

# CALL CENTER WEEK EXCELLENCE — AWARDS —

The 2014 Call Center Week Excellence Awards honor, recognize and promote the most innovative call center solutions and individuals over the past year. The awards are dedicated to recognizing superior thinking, creativity and execution across the full spectrum of call center functions.

## AWARD CATEGORY: BEST IN CLASS CALL CENTER (UNDER 200 STAFF)

### PART1:

#### GENERAL INFORMATION

<b>Company Name:</b>	MONITRONICS SECURITY
<b>Your Name:</b>	Andrew Million
<b>Your Title:</b>	Sr. Manager, Customer Experience and Administration
<b>Your Email Address:</b>	<a href="mailto:amillion@monitronics.com">amillion@monitronics.com</a>
<b>Telephone:</b>	972.243.7443 Ext. 3746
<b>Organization Revenue:</b>	2013 Full Year Ending 12/31/2013 - \$451M
<b># of Employees:</b>	900

Monitronics Security Award Submission, 2014  
April 17, 2014

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**GENERAL CALL CENTER QUESTIONS**

Please respond to the following questions so we can better understand your organization.

<b>The number of agents within your call centers:</b>	135
<b>The number of call center locations:</b>	2
<b>The major challenge facing your call center currently:</b>	Building space
<b>Major success over the last 18 months:</b>	85% of hourly intervals meeting service delivery, Acquisition of 200K customers, cost efficiencies
<b>Who does the head of the call center report into:</b>	VP, Security Operations
<b>List of your technology vendors:</b>	UTC, Nuance, GE, Honeywell
<b>List of your non-technology vendors (i.e. consultants):</b>	none
<b>Type of call center (i.e. internal contact centers, sales centers, customer service centers, etc.):</b>	Alarm Response Center (central station)
<b>Inbound, outbound, or both:</b>	Both
<b>BtoB, BtoC, or both:</b>	Both
<b>Specific country or countries:</b>	U.S., Puerto Rico, Canada

**PART 2:**

**CATEGORY SPECIFIC QUESTIONS**

- **Describe the vision of your call center and how this is working towards the delivery of your overall brand promise:**  
*(Worth 20 points maximum)*

“Your Security. Our Priority.” This phrase embodies the purpose at Monitronics, to provide superior alarm monitoring services designed to protect the lives and property of our customers. Since 1994, Monitronics has provided our network of dealers the flexibility to promote their unique and individual brands, as well as offer support services to promote themselves in the marketplace. We brand and market ourselves as a dealer centric organization, offering concierge-like account acquisition support and providing consistent, reliable and trustworthy alarm monitoring service to the accounts dealers refer to us. We are unique in that our monitoring center services customers we own directly as well as contracted-service customers; customers that we are entrusted to monitor on the dealer’s behalf.

The Alarm Response Center (ARC) is the heart of our organization. From dealer recruitment and marketing through account cancellation, our ability to respond to alarms and emergency signals enables dealers to grow their business and sell accounts to us. We have to provide exceptional service and demonstrate our alarm monitoring expertise every day or our customers could face life-threatening events. This strategy has allowed us to provide life safety and property protection for more than 1M customers in the United States, Canada and Puerto Rico, making us one of the fastest growing alarm companies in a highly competitive and regulated industry. This flexible and dynamic, multi-dimensional business model allows security alarm dealers to promote a personal brand while reassuring new and existing customers that the Monitronics brand and what the ARC represents can support customers throughout their entire lifecycle with us.

In our recurring services model, reducing customer attrition is the biggest lever driving shareholder value. Monitronics purchases account contracts from our network of installing dealers to continue growing the business, and for this model to work, customers must stay with us well beyond their contractual break-even point. The ARC plays a prominent role in the lives of our customers and their decision to stay with us long term. ARC Emergency Dispatch Operators (EDOs) personally interact with our customers more frequently than any other part of the organization, and typically do so in a highly-stressful situation. By demonstrating situational awareness and remaining calm while guiding the customer through the interaction, we reinforce our customers’ purchase decision with each interaction.

