect, had to choose between companies with similar offerings to install an integrated system, wouldn't you hire the firm with that specific skill set that could help protect your family or employees?

Offering A/V installation services may even present an opportunity to focus on vertical markets, such as multifamily housing, assisted-living facilities or retail establishments to name a few. More and more, electronic security is displacing human guards, so just planting that seed now may bear fruits later.

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The urgent Threat Level 3 is defined as instances when there is clear and evident indication that a crime is in progress or has happened. For example, even though the video may not show a person wearing a mask to hide their identity, if the video clip shows a broken door or window,

Target Existing Customers' Markets *If it has a sensor, it can be monitored.*

These should be encouraging words for alarm dealers who work with an advanced central station.

As a sales-driven industry, your choice of a central station impacts what services you are able to provide customers, and as such, the recurring monthly revenue (RMR) you are capable of generating.

It makes sense then that you look at your existing fire/burglary customers — in particular commercial accounts — to see what other services they might purchase from you on a regular basis. For example, you could target vertical markets such as manufacturing plants. While it is very likely they have a full-blown commercial fire system in place, alarm dealers can lock in more revenue by monitoring their operations.

The reason is that the owner of a product-producing plant is as keenly interested in knowing that production is at planned levels as he is about the protection of the facility. Learning from the customer about their operations and which components can output important data in real time enables you to customize a monitoring program that can alert of mechanical failures or environmental abnormalities.

Another untapped revenue source is monitoring the virtual world of online enterprises that indeed require brick and mortar facilities. Just like a manufacturer needs to know product is being produced for sale, the online entrepreneur who counts on clicks to

monitors will tell the dispatchers that they have a video-verified alarm event that is a true emergency. "Keep in mind, this work is still in the draft phase and we have not implemented it here at this point. Our monitors will follow all existing protocols until trained to do

meet payroll must know immediately if/when their site fails.

However, unlike a manufacturer that has live humans on the production line, an online business owner will not notice anything is awry unless they actively seek out the data from clicks and sales several times a day. Until that happens, their business has effectively shut down.

By thinking of all possibilities of monitoring — not just the traditional ones — that can be applied in similar settings, dealers can come up with comprehensive bundled package for different vertical markets.

Leverage EMERgency24's Advanced Technical Capabilities

The single most important aspect of system monitoring is that failure is not an option. There is a tremendous difference between third-party audited central stations and companies that maintain an alarm receiver and employ a few call-takers.

Explain to your customers about UL-required fail-safes, contingency plans and requirements for multiple locations to achieve true redundancy. Let them know about training and staffing provisions that must be followed, as well as periodic testing procedures that must be performed.

Be sure they are aware that if a central station does not follow the industry's best practices, have N+1 redundancies and open its facilities to outside auditors, they are betting that central station never encounters a utility problem or suffers the full wrath of Mother Nature.

These are all points in your favor when competing with novices.

differently," Devereaux said, "But the goal of this document is to standardize how the entire industry shares information with law-enforcement so they are confident that when we say we have a video-verified crime in progress, they will proceed to the premises with increased priority."