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Roundtable participants: Steve Danelon, Allied Universal Security Services; Scott Young, GardaWorld; Floria Chiu, G4S Canada; Han Koren, ASAP Secured; Iain Morton, Paladin Security.

MEETING THE CHALLENGES

Leaders from some of the largest and most influential guard companies operating in Canada discuss the major issues of the day, including wages, training, customer focus, technology and more

Canadian Security magazine held a guarding roundtable on April 26, inviting representatives from some of the leading companies in the security business to discuss and debate some of the major issues of the day. The major impetus for the discussion was recent changes to Ontario legislation (Bill 148), as well as similar legislation in other provinces, that are having a major effect on employment conditions, chief among them an increase in minimum wage (rising to \$14 an hour in Ontario on Jan. 1 this year and \$15 an hour next year). Other factors that prompted this discussion include technology innovations such as drones

and robots, and how they might change the landscape of the security industry. Unexpected was the topic of vehicular attacks. Days earlier, the van attack occurred in Toronto — the panel felt it was appropriate to introduce this as a discussion topic and talk about the implications for the security industry. Panelists include Scott Young, Senior Director, Business Development, GardaWorld; Han Koren, President, ASAP Secured; Steve Danelon, Regional Vice President, Canada, Allied Universal Security Services; Floria Chiu, Director of Customer Care, G4S Canada; and Iain Morton, Executive Vice President, Paladin Security and Paladin Technologies. *Canadian Security* editor

Neil Sutton moderated the roundtable which was sponsored by GardaWorld. An edited version of that discussion follows.

Canadian Security: How is the change in minimum wage affecting guarding operations and relationships with clients?

Scott Young: Certainly we had some open discussions with our clients in the second half of 2017. The [Ontario] increase was introduced fairly rapidly. Some of our more blue chip clients couldn't justify the substantial increase and we have seen some margin compression as a result of that. Where you used to have to pay \$6 an hour more than minimum wage to get, say, the top 25 per cent of officers in the market — now you need to only pay \$2 an hour more than minimum wage. There's been a bit of a flattening of the labour market in Ontario. Clients who are willing and able to pay that little bit

extra will see more reward than they would have in the past.

Han Koren: We dealt with increases in the past and they were generally limited to 20 cents ... which you can easily absorb in your margins. This was a bit of a hike. I remember when we started talking to customers and they said, "It's not even legal yet... so why are we discussing it now?" We were a little bit behind in getting all those conversations going. On top of that, a lot of the discussions were mid-contract, so they didn't necessarily have a reason to break the contract open although we had language in the contract [to renegotiate] the rate. It made it pretty challenging. It was not only the wage increase. It was also new legislation about sick days, new calculations for stat days and things like that. All in all, it was a pretty expensive move.

Steve Danelon: I think we're still looking at the impact of the minimum wage and how it will impact our business. It has made some of our employees minimum wage employees — they were three or four dollars higher than minimum wage before. We're seeing some movement in the workforce. It's really challenging the thinking of the customers on the type of security professionals they want in their facility: Do they now want a minimum wage individual or do they now want someone who is above minimum wage and has the skillset to [meet] their challenges?

CS: Has that created a domino effect where somebody who was making \$15 an hour before the legislation is now looking for \$18 or \$19 an hour?

SD: Absolutely. We've had some customers who have raised their pay rates from \$14 to \$18. We have other ones that will not budge from \$14.50. Some employees are saying, "I should get a 32 per cent wage increase because I was at \$14." Trying to educate our workforce and how it's impacting ... the customers' budgetary restraints has been a challenge.

Iain Morton: It's been very challenging on our entire industry, especially since it came into law [in Ontario] on Nov. 27 with 33-34 days to implement. I think we did as good a job as anybody could, but nobody's business was going to be in perfect harmony with their clients as [we work] through this. Our clients adopted the stance that they would be collegial and work with us, for the most part. Many of them have restored the gap that they used to have above minimum wage but some have not. Some didn't have the budget and had limited maneuvering ability to really work their way over. It's been difficult for them. We've continued to work with those clients and overall the business is coming out in very good shape, but it's led to a very volatile marketplace right now. Mostly, I think, those clients struggle to get over the line. That volatility is going to take some time for the dust to settle and the market to reset.

Floria Chiu: We have the same challenges. If we were to talk about the impact of ESA (Employment Standards Act) changes and minimum wage on our business directly, I would say we really have to change the conversations that we're having. Scott and Iain talked about the difficult conversations that we have to have with our customers and then to finally figure out what the legislation actually means to us from a cost perspective, then having to go back to [customers] and have that conversation again... We've had to take a step back to say, "OK, the budgets are the budgets. Those have been approved and are limited to your current fiscal year." So what is the creativity we need to apply to that program? It may be about helping our customers figure

out a way to do more with less. We are asking for increases in order to stabilize the program. To avoid turning it into a minimum wage program, we have to come back with ideas... and solutions to make up for that.

"Do [customers] want a minimum wage individual or do they now want someone who is above minimum wage and has the skillset to [meet] their challenges?"

