

The Industry Imperative: Bridge the Digital Divide with Customers, Stakeholders and Partners

RESEARCH EBOOK: PHYSICAL SECURITY INDUSTRY BENCHMARK

Based on Survey of more than 300 Physical Security Professionals & Leaders

Commissioned by System Surveyor
Conducted by H2 Strategic Communications



The Customer Engagement Chasm

As a system integrator, are you knowledgeable, transparent, and digitally savvy enough to satisfy your customers today? The answer in general is no, according to our survey of 300 professionals from across the physical security spectrum.

The electronic physical security industry prides itself on evolving to meet customer needs, but many of today's challenges are unique. Security professionals are facing new situations and an increasing array of technology options. They expect system integrators (SIs) and other security vendors to provide expert guidance, a higher level of service, and seamless digital collaboration.

The results of our Industry Benchmark survey support these inferences. We asked both SIs and the enterprise security professionals who hire them about their current challenges, priorities, and areas of improvement. Their responses revealed some major gaps between them. They also divulged some guidance for closing these gaps. The findings led us to two conclusions:



What are your biggest physical security challenges right now?

“Professionalism in the security industry.”

- Senior Trainer, Educational Institution

1

System integrators and solution providers have an incredible opportunity to win more business – IF you can simplify and improve the customer's experience.

2

The right digital strategy and capabilities can build bridges to your customers, enhance customer connection, foster long-term engagement, and improve business operations.

Stark Differences

Economic conditions, novel security challenges, and digital capabilities – or lack thereof – are among the issues widening the gulf between SIs and their current and potential clients

What System Integrators/ Service Providers Are Saying:	What Enterprise Security Customers Are Saying:
<ul style="list-style-type: none">• We have limited access to customer sites (39%)• We have trouble gathering accurate site details even in typical times (48%)• Almost half of customers make 3 or 4 proposal revisions before making a final decision	<ul style="list-style-type: none">• SI methods and tech are old school. Case in point: SIs still use paper, pencil, & cell phones to do surveys (82% of SIs)• We are seeking technology to collaborate with all parties involved in our projects: colleagues, SIs, partners, and vendors
<ul style="list-style-type: none">• We're bullish on business (76%)• We'll see greater project activity this year (58%)	<ul style="list-style-type: none">• Our company is fast-tracking some security projects (44%)• Our budgets are not increasing (71%)
<ul style="list-style-type: none">• Maintaining or increasing sales is our top priority (58%)• However, we are losing 2 out of every 3 proposed projects & wasting a week's worth of time in the process	<p>SIs need to (Top 3):</p> <ol style="list-style-type: none">1. Be up to date on latest products & technologies (49%)2. Better understand our needs (44%)3. Maintain updated system documentation & provide a portal to access it (35% each)

How can you close these gaps? Read on to discover what else your target market is experiencing and how you can start building digital bridges with them. There are a few commonalities as a starting point.

Common Ground for Bridge Building

The survey findings unearthed some common ground. For example, *end users and SIs cite video surveillance, access control, and intrusion detection as still the most requested solutions.* The health and safety of employees and customers is top of mind for both groups. In addition, each is interested in virtual collaboration technologies. In fact, most of the priorities and technologies SIs are focused on in the next six to 12 months match up with the improvements end users would like to see.



What is the most important change the industry can make to improve customer engagement and deliver great service?

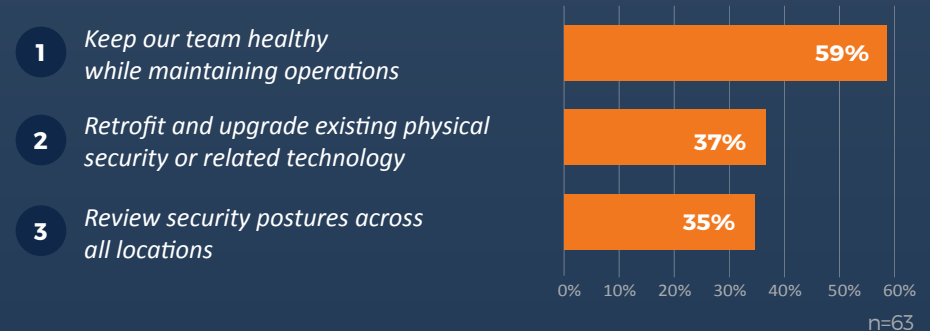
“Developing a culture of collaboration and documentation to ease system design and customer records. This also allows for easier site surveying, proposal creation and project completion.”

