

What Makes **VECTOR SECURITY** *Very Special*

It's one of the best-known names in installed systems and monitored services, but what do we really know about its inner workings? *SSI* Installer of the Year Vector Security shows what it takes to build a quarter-billion-dollar business. **By Scott Goldfine**

REGARDLESS OF INDUSTRY, there are a select few companies that when you hear, see or think about them you associate that organization with excellence, character and/or innovation. Cynics and rivals will sometimes credit such status to marketing and branding, but when you scratch beneath the surface you will usually find these operations are legitimately exceptional top to bottom. One of the best examples within the electronic security industry is Vector Security, which through the years has earned a reputation synonymous with success and doing things the right way.

While the company's results speak for themselves, so too do its commercial and residential customers. This is the case whether it's those that have been with the

firm for many years or those it continues to win over each day.

"I've always had the feeling that Vector Security's people really care, and they take their job seriously. Those are rare qualities in business today," says Keith Rosenstock, owner of Pittsburgh's Canadian Fur Co., a decades-long Vector Security client. "From the customer service to price we pay each month to have the security you provide us, we are very thankful and would refer anyone we know to you guys," wrote a Hayden, Ala., customer. "Thanks for being a great company, because you don't get that very much anymore."

Those comments are indicative of the emphasis Vector Security places on building customer relationships, an undertaking so vital to the organization that it has launched "One Vector" to assure best practices for a consistent customer experience.

"Through this initiative, we are revitalizing our internal structure to bring the entire company under one platform, path and vision. This benefits our customers and brings internal operating efficiencies," says Vice President, Marketing Art Miller. As well, the company's Promises Given, Promises Kept program is boosting retention on the national accounts side of the house.

Indeed, the deeper one looks into Vector Security the deeper the understanding becomes not only of the firm's comprehensive commitment to achieve-

ment and conduct but also its ability to consistently execute. As with most great organizations it all emanates from the top, in this case President and CEO Pam Petrow, the Central Station Alarm Association's (CSAA) current president and a 2012 inductee into the *SSI* Industry Hall of Fame. Presently high on Petrow's radar are personnel and technology issues.

"Vector Security is proud to boast an average tenure of 7.89 years and is seriously committed to the education and development of our employees," she says. "We believe that changes in technology are reinventing our service offerings as well as the expectations of our customers. We need to be prepared to meet these new demands and need a workforce that is willing to embrace these new offerings. In the past year we have committed over \$1.2 million to training."

For those reasons among many others, Vector Security was named the 2016 *Security Sales & Integration* Installer of the Year (Large Company). The award is presented annually to the security company that best meets the criteria of: exceptional customer service; business practices and marketing strategies that ensure success; properly training company personnel; motivating employees; giving back to the community; and contributing to the betterment of the security industry.

The Warrendale, Pa.-headquartered Vector Security, which just last year also



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Pam Petrow, president and CEO (center), pictured with Vector Security's senior management team.

captured *SSI's* Integrated Installation of the Year notice, nudged out two strong challengers for Installer honors. They were fellow Pennsylvania provider Select Security and Protection 1.

Accolades are wonderful for the recipient, but from a peer perspective it's more meaningful to learn about the actions that have contributed to a company like Vector Security being so celebrated. That's another cornerstone of the Installer of the Year program: sharing strategies and techniques that help shape future award-worthy security enterprises.

Executing Its Plan

While Vector Security's founding is shown as 1982, the business has roots dating back much further. In the 1970s, Westinghouse Security Division sold to Westec to become a franchised network of security dealers. Eventually, Vector Security was formed through the acquisition of Kilbourne Security, a Philadelphia- and Pittsburgh-based Westec dealer. Initially known as PC Security and serving customers within its state and parts of Ohio and West Virginia, the business soon

changed its moniker to Vector Security.

