State of Security 2020

Physical Security Technology & Channels

Summary Only

WESTLANDS ADVISORY

Physical Security Technology & Channels 2020 – Introduction

The report will be available to attendees of The Security Event after the show closes on April 30th.

Research and analysis for Westlands Advisory's annual State of Security analysis is ongoing and the project will be completed in February 2020. The data and insight provided is from ongoing interaction with industry and government, participation in industry associations and NGO think tanks, international travel and from a network of end-users, influencers, integrators, technologists and academics.

The work on Physical Security Technology and Channels is part of a wider body of work that includes cyber security, public safety, government (borders and intelligence services) and critical infrastructure which outline our position on security in 2020 and how the industry might evolve over the next 5 years. The following provides an overview of the forthcoming work that will be available to attendees of The Security Event and released after the show.

The aim of the work is to provide governments, industry and end-users with a broad view of the various trends and how they interrelate with each other. We envisage that the report can be used to generate ideas, follow new lines of research or test current assumptions.

WA would also like to thank Nineteen Group and The Security Event for supporting the work.

Anthony Leather
Co-Founder & Director

Anthony has over 10 years of security industry experience which includes both strategic and operational roles. Before founding Westlands Advisory, Anthony worked in political risk advisory prior to leading a team of security analysts at a consultancy firm where he delivered a range of complex projects to both industry and government. Anthony is adept at delivering highly valuable insights to support strategic decisions, blending his wide industry expertise with his operational experience. He is a highly sought industry speaker, delivering presentations at numerous global conferences and appeared in the media across a range of security issues.

Steven Webb
Co-Founder & Director

Steven has worked in market and strategy consulting for over 20 years as both a consultant, business leader and non-executive director. He has worked with security organisations for over 10 years, leading project delivery, facilitating workshops and guiding business leaders. Work includes business case development and validation, strategic planning, market entry support and competitive benchmarking. Steven also has considerable knowledge of downstream security markets including aerospace and critical infrastructure and has worked with government and leading system integrators.

Physical Security Technology & Channels 2020 – 3 Insights

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1

Innovation and maturing information technology.

The use and increasing maturity of information technology in security, and the possibilities created by increasing computing power, will continue to deliver new use cases and benefits to customers. Research & Development (R&D) investment across the industry has increased in recent years – driven by the need to innovate to keep up with quicker technology lifecycles, customer specifications and the need to maintain a competitive edge. In 2018/19 there was a significant increase in global R&D investment amongst Physical Security organisations, leading to an average growth in budgets of over 12% CAGR since 2015, higher than revenue growth. The commitment to increased levels of R&D also reflects organisational strategy to evolve from being single product organisations to becoming solution providers, offering an increasing range of products and integrated solutions. This does not mean that highly specialised organisations will be uncompetitive – the UK industry is characterised by a mix of SME's with leading technology that meets the exacting requirements of critical operations or extreme environmental conditions. However, even in these segments the need to innovate and evolve remains important. The technical skills of installers have evolved over the last decade to meet the increasing digitalisation of enterprises and will need to continue to adapt.

2

More value, new business models.

The typical security customer has become more demanding. In recent years the need for security technology to deliver additional value, over and beyond basic performance, has increased as technology has evolved with growing customer confidence and use cases. Increased performance, networking of products and solutions, and analytics provide security operators with greater context and insight. Successful security organisations and installers will also be thinking about the value they can deliver to customers beyond improving safety.

There is also an ongoing shift towards service based business models. Suppliers like them – they're renewable. Customers like them – they offer flexibility and lower capital expenditure. Service sales, including SaaS, has grown at a CAGR of 15% since 2015 – significantly outperforming sales of products and accessories.

3

Evolving challenges.

The benefits of networked physical security products and operations will also be accompanied by risk and uncertainty – how do we migrate to a digital enterprise without disrupting current security operations? How do we ensure the security operation is cyber resilient? How does our security and business strategy sit along side changing data privacy attitudes and regulations?

Building cyber resilience is complex requiring security at the design level, security in the supply chain, and ensuring that common cyber security best practices are adhered to by security operators. The threat to camera networks and building systems will continue to increase and requires an industry wide approach to the challenge it brings. This includes the installer community who will be increasingly required to provide guidance on the cyber security of the systems and to offer guidance on protecting the network.

10 UK Security Physical Security Trends 2020-2025

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Innovation & Maturing Information Technology Implementation will…

1 Core Technology Improvements

Continued evolution of core camera, access control and fire safety technologies - improving accuracy, usability and reporting

2 The Edge

The cloud and increasing computing power will enable more processing of information at the device level – the edge of the network – saving money on storage and streamlining data analysis.

