



Customer Satisfaction Annual Report

09

SimplexGrinnell BE SAFE.

A Tyco International Company



Message to Our Customers

Dear Customer,

Over the past year, all of us faced the toughest economic conditions in recent memory. At SimplexGrinnell, we saw this as a time when it was more important than ever to be close to our customers. With the economy in decline, we made a special effort to connect with those we serve. The intent was to listen to your concerns, understand your specific challenges, and then work together to cost efficiently meet your fire and life-safety needs. In doing that, we also furthered our commitment to soliciting honest feedback to improve our products and services and deliver a better, more consistent customer experience across our 150 local offices.

The Customer Satisfaction and Loyalty Program and the customer satisfaction surveys described in this report represent a critical facet of our efforts to secure customer feedback. The surveys, conducted by an independent third-party auditor, provide invaluable information about our customers' experiences with us. In turn, this feedback provides the foundation for many of our most important improvement plans.

In this Customer Satisfaction Annual Report, we are sharing the results of these surveys, for the fourth consecutive year, with both our customers and employees. By making this process as transparent as possible, we hold ourselves accountable to the results and keep customer satisfaction at the forefront of what we do each and every day.

We are proud to report that SimplexGrinnell continues to improve in the three key areas that are measured on a continual basis. We improved our overall customer satisfaction score to 88%, an increase of three percentage points compared to last year. Our customer loyalty score rose to 97%, compared to 96% in 2008. We also saw an eight percentage-point increase in our net customer advocacy score – a key metric that measures the willingness of customers to recommend SimplexGrinnell to others.

In our estimation, the progress we have made comes in large part from improvements driven by your direct feedback. Based on your input, we have implemented a variety of programs and initiatives over the past year to strengthen our performance, processes and service delivery. From training and certifying more of our technicians, to adding a second Service Resource Center in Dallas, Texas, we take what you tell us to heart. That is why we are so proud to be launching TrueInsightSM Remote Service – a breakthrough technology that will enable us to remotely diagnose Simplex[®] 4100U fire alarm systems.

By no means do SimplexGrinnell's efforts to solicit customer insights end with the formal survey process described in this report. Our local district offices meet with customers, for that very purpose, on an ongoing basis. To build that practice even more solidly into the fabric of SimplexGrinnell, we are taking customer feedback even one step further. Over a one-month period in 2010, our district offices will be conducting nearly 1,000 informal visits with end-user and contractor customers. As always, we will carefully evaluate all that input, using it as a tool to help us get better and to shape our future plans, technologies and services.

Thank you for your business, for reading this report and for helping SimplexGrinnell fulfill our commitment to customers.

Regards,

James Spicer
President



About SimplexGrinnell

Overview

SimplexGrinnell provides a comprehensive array of fire alarm, fire sprinkler, fire suppression, emergency communications, integrated security, sound and communications, and nurse call systems and services. At SimplexGrinnell, we support customers for the life of their systems by delivering cost-effective solutions built with technology that is forward and backward compatible. With one million customers, 150 local offices, and over 200 years of history in the fire business, SimplexGrinnell is the leader in fire and life safety.

Local Service and Support

With a network of company-owned offices that covers all of North America, SimplexGrinnell is well positioned to meet the needs of customers with local installation and support of its fire and life-safety solutions.

History

For decades, Simplex had been recognized as the leader in electronic fire alarm systems. Grinnell was the longtime industry leader in fire sprinkler and suppression, with a heritage in fire protection dating back to the 1880s, when Frederick Grinnell patented the first automatic sprinkler. SimplexGrinnell was established in 2001 as a result of a merger of Simplex and Grinnell, two longtime leaders in the fire industry. Today, the history, strength and experience of both Simplex and Grinnell have been melded into SimplexGrinnell.

Employees

With over 10,500 employees throughout the United States and Canada, SimplexGrinnell takes pride in the knowledge and experience of its work force. SimplexGrinnell is committed to having its employees certified through organizations such as the National Institute for Certification in Engineering Technologies (NICET) and the Canadian Fire Alarm Association (CFAA). From sales representatives, applications specialists and project managers to technicians, inspectors and sprinkler fitters, SimplexGrinnell employees are committed to the goal of making the company the industry's premier services provider.

