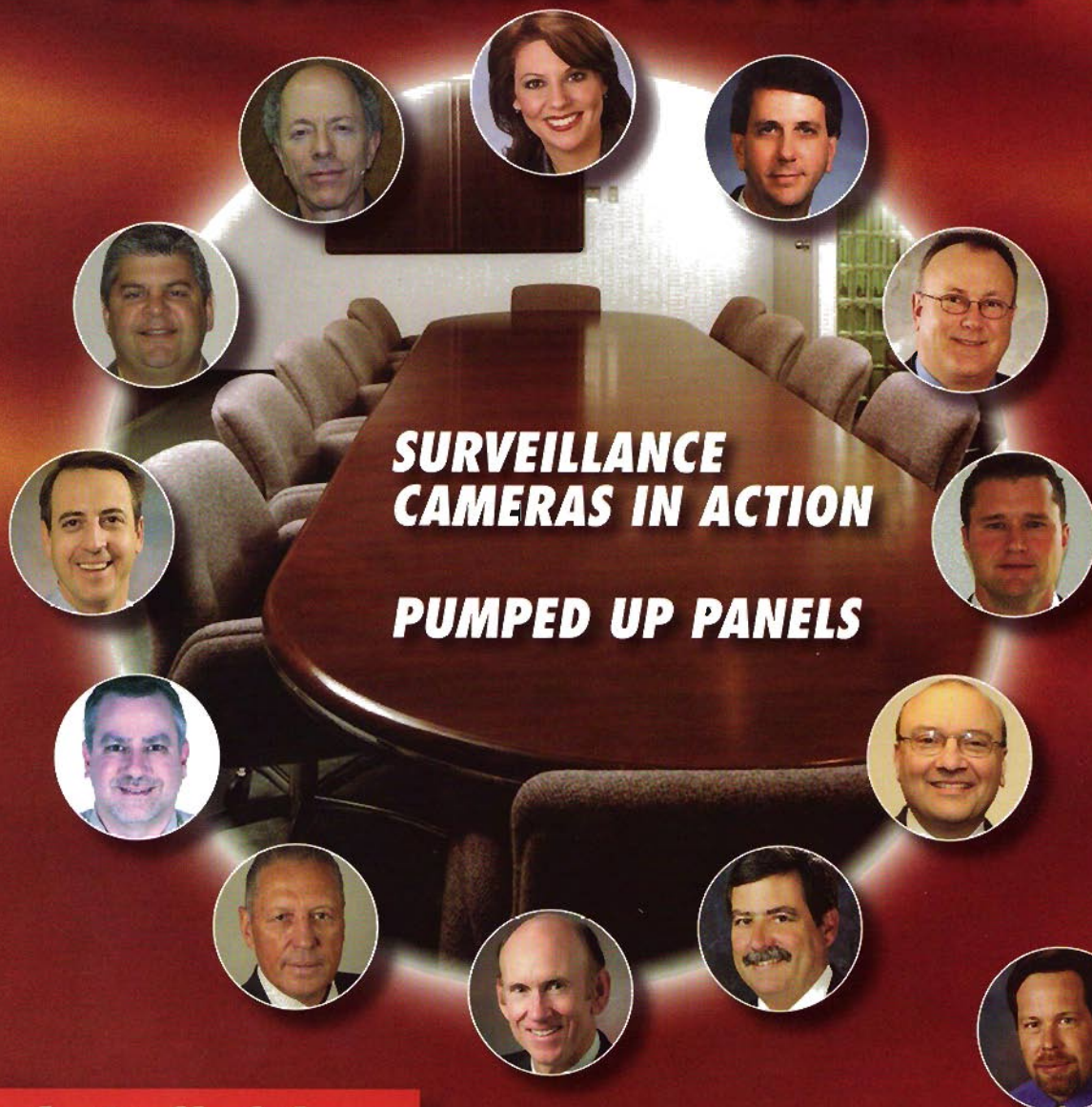


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## FROM REVOLUTION TO EVOLUTION: A ROUNDTABLE DISCUSSION



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# FROM REVOLUTION TO EVOLUTION

## An Executive Roundtable on the Progression of Security



**GOMPERS:** *What advancements do you foresee in the video surveillance market?*

**GUERRY BRUNER**  
Vice President

**TECH SYSTEMS:** The future of video surveillance varies within the different segments of the market, as well as within the range of video products. In the high-end government/commercial-industrial market, for instance, the future of video surveillance depends upon advancements being made in software and networking. Large-scale systems comprised of virtual matrix switches and digital video recorders will be platform and hardware independent. These systems will depend on the enterprise network for distribution of video signals from the field to security control and archival storage in the information technology domain.