- VP of Technology for a System Integrator



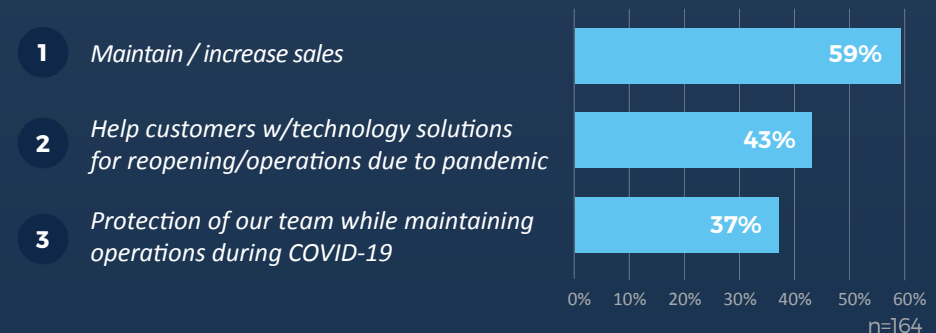
ENTERPRISE

What are the top priorities for your organization in the second half of 2020?



SYSTEM INTEGRATORS

What are the top priorities for your organization in the next 6 to 12 months?



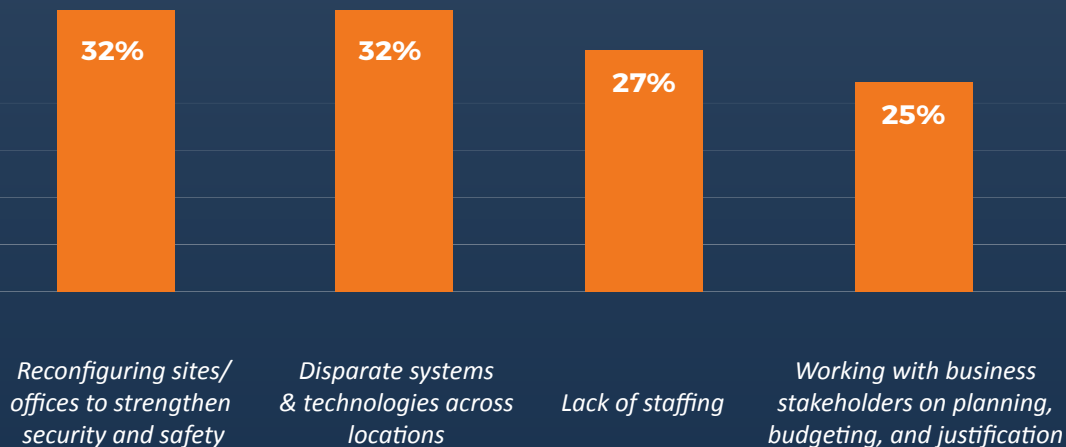
WHAT YOUR CUSTOMERS ARE SAYING:

We Need to Rapidly Adapt to Changing Times

Challenged to respond to threats both new and unpredictable, corporate and campus security teams are in uncharted territory. Not expecting a significant shift to remote working (65%), they are reanalyzing security postures across all sites to determine vulnerabilities and needs. Many have disparate technologies and systems across multiple locations, which limit visibility and control.

As a result, security pros are exploring retrofits and upgrades as well as new solutions. The top four technologies they are seeking – after video surveillance, access control, and intrusion detection – are touchless access control, people counting/social distancing detection sensors, visitor management kiosks and thermal/fever imaging cameras.

What are your biggest physical security challenges right now?



n=63



WHAT YOUR CUSTOMERS ARE SAYING:

We Need to Rapidly Adapt to Changing Times

What technologies are you exploring for your organization?