— Steve Danelon,
Allied Universal Security Services

CS: How are skillsets changing in the security industry?

FC: I'm really seeing a shift to the soft skills as opposed to the hard skills. I think the uniform that was once able to effect action and change now has to be coupled with soft skills like emotional intelligence,

awareness around mental illness, being able to understand cultural differences — I think those are all key components of a security guard's job now.

IM: I think fundamentally with many of the clients being posed a 20-25 per cent wage uplift and cost uplift, the expectations have to be higher from the customer standpoint. We need to provide high calibre security officers. We are, to Floria's point, really focused on customer service engagement, but still with that intervention capability, especially in the health-care market. We have to go in and be aware of mental health, be aware of our Code White responses [the code assigned to potentially violent patient situations]. In many hospitals, our staff are the entire Code White response team. In most cases, it's a combined effort with clinical [staff]. The skillsets required for somebody who was being paid \$12.50 a few months ago was inordinately high. The only reason we've succeeded well in that environment is we're trying to attract people whose career arc takes them out to corrections and border services and policing. That balance worked quite well. The good thing



Steve Danelon, Allied Universal Security Services



Scott Young, GardaWorld

is, those police forces are looking for the similar soft skills and intervention skills that we're looking for as we bring people in. The level of training and expectation of how they perform in the field is continuing to rise. I think collectively the industry has to continue to push for wage uplift and pay escalation that allows people with tenure and experience and performance to stretch out their career a little bit longer in security before they move on and take the next opportunity.

SY: As labour costs increase, I think customers are looking to complement their manpower with technology solutions. So whether its incident management, whether its virtual concierge or guard tour systems, the employees need to have that technical skillset in order to work in today's environment. I think with more millennials entering the workforce, we're all trying to find ways to motivate them in different ways than maybe they're used to. Back in the more militaristic days of security guards, they would show up at 08:00 and they would be there till 17:00 because they were told to do it. Nowadays, I think millennials are asking, "Why do I need to do it that way?" They're using social media more often as well and seeing other options that are available to them. As minimum wage goes up, guards have more options [for jobs] in less stressful situations than what they're facing in

security. We're having to adapt, our supervisors are having to adapt in order to keep this new generation motivated.

HK: More and more, I think customer service is key. The guard who is [only] good at the security side is not good enough anymore. He needs to be able to greet and say hello and have the right composure. We spend a lot of effort and time training people for that. Generally they have a good security background but now we ask a little bit more of them. Maybe to some of the points made earlier, tech savviness is key. We see, especially the older guards, sometimes struggle. I find, being from the older generation, we need to change the way we do things and maybe find one another [older generations and millennials] somewhere in the middle. With the old ways, we grew up hearing, "This is what you need to do," and we did it without asking [questions]. That's long gone, we need to show the bigger goal: Where is the company going? What is your part in it? Why is it important to us?

SD: I truly think we're undergoing the biggest technology revolution in our industry and we're underestimating how important the technology will be and how well our employees will have to adapt to it. We're just in the infancy of what the technology will do to our industry in the next few years. Having the technology savvy will probably be



Floria Chiu, G4S Canada



Han Koren, ASAP Secured



Iain Morton, Paladin Security

one of the most important functions of a security professional, along with soft skills and everything else. I also think, as an industry, we have to expand where we get our employees from and try to get new individuals to come into our field. As an industry, we do a poor job of educating others. There's a misconception that you have to be [physically] strong, you have to be tough... we don't do a good job of getting people from the customer service industry and other segments and educate them on the career you can have — that you're not in precarious employment, that you're working full time with full time benefits.

FC: I totally agree with you. We try to look into our guard pool to find individuals to put into a succession plan or a growth plan to help build the next generation of managers. I didn't [come up] on the front lines, but everyone on my team is a front line individual who has found their way or found their place within the industry. I think it's so important for all of us to work together to bring in that next generation.

SY: And we need to be creative. We're competing with so many more industries now.

CS: Are we seeing new technology actually being deployed?

SD: I think we're just starting. If you look at the unmanned ground vehicles, they've been in the industry for about two years. It's early adopters that are giving the industry an opportunity to adjust [the technology] to what we need in the security industry — working with engineer teams to address what it can do and what it can't do. I think, in the next few years, as more and more of these units are put into place and the camera analytics get stronger, and GSOCs (global security operations centres) get smarter... In my opinion, every account will have a hybrid technology piece and a security professional piece. It will be one customized solution for the client that will be multi-faceted. As the labour pool shrinks for security professionals, you're going to have more technology to offset the shortage of labour that we're all facing. That will also help customers with their budgetary constraints as well. It's just starting and I think it will be more commonplace in the next five years. We'll see RFPs (request for proposals) that will have specific technology components along with the traditional guarding portion.

FC: I think with all innovative ideas and new technologies, there's always someone focused on looking at what that technology represents, investigating how it fits in and understanding the actual technology. But I think all of us have to take a step back from that and understand what it means for the customer. Does it fit in as a solution to a potential pain point that a customer has? Drones is a popular topic. Customers ask about drones all the time. However, there's also limitations from a legislative perspective, from a privacy perspective. Those are areas in the technology space where we have to have intelligence around that. We can't just look

at a product and say, "This is a really cool thing that we can implement into the program," without understanding the implications to privacy and whatever limiting legislation there may be.