In the early 1980s, Vector Security was purchased as an investment vehicle by The Philadelphia Contributionship, a mutual insurance company founded in 1752 by Benjamin Franklin. Significant growth resulted in Vector Security surpassing The Contributionship in revenue and earnings, and so policyholders made a strategic decision to split the two entities into sister companies, both wholly owned by TPC Holdings Inc.

Today, Vector Security provides intelligent security and home automation solutions to more than 300,000 residential, commercial and national account customers supported by some 1,300 employees in its numerous branches throughout North America. The firm's more than \$256 million in 2015 revenues includes in excess of \$15 million in recurring monthly revenues (RMR), much of it monitored by its two CSAA Five Diamond central stations.

Vector Security's current size and complexity necessitates management render carefully orchestrated, fully vetted, periodically adjusted business plans. According

to Petrow, those plans are developed by each business unit, and then approved by senior management and the board of directors. She and her executive team then meet with managers of each business unit to evaluate the financial success of those plans monthly. Performance is reviewed quarterly with the board, and the overall strategic plan is updated each year.

"Performance against plan is measured and we make decisions on what isn't working and the corrective actions needed, or celebrate the success of plans that are at or above plan," she says. "The growth expectation is that each business unit will not just replace attrition, but have a growth factor that depending on the business unit is either high single digit or double digits."

Pleasure to Do Business

In addition to those tactics mentioned at the outset, Vector Security deploys a multitude of other strategies to serve, delight and retain customers. Those efforts include the following:

Improved customer portals: Bill payment and presentment portals have



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been improved adding functionality with alarm history, updating emergency contact information and custom reports to better inform the customer and provide additional self-serve capabilities that customers have been requesting.

Home automation app: Launched its own branded version of the popular Alarm.com app to customers.

Home security & automation online store: Launched its e-commerce store in late 2014 where consumers can select a security package, add devices and have the system professionally installed.

Packaged residential offers online: Helps provide consistent product and pricing across the company so the customer experience is the same no matter location.

Online customer knowledge center: In development to field frequently asked questions (FAQs) and common concerns, and also offer how-to videos for using control panels, mobile solutions, etc., troubleshooting alarms and managing accounts.

“We regularly survey customers through our call center, central stations, consumer review sites, etc., to improve our service,” says Miller. “We also conduct surveys after every service call. All new customers are contacted within the first month to ensure satisfaction and system performance. Additionally, we conduct 30-day tests on security systems; this is unique in the industry as most companies don’t want the increased traffic.”

No Stone Unturned

Vector Security’s other key business and sales & marketing practices, and success strategies include:

Lead generation: Targeted direct mail and online campaigns help generate new opportunities.

Customer and consumer education: Home security (vectorsecurity.com/blog) and business security (vectorsecurity.com/bizblog) blogs provide industry insights, trends and topics.

Social media: Active on Facebook,

Twitter and LinkedIn.

Web: Support online lead generation through SEO, pay-per-click ads and other tactics that resulted in 32% year-over-year growth in online traffic.

Research and competitive analysis: Provide competitive insights, targeted lists and other materials.

Reputation management: Manage reviews through Trustpilot Consumer Affairs.

New product launches: Packaging, trademarks and promotion of new offerings.

Tradeshows: Participation includes the National Retail Federation’s PROTECT and Big Show events, Retail Industry Leaders Association and Retail Council of Canada events, as well as other smaller industry and vertical-specific shows to build awareness.

Customer listening sessions: Meet with C-suite and other groups to better understand their needs.

Targeted campaigns: Based on ge-

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ography, demographic and opportunity, these campaigns are typically integrated with a mix of media including direct marketing, advertising and other tactics.

“Once we determine the products and services we will offer, marketing builds the plan to support the internal sales effort as well as external, customer-facing material,” says Petrow. “Marketing is also engaged to participate in all product/service launches. Sales participates from the initial product review, but is also called upon to assess market opportunity, competitive offerings, pricing and existing customer impact. Sales then is responsible for determining compensation for the sales reps as well as quotas for performance.”

