



PERS: THE PERFECT RMR OPPORTUNITY



Courtesy Rapid Response Monitoring

With life expectancy on the rise and independent living a priority for many seniors and others with medical issues, 24/7 health-related monitoring presents an emergent prospect for dealers. A detailed study of this unique business model is essential for success.

BY MARK INGRAM

PERS is a term that is gathering familiarity in the electronic security industry vernacular. Known as personal emergency response systems, these monitored devices are designed to summon help in the event of various urgent situations such as when an elderly person falls.

The profit potential is plain: The market is booming as America ages collectively and the costs of assisted living and nursing care continue to skyrocket. As Baby Boomers join the ranks of the retired, the demand for PERS is expected to only intensify.

Although PERS is a clearly defined and growing market, not all dealers and integrators are clear on how to successfully approach it. There's a reason for that, and one that Russell MacDonnell, chairman and CEO of Syracuse, N.Y.-based Rapid Response Monitoring sums up well. "PERS is a separate business and separate business model. It involves a different way of selling and networking."

Dealers, MacDonnell suggests frankly, must understand this caveat: “You have to invest in the equipment and personnel and you won’t be cash flow positive the first month you start.” For those flexible enough to work within these parameters, the decision to offer PERS can be a wise one.

“PERS is one of the fastest growing marketplaces in the industry,” MacDonnell continues. “Unquestionably, the demographics are all moving in the right direction. The fastest growing segment of the population is the over-60 group.” That, coupled with the high costs of health care and the desire many seniors have to live independently, is paving the way for strong opportunities in PERS.

A BUSINESS WITHIN A BUSINESS

The biggest challenge for dealers looking to enter the PERS market, MacDonnell believes, is having the commitment and discipline to run a separate business within their current business. There’s a different language involved with patients and health-care issues, he says, and they need to have the balance sheet, personnel and financial commitment to support a separate group in their company to really take advantage of this prospect. “There’s an investment and when they build up RMR, they’ll recoup and become profitable,” he says.

Jason Caldwell, operations manager of Carelink, a subsidiary of Select Security Systems in Albuquerque, N.M., started offering PERS more than a year ago and is finding it profitable.

“I’m having success in this,” he reports. “The more I get out there, the more referrals I’m getting.” He concurs with MacDonnell that PERS does call for a different business approach. Embracing, rather than resisting the differences between selling traditional security systems and PERS has played a big part in Caldwell’s success.

“There’s a huge psychological component to this I wasn’t prepared for,” he admits. “It’s much different for me than dropping off a fire alarm at a hotel in Albuquerque. You develop rela-

tionships with these people and are involved with the care of their families.” Oftentimes, the consumer purchasing PERS is actually the adult child of the elderly person it’s being bought for — who likely doesn’t even want it in the first place.

“The target customer absolutely is the adult child, usually a daughter, of the subscriber,” Caldwell notes. “Many subscribers start off not liking you because you’re often placed in the middle



Courtesy/Guardian Protection Services

Dealers must be prepared to drill down to specific needs of individual customers when selling medical alert solutions. Does the subscriber only require a simple two-way voice panic button as exemplified above? Other devices can include a fall detector or tele-health options through Bluetooth technology which can check blood pressure or glucose levels and alert the subscriber’s doctor.

of fights where ‘Grandma’ doesn’t want to admit she needs it.”

Caldwell gets right to the heart of it when he describes how the PERS market differs from traditional burg or fire alarm installs: “PERS is exponentially simpler on a technical standpoint and exponentially tougher on a customer interface standpoint.”

SAVINGS ARE OBVIOUS TO CLIENTELE

Delving into personal, sensitive questioning can be pivotal in forging PERS relationships and closing sales. What are the real needs? Does the sub-

scriber need a simple two-way voice panic button they can use to call for help, or also require a fall detector, which is ideally suited to diabetics who are prone to fainting and potential injury? Is more monitoring called for, such as tele-health options through Bluetooth technology that can check blood pressure or glucose levels and alert the subscriber’s doctor of any noteworthy changes?

Discussing these crucial, individual considerations is part and parcel of PERS, and being able to do that compassionately and professionally is a prerequisite for entering this market.

No matter the level of monitored protection, PERS, Caldwell contends, saves customers money in the long term.

“It’s inexpensive. When people are at this time in life they look at the cost of facilities, and they’re astronomical. PERS doesn’t come with all the benefits of a medical facility, but it costs only about \$35 a month to monitor and a one-time \$50 install fee, compared to thousands of dollars a month for an assisted living or nursing home facility,” he says. “Even with all the bells and whistles, depending on how much monitoring is needed, we’d never break \$100 a month for the PERS service.”