From the hardware perspective, much advancement is already being made. Intelligent cameras, high-speed domes, higher-definition video signals, smaller and more aesthetic devices are all around the corner.



**F**or the past several years, to varying degrees, dealers and integrators have been specifying advanced integrated and converged security solutions. However, these efforts in no way measure up to all the hype surrounding convergence and integration in the security industry. Is it all talk?

*Security Dealer* thought it would be interesting to bring together a wide range of industry experts to hear their views about these topics as they relate to the evolution of security. There are some important and interesting insights here in terms of the direction that vendors and dealers are taking as the industry moves toward a new level of truly effective and efficient security solutions.

*The Three-Part Series kicked off last month in "Cruzin' with Susan" (Editor and Chief, Susan Brady). Now Jim Gompers takes over the reigns for Part 2 and Part 3.*



**PAUL SMITH**  
Chief Operating Officer

**DVTEL:** Video surveillance has entered the "information age." Our video and other security systems give us so much information that the focus now has to be on extracting better intelligence, faster, from that information. This means innovation in software. Current developments are taking surveillance deeper into the IT realm. It requires new thinking, new levels of cooperation and partnership, and new levels of support for all the players—vendor, dealer/integrator and end user. Resources are going where the action is, where future growth will come from.



**TONY VARCO**  
**Vice President of the Security**  
**Division (North America)**

**CONVERGENT TECHNOLOGIES:**

The future of video surveillance market is strong. Intelligent video analytics will continue to play a major role as the price/performance of these systems continues to improve. The future continues to be

about the management of digital data (including video) and the software management tools required to retrieve and analyze video on-demand.

In general, the industry is moving in the right direction. The abundance and acceptance of analog devices coupled with the price/performance of IP cameras has been a barrier to faster growth. The challenge is not only about technology advancements, it's about the education and capabilities of the integrators who have to make it work and educate end-use customers.



**MATT BARNETTE**  
**Senior Business**  
**Development Manager**

**AMAG:** The video surveillance market continues to evolve and change at an accelerated rate. With the first wave of DVRs coming to an end, the new focus has moved to a more IP-centric solution. New video installations will either

incorporate traditional cameras connected to a network edge device that converts the video to an IP stream or the cameras will be native IP from the start. Existing video installations will be migrated to an IP solution by incorporating the network edge device or by retrofitting the traditional CCTV camera with an IP version. Integration of the video with other critical systems will continue to proliferate. Having an integrated access control, alarm management, digital video system will be the standard.

Once the video system is digital, the video can be viewed, analyzed, managed and stored from anywhere to anywhere. Also, having the video digitized will allow for complex video analysis to be performed such as intelligent object recognition, image tracking and threat alert notification. The list of video analysis offerings will grow exponentially as the algorithms are invented, improved and advanced over time. All of these improvements in technology should make security more efficient and accurate in identifying potential issues.



**CAREY P. BOETHEL, CPP**  
**Vice President, ESS**  
**NETVERSANT SOLUTIONS, INC.:**

The move toward open architecture is obviously 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 move 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 unacceptable 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; and it 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.



**STEVE THOMPSON**  
**Director of Marketing**  
**JOHNSON CONTROLS FIRE**  
**& SECURITY SOLUTIONS:**

Beginning with simple motion detection, today's video analytics have advanced to sophisticated motion behavior analysis. The newest algorithms can detect objects out of place, items being stolen, as well as people or vehicles traveling in the wrong direction or into unauthorized areas.

Beyond motion behavior comes recognition capability. Capturing and reading vehicle license plates in a fixed environment is available today. Recognition of object types, unique entities and facial recognition are beginning to emerge and will increase in accuracy and effectiveness over the next several years.



**RAYMOND DEAN**  
**President and Founder**  
**PEI SYSTEMS, INC.**

As a SecurityNet member company, we are starting to see more and more requests for biometrics associated with the access control process. And yes, we are implementing them at various security projects. Our clients are starting

to use fingerprint and iris scan devices to provide more secure individual recognition upon entry to their facilities. Interestingly, most of the biometric integration we have installed is associated with the use of turnstiles.

Another major technological evolution involves the use of Network Video Recorders. We have evolved from video recorders to digital video recorders to network video recorders. These video storage devices allow as much hard drive storage space as you require. They permit video to be routed throughout the network, where and when it is needed; and provide the means for video redundancy wherever the network is available. We anticipate all of our clients moving to NVRs in the next couple of years.

