

2021 INDUSTRY **TRENDS REPORT**

Defining the security trends, challenges, and opportunities
that may impact organizations in 2021.



Table of Contents

3 - 5

EXECUTIVE SUMMARY

6 - 14

MARKET INSIGHTS

15 - 25

2021 TRENDS

16 Using Security to Mitigate Health & Safety Risks

17 A New Ecosystem of Solutions

18 Solving the Threshold Management Equation

19 Cybersecurity & the Emergence of a New Perimeter

20 The Rise of Cloud Solutions and the XaaS Delivery Model

21 The Virtualization of Security Management

22 Leveraging Security Data to Improve Operations

23 New Privacy & Data Governance Considerations

24 The Transition to Touchless

25 Increased Demand for Flexible,
Scalable and Integrated Solutions

26 - 28

ABOUT STANLEY SECURITY

This document contains forward-looking statements. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements may include, among other, the words “may,” “will,” “estimate,” “intend,” “continue,” “believe,” “expect,” “anticipate” or any other similar words. Although the Company believes that the expectations reflected in any of its forward-looking statements are reasonable, actual results could differ materially from those projected or assumed in any of its forward-looking statements. The information provided herein is for informational purposes only. Such information is not intended to provide advice on your specific security needs nor to provide legal advice.



Executive Summary

Executive Summary

Matthew Kushner Global President, Electronic Security

We're witnessing one of the biggest transformations of security in modern history.

COVID-19 has challenged us as a society to rethink how we view security. The scope and role of security have expanded from protecting physical and digital assets to promoting safer, healthier and more efficient environments.

This has prompted a rapid shift from analog and disparate to digital, touchless and highly integrated. As a result, organizations are now looking for an ecosystem of security solutions that can not only help protect their people and assets, but also drive their growth in the new economy.

At the same time, the pandemic has accelerated innovation and data transformation. As an industry, we're now three to four years ahead of where we would have been – and customer expectations have evolved at a similar rate.



COVID-19 has challenged us as a society to rethink how we view security.



Executive Summary

For years, a general reluctance to move to the cloud has prevented widespread adoption of cloud-hosted and “as-a-service” (XaaS) solutions. Now more than ever, organizations understand how critical remote administration capabilities are in managing their people, assets and facilities in the future.

Coupled with that is their need for real-time insights powered by Big Data, artificial intelligence (AI) and machine learning (ML). As organizations have access to more security data, AI and machine learning are vital in extracting key insights and identifying patterns that can drive more efficient and effective decision-making.

All of these shifts are laying the foundation for a more predictive and proactive future – and one that’s characterized by data-driven insights and frictionless experiences. In a world defined by complexity and uncertainty, the future of security is integrated, seamless and simple, so organizations can keep their people safe, safeguard their assets, protect their networks and manage their operations.

Along with the many challenges that the global pandemic has presented, we’re seeing new opportunities for organizations to adapt and thrive.

The key to resilience in 2021 will be organizations’ ability to recover, repair, revitalize and reposition – and security must be an integral part of that process.



Matthew Kushner,
Global President,
Electronic Security



■ Market Insights

Market Insights

Global Survey Data

STANLEY Security surveyed business decision-makers across the globe to learn more about organizations' perceptions regarding, interest in and adoption of security technology.

The survey, conducted by B2B International on behalf of STANLEY Security, included 2,404 respondents across Benelux (Belgium and the Netherlands), France, the Nordics (Sweden and Norway), United Kingdom and United States.

Respondents represented small- to medium-sized businesses (one location), core commercial businesses (2-10 locations) and enterprise organizations (11+ locations).



Market Insights

Global Survey Data

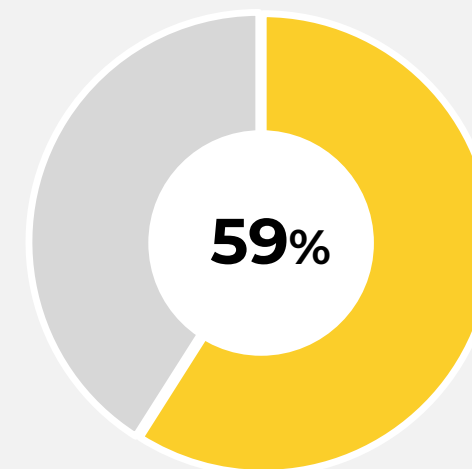
“Security solutions are more critical than ever to a business’ operations. As organizations continue to face an unpredictable future, we’ll see an increased demand for systems that can help them mitigate risks and future-proof their operations. Additionally, there is a pressing need to manage these systems remotely, so that they can have 24-hour coverage – increasing the need for services, such as remote guarding and remote video verification, to take over the duties of physical security guards.”



