

December 4, 2023

Ed Finkel, Contributing Writer

SPECIAL REPORT

The 2023 Annual Guarding Report: Finding the right mix of human and machine

Security executives and guarding companies identify trends in security guarding throughout 2023, from emerging robotics to training strategies.

Guarding companies and their clients have been facing an array of threats and concerns ranging from global issues like climate change, war and unrest to more localized challenges like organized retail crime, political protests and active shooters.

In doing so, they've been striving to find the right balance between the cutting-edge equipment and technology needed to keep people and assets safe, while implementing training and changes to policies and procedures to keep their guarding forces at the ready - all at a time when labor market softening has made hiring and retention somewhat easier but still critical, as is the continued process of sifting through which technology is ready for prime time.

Security threats and challenges in 2023

In terms of top threats and challenges, Allied Universal, which released a security study titled the World Security Report, has noted considerably more concern about the global risk picture - threats driven by economic change, climate change, war and unrest, says Rachelle Loyear, Vice President of Integrated Security Solutions at Allied Universal.

"Civil unrest across the globe can impact you locally, whether you operate there or not," she says. "CEOs and CSOs are concerned about supply-chain stability; they're concerned about wars. There are huge problems with the cost-of-living crisis driving organized and mass theft attacks in retail. It's a very interesting shift."

Jordan Lippel, Vice President of Sales for GardaWorld company ECAMSECURE, says active shooter incidents, domestic and foreign terrorism, natural disasters, and civil unrest and political protests are among the top physical security threats and concerns. He also mentions "smash and grab" robberies in parking lots and other areas beyond the traditional perimeter that guards patrol.

With between 1.2 million and 1.4 million security personnel vis-à-vis 750,000 to 800,000 police officers, the private sector is being called on more and more to help with law enforcement duties as "a force multiplier," says Steve Somers, Regional Vice President, Operations at GardaWorld Security Services - U.S. (GardaWorld).

"When I think about our client base and what keeps them up at night, foundationally it's always come from this place of protecting people," says Ally Happel, Senior Vice President of Sales and Marketing for GardaWorld Security Services - U.S. "Being proactive through being predictive is a differentiator for us, and that's how we go further in protecting people and assets. Before, we were focused on the right response, and now, we're using data, tools and expertise to be able to predict and prepare before something happens."



ADM's guard force in Paraguay covers security in regard to quality control, anti-smuggling procedures and overall supply chain concerns during transit. Here, they check seals and inspect the hulls for illegal narcotics. Images courtesy of ADM

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ADM, a major food and beverage manufacturer based in Chicago, Illinois, sees the need for “a different type of security officer” to face increasingly technological threats, says Brian Howell, Vice President & Global Head of Security. “The expectation for the security officer has gone up,” he says. “Are we looking for a more strategic person in that role? We’ve been very fortunate in the fact that supervisors are stepping up, without being asked.”

AMB Sports + Entertainment (AMBSE) staffs between 500 to 700 guards at Mercedes-Benz Stadium in Atlanta, where the National Football League’s (NFL) Atlanta Falcons and the Atlanta United of Major League Soccer (MLS) play, “a good portion” of which are contracted through a company called S.A.F.E. Management that also provides for other NFL teams, says Joe Coomer, Vice President, Security at AMBSE.

“There’s a number of challenges out there for us,” he says. “The risk of threats around the stadium, in a downtown, urban site, and the unique challenges of nearby residential areas... Atlanta is the birthplace of social justice and protests, with demonstrations around our site daily. We’re half a mile from police headquarters. All those different activities take place in and around us.”

Stanley, Black & Decker, Inc., employs a hybrid guarding force of more than 100 proprietary personnel and between 200 and 300 contractors from Allied Universal, Protos and “a couple one-off services at certain locations,” says Paul Bak, Senior Security Director - North America. He sees protecting his company’s manufacturing and distribution facilities and other sites from the threat of active shooters as among his top concerns.

Another issue that Bak has been dealing with more recently is the company’s return-to-office after the pandemic, which has included welcoming some employees hired in the past two to three years who have never worked onsite. “It’s ensuring that access control is in place - and that these folks know the ramifications behind their ID badge, how powerful a tool that ID is,” he says. “They look at it as a critical component that allows somebody if it’s stolen, or lost and somebody finds it to walk in and access our facility.



Proprietary security officer mans the headquarters desk at Stanley, Black & Decker, Inc. Image courtesy of Stanley, Black & Decker, Inc.

The impact of security equipment and technology To combat these threats and concerns, body cameras and other wearables are types of equipment and technology that Protos Security and its partners have to offer their clients, says Peter Platten, Chief Revenue Officer at Protos Security. That requires educating the end-user to ensure they’re not exposing themselves to additional risks.