Customers experience emergency alarms 24 hours a day, 7 days a week, and expect the same quality and response no matter what the circumstances. We treat every alarm as if it is a life-threatening or property loss event and constantly measure the consistency of service provided by the ARC throughout a given day. As the forecasted volume of signals fluctuates throughout the day, we staff the ARC to meet the demand at any given time. We act with a sense of urgency on every alarm response and work to offer our customers an experience they can’t find anywhere else. We hold ourselves to high service delivery standards, responding to all high priority alarms quickly and accurately with a response-time consistency objective of 85 percent per hour interval during each 24-hour period.

We also leverage our alarm response hardware and automation software, utilizing our ability to automatically respond in either English or Spanish depending on the customer's preference. By segmenting alarm events out by different levels of importance, ranked primarily on life-safety and property loss probability, EDOs are presented with the next alarm automatically. The platform is sophisticated to such a degree that it allows an EDO to review alarm signal history to determine if an intruder has entered the front door, then went to the living room and tripped the motion detector and then broke a rear window in the house to leave. When viewed in a context that considers not just the millions of alarm signals handled each year, but also the hundreds of thousands of additional signals received each week, the platform delivers a robust and scalable solution that saves our customers' most valuable assets.

Speed and service consistency are important drivers, but we also ensure operators are handling alarms efficiently and accurately. False dispatches sent to emergency responders wastes valuable time, can result in expensive fines and could consequently divert resources away from someone truly in need. The efficiency and accuracy standards balance how well the ARC operators follow set standards and procedures for alarm handling while concurrently showing a recognizable level of empathy towards the situation at hand. Customers take comfort in knowing they are talking to experts that can not only help them feel safe, but also care about what they are facing during an alarm.

Leveraging the culture we have established internally and expecting more from operators, while aligning organizational objectives to ensure success, the ARC is able to treat each customer as if they are our only customer and consistently deliver the highest level of service. Combining speed, accuracy and consistent service with employee engagement, Monitronics can differentiate itself with the service we deliver to our customers and dealers.

Members of the ARC pride themselves on the fact that they do not sell a product but rather a potential life-saving service. On July 15, 2013, a medical alarm was received from a customer as a result of her dog pressing a medical keychain button. The operator attempted to reach the customer over the alarm's keypad, but could only hear faint noises in the back ground. The operator dispatched an ambulance. The paramedics arrived at the house to find the customer choking, and her dog beside her. Without this service – it is unlikely the customer would have gotten the help she needed. Because monitoring is the heart of Monitronics, we dedicate the ARC's EDOs to holding only one focus – responding to alarms. This focus and dedication to alarm handling builds the trust in service our customers have come to expect. This exceptional delivery of the service promised to every type of customer is validated by long-term customer loyalty.

- **Explain how you are engaging your team to deliver on your service promise. How do you pinpoint what matters to your customers and what impacts your business?**  
(Worth 20 points maximum)

The Alarm Response Center (ARC) is integrated into the organization in more ways than just responding to alarms. We work to engage Emergency Dispatch Operators (EDO) on many levels, and have entire teams dedicated to supporting the call center in every aspect of their interaction with customers.

Even before a new employee is hired, their future peers take part in the interview process and screen candidates based on several key areas including accountability, job responsibility and ethics. By getting the candidate's future peers involved, ownership of the ARC's mission and holding each other accountable by making sure the right people are hired, drives home how critical the role is.

To support a newly hired EDO, the Training department provides an intense training regimen that gives agents the opportunity to truly grasp the scale and importance of their position and how it impacts the rest of the organization. Content is continuously tested through daily quizzes and a final exam is given before the operator is cleared to begin taking live alarms in a mentored environment.

During the mentor phase, a qualified mentor will reinforce skills learned during the classroom portion of training and provides new hires with the opportunity to begin taking live alarms to ensure consistency of service. These mentor sessions build new employee confidence by encouraging live skills training with the knowledge that help is right next to them if needed. Mentors evaluate new hires throughout the sessions and track progress of skills mastery for topics learned in class.

