

How to Grow RMR

With Managed Access Control

■ Part 1 of 3

Introduction to MANAGED ACCESS CONTROL

Laying the groundwork to meet customers' needs and boost your revenues.



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BY STEVEN O. GIBBS

Welcome to *SECURITY SALES & INTEGRATION's* new series, "How to Grow RMR With Managed Access Control." Brought to you by Honeywell Access Systems, this three-part series has been designed to educate security dealers and systems integrators all about managed access control (MAC) technology and how to leverage it to build recurring monthly revenue.

Part 1 of this series serves as an introduction to MAC and compares it to the more traditional site-managed access control model. We will also explore the rationale for why both customer and dealer would consider MAC and then review some of the many potential applications of a MAC solution.

TRACKING THE ACCESS EVOLUTION

With the introduction of distributed database systems in the 1980s, placing the system processing and database near the card readers allowed the system host to make a dial-up connection and manage small, remote segments of much larger systems. The benefits to the

customer included reduced costs associated with leased data lines and the ability to centralize a host "head-end" that would serve many smaller systems.

Many owners of multi-site facilities took advantage of this functionality to centralize their access control system (ACS) management operations by replacing several head-end control locations with one centralized, host system. This saved money by reducing the redundant hardware and personnel needed to operate and maintain the ACS.

During the late 1980s, remote control software programs became available allowing the dealer to "take control" of the customer's head-end administration PC, resolving problems and providing live support without having to actually visit the customer's site. Many dealers have built profitable support services around this concept.

Both centralized access control and remote site management relied on relatively slow dial-up modem connections established over the Public Switched Telephone Network (PSTN). The IP revolution and Internet now provides

a faster and cheaper method of global communications. Coupled with more powerful and robust access control system (ACS) software solutions, dealers can now help the customer reduce the total cost of ownership (TCO) of an ACS even further by eliminating the need for the customer to purchase and maintain the ACS head-end altogether through the use of MAC.

THE BASIC MANAGED MODEL

Managed access control is simply another application for what has become a major growth industry in the IT world: software as a service or SaaS.

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Traditional Vs. Managed Access Control

FEATURE	TRADITIONAL ACCESS	MANAGED ACCESS
System management	User manages system	Dealer manages system
Alarm and event notification	Mostly event-based notification	Immediate from dealer or via E-mail
System access	Local software installation	Dealer limits access via Web browser option
System requirements	Expensive dedicated server	Any desktop computer with Internet access
Network access	Multi-location network, server/client locations	Web browser access, connect from anywhere
Dealer RMR	\$0	\$\$\$

Today, many major corporations no longer actually purchase the software (or even the hardware) required to provide office automation functions to their employees' desktops. Rather they simply lease "seats" or licenses for major applications from a third-party provider. Whenever a support issue or upgrade to the application is required, the third party simply and remotely updates the application.

MAC takes this outsourcing a step further by eliminating the need to maintain trained personnel to administer the ACS, purchase application software, operating systems and computer hardware. The dealer can manage multiple clients from a single location, computer server, operating system and software application while creating a profitable menu of RMR-generating services. Each customer also has the ability to access their own segment of the system via Web browser, allowing them to perform basic operator or management functions within their system.

RATIONALE BEHIND SERVICES

RMR is the primary reason so many security dealers and integrators are successfully pursuing MAC over traditional site-managed access control. Basic monthly charges under a MAC program include managing the hardware and software platform, backing up customer data and transactions, and performing routine changes in the customer's database such as adding, changing or deleting credential holder's records.

This fee structure is usually determined by system size using a matrix based on the number of doors, credential holders and database changes to determine a basic monthly charge. Other options and additional recurring charges are based on turning all that transaction data a system usually generates into information the customer can use to better manage their facility. This is normally in the form of standard automated reports, custom "on-demand" reports and E-mail notifications of specific system or user events.

Do not assume that a single pricing structure will be suitable for every client. The security dealer needs to take the time to understand who their customer is and set up a pricing structure that matches their needs. While RMR is certainly the force driving implementation of a MAC product, there are several other key factors the dealer and customer should review when considering MAC over a traditional, site-managed solution.

For instance, even with a good preventative maintenance and support contract in place, is the dealer really covering the true cost of sending a technician to a dozen or more customer locations

to perform software upgrades? Has the customer considered the true cost to maintain the ACS database themselves? Who covers the primary operator during periods of absence? How much does it cost to train that person's replacement? How much is it costing the dealer to provide support to improperly trained ACS operators and administrators?

What about the true cost of purchasing, maintaining, and upgrading the computer servers and other hardware the ACS software must run on? Is the system being properly backed up and are backups being safely and securely stored? How often has a customer suffered a catastrophic hardware failure and only then discovered the backups were unusable? How much did it cost both the dealer and the customer to get the system running again?

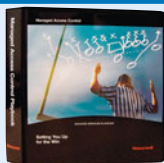
Honest answers to these questions lead to an understanding of how MAC can reduce costs to the customer and, at the same time, make support more profitable by providing RMR to the dealer.

A MAC model creates a much stronger business relationship between dealer and customer since the dealer owns the ACS software application, system head-end hardware, and the customer's system data. Close customer contact of this nature leads to greater customer retention. More frequent contact with the key individuals at the customer's location allows the dealer to remain in touch with the customer's changing requirements. All of this helps prevent competitive takeovers of accounts while increasing overall customer retention.

