

START & RUN A SECURITY BUSINESS

Katherine Matak



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I would like to dedicate this book to my mother, Manda Matak, who instilled the courage and determination in me to pursue my career goals regardless of obstacles and challenges. I would like to acknowledge the staff of Security West, Brian Douglas, Richard Currie, and everyone who participated in the development of my first security company and individually brought great ideas to the table to save time and money in operations. There were too many late nights spent solving problems to ease the daily operations. We all learned and grew with the company.

INTRODUCTION: WHO AM I AND WHY SHOULD YOU LISTEN TO ME?

I got my first job in the security industry accidentally. I had just left my job working as a dispatcher for the North Vancouver RCMP and had finished my criminology undergraduate degree. I was undecided about where to go career-wise and the owner of a security company I had met offered me a job as general manager for his company.

I definitely had no idea what I was walking into nor did I have any knowledge about the private security industry. What I did bring to the table were superior organizational skills, a great personality, and no fear of the unknown. I used all these assets during my time with this security firm.

Thus, I began my tenure at a local security firm. But there was no future there; it was a small company owned by two men who shared partnership duties but were in complete discord about how to operate the company. It was a chaotic, disorganized, sometimes concerning work environment. The company was unionized and I spent a lot of time working with the union to clean up management decisions that conflicted with union regulations.

During this time frame the business agents at the union recommended me as a manager to a national company looking to set up an office in British Columbia. At that time they were the largest



Canadian-owned private security firm, handling major security contracts that my previous employer was unable to take on. It was the next level of private security work and I had the privilege of setting up security at the Quintette Coal site at Tumbler Ridge, the Point Roberts terminal, and various other contract sites. As manager I built their business from zero employees to around 200 within a year and a half. This national company entered the BC marketplace.

During these two experiences I noticed one common problem that was costly to both organizations: A lack of training for the security staff in a formalized, standardized way. One company had a philosophy that training was critical to success so we were able to work with in-house training programs that covered main points, but training was not considered important within the industry in general nor by the licensing body.

Once I had accomplished my goal of putting that company on the map I decided to form my own business, Security West Ltd. As such I became the first female private security company owner in British Columbia. I was fortunate enough that I had built such a rapport with many clients that when I left they chose to turn over their expiring contracts to my new company. So we started with a good base, and good supervisory staff.

Nevertheless the industry was competitive, and we faced a lot of union negotiations and one major client bankruptcy. At that time my common-law partner and I sat in my office at night, realizing we had just lost all our funds due to that client's inability to pay, and we had to make a decision. I remember clearly sitting in our office on Homer Street saying, "Well, either we walk away or we push on against all odds and maybe someday laugh about this."

We did push on but I cannot honestly say we ever laughed about it. In order to survive we had to immediately review our operations and our critical cash shortage and find a solution.

That solution was to unify our staff, with whom we were close anyway, and work hand in hand on a regular basis. We became a team and worked together to make a profit.

We also had to change our invoicing system to a pre-delivery system. In other words, clients would be billed in advance of services so that the invoice was paid before the month was over. Everyone said our large government contracts would not agree to this, but they were wrong. Everyone cooperated and our little company survived and continued to do so until we sold to a national firm.

I was soon asked to sit on the local board of the Canadian Society for Industrial Security and to take on the part-time role of security programs coordinator at the Justice Institute of British Columbia. This was a joint program between Canadian Security Intelligence Service (CSIS) and the Continuing Education Department. I was contracted to research, develop, and write the foundation of the security guard training program; this course was the foundation of what is now a mandatory security guard training program in British Columbia. It was a wonderful opportunity to be one of the first security trainers in the province. I was fortunate to be able to travel and train staff at most of the large mine and mill sites within the province.

In addition to this, I wrote the security supervisor's course, and courses for retail security, hotel security, and investigators. I was contracted to write the radio dispatch course, the alarm course, and a locksmith course for the Government of Canada Entry Program. I wrote and developed courses for the Ministry of the Attorney General. I wrote and taught courses and seminars during Expo 86 on residential security issues faced by new bed and breakfast owners.

My company ended up specializing in mall and hotel security, with a secondary priority being securing downtown buildings that required access control. We operated a cost-effective mobile patrol that was allocated to supervisors and thus we were able to maintain supervisory control of our sites at night.