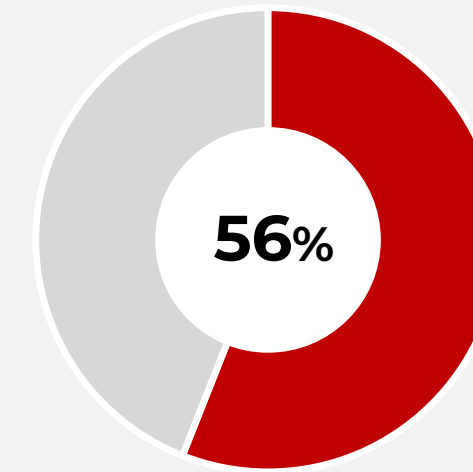
Dan Hindley,
UK Commercial Director

Top Security Systems Used Across The Globe

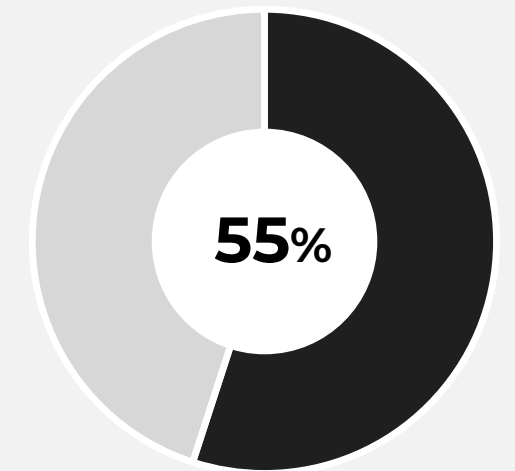
Percentages based on total number of respondents



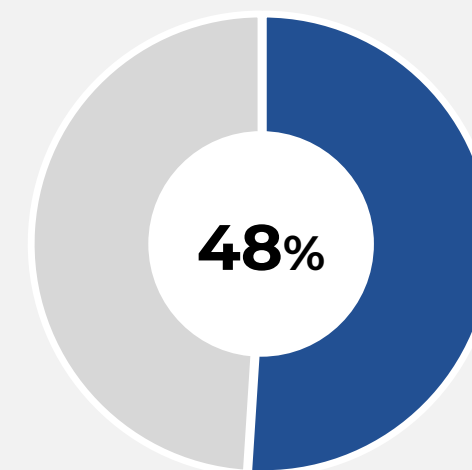
Network Security
Cybersecurity



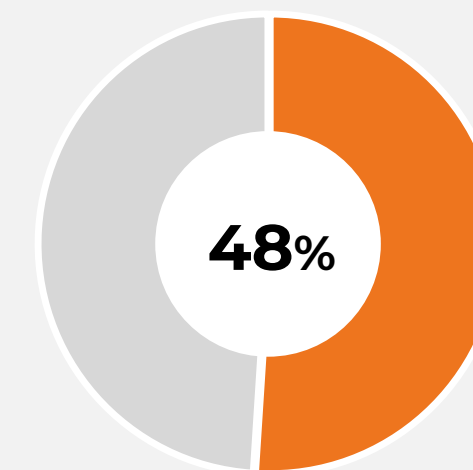
Fire and/or Carbon
Monoxide
Alarm and Detection
System