Market-Specific Experience

SimplexGrinnell has extensive experience in providing solutions for a variety of markets and applications, including: schools and universities; healthcare, industrial, government, corrections and hospitality facilities; high-rise offices and commercial managed properties.

Commitment to Education and Training

SimplexGrinnell has a record of leadership in providing education and training to the fire and life-safety industry. Through the SimplexGrinnell Learn from the Leader Webinar Series, road shows, lunch and learn sessions, participation in codes and standards organizations, and other efforts, SimplexGrinnell seeks to raise the overall standard of protection in the industry. We believe it is important to share knowledge and experience with architects, engineers, building owners, facilities managers, contractors, local fire officials and other professionals.

Operational Philosophy

As a Tyco company, SimplexGrinnell is committed to a set of fundamental corporate values – integrity, excellence, teamwork and accountability. The company is also guided by the operational principles of customer commitment, community involvement and employee excellence.



Recognition

Customer Surveys Are Integral to our Business

Over the past several years, customer satisfaction surveys have become an integral component of the SimplexGrinnell business. In 2009, CustomerSat, a MarketTools company, conducted over 10,000 surveys of SimplexGrinnell customers. SimplexGrinnell achieved an overall customer satisfaction mean score of 8.8 out of a possible 10 points, well above the 8.2 qualifying score for an ACE award.

SimplexGrinnell Earns Achievement in Customer Excellence (ACE) Award for Second Consecutive Year

SimplexGrinnell has been selected by MarketTools, Inc. to receive a CustomerSat Achievement in Customer Excellence (ACE)[™] Award recognizing outstanding achievement in customer satisfaction for the second consecutive year.

In earning these prestigious ACE Awards for service experience satisfaction, SimplexGrinnell joins a select group of organizations from around the globe in recognition of their efforts. The annual ACE Awards recognize companies that demonstrate rigorous application of customer feedback processes and outstanding performance, resulting in exceptional customer satisfaction. ACE Awards validate an organization's success and effectiveness in serving customers and building loyalty. Only 7% of surveys conducted by MarketTools/CustomerSat are eligible for this award.

"SimplexGrinnell is honored to receive a 2009 CustomerSat Achievement in Customer Excellence Award," said Jim Spicer, President of SimplexGrinnell. "It reflects our strong commitment to measure customer satisfaction on an ongoing basis and use the feedback to improve our performance and processes. Our ultimate goal remains to create a service-led culture that enables SimplexGrinnell to provide customers with the best fire and life-safety solutions."

SimplexGrinnell Wins ACE Action Award for 2009

SimplexGrinnell's efforts to rapidly and actively respond to customer feedback were also recognized by MarketTools this year, earning the first ever ACE Action Award for 2009. SimplexGrinnell, one of 30 organizations considered for the award, was honored for its ability to proactively identify issues and work with customers to resolve problems.

The ACE Action Award recognizes organizations that produce positive business results by responding to customer feedback in a timely and effective way, using the MarketTools CustomerSat Enterprise Feedback Management (EFM) System.

