

Tightening security belts?



Alex Carmichael – BSIA

Whatever the economic situation, security should be a priority for all businesses. A change in the economy does not mean that there will be reduced risk and as the increase in metal and fuel theft shows, soaring prices mean that certain goods become an attractive prospect for the criminal.

Indeed domestically, as we all feel the pressure of rising prices, there is the potential risk of an increase in crime. Theft and fraud could well become increasingly attractive to those feeling the pinch from the credit crunch and whilst of course those that commit such crimes are only a small minority, their actions have a significant effect on the victims of crime.

Consequently, this is the time that businesses should be ensuring stringent security measures are in place. Security is an investment. It can not only prevent crime, but also curb the financial impact that becoming a victim of crime can have on a business. Whilst loss is insurable, the financial cost of not being able to trade following an incident can be significant. The security industry will continue to work with its customers to aid crime prevention and ensure the true value of security measures is known.



Jonathan Levine – Axis Security

At any time of financial hardship businesses will look to make savings. There is nothing new in that. Security has often been viewed as a grudge purchase, and so if an argument can be made to reduce or slim down on spend without a perceived increase in risk then it will be taken.

At present, however, investments levels appear to be being maintained, at least in the manned guarding sector. New 'threats' are emerging, notably a return to the opportunistic theft of scrap metal, fuels and mechanical equipment, and perhaps that is helping to keep security on the boardroom agenda. It is certainly prompting organisations to look at temporary solutions to overcome an immediate issue, and to that extent, a physical presence on site is often desired.

It is frequently suggested that security, like insurance, should not be sold on 'fear'. If the threat, therefore, posed by the ongoing wars in Afghanistan and Iraq and the spectre of a future terrorist attack is not sufficient incentive, then perhaps the financial argument is a better angle. Not the cost of deploying a security service, but rather the cost of not having sufficient security in place.

Items that fall off the back of a proverbial lorry cost money to replace; the scale of thefts of fuel and metals from depots and industrial premises throughout the UK is at such a level that this is now organised crime, requiring heavy weight-lifting gear and flay-bed loaders. This is not casual crime; this is big business.

Even at the most basic level, security is a necessity. A small investment can prevent security breaches that may impact upon a company's profits, or their growth, or company morale

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According to daily reports, the UK is increasingly edging ever nearer to an economic recession and as a result we have seen a rise in the incidents of metal and fuel thefts etc. As companies may be looking towards areas where savings can be made, what is your message to organisations to convince them that slimming down security services, either physical, electronic or IT, is not an option?

Increased economic hardship leads directly to increased crime, not just theft and burglaries but also 'softer' crimes such as fraud. Both impact on business. Both cost money. The economic conditions will get worse before they get better. There is a logic, therefore, that says that crime will increase accordingly.

Perhaps today there is a lag on the rate at which the economic downturn is affecting our industry. We are still winning new business, and customers are still realistic about pricing. If anything, there has been a recent increase in demand for specialist manned guarding services, especially mobile patrols as businesses demand a physical presence to protect assets out of hours, and complement any electronic security measures they may already have in place.



Patricia Knight – Receptors Security Systems (UK)

Attitudes have not changed in the past decade: most companies still regard security as a necessary evil, sometimes, even an unnecessary evil. They do not see security as adding any value to their business. Only the enlightened few see the long term gain, or consider their duty of care to their employees.

There is no doubt that we are in the throes of an economic recession. Those of us old enough to remember past economic disasters will have recognised the signs and perhaps have taken steps to mitigate against total melt down.

Even at the most basic level, security is a necessity. A small investment can prevent security breaches that may impact upon a company's profits, or their growth, or company morale. At a higher level, ensuring the safety of employees, protection of company property and security of company information are issues that only an ingénue would disregard.

It is inconceivable to the security professional that companies should adopt such a frivolous attitude to security, yet we see it all the time. Common sense tells us (i.e. the security professionals) that we need greater levels of security in times of economic insecurity. We recognise that even the average opportunist thief, who may be just stealing to feed a family, is not as stupid as most people think. They instinctively understand market trends and see where they can make money, in the same way as a marketing specialist would be aware of →

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← similar opportunities in an international company. If the market needs metal, the criminal will steal it, if the market needs fuel, they will acquire it. My question is – “Why do intelligent people not understand this?”

