

### Introduction

Each year, businesses lose billions of dollars to theft and vandalism. These losses aren't limited to the loss of merchandise and equipment; they include the disclosure of personal information that customers trust you to keep private.

Many companies also experience a significant amount of loss from internal theft. As uncomfortable as it might seem, you need to make sure you can protect your business from employees who find new meaning in "taking their work home."

Monitored commercial alarm systems offer an inexpensive way to protect your business. Once you find a vendor and determine what works best, you can get set up with one right away – sometimes in a single workday. And learning how to use it is a breeze.



Table of contents	
Introduction.....	1
Monitored alarm basics .....	2
Other features & add-ons.....	3
About the monitoring station.....	3
How to buy a monitored alarm.....	4
How to choose a dealer .....	5
About trunk slammers.....	5
Monitored alarm pricing .....	6
Monitoring alarm tips.....	7

This **BuyerZone Monitored Alarm System Buyer's Guide** takes you through the basics, available options, a review of monitored alarm companies, and the costs of getting a system installed.

### Pricing guidelines

Actual costs for a monitored alarm will vary depending on your exact situation, but here are some rough estimates. We'll go into more detail on page 6.

- **Monthly monitoring: \$25 to \$40**
- **Installation and equipment: \$100 to \$4,000+**
- **Radio or cellular backup: \$10 to \$25**

## Monitored alarm basics

When companies consider monitored burglar alarm systems, it's usually for one of two reasons. Either they're getting a system installed for the first time, or they just experienced the loss and disruption to business operations caused by robbery, vandalism, or a break-in.

Monitored burglar alarm systems help deter burglars, discourage employee theft, and ensure employee safety. Composed of a series of devices that detect unauthorized entry, a monitored alarm sends a signal to a central monitoring station when an intruder is detected. These nationwide monitoring centers provide continuous service – 24/7/365 – and will alert local police to dispatch authorities to the scene as necessary.

### Standard equipment

A basic monitored burglar alarm system includes:

**Control panels.** This is the power source of the entire system. Typically, the control panel is hidden from plain sight – located in the roof or server closet – and is connected to all other alarm components including an existing Plain Old Telephone System (POTS).

**Security keypads.** These are installed outside the main entrance and allow employees to get in and out of the office. A digital display notes whether the system is armed or disarmed. If equipped with a dual-communication (two-way) system, people at the central monitoring station can talk directly through this device to check if a person who has tripped the alarm is authorized to be there. Additional panels can be set up and installed in other locations throughout the company for a fee (up to \$100 per extra keypad).

**Motion detectors.** Also known as passive infrared (PIR) detectors, these devices trip the alarm by sensing changes in the infrared energy levels when an intruder is in the area.

**Door and window contacts.** These magnetic devices are placed along door jams and window frames and trigger the alarm system when opened.

**Glassbreak sensors.** The sensors identify the acoustic shock waves of glass breaking and set off the system.

**Sirens.** These loud horns can be attached to the inside and outside of the building and may include strobe lights to draw immediate attention to the intrusion.

### Hard wired vs. wireless

Monitored alarms are available in hard-wired and wireless formats depending on dealer availability and customer preference. If your office has existing wiring from a previous alarm system, it's easy to add a monitored alarm to it. Otherwise, a wireless system is considered more practical – you don't have to disturb the work area with drilling or lifting floors or carpets.

While the security keypad will be in plain sight of potential intruders and employees, the main control panel, which is the brains of the system, is typically installed in closets or backrooms. This helps minimize the risk of intruders or disgruntled employees disabling the system.

### Instant alarm vs. audible delay systems

Home alarms typically use loud horns or sirens to scare intruders and to alert neighbors to call the authorities. With your business, you really can't depend on the kindness of other people since most neighboring businesses are likely to be empty, too, when an alarm sounds. Still, many companies choose the loud alarm system to frighten intruders off the premises before they can cause any damage to the infrastructure or property.

An alternative is to install an audible delay system that first triggers the alarm before setting off any sirens. This setup is designed to help authorities catch the perpetrator while committing the crime. For example, you could snag disgruntled ex-employees who sneak into the office after hours to steal equipment or to sabotage your computers.