48%

Typical Video Surveillance, Access Control and Intrusion Detection

33%

People Counting / Social Distancing Detection

33%

Touchless Access Control

32%

Visitor Management Systems & Kiosks



How will the ways you design, evaluate, and purchase technology change in the next few years?

“More use of touchless access controls, remote systems access allowance for remote diagnosis.”

- VP of Technology for a System Integrator

“With CV-19, consideration of contact-less entries while still balancing security for a building without piggy backing occurring.”

- Manager of Corporate Security for a title insurance company

“It will all be driven by perceived increase in threat presence”

- Security Director for a religious institution

WHAT YOUR CUSTOMERS ARE SAYING:

We Need More Knowledgeable, Transparent and Collaborative System Integrators

System integrators that stay current on the latest products and technologies will gain an edge, especially if they can work with the customer to tailor specific solutions to their needs. Half of SIs said they select and recommend security products based upon their own comfort level. Naturally, the broad array of available technologies makes it impossible to fully evaluate the entire market. However, this may also result in a recommendation of a less than optimal solution.

Enterprise security pros cited two other major areas of improvement for SIs: **collaboration and transparency**.

Collaboration technology is a priority for many security teams this year, whether they are doing system design themselves (30%) or collaborating with their SIs (40%). More than half said they would greatly or somewhat benefit from an online software platform to collaborate on design plans and projects.



How will the ways you design, evaluate, and purchase technology change in the next few years?

“More due diligence and proof of concepts to ensure the solutions deliver as promised.”

- Security Director for a major insurance company

“More hands on approach and provide integrators with more specific scopes.”

- Security Manager for a government entity

WHAT YOUR CUSTOMERS ARE SAYING:

We Need More Knowledgeable, Transparent and Collaborative System Integrators

In addition, security pros would like their SIs to provide a portal with access to the latest service and system records (35%) and be more transparent with project and proposal information (35%). Fewer than 10% of enterprise security professionals are willing to trust system integrators with complete system design.



An informed and involved customer is a more engaged customer, increasing the chance they will see SIs as a true extension of their team.

How can security integrators/solution providers improve their service to you?

Select all that apply

49% Stay up to date on the latest products & technologies 

44% Better understand my needs to offer customized solutions 

35% Ensure all system records & drawings are always up to date 

35% Be more transparent with proposal & project information 

n=63

WHAT YOUR CUSTOMERS ARE SAYING:

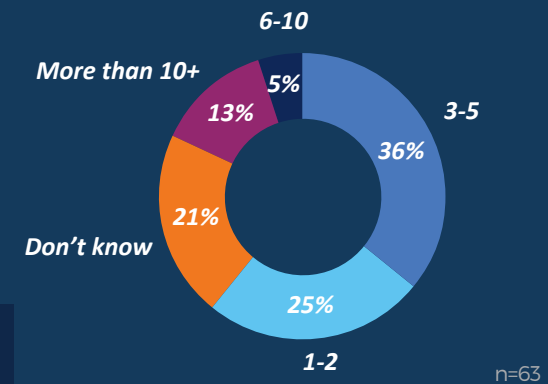
We Rely on Multiple Technology Partners

These SI shortcomings may be why the majority of end user organizations are routinely working with multiple system integrators. Most of these enterprises work with between three and 10 SIs. Only one-quarter of survey respondents have just one or two (25%).

Some of this may be out of necessity, such as using different vendors to cover different geographies. Security departments may also be compensating for their own lack of staffing (a top challenge) or expertise at specific locations.

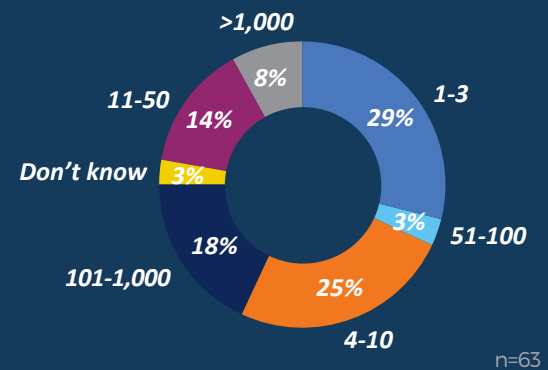
Being responsible for multiple SIs, sites, and projects adds to the complexities of managing physical security, especially during these unusual times when the demand for rapid planning and response is high.