To have the knowhow and have the technology is one thing; to spend the time to understand the legislative piece of it is equally important.

CS: Are these types of questions regarding drones and robots coming up more frequently with customers?

HK: They're coming up more frequently. [You hear] that it would be nice to have this, this and this. Generally what I've seen [with drones] is they're great for assessments — a flyover, acknowledging what's on the ground and working with those images. I've not seen the [technology] taking away from patrolling. There's all sorts of limiting factors: the payload, problems with battery life, [the weather]. I think we're in the early stages with drones as well. They will definitely have a role, but I don't think it will be [one of replacement].

IM: We have a substantial technology business... It's going to be a very slow curve, I think to combine the two [guarding and technology]. We're actually spending more time on anti-drone technology than drone technology in Canada — looking

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at ways we can prevent privately operated drones from interfering with airports or interfering with the privacy of our customers. Or even smuggling types of issues — getting things into prisons. Technology and the crossover with guarding is really happening in the security operations centres. It used to be that alarms, dispatching, video surveillance was the norm. You keep a dispatch log. Now we're seeing it operate in a more sophisticated way where intelligence is coming in, real-time news is coming in, social media monitoring whenever your business or client's name is mentioned, apps for the tenants so they can communicate with security. These are all the things that our customers are starting to talk about in a more general way than just the odd, isolated [conversation] in the past. I think that ties back to the fact that SOC operators have to be trained and supported to a much higher level.

SY: As opposed to training the security person on the technology, you hire the technology person and train them on the security. It's kind of flipped on its head a bit. That's the core skillset that is becoming more and more desirable. The social media monitoring piece is really interesting too, as artificial intelligence comes into play as well. We're seeing real-time incident notification in social media. Take the Las Vegas shooting as an example. We were speaking to a group that had their artificial intelligence engine put out an incident report while the shooting was still happening based on Tweets. For special events or threats against government buildings, hospitals, airports, critical infrastructure — we need to be on the cutting edge of that to augment our clients' overall security management program.

"This isn't about 'doom and gloom,' I think it's about preparedness, it's about prevention, it's about having honest conversations about what the potential risk is."

— Floria Chiu, G4S Canada

CS: The van attack happened in Toronto just a few days ago. It was a shocking and terrible event, but perhaps not a total surprise to security professionals who follow these trends.

IM: It's so disturbing to all of us. And yes, I think it was expected, unfortunately. Sooner or later, no city of any size will remain immune. One of the things that

I believe the entire security industry has lost focus on, and the architectural industry and the people who are building buildings, is crime prevention through environmental design (CPTED). You see the buildings that are on the unfortunate stretch that was under attack bristling with cameras, with great reactive video, but where were all the bollards? Where

were all the planters that could have allowed people refuge to duck behind?

I think the entire planning system that we have for developing our cityscapes has to change and be proactive. I know European cities are well ahead, portions of New York City are well ahead because they learned reactively. I think it's a shame that we as a society aren't a little bit more proactive.

Secondly, I really appreciate the politicians that are thanking the first responders, but also mentioned the public that responded first as well. The security working in those facilities along that stretch that was attacked ... I'd like to think that they came out *en masse*, and I'd like to think that they were trained and they supported. I think that's what our society wants and that's what our company would want, without sacrificing the safety and security of the tenants. That's where our industry can help.

HK: I think Europe is ahead, and not just because of attacks or potential attacks. They've always had this [view] that "we'll protect our pedestrians and our cyclists,"

so by their nature there are more bollards, more barriers. So I agree with you, the planning stages [of cities] is probably the way to go. We'll probably never prevent this type of attack, but you can limit the areas where they can happen.

SY: Great points by both of you. Speaking more to the prevention side of it, hostile environment awareness training, terrorism threat training, situational awareness training for our officers to recognize signs of a possible threat before it happens is also a role they can play. Back to the social media piece, it always seems like when attacks like this happen, there was a Facebook post the day before that was so prophetic after the fact. What can we as an industry do to see those coming so we can be more prepared?

FC: Seeing those threats that we consistently see in the media outside of Canada, what is the probability of that happening on Canadian soil? Being in [security] and being exposed to information like this all the time, it's about absolutely making it OK to put that on an agenda for discussion. I think, as Canadians, we generally shy away from conversations that are "doom and gloom." This isn't about "doom and gloom," I think it's about preparedness, it's about prevention, it's about having honest conversations about what the potential risk is.

SD: It's a tough topic. I think what Iain said about using environmental design is interesting, but you don't want to do it to the extent that it changes the landscape of our city. These incidents will happen. They'll happen again in the future. It's part of reality. Some may [occur] through terrorism, some through mental health issues. I think you can do certain things to mitigate the risks of vehicles on sidewalks without turning it into a fortress and having a city where you become afraid of walking around.

It would be a shame if this incident or future incidents changes the whole landscape of the city of Toronto and the great city that it is and everything that it has to offer. **CS**