

Introduction PERS

Personal Emergency Response Systems (PERS) services. Just because you monitor signals from a device in a subscriber's home doesn't mean you will succeed at PERS, as there are major differences between the alarm and PERS industries.

Case in point: Can you ride the wave of a 35-percent annualized attrition rate? That's what customarily happens in the PERS market — not the 8-12% rate in the alarm industry.

Credit: Eric Pritchard

<http://www.securityinfowatch.com/article/12223297/the-pers-path-to-profits>

1. Term of your subscriber agreement

What is the term of your subscriber agreement? There is no such thing as a 36-month automatically renewable contract in PERS; in fact, the term for most providers is month-to-month. The market limits the provider's ability to get a long-term commitment, and most PERS customers cannot make a long-term commitment to the services for various reasons. Some get better; others move into nursing homes or retirement communities; others don't fare as well. The economic model contemplates high churn and you need to be prepared to deal with the inevitable..

2. Can the subscriber cancel the contract?

The laws in many states provide PERS subscribers the right to cancel a PERS contract on short notice — sometimes in as few as three days. Unless you go to a subscriber's home (most providers don't) you will not need the FTC-mandated three-day cancellation notice. In many cases, however, the subscriber's right to cancel is limited to specific facts, such as moving into a nursing home. If you fail to comply with the laws in a state where your subscriber lives, your agreement may not enforceable at all, which will be a problem if you need to enforce the contract's liability limitations. Make sure to learn and comply with the laws of the state in which your subscriber is located, even if your subscriber agreement uses the law of another state..

3. Who should be a party to the agreement?

Sometimes the person ordering the PERS services is the person using the PERS services; however, many times the person ordering is the daughter or son or has some other familial relation with the subscriber. So who should be a party to the contract? My contract contemplates both as parties to the contract, and makes the parties "jointly and severally" liable. That means both mom and grandma are bound by the contract and must fulfill the obligations of either party. Otherwise, your rights and protections might be severely limited..

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6. Who owns the equipment?

Most PERS providers permit subscribers to use their equipment, retain title to the equipment and require subscribers to return the equipment at the end of the contract. If you sell the equipment to the subscriber, that means you have to charge more than your competitors, many of which are Internet-based, so price shopping is easy. Also, you could have fewer legal protections for equipment you sell. Either way, deal with this issue wisely.

7. Shrinkwrap protections

PERS providers struggle to get all signed contracts returned. One way to go is to set up a back-up "shrinkwrap" program. The theory is to tell the subscriber at each stage of the transaction they are bound by terms and conditions. Although not perfect, a well-constructed program could provide some protections.

4. What contract protections are needed for mPERS?

Most mobile PERS (mPERS) offerings provide location-based services, which use GPS or similar technology to find the subscriber if they are away from their home. This sort of technology has yet to be perfected. You also need to educate the subscriber about the limitations and set expectations accordingly. You also need the subscriber's permission to use location-based technology.

5. Who owns the data?

PERS providers collect data regarding each subscriber. The contract should set forth who owns the data regarding the subscriber's location, their travel habits and their identification. As data gets increasingly important, you may want to take ownership of the data for internal (or sales-related) purposes.