SecurityLink:
Building a New Generation of Services Based on Web Technology

An IDC e-business Case Study

THE RESULTS	*"We were able to bring a new, fully-functional service to our client in a phenomenally short time frame, and in so doing lay the groundwork for our next generation of services. Our choice of IBM as total Web solutions provider was the key ingredient of our success."*

THE GOAL	NEAR-TERM:	Build a Web-based platform for customers to view critical security data in realtime.
	LONG-TERM:	Create the technological foundation for a new generation of Web-based services.

THE COMPANY	VITALS:	Division of SBC Communications. Provides electronic security services to more than 1.3 million residential, commercial and government customers throughout North America.

THE SOLUTION	PROFILE:	Secure Web-based Information Delivery Platform
	DEPLOYMENT TIME:	62 Days
	IMPLEMENTATION TEAM:	IBM Global Services and SecurityLink IT Personnel

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Situation Analysis and e-business Challenge

The electronic security industry is intensely competitive and highly fragmented, making strong customer relationships and high customer retention extremely important. SecurityLink's key strategic challenge was to strengthen its relationship with customers, as well as to lay the groundwork for new market development. SecurityLink defined its central goal as becoming the industry leader in providing innovative solutions to the marketplace.

Action Plan and Decision Process

SecurityLink's vendor selection process was driven by a multi-disciplinary team comprised of IT, Sales and Marketing personnel. The ability to provide a total solution emerged as the linchpin issue in the vendor selection process, as did the ability to turn the project around quickly. SecurityLink cited its confidence in IBM's overall project management capabilities as the main driver behind its choice of IBM as a solution provider.

The Technology

SecurityLink

Software

IBM WebSphere Application Server

Servers

IBM RS/6000s

Services

IBM Global Services

Solution Profile and Implementation Strategy

The SecurityLink system, known as AccountLink, allows business customers (e.g., security directors or loss prevention managers) to access data via a secure Web site from any store or branch location. Information provided through AccountLink includes a record of alarm activity, opening and closing times, and "exception reports," which record events that occur outside a normal pattern, such as a store closing late.

Business Results

While the AccountLink project has produced numerous examples of cost savings and productivity gains, key SecurityLink stakeholders see the most important benefits in the areas of customer service and business development. While increasing customer retention has been an important benefit, SecurityLink also sees AccountLink as opening the door to a range of new revenue opportunities, in both new and existing accounts. AccountLink represents the first step in a broader range of services which will allow customers to look to SecurityLink for a wider range of solutions.

Case Epilogue

SecurityLink sees the speed of the deployment cycle as the highlight of the project, as well as the fact that the project was completed under budget with virtually no glitches.

! SecurityLink's Business Environment

SecurityLink's industry, known generally as "electronic security," is centered around a number of security-related services delivered to consumer and business customers. Of these, one of the most important is security monitoring, under which service providers such as SecurityLink remotely monitor alarm systems through data centers known as Central Monitoring Stations. In addition to functioning as the nerve centers for providers of security monitoring services, these facilities also funnel vast amounts of information about customers' premises—such as when stores open and close—into a central repository.

The electronic security industry is intensely competitive and highly fragmented. Of the approximately 16,000 different service providers presently operating in the United States, only a small proportion have a national or even regional market presence. The vast majority are local providers—often "mom and pop" operations. As a result of the industry's high degree of fragmentation, all but the largest players in the industry are subject to severe capital spending restrictions, which have significantly impeded the industry's aggregate rate of technology adoption. Service providers differentiate themselves mainly through high-quality service as well as geographical coverage. Having a national service footprint gives service providers such as SecurityLink a major edge in competing for multi-site business accounts.

> ## Key Success Factors
> ### Electronic Security Services
>
> "Our core competency is delivering information in and out of the customer's account. It's the ability to gather, store, process, and deliver the information to the customer. The better we perform this function, the more value we deliver to the customer."
>
> -Hank Monaco, Vice President of Marketing, SecurityLink

! Core Business Processes and Key Success Factors

According to Hank Monaco, Vice President of Marketing at SecurityLink, the ability to execute well on all aspects of customer service is a critical part of SecurityLink's business model. "To succeed in this business, a company must have a passion for customer service," says Monaco. "It's all about how we follow through on our service and nurture a sense of trust in the customer."

