

Diebold Has Fire in Its Belly

BY SCOTT GOLDFINE

Since its launch three years ago, I have always enjoyed the Electronic Security Expo (ESX) for its education sessions and great networking opportunities. This year's event in Pittsburgh was no exception and, in fact, was especially rewarding both professionally and personally.

It was exciting to have the Police Dispatch Quality (PDQ) Award — a program organized by SSI, the Security Industry Alarm Coalition (SIAC) and False Alarm Reduction Association (FARA) — presented at ESX for the first time rather than ISC West (see full story, page 62). The new venue proved to be ideal and is a natural since members of ESX's organizers, the Electronic Security Association (ESA) and Central Station Alarm Association (CSAA), are prime PDQ Award candidates. If your company is conscientious about alarm management, I urge you to submit an application for next year's award. E-mail SIAC, FARA or myself for more info.

One of the highlights in the networking department was spending time with Diebold executives Michael Dowling and Larry Black, which brings me back to why ESX was such a thrill for me on a personal level. You see, in addition to getting the inside line on Diebold's bold new entry into fire detection (more on that in a moment), in Pittsburgh natives Dowling and Black I forged an immediate kinship as a fellow, long-suffering Pirates fan.

Although I had never been to the Steel City, the first ballgame I attended as a kid was the Los Angeles Dodgers hosting the Pittsburgh Pirates. At that time, the Bucs were a championship-caliber club with stars like Roberto Clemente and Willie Stargell — and I was hooked for life. So it was like a sojourn to Mecca to enter their home field (PNC Park), gaze up at the giant Clemente and Stargell statues, finally sit alongside others adorned in Pirates gear — and then watch the now hapless team commit six errors while losing their 10th straight game.

So in addition to commiserating about Pittsburgh's Major-League record 18th consecutive losing season, Dowling, Black and I talked about why Diebold, a security systems and solutions integrator that's been around even longer

than the Pirates (150 vs. 124 years), has entered a new market.

Supporting that strategy, the fire niche figures prominently in the 2010 Operations & Opportunities Report (see page 54).

Since last year, fire has more than tripled among the list of revenue-generating technologies, and fire alarm inspections rose nearly six-fold among recurring revenue services. So Diebold appears to be part of a larger, industry-wide curve.

"Diebold has a service organization second to none with outstanding electronic specialists across the country. But we were missing a very important piece," Dowling told me. "Leadership wanted a deliverable solution put in place to do fire, and be able to provide customers a holistic set of services. It took three years to build the infrastructure. We launched the national fire business a month ago, and we're very excited about it."

Being that fire is highly regulated and requirements vary among states and jurisdictions, one of the biggest undertakings was training, licensing and certifying existing personnel in a new discipline. That along with shifting the corporate culture has been the great-

est challenges. But the rewards are already evident in conversions, opportunities and margins.

"Customers are willing to switch a lot easier than we ever would have thought. They are saying, 'We want to have one provider.' And fire has opened up other doors for us," Black says. Dowling adds: "I'm seeing higher margins. Compared to security, if you've got a quality fire installation, no one's touching it or turning it on and off, so you're not sending the troops out there as much. Out the gate you see better margins."

Sounds like a win-win, and a perfect way to kick off our annual Bright Ideas Issue! For more on Diebold, check out my Under Surveillance blog. ■



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Editor-in-Chief Scott Goldfine has spent more than 11 years with SECURITY SALES & INTEGRATION. He can be reached at (704) 663-7125 or scott.goldfine@securitysales.com.