

Monitronics: Enhancing customer security and service with a unique business model

Overview

■ Challenge

Monitronics wanted to improve service to its security clients, enhance its ability to respond to market changes and grow its market share. To do this, the company needed a new system that would better support its customer needs and empower its dealer network by integrating and extending administrative and service capabilities.

■ Solution

Monitronics selected a new feature-rich platform that streamlines monitoring and business capabilities leading to greater service for customers and dealers.

■ Key Benefits

- *Extends enhanced customer service functionality to the dealer network*
- *Increases capacity to support more customers and grow the business*
- *Improves responsiveness through real-time and near real-time processing of customer information*
- *Reduces customer attrition through effective information management*
- *Improves performance, stability and reliability*



A home security service with a difference

Monitronics is the fourth-largest security alarm company in the United States, providing monitored alarm systems for over half a million residential, small business, corporate and government customers in all 50 states and Canada. The privately held company has succeeded because of its commitment to excellence and responsiveness, and also because of its unique business model.

“We value our dealer network very highly,” says Charles Reilly, CIO. “Unlike others in our industry, Monitronics dealers are independent business owners responsible for the initial customer relationship. Our dealers install and service alarm systems while Monitronics manages the monitoring, customer care and

“The responsiveness that the system gives us, enabled by technology as well as through our people and processes, are the keys to our customer service and retention.”

– Charles Reilly, CIO, Monitronics

Gaining market share with a new dealer-centric business model

Business Benefits

- Extension of core system functionality to dealers via a secure Web portal
- Increases capacity to support more customers and grow the business
- Increased customer retention through improved information management and customer tracking
- Reduced risk due to improved customer record accuracy
- Enhanced responsiveness through near real-time processing
- Improved reporting and management of data
- Improves performance, stability and reliability

“The new system has some good built-in reporting functionality and is more open than our previous solution, which improves our ability to manage customer information in a timely manner.”

– Charles Reilly

billing services. Accounts are purchased from the independent dealer who then provides service to the account on a contractual basis. Our model allows Monitronics to provide superior service to the end user, foster independence and business growth for our dealers, and increases efficient business processes for our company.”

Outgrowing the existing system

Monitronics has been using a suite of internally developed applications to extend its monitoring and business application, but the overall solution is nearing the end of its useful life and the company decided it was time to move on. The solution had served Monitronics well, but was reaching the limits of its extensibility. The company wanted to be able to provide more functionality to its customers and dealers, and the solution was not able to do that. Also, growth projections were exceeding its ability to scale.

“There were also some platform-related issues,” Reilly continues. “It was based on a lesser-known database and it was difficult to directly access the data. Also, we saw the need to improve the performance, stability and reliability of the system; these attributes are absolutely critical to our credibility, and in the security business, credibility is everything.”

Enhancing functionality

Monitronics elected to purchase MASTerMind, a leading application suite from GE Security. The new application is deployed on IBM BladeCenter,[®] IBM eServer[™] xSeries,[®] IBM System x[™] servers along with IBM System Storage[™] and IBM TotalStorage[®] hardware and IBM Tivoli[®] Storage Manager software.

“Our work with GE to customize the application has increased overall functionality,” says Reilly. “The secure, reliable access to system resources makes our dealers a more integral part of the Monitronics team. By extending administrative capabilities to the dealers, they can enter and manage customer information, perform field service and ticket management, look at invoicing and servicing permits, regulations, contracts, and all of the other intricacies that can make the proper monitoring of an account difficult. This is all done through a secure Web portal, so they need not invest in any unusual hardware or software.”

The system also provides a critically important capability, according to Reilly. “We’ve now moved from batch processing to Web services, which means that we can begin monitoring service almost immediately. The customer sees a company that is highly responsive and efficient, which gives them great confidence in us.”

In addition to the enhanced functionality of the MASTerMind application, Monitronics has been able to dramatically improve access to information, both in terms of reporting and in managing records. The new system has excellent built-in reporting functionality and is more open than the previous solution, which improves Monitronics’ ability to manage customer information in a timely manner.