As a security company owner, I have set up security for the smallest client to special events to large contracts requiring special considerations. This industry has taken me across the country and to every type of possible corporate and architectural structure. It has been challenging and exciting and rewarding.

When I said I wanted to run a security company, I was told it wouldn't work because I was a woman.

When I started my business, I was told by many it would never succeed.

When my largest client went bankrupt, I was told we needed to close.

When I went to meet with the association of companies that were the bargaining representatives for union negotiations, I overheard the men in the room saying that I had kept a certain contract because of my feminine wiles, not the incredible strategy we put in place to keep the job. (A sad statement on the thinking of those men.)

The purpose of this book is to provide you with the tools to make an entry into the security industry in a successful manner while avoiding unnecessary financial losses, but the moral of my story is that you should not listen to naysayers; listen to yourself, trust your inner voice, and trust the ability you have to succeed. There is no such thing as “I can’t.”

WHY START A BUSINESS IN THE SECURITY INDUSTRY?

Do you like challenge? Are you interested in working in a field that is constantly evolving requiring the same of you; an industry that will expose you to such a variation of business that few other industries do; an exciting, fast-paced environment? Security is all of these things and more. No day brings the same problems or resolutions.

Many people enter the security industry directly from a similar field, such as the military or policing. Many see this as a lateral-entry environment; one that requires little new training on their parts; one where they feel a relatively secure sense of belonging. Since it can seem restrictive in relation to licensing anyone from outside policing or the military, people from these backgrounds are more likely to enter it.

This overfamiliarity with the general idea of a career in security downplays perhaps the biggest and most important part of this service industry, which is customer relations. Policing and the military are enforcement environments with some recent emphasis on public relations and prevention, but business is all about customer relations and service needs. The security industry is a service industry — no different than janitorial services — just a different service that is being offered. It must always be remembered that the service is to the customer, the client. While law enforcement focuses



on the public perspective of the crime, security focuses on how the client wants to deal with these issues.

Successful companies work with the foundation of customer service as a priority. A proactive company needs assessment and service resolution is what you offer a client. This does not vary, from mobile patrols to major contracts. What is the problem? How is it being handled? How does the client want it to be handled? What recommendations can you make? What have you agreed on? Who of your staff can fit the requirements of this job to perform that mandate?

The security industry is one that provides manpower as a preventative presence. Enforcement can occur but only within the guidelines set by the client and these are often influenced by their mandate to draw the public to their location or their desired relationship with the public. Prevention is difficult if not impossible to measure, and therefore receives little acknowledgment. Rate increases often have to be justified and the competitive market has tended to keep the rates inflexible. Yet the industry is exciting and fulfilling and demanding.

1. Why the Security Business?

Security is often identified as the largest growth service industry in Canada, so there is plenty of room for new businesses.

Statistics Canada has provided this information:

“For many years, employment in the private security industry has exceeded that of public police officers. In 2006, this was the case for all provinces except Saskatchewan. There were about 102,000 private security personnel in Canada, compared to 68,000 police officers, representing about 3 private security personnel for every 2 police officers. Security guards made up 90% of private security personnel.

“While the rate of both police officers and private security personnel per 100,000 population increased between 2001 and 2006, private security grew much faster, up 15% compared to 3% for police officers. The increase in private security personnel was due to the growth in the number of security guards.”¹

“According to research firm IHS Inc., North and South America generated \$46 billion in revenue last year. Asia was next with \$33 billion, and the combined regions of Europe, the Middle East and Africa totaled \$29 billion. Strong growth is predicted in all markets for the next few years.”²

1 “Private Security and Public Policing,” Statistics Canada, accessed November 2015. www.statcan.gc.ca/pub/85-002-x/2008010/article/10730-eng.htm

2 “Expect More Growth,” Ralph C. Jensen, *Security Today*, accessed November 2015. <https://security-today.com/Articles/2013/12/01/Expect-More-Growth.aspx>

These numbers are reflective of the security industry across the product line and the service industry.

In times of recession, assets still have to be protected. Large industrial sites will combine technology along with manpower.