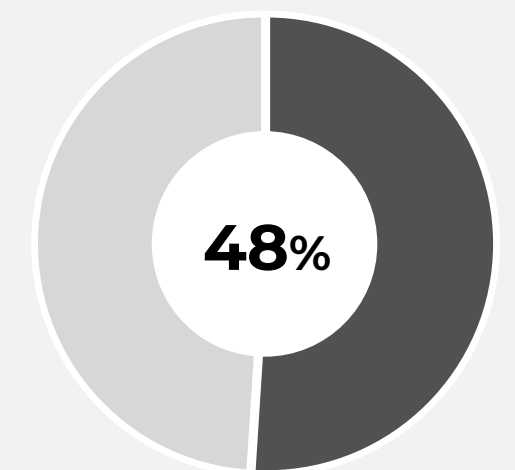
24-Hour Alarm /
Video Monitoring



Video
Surveillance
Systems



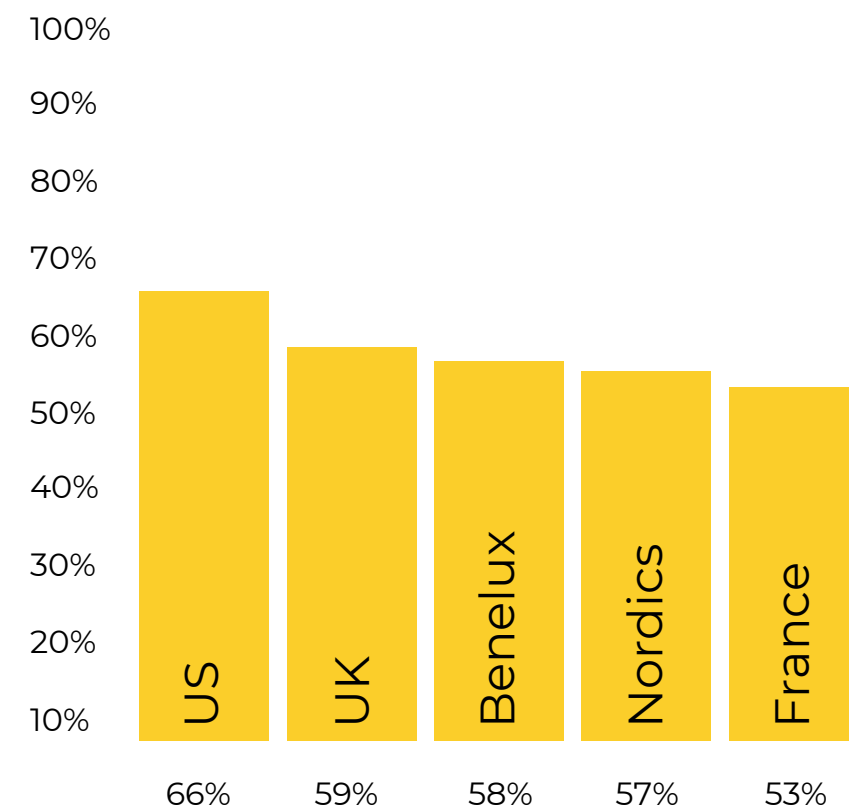
Intrusion
Detection
Systems



Access
Control
Systems

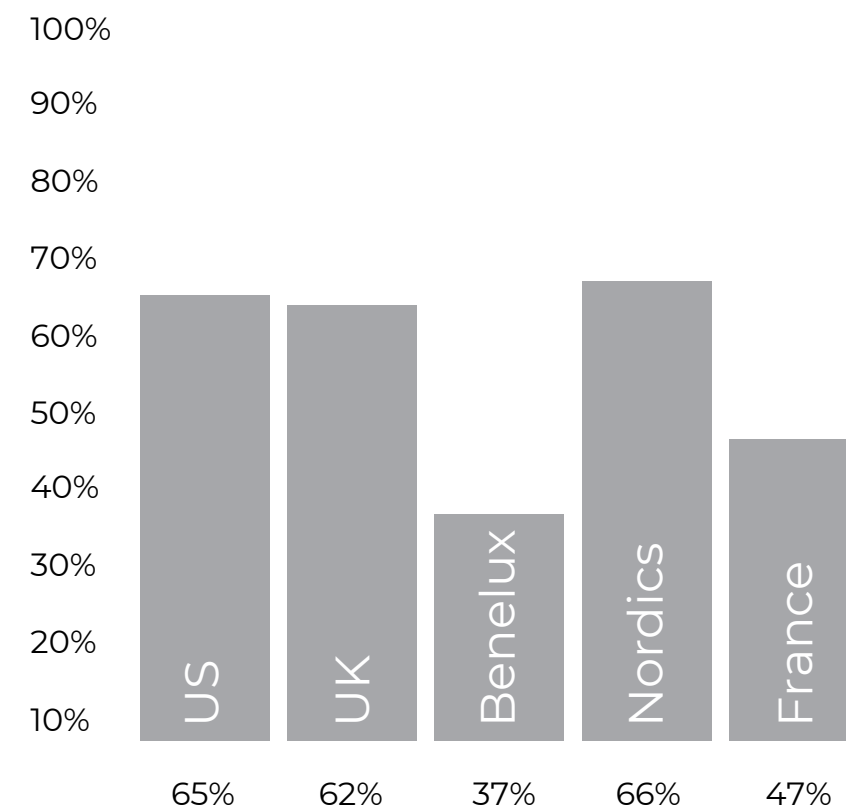
Market Insights

Global Survey Data

