

## Procuring security in an FM context

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Security is crucial for business continuity and the protection of business-critical information. But a smarter approach to procurement and management of security services can add real value and cost benefits to the end customer as well as the FM provider.

Selecting a security provider poses a very unique set of questions for a business. Many financial officers are unaware of the direct financial benefit to the organisation of a robust security proposition and it can therefore be difficult to convince them of a persuasive cost-benefit argument. This challenge can be greater when purchasing security as part of a wider FM solution.

In light of the ongoing threat of terrorist attacks, the importance of security has risen up the corporate agenda, but in a competitive business environment inevitably so has cost-cutting and revenue maximisation. Security is crucial for business continuity and the protection of business-critical information. Ensuring budgets gain justified approval from financial decision-makers involves research, planning, education and a certain amount of tenacity.

For example, a store manager in the retail sector can readily justify their recommendation for security provision to protect tangible assets. Shrinkage is a multi-million pound problem for retailers and the benefits of manned officers can be readily equated to reduced shrinkage. In other sectors, however, the cost-benefit is largely speculative.

For instance, in the FM sector, there are a number of ways in which a smarter approach to procurement and contract management can add real value and in the longer-term provide cost benefits to the end customer as well as the FM provider.

Experts in partnership Along with catering and cleaning services, security is one of the so-called 'soft' services in the FM mix. However, that is where the similarities should end. A "best of breed" FM proposition should include a package of experts working within their areas of speciality in order to provide the end customer with a top-quality solution. It is extremely unlikely that a catch-all approach can deliver the highest levels of expertise in each of the required sectors.

But before accountants cry with despair at the potential costs involved in procuring and managing three different companies across three different areas of expertise - there are costs savings to be had. As in many industries the best results come from partnerships where both sides feel involved in the process of delivering the best results. Early involvement in an FM contract enables the soft service providers, in this case the security firm, to remove unnecessary levels of management and to share resources with other contractors, where appropriate. Economies of scale can be achieved between separate companies if they work in partnership and ensure the services are integrated within an overall FM strategy.

An example of a smarter approach to FM is the process that should be adopted when a building is temporarily unoccupied. Often the security function is the last service left standing. At this point the security provider must adopt a wider stance than purely manned guarding as there are still important issues to consider when monitoring an empty building. For instance, through close partnership with the cleaning company, the security provider can gain an understanding of challenges they face and aid where possible, such as ensuring that diseases like legionnaires do not take hold in a disused air conditioning system.

Looking at the wider picture, increasingly FM companies are under pressure to offer nationwide, pan-European and even global solutions to their customers. In order to do this cost-effectively and efficiently, soft service companies need to be able to offer their customer widespread reach and the depth of talent to cope with a range of operational requirements.

Analysis before solution The importance of procuring the right security company as part of an FM solution must not be underestimated. However, before a facilities manager can begin to review security provisions, efforts must be taken to understand exactly what needs protecting and the potential risks faced by the customer. Expertly undertaken vulnerability and risk assessments are essential to expose areas of weakness and identify process and contingency failings across any number of disaster scenarios. From here it is then possible to create an accurate and thorough security solution, bespoke to the exact customer requirements.

At a seminar G4S Security Services (UK) held in the City of London, all security managers said that they had reviewed their disaster recovery and business continuity plans after the 7/7 attacks. However, almost 10 per cent said that their business had not increased security spend over the same period. Given this, it is vital facilities managers ensure they secure the best service providers for the available budget and that the provider operates to the highest possible industry standards. Purchasing security cheaply is a false economy as service provision is likely to be poor, resulting in increased risk for the business and its employees.

As in any sector, facilities managers should view their people as their primary assets and the saying "protect your people and you protect your business" still holds true. To that end people really are the central component of any security strategy. Of course technology has a role, but it is easy to focus too much on the latest system and overlook the basics

of security. Any risk control measures must be both rational and cost justified, factors that will of course add to the business case.

There is sometimes a perception that security and risk control needs to be expensive, but many people forget that some of the most effective measures often cost nothing. For instance these can include: raising general security awareness, wearing identity passes, challenging an unknown face, prevention of tailgating and providing only limited disclosure of potentially sensitive information.

Many companies still lack understanding of the importance of raising wider security awareness amongst staff and planning for unexpected situations. Investing time and money in adequate training and preparation will reap dividends if an adverse security situation should arise.

Raising the security agenda Businesses should not overlook the human element and should be willing to challenge assumptions. It is vital staff are encouraged to think on their feet and remain flexible as a situation develops. Many people still view security and risk management as an inconvenience. The challenge for the security industry is to raise its profile and embrace it in the same way that government and industry embraced safety in the workplace during the 1980s and 1990s.

The introduction of licensing has helped in raising the profile of the security industry. However, before licensing came into force on 20 March 2006 research<sup>1</sup> found that almost a quarter of businesses in England and Wales were unaware that contract security offices deployed on their premises would require a licence. Companies with unlicensed officers working at their premises could risk invalidating their public liability and business insurance. This is real evidence that the deployment of licensed security personnel can have a direct financial benefit to an organisation. Additionally, premises could be vulnerable to theft and attack with the security of assets, critical confidential material and employee safety at risk.

Security provision should by no means be treated by businesses as purely a procurement issue. It is worrying to think that many businesses are more preoccupied with the cost of security provision than the effectiveness of a solution to mitigate risk. Although the introduction of licensing has helped to raise the status of the industry, there is evidence to suggest that security is being purchased at the lowest price in order to fulfil cost-cutting directives in procurement.

The pressure on purchasing on a lowest unit cost basis can only become greater as the costs will inevitably increase as a result of the twin effects of licensing legislation and the 20 pence minimum wage increase from October 2006. Facilities managers should understand that by investing in an expert provider with highly skilled licensed officers and a thoughtful understanding of all facilities service needs, they will be better protected against security incidents and crisis situations that may arise.

Looking ahead it's clear that facilities managers will be looking for service providers that can deliver a different offering and one that crosses borders. When selecting 'soft' service providers, facilities managers and end customers must ensure that they are procuring the best possible solution. It would be a mistake to think that a company able to offer two or even three of the services will be more cost-effective than going for sector experts. In the medium- to long-term it won't and service levels, essential to the livelihood of the business, will fall well short of requirements. Reference<sup>1</sup>. 21 and 30 September 2005.