Integration of security systems is a priority for retail sector managers.

With the assumed digitalisation happening on the end-user side, progressive security systems integrators stress the importance of changing the business concept from being installers to being service and solution providers. However, less is known about the details of this process on the end-user side, Markus Lahtinen of LUSAX project explains.

An online survey of loss prevention managers in the retail sector showed that security digitalisation and further business integration of security are items of high priority among the respondents. Integration and change efforts are often associated with challenges; it will become necessary for end-users to quantify a clear ‘return’ in ‘Return on Investment’ (ROI) calculations when bundling security and loss prevention investments with other business supporting systems, e.g. video conferencing, Voice over IP (VoIP) and/or HVAC, etc.

Necessary organizational changes are equally important to achieve integration, for example seeking internal sponsors and approaching departments often characterized as being ‘silooed’ in
From security installation services to total solutions providers

Fighting low margins in a mature segment such as retail, security systems integrators aim to move away from being pure installation services to becoming total solutions providers offering services and added value beyond mere security such as taking the full responsibility of an ‘outsourcing’ effort on behalf of the end-user and establishing a contractual and legal relationship. This can be exemplified by the need to connect security equipment to an existing IP network.

Security managers acknowledge that systems integration through IP-networks is here to stay.
The different stage of the system lifecycle offers several opportunities for services beyond the installation. These include maintenance, upgrading, and system termination. Consequently, the increased use of the corporate IP network drives opportunities that are based on being able to provide more of such value-added solutions and services. Similarly, a purposeful design of computing hardware resources (e.g. networked cameras) combined with appropriate software (cf. different applications of video analytics) and an analytical approach offers opportunities of cost savings on manual labor and possibilities of adding value to the income side of business.

While this transition effort by systems integrators is recognized as being logical from the perspective of the security industry, less is known about the end-user perspective of this shift.

Loss prevention managers' take on security digitalisation

Security systems integrated through IP-networks saves on costs

The survey mentioned above addressed the following points:

- The end-users' view on security digitalisation and integration
- Rationalities associated with willingness to digitalise and integrate.
The survey showed that on the topic of integration, end users demonstrated the strongest agreements on the following:

- Willingess to integrate security systems with other operational systems
- Necessity of video surveillance to keep shrinkage at an acceptable level
- Attempt to replace man-guarding with security technology.

From these agreements it is clear that technology plays a crucial role in security operations.

Technology integration is therefore a shared vision of the future and common interest amongst end-users in the retail sector; this is beneficial for any systems integrator considering inclusion of integration services into their offerings. Also, the agreement reflects the role technology has in replacing manual labor - a valuable lead for constructing business cases and calculating ROI.

On the issue of integrating security systems with other operational systems, the following statistical correlations were identified:

- With higher age comes an increased likelihood of seeing integration possibilities
- Firms giving importance to loss prevention also see integration possibilities, and
- Organizations holding a positive view towards integration are also brandaware with regards to security equipment.

**Systems integrators face more responsibility with greater brand sensitivity**
End-users in the retail sector stress that technology is playing an increasingly crucial role in the security operations.

While the first two points above intuitively make sense, it is somewhat interesting to see that brand sensitivity is associated with a propensity to seeing integration possibilities. Service agreements do not imply a relationship where brands matter but rather that the system integrator takes responsibility in choosing a technical solution that supports the agreed level of service.

This is extremely relevant for the systems integrator attempting to offer services and solutions rather than just products and installation.

Integration is thus seen as an opportunity not only by systems integrators but also by the end users.

Implications for the systems integrator

Some of the implications for systems integrators are to build on the existing relationships with the loss prevention function. The systems integrators also have the option of finding new and parallel ways into the end user organization, i.e. offering services and solutions to other functions like operations (COO), facilities or IT (IT manager or CIO). This becomes even more evident if broader systems integration is a strategic objective of the systems integrators. Working in a network/partnership-approach with other industry players would potentially facilitate such a strategic initiative.

Critical role of IP networks in systems integration
Security managers report that systems integration through IP-networks is here to stay. Not only does it save costs but potential added value is recognized. Integration poses several challenges to the end-user: not only to prove the business supporting value of security but also technical challenges due to the complexity of IP networking and architecture. Finally, complementary organizational changes are necessary to push integration ahead.

One recommendation given to push integration is to construct an integrated business case with hard numbers and clear gains, for example bundling security with other business supporting services such as telephony over IP networks, information security and videoconferencing etc.

Markus Lahtinen
LUSAX project
Lund University