How many security integrators/hardware vendors do you work with regularly?

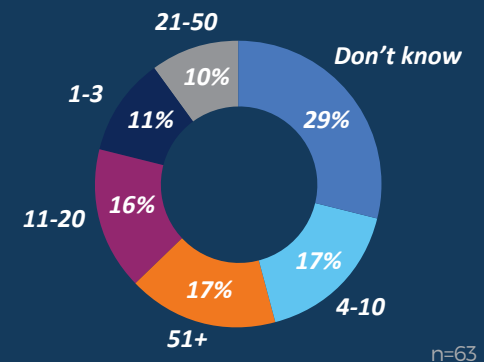


More than half have multiple system integrators and vendors

How many locations (sites or campuses) are you or your team responsible for in your organization?



How many technology system projects does your organization initiate on average per year?



Reducing complexity for customers is a competitive advantage. Digital platforms and collaboration tools can overcome geographic limitations.

WHAT SYSTEM INTEGRATORS ARE SAYING:

Old Habits and Methods Die Hard

The system integrator survey results illuminate what may be the deepest chasm: The one between SIs' current methodologies and customer expectations for more modern approaches. SIs must evolve to improve customer "closeness" to be more competitive.

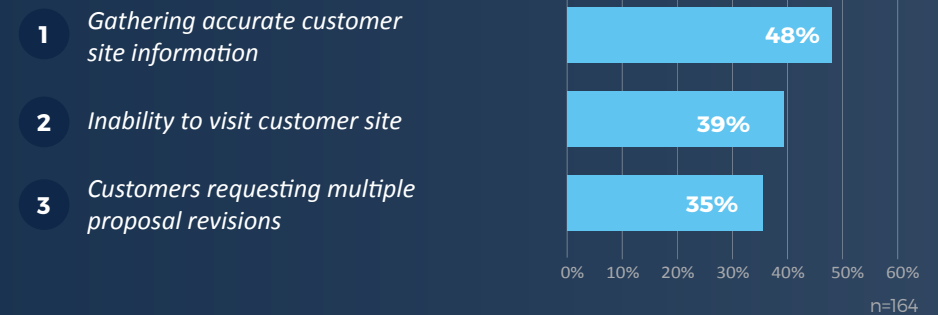
For example, customer issues dominate SIs' top three current challenges with their system design and proposal process:

- Denial of access to physical sites
- Inability to gather accurate site details
- Clients/prospects making too many proposal revisions

However, 82% of system integrators are still using paper and pen/pencil to gather those system design requirements.

Pen and paper methods don't travel well when you are trying to sell and collaborate remotely. Even with unfettered access to physical sites, these processes are cumbersome, error-prone, and time-consuming – and are often a contributing factor in losing business, especially against other solution providers using more modern approaches.

What are the top challenges of your current system design and proposal process?



Digital transformation bridges distances in more ways than one.

What are your primary methods to gather customer requirements for design and proposal?



82%

Paper floor plan or notebook & pen



46%

Mobile Phone Pictures



40%

PDF markup application



30%

Excel spreadsheets

WHAT SYSTEM INTEGRATORS ARE SAYING:

Old Methodologies Are Hurting Business

How are these old-school system design and proposal processes impacting business? More than one-third of SIs are not winning enough proposals or bids for new business. Some of the additional impacts shown are perennial problems for the industry, but others are a direct result of using traditional, manual approaches.