# FROM REVOLUTION TO EVOLUTION

**GOMPERS:** *What other technological innovations, not yet mentioned, are being implemented?*

**NETVERSANT:** 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 our business model is wireless networking. Wireless networking provides increased flexibility, lower installation costs and extends the network beyond existing infrastructure limitations both indoors and outdoors. 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.

Mesh networking can allow a guard, for example, 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 while on the move—all from a single mobile terminal that constantly seeks out and identifies the strongest possible access points to ensure constant availability.

**TECH SYSTEMS:** Access control manufacturers now produce controllers that reside directly on the network, conform to IT standards (DHCP, asynchronous communications, low-bandwidth utilization, etc), and increase the robustness of the security system.

**GOMPERS:** *What type of investments are you making in R&D with respect to integration and convergence technology? How important is such an investment, or non-investment, to your strategy?*



**DAVE SMITH**  
Vice President,  
Marketing

**PELCO:** Central to our long-term strategy, we are investing in the research and development of

those technologies that redefine the core communication architecture. In other words, we understand the importance of cross-system functionality and have developed a new system architecture that can be easily adopted to other systems.

The value of such an effort allows for the growth and expansion of the current system to include other.

## How to measure a successful partnership



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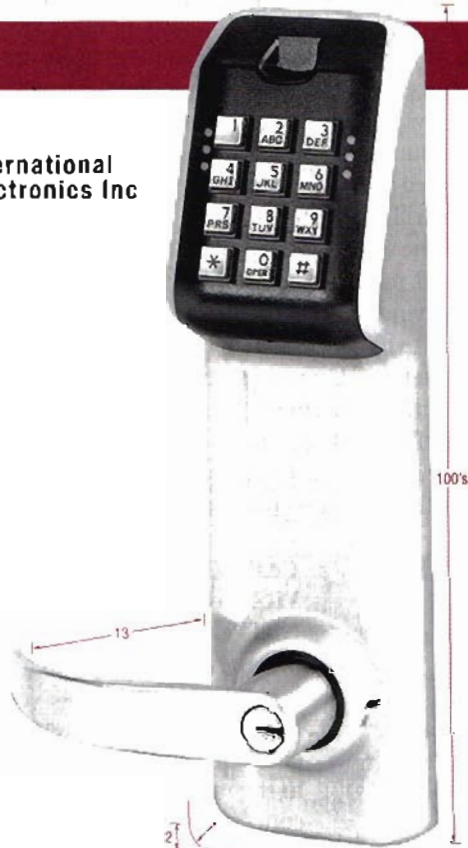


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## FROM REVOLUTION TO EVOLUTION

perhaps yet developed applications because of the agnostic nature of our system architecture. So, whether its access control, alarm processing or any other type of system, integration to a video surveillance system is seamless. Recognizing the marketplace demand for such an approach and investing the requisite resources has been and will continue to be a significant part of our corporate strategy.

**CONVERGENT:** Our R&D money is being spent on the education and certification of operations, service and sales staffs. This investment is critical in order to sustain the growth we have experienced over the last couple of years.

**JCI:** Integration and convergence technologies are the cornerstone of our R&D strategy. The full range of security technologies is too broad for any one technology supplier, yet our customers are demanding the improved effectiveness and operational efficiencies that

the latest security products offer. It is simply too expensive for end users to learn and apply multiple disparate technologies for video, intrusion, access control, identity management, incident management, logical (IT) security and others.



**ERIC FULLERTON**  
President,  
Americas  
MILESTONE  
SYSTEMS INC:  
We are primarily  
an R&D compa-  
ny, being a devel-

oper of software for IP-based video surveillance.

**NETVERSANT:** Our primary investment comes in the form of recruiting and developing a new breed of technician: information technology savvy, and understands IP and the value of convergence. In order to successfully

sell solutions to IT professionals you have to speak their language, appreciate the challenges they face and be able to offer a value-added approach to bridge the gap between their department and corporate security. Convergence might start with technology, but it ends with education.



**CLARA CONTI**  
President  
and CEO,  
IPIX  
CORPORATION:  
Investment in R&D  
is a must for any  
technology compa-  
ny seeking to

stay ahead of customer demands and industry requirements. The strategic direction of our company is directly related to the R&D activities currently taking place. As the global market for video surveillance continues to grow (predicted to double by 2010), those companies wishing to remain success-

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ful will have to continue to make strides in product innovations with regards to developments such as camera resolution, video compression, analytic, etc. IPIX was recently awarded \$2.4 million from DARPA to research and develop the world's highest resolution video camera. Such investments provide IPIX the resources necessary to continue to

meet market demand for leading-edge immersive imaging solutions, and are a part of our strategy for remaining one of the leading innovators within the video surveillance market.