“You have municipalities and jurisdictions to consider, along with different geographic pressures and laws related to such things as voice recordings,” he says. “We work with our customers and internal legal team and make sure everybody’s engaged. We’ve had a number of circumstances where we’ve diverted requests, made modifications and found a happy middle ground.”

AMB Sports and Entertainment has a robot dog on patrol that “does the menial tasks that free up our human officers to focus in other areas,” Coomer says. Mercedes-Benz Stadium also implemented a free-flow, touchless security screening system a couple years ago, which reduced the need for additional negative one-one interactions. “We can expedite the arrival of fans, given how specific and surgical the technology is,” he says. “False positives and nuisance alarms have dropped off from 22% to 8%. Now guards can concentrate on the alerts.”

At a couple sites, with a few more pending, Stanley, Black & Decker has set up solar-powered geofencing through a mobile security trailer that monitors certain sections of parking lots of buildings and sends alerts when anyone breaks the fence, Bak says.

“We’ve thwarted several car break-ins” and helped lead to an arrest, he says. “It’s definitely been a good partnership.” The company also has opened its first global security operations center (GSOC) site to receive these alerts and others.

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Training, policies and procedures

Stepped-up training, policies and procedures also have helped guarding companies and their clients face top threats and concerns. Allied Universal's training will take guards in the direction of skills like technology acumen, emotional intelligence and customer service, Loyear says.

End-users "are looking at a frontline officer who is the face of the organization - the first person you meet," she says. "They want far less of the image of a bouncer, and much more the ability to interact at multiple levels." In terms of policies and procedures, Allied Universal is using artificial intelligence (AI) and other technology to disseminate post orders more quickly, "real-time information" that doesn't need to be looked up in a book because "it's in the cloud," she adds.

ADM continuously trains and adjusts post orders of its guards. "The 'ask' is slightly different," Howell says. "It takes subjectivity and a boutique approach of understanding each gate, and site, and the nuances of what's going on. The threat we're trying to combat is the same as a lot of people: authorized access to our facilities. We still want a guarding force but also a digital audit, and making sure we don't over-trust one or the other is a challenge."

GardaWorld works to clearly write the post orders on procedures and then train to those, Somers says. "Whether it's tabletop exercises or full-blown drills, it's very important that we test security officers as to our expectations," he says. "Whether it's an active shooter or an elevator broken down in the lobby, we have to have a written procedure, and we have to train to it."

Stanley, Black & Decker trains employees on the function security serves and what they need to do to help, such as maintaining access control, Bak says. "It's human nature to hold the door for somebody," he says. "But it could be somebody recently let go from the company, or not with the company at all."

The company also has enrolled the entire security team in training provided by the International Foundation for Protection Officers (IFPO) that all must complete within a year, Bak adds, and he's always open to hearing about other training opportunities employees would like to pursue.

Hiring and retention

During the pandemic, many guarding companies and their clients faced challenges in keeping posts staffed due to the "Great Resignation," but they say those challenges have eased.

"With wages growing as fast as they were in recent years, and the cost of living going up, keeping up was difficult. 2023 has been different," says Morgan Price, Senior Vice President of Recruiting, North America, for Allied Universal. "We're seeing better outcomes."

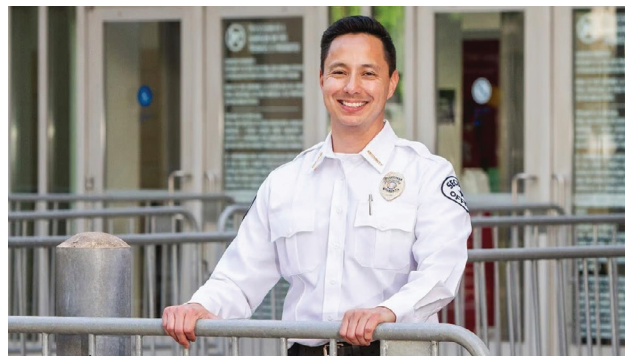


Image courtesy of Protos Security

To strengthen retention, Allied Universal has pushed out to field leaders an initiative called "I-Care Leadership," which covers the basics of treating employees well and making sure they understand the company values them.

"We spend time each week with our senior leaders talking about best practices," Price adds. "We've put the spotlight on the importance of retention in an industry that typically has high turnover, understanding that we can get a lot of bottom-line value in retaining employees, vs. churn at the top of the candidate funnel."

