

Transitioning security programs successfully.

Switching suppliers can be both costly and disruptive, which is why such a decision requires careful consideration. Some key questions to help you make an informed decision.

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Switching from one security supplier to another involves time and resources, and with it some risks when terminating one contract and entering into another. This white paper highlights some of the key questions to ask when making the transition from the incumbent security provider to a new one, and demonstrates GardaWorld's expertise in implementing service transition plans.

Pre-transition: four key variables to consider:

1. Benefit

How much more value will the new supplier create for me? Will it outweigh the effort of switching supplier? Whatever the reason – contract breach from the incumbent, need for better trained security staff, appetite for the latest security technologies, or decision to consolidate the security program on a larger scale, for example – you need to estimate your expected level of added value from the beginning of your decision process.

2. Risk

Switching suppliers may be risky. Risk factors may include: the incumbent's unwillingness to provide a detailed description of your existing security program, very tight deadlines, or finding yourself without a security supplier earlier than expected. Loss of 'institutional knowledge' among the security team when members leave during change of supplier should also feature among your considerations prior to change. As an incoming supplier, GardaWorld will always work very closely with new clients to ensure that there is some continuity of staff and/or a contingency if complete change is required.

You surely have a finite amount of money to spend on your security program to manage your business risk at an acceptable level, so you have to make your decisions wisely. By this point, you should have gathered enough information to measure your <u>risk-benefit ratio</u>.

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3. Opportunity

The success of a transition depends largely on the continuity of key resources throughout the transition to facilitate the knowledge transfer between the incumbent and new supplier. Accordingly, we recommend you determine whether there are any employees currently on site that you would like to retain through your new supplier; then determine how these officers should be notified of the new employment opportunity. The new supplier should help you initiate the necessary internal processes to hire and train any incumbent employees who accept their offer.

4. Cost

Pricing is obviously part of your decision process although it should not outweigh the added benefits and overall value of the switch. Security is a long-term investment, not a commodity.

The best security results come from strong and long-term partnerships between the supplier and the client. That's why it's important to look at costs without compromising security benefits and opportunities. This can be done by measuring your opportunity cost.

As an example, you may have to choose between investing in security personnel or in purchasing new cameras. No matter which option is chosen, the potential value that is forfeited by not investing in the other option is called the opportunity cost. Try this exercise: think of what may happen if you decided to discontinue ongoing patrolling activities, in favour of technological surveillance, while all of your competitors maintained that function and remained capable of responding instantly to any situation that requires immediate action.

Implementing the transition: the GardaWorld example.

As part of the transition plan, some core tasks include:

- Transferring knowledge and best practices on operational procedures
- Hiring new personnel, and onboarding and training retained incumbent personnel
- Communicating the changes to all relevant stakeholders
- Providing security staff with access to the client's facilities

GardaWorld's transition plan is built around eight main topics:

- 1. Scope of work and mission identification
- 2. Joint roles and responsibilities
- 3. Legal requirements and any regulatory compliance, including benefit packages and uniforms
- 4. Account management and team meetings
- 5. Standard Operating Procedures (SOPs)
- 6. Operational requirements, including onboarding, training and scheduling programs, and technological equipment
- 7. Reporting requirements and performance measurement metrics
- 8. Employee communication engagement and retention

Example:
Transition plan
for a leading
Canadian
retailer with
2,000+ stores

The transition was planned to last six weeks in all Canadian provinces simultaneously. Our mandate:

- Process 240 permanent staff positions and another 60 employees for ongoing ad-hoc assignments;
- Help conduct interviews and background checks, undertake administrative requirements and begin preparatory uniform sizing;
- Welcome, onboard and train 240 staff in first 30 days of assignment according the client-specific e-orientation.

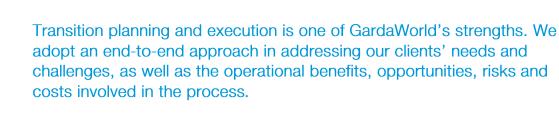
Implementing the transition: the GardaWorld example.

The result

- The transition was successfully completed in only four weeks
- 89% of permanent, incumbent staff successfully transitioned to GardaWorld
- In the first year post transition, the permanent staff turnover rate was below 5%
- The client's SOPs were fully revised within 60 days of transition
- The implementation of gTrack, our integrated guard tour management system, considerably reduced paper consumption through the production of electronic mobile patrol and incident reports

GardaWorld continues to coordinate weekly calls with the client's national operations team that focus on required actions, sharing best practices and discussing lessons learned.

Transition planning and execution is one of GardaWorld's strengths. We adopt an end-to-end approach in addressing our clients' needs and challenges, as well as the operational benefits, opportunities, risks and costs involved in the process.





5 control centres

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