Better safe than sorry

The security business

MARKET EVOLUTION

The first security companies began more than 40 years ago, when the security environment was very different from today and their work mainly consisted of commercial activities. “Factories used to resort to anti-espionage techniques by hiring security companies to protect their inventions,” said General Pierre Georgiou, General Manager of Prosec, a local security firm with subsidiaries in the Middle East and Africa. Today’s security companies include IT security and data protection in the scope of their services. Some diversify their portfolios while others choose one or two specialties. “The vast majority of businesses now have security as an integral part of their organizational structure,” said Georgiou. But due to the recent economic slowdown, “some businesses have had to scale down their expenses, including security,” he said.

KEY PLAYERS

There are more than 20 security companies active in the local market. A few international companies, such as Securitas, have positioned themselves among main challengers. The Switzerland-based firm, with subsidiaries in more than 40 countries, entered the market in 1986. Several medium-sized firms also compete to acquire clients’ trust. Security Control and Protection (SCAP), chaired by Nabil Nammour, is a 30-year-old company specialized in money transport and physical guarding. SCAP also represents the France-based Brink’s, known for making bulletproof armored trucks. SCAP has a niche clientele in banks and financial establishments. “Our company has 70 percent of cash-in-transit clients,” said Nammour. Prosec, founded by Georgiou, provides an array of services such as the supply and installation of security equipment, guards, surveillance, and money transport, among others. “Established 16 years ago as a security consultancy and guarding firm, Prosec grew to become a holding company with subsidiaries in Nigeria, Sudan, and Iraq,” said Georgiou.

The saying that one man’s misery is another man’s fortune surely had in mind the security business. Many companies and households become on high alert in troubled times and fuel demand for security products and services. But it needs not be. But with “an ounce of prevention is worth a pound of cure”, the need for security should be in all times. During the past few years of turmoil demand for security services has soared. Orders multiplied for armored cars, shatter proof glass, security guards, explosive detection devices, and high-definition CCTV. The industry has grown steadily by adding new tools, training security personnel, and implementing modern technologies. The sector employs tens of thousands of staff and invests millions of dollars in equipment and logistics. The biggest obstacle hindering further development is limited public awareness, high import tariffs on security equipment and lack of cooperation from public authorities.
When the security market developed, demand for specialized equipment also increased. “We used to outsource some of the services, but due to client demand we are now directly handling trade and installation of security equipment,” he said. Starting off with only ten guards, Prosec has grown to employ more than a thousand today. “We have more than 60 regular cars and 20 armored ones,” said Georgiou. Established in 2000, Guardia Systems is a major provider of fire protection and security systems, among other products and services. It holds a strong presence locally and in the Middle East and Africa via its regional offices in Iraq and Nigeria. The company deals with high profile clients such as the Central Bank, Azadea Group, AUBMC, and the Mövenpick Hotel. Hawk Security Services is the newest of the main players. “It was established in 2007 by General Ahmad Jaroudi, who signed on with Solidere as a guarding company,” said Hicham Jaroudi, General Manager. He took the reins from his father in 2010 and began to restructure Hawk by exploring new market needs. Hawk outsources some of its services now, but plans to start offering them in-house at a later stage. It operates in Beirut and across the country with over 600 employees. Hawk seeks projects and clients that give it exposure. “When clients see us in Solidere as exclusive guards, they will come to us,” said Jaroudi. Its client profile includes embassies, pharmacies, and upscale residential complexes, such as the new Verdun Gardens.

**SECURITY PERSONNEL**

Guards are the most requested service of security companies, so much so that some base their entire business solely on guarding. There are two types of guards: Regular guards and VIP/close-protection guards. The regular guard receives at least three days of training on community protection and detection of possible security dangers. “It became necessary to raise the level of security personnel, so we created the Prosec School, a sister company that teaches guards how to operate security machines among other things,” said Georgiou. The guards’ schedule is set up according to the client’s needs and the kinds of threats that might be faced. Guards conduct thorough perimeter inspections to prevent burglary and unauthorized entry. This service also includes warning the police and fire brigade, in case of fires or disturbance of technical installations. “Banks, large companies, residential complexes, and mixed-use projects all require the presence of guards,” said Jaroudi. But in order for this service to be profitable, the premises to guard should be large enough to require several guards. VIP close-protection guards are usually only requested by local politicians, diplomats and foreign delegations. “Prosec trains a team of professionals, provides them with bullet proof vests, and arms them if needed, in order to appropriately protect the client,” said Georgiou. The company cooperates with European security firms to adopt international standards in the field.