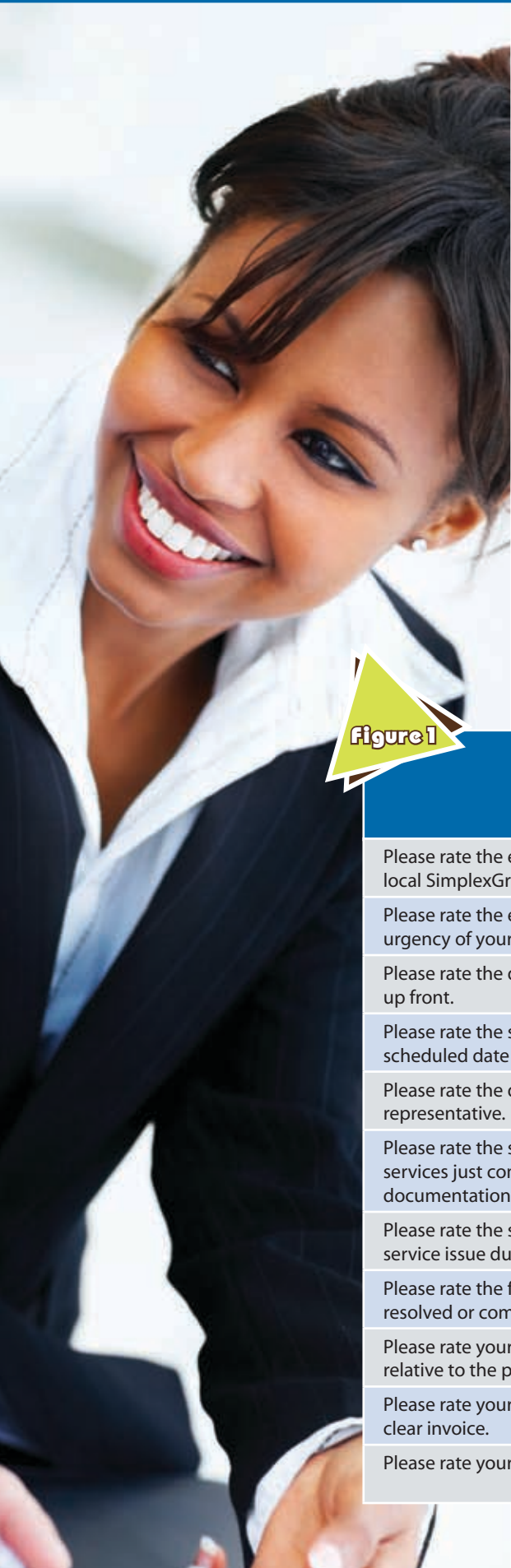
SimplexGrinnell Earns the Aberdeen Marketing Excellence Award for 2009

SimplexGrinnell won the Excellence in Listening to the Voice of the Customer Award as part of the 2009 Aberdeen Industry Achievement Awards in Marketing Excellence. The award recognizes SimplexGrinnell's innovative use of MarketTools/CustomerSat enterprise feedback management solution to improve customer insights and customer satisfaction.

"Real time customer feedback enables us to be much more responsive to customer needs," said Karl Sharicz, Manager of Customer Intelligence at SimplexGrinnell. "This feedback helps us quickly solve problems and consistently deliver offerings that exceed customer expectations."

"MarketTools is proud to be an integral part of SimplexGrinnell's success in raising customer satisfaction," says Scott Arnold, President and CEO of MarketTools, Inc. "SimplexGrinnell's success shows that our CustomerSat solution helps companies generate valuable insights that drive product and service development efforts and improve the overall customer experience. SimplexGrinnell has demonstrated just how powerful customer feedback and a company's ability to quickly respond to customer issues can be in helping to transform customers into advocates."

Customer Survey Results



Throughout 2009, we continued to focus on evaluating and measuring our on-site inspection and service performance. Customers that were provided services by a district office within North America were eligible to receive a random survey by telephone from our independent customer satisfaction survey administrator, MarketTools.

During these calls, customers were presented with a series of questions designed to measure their satisfaction with a recent service experience delivered by SimplexGrinnell - from the initial request for service through the final documentation and invoicing. The table in Figure 1 summarizes the 11 questions customers were asked, comparing 2008 to 2009. Those surveyed were asked to rate their satisfaction on a scale of 1 to 10, where 1 represents complete dissatisfaction and 10 represents total satisfaction. During 2009, our customers have reported improvements in each of the service points being measured.

Generally speaking, we interpret any ratings of less than 8.2 on the 1 to 10 scale as areas requiring attention and further investigation. These lower-scoring areas then become key elements in our root-cause analysis and in service improvement initiatives.

