

Service is the buzz of Securing New Ground

By L. Samuel Pfeifle, editor

NEW YORK—Here at the Roosevelt Hotel on Madison Avenue, the 12th Annual Securing New Ground conference was dominated by speakers emphasizing the increasing importance of service revenue for security systems integrators. From featured speakers Julie Donohue (vice pres-

ident of IBM Global Technology Services for Security and Privacy) and John Koch (president of ADT North America) to “Reinventing the Dealer” panelist Joe Nuccio (president and chief executive officer at ASG) to conference co-host Jeff Kessler (industry analyst at Lehman Brothers), the message was loud and clear that forward

thinking integrators are looking to increase service revenue and financial players highly value those efforts.

Antonio Cintra, president of UTC's Security Services Americas division, went so far as to say, “I don't think of my company as an integrator, I think of us as a service provider. We're basically

half educators and half business partners ... service is the key differentiator. Despite this somewhat obvious statement, it's incredible how many integrators walk away from service after installation.”

Cintra sat on a panel calling integrators “the industry's magicians,” but the message gleaned from Cintra and fellow panel-

ists George West (vice president and division head of Security Systems for Siemens Building Technologies) and John Sheridan (director for security solutions at Nortel Networks) was that there is surprisingly little glitz related to how they achieve success. Sheridan said end users are primarily focused not with high technology but with the simple concepts of on-time delivery and competent project management, concepts that are easy to promise but difficult for many integrators to deliver.

Asked point blank by Kessler what portion of UTC/Chubb/Red Hawk's revenues was created through service contracts, Cintra pegged his Canadian operations at roughly 50 percent, with U.S. revenues at 30 percent. West put his global number at 40 percent. Sheridan said Nortel was in line with those numbers, and said a 35 to 38 percent operating margin was also attainable for integrators, “if you have a good service mix.”

Nuccio, whose presentation did not yet reflect ASG's purchase of Matrix, said this commitment to service is going to define the smaller dealer of tomorrow, as well. He outlined new RMR creators like digital cellular communication services, GPS services, remotely hosted video and centrally hosted access control as examples of services that most dealers could offer in the near future without deviating from their skill set.

“The key to dealer success,” Nuccio said, “is turning services into things you can charge for every month ... everyone's starting to understand it's not installing the product, it's drawing an attachment to that customer.”

On the whole, Securing New Ground reflected the business community's increasing interest in the security marketplace. Despite being in operation for 12 years, SNG reported a 20 percent jump in attendance, from roughly 250 in 2006 to roughly 300 in 2007. **SSN**

Alarm

Continued from page 6

respond to a third false alarm in any 90-day period for residents, or any 180-day period for commercial alarm owners. Fees rise to \$150 for a fifth alarm in that time period. Should firefighters respond, fees rise further to \$100 for a third false alarm and \$500 for a fifth.

GREENVILLE, N.C.

The Daily Reflector reported that a false-alarm ordinance that went into effect July 1, is now being enforced as of Oct. 1. The city has launched a media campaign

ALARM see page 9

Advertiser