**ALARMS AND SURVEILLANCE**

Alarm systems are commonly requested by jewelers, currency exchange dealers, and IT firms, among others. They can be as simple as a control keypad by the front door with alarms on windows and doors, or as complex as motion detectors and heat sensors. The service can be custom-designed by adding or modifying some of its security features to suit the client’s needs. Some alarms feature motion-detecting sirens, while others send discrete signals to the control center of the security company alerting personnel to take quick action. “In case of alarm activation, Prosec dispatches the closest patrol in the vicinity to check the perimeter and if necessary calls the appropriate authorities,” said Georgiou. In some large and upscale developments, alarm systems are now being pre-wired during construction. This reduces the overall installation costs since a security company will simply carry out installation without the need for wiring. Large firms also employ discreet security cameras in the lobby and in all sensitive areas to monitor human traffic during and after office hours. “Clients are now aware of the importance of installing high quality cameras that allow the exact tracking of certain individuals,” said Georgiou. High-resolution video recorders allow security personnel to see a vehicle’s license plate number or the face of a perpetrator. CCTVs have already assisted the police in solving a number of crimes. General awareness regarding this service is increasing with time and the number of terrorist attacks.
MONEY TRANSPORT
According to SCAP’s Nammour, money transport services have been in the market for quite some time, but demand has amplified with the deterioration of the security situation. “We started offering our cash-in-transit service in the 1980s,” he said. “At first, it was hard for banks to hand large amounts of cash to private security firms. But with time, they started to understand that we have all-risk insurance.” Money transport vehicles are always armored. “We import our vehicles from international specialized companies, such as Brink’s and Fiat,” said Nammour. Armored vehicles specialized in money transport usually have a safe room with a sliding door that won’t open if the driver’s door is open. They all are bulletproof and can withstand high degrees of heat.

ARMORED VEHICLES
Armored vehicles are no longer limited to VIPs, politicians and embassies. More business people and other customers are going the extra mile in maximizing their cars’ protection. “It’s just like an insurance policy that protects you for years,” said Houssam Khanji, Managing Director at Monza Cars, local dealer for armored vehicles. Monza cars provide two levels of protection: B6, which protects against bullets, snipers and explosions that occur five to seven meters away; and B7, which offers protection at a closer distance. “Most customers request the B6 protection because it looks exactly like a regular car and so it does not attract attention, in order to maintain a low profile,” said Khanji. Customers are ordering armored vehicles not only for their day-to-day transportation needs, but also for their families, resulting in soaring demand. Last year, demand on Monza armored cars almost doubled. Last month alone, 24 orders for armored vehicles were placed. The company keeps cars in stock to cope with demand. Every armored car is shipped by plane either from the United States or Germany. It also comes with a certificate indicating its specifications and country of origin. Vehicles are equipped with thicker, bulletproof glass, a heavier body, and stronger suspension and breaking systems. The price of arming a Monza car starts at $150,000, in addition to the price of the car itself. Monza can armor any car brand or size. Still, customers should remain realistic, said Khanji. “Nothing protects you 100 percent, especially if there is an explosion right next to the car.” Other local car agents, such as BMW and Mercedes, also offer on-demand armored cars. T. Gargour & Fils, the exclusive dealer of Mercedes cars provides two types of armor: Protection against light weapons or heavy weapons. Armor is only applicable to the ML-Class, G-Class, E-Class and S-Class cars. The range of additional payment is between $150,000 and $200,000 over the original car’s price. Its armored vehicles are imported on demand and shipped within six to eight months from the order date. The reason for the order should be justified, in order to prevent the misuse of such cars for illegal purposes.

DOGS GONE
Prosec is one of very few security firms that used to offer canine unit services. However, due to low market awareness, it shut its operations down. Dogs are usually requested to detect drugs, explosives, or to pursue criminals on foot. The dog works for 15 minutes and rests for 45 minutes per hour. “Clients wanted the dog to work for nine whole hours just like a regular employee,” said Georgiou. Because most clients could not comprehend the concept behind canine services almost all security companies have now ceased the service.