3 Advanced Analytics

Proven technologies that enable greater automation and accuracy will help to complement existing security operations through reducing false alarms, providing context and enabling post-event analysis.

4 Digitalisation and Autonomy

Rapid evolution of new and emerging technologies is enabling new approaches to security and safety operations. Growth of artificial intelligence, data, computing power and communication networks are disrupting digital eco systems.

5 Unmanned

The use of unmanned systems to support policing operations and to protect wide and remote areas and infrastructure will grow. Countering the threat posed by malicious actors will also attract investment.

… lead to higher customer value and preferred business models …

6 Increasing Customer Value

Security has pivoted from being a necessary cost to delivering additional value from behaviour detection to delivering business insights.

7 Integrated & Contextualised

Expanding networks and IoT driven business concepts will slowly lead to greater integration of physical and cyber operations. Solutions will provide insight, context and decision support.

8 Cloud Services & Business Models

Cloud based business models such as SaaS are still nascent but will continue to grow.

… and evolving challenges

9 Cyber Resilience of Security Infrastructure

Digital Risk will become an increasing consideration leading to greater focus on secure by design, supply chain security and staff training and awareness.

10 Data Privacy

Data capture, processing and storage will continue to come under scrutiny as governments and consumer groups focus on getting the right balance between the benefits of technology and personal privacy.

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Physical Security Technology & Channels 2020 Table of Contents

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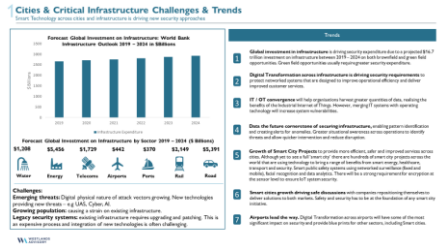
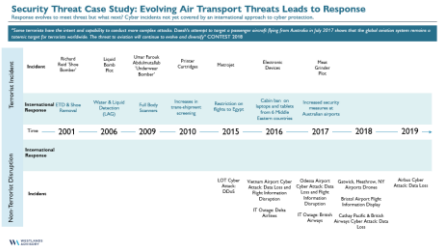
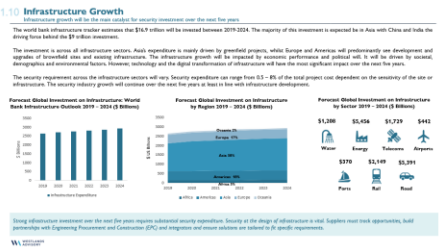
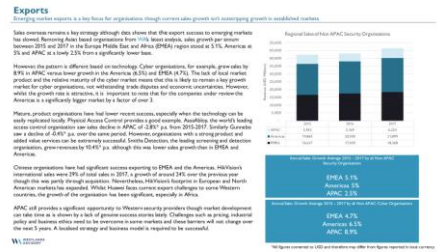
Contents

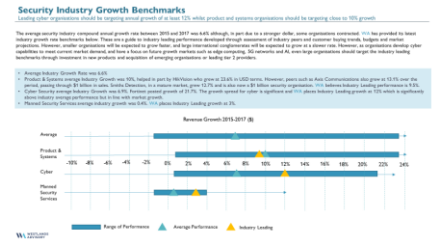
Example Slides from State of Security, 2019

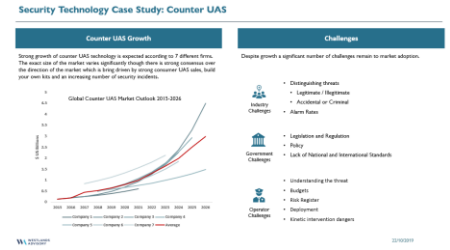


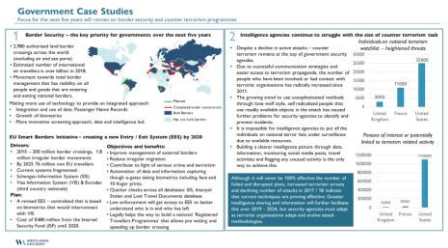


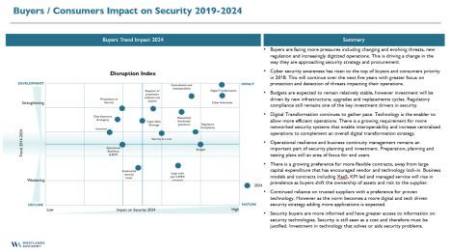


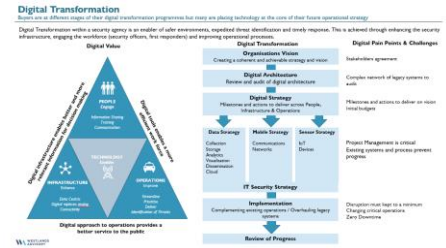












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