A criminal will take advantage of a situation in the same way as a multi-millionaire entrepreneur does. Many criminals have the same psychological make-up as successful entrepreneurs – they just choose to use their talents in different ways. The criminal may not make the same profits (although some do) but the same principle applies.

The criminal fraternity does not stand still and we have to be aware that criminals come from a variety of backgrounds. Likewise, technology develops at an enormous rate; IT technology in particular. Gone are the gangster days when brute force prevailed; we now have an era of criminals with university degrees who understand technology and are ahead of the game. Just because they are intelligent, speak and write coherently and perhaps wear collar and tie does not make them any less sinister than in the days of the great train robbers.

Their motivation is not as simple as the average criminal either. Perhaps they just want to beat the system; perhaps they bear a grudge against the boss; perhaps they want to make vast amounts of money – whatever their motive, the current economic climate will provide them with increased opportunities.

In fact, in my view, these criminals are more dangerous (except perhaps to life and limb) as they lull us into a false sense of security. They usually don't have criminal records, so even if a company does check on their credentials before employing them, there will be nothing to ring alarm bells.

The presence of security guards will help to prevent simple theft and vandalism so it makes no sense to cut back on their services, however, security guards alone cannot prevent other forms of criminal activity. As I have said many times before, a combination of efficient, well-trained guards monitoring high quality, technological solutions will provide the most efficient deterrent against most forms of crime and more worryingly nowadays, the terrorist threat.

I would advise any company to increase their security in times of economic stress, not decrease it. Find the money somehow, because, if you don't, you may live to regret it.



Donna Alexander – Advance Security

In a slower economic climate, it has traditionally been the way of corporate security departments to reduce head count in the first instance from the contract or in-house security officer team. Although this demonstrates an immediate and easily accountable cost saving, rarely in my experience when completing this action has the impact in terms of the increased risk to the business been considered. In fairness, if existing security technology can be deployed to assist, it has, but the opportunities to do this have been few and far between.

This time around, the current security threat which remains at 'severe,' is not one that can be ignored. The people we are protecting previously gave little thought to security, now, however, they are very aware of the current global threat of terrorism, even if they do not understand the lesser threats that security professionals seek to mitigate on a day to day basis. Therefore, we need to consider alternative options if the requirement remains to reduce the security budget.

With business continuity a key consideration for corporate companies across the globe, 'convergence' is gaining ground as the security watchword for 2008. The practice of bringing all security and business risk services together (physical, IT, technologies) is already becoming commonplace within the US and is beginning to make its way over here; ASIS for example already has a representative for convergence on its committee.

The idea of a single provider or security manager delivering cross-purpose security services is naturally appealing, and it's something we're likely to see more of over here during the coming months. Convergence in the US sense hasn't quite reached our shores (much IT security in the UK is currently handled by in-house IT managers), so do we need to consider the 'convergence' route and adopt a smarter approach to the structure of our security organisations going forward, learning and implementing the best practice from each approach? Or do we need to consider convergence in a different sense and seek to use one single supplier of all services? Manned guarding and technologies should never be seen as alternatives to each other; they should instead be specified in conjunction with each other. A risk assessment should provide an honest assessment of requirements, with security providers employing the most appropriate tactic – in response to the clients' business priorities – not their own.

In order to reduce and mitigate risk we all need to be proactive, not reactive. Security managers have traditionally fought long and hard for the funds they require to invest in proactive security provision, and only recently, with the increased threat of global terrorism, have their pleas begun to be taken seriously at Board level. It is vital therefore that their hard work isn't in vain and that companies' attention isn't taken off the ball during any downturn.

Indeed, we've already learned to our cost in the past that dummy cameras just won't cut it during a heightened security threat – think back to Bishopsgate and the £350million clean-up bill because the City's security provision wasn't up to scratch. “We didn't expect them to do it again in the same area” said one security officer at the time; a sentiment all too often mirrored by organisations who only review their security provision when it's too late.

But that's not to say that tightening provision and cutting costs is the right approach during leaner times – quite the opposite in fact in several sectors – it's no coincidence that our sister retail division finds itself tackling higher crime levels during a downturn. Irrespective of the economic climate, a security threat doesn't change simply because belts are being

tightened and for the retail sector, this current economic climate undoubtedly means more business as security measures are heightened to deal with the increased rise in theft from retail stores and outlets.

