SECURITY SALES &INTEGRATION

PROBING THE NEW THIRD-PARTY CENTRAL STATION RELATIONSHIP

RAPID response

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A close-up look into how Bermuda Security Group selected a wholesale monitoring provider to deploy a state-of-the-art automation platform illustrates the newfound benefits available to security dealers to strike the right strategic partnership.

The history, path and growing significance of third-party central stations has been among the more interesting developments to observe in the security industry. The percentage and ratio of subscribers monitored by third-party centers compared to security dealers who operate their own in-house central station has changed and increased significantly in the past 25 years.

The relationship between security dealers and the wholesale monitoring providers of their choice has continued to evolve through the years. Some may say for the better while others may disagree. Of course, not all third-

party central stations are created equal. Some differ in service offerings, some differ in quality of service and others differ in structure of pricing.

Another area that has changed in probably the most significant manner is the way in which industry players — and especially full-service security dealers — view third-party central stations. Suffice to say wholesale monitoring providers have come a long way in how they have been perceived in years gone by. It wasn't too long ago that certain industry associations would not allow wholesale monitoring providers to join their membership ranks.

Fast forward to today and now many of the executives and managers of these wholesale providers are deeply engaged with all the associations as members, officers and/or sponsors. The landscape has changed significantly: We are now in a place and time where every security company is a potential client for a third-party central station, whether they operate their own monitoring center or not.
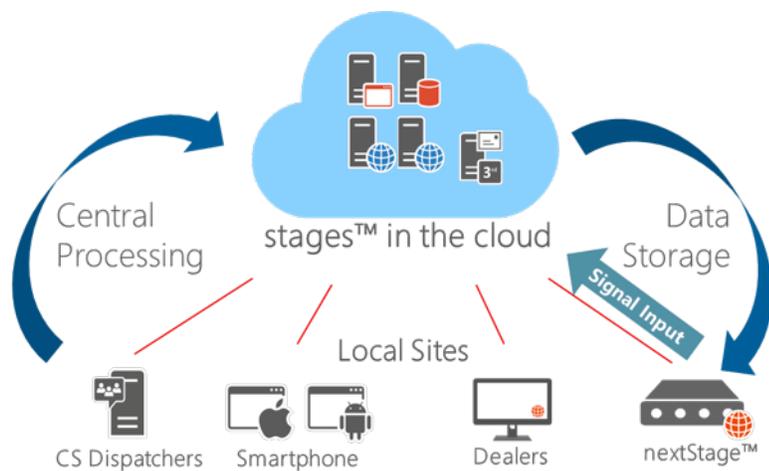
In fact, more full-service dealers with their own in-house monitoring centers are increasingly turning to third-party providers in one manner or another. Sometimes it is simply for the provision of a specialty service and other times it is for a much more integrated relationship.

Selecting a Wholesale Monitoring Provider

Most security professionals, and especially business owners, are familiar with the term Software as a Service (SaaS). Certain monitoring companies, along with their central station automation providers, have teamed up to create platforms that offer endless possibilities for dealers with or without their own monitoring operations.

However, it's really not SaaS as we all know it as in subscription-based applications; rather, it's actually much more than that. Enter Bermuda Security Group (BSG), a well-respected, full-service electronic and physical security company located in Bermuda, with affiliate operations (Security Centre Limited) in Grand Cayman. In 2014 , the firm began considering a technological upgrade of its in-house monitoring center, which had been in operation since 1969. After a careful review of what was feasible along with a comparison to what was available in the marketplace, discussions commenced to forge an alternate path.

Conversations involved BSG's requirement for a monitoring solution that would provide local processing with cloud-based backup services. Unlike a domestic dealer within the United States, the challenges for this structure included international long distance communications to North America via undersea fiber optics. A solution was needed that could provide logistical independence for the company's North Atlantic island operations with failover

stages™ in the cloud

Central Processing

Data Storage

Signal Input

Local Sites

CS Dispatchers | Smartphone | Dealers | nextStage™

Support communications to customer with IVR, SMS, email and mobile	**Manage staffing with offsite capacity and reduce IT staff costs**	**Integrate best practices**
Establish and enforce policies/procedures	**Streamline dispatch and data entry**	**Integrate third-party applications for accounting, video, guarding and more**

Bermuda Security Group leverages Secure Global Solutions' latest product called nextStage, an all-in-one solution that enables a central station to process signals and store data locally, with cloud-based failover support back to the host central station.

support from a large wholesale central station.

After significant deliberation, BSG engaged respected industry consultant Peter Giacalone, president of Giacalone Associates, to take the lead in creating a plan, structure and options for the desired central station upgrades and emergency planning. BSG and Giacalone weighed the differences and possible options of investing in new and enhanced technology, taking a deep dive into understanding what these enhancements and upgrades would deliver.

A decision was reached to create a request for proposal (RFP) to solicit the thoughts and recommendations from third-party monitoring providers in order to strike a strategic partnership that would meet the goals of BSG. Although the RFP went out to many central stations, both mid- and large-size, very few actually elected to participate in the process to meet this significant challenge.