In Monaco's view, information management represents an equally critical function. "Our core competency is delivering information in and out of the customer's account," says Monaco. "It's the ability to gather, store, process, and deliver the information to the customer. The better we perform this function, the more value we deliver to the customer."

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! e-business Challenge

In the view of Charlie Platipodis, Vice President of National Accounts, one of the company's key strategic challenges was to strengthen its relationship with customers, which lays the groundwork for new market development. All signs pointed to new, technology-based services as the answer. "We began to see our overarching goal as providing innovative solutions to the marketplace—in an industry that has just not done so thus far," says Platipodis. "We needed to leverage our resource advantages to provide our customers flexible access to information, which would allow decision-makers to make the best business decisions they can make, when they want to and when they need to."

While SecurityLink's technology strategy had begun to take shape by the spring of 1999, a meeting with a key customer provided a major catalyst to its development. While renegotiating its contract with SecurityLink, Tricon Global Restaurants, Inc. (which owns the KFC, Pizza Hut and Taco Bell chains), expressed a strong interest in gaining realtime electronic access to alarm information for its 5,000 store locations via the Internet. According to Len Walejeski, SecurityLink's Director of IS, the Tricon meeting provided an important push to SecurityLink's e-business strategy. "As we were discussing their needs and wants it became pretty clear that what they wanted was better access to information," notes Walejeski. "The way that the industry in general—and we in particular—has been serving that need was not keeping up with what technology allowed us to do. So we looked at ways to solve the problem."

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e-business Challenge
SecurityLink

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—Charlie Platipodis, Vice President of National Accounts, SecurityLink

! First Steps

The first SecurityLink organization involved in the initiative was its National Accounts group, which initially fielded the request from Tricon in the early spring of 1999. Sensing the importance of the proposal, Platipodis solicited the involvement of SecurityLink's President, Neil Cox, who subsequently became closely involved in the project and conducted numerous discussions with executives at Tricon on the subject. After a high-level agreement to pursue the project was reached a few weeks later, SecurityLink's IS department was then brought in to take the project to the next stage: vendor selection. After the service concept was presented in detail to the IS department, a team led by Walejeski put together an RFP which was sent to four vendors including IBM. SecurityLink received and began processing vendor proposals in mid-June.

! Decision Criteria and Process

SecurityLink's vendor selection process was driven by a multi-disciplinary team comprised of Walejeski, Nasser Farimani (Solutions Director), representatives from the National Accounts sales organization, and the technical staff from SecurityLink's Central Station Monitoring Center. According to Walejeski, the ability to provide a total solution emerged as the linchpin issue in the vendor selection process. "The criteria that most strongly favored IBM Global Services was its ability to provide a total solution," says Walejeski. "Since this project was designed to be turned around within a very short time frame, we needed someone that we could trust to seamlessly handle all aspects of the project, from all the coordination that needs to get done internally, to the creation of the technical architecture, to understanding specifically our needs in the area of hardware and software security. We simply had more confidence in IBM's ability to coordinate all aspects of the project and complete the project within its given time frame—without sacrificing quality."