Monitronics utilizes a full-time Quality Coach and assistant, dedicated to service quality. The quality program performs several remote and live call reviews with each employee throughout the month. Feedback is provided back to the EDO based on the customer interaction and technical aspects of the handled alarm. The coach identifies trends and reports weekly to ARC leadership in order to align recurrent training for timeliness and content.

A unique recognition program has been established for an EDO whose actions have directly saved the life of a customer or prevented a loss of their property. The Hero Award publicly recognizes an employee in our regular employee newsletter (*Arm'd*), our quarterly distributed dealer bulletin (*The Monitor*), as well as pictures with the CEO and VP of Monitoring Operations being displayed throughout the building on rotating monitor boards with an accompanying story. The employee receives a special identification badge and an embroidered shirt, both with the Hero Award emblem. This award embodies our mission – 'Your Security. Our Priority.' and encourages operators to remain focused and treat every alarm as if it's a life-threatening event.

While response time to an alarm is important, delivering a consistent response time at any point in the day is even more critical in an emergency. A customer whose house is on fire does not want to worry about the time of day the fire alarm went off and if Monitronics is staffed accordingly – it's our duty to provide that reassurance. To do so, we deployed a new workforce management solution at the beginning of 2013 and leveraged an existing team of people dedicated to calculating and forecasting staffing needs at various times of the day. This optimizes staffing levels and certifies that we are appropriately staffed to handle inbound alarm volume and associated outbound emergency contact calls at any time of day or night to provide exceptional monitoring service to our customers.

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We also introduced a formal employee scorecard, created to balance the employee's performance with customer expectations. This performance scorecard looks at three components: an EDO's interaction quality, alarm handling efficiency and scheduled availability. Interaction quality focuses on both the technical side of handling an alarm and expressing empathy with customer during the event. This is a critical function when balanced against the millions of high priority alarm interaction opportunities EDO's handle each year. In a business where accuracy and speed matter to save lives and property, measuring how well an EDO efficiently works an alarm is extremely important. Any steps an operator can take to verify the condition of an alarm prior to requesting emergency responders prevents false alarm fines and provides reassurance to both the customer and responding agencies that Monitronics is a true industry expert.

In an industry that is quickly morphing into more than just traditional phone line, hard-wired sensors and wall-mounted security systems, the market forces us to keep pace and respond to what customers are actually looking for. Not just gadgets and gizmos, but true home and lifestyle integration products and services are being constantly introduced. With the age of the smartphone, consumers want to control their security system remotely, view their cameras, open/close their garage door, change thermostat and light setting and manage their lives in the palm of their hand. These devices and services have grown in sophistication and reliability, resulting in highly dependable security and life-safety systems. Additionally, as the general public continues to age, new products will allow customers to ensure loved ones have taken daily medications and remain in safe areas by knowing where they are in real time.

We utilize a variety of social media and customer feedback loop tools to apply continuous improvement opportunities to the organization. The valuable information gained by collecting this data has shown gaps in how we treat customers after cancellation, issues with perceived service delivery problems and deceptive sales practices by some of our competitors. By keeping customer needs top of mind and consistently delivering the highest level of service, customers are innately reminded of why they chose Monitronics to help keep them safe.

- **Describe cost and process efficiencies gained, return on investment, changes to the culture and why the Call Center has been successful:**  
*(Worth 20 points maximum)*

As the safety of our customers is our top priority, we recognize that the Alarm Response Center (ARC) cannot achieve this alone. Combining the efforts of each department to streamline procedures behind the scenes, not only creates a smoother experience for our customers, but also improves the ongoing relationships we have established and maintain with responding authorities and emergency personnel across the country.