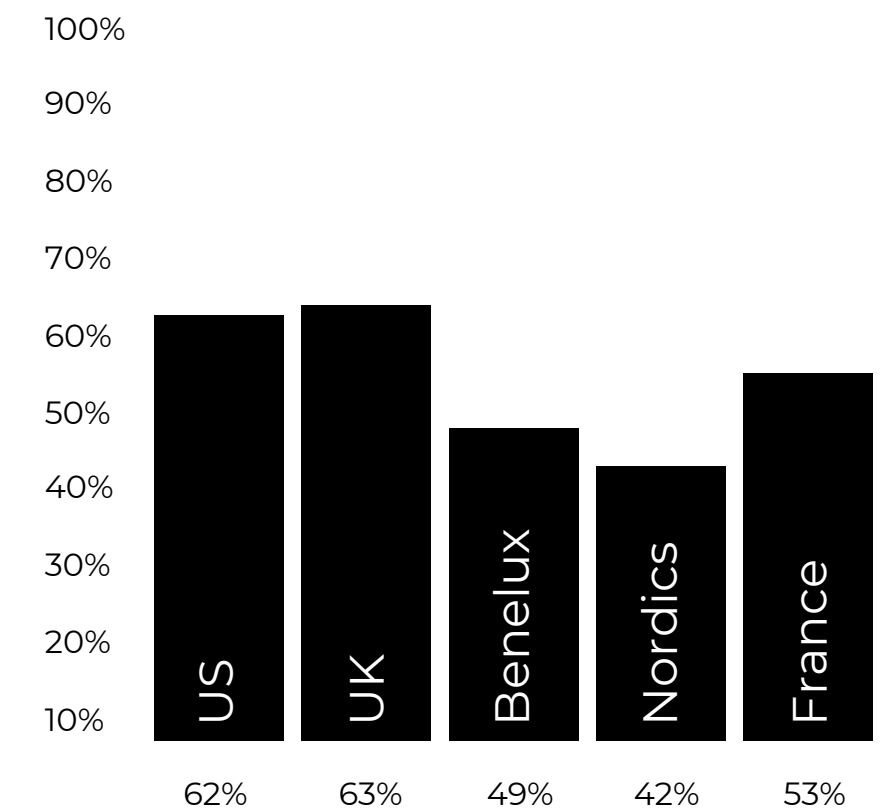


*Network Security /
Cybersecurity*

Top Security Systems Used by Region



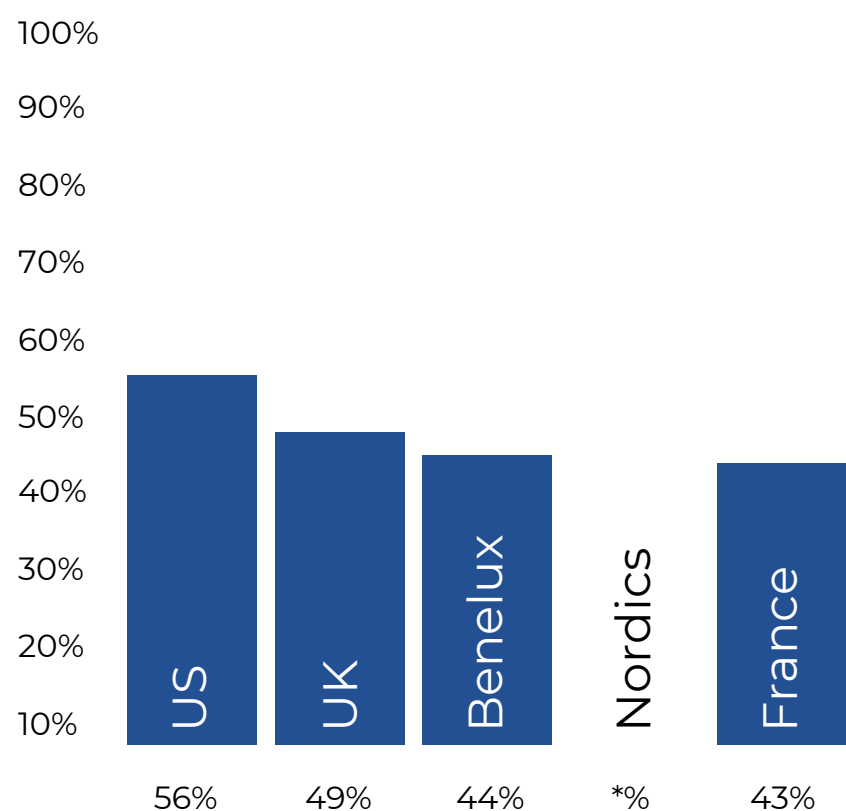
Fire and/or Carbon
Monoxide Alarm and
Detection System



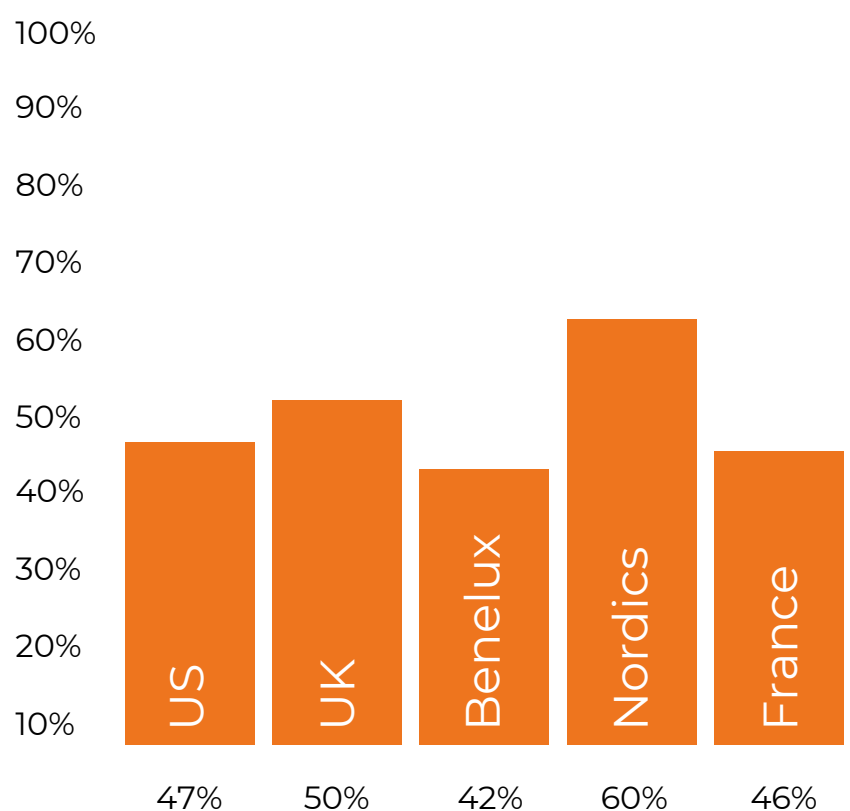
24-Hour Alarm /
Video Monitoring
Services