All of the monitoring centers expressed an interest in earning BSG's business in a traditional manner, but most were not interested in extending and sharing their infrastructure. In order for the project to move forward, many considerations and unique requirements had to be solved. These factors included sustaining a fully operational central station on the island, maintaining local support, introducing true redundancy and maintaining a cost structure that appealed to all stakeholders.

The undersea fiber optics made for an especially challenging scenario for

BSG. Not only are the fiber connections prone to service interruptions during storm conditions, but running voice calls with significant compression make it near impossible to transmit dial-up alarm traffic off the islands. Another key consideration was the cost of international calls both to and from the islands. BSG not only facilitated alarm calls, but was also providing answering services and security guard dispatch as part of its portfolio of services on the islands.

BSG concluded that Rapid Response Monitoring Services was best suited to meet its central station and logistical requirements. The company, with offices in California and New York, is noted for its an international redundancy network and enterprise to deliver a state-of-the-art platform capable of elevating its dealers' position in their respective markets.

The teams determined a variety of essential items would have to be incorporated into the final facility design, given BSG's need to staff its existing monitoring operations in Bermuda and Grand Cayman Island.

Receivers needed to stay on the islands in order to be monitored locally in an emergency situation and to avoid the prohibitive long distance charges. The phone switch at BSG's main office needed to be integrated into the phone switches at Rapid Response. This was necessary to allow for inbound and outbound calls, as well as to ensure functionality of the many elevator ring-down lines that BSG has monitored for many years. Furthermore, local receivers were necessary so that BSG could expand its service offerings to include two-way audio verification.

Automation Software Renovation

The project called for deploying central station automation software by Secure Global Solutions (SGS), which is the chosen platform of Rapid Response. SGS's latest product called nextStage is an all-in-one solution that enables a central station to process signals and store data locally, with cloud-based failover support back to the host central station.

After deploying two nextStage units in Bermuda, BSG now has local control of its monitoring center; however, the company can hand the reins to Rapid Response at any moment should the need arise, such as during outages or an overflow of signal traffic.

The nextStage design is such that a complete monitoring database for BSG is running locally and is updated bidirectional in real-time.

A new site-to-site VPN was built from Rapid Response to the offices in Bermuda that also included the Grand Cayman Island operation using a dedicated MPLS connection backed up with traditional MPSEC site-to-site VPN. Rapid Response did a custom integration with their existing Avaya phone switch so that calls in and out of Bermuda traverse the VPN using the session initiation

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protocol (SIP).

This allows all the elevator ring-down line and phone traffic to continue to operate through BSG's local IP office telephone PBX without the added international calling costs.

Value-Add Business Benefits

By implementing an automation solution that does not rely on phone lines, BSG has greatly improved its reliability while increasing its service offerings through Rapid Response's automation tools. This includes SMS, voice calls and emails. Importantly, there is no concern about internet or connectivity outages since the system is fully redundant to the host central station via the cloud.

The capital expenditure to deploy this state-of-the-art, international infrastructure was miniscule in comparison to building or upgrading an existing central monitoring center with the same services. The structure has proven to be technically sound, operationally efficient and economically feasible for all parties.

Once the infrastructure was completed in 2015, Giacalone and Rapid Response sent out a second team to do the final connections and testing. Dozens of BSG employees were also trained on all the new tools and mobile applications.

The project is but one extreme example of how a wholesale central station

For installing security contractors looking to align with a third-party central station, it is essential to dissect all providers' management, infrastructure and all-around value proposition.

can become more intricately involved in the success of a security dealer's operation than previously ever possible. The structure and all the flexibility and benefits it delivers exemplifies why dealer-owned central stations should consider partnering with a wholesale monitoring provider.

BSG's decision was a win-win-win for all parties. Rapid Response gained a new client they historically could never have attracted. BSG and Security Centre Limited have an expanded infrastructure and services that are more economically attractive than solely managing their own 24/7 monitoring center. And most important, subscribers have a better service than ever to go along with more choices to protect their families, homes and businesses.

Careful Evaluation Is Key

The decision in owning and operating an in-house central station is not the same decision as it was 20 or 30 years ago. Some independent dealers are feeling the pain when competing with a dealer who partners with a third-party central station that inherently offer more services and streamlined communications. Decades ago it was the opposite; it was difficult for the dealer who utilized a third-party central station to compete with the dealer who owned their own monitoring center.

Some of the wholesale centers have done an extraordinary job in leveraging their size to step up their offering without compromising personal services. It is a serious job and a big decision on selecting any partner — and identifying

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Bermuda Security Group executives gather in front of the company's offices.

a central station partner is one of the biggest decisions a dealer will have to make.

It is essential to dissect a third-party provider's management, infrastructure and all-around value proposition. The industry is fortunate to have a good group of respectable players.

The old saying, "Understanding the difference between price and value," is probably more meaningful in the case of selecting a central station than in most choices in the security business. Deciding and understanding which monitoring provider will make the best partner is an arduous process, and should never be based on price alone.