

Knowing Your Alarm Factor is Good Business

Every time the issue of police response to alarms is discussed in the public arena, the first and most damaging statement that has to be overcome is the perception that 98 percent of all alarm calls are false.

Since this kind of perception can have direct consequences for your business, it is important to appropriately address this “statistic,” using an unbiased and accurate method.

Over a decade ago, the industry and law enforcement agreed on a method to grade how well we are addressing the issue of alarm dispatch requests. This process is called the “**Alarm Factor**” and is based on the average number of dispatches each company, as well as the entire industry, experiences per system per year. Some police agencies actually publish the Alarm Factor for companies doing business in their communities.

$$\text{Alarm Factor} = \frac{\text{\# of Alarm Dispatches}}{\text{\# of Alarm Systems}}$$

With 1,000 systems and 1,000 dispatches your alarm factor would be 1.0, or an average of one dispatch per system per year. If you have 1,000 customers and 500 dispatches your factor is .5, or one dispatch per system every two years and so on.

The Security Alarm Industry Coalition’s (SIAC) experience has shown that this number varies greatly from community to community and a high Alarm Factor is an immediate sign that there is no government effort, such as an alarm ordinance. If you dig a little deeper, it is also a sign that the industry is not working to reduce dispatches.

The math is actually pretty simple. The information that you need are your total number of monitored systems and your total number of dispatches in the previous 12 months. Now divide the number of dispatches by the number of systems and you have your Alarm Factor.

The business consequences of not knowing and managing your Alarm Factor can have a negative



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impact on your business. A low Alarm Factor translates into better customer satisfaction, a more solid reputation in your community and better relationships with local law enforcement.

So how do you stack up against the rest of the industry?

The combined (residential and commercial) national average is .9 dispatches per system annually. Residential average should be in the area of .35 (one dispatch per system every three years) and commercial should be around 1.33 (one and one-third dispatches per system per year). Several areas of the country with aggressive reduction programs in place report their combined Alarm Factor to be as low as .25. Calculate your Alarm Factor today and find out if you’re part of the problem, or part of the solution.

What Alarm Dealers Can Do

- Set realistic entry/exit times according to user needs.
- Establish system performance reviews for accounts with the highest number of false alarms.
- Upgrade aging or outdated equipment.
- After installation, allow users some time to become familiar with the system operation before dispatching police.
- Implement an end-user training program.
- Track your false alarms and follow up with solutions. □

SIAC is a 501(c) (6) non-profit organization formed in December 2002 to represent one-voice for the alarm industry on alarm management issues. SIAC’s charter is to significantly reduce calls for service and improve the lines of communication with law enforcement and end users to ensure the safety and security of over 30 million alarm system users in homes and businesses throughout North America.

SIAC is a coalition of the following professional trade associations:

- CANASA: Canadian Security Association
- CSAA: Central Station Alarm Association
- NBFAA: National Burglar & Fire Alarm Association
- SIA: Security Industry Association