Market Insights

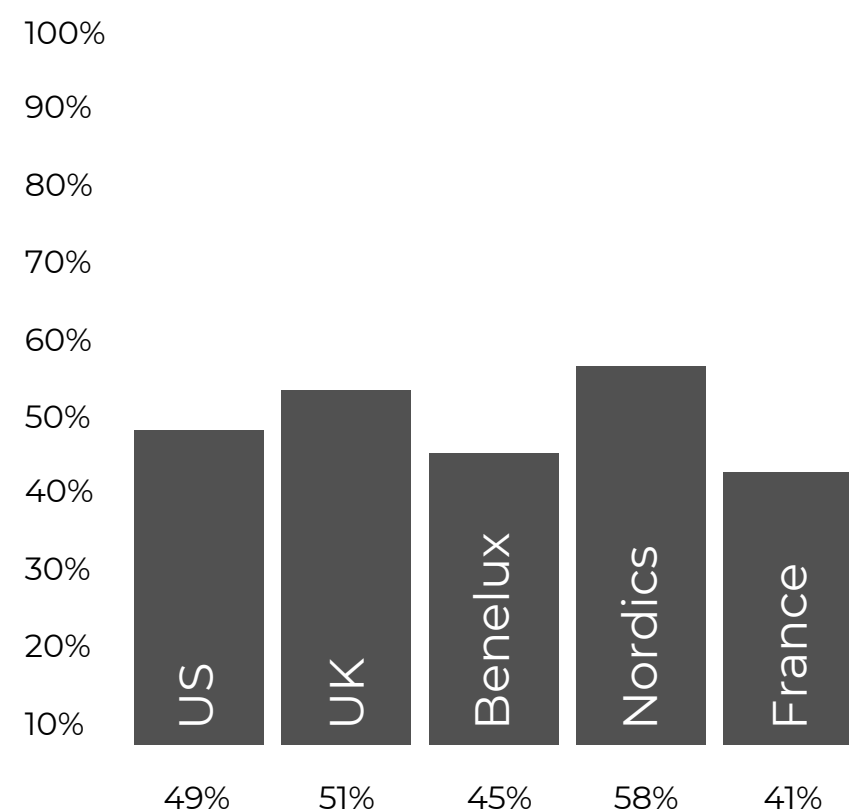
Global Survey Data



Video Surveillance Systems



Intrusion Detection Systems



Access Control Systems

**Not a large enough sample to draw a conclusion*

Top Security Systems Used by Region

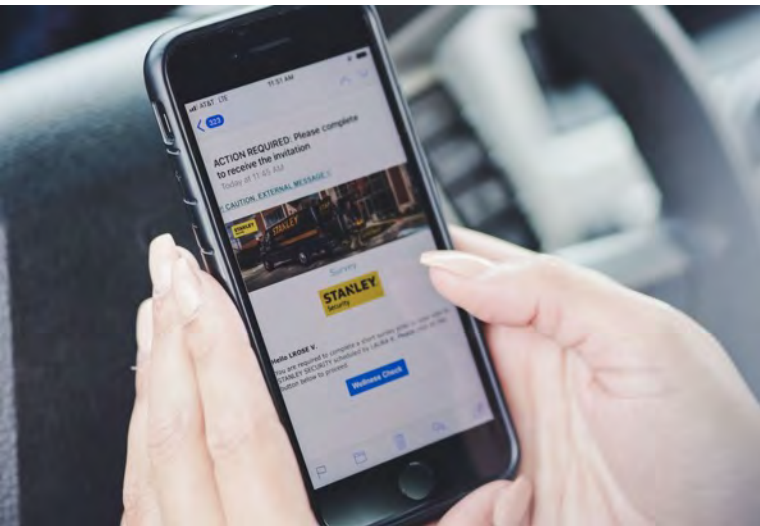
Market Insights

Global Survey Data
Top 5 Product & Service Features

Evaluating Security Systems

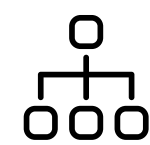
Product Features

What decision-makers consider most when evaluating a brand of security systems/products...