**GOMPERS:** *What tools or standards pertaining to integration and convergence do you see in the security*

*market today and what is still needed? Do you see any authority or organization taking the initiative to implement these tools or standards? Who do you think should be taking the initiative?*



**BILL BOZEMAN**  
President and CEO,  
**PSA SECURITY NETWORK:** This will be a big battle. The life safety industry is regulated, but the security

industry, up to this point, has not been. NFPA has recently come out with NFPA 731—however, about 90 percent of PSA integrators have never heard of 731—and the ones who have heard of it are not concerned. They don't believe these regulations have the authority (at this time) to require that their standards will be met. This is not to say that this won't change in the future.

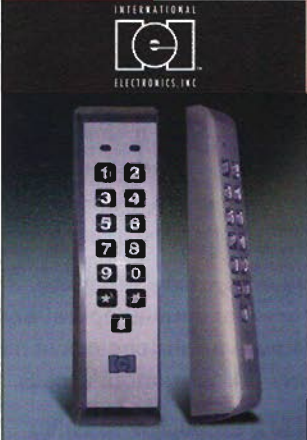
**DVTEL:** Over the last few years, the security industry has been in search of standards and those that have been adopted, by default, are based on IT networking standards. Aside from this, and compression standards like JPEG and MPEG, most manufacturers are not putting out standards-based products. The infrastructure or exchange medium has become standardized on IP, but not the products.

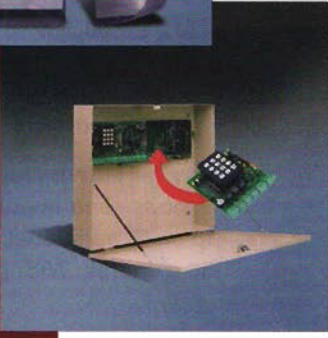
Some organizations like Open Security Exchange and the Security Industry Association are working on standards, but we need end users to more effectively push for greater standardization, so they can enjoy plug-and-play capability. In this respect, we need a standards group that is comprised of major end users to push for this. Another area where we may see greater impetus for standards would be if a major government entity said we won't buy until there is a certain level of standardization.

**JCI:** Most of the standards for communications and interoperability will come from the IT industry—not the security world. Improvements in encryption, transmission and

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# FROM REVOLUTION TO EVOLUTION

authentication are highly valued and well funded as the financial world becomes increasingly dependent on computing and communications. The security industry will be a beneficiary of these investments, but must be alert enough to embrace them.



**FRANK DEFINA,**  
President  
**PANASONIC  
SYSTEM  
SOLUTIONS**

**COMPANY:** The reason why a truly ubiquitous "open" operating platform

has not surfaced is mainly due to the lack of standards regarding systems' protocol. This is the key element necessary for higher levels of system integration and convergence.

Today's integration and convergence issues are more complex than prior standards issues since they involve complex control software from different industries controlling different devices. As a result, we are exploring new ground regarding the establishment of open integration standards since we are now "crossing platforms."

We are looking to expedite the creation of an open platform standard by building relationships with companies from many different industries including video surveillance, access control, communications and information technology. The joint cooperation of companies that have proven to deliver cutting-edge solutions within their respective industries will yield the best results for a truly seamless integrated platform.

**GOMPERS:** *How does return on investment (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? Is it the vendor or integrators' responsibility to determine these benefits?*

**IPIX:** End users frequently ask us for ROI case studies and pilot testing to confirm ROI. This is especially true of larger companies that are looking to

deploy a standard system throughout their company. The ROI justifies a larger investment. The vendor must assist the integrator with the tools to present an ROI for a customer. This is a complex sale. Vendors who support the integrator with this information will ultimately become more successful. A multipronged approach enables integrators to communicate why investing in surveillance cameras is justified.

**PANASONIC:** ROI for video surveillance and security systems is calculated differently by different industries. In a corporate office environment, ROI may not be as much a concern as safety and security for personnel. That cannot be estimated in dollar values. In a retail environment, video surveillance and security systems are combined with sensor tags to provide real savings based on shrinkage.

**CONVERGINT:** Most security sales professionals find it challenging to speak the language of the financial decision maker, typically the CFO. As a result, financial justification is rarely included with the security solutions proposed. The other challenge is helping customers broaden the ROI possibilities by seeking savings across their enterprise. Think of it as realizing two or more benefits for the price of one. For example, while they may use security cameras for traditional purposes, their marketing department may gain a significant advantage by leveraging security cameras to watch customer displays and buying behaviors.