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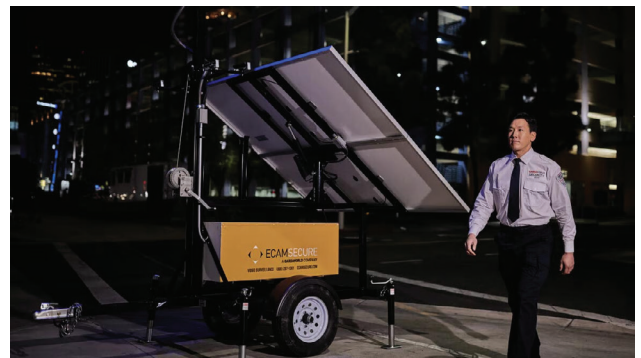
In supervising and managing employees, GardaWorld tries to ensure they're paid, trained and otherwise taken care of properly, Somers says. "People want to be valued. If you invest in people, whether through training, proper wages or benefits, it reduces turnover, increases retention, and you have much happier clients." GardaWorld never went below 97% of posts covered at the height of COVID-19 and is more than 100% today, he adds.

As a vendor-managed network of more than 4,000 companies, Protos Security's customers have had regular access to an increased supply of available officers, Platten says. "We're constantly in touch with our suppliers regarding their sourcing efforts," he says. "They've seen a significant increase in personnel. Recruiting has become easier, and the quality of personnel [has increased], as well. Throughout the last few years of change, the industry as a whole has done our job in educating the customers as to the ever-changing market-rate conditions ... to ensure we can attract the right type of personnel for the quality of service."

AMBSE faced hiring and retention challenges with frontline staff during COVID-19, especially entry-level associates, Coomer says. The company has laid out a development plan for fulltime security officers with developmental steps and ranks based on the training they've completed.

"There's incentive for them," he says. "We give them the ability train, self-paced, so they can improve their skills and ultimately their wages. We think our starting wage is competitive with what we're seeing in downtown [Atlanta], but we've also showed them a path to increase their wages through training."

Hiring and retention remain a challenge for Stanley, Black & Decker, which has caucused with its vendors and attempted to raise officers' hourly wage, Bak says. "Have we 100% hit the mark? No," he says. "Everything has gone up. We diligently work to do what's right to make these officers whole. It's an ongoing process for us. It's a tough sell when you're asking somebody to safeguard a manufacturing or distribution center, when they can go down the street to a fast-food joint and make the same, or more. As we look to 2024, a primary focus will be how do we entice or better compensate these individuals to safeguard our facilities and be vested in doing so. It's a continuing evolution, trying to stay ahead of it."



GardaWorld Security Services' security officer patrols with ECAMSECURE's mobile surveillance unit. Image courtesy of GardaWorld

The use of robots and automation

Partly due to staffing challenges, end-user organizations and guarding companies have been thinking more intensively about how to supplement their human forces with robots and other automation, although, generally speaking, this has not meant reducing boots on the ground.

For Allied Universal, this process aimed at putting people to their highest and best use, Loyear says. "Let's say you have a gate, and that gate only runs three or four vehicles a day. You can simply automate the surveillance," she says. "Take the person, and put them where their value is best used." Adds Price, "It's about reevaluating our resources and getting them to the right spot. It's not about replacing them with technology."

Both GardaWorld and ECAMSECURE secure large, open properties. To secure miles of a facility without fencing, organizations have implemented mobile security robots equipped with cameras and sensors that can communicate with humans in a command center. ECAMSECURE and GardaWorld also have introduced a "tech terrier," a robotic dog that can go upstairs or over obstacles such as rocks, "sort of like a ground drone. It's bringing back real-time data to assess threats and then act on those threats."

While robotics is still a nascent technology, looking at how to supplement officer hours with remote guarding is "much more of a daily conversation," Platten says. "We continue to push in that area, as far as growth goes." Protos acquired one company last year and is looking for others to "build out that service officering and deploy it. The analytics are getting better and better. Every day, we're getting closer to being able to achieve the results we can achieve with officers."

ADM hasn't made much use of robotics yet but sees it coming, Howell says. "It's in a pilot phase, as opposed to a phase of reliance," he says. "We're investigating what options might be best for us. The advantage to robotics, in higher-risk environments, is I'm not putting a human being at risk to their personal safety."

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Trends in Security M&A and More

What has the guarding industry experienced this past year - and what can it anticipate in 2024 - when it comes to mergers-and-acquisitions (M&A) activity? How is that picture impacted by an economic climate characterized by low unemployment, falling but still-higher-than-usual inflation, and the highest interest rates in a generation?

Keith Oringer, Founder and Principal of Security ProAdvisors, who worked together with Robert McCrie to compile the "Leading Security Guard Companies in North America" chart in this issue, believes new buyers - including those from the private equity sector - will continue to enter the guarding space.

"Even though interest rates have remained high, the valuations are still steady and strong," he says. "I see more private-equity groups coming in, and new strategic buyers. The cost to borrow may be higher, but I'm still seeing a strong amount of transactions because demand is growing for security. The industry's forward movement looks good."

