



## **Electronic Security Systems Q&A**

*An Interview with Carey Boethel, Vice President - ESS*

*What is the future for the video surveillance market, and what advancements do you foresee in this market?*

The move toward open architecture is clearly underway. We see this trend continuing — first in the high-end enterprise applications and then in the mid-market space — as part of a concerted shift away from proprietary box solutions. As far as further advancements, compression technologies will continue to improve, storage will become increasingly affordable and added intelligence will continue to be pushed out to the edge.

Aside from hardware technological advancements, though, intelligent video overlay applications will continue to change the way surveillance systems are monitored and administered:

- Today's software can identify and analyze an acceptable situation, such as a vehicle stopping for an extended period of time and alert a guard accordingly.
- It can identify and match a vehicular license plate of a disgruntled or terminated employee and, thereby, help prevent workplace violence occurrences.
- The software can make complex forensic analysis decisions to foster efficient investigations.

Video analytics can potentially decrease manpower requirements and offer a very attractive return on investment while at the same time increasing security and awareness.

*What other technological innovations have you seen in the security industry in recent years? Have these innovations been implemented or adopted in NetVersant's business model?*

The past five years have seen countless innovations resulting from the infusion of cash into our industry, both by the government and the private investment community. Although not a security innovation per se, one particular technology that has become a cornerstone of NetVersant's business model is wireless networking.

Wireless networking provides increased flexibility, lower installation costs and network extensions beyond existing infrastructure limitations. Whereas historical security wireless installations have been mostly point-to-point applications, emerging technologies such as WiMAX and mesh wireless networking will enable truly scalable IP convergence.

WiMAX can cost effectively extend the security system to large exterior applications, and mesh networking can allow for sophisticated converged interior deployments that are more secure and more reliable. For example, mesh networking can allow a guard to patrol a facility while monitoring real-time alarms, controlling access, monitoring and manipulating surveillance cameras, authenticating roving employees, capturing and uploading digital photographs and answering Voice-over-IP telephone and intercom calls... all while on the move and all from a single mobile terminal that constantly seeks out and identifies the strongest possible access points to ensure constant availability.

*What investment is NetVersant making in R&D with respect to integration and convergence technology? How important are such investments, or non-investments, to NetVersant's business strategy?*

NetVersant's primary investments are in the form of recruiting and developing a new breed of technicians — information- and technology-savvy engineers and project managers who understand IP and the value of convergence. As a comprehensive and integrated solutions provider, NetVersant accepts that elevated training and additional certifications are required to effectively operate in the competitive information technology environment.

Our progressive company also recognizes that investments in developing our human capital provide a substantial return. In order to successfully sell solutions to IT professionals, we speak our customers' language, appreciate the challenges they face and are positioned to offer a value-added approach to bridge the gap between IT departments and corporate security.

NetVersant also knows that convergence might begin with technology, but it ends with customer education. As such, our sales professionals are trained in effectively communicating the benefits of NetVersant's converging IT solutions, which also represents a significant investment for our company.

*What is driving the move toward convergence, and which new players should we expect to see in the industry as a result of the convergence trend?*

There are a number of factors driving convergence, which in and of itself is a very broadly — and often overused — term. In some instances, convergence is being driven by regulatory requirements that demand integrated security, such as Sarbanes Oxley and FIPS 201. In other situations, an increased return on investment can result from merging

applications onto a single operating platform or access credential. The simplest and most straightforward driving force, however, are the savings that can be realized by sharing IT infrastructure. NetVersant's calculations estimate that a company can realize as much as 10-15% savings on overall implementation by sharing a common communications backbone. Finally, many of today's converged applications have been made possible by the improved IT-based technologies in the ESS marketplace. Whether it's a simple on-board Ethernet connectivity at the access control panel or a wireless network adapter at the IP camera, the emphasis on IT adaptability makes the concept a reality.