#1

Total cost of
ownership / monthly
and yearly price



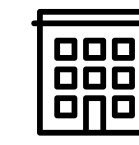
#2

Full range of security
products / solutions
(one-stop shop)



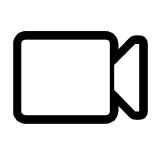
#3

Products / solutions
that are easy to set up
and use



#4

Customized solutions
specific to your
organization



#5

Advanced / innovative
technology

Market Insights

Global Survey Data
Top 5 Product & Service Features

Evaluating Security Systems

Service Features

What decision-makers consider most when evaluating a brand of security systems/products...



#1

Total / monthly cost
of service(s)



#2

Services that are easy
to activate and track



#3

Customized
services specific to
your organization



#4

Full range of services
along the security
system's life cycle



#5

Services that help reduce
operational spending

Market Insights

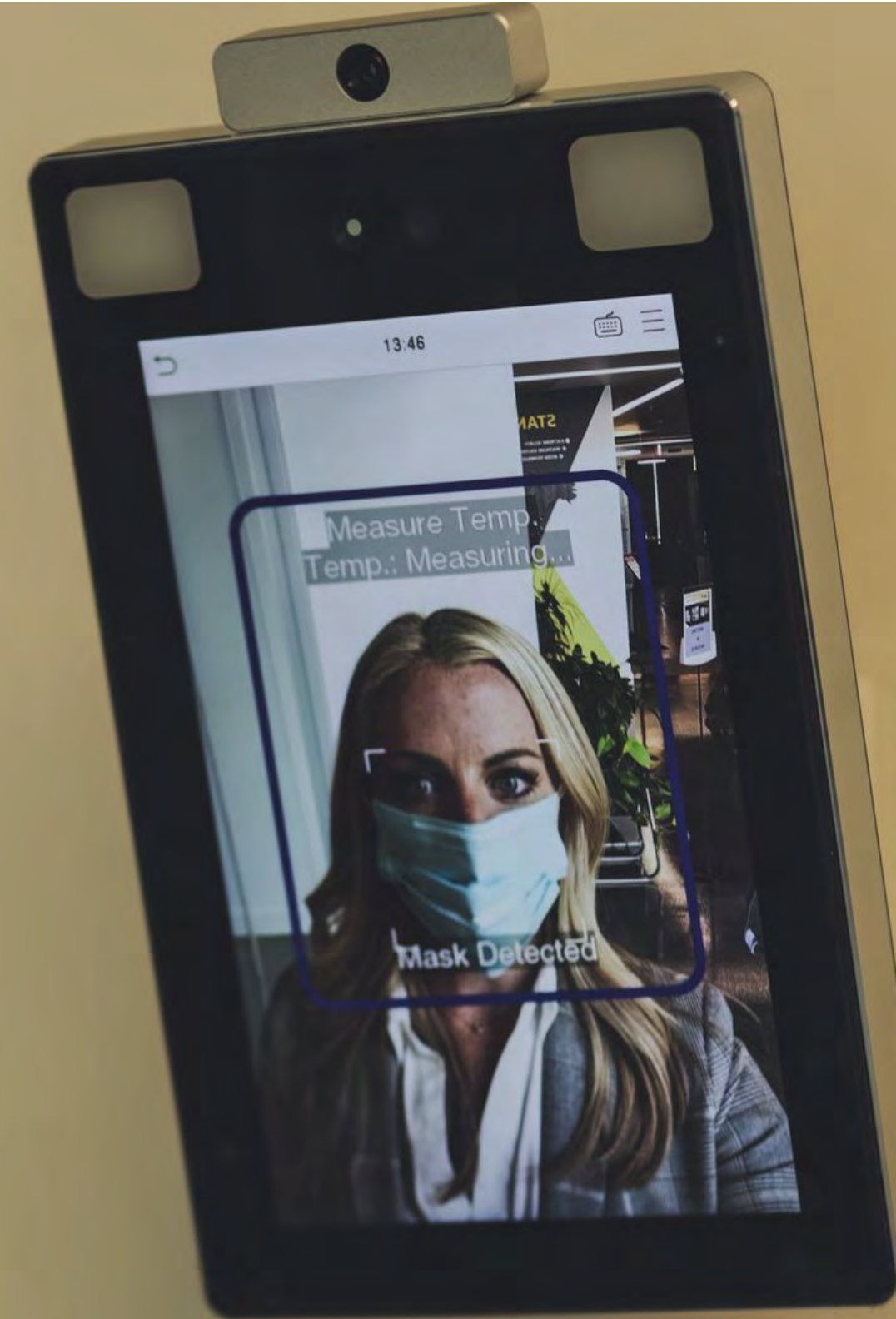
Global Survey Data
Top 5 Product & Service Features



“As new innovation and technological advancements occur, customers are still looking for ease of use, service reliability, and predictable cost when investing in security solutions.”



