

**RESULTS OF 2009 SURVEY**

**IMPACTS OF CURRENT ECONOMIC  
ENVIRONMENT ON SECURITY**



Results of 2009 Survey: Impacts of Current Economic Environment on Security

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## Results of 2009 Survey Impacts of Current Economic Environment on Security

In order to assess the impact of the current economic environment on the security function within members' employer organizations during the previous six months (June – December 2008), ASIS International (ASIS) commissioned a survey among two groups from its membership in January 2009. The research was conducted by Westat, one of the largest and most respected research firms in the United States.

Names were randomly selected from lists of members of the CSO Roundtable and ASIS members who are practitioners with management responsibility. These two groups were targeted in order to provide a perspective both from CSOs of the largest and most influential organizations around the world, as well as managers representing a cross-section of employers.

A total of 45 member CSOs participated in telephone interviews; 166 member security managers participated in an Internet survey. All spend all or most of their time directly managing or providing security services for their employers.

A variety of vertical industries were represented in both surveys. The top three for each of the two groups are identified in the demographic data below.

### Demographic and Profile Data

The following highlights important demographic and profile data about employer organizations.

	<u>CSOs</u>	<u>Security Managers</u>
• Median employer organization's approximate annual revenues in 2008	\$4 billion	\$1 billion
• Median number of people employed at all locations	17,000	2,700
• Median total security budget in 2008	\$5.3 million	\$2.1 million
• Employer organizations' industry/market		
○ Financial services	20%	16%
○ Healthcare	11%	13%
○ Energy and oil/gas	9%	2%
○ Hospitality/hotels	2%	10%

### General Impacts of the Economic Downturn

Results indicate that the need for security has increased in the current economic climate. Indications are stronger among the CSO segment, with 78% reporting an increase, compared to 66% of the managers.

The reasons cited for the increased need differ by group, and ostensibly by size of company since the managers tend to work for smaller organizations. General increases in crime and theft, followed by employee lay-offs and furloughs, topped the CSOs' list of reasons. Security managers, on the other hand, reported increases in theft of, and damage to, physical property, as their primary threats.

The list below is a complete summation of all reasons cited for an increased need for security:

	<u>CSOs</u>	<u>Security Managers</u>
• General increases in crime and theft	35%	18%
• Employee lay-offs and furloughs	28%	18%
• Increases in theft of physical property	17%	24%
• Increases in workforce violence	13%	6%
• Increases in theft of intellectual property	9%	9%
• Fraud-embezzlement or misuse of funds	6%	9%
• Increases in general employee dissatisfaction	4%	16%
• Damage to physical property	2%	24%

### Specific Impacts of the Economic Downturn

Both groups had similar experiences in terms of specific impacts, most frequently reporting travel budget restrictions and postponements/freezes in new hires. The hierarchy of other impacts varied between CSOs and other security managers, as detailed below:

	<u>CSOs</u>	<u>Security Managers</u>
• Travel budget restrictions	71%	76%
• Postponements/freezes in new hires	66%	65%
• Professional development and training budget reductions	53%	61%
• Postponements or freezes of purchases of security equipment and technology	44%	61%
• General security budget reductions	42%	65%
• Reductions on security equipment and technology purchases	35%	5%
• Facility closings	33%	19%
• Personnel reductions or layoffs	31%	34%
• Workplace violence increases	26%	10%
• Outsourcing of security functions	9%	11%

Among the respondents who did not report specific security department-function impacts in 2008 as a result of the economic downturn, most do not believe that a large number of specific impacts are likely to occur in 2009:

	<u>CSOs</u>	<u>Security Managers</u>
• Personnel reductions or layoffs	23%	11%
• Outsourcing of security functions	15%	6%
• Postponements/freezes in new hires	13%	20%
• Postponements or freezes on purchases of security equipment and technology	12%	19%
• Workplace violence increases	12%	6%
• General security budget reductions	12%	9%
• Reductions on security equipment and technology purchases	7%	14%
• Travel budget restrictions	8%	13%

### **Contingency Planning**

CSOs, in general, are better prepared to manage security services if significant reductions in resources occur, with nearly three out of five reporting that they have formal contingency plans in place. On the other hand, less than half of the security managers responding were in a similar position. While there was some commonality between the plan characteristics reported by each group, the CSO characteristics tended to be more strategic in nature, with greater conformity to the concept of enterprise risk management. Elements of the contingency plans cited by each group follow. They are listed in no particular order:

#### **CSOs:**

- Focus on role of security in employer's overall business continuity and crisis management plans.
- Ensure that security vendors have business continuity and crisis management plans in place.
- Emphasize management of workplace violence and related human resource issues as facility closings and employee terminations increase.
- Increase application and deployment of electronic and other technologies with backup or redundant systems in place.
- Manage potential reductions in security personnel through cross-training and position-restructuring strategies.
- Utilize outsourcing strategies to replace and/or augment real or potential reductions in internal resources.
- Intensify utilization of risk assessment processes and outcomes in contingency planning processes.

### **Security Managers:**

- Develop comprehensive contingency and business continuity plans to help manage uncertainty.
  - Conduct assessments of risks and resource allocation studies.
  - Identify most logical reductions in services, vis-à-vis risk levels.
  - Build emergency response, disaster recovery, strike contingency, individual site location plans, communication plans, etc., to address key risks and resource deficiencies or misallocations.
  - Build communication and cooperation with local policy and other agencies.
  - Constantly monitor and adjust plans.
  
- Realign available personnel to maintain effectiveness as resources are decreased.
  - Expand responsibilities and/or consolidate positions.
  - Adjust hours and manpower shifts in coverage.
  - Cross-train personnel to cover multiple disciplines.
  - Realign or adjust workload protocols.
  - Outsource some functions to contract providers.
  - Close some security posts and adjust coverage.
  - Identify and curtail coverage of non-critical functions.
  
- Prepare funding and deploy technology to increase security service productivity and reduce long-term costs.
  - Increase use of electronics, CCTV, and automation.
  - Integrate security technology with corporate system.
  - Enhance physical security and access control with technology.
  - Build redundancies into systems.

### **Use of ASIS Resources**

Nearly all (98%), of the CSO respondents said they would use ASIS resources to a greater or the same degree in the current economic environment as they did in the past, as compared to 89% of the security managers.