



Creative solutions help security businesses stretch shrinking budgets

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Daily news items that lead with some variation of "given the tough economic times" offer grim reminders of the current financial landscape. I, like President-elect Barack Obama, believe things will get even worse before the economy begins to recover.

Historically, recessions create a kind of "Catch-22" for businesses. Criminal activity - from shoplifting to theft of construction equipment - begins to skyrocket, while security budgets shrink to reduce expenses.

In a recent survey reported by Security Director News, 50% of the respondents reported departmental budget reductions, and 60% predict that additional cuts in staffing and technology are on the horizon.

When I founded Command Security in 1983, our country was in the midst of tough economic times. A decade later, we faced another recession due to the savings and loan debacle. I learned then the importance of flexibility, innovation and creating outside-the-box solutions to protect my clients.

Today's financial crisis is wider and deeper than any I have ever known. Money is not just tight, it has vaporized.

Exceptional times require unconventional approaches. In response, we've introduced new ways to partner with clients, along with affordable alternatives, to help businesses safely navigate through this stormy economic period.

Vendor on Premises (VOP)

Among our new service offerings is the "Vendor on Premises" (VOP) program. All security operations are contained at the client site and include traditional contract services, such as external road supervision, hiring and firing, guard registration and licensing, and corporate support.

By basing security operations at the client site, the VOP program can reduce security costs by 20% to 30%. This solution provides all related security and support serviced, including manpower, recruitment and training, on a cost-plus basis. Companies with annual security expenses of \$1 million or more typically realize the greatest benefit due to economies of scale.

Increased Efficiency

Smaller businesses can save money and increase efficiencies by replacing standing posts with roving positions, allowing clients to cover more territory with fewer security officers.

Since the latest security technology provides superb property protection with state-of-the-art electronic alarms, cameras and other surveillance equipment, businesses can realize long-term cost savings and make the most out of a well-trained security force.

While the cost of these high-tech devices may seem out of reach, we've helped many clients

negotiate leasing and financing options through strong relationships with third-party vendors and lending institutions.

Outsource and Save

Companies with in-house security departments may also want to consider outsourcing protection services. After completing a cost-benefit analysis, outsourcing may be the most economical alternative.

Often a cost-benefit analysis reveals that contracted security is more affordable than the expenses associated with employee benefits, hiring, licensing and registration, and the high cost of guard turnover.

Joint Ventures

Joint ventures between proprietary forces and large security companies offer another solution, benefiting from many of the same efficiencies as our VOP program.

As an example, during a previous recession, I negotiated a partnership with a Connecticut developer to combine our resources, which eliminated the costly redundancies of two security offices and the need for extra supervisors.

Merging Matters

As security vendor valuations stabilize in today's economic environment, smaller, less established firms may want to consider the benefits of merging with a larger company.

Partnerships offer local firms the unique opportunity to concentrate on delivering exceptional customer service, while benefiting from the efficiencies of corporate support. Murdoch's group partner model coordinates "back-office" operations like finance, legal, billing, payroll, sales and marketing, and human resources and allows group partners to focus on serving their customers.

Sacrificing security, even during the worst of times, is risky business. Instead, work with your vendor to develop affordable solutions through creative partnerships and more affordable alternatives to keep your property and investment safe.

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