> ## Key Decision Criteria
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In addition to IBM Global Services' end-to-end capabilities, SecurityLink was also strongly influenced by its own long record of success as a major user of IBM's RS/6000 servers, which power SecurityLink's back-office systems, notes Walejeski. Likewise, IBM's WebSphere Application Server was as an important tool in getting the development job done fast. "We looked at IBM as providing us with a total solution. WebSphere's value to that solution was to allow the team to turn the project around quickly because its so powerful, flexible, and easy to work with." After being selected in July 1999, IBM Global Services began developing the solution in August 1999.
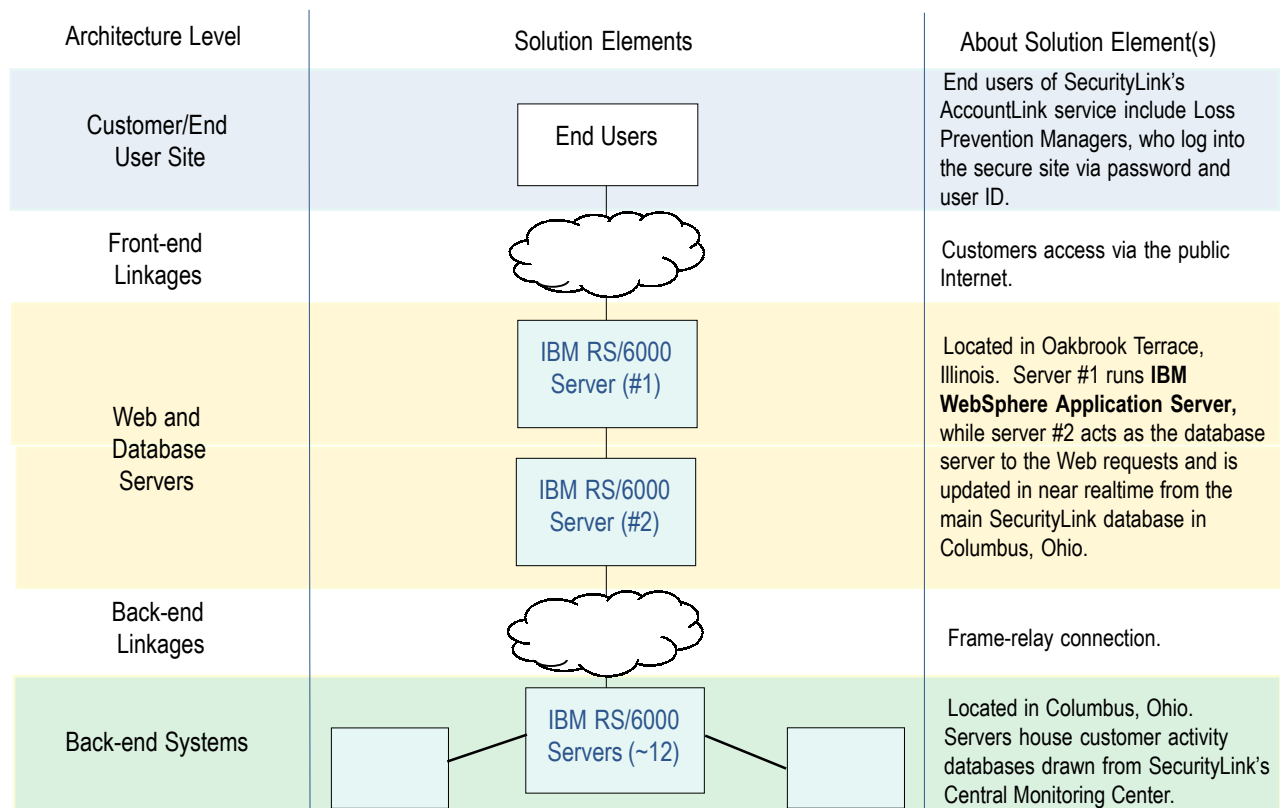
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! The SecurityLink Solution

The SecurityLink system, known as AccountLink, allows business customers (e.g., security directors or loss prevention managers) to access data via a secure Web site from any store or branch location. Information provided through AccountLink includes alarm activity, opening and closing times, call list information and "exception reports," which record events that occur outside a normal pattern, such as a store closing late. While security at the site is provided through a series of user and password protections, customers can delineate more granular levels of security for employees based on their level in the company. For example, a security director can access data on all locations, while store managers can only access data for their stores. Users can also change call list information.

