



Local Response | National Support

Contract vs. In-House Security

Working with the Experts for Specialized Services

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There is a shift taking place within many Fortune 500 companies and smaller firms alike. More and more companies are placing a heightened focus on their core competencies and outsourcing support functions not associated with their primary business. This move to outsource is especially prevalent in the area of personnel-related support functions, which include security services.

Many organizations routinely entrust the security of their employees and physical assets to contract security providers to ensure an up-to-date and comprehensive program is in place. Using a third-party provider for security purposes protects employees and assets, saves money and allows the company to devote its attention and resources to its core competencies.



Why is this shift occurring?

There are two primary reasons for this shift which include:

Increased Competition - Companies in every industry are facing more competition and it is imperative to have a workforce that is focused on improving a company's core business offering. Personnel-related support functions such as security services typically fall outside of a company's core business. For example, a computer-chip company likely will not improve its position in the technology market due to the efforts of its in-house security officers. Top managers are turning to reputable contract security firms to be their security experts so they can focus their personnel on being experts in their line of business.

Increased Cost/Liability - Payroll taxes and benefit costs have skyrocketed. As companies continue to become as lean as possible, leveraged resources must be dedicated to the personnel who directly impact the business. Additionally, as our society becomes more litigious, the risk of employment claims from in-house personnel is steadily increasing. Areas of risk to consider include workers compensation, unemployment, discrimination and sexual harassment. Employment-related lawsuits are costly and time-consuming. Due to this ever-increasing expense and risk of greater hidden cost, companies are choosing to protect themselves from personnel issues by outsourcing functions like security.

The security industry in particular is one personnel-support function that has become extremely specialized. An effective security program is no longer comprised of an officer in a uniform. In today's environment, a high quality security program includes comprehensive training programs

with market specific curriculums that include technology-based training for access control systems and emergency evacuation planning.

What Stops Some Outsourcing Conversions?

Many Security Directors are concerned that by moving to a contract provider they will have less direct control over the program; however, a shift to contract security can have the opposite effect. Security Directors who outsource their security program often find they no longer have to spend long hours dealing with the day-to-day management of security officers and are able to utilize their skills in the more prominent and visible areas of security consulting, planning and analysis. This increases their value to the company while decreasing their security headaches as they can defer security personnel functions to the contract security firm's management team.

Hesitation to utilize a contract security company can also be due to the perception of a decrease in quality. There are companies who operate on a very high level. These companies conduct extensive background checks and have a rigorous process for personnel selection. Quality companies offer competitive benefits and wages, benchmark-setting training, and employee-development programs. In addition, switching to contract security does not mean losing your well-established security force. Contract companies generally retain as many of the qualified existing staff members as the client desires.

What Does It Cost?

In-house security costs more than the officers' wages – the costs also include benefits, taxes, vacation time, sick leave and uniforms plus many intangible costs such as unproductive management time. In most cases, the cost of an outsourced security program is comparable to a company's in-house budget. However, the expertise, training resources and experience a contract security firm provides is an invaluable benefit.

Making the Right Choice

Deciding to make the shift from in-house to contract security is just the first step. Choosing the right contract security company is also an important part of the process. There are many national and regional providers and it is important to find one that best fits your needs. The following steps will help ensure the company you select will be a long-time partner and resource.

- **Build a Selection Team** – The members of a selection team vary depending on the market but typical participants include representatives from purchasing, building management and security. If individual departments or functional areas have different security needs, participants from those areas will offer valuable insight as well.
- **Identify Needed Improvements** – Reviewing your current program will help to identify areas in need of improvement. In some cases, those needs may have prompted the search for a contract security provider. Either way, now is the time to ask for what you want and need.
- **Prioritize Objectives** – Your identified areas of improvements and any other security needs should be prioritized and your objectives communicated to potential security partners. Knowing your objectives in advance will help you select a firm that can meet your needs.

- **Consult the Experts** – Once you've communicated your objectives, ask potential providers to make security recommendations. These are the experts and their advice and capabilities will influence your decision.
- **Create the RFP** – Your request for proposal should include questions on a variety of topics. General company information to specific training and experience in your industry will help to paint the picture and will organize the information. Gathering the facts from all potential providers will allow you to make a side-by-side comparison.
- **Narrow the Field** – Select the best two to three firms and request any additional and necessary information, delve deeper into their day-to-day processes and meet with the managers who will be overseeing your program.
- **Find the Right Experience** – While every security program is unique, identifying a provider with the right type of experience is an important step in identifying the best provider for you. A contract security company with extensive higher education experience and training specific to the needs of the education market, for example, will be a strong candidate for a college or university.
- **Select a Provider** – Once you've selected a provider, meet with them to develop a contract, plans and processes. Dedicate the time to work with them to provide the information needed to develop a quality program and post orders specific to your needs.

A successful relationship with a contract security provider is one based on trust, mutual goals and communication. Establish goals and objectives for both you and your contract provider and participate in regular reviews of the new security program in order to recognize milestones, make adjustments and recognize the exemplary efforts of the security staff.

A high quality contract security provider is one who views security as a team effort and truly believes in and is dedicated to the safety and security of your employees and assets. That commitment will be evident in the company's practices and training programs as well as their ability to customize services to meet your individual needs.

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For more information call 1-866-825-5433 or visit AlliedBarton.com

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