Retaining customers

Monitronics plans to employ a number of information management methods, many enabled by the new IT solution, to boost customer retention. By examining customer data, for example, it’s possible to determine why a given subscriber is having problems and to proactively reach out to similar customers—even before they report an issue. “It was impractical to do much of this with our previous system,” Reilly notes.

“It’s important to us to have current, up-to-date information on our customers. It’s not just a customer satisfaction concern—it’s also a risk factor. If we get an alarm and send the responders to the wrong address because the subscriber has moved... well, we just can’t let that happen. So we employ a number of methods to keep our information correct. For example, the alarm panels at each subscriber’s address are programmed to ‘phone home’ periodically. If they don’t or call from a new phone number, we know something’s up and can track down that customer, reaching out to them. We can even contact the new resident of a vacated address, because they’ve already got a panel. So not only are we able to lose fewer accounts, we’re even able to pick up new customers,” Reilly says.

“The responsiveness that the system gives us, enabled by technology as well as through our people and processes, are the keys to our customer service and retention,” Reilly states. “If we have the ability to respond very quickly with superior customer service, we can keep those customers happy, safe and on our systems indefinitely.”

Key Components

Software

- IBM Tivoli Storage Manager
- GE Security MASTerMind

Hardware

- IBM eServer xSeries x445, x360 and x306 servers
- IBM System x3650 (formerly IBM eServer xSeries 346)
- IBM BladeCenter HS20 servers
- IBM DS8300 and DS4800 System Storage servers
- IBM DS4100 SATA Disk Storage Server
- IBM FASTT-600
- IBM Storage Volume Controllers
- McDATA 4500 switches
- IBM 3583 LTO Tape Library

Business Partner

- Sirius
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Why it matters

Prompt, reliable and accurate service is critical in the security monitoring industry. Monitronics, already the fourth-largest monitoring firm in the United States, now has the capacity to grow its business further and continue to gain market share through a new dealer-centric business model. Teaming with IBM Business Partner Sirius and IBM, Monitronics rolled out a new security software suite that gives dealers direct access to customer data, enabling them to provide faster, better customer service. Monitronics customers benefit from a local, more personal service relationship, combined with the accuracy, reliability and safety of a leading national security service.

The value of IBM and Sirius

Once Monitronics decided to purchase the MASTerMind application, it started looking for an implementation partner and hardware vendor who could meet its stringent requirements. The company chose IBM and IBM Premier Business Partner Sirius, not only for their demonstrated capabilities but also for the advantages provided by the close relationship between the two companies—such as the IBM Business Partner Innovation Center in Dallas, where Sirius conducted product briefings and demonstrations for Monitronics.

Sirius worked extensively with Monitronics to understand its business, the requirements and the absolute need for continued availability through redundancy. Reilly has been pleased with the relationship. “Sirius did an outstanding job of learning our business and what we needed. Also, we saw the close relationship it has with IBM as a real advantage that gives us superior value. Sirius facilitated our understanding of IBM products and worked diligently to meet our project timelines. The result is that we have a solid, scalable IT infrastructure that will enable the company to grow at a rapid rate.”

Vendor stability was also a factor. By choosing major vendors such as GE and IBM, Monitronics can remain confident in the availability of long-term support for its new solution as well as continued product development and innovation. “Our customers literally trust us with their lives. So I have to pick products that I am confident will be there for them, now and into the future,” Reilly says.

A transformational move

Reilly sees his role as one of helping Monitronics become more than it has ever been. “We’ve been an excellent entrepreneurial company, but it’s time to move up. I see my role as one of taking us to the next level, and our new infrastructure is an enabling vehicle,” he says. “The really important aspect is how it allows us to transform our business, to service our dealers and customers better than anyone.”

Next, Reilly has his sights set on ensuring Monitronics’ customers are protected from both planned and unplanned system outages. Starting with an empty warehouse, Sirius, Monitronics and IBM are building an enterprise-class disaster recovery site. “We are building an environment that is changing the way we do business, and it’s time we make sure it’s protected,” he concludes.

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