Magnus Wingmark,
General Manager,
Sweden

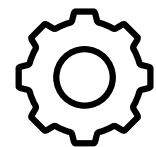


Market Insights

Evaluating Security Providers

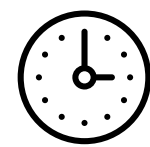
Global Survey Data
Top 5 Security Provider Features

What decision-makers consider most when evaluating a systems integrator...



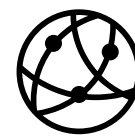
#1

Technical support /
expertise



#2

Promptness /
timeliness of service
& support



#3

Well-known and
trustworthy



#4

Delivery performance
(on time, on budget
and on spec)



#5

Accurate cost and
timing estimates



■ 2021 Trends

2021 Trends

Using Security to Mitigate Health & Safety Risks

From health questionnaires and temperature screening to contact tracing and controlling people flow, security solutions are helping organizations keep their people safe by serving as a first defense against health and safety risks.

“The global pandemic redefined safety in the workplace. It introduced a monumental challenge that organizations weren’t yet equipped to solve: how to identify contagious individuals and prevent the spread of illness.

This led to a fundamental shift in the way organizations leverage security solutions. Now, they’re looking at how security can help them ensure the health of their people – employees, customers, students, patients, visitors and contractors. While this shift resulted from new safety protocols and regulations related to COVID-19, it will no doubt have a lasting impact on the way organizations view and use security for the foreseeable future.”



Deborah Wintner,
Global Vice President,
Human Resources

2021 Trends

A New Ecosystem of Solutions

A new ecosystem of security solutions is helping organizations create safer, healthier and more efficient environments for their people.

“The rate of change, innovation and technology adoption in 2020 far surpassed that of any other period in recent history. With the challenges posed by the global pandemic, we’ve seen a rapid acceleration of innovation, prompting a shift in the security industry. Security is evolving from a products

and services industry to a solutions industry. As part of that evolution, we’ve seen a new ecosystem of security solutions emerge that help organizations not only mitigate current risks, but also anticipate new threats and prepare for what lies ahead. This new ecosystem is powering not only safer and healthier environments, but more efficient, proactive and predictive environments that enable organizations to progress. Data is integral to this process. As security solutions collect data, the development of massive data lakes provides unique opportunities for organizations to leverage artificial intelligence and machine learning to proactively solve problems.”



Matthew Kushner,
Global President,
Electronic Security

2021 Trends

Solving the Threshold Management Equation

Many organizations with on-site operations will continue to be tasked with managing who's crossing their threshold, when they're coming and going, and what risk they pose to others in the building. Leveraging security solutions to mitigate those risks and keep people safe will continue to be key in 2021.

“Visitor management is no longer just about the visitor; it's about managing any individual crossing your organization's threshold. We're seeing more facilities adopting a Zero

Trust approach to physical safety and security, tightening control over who has access not only to the building, but to different areas within the building. The stakes are high, and organizations are facing tremendous challenges as they implement new protocols and procedures. One of the biggest concerns we're hearing is: 'How do I effectively screen and manage every person coming into my facility or store without significantly impacting throughput and operations?' In solving for this, many organizations are bolstering their access control and visitor management solutions with advanced screening technologies – including health questionnaires, temperature

and face mask screening systems and wellness-based credential activation – that automate processes and enforce policies through integrations with other security and business systems.”



John Skowronski,
President, Sales &
Operations, North America

2021 Trends

Cybersecurity & The Emergence of a New Perimeter

A surge in employees working remotely, combined with an increased reliance and usage of virtual private networks (VPNs), has introduced new cybersecurity threats to organizations large and small.

“There’s no doubt that cybersecurity has been and will continue to be a major focus for many organizations for the foreseeable future. The difference now is that organizations must broaden their protection, because having a remote workforce

significantly increases their surface area for potential attacks. We used to think of a network as an M&M with a harder outside shell and a softer middle, but now the edge is everywhere – well beyond the physical confines of a building. The new perimeter is the employee, which means there’s a much wider perimeter to protect and multiple layers within that perimeter. Small- to mid-sized companies are particularly at risk, as they’re less likely to have network security solutions in place to protect themselves (and their employees and/or customers) from cyber attacks.”



Michael Thomsen,
General Manager,
Denmark

2021 Trends

The Rise of Cloud Solutions and the XaaS Delivery Model

More organizations are adopting cloud-hosted solutions and remote services, driving demand for subscription-based offerings that allow for cost predictability.

“The market is realizing that cloud solutions are a lot more resilient and cost-effective than an on-premises service, leading to the accelerated adoption of both cloud-hosted solutions as well as remote services. This is creating more demand – particularly across

small- to medium-sized businesses and core commercial businesses – for the as-a-service (XaaS) delivery model, which offers cost predictability. Controlling costs is especially critical as businesses recover from the impact of COVID-19.