Figure 1

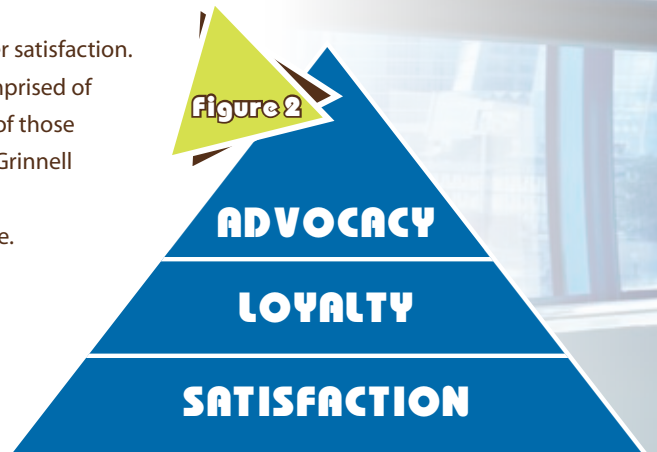
Survey Question	Mean Score	
	2008	2009
Please rate the ease of getting your service visit scheduled by the local SimplexGrinnell office.	8.54	8.71
Please rate the extent to which the service date provided met the urgency of your service needs.	8.68	8.86
Please rate the district in explaining the costs of the service to you up front.	8.02	8.05
Please rate the service representative's ability to arrive at the scheduled date and time.	9.05	9.18
Please rate the quality of the work performed by the service representative.	9.11	9.24
Please rate the service representative's ability to explain the services just completed and provide you with any necessary documentation.	9.10	9.18
Please rate the service representative's ability to resolve your service issue during the first visit.	8.49	8.72
Please rate the follow-up and rescheduling of any service issues not resolved or completed on the first visit.	8.15	8.17
Please rate your satisfaction with the value of the services provided relative to the price you paid.	8.42	8.50
Please rate your satisfaction with receiving a timely, accurate and clear invoice.	8.84	8.93
Please rate your overall satisfaction with this service experience.	8.71	8.84

Customer Survey Results

At SimplexGrinnell, customer feedback is an essential part of doing business and is an ongoing process. Throughout the year we track and monitor several key performance indicators (KPI) – Satisfaction, Loyalty and Advocacy. These KPIs serve as powerful early warnings and signal potential service challenges our customers may be experiencing. On a monthly basis, we report these KPIs to our corporate and field-based leadership teams, as well as each of our 150 local offices throughout North America.

Customer advocacy is considered to be one of the highest indicators of customer satisfaction. As illustrated in Figure 2, customers who are considered to be advocates are comprised of those who are most loyal, and those considered to be most loyal are comprised of those who are the most satisfied. To determine and track customer advocacy, SimplexGrinnell uses the well-tested and industry-leading concept of Net Promoter Score™.

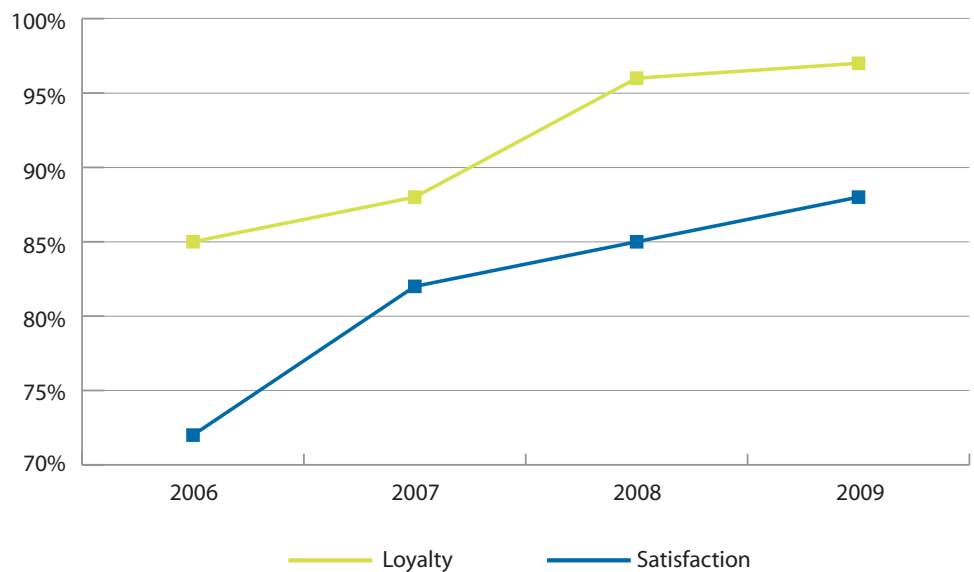
At SimplexGrinnell, this metric is termed the Net Customer Advocacy (NCA) Score.



