Over the last few decades one of the most popular strategic initiatives is to focus on your organization’s core competencies and outsource everything else. The validity and the effectiveness of the theory is now widely understood and accepted. In today’s modern and mega-competitive society, who can afford to be a “Jack-of-all-trades” and a master of none?
Experts Encourage Outsourcing for the Right Reasons

It’s a matter of core competence. Attempting to manage a licensed labor force that is distinct and unrelated to your core business is a financial burden and an internal distraction. Through partnering with an experienced private contractor, many businesses realize performance improvement, better customer service scores, and higher occupancy rates. Ultimately, you want to narrow your focus on what matters most, and maximize all your resources.

Experts agree that the opportunity to release functions and responsibilities to outside firms who specialize in those areas can provide a multitude of advantages. While outsourcing has become more and more of a hot-topic in board rooms across America, experts warn that outsourcing a particular department or function must be intelligently evaluated. The key to effective outsourcing is to outsource for the right reasons.

When considering outsourcing opportunities, analyze the following:

- What is the relationship between your core competency (your company’s operational purpose) and the department or function under consideration?
- Is your organization uniquely trained, tooled, or committed to perform in this area?
- How feasible is it for an outside agency to replicate or improve your current performance in this function?
- What are the direct costs associated with this particular department, including materials and compensation? What are the other costs? For example, supervision, equipment, recruiting and training, liability, benefits, technology, and taxes need to be considered.
- Does this department or function play a critical role in your organization’s overall strategy and competitive edge? Does this department make your company or facility unique and better?
- What is the relationship between your customers and this product or service?

Often, the best management and business decisions don’t come from knowing all the answers, but from asking the right questions. The objective is to determine the strategic and financial relevance of a particular department. And outsource those responsibilities to proven providers who are in a position to improve the quality of your performance in that area, reduce operational costs, and unleash the burden of performance in a discipline outside of your strength and skillset. While some business functions are absolutely necessary, many are simultaneously clear and intelligent candidates for outsourcing.

The Ideal Outsource Opportunity

The vast majority of Fortune 1000 companies outsource security services because they must demonstrate intelligent financial controls and they dedicate their energy and talent towards brand development. The same principles would apply to investors and small business owners of any scope and size. Based on a litmus test for identifying a smart outsourcing agenda, your in-house security guard department stands out as an ideal outsourcing opportunity. The case for outsourcing security services management comes with a surplus of clear advantages.

- The nature of your industry and the critical expertise that you deliver is distinct from the discipline and culture of physical security. The talent pool is completely different. The education and training are not similar.
An unnecessary burden is placed on HR/Managers to perform in a staff-driven operation that is completely unrelated to the organization’s core competency.

• While the security guard function is critical, most likely it is not closely related to the company’s strategic position. And therefore, internal controlling and managing of the security program would not be essential in order for an establishment to increase revenues and grow local market share.

• Security is a staff-driven department. Finding, training, managing, compensating, and replacing quality personnel is a constant challenge and burden.

• The potential cost savings are significant. Private security firms are able to obtain experienced, industry-trained, and competent officers at an estimated 75% of the direct costs currently absorbed by in-house departments.

• Security service also requires ongoing costs such as supervision, uniforms, training, over-time, administrative support, and liability.

• One of the most important advantages obtained through outsourcing security services is the flexibility and the scalability provided by established private agencies. In order to quickly respond to seasonal changes, sudden demands, and special events, in-house departments must either absorb the risk of interrupted service or absorb the cost of overtime and temporary services at rates 200% over budgeted pay. The private security agency has access to trained and certified staff as well as the ability to provide emergency pricing in advance. In today’s economy, the ability to scale your labor to meet current and ever-changing demand is critical to controlling costs and profitability.

• The private security industry is thriving. National and local providers are abundant and capable of providing services at small and large scale operations. In a post 9-11 society, security performance and security technology has risen to a new level of sophistication. Private agencies whose livelihood depends upon their ability to incorporate modern technology are better equipped to integrate new solutions and industry best practices.

While there may be some valid reasons to use an internal security workforce, the reality is that the logic in favor of outsourcing security services is overwhelming. Any company with genuine and serious security needs is almost certainly better off partnering with a private contractor. A quality private security company’s skills, knowledge, and workforce management abilities are specialized to perform a service so that your company can focus on its core competencies.

The Next Step

Outsourcing can be a winning strategy when done for the right reasons and with the right partners. Analyze your company’s needs, particularly in relation to security services. Ask yourself the right questions and you will receive the right answers. Take the next step in efficient resource management. The solution could be right in front of you.

About Cypress Private Security:

Founded in 1996, Cypress Private Security prides itself on being the most customer-focused contract security company on the West Coast. With a custom-tailored approach for each client, Cypress provides unmatched security solutions to meet the specific needs of various organizations.