**AMAG:** ROI analysis is a professional's methodology for substantiating a purchase or investment. Such strategies are older than our industry and ought to be adopted by professionals within our industry regardless of their positioning, pre- or post-ship to billing. It's only sound selling practice to demonstrate the customer's financial benefit.

**MILESTONE:** Moving to a 100 percent IP-based surveillance system enables integration to other business systems that until now has been very cumbersome or outright impossible.

In most cases these new possibilities are changing video surveillance from a cost of ownership to a positive and very fast ROI achieved. This is the real driver that will force IP video surveillance into the market place over the next years. Terrorism and Homeland Defense funds are helping, however. ROI is the real core motivator for the new IP-based security systems.

**GOMPERS:** *What specific benefits do you see in integrated solutions such as a centralized GUI, converged physical and information security and the adoption of TCP/IP as a platform? Is a more traditional approach often more appropriate?*

**MILESTONE:** There's no reason to choose a traditional analog approach when computers and IP networks are so widespread today. Even a small retail store owner can see the advantages of being sent an alert on his mobile phone and logging on to his surveillance system from a home PC to see if it's a burglar or stray dog that's gotten into his building during the night. This same thing addresses police needs on alarm verification to avoid unnecessary use of manpower.

**PSA:** Ease of operation, intelligent software, more rapid response. Going forward the traditional way is not going to make sense for even the smaller applications. These smaller applications will be able to take advantage of new technology that allows them to use browsers; the price will drop and the intelligence will increase.

**DVTEL:** For those end users and security dealers who think they don't need such technology yet, clearly, observable trends—of all the new players and investment flowing into security software innovation—point to where security is headed. End users need to be more vocal in demanding higher level systems.

**TECH SYSTEMS:** There are tremendous benefits from the top down. A centralized GUI means a more effective monitoring and control of enterprise

## FROM REVOLUTION TO EVOLUTION

systems. Converged physical and logical security provides a far more proactive approach to securing the organization and enterprise, and the ability to react to specific anomalies within the system. TCP/IP, as the now de facto standard in networking connectivity, provides a standardized application for all systems to function within and across the entire global enterprise.

**GOMPERS:** *How has increasing integration and convergence affected actual security? Is it creating higher levels of safety and security?*

**CONVERGINT:** In general, integration has positively impacted the level of security overall as more information is now available to the entire enterprise. Customers are, at times, overwhelmed with information, however, and do not have the necessary tools to manage the information.

**AMAG:** The increased integration

and convergence has helped to raise the overall level of corporate security across the U.S. with more complete security master plans. End users now often need a system administrator to manage the more complex systems. While this adds an expense, it allows for a better use and full implementation of today's integrated systems.

**TECH SYSTEMS:** As of today, there has not been a sufficient amount of converged systems or actual implementation to make the determination if the security level is higher with or without the convergence.

**PANASONIC:** It may be too soon to make a clinical claim about the effectiveness of integrated video surveillance and security systems, as we are just starting to see such systems implemented. I do believe integrated systems will make a difference in improving security on many different levels of operation, but we are just now realizing the power

and potential of these systems. In fact we have barely scratched the surface relative to the potential of truly integrated system capabilities.

**GOMPERS:** The security industry as a whole is moving very rapidly toward the realization of the many benefits of convergence and integration. The video industry, in particular, is changing almost at the speed of light from DVRs to NVRs, video progressing to reside on the IP infrastructure, and cameras exceeding PAL and NTSC resolutions.

The overall opinion is that there are consistent advances every day. While video technologies are moving very quickly, you are also seeing innovations in biometrics, wireless, RFID, software, integrated security management systems and more.

With all this innovation and advancement, the need for overall standards and a standards body is increasingly a must. The industry is adopting some standards from the computer industry such as TCP/IP for a communications protocol, but the consensus agrees that the need for additional standards in security is critical.

The demand for ever greater efficiencies has pushed the security manufacturers to create integrated GUIs and utilize the network for cost-effective communications and installation. These developments are enabling higher levels of security, while also realizing true ROI for the end users.

Next month, *Part Three*, goes beyond evolution to what's driving the move onto the network. Dealers and integrators can find out the tools, resources, and training needed to effectively cope and better compete in this fast changing market.

**JAMES GOMPERS** is founder and President/CEO of Gompers, Inc., which is made up of Gompers Technologies Design Group (GTD Group), Gompers Technologies Testing and Research Group (GTTT Group) and the Gompers Alliance. The Gompers Alliance pools talent from top consulting firms in the security, communications and data industries to provide total solution plans and services to clients in North America and around the world. Gompers has more than 20 years of experience in the security industry. E-mail questions or comments to him at [jim@gompers.com](mailto:jim@gompers.com).



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