

# Can You Really Afford Low Price Security Guards?

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Litigation regarding adequate premise security, security guard coverage, security guard behavior and actions, or the lack of it, can cost you money, reputation, and even your job. After spending thirty years in the security industry primarily responsible for security operations, including contract and proprietary guards, the mentality of hiring guards has not changed very much, in many cases it is still “low bid” prevails. Even after the tragedy of September 11, 2001, I find that there remains in many industry sectors an indifference to the selection and management of security officers, especially contracted security officers. Obviously there are areas in which we have seen significant changes such as in airline screening, and government facility security. There are also companies and other entities that obviously care about security or have a security management team that understands the risks and rewards of effective guard force management. There is also more energy in the contract security industry to promote adequate wages and training as well as an ongoing relationship with the client to provide premise security that is not only effective but also can defend themselves against the rigors of litigation. The problem that I see is that there exists equally many organizations that hire security guards because they “have to” or in order to compete for business or employees, or to make customers feel more safe. Many of them choose to have “warm bodies” demanding the lowest cost possible.

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This mentality leads to an equal number of security companies that will fill the bill with low wage, poorly trained, high turnover guards, and these are the guards that will get you into trouble more often and cost you in court. Can you imagine buying a car built by a company who paid the lowest wages, the least trained, had the highest turnover and lack of loyalty, and expect a well-built safe car? Can you image sending

your child to a college that used lowest bid guards for the campus? Would you feel secure at a hospital that used this method to hire the hospital guards? The answer to all of these is obviously no, however most of my colleagues in the security industry have been fighting this battle for years many times with their own management that see security as a “necessary evil.”

**Journey:** Allow me to take you on a different journey now. After thirty years in corporate security with a ten year stint as a police officer and a one year stint as a proprietary guard at a big three auto manufacturer I am now a consultant and behold an “expert witness.” I joined with a good friend of mine who owns a security guard company and started a consulting practice within his organization late in 2006 and did I get to see the other side in a hurry. Not only did I see what security guard companies face daily with trying to provide the customer an adequate security guard while the client is asking for lower costs, but more importantly that many of them did not understand that they were in some ways wasting their money by getting what they paid for! I also found that the customers understanding of the bill rate and the officer’s wage, selection, training, and retention was not in the equation, many just wanted the lowest cost possible. This is also an industry where the clients are bombarded by security guard providers who know the customer is not well informed regarding the cost to performance formula and therefore just throw out a low number. This low number makes the client believe they are paying too much and drives them back to the security provider to meet or provide even a lower number to retain the account, the cycle continues.

**Court:** Now let me take you to court. I was not sure what my new role as security consultant would lead me into however I soon found out that I was making most of my money demonstrating to clients that the reason they were having problems of all types was a result of their security posture or position at the location. A primary reason for their problems

stemmed from the contract security operations or lack of the same. Many clients I have dealt with have no idea what is in their guard contract, the wages of the security officer, and the bill rate to wages, the insurance coverage of the security company, and even what they do on a daily basis. Most of the clients were not getting the value of the money spent and needed only to manage the security guard function not unlike all the other functions of their business. I found that in every case of evaluation of the present guard contract I evaluated it ended in going to bid for a new contract using a very detailed request for proposal with competitive wages, training specifications, retention and incentive bonuses, and a resulting effective return on their investment. The end result has been a results oriented guard force that contributes more than security to the organization. My number one issue with the change is how they look. It did not take long as a police officer to see why the sloppy cops were not respected. If the organization allows sloppiness in any form it is a direct reflection on them. Sloppiness is carried into the work, attitude, and effectiveness of the guards. Unfortunately this is all too common in many guard operations.

**Attorneys:** Now to the court issue. Shortly after getting into the consulting business I found that my experience was important to attorneys who need expertise when they were suing a business on behalf of a client who alleged a lack of security based on foreseeability, or a company who was protecting themselves from a plaintiff who claimed the same. In all but one of the cases the main issue or a significant contributing issue was the security guard function. Generally the cases involve actions of the guards or the lack of action. Interestingly the issues that are equally more important are to the selection, training, turnover, contract language, and supervision of the guards. It is not only the guard company that is on the hook but also the client. In the cases I have dealt with, the client expectations and direction of the security guards plays a significant role in litigation. The problem that surfaces is that there are many examples of adequate security to compare with and there is no shortage of experts who can demonstrate that if the guards were selected and trained properly the event would or could have been avoided. Whether you win or not you will probably spend a sum of money to end the case.

