



# DELIVERING SAVINGS VALUE IN THE SECURITY GUARD SERVICES CATEGORY

## EXECUTIVE SUMMARY

The use of security guard services is an integral part of the client's security program. Due to historical procurement practices, centralized management of the category was lacking. The goal was to move to a more strategically managed security services program by consolidating suppliers, implementing enhanced business requirements, increasing controls and reducing risk. A strategic sourcing project using six-sigma methodology was deployed and provided significant improvements.

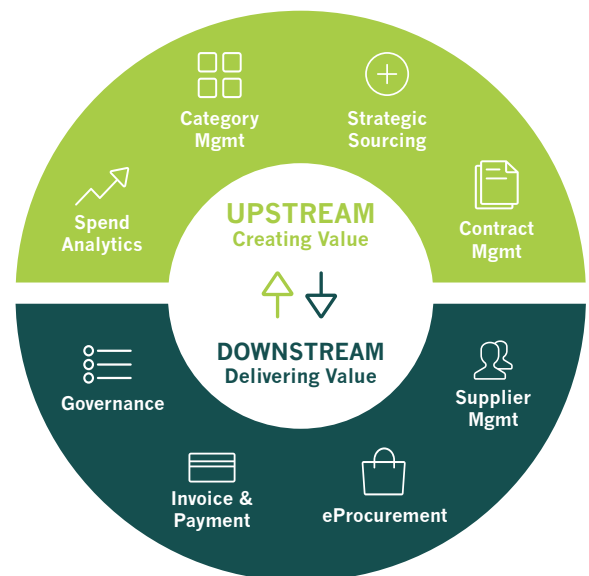
## KEY OUTCOMES INCLUDED:

- Increased controls and ability to manage the security guard services program across multiple locations.
- Decreased risk by consolidating to a single supplier that provides improved technology services, standard guard training and real-time incident reporting capabilities.
- Delivered 8% savings value and standardized rate structure.

“The outcome of this project is good for our business because it saves us money and makes us more secure.”

*Fortune 500 Company*

## Delivering Value Across the Source-to-Pay Lifecycle



## CHALLENGES

The current state procurement landscape presented risk, control and cost issues at the time of engagement:

- Fragmented spend by location among multiple suppliers provided limited volume leverage.
- Limited standardization of job descriptions inhibited ability to compare rates.
- Lack of visibility into guard schedules and activities reduced central command and control capabilities.
- Manual incident reporting and inconsistent incident escalation practices created unacceptable risk.
- Variation in hourly rate structures and staffing levels from location to location.
- No centralized contract management prohibited negotiation leverage and standardized terms.
- Lack of defined and aligned internal business requirements.
- Reactive supplier management caused performance and risk issues.

## HOW NITOR'S SERVICES HELPED

Through a collaborative effort, Nitor enabled the client to develop a strategic security guard services sourcing initiative to maximize value:

- Established a clearly defined project scope and stakeholder engagement plan.
- Gathered and analyzed data from internal (data reports, stakeholder interviews) and external sources (RFIs) to develop an accurate baseline spend, total cost of ownership and best practices assessment.
- Developed clear business requirements across key areas.
- Assessed best fit sourcing strategy based on requirements, market dynamics, and stakeholder input.
- Executed a national RFP of all associated costs with selected new and incumbent suppliers.

- Assessed online reporting and technology services that enhance security and procurement practices.
- Analyzed pricing proposals and supplier capabilities to enable scoring and award decision-making.
- Standardized contract with clearly defined terms, rates and key performance indicators.
- Established implementation plan to operationalize new agreements and mitigate business risks.

## SUMMARY OF RESULTS

Key outcomes of the strategic sourcing initiative include:

- Enabled a centralized, strategically managed security services program that **increased controls and reduced risk**:
  - Improved internal communications with Corporate Security and Audits team.
  - Standardized guard training across all locations, while allowing for site specific post orders.
  - Improved supplier management - most notably with Corporate Security and Audits team.
  - Standardized job description for guards across all locations.
  - Improved use of online technology to provide visibility into background checks, drug testing, guard training status, bill rates and invoices.
- Delivered **8% savings value** in addition to increased controls and reduced risk.
- **Consolidated to a single supplier** that provided sustainable lower costs, improved technology, improved guard training and more strategic management opportunities for the client.

**Contact Nitor today for your roadmap to Procurement excellence.**

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