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In Brief

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Welcome to i-FM in Brief

i-FM In Brief is designed to bring you up-to-date on some of the many things that have been happening on our website over the past few months.

It's been a busy period, with contracts won and lost, senior people changing jobs and some significant M&A activity - all that against the backdrop of a lingering recessionary climate making both planning and action difficult for service providers and client organisations alike.

i-FM In Brief does what it says on the tin. We're a web-based business and we will never produce yet another magazine to add to the pile on the corner of your desk. But we do want to make the best use of technology to share with you the extensive resources on our award-winning site.

Established over a decade ago to serve as the 'FM industry's intranet', we're quite different to the traditional trade press. Our orientation is the market, primarily from a strategic point of view. We're not interested in products - there are plenty of places where you can find out about those. But if you are involved in FM as a key business-oriented discipline, we're here to help you understand the industry and thrive in it and with it - whether you are a service provider, buyer or advisor.

This edition of i-FM In Brief focuses on the security services sector, bringing you news, market research and extracts from specially commissioned feature articles. You can find more related content - and the full text of all the features - on the FM Briefings pages of i-FM.

David Emanuel - MD i-FM

News round-up: Security Services

News...



The past 12 months or so have been a remarkably busy period in the UK security sector. The lingering impact of recession may have made news of contract wins and job moves a bit less common than in 'the good old days' of pre-2008. But we have nevertheless seen some quite significant shifts in the market landscape.

Early in 2010, Emprise Services announced that it had added to its existing resources with the acquisition of security provider Perfectus. Perfectus, an SIA-approved contractor specialising in guarding, front-of-house, helpdesk and integrated solutions, brought with it 360 employees. Emprise would report later in the year that it had opened a newly built category 2 Alarm Receiving Centre, the base for a full remote monitoring service.

In the spring, multi-service provider MITIE unveiled a new risk and resilience team within its security business. MITIE said the move would underpin its integrated risk-based approach to delivering security services for clients.

Over the summer, OCS revealed that it had scooped up the Legion Group following that business's collapse into administration. The buy brought in 500 new clients plus 2800 staff. OCS UK MD Martin Gammon described the move as a key part of his company's growth strategy.

That news was soon followed by an announcement from Compass UK & Ireland confirming its acquisition of independent services provider Vision Security Group. Compass said the buy reinforced its strategy to establish itself as a leading presence in the support services industry. VSG has about 6000 employees.

Another big change in the market came in the autumn with the announcement that the Stockholm-headquartered Securitas group was to buy a big slice of the UK operations at Reliance Security Group. The business in the frame, with a workforce of 8,000 involved in guarding, mobile services, aviation security and related specialist services, had total sales of about £200m last year.

Securitas was obviously on something of a roll. By the end of the year, it was deep in negotiations for a second UK acquisition - this time Chubb Security Personnel. The deal put an enterprise value on the 5000-employee business of about £31m.

Against the backdrop of all this activity, the government made the decision that the Security Industry Authority was no longer required in its current form. Moves were quickly underway to plan a transition to a new regulatory regime that would protect and add to what the Authority had achieved.

Early this year, the SIA proved it had lost none of its teeth when it comes to policing the industry. Joint action with other bodies led to four London-based training operators being banned from providing licence-linked training and 300 qualifications were withdrawn as a result of malpractice. The SIA says it is still totally committed to its compliance responsibilities.

UK Security Market The Top 10

Company	Turnover £m
G4S	800
Securitas	430
MITIE	290
VSG	170
OCS	130
Loomis	110
The Corps	78
Advance	78
Interserve	70
ISS	62

Note:

- * Turnover figures estimated based on company reports, industry news and market commentary.
- ** VSG is owned by Compass Group.



2011 e-business award: time to get your entries in.

Now in its 10th year, the i-FM e-business Award is a unique feature in the facilities management year.

Presented in conjunction with the annual PFM Partnership Awards, every year the e-business Award competition draws intense interest - as well as remarkable evidence of fresh thinking and creative application, with a focus on the full range of e-initiatives within FM.

Past winners include Condeco, GSH, OCS and Eurest Services.

Now is the time to be thinking about joining this illustrious group. Entries are due by 20 May (it's a simple process, really), judging is held in September and the Award is presented in November at the PFM Awards Dinner in the City of London.

This year there is also a great sponsorship opportunity to promote your brand and be associated with both i-FM and PFM.

Please contact David Emanuel if you like to discuss sponsoring the e-business Award.



For a round-up of all industry award winners since 1999, visit: <http://www.i-fm.net/awards/>

Conference leads to landmark White Paper

This year's Workplace Futures conference, held in February, attracted a capacity crowd from across the FM industry. The theme was Commoditisation vs Service Solution - which is the future of FM?



All service delivery models offer benefits to particular types of organisations in particular circumstances. But what types, and in what circumstances? How does a buyer make sense of what's on offer; and how does a supplier ensure it has facilitated that process rather than obstructed it? Getting this right is critical - especially when you add today's unprecedented economic pressures on top of the evolving nature of FM.