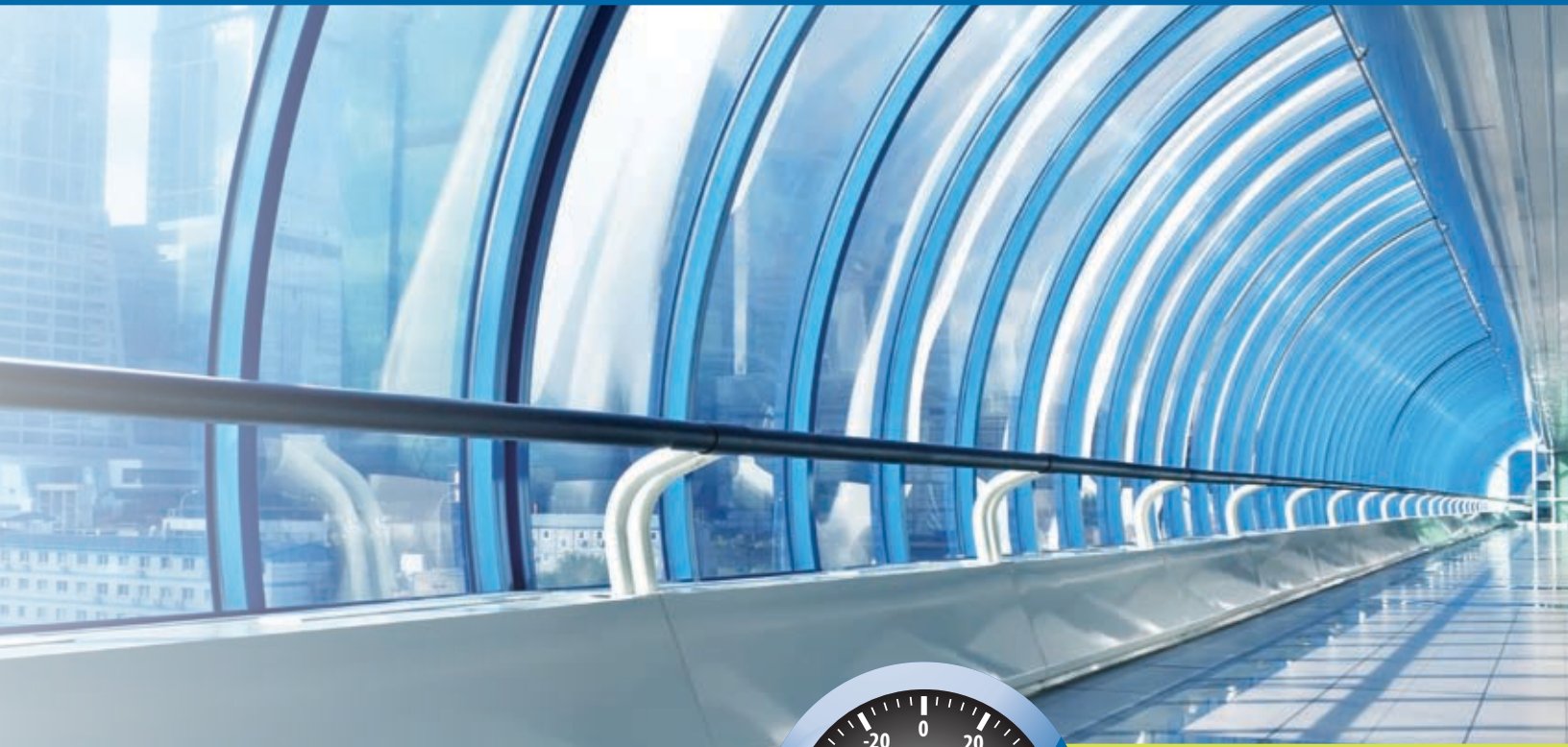
The graph in Figure 3 displays two of these three key performance Indicators and how they have trended over the past four years.