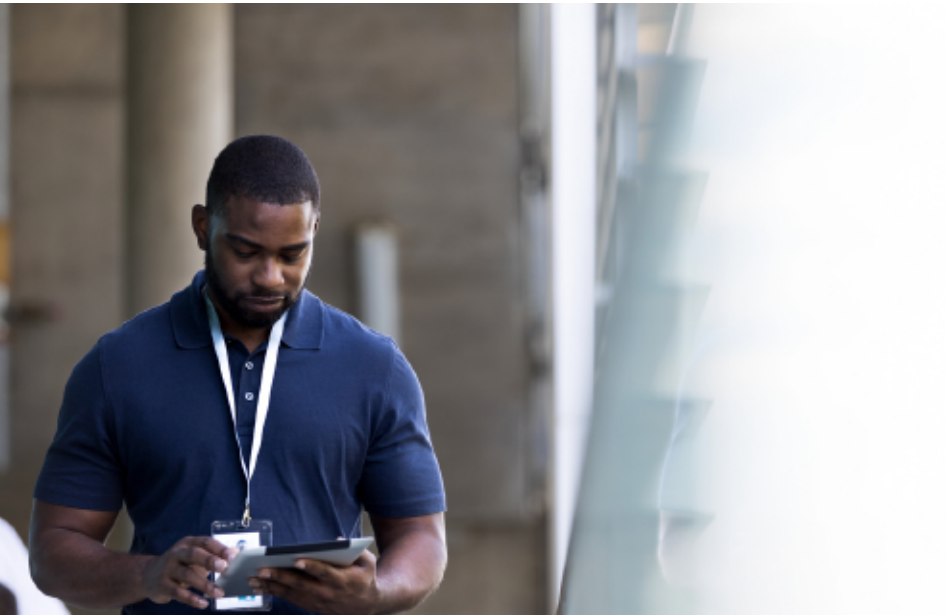
How many proposed projects are SIs winning?

- Nearly one-third of SIs are **winning 35% or fewer** of their proposed projects
- Another 20% are **winning between 35% and 50%** of proposed deals
- Only one-quarter are **winning between half and 75%** of their bids
- An elite 10% are **winning more than 75%**



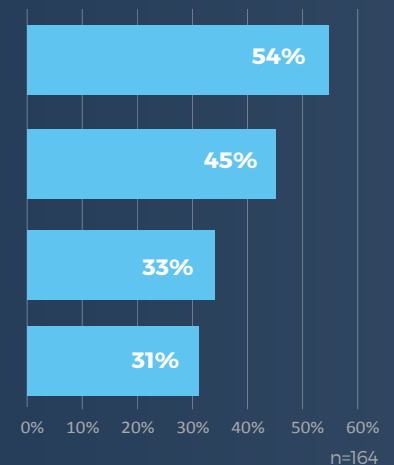
“Provide customers with a professional quote in a timely manner.”

- Executive for a System Integrator



What impact are these challenges having on your business?

- 1 *Delays in project completion*
- 2 *Difficulty achieving project margin objectives (due to adds, changes, install errors, trucks rolls, etc.)*
- 3 *Not winning enough proposals or bids (winning bids)*
- 4 *Not enough proposals for new business (top of the funnel)*



WHAT SYSTEM INTEGRATORS ARE SAYING:

Old Methodologies Have Hidden Costs

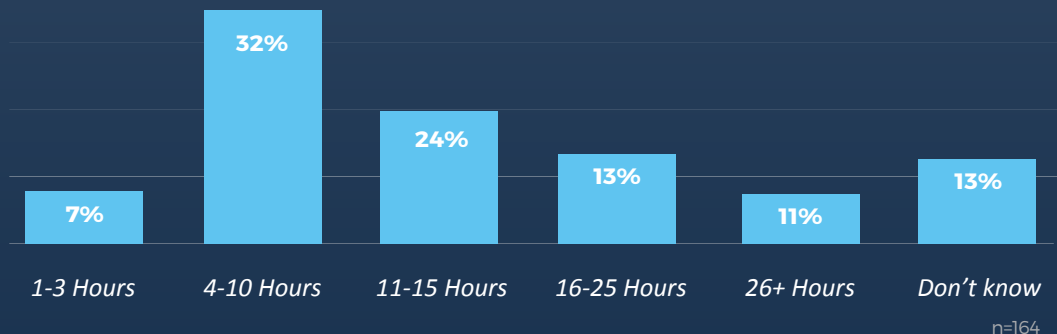
Traditional approaches are also reducing productivity time. System integrators are spending about **20 hours on each proposal**. This is calculated by:

$$\begin{matrix} \text{12} & \text{The average number of hours spent} & + & \text{8} & \text{4 revisions per proposal x 2} & = & \text{20} & \text{hours per proposal} \\ & \text{preparing a decision-ready proposal} & & & \text{(assumes at least 2 hours per revision)} & & & \end{matrix}$$

On unsuccessful proposals, this time represents a cost that can never be recovered. Minimizing the time required for proposal development can have a significant impact on overall profitability.