*What tools, resources and support should vendors be providing to the integrators so they can more effectively compete and deliver greater value and security for end-users?*

Much of the value that can be delivered to the customer comes from interoperability between disparate systems and, more importantly, true integration. In order to maximize integration value, manufacturers need to provide better training and better tools to their channels. Most manufacturers do a good job of making their own resources available to help augment the integrator's expertise for complex applications, but in the interest of self sufficiency, more training is needed on optimizing the overall solution. For example, access control manufacturers should offer XML training if that particular technology is going to be the integration engine for their products.

*How does ROI analysis directly relate to solutions offered to end-users? Does it make it more likely that the end user will sign off on larger, more effective solutions?*

NetVersant estimates that more than half of IT and security professional project ROI before making a purchasing decision and, of that group, approximately half want a full return on investment within one year.

We find that ROI analysis doesn't dictate the actual technology solution as much as it drives the customer's purchasing decision and the integrator's method of deployment. When comparing today's "best of breed" products, there are relatively little differences, in most cases, between the actual technologies that can have a material impact on ROI.

Analyses can be compelling, particularly when comparing IP-based surveillance to analog CCTV. However, state-of-the-art solutions don't always have enough data for conducting such compelling analyses. When researching whether or not to deploy a new technology such as smart cards in lieu of standard proximity technology, the increased ROI can be demonstrated easily, thereby driving the buying decision. And if a customer is considering a large-scale, enterprise-wide initiative, it can literally mean the difference between a "go" and a "no go."

*In your opinion, are most security dealers/integrators skilled enough to implement IP-based security technologies?*

True integrators, yes. Dealers, in most instances, no.

Today's integrator works in the corporate enterprise environment — now completely IP-driven — and has most likely invested in certifications such as Cisco's CCNA, CCIE and Microsoft's MCSE. Larger integrators that have been pursuing national customers haven't had the choice of whether or not to implement IP-based solutions. Smaller dealers, however, are often a different story. Content to work in a local market for small- to mid-size customers, these dealers, in many instances, have not had the exposure to complex IP solutions because they have not had to deploy systems across multiple sites via the corporate enterprise. Depending on the market they serve, the demand may or may not be there.

In all instances, NetVersant believes that dealers and integrators alike are aware of the emerging trends and that they are making sound decisions about how to be profitable in the IP space.

*What solutions and trends do you see next on the horizon: new technologies, relationship, mergers and acquisitions, other things?*

One technological trend in which NetVersant is particularly interested is power over Ethernet. While PoE is nothing new in the IT space and has already reached the surveillance industry with Sony, Axis and other leading the charge, it has yet to reach the mainstream access control industry.

Not only will PoE reduce costs in access control by eliminating the need for interim power supplies and stand-alone low-voltage distribution networks, it will also change the architecture of security systems, as we know them:

- The structured cabling plant will extend all the way to the edge of the network rather than the IDF processor panel.
- PoE network appliances and edge devices will make intelligent decisions.
- Deployments will be less costly.

As demand for true convergence increases and requirements become increasingly more complex, NetVersant expects to see more and more strategic partnerships and alliances and further industry consolidation. The most successful industry players know that partnering and “coopetition” is an effective way to meet increasing demand, service a broad range of diverse customers and also preserve a brand's quality of service. No one company can do it all.

*How does NetVersant fit into the convergence picture?*

Our recent advertisements sum it up very succinctly: We are Convergence. We are NetVersant Solutions.

NetVersant today is the leading national provider of comprehensive and integrated electronic security, IT infrastructure, telephony and wireless convergence solutions. From basic access control and CCTV systems to enterprise-wide systems incorporating more complex technologies such as ID credentials, IP video, digital video storage and biometrics, NetVersant is meeting the growing demand with world-class products and support.

We recognize the importance of providing outside-the-box solutions to meet the constantly escalating demands stemming from the convergence of video, voice and data. To best service our customers, NetVersant has Customer Support Centers across the country and highly trained professionals on our team.

*Who is NetVersant's national contact person for electronic security solutions?*

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We also invite you to visit NetVersant's website at <http://www.netversant.com>.

Whether your needs are immediate or scheduled, NetVersant has extensive resources to respond to your needs.