Prior to introducing AccountLink, business customers relied on paper-based reporting, which considerably slowed reaction time and generally discouraged the dissemination of the data to other decision-makers in the customers' companies. In addition to providing customers with realtime access to security data, AccountLink also enables customers to look up historical data. Doug

Figure 1:
Basic Architecture of the SecurityLink Solution

Architecture Level	Solution Elements	About Solution Element(s)
Customer/End User Site	End Users	End users of SecurityLink's AccountLink service include Loss Prevention Managers, who log into the secure site via password and user ID.
Front-end Linkages		Customers access via the public Internet.
Web and Database Servers	IBM RS/6000 Server (#1) — IBM RS/6000 Server (#2)	Located in Oakbrook Terrace, Illinois. Server #1 runs **IBM WebSphere Application Server,** while server #2 acts as the database server to the Web requests and is updated in near realtime from the main SecurityLink database in Columbus, Ohio.
Back-end Linkages		Frame-relay connection.
Back-end Systems	IBM RS/6000 Servers (~12)	Located in Columbus, Ohio. Servers house customer activity databases drawn from SecurityLink's Central Monitoring Center.

Source: SecurityLink and IDC

Gilmour, National Accounts Vice President of Operations, sees AccountLink as strengthening one of SecurityLink's key value propositions to its customers—decision-making support. "In addition to being simply easier to access, AccountLink reports can also be distributed to other decision-makers and company organizations," says Gilmour. "It's a nice labor-saving device for our customers, and also gives them a much stronger ability to gather information quickly."

The main component of the AccountLink solution is an IBM RS/6000 Web server that runs WebSphere Application Server and houses the customer data displayed to users. Located in Oakbrook Terrace, Illinois, this front-end server links back to SecurityLink's main back-end database (also running on RS/6000s, and located in Columbus, Ohio) via a private frame relay connection. The data feed is in realtime.
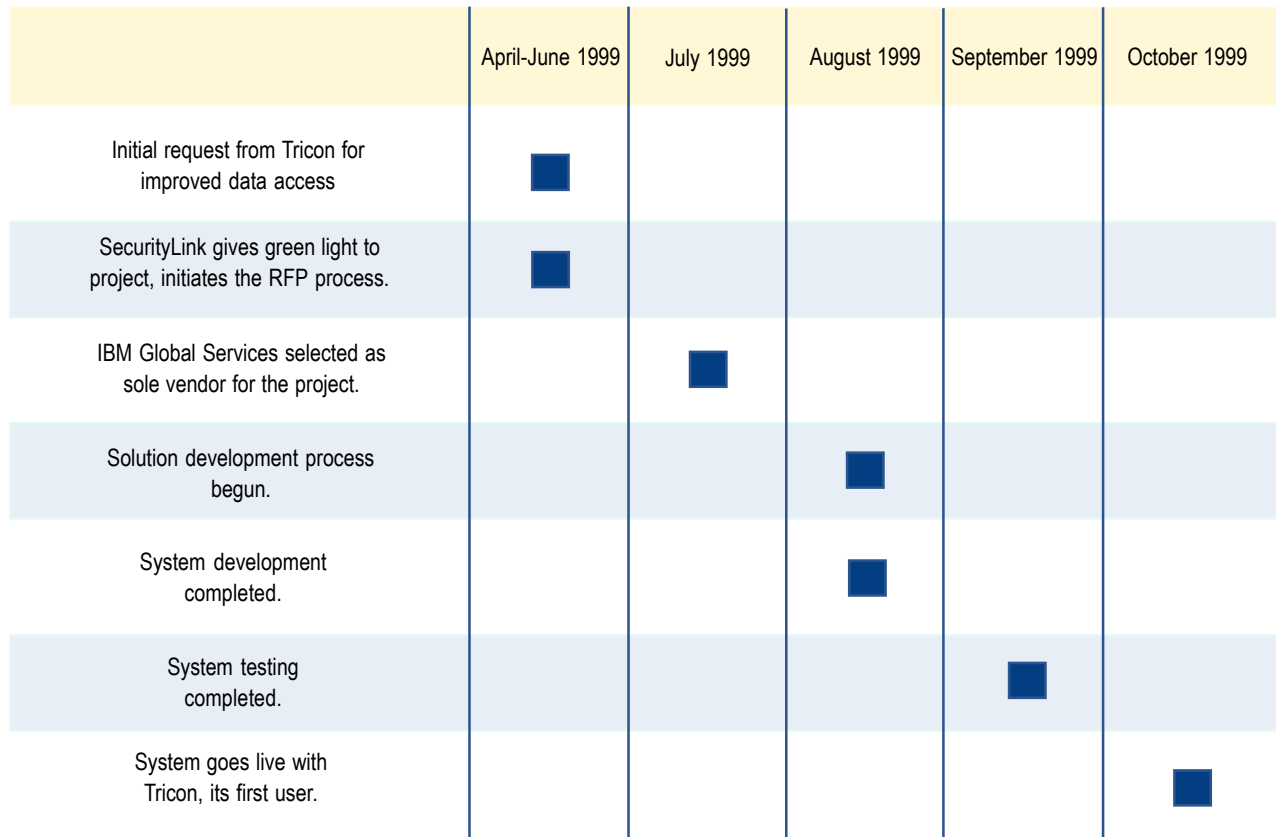
! Implementation Approach and Timetable