Inefficiencies with system design and proposal processes cause much of this lost time and extend the sales cycle. Too much back and forth with customers and potential clients can impact relationships and lose business. This is wasted sales time that could be better spent talking to additional prospects.

For your average-sized new project, how many total hours does it take to prepare a decision-ready proposal from requirements gathering to final signature?



Better technology can reduce up-front investments and increase the chances of winning more

WHAT SYSTEM INTEGRATORS ARE SAYING:

It's Time for Digital Transformation

SIs know what changes they need to make. The chart below demonstrates how they might achieve priorities such as improving the customer experience. Both customer-facing tools and internal business operations solutions ranked highly.

All of this bodes well for the industry, but only if SIs take action on these items. Getting from here to there is the challenge.

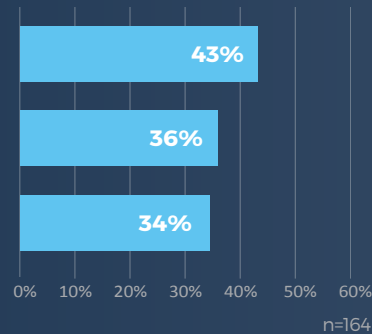


Improve the overall way of doing things within the company."

- Senior Management for a system integrator

What technologies/systems would most improve your business?

- 1 System design software/tools
- 2 Project mgmt. systems (Inspections, Technician Mgmt., etc.)
- 3 Customer-facing software/app to visualize and co-design systems



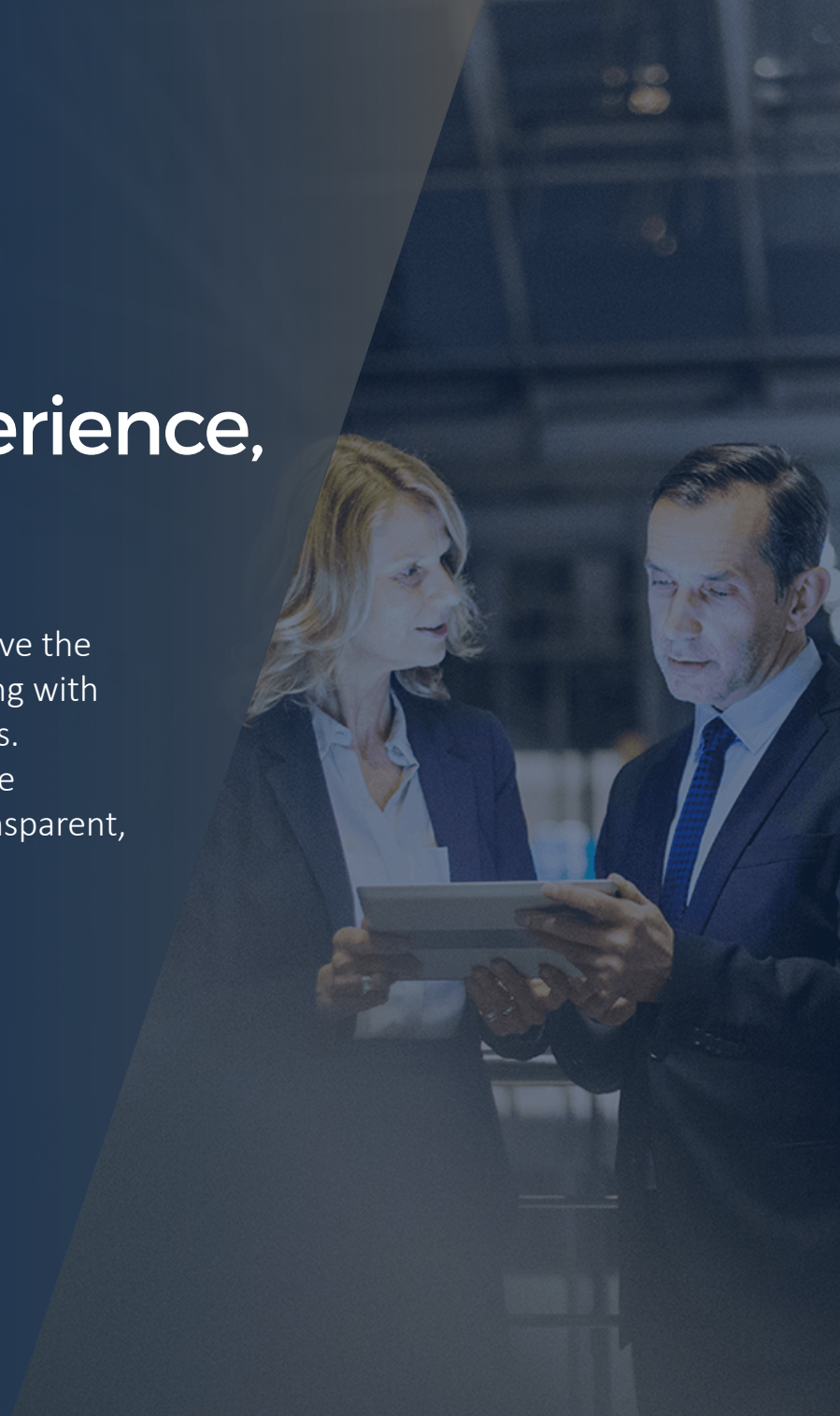
 Addressing customer engagement is vital to maintain and grow market share.



