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How to Reduce the Cost of False Alarms

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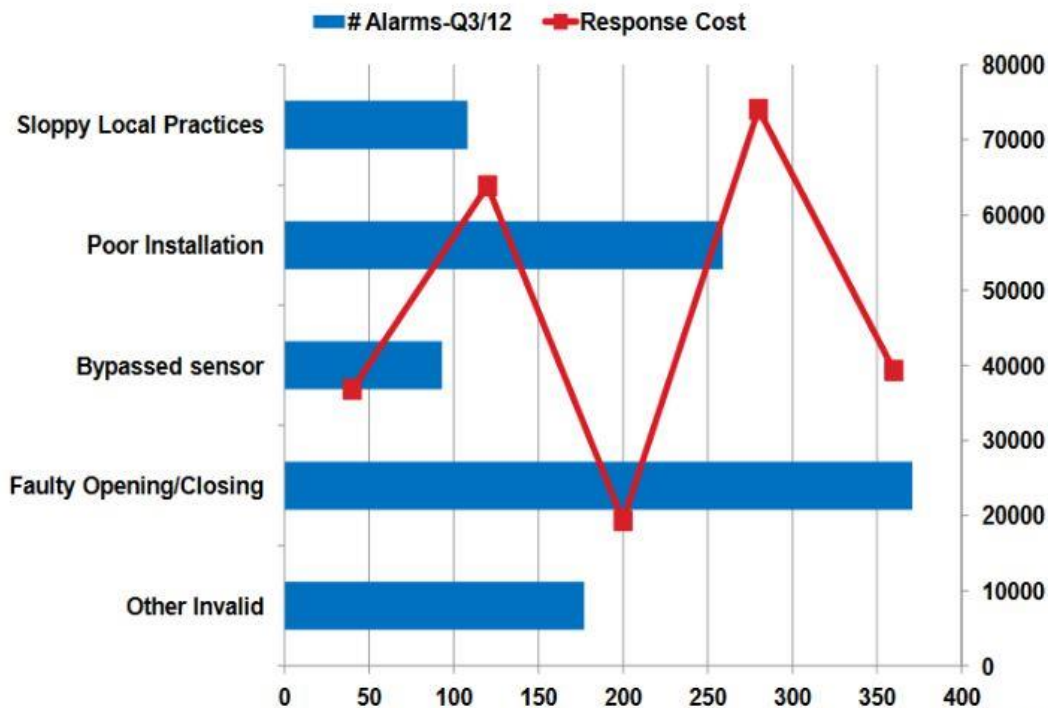
Cost is a constant focus of management, but we often fail to maintain the appropriate level of scrutiny until that inevitable moment when we're required to reduce our budgets. Then we run around looking for a few of the less bloody "opportunities," like travel, and delaying long-needed capital expenses. Time is money. Look no further than how your team is spending its time.

The graphic that follows represents a hypothetical situation in which our CSO has anticipated budget challenges and begun thinking proactively about the organization's Service Level Agreement with their guard force vendor. They saw the potential value of a more directed analysis of the results of calls for service.

Since this is a heavily populated 24/7 production complex with an extensive electronic security backbone to address regulatory requirements, R&D and life safety objectives, there is significant time devoted to alarm response. The CSO wants to know, generally, what percent of calls for service are unnecessary—that is, a waste of time. More specifically, for those we must dispatch and respond to within an established standard, what percent are simply not valid?

Reducing Cost of Operations

(\$233,428 in response time to Invalid Intrusion Alarms- Q3/12)



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The first hurdle was in the reporting process. Alarm calls were simply dispatched and logged for time of arrival and clearance, but no report was made if the alarm wasn't the result of an actual security event like an intrusion. There was no process for indicating the lack of validity of the call, so nuisance alarms could not be counted.

A simple process of recording business unit location, alarm zone, and officer time was initiated for all alarms during the third quarter of 2012. These categories of alarm initiation were selected based on common causes, and another was added to account for alarms known to be invalid. A total of 1008 alarms were logged into the analysis for the quarter. Tracking was done by security control center staff at the end of each day to routinize the process. To keep the result from paralysis of analysis, a consolidated \$26.00 per hour rate was used, which provides for a small (10%) overhead for supervisory review.

In one quarter, something just shy of a quarter of a million dollars in time was spent on chasing alarms that never should have happened. It seems to me this provides a solid opportunity for a discussion with management. Here are some thoughts on these findings:

- These alarms and related costs were avoidable. Procedures are mature and training is current on business unit operation and practices.

- There are outliers on frequency of alarms that deserve more focused attention, but the general conclusion is that the problem is more common and goes with the cost of protection operations.
- Facilities here “owns” the local system components, and when space is reconfigured or occupancy changed, security elements may not be updated for the new arrangements.
- Some regulatory requirements mandate the posting of a guard until an approved representative arrives to clear the alarm cause. (These costs were not included in this initial analysis.)
- Where there is an established frequency of alarm zone annunciation over an extended period (like with poorly installed or maintained systems), there is a consequent loss of first responder confidence in the validity and criticality of the call. This can play to an adversary.
- If this were a municipality, we would be faced with increasingly stiff fines and eventual notice of non-response by local police.

If you were the CSO here, what more would have to say on this, and what action would you recommend?

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