TARGETING VIABLE MARKETS

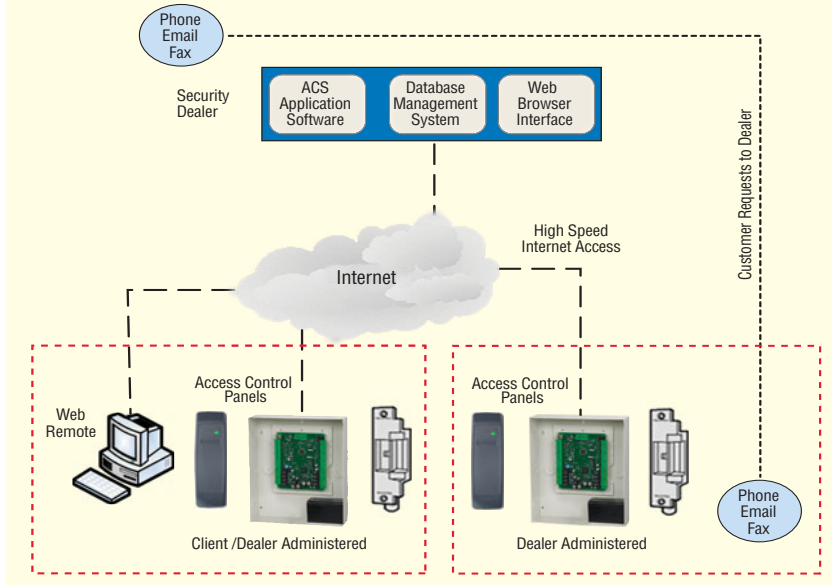
As with any other new product or service offering, the dealer needs to

'Playbook' Gets You in the Managed Access Game



Those interested in pursuing the concepts presented in this series and maximizing their RMR are advised to reference the *Honeywell Access Control Playbook*. Find out how you can obtain this comprehensive guide by visiting www.honeywellaccess.com.

Managed Access Control Topology



Managed access affords both dealer and customer central management of all administrative and most routine functions. For the customer, this eliminates the need for trained personnel to administer the ACS software, computer server and operating system. The dealer can manage multiple clients from one location and create RMR-generating services.

first approach the existing customer base. Focus on those systems that need an upgrade to the operating system, system server hardware or ACS software (or all three).

In many cases, the customer has chosen to run on legacy hardware and software due to the high costs and potential operational disruptions associated with a major software/hardware upgrade. Providing a MAC solution eliminates the need for software and computer hardware upgrades on the customer's premises and the transition from a site-managed system to the dealer's MAC center can take place in less than a few hours.

Also, the dealer should look to those systems that require an unusual level of customer support or systems that are poorly managed. Many times these problems are associated with frequent turnover of key system operators or administrators at the customer's site. MAC reduces the impact from the loss of a critical employee.

In the case of poorly managed systems, the dealer can easily identify and point out risks associated with improper backup procedures, weak policies

for changing access levels and issuing credentials, and the lack of physical security measures to protect the system host and workstations.

Smaller access control applications (five to 20 doors) are good candidates for MAC. Multi-tenant office buildings usually have a very small facilities management staff spending little, if any, time actually at the building. MAC provides the tenant with a point-of-contact available 24/7 to handle credential updates, access requests and rapid removal of access privileges from terminated employees.

Removing the computer and software application from the initial system cost creates a very competitive solution and it can be easily demonstrated that the relatively low monthly service fee for MAC is less than the actual cost to have an employee perform system management functions. The small business owner can directly "write off," as an expense, the monthly service fee as opposed to amortizing the capital investment of software and computer hardware.

However, with the ability to handle many large, unique customer applica-

tions of 20-400 readers through a single, properly configured MAC center, the dealer should also consider the advantages MAC offers to users of large implementations of ACS.

Although hospitals traditionally opted for a site-managed system, changes in that environment are making MAC a potential solution. In health care, departments not in direct patient contact have seen severe budget and staffing cuts. These cuts have included the IT department, which now has less personnel to focus on the more mission-critical functions such as the electronic medical records initiatives mandated by the federal government resulting in less time to support the security management system.

Education provides another example of doing more with less. As funding for public school systems becomes harder to obtain, positions not directly providing student instruction are being eliminated. While schools are looking for ways to better control access to buildings, this is a great time to offer a solution requiring less capital budget dollars and no additional workload on already overtasked administrative personnel.

ASSESSING THE BIG PICTURE

To sum up, MAC provides the ability for dealers to manage their customer's ACS from the dealer's facility, while removing the administration and hardware from the customer's site. The dealer creates a valuable service that reduces operating costs and increases security for the customer. The dealer benefits by offering the service to the customer in many ways. ■

Next Up: MAC Implementation

Be sure to check out Part 2 of this series in *SSI's* March ISC West issue for details on implementing managed access control and establishing a MAC center. All parts of this series will also be available at www.securitysales.com/managedaccess.

grow your business



Plant the seed for RMR growth.

Now there's a way to offer an efficiently managed access control system—and earn RMR at the same time. Honeywell's managed access control helps you cultivate more business and maximize the value of each sale. Managed access control lets your end user hand over chores like badging, reporting, and daily task automation—allowing you to create solutions that secure their facility and streamline their operations. Let Honeywell's managed access control solution help you grow your business. Plant the seed now and begin to see the green that grows with RMR.

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Start growing your business today! Call us at **1-800-323-4576** to find out more about the Managed Access Control Playbook – your step-by-step guide to selling managed access control.

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