Guards' duties today reflect the increase of technology and security development — while many jobs are still straightforward “watch duty,” many more require a set of specialized skills and training.

The industry has been in steady growth for the past 25 years. There are no lack of structures that need to be protected — from the individual residence to posh resort hotels to airports to strike situations.

2. Things to Think about When Starting a Security Business

Success and growth seems guaranteed in an industry that is growing at such a rapid rate and is double the size of public police. Nevertheless, few small companies survive the first five years of operation, in any industry.

Most often, people who start security businesses come from policing or military backgrounds. It is a natural fit for people retiring or leaving those careers early. However, previous policing or military experience does not mean they will be successful in security. Unlike policing, private enterprise succeeds in the hands of those who are proactive and creative with their business development.

The bottom line is that whether you provide security guards or janitors, you are in the service industry and not a paramilitary business. The job, with a security business, is to service the needs of clients through the rental of personnel, who in turn guard and secure a premises.

An understanding of security guards' legal rights and responsibilities is also a major consideration in operating a business of this nature; make sure that is part of training (discussed in Chapter 6).

3. Research and Learn about the Business

It is helpful to have some knowledge of the private security industry to learn how you can sell your services to a wider audience. Some people come directly from the industry where they were security guards or supervisors and start their own businesses. Others were managers in the industry or in a related position that required hiring contract guards.

This is a business that operates 24/7. You will be expected to provide a service to accommodate these hours.

The largest growth within the private security industry is with guard service alone or guard service in combination with security/access systems. Regardless of the sophistication of the security system, manpower is still required to respond to an alarm.

I was fortunate to learn my managerial skills within a small local company and then the largest Canadian company at the time who provided services to a much larger scope of clientele. If you are a security officer with no managerial experience, my recommendation is that you take some training in operating a small business along with courses to enhance your security knowledge. At present, the American Society for Industrial Security offers a program for managers that is recognized worldwide. Canada no longer offers a similar course. The more you learn about the various aspects of the industry and the services you can provide, the more you will be seen as a knowledgeable professional, and the greater will be your successes in this industry.

Some jobs are smaller and stable and others are large contracts that require constant staff adjustments, communications, and client relations and yet the pricing for both is often the same. Security is often seen as a necessary evil so it is not often valued highly, making charge-out rates hard to raise. Large bids often go to tender and to the lowest bidder. This is simply an unfortunate fact of life. Do your research on your competitors; know what rates are at the present time; do not confuse the charge-out rate as being your net profit; this is a highly competitive, rate-based industry. The industry has operated for too long with unskilled personnel, lack of proper training, and low-bid mentality. Do not fall into this trap. Decide what your margins need to be to operate a successful business and stick to them.

This is an industry that generally requires the services to be completed before invoicing occurs. This means generally a 30-day wait for payment after invoicing. Operating capital is required to meet your staffing and overhead costs until receivables are collected.

Security is an intense, fast-moving business to operate. Requirements are rarely the same so each job presents new challenges. This business will take you across all industries and professions and you will meet the most interesting people on that journey. No other business will give you access to such a diversity of clientele. One day you will be in a hard hat touring the construction of a new high-rise; the next day at a marina discussing methods of access control; the third day at a university reviewing its requirements. Demands will be intense when

you start. Be ready, and have systems in place so it will be profitable to take on new challenges.

4. What Types of Services Security Companies Offer

What services does a security company offer? These can be any of the following:

1. **Security guards for contract positions:** Private security guards are contracted by various organizations to protect assets and/or personnel. These are generally known as stationary guards and are located at all kinds of establishments to provide access control, general patrolling of the site, key control, escort duty, and loss prevention in some cases. Often used for special events to provide a safe atmosphere and to prevent problems, and when required, to enforce the rules of the organization.
2. **Mobile patrols:** Mobile security patrols traditionally are used by clients that wanted a security presence at their location but only at random times. Often insurance requirements indicated that a form of security was present. Mobile patrols provide the guard and a vehicle and in some cases dogs to patrol the site for a preestablished period of time. Some patrols are simply a drive-by and others require the guard to exit the vehicle and do a walkthrough of the site. In Vancouver, BC, mobile patrols are often set up in residential communities to provide a continuous presence as a deterrent — in addition to regular policing. The patrols are paid by the community. Often mobile patrol officers are also used as supervisors to attend to emergencies for the company.
3. **Community patrols:** Mobile and stationary officers that are hired by specific communities to provide roving patrols within that community. Their duties generally involve deterrence of break-ins and prevention of personal assaults.
4. **Uniformed personnel:** Uniformed security are used in locations where visibility of the security guard is a primary concern for the client; this requirement is to encourage prevention and to visibly state that enforcement will occur.
5. **Plainclothes personnel:** Security officers are often put in business attire in buildings where their primary responsibility is access control and public relations or loss prevention.
6. **Access duty:** Security staff are often hired for special events or locations where strict enforcement of access to the site is