## Other features & add-ons

In addition to your basic monitored burglar alarm system, you have other options to protect your service in the event of system failure and to enhance your level of protection.

**Backup systems.** Most monitored burglar alarm systems offer a 24-hour backup component that kicks in should your phone lines get cut. A radio or cellular backup system will send a signal to the central monitoring station that the phone line was dropped. If you lose all electrical power, a backup battery system will keep your alarm up and running.

A backup system is also essential if your company relies on Voice over Internet Protocol (VoIP) as your primary phone system. Most alarm systems are considered unreliable and incompatible with VoIP since the technology is not mandated by the same FCC standards as POTS; VoIP customers require a backup system for the monitored signal to go through.

**Two-way monitoring.** A two-way monitoring system allows the central monitoring station to instantly communicate with your office. Your security keypad acts as an intercom system, so the monitoring service can verify an employee's identity if they accidentally trip the alarm.

**Open and close schedule monitoring.** There are two ways to track who has opened and closed your office. The first is a supervised system that tells you who armed or disarmed the security system at the exact time it occurs. The central monitoring station can also notify someone if the system is left off. In contrast, a non-supervised system simply keeps track of when the alarm is armed and disarmed, but you need to call the central monitoring station for the status.

## Related security systems

**Fire alarm.** While a homeowner can simply add a smoke detector to their existing burglar alarm system, it's not so simple for a business. Commercial fire alarms must adhere to strict guidelines set forth by the National Fire Protection Association (NFPA).

**Video surveillance.** To monitor what's going on, you can supplement your monitored burglar alarm system with a wide range of surveillance equipment, from a single video camera and monitor to complex closed circuit television (CCTV) systems with several cameras, multiple operators, and digital recorders.

**Access control.** A burglar alarm system where employees use special cards to gain access into the office or restricted areas, allowing you to track when they enter and leave your office. The cards feature magnetic strips or other technologies for use with a system mounted outside the locked door.



## Alarm monitoring stations

While the alarm system will detect intrusion, the central monitoring station is the force that actually protects your company. As a result, understanding the role of the central station should be an important part of your purchasing process.

When your alarm system is tripped, the control panel sends the relevant details to a central monitoring station. Within 10 seconds, the station will call your office – or speak through the security keypad if you have dual-communication monitoring – to see if anything is wrong.

If they reach a live person, they'll ask for a passcode to confirm the person belongs there. If they don't hear the right passcode, or if they get no answer, they will immediately send authorities the scene. The central station will also contact the designated keyholder – someone in the company responsible for determining if there's been a break-in.

While many small monitored alarm companies license the services of third-party monitoring stations, larger companies have their own centers that can simultaneously watch thousands of homes and businesses. The larger companies cost more than their smaller counterparts or third-party administrators because they are held to a higher standard through verification from the independent, non-profit Underwriters' Laboratories (UL). Large monitored alarm companies pay for the UL to test their products and services for maximum safety and reliability.



Internally managed central stations are required to contact authorities within 45 seconds of the alarm going off. And should they lose power, they must have a reliable backup source – either a second station, or a backup generator with 10-15 days worth of power on reserve.

### Reducing false alarms

False alarms are a growing concern nationwide, and the industry and authorities are focused on preventing them. Make no mistake about it, the protection and safety of your business is important. But bringing authorities to the scene when they're not required ties up resources that could be needed for high priority situations.

An audible delay alarm – typically 45-60 seconds before it goes off – can help prevent false alarms. This option gives an authorized employee or visitor enough time to provide the appropriate passcode or verify who they are before the central monitoring station contacts authorities.

Even cellular backups have ways to avoid potential false alarm calls. The backup will alert the monitoring station when there is a problem with the regular phone line. The monitoring station will call your company's keyholder who will check out the offices and see what the problem is. Only if they discover that someone tampered with the phone lines would the police be dispatched to the scene.

### How to buy a monitored alarm

Despite the millions of businesses throughout the country that have a monitored commercial alarm system, there are fewer than 10 companies that actually manufacture the monitoring equipment. These companies provide the equipment for the thousands of monitored commercial alarm system dealers that sell and install the systems.