To accommodate varying customer needs, Caldwell sells Visonic’s Amber solutions, a product line that can be easily adjusted to fit any end user’s requirements and budget. AmberBasic is the standard personal medical alert system, and AmberSelect offers a comprehensive lifestyle and safety management solution with the option to add tele-health for Bluetooth-enabled vital signs monitoring.

The PERS solution provides an emergency calling function with built-in two-way voice functionality and a speakerphone. Calls can be directed to a central station or private telephone. In addition to producing alerts when specific dangers are sensed, the unit fosters independence by providing daily activity and medication reminders and inactivity monitoring.

Follow-up customer service is all in a day’s work for Caldwell, and sub-

scribers who started out resistant come around and find comfort knowing help is just the press of a button away. Caldwell checks in on his customers when monitoring reports show they have not been regularly testing their systems.

“Given the age of my customers, they can forget, so I call on them to be sure everything is OK,” he says. All of Caldwell’s medical accounts are handled by Criticom Monitoring Services (CMS) of Longwood, Fla. “They’re taking great care of me, have online data management accounts, and provide a high level of service.”

CENTRAL STATION PARTNERSHIP IS KEY

Partnering with a reliable monitoring station is obviously a critical customer service component in PERS. Several are leading the way in this arena, including CMS, Rapid Response Monitoring and Chicago-based EMERgency24. It’s a fast-growing market for the central stations.

“We expect PERS to represent a significant portion of our revenue within five years,” says Kevin McCarthy, national sales manager for EMERgency24. To encourage entry into the market, EMERgency24 is offering free customized marketing materials to dealers that educate end users about the benefits of PERS.

“All alarm dealers have to do to launch this service in their area — or nationwide — is inform their security-minded subscribers about PERS by mailing the series of three letter-sized flyers with customer invoices,” McCarthy adds. “Alarm dealers now have the opportunity to expand their service offering with a program that can be marketed directly to existing customers, as well as other security-minded people across the entire United States.”

According to McCarthy, dealers that offer PERS will be able to build a RMR stream with minimal service. “For most installations, all that’s needed is a working electrical outlet and a live telephone line,” he says. “Also, because installation is simple enough that senior citizens often do it themselves, EMERgency24 will

even take receipt of the hardware from the dealer, preprogram it and drop-ship to the end user for a small fee.”

INDEPENDENTS CAN PROSPER TOO

For the past two decades, PERS was marketed almost exclusively to the consumer by national companies. But alarm dealers now realize PERS is a natural extension of their existing security businesses, McCarthy says. “One advantage for independent alarm dealers entering the PERS market is that they’ve already created a local brand,” he says. “Plus, their existing customer base will help get them started because everyone knows someone who could use this service.”

Rapid Response, MacDonnell reports, is seeing significant double-



Courtesy: Emergency 24

Among the fastest growing segments of the population in the United States and abroad is the over-60 group. That demographic, coupled with the high costs of health care and the desire for many seniors to live independently, is paving the way for strong opportunities in medical alert systems.

digit growth in PERS monitoring accounts. They dispatch all over the country and in Bermuda, and the operators in their Life Safety Monitoring group are specially trained to handle PERS calls. Rapid Response requires all of its operators to have a two-year degree or equivalent military experience. They must pass drug testing, ref-

erence checks and three weeks of in-house training.

“After that, we select the best of them for the Life Safety group and send them on to EMT training,” MacDonnell explains. “We vector all the calls that come in on PERS and tele-medicine to our Life Safety Monitoring group because they’re specifically trained to handle all those incoming calls. Our operators stay on the phone with the subscriber after calling first responders until help arrives.”

Although privacy laws preclude monitoring personnel from dispensing medical advice or instruction, EMT-trained operators do have a better idea of what the person on the other end of the phone is going through, MacDonnell explains.

“We can also patch in the responder so they can hear what we’re hearing and arrive better prepared to assist,” he says.

Sales of PERS products indicate that the market is indeed growing at a steady pace. “We are definitely seeing increased demand for PERS products as more dealers are recognizing the revenue and growth potential in this sector,” notes James Rothstein, senior vice president of Tri-Ed Distribution.

Caldwell is a case in point. Although some of the dynamics are different, the mantra for success is pretty much the same.

“My motto is that I want to compete and I approach PERS customers like any other. I find people who are valid prospects for my services, and offer personalized service,” he says. “I want them to know they can trust me. And that personal service is my largest competitive advantage.”

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 Dealers and integrators looking to expand into the PERS market can learn more through coursework being launched by the National Training Center (NTC) on July 1. NTC will host Visonic PERS training on its new Training Department online service. Access to the Visonic training will be free to qualified dealers. For more information, visit www.national-trainingcenter.net.