Improve the Customer Experience, Win More Business

The imperative for system integrators to digitally transform and improve the customer experience is clear. However, building bridges and connecting with your customers is not as simple as deploying a few new apps and tools. Complex security challenges and higher customer expectations require cultivating better long-term relationships and establishing a more transparent, consistent approach across every aspect of your business.

Here are three recommendations for how to enhance the customer experience and win more business.



RECOMMENDATION #1:

Become a Trusted Advisor

With security requirements morphing and technology evolving rapidly, customers need a trusted advisor who becomes an extension of their team. System integrators that focus more on the consultative side of the sales process – rather than simply the transactional one – will be more competitive. SIs should be thinking about how to enhance and grow customer relationships from the first engagement with transparency and collaboration.

Being a trusted advisor is about using your experience to listen and really comprehend customer needs and concerns, explore and visualize possibilities with them, and identify optimum solutions. Budgets may not be increasing for most customers, but your counsel can help them make the most of their budget dollars by working with stakeholders to plan, budget, and justify the need for new solutions.

If you co-design with them and deliver excellent service now and anticipate customers' future needs, you'll become part of their extended team. Your organization will be well positioned to become their preferred technology provider.



What is the most important change the industry can make to improve customer engagement/requirements gathering and deliver great service?

“Education is one of the more misunderstood aspects of having a conversation with the customer. I suggest that creating an environment of teaching that covers existing technology and its applications along with new technology is how the customer will feel engaged.”

- Global System Integrator

“Helping customers to make informed decisions. Asking them the right questions so they can express what they really want, so when we present them with a solution it will be what they asked for, then price should be their secondary thought.”

- System Integrator

RECOMMENDATION #2:

Replace Paper and Pencil with Digital Collaboration Tools



Collaborative technology is a common interest for SIs and enterprise security teams. ***With more than 80% of your colleagues still using pencil and paper, it's a way to differentiate your firm.***

Remote collaboration is certainly a digital lifeline in cases where travel or site access is limited, or time is constrained. But the value goes far beyond the ability to do remote selling. Collaboration tools can greatly improve the customer experience, from the first sales call to co-design implementation, maintenance, service calls, and future consultations.