The Satisfaction KPI is derived from the question related to a customer's overall satisfaction with the most recent service experience. The Loyalty KPI is derived from the question related to a customer's likelihood of continuing to do business with SimplexGrinnell. We are pleased to report that these indicators have shown a positive growth trend over the last four years.

Figure 3

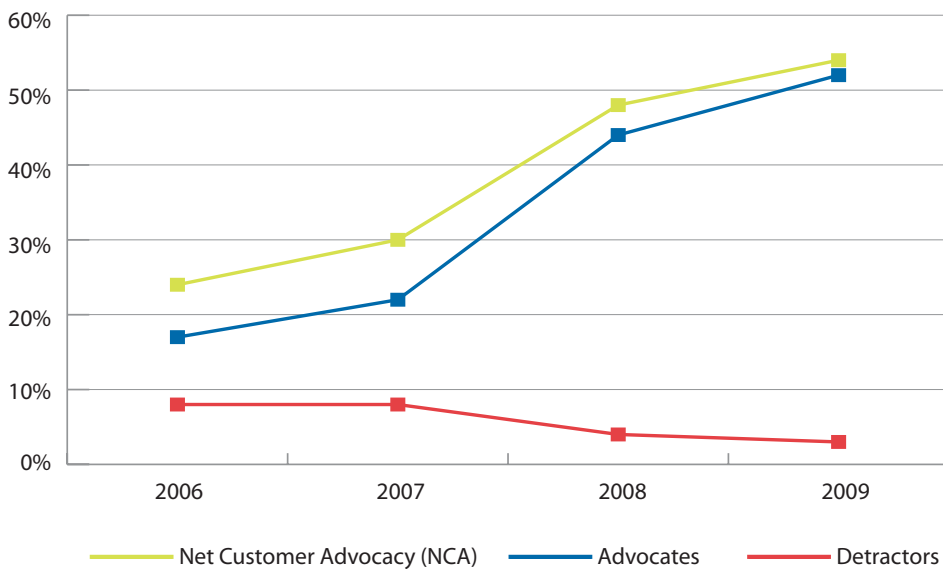


Customer Survey Results



52% 2009 NCA

Figure 4



The NCA rating is based on the question "Assuming you were allowed, how likely would you be to recommend SimplexGrinnell to colleagues or others?" Customers who answer "highly likely" are considered advocates. Those who answer "unlikely" or "highly unlikely" are considered detractors. Answers of "likely" or "neutral" are considered passives and are not used in the NCA calculation. The NCA scores shown in Figure 4 are calculated by subtracting the percentage of detractors from the percentage of advocates.

The graph in Figure 4 illustrates the trend in SimplexGrinnell's NCA score, as well as the trend of our advocates and detractors for the past four years. We are pleased to report that this key indicator is showing significant improvement. We continue to build more customer advocates over time while reducing our number of detractors.

