

2019 To See A Rise In Cyber And Cloud Security Solutions

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2018 was a good year for integrators and manufacturers across the board. The economy has been strong which manifested itself in many ways but in particular construction was booming. This was very good for the security industry, especially those integrators and manufacturers who provide services and products in the commercial space.

Two of the most unexpected things that impacted the market, and will continue to impact it into 2019, are the trade war and the rapid rise of interest rates. I have been monitoring both very closely and didn't expect the trade 'skirmish' to escalate into the trade war it has become. Similarly, interest rates have started to rise which was a bit of a surprise and one that will definitely impact the nation's economy and by extension our market.

Upcoming Cloud-Based Trends



Cyber has definitely taken a strong foothold in the industry and with the continued expansion of cloud-based services

I see three main trends coming in 2019. The first is the rise of cloud-based products and service offerings that security integrators will have access to. While we have had a few key players already offering cloud-based solutions for a couple of years on the video side in particular, I see this really picking up steam across all other security and life safety solutions. This really leads into the second trend which is integrators adjusting their business models to leverage these cloud-based solutions into recurring revenue models as managed security service providers (MSSP).

The ability for integrators to develop their own managed service portfolio will be key; PSA is already working with several partners to help bring a portfolio offering to our membership which is really exciting. I anticipate that we will see about 10% of security integrators take hold of this new model in 2019 and then expect that number to increase by around 10% each year until the majority of the security business is cloud-based and integrators accept the new model of being an MSSP. Finally, of course is cybersecurity. Cyber has definitely taken a strong foothold in the industry and with the continued expansion of these cloud-based services, it will be more important than ever to integrators, manufacturers and end users alike.

MSSP Portfolio Offering

The more progressive security professionals will see cyber as an opportunity, a part of the MSSP portfolio offering, rather than just a threat that we have been talking about for going on five years. The winners in this market will be the integrators and manufacturers who can adapt to all these changes, leverage new technologies we are seeing with AI and cloud-based solutions, and those who stick to commodity-based solutions will be left behind.



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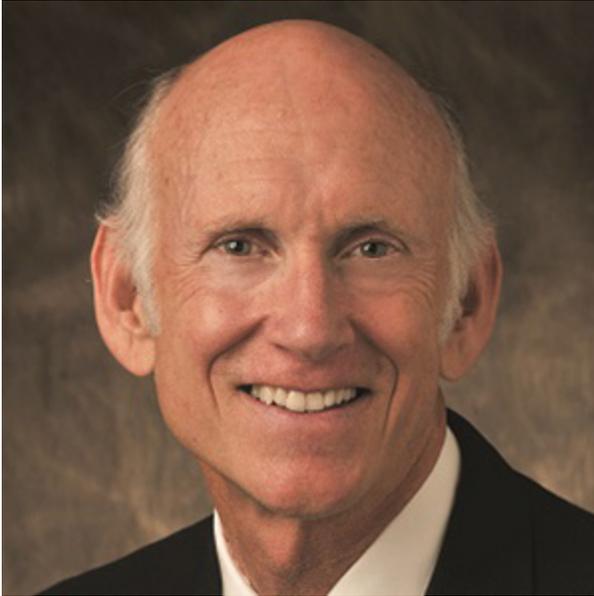
PSA's growth has been remarkable. We have exceeded our own growth plans year over year and have also exceed the market projected growth marks as well. We continue to add more offerings to our membership to help them stay ahead of the curve, which in turn helps us to do the same. Right now, we are investing in programs that provide data to our integrators to help inform their business decisions. Data is key for any business and PSA has spent a lot of time working with developers and our integrators to understand what the most meaningful data is they need and how we can best deliver that to them by way of dashboards and reporting tools.

Future Technology Advancements

The biggest challenge we face is really tied to the higher interest rates that we have seen so far this year and what lies ahead. We help future fund projects for our integrators so when we see higher interest rates, we must closely monitor that and make business adjustments along the way as well to flex along with those rate hikes.

I have been in this industry a long time so clearly my enthusiasm for what the industry is doing doesn't fade. But what makes it really exciting right now is really related to technology advances. There are some remarkable things happening with AI technology, analytics, biometrics – you name it. It is a very tech heavy industry that people can feel good about being a part of and is an industry that will continue to grow so the opportunities are endless.

Author Profile



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Bill Bozeman is president and CEO of PSA Security Network, the world's largest electronic security cooperative. The for-profit organization encompasses more than 200 electronic security systems integrators, aligning them with over 150 vendor partners.

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