Police shortages and rising crime will continue to pump the demand for security, and the high costs of in-house will drive growth in outsourcing, Oringer believes. While technology in areas like robotics will continue to advance, he does not see officers being pink-slipped in noticeable numbers. "People are looking for the private sector to fill the void that police can't do," he says. The police can't be everywhere. And event security is coming back now that people are packed into stadiums again."

Cybersecurity also remains crucial, Oringer says. "Cybersecurity is still at the forefront because people are concerned about safeguarding data and other sensitive information," he says. "We're still in a threat environment that has seen significant attacks against organizations of all sizes in recent years." He adds that many industries must comply with regulations that require them to protect against such attacks, another reason why "it's a necessity for companies to have good cyber programs. Spending continues to grow in this area."

Larger national and international companies will invest heavily in new technology, while smaller local and regional firms are still relying on the personal touch to differentiate themselves, Oringer says. "The smaller clients still want that boutique service," he says. "Larger companies will continue to differentiate themselves with AI, cyber, robots and K9 units. There's a big increase in demand for fire-life safety and remote video monitoring. We've seen players like Motorola Solutions make a number of acquisitions. The acquisition by [private equity firm] GTCR of ADT's commercial business [since rebranded to Everon] was a big deal."

While most security forces remain unarmed, some are packing - and more and more guards are learning to work alongside robots and drones, Oringer says. "At the end of the day, you still need the people," he says. "The skillset for the security officer is constantly improving. We're seeing higher bill rates and higher pay rates happening because of that. A lot of customers are buying in, vs. 10 years ago, when they didn't as much. The pandemic was a game-changer with what security officers had to do. There's still a labor shortage, but it's gotten better than a year ago."

Smaller national and larger regional companies are growing even more quickly than the industry as a whole, Oringer says. "That's due to clients looking for more choices," he says. "National contracts are going out for bid, and they're looking to not put all their eggs in one basket, and (nstead) look for the best of the best, by region."

21st Annual Leading Guarding Companies in North America

COMPANIES (and head office)	EMPLOYEES	OFFICES	TOTAL (\$)
Allied Universal, Irvine, Calif.	300,000	400	13,000,000,000 ¹
Securitas North America, Parsippany, N.J.	121,000	502	6,000,000,000 ²
GardaWorld, Montreal, Canada	75,000	150	2,400,000,000 ³
Constellis, Herndon, Va.	10,000	48	860,000,000 ⁴
Protos Security, Norwalk, Conn.	5,200	22	627,000,000 ⁵
Inter-Con Security Systems, Pasadena, Calif.	18,000	60	550,000,000 ⁶
Prosegur, Deerfield, Fla.	7,155	57	418,000,000 ⁷
Walden Security, Chattanooga, Tenn.	6,400	14	395,000,000
St. Moritz Security Services, Pittsburgh	5,500	37	252,000,000
Sunstates Security, Raleigh, N.C.	5,025	48	237,000,000
Signal, Omaha, Neb.	5,929	187	215,000,000 ⁸
Andy Frain Services, Aurora, Ill.	16,000	54	186,000,000
Securiguard, Vancouver, Canada	4,200	11	173,000,000
Titan Security Group, Chicago	3,850	10	149,000,000
DSI Security, Dothan, Ala.	5,200	33	140,000,000
First Coast Global Security, Jacksonville, Fla.	2,500	11	126,000,000
Arrow Security, Smithtown, N.Y.	3,200	7	107,000,000
American Security & Investigations, St. Paul, Minn.	2,400	11	91,000,000
Per Mar Security & Research, Davenport, Iowa	2,168	13	83,000,000
USI Security, Red Bank, N.J.	2,000	13	80,000,000
Security Solutions of America, Alpharetta, Ga.	2,000	20	72,000,000
United Protective Services, Dallas	2,000	7	57,000,000
Kent Security, North Miami, Fla.	1,500	9	55,000,000
Doyle Security Services, Rockville Center, N.Y.	970	4	41,000,000
Motivated Security Services, Somerville, N.J.	825	3	35,000,000
Strategic Security Corporation, Smithtown, N.Y.	1,525	16	33,000,000
Royce Security Services, Cleveland	820	9	24,000,000
Security Alliance Group, Miami	825	4	23,000,000
Aegis Protective Services, Cincinnati	650	5	20,000,000

** Special thanks to Robert McCrie, Keith Oringer and Security ProAdvisors for the information and rankings.*

Prepared from responses of CEOs, COOs, or CFOs for the year ending 12/31/2022. Totals are rounded off.

Notes: 1. Total revenues (TR) \$19.4B. 2. TR \$13B. 3. TR \$2.8B (excludes cash services). 4. TR \$1.3B. 5. TR \$635M. 6. TR \$575M. 7. TR \$4.2B. 8. Includes franchises.

New: New additions this year: Kent Security; Strategic Security Corporation. Compiled with the assistance of Security ProAdvisors.