SAFETY GLASS
In explosions, many victims are injured due to shattering glass. “Security films are designed to keep the shattered glass pieces in place, even if the entire frame is blown out,” said Nada Nehme, General Manager of Nada Nehme Establishment. The company is an agent of 3M Safety and Security Window Films. The films are made of a thick adhesive that holds broken glass together. Nehme said demand for the product has increased tremendously over the past few years. Many security companies have expanded their

A syndicate for security and safety
The Syndicate of Security and Safety Professionals in Lebanon (SSSPL) was established in 1999. “It was created out of the market’s need to regularize security and safety companies,” said Ricardo Hosri, President of SSSPL. The syndicate worked on growing awareness among consumers and the public sector. “We lobbied inside several ministries so that safety laws can be adopted in a number of economic sectors,” he said. The security situation had forced awareness to grow rapidly in the past few years as well. “We are working on organizing the syndicate’s bylaws by outlining the standards that should be adopted by member companies,” he said. The syndicate also created subcommittees, each specializing in a certain type of safety. SSSPL is working on creating the Professional Installers Certificate (PIC) given to full active members at the syndicate. These members should adopt the highest level of professional standards which will be supervised by an international safety consultancy firm. Having PIC would allow members to participate in public tenders. There are 27 members registered at the Syndicate with an invitation for more companies to join. “These candidates will have to implement our standards in order to receive membership,” he said. Syndicate participates in exhibitions and conducts seminars and training sessions.
products to include it. “Even if the situation gets better, people still want to feel safe in any possible way,” she said. During the February 14, 2005 bomb blast that killed former Prime Minister Rafic Hariri and 22 others, the windows of the nearby HSBC bank branch were not transformed into lethal shrapnel thanks to the films, sparing many lives and injuries. The film’s thickness ranges between four mils (0.1 millimeter) and 14 mils (0.35 millimeter). Clients for such glass security films come from a wide range of categories. “Places that have a great risk potential such as embassies and diplomatic missions usually request the thinnest films while households request the thickest,” said Nehme. Security films, including their installation, cost between $25 and $75 per square meter, depending on thickness and brand. But protecting the glass with film can engender an even larger danger. The entire window, now consolidated, may fly out as a result of the blast, depending on its intensity. Correct installation calls for an expert engineer to evaluate each particular case.

GADGETRY

Some security firms offer consultancy services to local and foreign businesses that want to open in the market. “For example, we conduct a study for a bank to point out the best security solutions, depending on its size, its geographic network of branches, (money) amounts to be transported daily, and how many times,” said Nammour. Prosec offers high-tech gadgets efficient in cases of theft or potential threats to life. “If a bomb is planted under the client’s car, a specialized GPS sensor automatically sends a text message to his mobile phone that his vehicle’s security has been breached,” said Georgiou. In addition to explosive detection devices, the company sells X-ray scanners and metal detectors.

Other such products include panic buttons. These can be mounted on the underside of a desk and pushed to notify building security or the police. Biometric security is a type of product that uses the scanning of anatomic parts to read biometric measures such as retina and fingerprint scans. As some devices can now intercept mobile phone calls in a certain area many companies are starting to use anti-espionage gadgets that scramble radio signals and cause frequency hopping.

CHALLENGES

Whereas in some countries, for example, airport management companies might hire private security firms to alleviate the pressure on public authorities, local mentality tends to associate issues of security with official bodies like the army and ISF. But state authorities cannot guard all residential buildings and private firms. “Public authorities have not shown intent to cooperate with us, maybe because they feel we are here to steal their jobs,” said Georgiou. Prosec applied for a license to open a training academy for its employees, but its application was swiftly turned down. “This would have opened business opportunities not only for us but also for the staff who are gaining academic degrees. Our employees are not being given the chance to develop,” said Georgiou. Jaroudi said that, “if there is more awareness in the market about private security, the business will definitely boom.” Prosec, though a successful venture, did not find the local market very profitable and so has expanded abroad. “In order for us to sustain ourselves and grow our standards, we work outside the country,” said Georgiou. The expense of training and importing high-tech machines has negatively affected profitability. According to Jaroudi, the security business needs a lot of investment. “Installing a decent software program in the control room costs $250,000 alone,” said Georgiou, who believes that for a security business to open the owner should have at least $3 million. Hawk’s business model did require a lot of high-tech machinery and therefore required much less investment. “At least $500,000 is needed to start operating,” said Jaroudi. There are no fixed rates for security services. Each company sets the rates that best suit the quality, cost, and profit margin it wants to achieve. Companies that provide money transport services earn an undisclosed percentage of the total amount of money they are moving. “It is a tailor-made price that differs according to the client,” said Nammour. Regular guarding costs at least $850 per guard for eight hours per month. Since body guarding is much more complex and the level of danger is higher, the service’s price can range from $2,000 and up. A package including barrier bars, barbed wire, and bomb detectors may cost at least $80,000 Some clients, however, may feel this is a small price to pay when the investment is one’s own continued existence.

Guarding is the number one requested service

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