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Success Stories in Non-Traditional Monitoring

By JoanEngebretson

Monitoring companies have found new opportunities to branch out and increase recurring revenue.

Alarm monitoring sales generally keep pace with new sales of monitored systems. That means that in the current era of sluggish growth in alarm system sales, savvy central station alarm companies are looking for new opportunities outside their traditional monitoring business. Although some of these are niche opportunities, they are likely to grow in importance in coming years — and often provide significantly greater margins than alarm companies are accustomed to seeing on the monitoring side.

In this article, *SDM* profiles five alarm companies that have successfully branched out into new lines of business. This article also explores the economics and potential returns involved with these new offerings.

Vehicle and Asset Tracking

When policy makers required wireless phone service providers to be able to pinpoint the location of their customers, the goal was to enhance emergency response capability for 911 callers. But once carriers deployed that capability in their networks, it also opened some new revenue opportunities – for themselves and for central station monitoring companies. One central station that has begun to tap some of those opportunities is Acadian Mobile Monitoring, a business unit of Acadian Ambulance of Lafayette, La. Through a partnership with Guardian Mobile Monitoring Services Inc., Santa Monica, Calif., Acadian offers vehicle and asset tracking services that rely on the Cingular wireless network. “We handle everything from police departments to moms checking on their teenage children,” notes Blane Comeaux, Acadian vice president.

To support the service, Acadian installs a “beacon” provided by Guardian that includes a global positioning system (GPS) and a cellular transmitter inside the customer’s vehicle or attached to an asset that the customer wants to protect. For example, some local oil refiners use the service to protect their equipment.

The tie-in with the cellular network enables the system to keep track of where a transmitter is at any given time. Companies with mobile workforces typically get reports on where their vehicles travel during a day, while companies that are tracking stationary assets only use the tracking capability if an asset is moved out of its customary position.

Customers can use a browser interface to check in on their vehicles or assets as needed – and fleet-tracking customers also can get reports showing the location of each of their vehicles at specified intervals throughout the day. Fleet-tracking customers pay around \$30 per month per vehicle for monitoring, while asset-tracking customers pay about \$20 per month per transmitter. Monitoring

revenue is shared between Guardian and Acadian – although the companies decline to reveal the exact split. They also decline to reveal what Acadian’s initial up-front investment was. A Guardian representative said that the amount would depend on the number of customers involved and other factors, but added that a central station could typically get started for less than \$20,000.

After the initial transmitter installation, Acadian’s involvement with a customer is minimal – unless a vehicle’s driver activates a panic button, in which case central station operators will call the police or follow whatever instructions are provided by the customer. They can also send an e-mail link to the system to the police so that the police can see a vehicle’s location in real-time.

“It doesn’t take a whole lot of manpower from our end,” Comeaux notes. He adds, though, that as part of the monthly charge, Acadian also will configure customers’ Internet portals in response to customer requests. Although customers can handle such tasks on their own, some prefer the convenience of letting Acadian handle that responsibility.

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