Of course, if the purchase of security services isn't a Board level decision and currently lies with Procurement, the argument to maintain provision, or even increase it, is perhaps even more difficult to justify during a downturn. Justification however can be achieved if a current security threat assessment is considered alongside the budget line; it's simple maths – risk is removed according to the quality of security provision – if security provision is taken away, the risk level increases and those tighter purse strings are potentially in vain.

What is also important for procurement departments to understand is that a fully trained, SIA licensed officer is actually quite a bargain! Which other profession provides well trained, qualified employees, who are prepared to work for a flat rate for the majority of the 365 days a year? We would never expect our officers to work bank holidays for single time rate – though we are constantly asked the question we cannot justify it as a way of reducing the security budget.

That isn't to say of course that cost efficiencies shouldn't be assessed and monitored; there are ways of reducing spend but it is imperative that provision is still fit for purpose. Yes, technologies can provide a cheaper alternative to manned guarding, but we still need officers who can react and make decisions based on the training they've received and experience gained; for example, hostile reconnaissance activities are better assessed by the security officer than via CCTV images.

We all know that ultimately, costs are going to have to be contained at best, and reduced in the worst case scenario. Whilst it may not be a popular decision to re-structure existing security teams, let us think as business managers first and adopt the processes considered by organisations who just don't have the option of reducing staff numbers and have to consider alternative options instead. We need rather to adopt a partnership approach, working together with our clients to seek to find the optimum solution that fully meets both their business needs and ensures the security of their company's assets.



Tony Crosse – AIS

Many years ago in the dim and distant past, non-ferrous metals were 'flavour of the month' with thieves. The security levels expected by Insurers obviously depended on the values at risk and other criteria but generally a high standard of physical protection was expected, often backed up by an intruder alarm (burglar alarm as they were known then) with offsite signalling to an Alarm Receiving Centre (Central Station as they were called at that time) and possibly other measures.

Since then a wide range of other goods have had their turn at being favoured by thieves but things often go full circle and today non-ferrous and other metals are back on the thieves agenda in view of the recent high increases in value and general shortage of some materials.

Fuels have also increased significantly in value and are therefore more 'attractive' to thieves. Some of the old favourites such as computer equipment are still a popular target.

Despite the harsh economic environment it is important that organisations retain, regularly review and if necessary, improve their security levels. The stance taken by Insurers has started to harden and the required levels of security for certain products are generally higher than they were 12 months ago.

Theft of assets will have an impact on a business even if there is insurance cover in place. As well as the obvious material loss and damage there is also the possibility of an interruption to business which could result in increased costs (e.g. having to contract work out or purchase replacement stock at a higher price) or even loss of income. The insurance may have a deductible resulting in a reduced loss payment. The theft may result in customers being let down and other possible implications such as loss of reputation.

A poor loss record could mean that an underwriter will look unfavourably on the business at renewal, possibly resulting in a higher deductible, increased premium, a request for enhanced security, restricted cover or, in the worst case scenario, refusal to provide cover in the future.



Tony Makosinski – Honeywell

Previous recessions in the 80s and the 90s saw a rise in theft which seemed to parallel the rise in unemployment in the country. The increase in metal and fuel thefts is probably more related to the massive rises in their particular value more than the direct effects of the recession as this trend has been going on for some two years, long before the current recessionary trends were being felt.

We have seen many companies in both those fields spending more on security to combat this, but rather than the previous slight beefing up of a fence or a gate this time we are already seeing substantial investment in hi-tech solutions which can actually catch the culprits.

One Midlands installer recently showed me his latest weapon in the fight against metal theft, a sophisticated heat detecting camera which can spot and track a man as he roams around a large scrap metal yard. He has successfully used this connected to remote CCTV monitoring centre which has guided the police to exactly where the thieves were hiding. This level of technology is now being used on bigger and bigger sites and when linked to on-site guarding facilities offers a good, cost effective improvement in security.

Companies often misguidedly look at knee jerk solutions and consider dropping or reducing man guarding as recession bites, just at the time when crime increases, this time modern technology offers varied solutions to improve the effectiveness of on-site guards and hybrid manpower/electronic solutions improve the chances of beating any rise in crime due to the recession.



Michael Cripps – Insafe International

Whether or not the country is descending into economic recession is a matter of some debate and the recent media output I have read, seen and listened to, all seem to contradict one another – yes there is a 'credit crunch', but it may or may not become a full blown recession?