The challenge for the buyer is to be an informed decision-maker, an 'intelligent client'. The challenge for the provider is to be equally intelligent in offering a response to the needs expressed.

Many of these issues will be explored in the forthcoming White Paper - Facilities Management: Realising the Value of the Investment.

The paper, due for publication this spring, sets out what FM is, its role as a critical business discipline, the benefits available through good practice and how organisations can make decisions about the best service solution for their requirements.

All registered site users will receive a FREE copy as soon as it is available.

Editor's choice - recent features on i-FM

These extracts from our series of highly topical security articles give both a flavour of the diverse and important issues in this critical business sector and how experienced service providers can work with their clients to meet a range of challenges.

Features...

In the each case, the full article is available on www.i-FM.net.



Licensing: What Next?

Last October, the government's announcement that the Security Industry Authority was to be abolished sent shock waves throughout the private security industry, and the future of the regulatory regime that the industry had fought so hard for a decade ago suddenly became uncertain. Four months on, Stuart Lowden, Managing Director of Wilson James, explores what the future may hold for licensing and how the industry is helping to shape this change.

Since the original announcement in October, the government's position towards the future of security industry licensing has softened to a position of 'phased transition to a new regulatory regime', not least due to the industry's collaborative efforts to influence the government at an early stage.

Almost immediately following the government's announcement, key players from across the private security industry joined together to provide a unified response in favour of the continuation of licensing and regulation in some form. As such, the Security Alliance was established as a single-issue body, formed to plan a strategic response to the abolition of the SIA and to help shape the future of regulation in such a way that the industry as a whole will benefit.

Despite the uncertainty over the future of security industry licensing and regulation, both suppliers and end-users are being advised that it's 'business as usual' for the foreseeable future. While the government has expressed a preference that the transition should take place during this Parliamentary term, the forthcoming London 2012 Olympic and Paralympic Games presents such a high security risk that it's unlikely any change will take place before 2013. As such, end users with contracts in place or about to be agreed should not yet be concerned with the impact of changes to regulation.

Outsourced Operate in your Name

Terry Cheese, one of MITIE's customer service gurus, says outsourcers and clients must collaborate to maintain and improve service delivery.

First impressions count - and for a business never more so than when a customer or potential client comes into contact with someone representing the company and its brand. We can all understand the impact having a surly security officer on the front desk makes compared to a smiling, cheerful one.

So it is important that the people who are the face of the business all understand its values and how these should be manifested by staff. And equally important is that the staff, whether they're direct employees or outsourced, are passionate about conveying those values.

From where I sit, developing the training programmes for MITIE's Total Security Management business, which has 12,500 officers across 4,000 sites, the main problem is that outsourcers traditionally have been perceived as detached from company culture. This is largely because we are viewed as 'brought in' external staff.

In a competitive environment where reputation is key, corporations cannot afford to view outsourced staff as separate to their business. And we, as outsourcers, must take on this responsibility and reinforce to our clients that we operate in their name and should not just robotically insert staff into their business. Rather, we must adapt to a new flexible approach, working closely with the client, which will enhance not only our client relationship but also the quality of our staff who are pivotal to the success of our business. After all, first impressions do count.

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Keeping Crime Out of Empty Properties



Mark Cosh, Director at 24/7 property protection specialist SitexOrbis, reports on best practice.

A strange thing happens when properties become empty. In the eyes of some, they go from belonging to someone to being theirs for the taking. No one gets hurt. It is a victimless crime, as they see it.

They can vandalise, live in it, throw parties, use it for antisocial behaviour, rip out and sell goods, all for free, without having to clear up. Last Halloween's illegal rave in an empty eight-storey building in central London was attended by a thousand people and ended with smashed windows, graffiti and a massive amount of damage.

Criminals have an abundant supply of empties to target. Around 300,000 homes in England have been empty for months according to government statistics. Each week some 29 pubs close. By 2015 it is estimated 26,500 retail outlets will have closed. Many offices blocks and business units remain empty due to recent record business closures and the cut backs, even though I see estate agents are now saying supply is poor.

A good starting point for any action plan to protect empty property is to recognise that a landlord's statutory obligations - health and safety, duty of care, insurance stipulations - still apply. Meeting them, however, may require additional action. Evidence shows that there is a greater risk of damage and injury during vacant periods.

The Top 10 Office Hotspots for Corporate Fraudsters



Many businesses are still not putting in place policies for the secure management of their confidential data, leaving them vulnerable to corporate identity fraud. This is the warning issued by Shred-it, the UK's largest on-site document destruction company.

Corporate identity theft costs UK businesses £1.3bn a year, and a recent study found that the cost of data breaches has leapt by 36% in the UK in the past two years.

Shred-it has set out the top ten office hot spots where sensitive information is most often left unsecured and its recommendations for how businesses can reduce the risk of confidential data falling into the wrong hands.

Turning on Technology: Security Solutions that Shine a Light on the Future

Paul Burchfield, Managing Director, SSS Management Services Ltd, looks at the evolution of new ideas for the sector.