These dealers range from large corporations who maintain their own sales forces and local offices to smaller resellers that work as authorized third-party installers for the large corporations or as independent security companies.

Regardless of whether you decide to go large or small, alarm installers typically provide all-inclusive services that include equipment and monitoring service.

Keep in mind that while many monitored commercial alarm system installers provide name-brand or private label equipment compatible with most central monitoring stations, some companies may install proprietary systems – equipment that only works with their licensed monitoring stations. There may also be master programming and lockout codes that prevent you from making any adjustments to your system, like changing codes on your own or switching monitoring services when your contract has ended. Make sure you have full access to these codes if you



own your equipment.

## How to choose an alarm system dealer

When you're ready to buy a monitored alarm system, talk to a few different companies before having anything installed. They will conduct risk assessments to determine what your security challenges are and how to address them.

A reputable company should meet with you in person – never exclusively by phone – to determine the best system for you. They will look at your facilities, discuss your needs and possible limitations, and suggest similar solutions that have worked for their other customers.

Get quotes from three to four different installers. Make sure you get all pricing quotes in writing – including setup, equipment, monthly monitoring fees, and warranties. The first company you speak to may seem to have a fantastic deal, but don't sign anything just yet. Take your time and meet with a few more companies and find out who offers the best balance of price and security.

Once you receive quotes and narrow down your search, get references from each provider – previous clients who gave permission to be contacted about that dealer's service. Find out why a company chose a particular provider and ask questions about their quality of service:

- Did they install quickly, in the timeframe they guaranteed?
- Were they readily available if you had any problems?
- Did they provide sufficient training for you and your employees?
- Were the contracts clear and straightforward?
- If you ever experienced an intrusion, did the central station quickly dispatch authorities?
- Will you receive notice ahead of time if the alarm company sells your contract off to another central station?

Before you sign a contract, review it with a fine-toothed comb. Pay special attention to all fees and make sure they are legitimate. A common hidden fee is one to connect to the central station – most of the time, this is a charge already built into the pricing.

## About trunk slammers

One of the major problems in the monitored alarm industry is alarm system "trunk slammers". These people work out of their homes or cars, and the name is consistent with what they do – sell an alarm system directly out of their cars, and then slam the trunks shut and drive away.

An alarm system trunk slammer tries to sign up customers by going door-to-door to various homes and businesses. Often times, these unlicensed trunk slammers don't have an office, registered employees, or even insurance. They won't even examine your company's offices or find out what kind of alarm system you would like. Their lure is to provide free or very cheap alarm systems to anyone who signs a long-term monitoring contract.



Two typical problems with this seemingly harmless method of doing business:

- **The alarm system isn't necessarily free.** The equipment may be leased with fees that are built into the monthly pricing that the trunk slammer doesn't explain when going over the contract with you. Once the contract is up, the alarm company can take the equipment back if you don't renew.
- **The contracts don't stay with the trunk slammer.** Trunk slammers will buy several alarm systems from a larger company at a deep discount. They then sign up any potential customer they can find and sell the signed contracts to the alarm company. The customers aren't told who they can turn to for service – and then don't know who to contact if they have questions or problems.

Before you do business with any dealer you're considering, make sure you research them with outside organizations like the Better Business Bureau, the National Burglar & Fire Alarm Association (NBFAA), or your Attorney General's office. They can provide information on service quality and if they have all necessary state and local licenses. Legitimate dealers should have no problem providing you with their license or a list of references.

Despite the temptation, don't go with any company simply because of the promise of the cheapest alarm system equipment and setup.

## Monitored alarm pricing

Monitored alarm system companies live by the credo of "a dollar a day" – that's how little it costs to maintain a monitored alarm system for your company.

Standard monthly fees are **\$25-\$40** per month. Dual communication capabilities – radio or cellular backup system in case phone line is disabled – will typically add about **\$10** to your monthly service fees. Tracking systems like open and close schedule monitoring can run you an extra **\$250-\$600** per year.

