

Count Them Down: Integrators Name Top 5 Technologies for 2010

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New technology has steadily changed the way the security industry does business all along; new product offerings are what have kept the market alive. Most recently, however, developing technologies have not only required adoption and adaptation, but complete business model retooling!

SDM asked the 100 largest systems integrators, as ranked by its annual Top Systems Integrators Report, which five technologies they believed would have the greatest impact on their businesses this year. These are the results, ranked by number of total picks.

Coming in at No. 5, and disputing the title with storage and compression technologies, was **hosted and managed services**. While not a "technology" in the strictest sense, more and more in the industry agree that product margins are shrinking and will never go back to what they once were, and so more and more companies are switching their focus from products to services that will allow them to generate recurring monthly revenue (RMR) to sustain their businesses and allow them to continue to install low-profit "boxes."

One managed service enabling technology that many integrators agreed would have a high impact was Web-hosted services. "As integrated security management system software applications become browser-based, it gives the client better remote access during off hours and enables more users to view the system simultaneously," commented Integrated Security Technologies Inc., Herndon, Va.

For end-users, remotely hosted systems mean one less headache — or five — and for integrators, it's an added opportunity for revenue. "This technology is becoming more popular with IT-centric customers as they're relieved of hardware/software maintenance issues. From our perspective, we're encouraged by the RMR sales model," said Protex Central Inc., Hastings, Neb., of Web-hosted access control.

No. 4 on the list was **integration platforms**. North American Video, Brick, N.J., explained the need for convergence of security systems: "As IP moves forward systems will become one over a shared IT protocol the customer develops, instead of separate video, access, time-keeping systems. Customers will require more in-depth and complex integrated systems that operate with each other."

Among the responses, physical security information management (PSIM) was the most popular among the solutions cited for accomplishing full integration. Chicago-based SDI detailed the advantages of this software: "PSIM is becoming widely adopted across industries and clients, and the demand for it is growing considerably. PSIM offers solutions to many of the problems that plague modern security organizations, like incompatibility of video systems, lack of conformance to CONOPS during the response to an incident, need for faster and more effective responses, and the ever-growing tide of information that is overloading security staff. PSIM is becoming the 'security dashboard' of large organizations, and will continue to grow in popularity and evolve."

This is also where organizations such as PSIA and ONVIF strive to improve usability, developing open platform interoperability standards.

For some, integration may help compensate for low product margins. "Allowing integration between disparate systems by manufacturers will allow for more complex sales. This will increase the value of our services to the customer, which will allow for a higher margin on those services to offset the margin erosion we have been experiencing on equipment," SecureNet Inc., Carrollton, Texas, said. "Continued convergence of physical and logical security will drive the services side of our business."

Video analytics came in at a close No. 3. This is a technology that, as it develops, has created long-awaited applications such as face recognition and tracking, but also has become more accessible in terms of pricing. The result is a technology that provides opportunities for "improving value propositions," as Henry Bros. Electronics Inc., Fair Lawn, N.J., pointed out.

"Once we can affordably analyze the data at the camera, we can finally do more with less," said NAVCO, Anaheim, Calif.

No. 2 was **wireless technology**. The fact that wireless installations have proven to be cost-effective and less labor-intensive have been big incentives for

integrators to adopt wireless systems. Milwaukee-based Johnson Controls Inc., SDM's Systems Integrator of the Year, chose wireless first as a relevant technology for 2010 because "the need to retrofit without ripping and replacing provides a low-cost implementation."

Finding an alternative to plain old telephone service (POTS) lines being disconnected every day was also a widely reported concern. With POTS on the way out, ASG Security, Beltsville, Md., among others, have chosen to be proactive with alternatives such as GSM. "We are moving our customers toward total independence of traditional land line communication to avert future conversion cost and to future-proof our customers' security communications," the company responded.

Other companies believe more advanced wireless alternatives will even more radically change the way they do business. "Mesh networks, IP-ready edge devices and related technological changes will drive the traditional installation and wiring revenues out. Integrators are going to need to develop alternative sources of revenue to support their companies," Surveillance Specialties Ltd., Wilmington, Mass., predicted.

Unsurprisingly, an overwhelming number pointed in the direction of **IP** — including video, access control, audio and edge devices powered by PoE — making it the No. 1 most influential technology for integrators this year.

The advantages of IP over analog systems are broadly recognized. Integrators cited "reducing traffic and extending capabilities" by having technology at the edge of the network, lowering "cost of implementation of access control... by lowering infrastructure costs," and simplifying installations by using PoE to power security devices, among many other advantages.

Until now, the biggest hurdles have been cost and need for compression technologies to limit bandwidth requirements — which would also go a long way in achieving cooperation from the "IT guys." As many survey participants agreed, these issues are currently being worked out. Thereafter, the IP takeover is presumably inevitable.

"More and more people are asking questions. IP is the future. As soon as the pricing gets a bit more competitive, analog will start taking a back seat to IP.

The transition has already begun," said BCI Technologies Inc., Grand Prairie, Texas.

Allied Fire & Security, Spokane, Wash., said: "We project that 2010 will be the year pure IP video solutions gain significant ground on analog solutions." And many seem to agree. With the demand for, and benefits of, integrated, Web-based and wireless, smart IP solutions growing, now is the time for integrators to consider the future and weigh the advantages and disadvantages of perpetually playing catch-up to new technologies as previous ones become obsolete and of retooling their business models to embrace the future.

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