Putting People on Pedestal

The company has established several internal programs that recognize and motivate employees across roles and responsibilities for reaching certain levels of performance. They include the following:

Operations Inner Circle: Recognizes service and installation personnel, with individuals receiving a \$2,000 travel voucher and five additional paid vacation days.

President’s Inner Circle: Rewards top sales reps with a weeklong, all-expenses-paid vacation that includes a guest and extends to family.

FastForward: Employees give a shout out to each other via the company’s internal Web platform.

One Vector program: Employees earn handwritten notes from their teammates when they exemplify any of the company’s core values.

“I am Vector Security” program: Highlights individual employees and tells the story of how they embody the values of the company.

Vector Security provides employees a multitude of training sources that include classroom instruction and on-the-job learning. Some positions offer job shadowing/mentoring. All managerial employees undertake Development Dimensions Int’l (DDI), which focuses on performance, development and communication. Also at the management level, the six-part, two-year Vector University

program goes into what each area of the business does and how everyone contributes to overall success.

“Employee retention and engagement are very important components of our company philosophy,” says Petrow. “We believe that employees who are engaged and experienced will deliver the highest service levels to our customers. The most important employee qualities are attitude and enthusiasm. We can train on the software and technical aspects of the position but we can’t train people to be positive and customer oriented.”

Reaching Inward to Help Out

Petrow’s present role leading CSAA (the first woman ever to do so) is consistent with Vector Security’s longtime involvement in trade associations and industry causes. For the past six years District Vice President Amy Simpson has served as president for the Pennsylvania Burglary & Fire Alarm Association.

Petrow helped develop Automated Secure Alarm Protocol (ASAP) to Public Safety Answering Point (PSAP) technology in partnership with CSAA and the Association of Public Safety Communications Officials (APCO). This technology speeds up alarm notification delivery, reduces the number of phone calls and processing time and eliminates human error. Vector Security’s dedication to effectively managing alarm calls and fostering first responder relationships resulted in it being the only company to twice win the Police Dispatch Quality (PDQ) Award.

Finally, the firm is a firm proponent of giving back to the communities it serves, as evidenced by its myriad local and national charitable activities.

“At a corporate level, we are longtime supporters of the National Center for Missing and Exploited Children and the Salvation Army,” says Petrow. “At the branch level, our people are involved with firefighters and local law enforcement agencies, churches, schools and community sports teams, Special Olympics, Habitat for Humanity, American Heart Association, breast cancer awareness, SPCA, Toys for Tots, food drives, school supply drives, neighborhood watch, and much more.” ssi

Petrow’s Perspective: Top 3 Challenges

How Vector Security President/CEO Pam Petrow assesses the landscape:

1. Keeping up with changing technology/threat of cyber breaches.

“There are so many new products and services being introduced that keeping track of them and determining which we should deploy is a challenge. Since the products are coming to market so quickly, not all of them have considered or have been protected against hacking, cyber breaches or leaks.

This creates a risk for businesses offering these services, in addition to the consumer risk. This risk has translated into much more aggressive contract negotiations with commercial customers wanting us to take on responsibility for expanded costs and exposure to the data breach threat.

We have several people dedicated to monitoring all of our markets to bring these changes to our attention. We then evaluate them as a team and determine where we will focus our energy.”

2. Quality lead generation and market expansion. “The industry has had a history of recycling customers instead of expanding the market. This has intensified the past several years with the aggressive dealer programs. We continually seek new ways to create a new pool of prospects who need our products and services. We are changing product offerings and go-to-market strategies to reach these new audiences.”

3. New competitive landscape. “Major changes in the traditional players in addition to new companies entering the electronic security space could be a challenge or an opportunity. Understanding the ‘go-to-market’ strategies, the partnering opportunities and clearly defining your niche in the market is critical. We need to determine how to create opportunities in this new climate and find ways to leverage what we do well with the new technology these entrants are going to be marketing.”