The initial setup fees vary based on the type of equipment installed, the number of individual security devices included, and the size of the company. Expect to pay **\$100-\$4,000** for installation and equipment, with the higher end being for more comprehensive systems.

Installing a wireless monitored commercial alarm system is generally a four to eight hour job, assuming you have a smaller company, such as a 2,000 sq ft storefront. A 100,000 sq ft warehouse is a considerably larger job, and may take a few weeks.

Contracts can be month-to-month, but the standard is a three-year obligation. The contract will guarantee that your fees will not increase and indicate what your rights are. Keep in mind that breaking the contract before it expires will result in hefty penalties – from 75 percent of the fees due to the full amount.

Most basic monitored commercial alarm system equipment – door contacts, motion detectors, glass break sensors – is provided as part of your contract, and you get to keep it after the contract expires. For those companies who lease equipment, you'll likely pay **\$300 - \$500 per year**, which can be built into your monthly fees.

Some local police departments require annual permits to have a monitored commercial alarm system. There are typically two permits you will need: a state monitoring permit with local police and an electrical permit to install and monitor the alarm system. There may also be a low-voltage alarm permit mandated by the city. The costs are negligible – between **\$5 and \$40 per year**.

**A dollar a day can be enough to maintain a monitored alarm system for your company.**

## Commercial alarm system warranties

Warranties vary: some companies will provide warranties that range from one year up to the life of the contract; others offer only a 90-day installation warranty covering all parts and labor. Avoid a commercial alarm system that

does not include a warranty. It doesn't matter if it's an initial 90-day period or the full duration of the standard three-year contract.

Once your warranty expires, you can purchase an additional maintenance and repair agreement to cover any service requests or repairs to your commercial alarm system. Otherwise, you have to pay a trip fee when a service crew is sent out, in addition to any parts and labor.

### Monitored fire alarm pricing

Businesses looking for fire protection must install commercial fire alarm systems that comply with NFPA building codes and occupational health requirements. These codes determine the specific fire alarm components you need to install based on your industry and location. As with monitored alarms, you need to connect your fire alarm to a central monitoring service.

Fire alarm pricing is based on total square footage. You'll pay \$1 to \$5 per square foot of office space, and as much as \$10 to \$25 per square foot for a complex installation such as a fire alarm system that requires a new sprinkler system. Monthly monitoring service costs \$40 to \$50 with maintenance agreements running an extra \$5 to \$10 per month.

### Monitoring alarm tips

**Don't call 911.** It's *illegal* to set your security monitoring alarm up to call 911 if the system is set off. Doing so can result in a large fine and possibly jail time.

**Beneficial savings.** While a security monitoring alarm is required by most insurance companies, it's not without its benefits. Business owners can save as much as 10-20% on their insurance by verifying they have a monitoring alarm in place.

**Change is good.** If changes need to be made to your security monitoring alarm system – such as new passcodes – most alarm companies will either make the adjustments for you, or allow you to make changes on your end. This is very important if you decide to terminate an employee who is caught stealing or trespassing and need to eliminate that person's access.

**Have no fear.** Ask about security monitoring alarm systems with a duress signal option. If you are ever forced to let an intruder into your business and you have to disable the alarm, entering a duress code indicates to the central monitoring station that you were forced to provide access into your company.

**Train your staff.** Once your security monitoring alarm is installed, you need to make sure that everyone in the company knows how to use it. In most cases, it's very easy and a matter of learning a few buttons. Most vendors can train those in the company in charge of the alarm in just 10-20 minutes. They can then get the rest of the company together and show them how to use codes and how to arm and disarm the system – all in about 45 minutes.

**Authorized personnel only.** You can assign individual passcodes to allow different internal and external groups to enter your business. This allows you to track which people come in and when. It's also beneficial, for example, when a cleaning crew might come in after everyone has gone home for the evening.

**Communication is key.** Security monitoring alarm vendors are required to ask about your communication system and find out if you use a system other than POTS. If they don't, they could be liable for any losses you experience should the security monitoring alarm signal not go through. But communication is a two-way street. If you make changes to your system, such as converting your company's POTS to VoIP, it's only right that you let your monitored alarm company know so they can test the system.