Development of the AccountLink system was started in earnest in early August, 1999. According to Farimani, the IBM Global Services team followed a distinctly multi-phase approach to the development process. In the first stage, IBM Global Services held a summit involving SecurityLink's main internal stakeholders, which included representatives from the Marketing, National Accounts, and IT organizations, during which a thorough needs analysis was conducted. IBM Global Services then condensed the key findings

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of the meeting into a summary document and soon received sign off for the plan.

The next phase, articulating the system's functional requirements and creating design specifications required approximately two weeks, while the actual development process was completed in three weeks. System testing by the IBM Global Services team began in early September, 1999, with user acceptance testing proceeding soon after. One of the last phases of the project was a security test in which IBM Global Services worked with professional hackers to ensure the site's inviolability. Following a highly successful regimen of tests, the project was declared complete in the first week of October—a mere 62 days after it was begun.

Figure 2:
Implementation Timetable for the SecurityLink Solution

	April-June 1999	July 1999	August 1999	September 1999	October 1999
Initial request from Tricon for improved data access	■				
SecurityLink gives green light to project, initiates the RFP process.	■				
IBM Global Services selected as sole vendor for the project.		■			
Solution development process begun.			■		
System development completed.			■		
System testing completed.				■	
System goes live with Tricon, its first user.					■

Source: SecurityLink and IDC

! Business Results Overview

For SecurityLink, the AccountLink project has produced numerous examples of cost savings and productivity gains. However, SecurityLink stakeholders see the real payback for the system on the customer service and business development side of the business. Marketing VP Hank Monaco sees AccountLink as the kind of value-added service that will solidify SecurityLink's existing relationships with customers. "The issue of customer retention is unusually important because of the fragmentation and competitiveness of this business," says Monaco. "AccountLink provides us with a terrific opportunity to build on a relationship that we worked so hard to initiate. There's no doubt that services like AccountLink will become extremely important as a means of strengthening relationships."

While increasing customer retention is a critical strategic goal in itself, SecurityLink also sees AccountLink as opening the door to a range of new revenue opportunities, in both new and existing accounts. Monaco sees AccountLink as the first step in a broader range of services which will allow customers to look to SecurityLink for a wider range of solutions. "Our aim is to leverage our superior access to technology resources by delivering innovative

Figure 3:
Overview of SecurityLink's Business Results Achieved

Business Process Area	Nature of Benefit	Description or Metric
Sales and Marketing	Strategic market development	Increased revenue per customer
Sales and Marketing	Competitive positioning	Enhancement of SecurityLink's corporate image
Sales and Marketing	Competitive positioning	Web-based service offering increases the perceived value of SecurityLink's service offering
Product Development	Establishment of infrastructure	Builds foundation for next-generation Web services
Customer Service	Strengthened relationships	Increased customer retention rates
Customer Service	Reduced costs	Reduce cost of information delivery by 50%.

Source: SecurityLink and IDC

products and services to customers," says Monaco. "Not only does a broad portfolio of services allow our customers to grow with us, it also provides us with a strong and sustainable source of differentiation. A wider range of services also sets the stage for us to become the sole source provider for our larger customers, which we see as an important objective for our company."