The ARC has seen several key cost reduction and process improvements over the past year – all while enhancing service delivery to our customers. Although handle time is an important lever in every contact center, the amount of time spent on an alarm must be balanced between acting quickly, but also efficiently and accurately. Emergency Dispatch Operators (EDOs) are presented with alarms every day that require contacting customers appropriately, requesting emergency responders and providing valuable information to help save a life or prevent a property loss. By reviewing best practices, dispatch procedures and call flows, the average time spent on an alarm dropped 13 percent, which cut 22 seconds of handle time for each EDO handled alarm. By doing so, headcount was held flat year over year while adding more than 14K net new customers.

Additionally, the ARC leverages a sophisticated alarm response system for lower priority events, typically system trouble issues and low battery notifications. At a fraction of the price for an individual EDO, the message of the event is delivered to the customer, while freeing up operators to handle high priority, potentially life-saving events. This application successfully delivered valuable information for almost 1M events that otherwise would have required human intervention. At the end of the day, our cost to support our customer base fell \$0.11 per customer when compared to 2012.

The foundational support for the ARC includes several work teams: Customer Experience, Data Integrity, Customer Communications, Customer Relationship Management, Workforce Management as well as Permit and Licensing Management. Over the past year, the group cultivated a new customer onboarding tool to lessen the burden of new account creation for dealers, reengineered outbound communications to unify message and voice, intervened with alarm system troubleshooting, managed customer compliance and proactively forecasted service level needs to ensure the call centers was properly staffed at all times.

The Data Integrity team acts as the gatekeeper for customer information, taking the role beyond simply entering data into fields. Rather, they take a holistic approach towards validating every piece of critical account information that could potentially influence an Emergency Dispatch Operator's (EDO) ability to keep customers safe. By taking a focused approach to all customer interactions, the team has evaluated each customer touch-point to enhance the experience for the customer and operational efficiencies for the business, all while equipping ARC operators with the tools they need to properly execute alarm handling during emergency situations. The System and Process Analysts embedded in the Data Integrity team use their expertise to continuously mine customer information for patterns and inconsistencies. This allows us to develop and implement proactive communication programs that enhance the experience customers have with Monitronics. A thorough evaluation also pinpointed gaps in customer communication and identified opportunities to further educate customers on systems use and false

alarm prevention. Putting additional efforts toward helping customers understand how to use their systems, decreases unnecessary interactions and false dispatches made through the ARC.

A robust CRM group was expanded to provide a broader range of interactions with our customers. Originally designed to target and reduce the number of customers with high alarm activity, the team has taken the concept of creating an exceptional customer experience to the next level by upgrading alarm components and training customers on proper system use. The group successfully reduced customers with high activity by 20 percent, alarms from those customers by 50 percent and dispatches to emergency responders by 55 percent.

A complete workforce staffing solution was overhauled in 2013, including the deployment of a new forecasting and scheduling application. This application has provided flexibility for the Alarm Response Center and associated inbound centers at Monitronics and is scalable to grow with the business. By leveraging historical alarm arrival patterns and response times, gaps identified opportunities to reallocate existing personnel to more efficiently respond to alarms without adding incremental staff. The team instituted service level targets for every interval throughout the day for a consistent customer and agent experience. By acting as the eyes, ears and pulse of the contact centers, the group ensures agents have the ability to balance off-phone activities while meeting customer demand.

Finally, keeping customers informed as well as compliant in a complex, highly regulated environment is accomplished through letters and dealers aligning with our established permitting and licensing installation standards. The Permit and Licensing department helps to regulate what kind of information the emergency operators provide to authorities during each dispatch, while managing a database of information specific to each precinct allows dealers, Customer Care and Emergency Dispatch Operators to provide facts that are relevant to the authorities in that area.

The ongoing support provided by each segment of the business aids us in delivering the visionary promise we make to customers and dealers and working to keep them safe.



- **Provide examples of what makes your call center innovative. What are you doing to compete on the service you provide?**  
*(Worth 20 points maximum)*

While the devices offered to customers to purchase don't vary much from one security company to the next, we differentiate ourselves with the level of service we provide. We partner with manufacturers and providers across the country to offer feedback directly from our customers and dealers regarding new product and service offerings. Additionally, we continually review internal applications and settings to ensure our systems intersect customer expectations on the horizon.