required. This may or may not be part of an entire technological access system.

7. **Hotel security:** Security officers are hired to perform duties within hotel environments that may include first aid, access control, fraud prevention, special events security, and so on.

“Hotels must foster an inviting atmosphere for guests while ensuring safety and security. Presenting security personnel in a customer service role with officers dressed in upscale business clothing rather than traditional police- or military-style uniform, makes for a more accessible presence. This careful balance of customer service and security requires experience, specialized training and supervision. When your guests feel that they are both welcome and watched-over, they will feel more comfortable.

“Ensuring that the right type of person occupies this customer-centric security role is also important. It is important to identify candidates through selective recruiting resources like hospitality and concierge associations and conduct extensive interviewing to ensure they possess a high aptitude for customer interaction.”³

8. **Mall security:** Security within malls is to ensure the positive use of the mall shopping environment by all customers. Officers patrol the mall regularly, maintain information to assist customers, patrol exteriors, enforce parking issues on the site, work with police regularly in relation to shoplifting and theft matters and, more recently, threats of terrorism.
9. **Airport security:** Airport security today is a major concern for all countries and all travelers. Officers are required to screen travelers often with the aid of scanning equipment, check personal luggage and handbags, provide reasons to airport police as to suspect travelers, and handle all other matters that arise. This is a serious position that to this date is often sadly underpaid and does not result in stable security staff.
10. **Loss prevention officers:** Security guards that are trained to work in the retail industry specifically; often working in plain-clothes to arrest shoplifters and coordinate the risk management and controls within respective departments.
11. **Construction security:** Construction security is most often at night; site protection is required after hours to ensure no break-ins or theft.

³ “Identifying 9 Solutions to Key Hotel Security Concerns,” Bob Chartier, *Security Magazine*, accessed November 2015. www.securitymagazine.com/articles/85653-identifying-9-solutions-hotel-security-concerns

12. **Postsecondary campus, university, and college security:** Academic environments use security 24/7 and security officers maybe involved in escort duties, lock and key control maintenance, campus vehicle patrols, foot patrols, and enforcement
13. **Security consulting services:** Security companies are often providing consulting services to their clients. This is a separate area of endeavor that companies can move into as their access to clients is across the board and the opportunity to provide security plans for a fee is present.
14. **Bike patrols:** For large areas bike patrols are more common today as they can access areas faster than vehicles and can be present in areas where vehicles are not welcome.
15. **k9 services:** Security officers that work with trained dogs for private organizations. Often dogs are used on mobile patrols and drug searches.
16. **Concierge officers:** Often the concierge is expected to perform security duties by limiting access to the location to those with approval or the verification of guests attending the location.
17. **Emergency response:** Today many cities require the first response to an alarm be a security person. Once the building is checked, and if there has been a break-in, then the police arrive. This is an effective way of using police resources for critical incidents and allowing the false alarm problem to be billed accordingly.
18. **Special events security:** Concerts, VIP arrivals, and celebrities often require additional security. Each type of special event requires a certain type of training and personality be provided to the client.

In addition to these standard guard-related services, many companies expand into alarm, lock, and investigative services. While this book may include these services as additions to the security services offered, these are different types of businesses that often require trades training or professional training. This book is focusing on the security officer (guard) industry which is manpower-based.

In the following chapters, we are going to review client relations, costing templates, staffing, basic training requirements, marketing for your business, operations, and finally we are going to take a hard look at why security businesses fail so that you can hopefully avoid any pitfalls. Read this book in full before you start your company so that you lay a solid foundation for success.