! Targeted Metrics and ROI Achieved

For SecurityLink's customers, the main benefit of the AccountLink system is an increase in the usefulness, timeliness, and portability of their site data. By moving from a system where reams of paper reports were delivered to customers by the box load—and often left to languish unused—customers can now make better decisions more quickly, notes Platipodis. "By giving customers more control and faster data access, AccountLink allows customers to deal with their security issues as they occur. What's more, customers can use the data to make proactive changes to their security policies. In this way, we become more of a partner by aiding in their strategic decision-making."

The main metrics relevant to the AccountLink service are an improved timeline on production of reports, increased flexibility in sorting out relevant

Figure 4:
Expected Contribution to SecurityLink's ROI by Value Chain Segment

	Employees	Customers	Suppliers/Partners
Cost Reduction or Cost Avoidance	◼ (moderate)	◼ (moderate)	
Improved Productivity	◼ (moderate)	◼ (moderate)	
Reduced Cycle Time		◼ (major)	
Strengthened Relationship		◼ (major)	
Enhanced Revenue Opportunity		◼ (major)	
Value-Chain Segment =>	Employees	Customers	Suppliers/Partners

◼ Major Contribution

◼ Moderate Contribution

Source: SecurityLink and IDC

information, easy accessibility to information to make business decisions quickly, and improved responsiveness in making changes to information relevant to customer management. Under the traditional paper-based method of report delivery, notes Monaco, it often took a week to get reports to key decision-makers, and even longer to get data into the hands of lower-level or site-level personnel. "The fact that our customers can get the data in realtime has already led to an increase in their satisfaction with us as a service provider," says Monaco.

AccountLink is also expected to produce sizable cost and productivity benefits for both SecurityLink and its customers. "AccountLink presents us and our customers with a major opportunity for increased productivity and expense control by automating manual processes," notes Monaco. "On our side, we had to create reports manually and then deliver them. On the customer side, they had to receive and process the information within their organization, which proved expensive, time-consuming and a big drain on administrative resources. Overall, we think this will prove to be a big win-win for us and our customers."

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! The Team

Looking back at the implementation of AccountLink, SecurityLink's Walejeski sees the speed of the deployment cycle as the highlight of the project. "We had high expectations for IBM, and they were more than met," says Walejeski. "We would say that IBM's performance in getting the stakeholders together, mapping out the project and delivering a superior product—all within 62 days—was a clear example of what we were looking for at the outset—a total solutions provider with experience to leverage."

Marketing Director Mike Rotz concurs. "In addition to enjoying the benefits of a smooth implementation, we also showed a key customer that we could deliver a service offering to their specifications within a very short timeline," says Rotz. "On the implementation side, what made us most happy was that it was created on time, under budget with minimal-to-no glitches. The project timeline was expertly managed and the transition/secession process could not have been smoother, allowing us to move ahead by ourselves. Given the 62-day timeframe, the amount of work that had to be done, and professionalism of the team that came through, I was very satisfied with the deliverable."