As one of only a few alarm companies nationwide to employ the Automated Secure Alarm Protocol (ASAP), Alarm Response Center (ARC) Operators have the ability to quickly send electronic alarm dispatch requests directly to the emergency responders without placing a call, resulting in decreased time needed for a dispatch request. This time is repurposed and focused on delivering consistent levels of customer service. As a charter member of the ASAP-to-PSAP program, we work with emergency dispatch agencies to more efficiently transfer dispatch information which, in turn, reduces the need for agency resources. We believe strongly in the future of this program and are chair members on the ASAP Outreach Committee to work with emergency personnel, expanding the effort made between ongoing alarm response and the request of police dispatch. We have placed a high value in the relationships we build with local authorities and constantly work to improve it based on what each jurisdiction expects from our customers and our Alarm Response Center.

By utilizing the technologies available to them, the ARC improves the level of safety we provide with each customer's alarm. With two-way audio giving operators the capability to listen in and/or verify a crime is taking place right from the keypad, ARC Operators can evaluate what they hear on the other end and quickly determine if emergency personnel need to be dispatched. This feature and device actually helped save a life in July 2013, as mentioned previously.

We also interact directly with our customers to reduce the number of false alarms received. By utilizing the System and Process Analysts to continuously find different combinations of customer attributes, appropriate proactive and timely customer outbound campaigns can be launched to influence customer behavior. We've designed programs around high alarm activity, medical alert reset and 'test your alarm system' reminders, missing/invalid emergency contact information and addresses to provide responding emergency personnel. The combination of these programs provides a significant focus to reduce future customer demand.

The Data Integrity function streamlines and validates the customer information used by the ARC to make doing business with Monitronics simpler. In an effort to help dealers, a complete functional redesign of our processes resulted in formal policy and training documentation, a 24-hour change request expectation, work-load balancing across all agents and feedback loops that include managers and department-heads to help identify training opportunities. They also developed a flexible application for dealers to register cellular communication devices, track new sales, manage customer information and receive automated portfolio reporting. By applying a disciplined data integrity policy, the team validated more than 50,000 bulk-conversion customer accounts, allowing us to seamlessly integrate customers into Monitronics' Alarm Response Center and not miss a single alarm signal.

In an effort to reduce false dispatches, we also use the Enhanced Call Verification process (ECV) as a standard operating procedure where we verify alarms are real before using the limited emergency resources available, which results in fewer alarm dispatches. This allows emergency responders to remain ready and available to help during actual emergencies.

Educating customers at every point of contact is another important method we use to provide exceptional service. Whether we are speaking to customers over the phone or mailing them a piece of correspondence, we are constantly helping them understand why it's important that they understand how to use their alarm properly, how to prevent false alarms and why maintaining accurate customer contact information is critical to Monitronics keeping customers safe.

Our Customer Relationship Management group also proves that taking customer interactions seriously builds trust and longevity with our company. Recently, on a call designed as a system reset reminder, a life-threatening event occurred. The agent instinctively requested a medical dispatch to the customer's location, later learning the disturbance was the customer's mother-in-law having a stroke. At Monitronics, listening carefully to our customers and responding appropriately to their needs can help save lives.

By maintaining an English and Spanish speaking Alarm Response Center we have the ability to assist an even broader scope of customers. The ARC treats every alarm like a real emergency, building consistent customer service and customer interactions. By delivering consistent alarm procedures and response times, the ARC is a CSAA Five Diamond (Central Station Alarm Association) and IQ (Installation Quality) Certified, UL (Underwriters Laboratories) listed and continues to set industry standards for safety and security.

