

Security Sales and Integrations

Bold Group Brass Explain Industry Expectations for 2021

Excerpts taken from Article by: Scott Goldfine

Three executives from the [Bold Group](#), a leading provider of mission-critical alarm monitoring and financial management technology, recently joined *SSI* for a comprehensive dialogue to illuminate their expectations for the security industry during the year ahead.

The conversation included Alison Forsythe, president; Steve Keefer, senior vice president of strategy; and Thom Meyer, senior vice president of stages, which is the company's flagship automation platform.

Read on to learn their unique perspectives on a wide range of topics across the security ecosystem, including [pandemic](#) impacts, marketplace trends and challenges, disruptive technologies and much more.

Steve Keefer: 2020 laid a foundation to continue to navigate the pandemic response in 2021. It helped jumpstart the security industry to think and act differently and be ready for the unexpected. This pandemic has challenged the old way of thinking and forced us to work differently. We believe WFH [work from home] is here to stay; however, it's not a need anymore, it's a norm. How we continue to evolve and navigate the implications of 2020 will be refined in 2021, not forgotten. The security industry must face the fact that we won't go back to the old ways of doing things and instead embrace change and evolve faster than we ever have before.

In a worst-case scenario, with the pandemic forcing people to stay at home, the demand for traditional, professionally installed monitored systems will drop. Some of the newer, larger companies from outside the industry will come in and dominate the newly expanded residential market with multiple, [DIY](#) self-installed options. With this, revenue from professionally monitored systems will decrease significantly, putting increased pressure on the smaller and medium-sized players to maintain their overall revenue while incurring increased costs. For commercial systems, the remote workforce will lower overall demand for in-office systems and professional monitoring, thus the industry continues to take an overall hit in loss of business opportunity. Without demand, many companies will not be able to stay afloat or compete.

The industry will have to adapt quickly to how they present the material differently because of a new expectation that has been set. These non-traditional companies will most likely either use or partner with existing companies to develop the solutions on their own. Existing security companies will have to work to adapt, partner and determine how to work with the larger tech companies versus fight against them, as they won't have the capital to compete. Commercial companies will fare better, but will still be challenged to deliver products to a more sophisticated market.

What do you view as key factors driving top vertical markets?

Alison Forsythe:

Their marketing prowess, investment capability and ability to take an iterative approach to evolving their product offering are unmatched and will make it difficult for traditional security providers to compete. Consumer-related marketing and distribution models in the residential market will also put pressure on pricing and recurring monitoring fees.

So far, we haven't seen these companies providing professional monitoring on their own (which may change) so companies who do monitoring will still be around. There may be some areas where they don't want to play, such as high-end commercial fire systems or similar because they aren't volume related. Security companies may still be able to compete, but they may need to find a niche to differentiate themselves a bit more.

A more focused approach on specific verticals will require a deep expertise in those spaces. It may be hard for a security professional to come in and simply lay their expertise on top of it. They will need to be within that vertical to really bring value to it.

What is your overall view of the competitive landscape of the security industry?

Keefe:

The industry is resilient, but it's going to be more difficult for companies to work the way they have in the past. It all depends on an organization's management and their ability to be flexible, as well as their financial wherewithal to withstand the shifts in the industry. We anticipate a significant increase in both M&A and DIY activity — specifically, some of the larger companies will acquire smaller companies, creating consolidation in the market.

Standards, such as UL, will be pressed to adjust to new models of remote workers and Cloud-based solutions.

Meyer:

Alarm dealers will also be looking for new ways to reach their markets without door-to-door selling opportunity. We will see an increase in digital marketing, and other tactics to try to drive more business. Likewise, they may be looking at new products and services to provide to their current install base.

They will also face increased pressure from DIY systems, which will put revenue pressure on the security companies.

Systems integrators ...

Forsythe: Integrators will look to bring in new technologies to expand their integrations and thus their revenue. New products and services will play a role, with the need for device monitoring and cyber security as they continue to be critical infrastructure components. With a potential slower economic recovery and a work-from-home model, these businesses will be negatively impacted. There is probably a bit of time before the commercial market settles into where we are working, and how we are going to be working, which will slow them down a bit.

End-user security directors ...

Meyer: End users are facing unprecedented times and have a real concern around security with the transition to a remote workforce. They will continue to look for more information, automation and convenience. The more commercially generated products are used for security, the more risk there is in transmission and sophistication, which will result in an increasingly challenging world.

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