For larger organizations, we’ll continue to see interest in remote and managed services, as they look to their security providers for help effectively managing their security program. Cloud-hosted solutions are growing for these organizations, as well, as they clearly see the same benefits, but in some cases they choose for an on-site cloud solution.”



Marc Deelen,
General Manager,
Netherlands

2021 Trends

The Virtualization of Security Management

More enterprise organizations are virtualizing their security operations centers (SOCs) and outsourcing management of their security programs. We'll continue to see more demand for remote administration and managed services in 2021.

“As security programs expand to encompass workplace health and safety, more large enterprise organizations are virtualizing their SOCs and, in many cases, transitioning responsibility over to their security provider

to remotely manage their program. In the past, companies often used internal labor to support their security initiatives, but as requirements and regulations change, enterprise security is becoming too big of a burden for these internal teams. More enterprise organizations are now looking to providers to take over the administrative and maintenance components of their security program – a trend we've seen developing slowly over the years, but will likely be more prevalent in 2021 due to the increased complexities introduced by COVID-19.”



Espen Winther Knudsen,
General Manager,
Norway

2021 Trends

Leveraging Security Data to Improve Operations

Security data has become an integral component of organizations' operations, especially as they seek to adapt, stay agile and prepare for new threats.

“More than ever before, organizations want access to real-time data that provides a deeper look into operations, compliance, device status, threat level and more. Not only that, but they're looking for more ways to leverage artificial intelligence and machine learning to extract the right data, identify

patterns and gain intel that can ultimately help them improve processes, increase efficiencies and make more informed business decisions. The use of Big Data is what allows organizations to adapt and stay agile, which could mean the difference between them staying in business and not, especially in today's environment.”



Magnus Wingmark,
General Manager,
Sweden

2021 Trends

New Privacy & Data Governance Considerations

Many organizations are capturing new information on personnel, customers and visitors – such as elevated skin temperature and other health information – which may require them to comply with privacy regulations and enforce stricter controls over their data governance.

“The use of human temperature screening devices has introduced new factors that organizations need to consider within their security programs and policy management,

including privacy concerns and data privacy regulations regarding personally identifiable information. Some organizations may even need to obtain consent and provide disclosures about how the information is being stored and used. As a result, we’ll likely see tightened control over data governance, including who has access to security data, where it’s being stored, when it’s being encrypted, who’s encrypting it, how it’s being used and more. Understanding data privacy regulations, requirements and concerns will be key as organizations design policy and leverage technology to mitigate risks in the workplace around health and safety.”



Richard Mellott, Director of Technology and Solutions Management

2021 Trends

The Transition to Touchless

Health and safety protocols – and the new social distancing norm – has accelerated a long overdue transition to touchless security solutions.

“With health and safety considerations top of mind for many organizations, we expect to see a surge in demand for touchless and mobile-first solutions. For many organizations, there’s an eagerness and excitement to get back on-site to collaborate. And, while normalcy will look much different in today’s environment, there’s a desire to implement

solutions that can help solve two challenges: preventing the spread of germs and creating a faster, more frictionless experience that still provides for safety in the workplace. As a result, touchless and mobile-first solutions – such as touchless doors, mobile credentials or NFC-powered access control, automated screening systems and more – will no doubt gain in popularity even more in 2021.”



Matthieu Le-Taillandier,
General Manager,
France

2021 Trends

Increased Demand for Flexible, Scalable and Integrated Solutions

Gone are the days of standalone security systems. Organizations are now seeking flexible solutions that offer nearly endless integration capabilities and can scale as their needs and the environment change.

“The unpredictability of 2020 has driven increased demand for flexible, scalable and integrated solutions that allow organizations to quickly adapt to new changes. As security solutions become central to organizations’ health and safety strategies, integration

capabilities are proving to be even more important than in the past. Additionally, convenience and speed of deployment have become critical – especially as organizations navigate rapidly shifting requirements. We’ve seen in our own research that ease of use is among the top security system features for businesses.”



Pasi Korhonen,
General Manager,
Finland

■ About STANLEY Security

About Us

STANLEY Security, a division of Stanley Black & Decker (NYSE: SWK), is a global provider of integrated security, health and safety solutions and services. With more than 200 locations, serving six continents, we're trusted by customers across the globe for innovative solutions; seamless installation and integration; reliable maintenance; 24/7 monitoring; and insightful analytics. At the heart of our business is a vision for creating safer, healthier and more efficient environments – guided by a purpose to help the world progress. Learn more at www.stanleysecurity.com.



STANLEY Security is a leading global provider of integrated security, health and safety solutions.

Connect with us today to learn how we can help you proactively build a safer, healthier and more efficient environment for your organization.

Get Started