Rated as one of the "Top 100 Places to Work in Dallas" for two years in a row by the Dallas Morning News, Monitronics focuses the entire company on building and maintaining an employee-centric culture that continues to make us an attractive place to work. While we offer various programs that build an encouraging and healthier workplace, we also focus on individual accountability and ownership of success, which emphasizes employee engagement in decision making. This methodology encourages management to maintain an environment where everyone is treated as an adult, holding each person to higher expectations of excellence and setting high expectations of performance. This fundamental approach allows talented employees to identify and eliminate obstacles to success, which drives greater company performance and better service delivery to our customers.

By focusing on service as a differentiator, we provide an exceptional customer experience to both our customers and dealers which help us to build stronger relationships with each. We provide an environment of trust and reliability, which not only aids dealers in bringing on more business but also in maintaining that business with us. We grow overall as an organization by dealers continuing to thrive independently while we establish overall customer loyalty leading to fewer customer defections.

- **Explain how you get executive level buy-in for the resources needed to grow and operate your call center efficiently? As a smaller call center, explain how you handle any budgetary restrictions.**  
*(Worth 20 points maximum)*

*Your Security. Our Priority.* Executive support and decisions center around two principle elements - 'what is the right thing to do for our customers?', followed by 'what is the most cost effective way to get there?'. The prioritization of these two questions is no accident – do what is right for the customer in a fiscally responsible way. At times, legal requirements and ordinances mandate a course of action, but resources and funding are concentrated around 'doing the right thing.'

Since alarm monitoring is the very essence of our service offering, the ARC's priorities may supersede other non-contact center functions at times. The understanding that ARC operators face life-saving and property loss situations every day drives the sense of urgency and priority from our leadership team. To that degree, no expense is spared to ensure uninterrupted service to our customers. This commitment to service delivery manifests itself in our continued UL (Underwriters Laboratory) certification for a monitoring station. More than just business continuity to ensure revenue continues to flow, having fully redundant systems and procedures helps to insure that we will never miss a possible life-threatening alarm. As new regulations and ordinances are developed throughout the industry, exceeding or meeting the new requirements is never viewed as an obstacle, but rather a question of how to meet the objective in the most cost and time efficient manner.

Our leadership team demonstrates that we have more than an agreement with our customers, but rather a moral obligation to act with a sense of urgency and accuracy to protect the lives and property of our customers. Simply answering the phone isn't enough – the Executive team funds the operation to treat every alarm as if it is real and to source people to fill EDO positions who genuinely want to help a customer through a potential crisis. The direction given has always been – 'Hire people who will do the right thing.'

This philosophy underlines the key element to the recurring services model by providing exceptional service that meets the customer's demand at the time the customer may need it most. The genuine sense that we are here to help our customers is the primary reason customers have stayed with us, resulting in one of the lowest customer attrition rates in the alarm monitoring industry. We hold ourselves to a higher standard than just the industry requirements by ensuring every customer is treated as if they are a family member in need of assistance. The daily possibility that the next alarm could be a customer held at gunpoint or who fell in the kitchen facing a serious medical condition is what keeps us going. These calls are not easy to get through, both physically and mentally, particularly when there is another person on the other end who desperately needs help. The leadership team makes every effort and spares no expense to ensure agent training is the best in the industry, our systems are state of the art and employees are recognized for saving a customer's life or preventing a customer's property loss. Saving a life or preventing a property loss is so important that we call them 'Hero Award' recipients.

To ensure future Executive backing, the ARC executes against a fiscally responsible set of objectives and looks for new ways to improve agent productivity and find efficiencies through software automation and customer training. A recent effort took a population of high false alarm activity customers and provided an outbound intervention effort for alarm system operation and troubleshooting. This campaign

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reduced not just the number of alarms coming to the ARC, but also resolved many alarm system issues generating customer frustration and dissatisfaction. Additionally, by finding new process improvements, the ARC has been able to continue to drive down the service delivery cost to the organization per customer for the past three years straight – all while improving the service experience to our customers. By leveraging high service delivery standards, fiscal responsibility and a calling to a higher moral obligation, obtaining Executive approval for new projects and additional funding is typically very smooth and efficient.

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