Of all the FM services, security has been on a roller-coaster ride of change in the last ten years. Increased overheads and the national security breaches across the UK have focused attention once again on the dynamic between the cost of protection and the sometimes fragile solutions for securing business and public realm spaces.

Although those organisations in the manned guarding sector of the market were highly supportive of

regulation to the industry as a necessary step in professionalising



service delivery, it was clear that such an initiative would dramatically change the landscape of the security industry. The financial implications of implementation to the business and the impact on clients didn't take long to crystallise. Forecasts of costs rising by as much as 25% at the advent of the regulations were not, as it turns out, overstated.

Out of adversity comes a new paradigm or at least some seeds of innovation. Sharing of information and a greater reliance on technology would be where the security industry would find some solutions. Project Griffin is a good example of collaborative working between organisations. It was developed by the City of London Police and formally introduced in London in April 2004 as a joint venture between the City and Metropolitan police forces. Its remit was to advise and familiarise managers, security officers and employees of large public and private sector organisations across the capital on security, counter-terrorism and crime prevention issues. On a smaller scale organisations such as SSS Management Services are able to analyse information gathered during the course of managing security contracts to report on the local environment from a security perspective.

The security industry has come a long way in the last ten years. Valuing professional standards, understanding the virtue of sharing data and harnessing the power of emerging technologies should make everyone involved confident of its future as the cornerstone of a safe environment.

Visit the FM Briefings section of www.i-FM.net - FM's best-read information source.



All facilities services are important - but, arguably, at times security services may be the most important. Various events, both at home and abroad, have highlighted that fact in recent times; yet the security industry has felt the impact of recession downturn and post-recession austerity as much as any business sector.

So how do service buyers view the industry now and what do they expect of it? How have service providers reacted and how do they see the near-term future?

To find out, we launched an i-FM 30-second survey early in March, drawing a good response from decision-makers around the country and providing a clear snapshot view of the state of the industry.

Our first question was both basic and vitally important: what are the three most critical factors in choosing a security services provider?

Current market concerns are absolutely clear from the answers. Quality of personnel was the top-ranked first priority, and competitive price was the top-ranked third priority. Underlining the importance of both is the fact that personnel and price scored equal when it came to second priority.

Looking at the figures a bit more closely reveals that other factors are important in the initial consideration of providers - notably, service tailored to client needs and fit to the client's organisational culture - but both are still some way behind the weight given to the quality of the provider's people.

We then asked about typical contract length. The responses here suggest that the security sector is broadly in line with practice across the support services. The most commonly cited contract arrangement, at 40% of the respondent group, was three years + option to extend. A third of respondents operate standard three-year arrangements, with the remainder (27%) operating contracts of less than three years.

Is there any move in the industry likely to produce a change in the typical length of contracts? No, said a resounding 60% of our respondents. Amongst those that do see a trend for change, the proportion is about equal (roughly 20%) for those seeing deals getting longer and those seeing them getting shorter.


What about typical contract value: has that changed over the past two years? The largest part of our

respondent group, 46%, reported no change. Over a third (35%) have seen values increase, with just under a fifth seeing them going the other way.

And what is the expectation on contract values over the next two years? Almost the same proportion (45%) predict no change, but a solid 40% expect values to increase.

Finally, we asked how security services are most often procured. Overwhelmingly, buying comes in the form of a single-service contract: this was the case for 75% of our respondents. The remainder was split about equally between buying as a part of a bundled, integrated or TFM deal. When there are other services involved, security is most likely to be coupled with cleaning or in a broader package that also includes catering.

So, in summary, there's no question about what buyers are looking for: it's people and price - and that's mainly in the context of a single-focus contract handled by a specialist provider. The good news in the current climate is that buyers seem committed to long-ish relationships - and there is at least a reasonable chance that the value these represent may rise over the near-term.



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Our award-winning content includes daily news updates, feature articles and commentary - all with a keen focus on the FM marketplace. It's a quality you won't find anywhere else...we're flattered to be imitated, but we've never been equalled! Just as unique on i-FM is our premium content, including market analysis, research and bespoke reports. The ideal blend tailored to business needs, whether you are client or provider.

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- Features - written by our team, or commissioned by us, plus important articles sourced from other leading publications
- Comment - regular insights, views and opinions from experienced practitioners and market observers
- FM Briefings - an ongoing series, each targeting a specific service area to ensure practising FM's have the information and knowledge they need to make efficient and effective decisions
- i-FM Jobs - listings of the current opportunities, plus advice and support for jobseekers
- The Top 50 - our pioneering benchmark tracking the top players in UK FM

- Research - current and archived studies tailored to major issues in the UK market
- And much more - including background on the FM market, our unique 12-year news and feature archive plus insights into how FM has grown and developed over the past decade, links to training providers, our industry events calendar, a round-up of awards and winners, links to relevant organisations and information sources.

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Or, individuals new to i-FM can sign up for i-FM Lite, which brings you everything except our premium content - for free!

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