Customer Survey Results



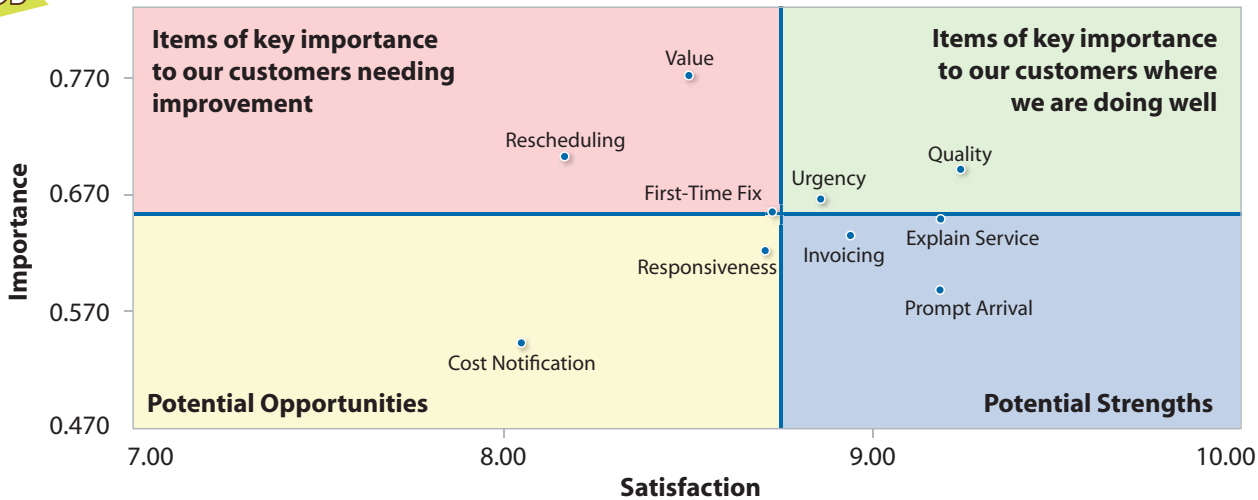
Real-Time Customer Service Response

Leveraging a wide variety of analytical tools provided by MarketTools, we are able to bring immediate access and visibility to all of our customer metrics in real time. Every member of our management team, as well as each of our local offices, can view and respond to any customer service issue as quickly as it is brought to our attention via any customer survey.

The Key Driver Chart is one of the analytical tools that provide us with great clarity on what issues drive customer satisfaction to the greatest degree. Figure 5 shows the key drivers of overall customer satisfaction based on each element or customer service component we measure. Each point on the chart shows how and where that element is positioned on the satisfaction scale. The importance scale then provides a statistical correlation. For example, "Value for price paid" is an element of our service delivery process that holds a great deal of importance to our customers when it comes to their overall satisfaction with SimplexGrinnell. Generally speaking, those items that appear in the upper left quadrant represent opportunities for service improvement for SimplexGrinnell, since they are the most highly correlated with driving customer satisfaction. This is illustrated by their location above the mean importance or horizontal blue line on the chart, and their location to the left of the mean satisfaction level represented by the vertical blue line.



Figure 5



Responding to Customer Feedback

During 2009, we received over 23,000 customer comments from the 10,000 surveys conducted. These comments, some of which are provided below, give us a great deal of constructive feedback. While many customers remain highly satisfied with our level of service, it is clear that we still need to remain vigilant in improving several key areas to ensure that this level of quality is consistently delivered across our 150 offices in the United States and Canada.

Customers identified four key areas where SimplexGrinnell needs to improve in order to better meet their expectations: advance notice of service visits, service deficiency follow-through, communications, and reporting.

Advance Notice of Service Visits

Customers want to know when a SimplexGrinnell technician or inspector is about to arrive at their site in order to be better prepared to accommodate our work.

Working Well: "They've always provided good service and they call ahead. They try to work at our convenience and accommodate my schedule."

Needs Improvement: "It would help if they would call ahead because they showed up at a very busy time."

Service Deficiency Follow-Through

Customers are expecting better follow-through when an inspection reveals deficiencies within their life-safety system. They also want better explanations as to why that repair is needed along with faster quotations and responses from the local SimplexGrinnell service team.

Working Well: "They initiated the contact, and they did the follow-up. They explained everything that was done, they were clear and that just makes it much easier to do business with them."

Needs Improvement: "They have yet to follow up on an issue found during the inspection."

Communications

When it comes to communication, customers expect us to keep them in the loop at all times. Customers also expect us to communicate better among ourselves so they don't have to repeat the same message multiple times.

Working Well: "The communication has been outstanding. SimplexGrinnell has been helping us every step of the way and we just like the service we get from them. We just signed a three-year contract with them."

Needs Improvement: "The service is good, but they need to work on communicating and explaining the work being done and follow up. They also need some sort of review of the inspection report so I know whether or not I am in compliance."

Reporting

Customers continue to indicate that they want faster, more convenient, and easier to understand reports. Whether via email or through a web-based system, customers are looking for more detailed inspection and service reports, soon after the service has been completed. They also want to be able to quickly reference past reports and final documentation.

Working Well: "I have been well pleased with the service and the reports they left are very thorough."