Another aspect of collaboration is the ability to work with extended project teams and partners. Digital, cloud-based workspaces enable customers, SIs, subcontractors, and manufacturer vendors to work together efficiently and more effectively. This is a place to share all project information, including the up-to-date system records and drawings that customers are requesting. With new vendor technologies, it provides a way to efficiently include your vendor experts when needed- without the travel.

This type of collaboration satisfies customer needs for transparency as well. Because they are involved throughout the planning process, customers feel more engaged and find projects easier to justify. Providing a digital workspace can motivate faster reviews and approvals. Security firms and subcontractors can be ready to execute when customers say go. Those that can orchestrate this collaboration like a well-oiled machine are poised for success and respect.

What is the most important change the industry can make to improve customer engagement/requirements gathering and deliver great service?

Ability to share information and documents via virtual meetings to continue the feel of a personal face-to-face meeting.

- System Integrator

RECOMMENDATION #3:

Digitize and Standardize Operations

This level of collaboration and transparency requires some changes in how you operate your business. Too many system integrators have isolated systems and disjointed policies and procedures across departments. This can be especially true when each salesperson takes a different approach to system planning and customer engagement. These not only create inefficiencies – consider the 40 hours SIs spend on the two out of every three proposed projects they lose – but also impact customer satisfaction.

For example, customer requirements get lost in translation across paper, spreadsheets, email, databases, PDF markups, estimator tools, CAD applications, and other channels. This complicates hand-offs between departments and increases the potential for proposal re-designs, installation errors, and no cost change orders. In addition, the customer gets a different experience depending upon which part of the organization he or she is dealing with at that time. Often, customer expectations communicated during the sales process never make it to the installation team.

With more digital, integrated processes, SIs can reduce these barriers between departments and create a more seamless experience for the customer. Solutions that enable everyone to work from one system of record – from sales teams and project managers to installers and service technicians and subcontractors – create continuity in business operations.



“Sometimes, I've had to even describe to the technician about the system and educate them on how to set it up. Quite frustrating.”

- System Integrator

CONCLUSION:

Go the Distance: Your Blueprint for Success

With the rapid evolution of technology and increasingly high customer expectations, system integration is a challenging business. The best system integrators are true solution providers who succeed with a high level of technical expertise, professionalism, and commitment to delivering the best possible customer experience. Yet it's difficult to sell leading-edge systems if your internal operations and customer-facing tools aren't as sophisticated. How long customers will tolerate service providers who lag behind is anyone's guess.

Use these results as your blueprint for building strong digital bridges to your customers and partners, which can help you deliver true solutions to their problems. In the short term, use digital to consult and visually co-design with prospects and customers and gain their business. In the long term, digital will determine the market leaders.

About the Study

H2 Strategic Communications gathered and analyzed 344 responses to a web-based survey on physical security system design and customer engagement. Survey responses were gathered by direct email, social media and online postings through various media outlets and System Surveyor. The survey was commissioned by System Surveyor.

The survey respondent profiles were made up of 42% system integrators and dealers, 34% enterprise security and technology managers, and 24% manufacturers consultants and A&Es, or other. The median SI company size was 60 employees. The roles of SI respondents were 36% Sales or Sales Engineers, 30% Project Management or Operations and 34% Executive Management or Consultants. The median size of enterprise respondents was 2,500 employees. The role of Enterprise respondents were managers of electronic physical security and the median number of locations managed was nine.

ABOUT:

H2 Strategic Communications

H2 Strategic Communications offers professional research, writing, executive counsel, and public relations services. Two industry veterans co-founded the company in 2012, combining 40 years of experience in the corporate and government sectors. For more information, **visit www.2stratcom.com**.



ABOUT:

System Surveyor

Led by industry experts and SaaS innovators, System Surveyor is a game-changing software platform that is purpose-built for the physical security industry. The easy to adopt, cloud-based Customer Engagement Platform is used by thousands of professionals to elevate collaboration, enable visual co-design, and provide ongoing life-cycle management of systems. Now, the entire ecosystem involved in delivering on the promise of security technology can work from one place reducing reliance on legacy email, PDFs and pictures on cell phones. System Surveyor is based in Austin, TX. Learn more, partner with us, and **try it free at www.SystemSurveyor.com**.



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