! The Technology

Farimani sees IBM's technology as playing a key role in the success of the project, given the stringent requirements for security, scalability, and integration that were laid down by SecurityLink. "One of the major pieces of the implementation was the security side, which we see as an integrated combination of the hardware, software, and operating system functioning as a complete solution," says Farimani. "The security issue will become even more important as we move toward a more transaction-oriented environment. We believe that IBM will enable us to rise to these new challenges and enable us to deliver the kind of security guarantees that will be required in this kind of environment."
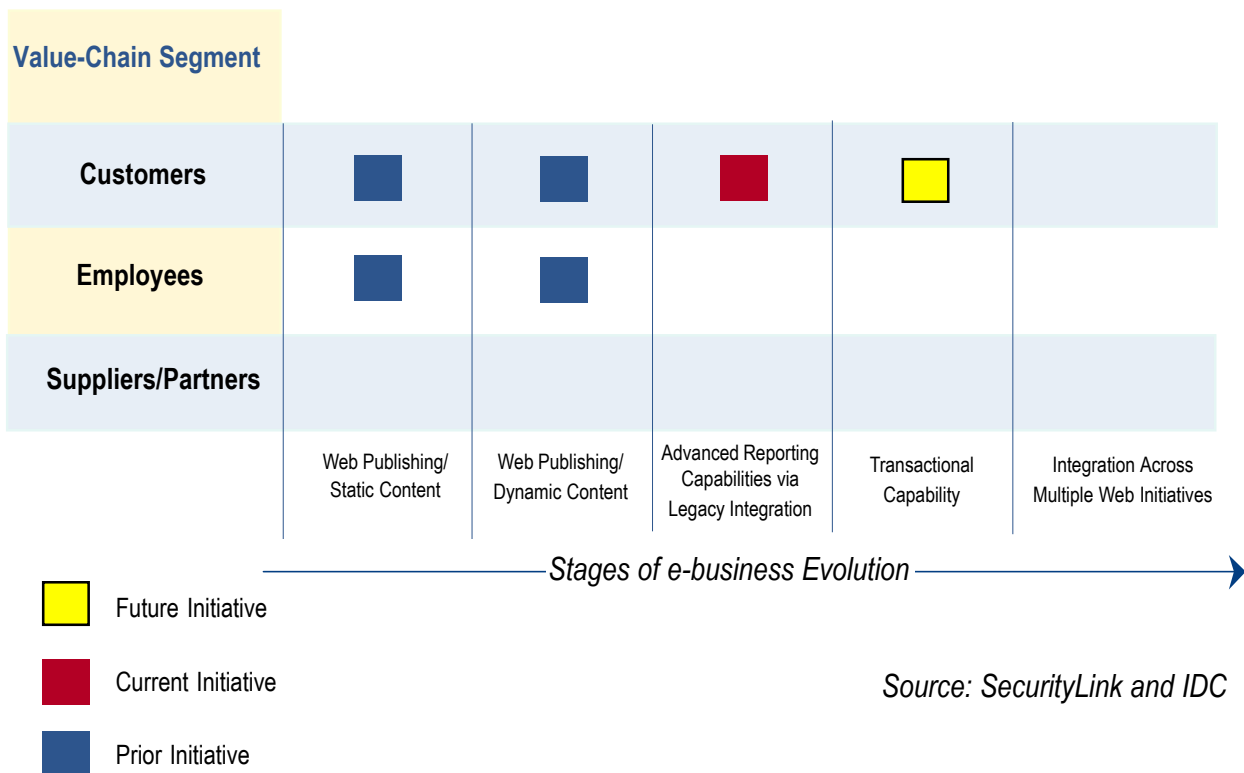
The combination of a tight timeframe and complex architecture made development tools an especially important ingredient in the success of the project. For this reason, IBM WebSphere Application Server earned high marks. "The flexibility and strength of WebSphere not only made the development effort easier, but it also will make the job of managing a lot easier," says Walejeski. "The new WebSphere (version 3) lends itself very well to maintaining the site and adds more security to the site on the application side. We expect WebSphere to become our generic development environment."

! The Future

In the near future, SecurityLink plans to expand the range of services offered through AccountLink, including billing, service scheduling, and the ability for customers to change account information (e.g., addresses, employee contacts, emergency call lists) over the Web. More importantly, notes Monaco, the

AccountLink system directly addresses one of SecurityLink's key challenges—to strengthen customer relationships through a new generation of robust, flexible e-business services. "AccountLink provides us with a flexible infrastructure for future e-commerce related activities," says Monaco. "We see e-business services as crucial to our competitive positioning strategy. Our goal is to build the level of trust within our customers by providing them with a means of doing their business better, more efficiently and provide the level of security that they need. We see offering e-business services as the way to get there."

Figure 5:
SecurityLink's e-business Evolution and Value Chain Focus

Value-Chain Segment					
Customers	■	■	■	▢	
Employees	■	■			
Suppliers/Partners					
	Web Publishing/ Static Content	Web Publishing/ Dynamic Content	Advanced Reporting Capabilities via Legacy Integration	Transactional Capability	Integration Across Multiple Web Initiatives

Stages of e-business Evolution →

▢ Future Initiative

■ Current Initiative

■ Prior Initiative

Source: SecurityLink and IDC

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