Needs Improvement: "Provide me with clear reports so that I understand all the recommendations written on them and send us the reports in a timely fashion. Also, give me past reports so that I know for sure that the equipment needs replacement."



Responding to Customer Feedback

Initiatives in 2009 Designed to Address Customer Concerns

On an ongoing basis, we leverage this valuable customer feedback to implement a range of programs and initiatives to improve our performance, processes and services. Whether short-term, quick enhancements or more extensive, long-term improvements, these actions are designed to address customers' concerns and ensure the quality of the services we provide continues to exceed our customers' expectations in the future. Some highlights of the exciting initiatives launched over the last year include:

Service Resource Center

In 2008, we established a Service Resource Center (SRC) in Westminister, Massachusetts to receive, schedule and dispatch service repair (break/fix) calls for all product lines. This year we added a second site in Dallas, Texas as we complete the rollout to all of our U.S. district offices. Staffed by trained call center representatives, the SRC has allowed us to deliver faster, better and more consistent service, across the entire organization, to the one million customers who depend on SimplexGrinnell for their life safety and property protection needs. This centralized model has allowed us to implement standard practices across all of our districts. For example, we are now able to provide the estimated time of arrival of each of our technicians. In 2009, we also added new world-class call center technologies that would have been nearly impossible to implement in the previous decentralized model. By leveraging this technology and working closely with our local offices, our SRC representatives can focus on keeping our customers informed of any changes to the estimated time of arrival throughout the service call's lifecycle.

Technician Education and Certification

Providing our employees with the skills and knowledge to do their jobs effectively is a continued focus for SimplexGrinnell. This commitment is especially important when it comes to our service technicians, often the employees who have the most frequent contact with our customers. Our mandatory certification programs, which cover three major Simplex® fire alarm products and skill areas, includes three key components: certification for new hires, certification for existing technicians and certification for highly tenured technicians. Within the past year, over 1100 Simplex® fire alarm product certifications were completed through these training programs. SimplexGrinnell is also proud to offer a National Apprenticeship Program. Approved by the United States Department of Labor, the program covers both sprinkler fitter and protective signal installer occupations. According to the Department of Labor, our program is the first federally approved national apprenticeship program for a single company in the construction industry. We are confident that our continued investment to increase the skills and knowledge of our service technicians will help improve our responsiveness and communication with customers, as well as our ability to correct a problem during the first visit.

Upcoming Technology Enhancements

We are also in the midst of developing new technology and enhancements that will further strengthen our commitment to customer satisfaction. Some highlights include:

Customer Portal

We have developed a new customer portal and it is currently being tested with several customers. The web-based portal will bring a variety of benefits to our customers. First and foremost, it is designed to provide certain customers with convenient real-time access to their information. The customer portal allows customers to place service requests, view equipment on order, check the status of existing service requests, view service history, view and print invoices, and pay invoices online. We are currently planning new functionality for the second phase based on our customers' experience with the pilot currently underway.

Responding to Customer Feedback

Remote Service

Over the course of the last year, we have successfully piloted a new remote service offering. In the spring of 2010, we will rollout TrueInsight Remote Service to our customers in the Northeast United States. Throughout 2010, we will launch TrueInsight to all of our district offices. This exciting service allows SimplexGrinnell to monitor the health of our customers' fire alarm systems and diagnose system problems remotely. Remote service enables us to improve our first call fix rate and to streamline resolution time. It will do so by giving us the ability to identify issues proactively and develop a repair solution remotely so our onsite repair technician is equipped with the skills and parts to resolve the system issue on the first visit.

Our Future Commitment

We firmly believe that SimplexGrinnell is making great strides in our ability to serve and satisfy our customers. Yet as a company that strives to be the very best, our efforts to improve will always be ongoing. In 2010 and beyond, we will continue the work of implementing the technologies, initiatives and processes that can advance our performance on behalf of our customers. We are proud to stand by that commitment, now and in the future.



Your Voice is Vital

We can only meet our commitment to delivering superior customer service if we hear from you. Please visit www.simplexgrinnell.com to share your thoughts.



Shaping the Future
of Life Safety

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