**Wakeup call:** Since there is no shortage of advice I will give you some. Everyone knows that we are all competitive and driving down costs is an important part of almost every manager's job. Additionally in many cases the security function and especially the guards are not considered critical to the operation. I also believe that in private industry security guards will never attain the same status they have achieved in government security operations and where it is mandated by the government soon. It is however a time to wake up to the issue of getting the best value for money spent on security guards by fully evaluating your expectations, knowledge of how guard costs are arrived at, the potential cost of litigation, turnover, and experience. Of equal importance is how does the guard present you company's image to the public, your employees, and possibly the jury.

**Advice:** Here is the advice. Start out with developing a request for proposal that will inform the companies that will bid for the job your expectations completely. The request should include at minimum:

- **Wages:** The wages you are willing to pay the officers, supervisors, account managers or others assigned to your facility. The wages you are willing to pay should be based on the prevailing competitive wage paid in the area and in a business like yours. If you want guards who have experience, and the company who employs them wants to reward them with a better wage, increase the prevailing wage to attract them. If you just want to make sure you are competitive pay the wage that will keep turnover to a minimum. Anything short of this will result in you getting inexperienced guards or guards that will find out the account across the street pays more and will eventually leave.
- **Build increases:** Build in a program of increases over time for longevity and good work. I suggest two ways of doing this. First set a wage that is at or close to the competitive wage in the area or business and reduce it by .25 or .50 cents per hour. Increase the wage at increments over three months until they reach the competitive wage. Doing this allows you to observe their work, get necessary training, and retain guards who were newly hired for the contract. If there were someone the guard company tells you about who is experienced and would be good candidates don't hesitate to pay them at the top scale, you would do the

same for a new employee with the desired experience.

- **Incentives:** To create a bit of peer pressure consider a monthly or quarterly incentive of .25 or .50 cents per hours worked in the previous month when the security team meets expectation previously agreed upon with you and the guard contract company, In the world of contract security these numbers can mean an extra \$40.00 or \$80.00 a month in wages. To you it means the pressure of the team to meet goals such as appearance, compliance, reports, or whatever criteria you decide upon.
- **Appearance:** Include the type of uniform to be worn, how many of each the officers get, how they are replaced, and how they will fit your environment, remember appearance is very important to success in this business. Make sure the guard company and not the guard pay for uniforms.
- **Training:** Specify the training required of each officer before they are allowed to work a post or patrol. Put in the RFP that the cost of the training will be paid for after the officer completes a certain time on the job such as three months. This will keep you from becoming a training ground and better selection by the guard provider.
- **Post Orders:** Include the requirement of post orders developed by the security provider and approved by you. Specify the types of post orders and procedures that should be developed.
- **Leader:** Consider a lead officer for accounts that have more than one officer. The lead officer better than you spending your time can handle Scheduling and replacements as well as training. A lead officer wage should be high enough to attract a person with experience in the field and someone who will take pride in the role.
- **Backgrounds:** Make sure your RFP includes all of the issues of compliance to any regulations of guards in your state or locale. Insure that guards have clear backgrounds and no convictions for criminal offences that would create a problem for you. The obvious offences that should not be allowed include theft, drugs, hate crimes, crimes of violence, and other crimes that would inhibit use of

vehicles or place your employees in jeopardy. Determine if the guards will get their background check through the company or if they obtain and pay for their own, obviously the company should provide the check and make it available to you the client upon request.

- **Coverage:** Other items requested include liability insurance coverage, worker compensation in place, other officer benefits and much more. The idea is to get as specific as possible about the contract. Anything that is not specified will not be priced into the contract and therefore the comparison of bidders will not be accurate.

I believe that you now have a better idea of not only why it is so important to put the time into selection of a contract guard company, but also why you should drive the process that will give you value and peace of mind that you are properly protected from unnecessary litigation. Security plays an extremely important role in every life in this country. It also seems to be one of the least understood as to what it can bring to an organization both good and bad. All of us have an obligation to provide the best that we can in our work. The work of security can affect many lives and can prevent the loss of life or property; we can't forget this as we make choices for those we serve.

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