Whatever the outcome, what is certain is the cost of metals and fuel has risen exponentially over the past →

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← year or so and these are two commodities that are reasonably straightforward to access and are very attractive to the criminal fraternity because they are easy to move on; particularly when times are financially difficult.

When I was a young apprentice in the locksmith industry I well remember an older, wiser colleague muse that during periods of financial uncertainty the first two areas of commerce to suffer in such times were advertising and security. I cannot speak for the advertising business, but I do know that the security industry frequently becomes the target of monetary constraints when economic difficulties arise.

In simplistic terms one can understand that financial directors across all areas of business constantly re-evaluate and consider where fiscal cutbacks can be made. They carry out these financial exercises in good times; therefore there is every reason to assume these pecuniary hound dogs will be even more vociferous during bad times.

In my view what FD's fail to appreciate is that security cutbacks today are tomorrow's security failures.

In contrast to what might be considered the norms in terms of reductions in security spend during financially difficult times, a very good and, perhaps, unusual example of an organisation taking a proactive approach to security during this period is the Church. Yes, the Church!

In the Editor's question he refers to the theft of metal. Churches up and down the entire length and breadth of the country have suffered numerous thefts of lead and copper from the roofs of these sometimes ancient and vulnerable buildings.

Far from taking an ecclesiastical approach to this phenomenally expensive problem - no sooner is the roof replaced with bright new metal are the offenders eyeing up the next opportunity to rip it off - the various church organisations involved, supported by their insurers, sought expert advice and took decisive action.

It was decided to embrace relatively new technology and employ the use of unique markers that are applied to the metal that can be irrefutably traced back to the location of the crime when recovered. More importantly, because of the reputation of these products, it is a powerful deterrent to would-be criminals who do not understand the scientific properties that support the product, but fully appreciate that if found in possession of the 'goods' they will undoubtedly be convicted of the crime.

This is a prime example of why organisations should not simply cut security budgets and ignore the real threats to their businesses.

Unfortunately, in many companies security is seen as a cost centre, rather than a profit centre. In 2007, Professor Martin Gill, director of Perpetuity Research & Consultancy International and Professor of Criminology at the University of Leicester, gave a fascinating presentation at the Security Conference of the Year, entitled "What is the value of security".

Martin discussed the relationship between security

professionals, procurement departments and clients, concluding that there was considerable room for improvement in developing an understanding between the different stakeholders on what they see as the advantages and drawbacks of extended security provision.

I totally agree with Martin's conclusion and strongly believe that working closely with all stakeholders within a client company is the only means of developing lasting relationships and new business.

By all means re-evaluate and consider where savings can be made, that is prudent business management. However, to reduce security services using the current economic downturn as the reason, without thinking through all the implications will simply leave companies with a legacy of security failure in the future.



Shaun Oakes
- UKB International

Far from slimming down, our advice to clients is that in times of recession security needs to be ramped up. As belts tighten so temptation to commit theft and fraud increases, as does unauthorised corner-cutting on health and safety protocols.

Increasingly, modern security systems demonstrate cost-benefit and have a positive effect on bottom line results. A biometric time and attendance system we recently installed at a large call centre is saving the owners "tens of thousands of pounds a year" by eliminating 'Buddy Clocking'; that is where one person clocks in a colleague who is late or absent.

Biometric construction site turnstiles eliminates the need for static security guards and ensures site security, with health and safety compliance twenty four hours a day. The system links direct to company payroll software, so workers and sub-contractors are paid by the minute and it is known exactly who has been onsite and when.

The current recession is global and its impact will increase the need to guard against commercial espionage. Research and development assets need ever greater levels of protection as do IT resources. The Chief Technical Officer and their security adviser need management data on who has accessed secure rooms and buildings, who has accessed sensitive data and files.

The cost to UK firms of corporate ID theft, when fraudsters assume a company's identity in order to exploit its credit lines, empty its bank accounts or order assets in its name, is set to soar to £700 million a year by 2020 according to the Centre for Economics and Business Research, which also found corporate ID theft is one of the fastest growing risks faced by UK firms.

Couple these threats with the global economic downturn and reduced margins then factor in Corporate and Governmental commercial espionage... it is a short sighted and probably short lived client who believes security is where cost savings should be made.