Qognify

WHITE PAPER

EXTRACTING AN ROI FROM A PSIM SOLUTION

WHITE PAPER

There are those who would say that security systems, specifically PSIM solutions don't provide a true ROI, but are simply a cost of doing business. We believe that Situation Management or PSIM solutions provide a great vehicle to lift security management while saving expenses and preventing unnecessary costs. In this paper, we will discuss the two main areas of ROI that PSIM systems deliver.

WHERE TO LOOK FOR YOUR PSIM ROI

The first area and the one most often heard in relation to PSIM, is "doing more with less". This area is all about immediate and frequent savings, usually associated with improving utilization, responding faster and using fewer resources during an organization's day-to-day operations.

The second area is the ROI achieved by improved security. Improving security is taken as an obvious benefit of any investment in a security system such as PSIM, but seldom is it mentioned as a source for ROI. The fact is that in many times the potential ROI from security improvements is larger and more impactful on the enterprise than any possible saving related to optimization. This is especially true in very sensitive industries where the cost of a security breach, not handling a safety malfunction or failing to comply with regulations is massive.

We'll review both areas, starting with how PSIM reduces recurring and fixed expenses and then how improved security can potentially translate into a much more significant ROI over time.

REDUCED EXPENSES

A PSIM system creates more effective and efficient operations in a number of areas which can create substantial savings. Here's where organizations can look to cut costs:

Increasing the effectiveness of personnel

A PSIM elevates the effectiveness security operations. The reliance on the experience, training or even capabilities of individual operators is no longer the primary factor in measuring effective response. Instead, the PSIM guides whoever is seated in the control room and automates many of the tasks ensuring that they are always done.

As a result, organizations achieve:

- Accelerated incident response time
- Consistent response
- Improve collaboration between departments and stakeholders
- Decreased reporting time

Control Room Consolidation

Because a PSIM system integrates systems and sub-systems across any number of locations, organizations can consolidate their control rooms and handle response and security operations from a single location.

Reducing False Alarms and Dispatches

The cost for false alarms and dispatches can be substantial. Not only are there potential fines from responding agencies, the drain on internal resources can be great. PSIM systems reduce the amount of false alarms by giving operators the ability to verify incidents prior to dispatching unwarranted respondents.

Eliminating Rip & Replace Costs

The need to standardize and be up-to-date with security technology drives organizations to invest heavily in replacing older systems with newer ones, or invest in unifying their install base around one vendor in order to make operations easier. PSIM can eliminate these costs by allowing a standard user interface and operation methodology regardless of the vendors or systems the enterprise uses.

Reduced Training Costs

Using a single user interface shortens the training time needed to get an operator "up and running". PSIM also lets enterprises conduct drills and rehearsals on potential event scenarios. This would be much more difficult and time-consuming if they were carried out individually for every single system.

Qognify

Regulation Compliance

For many industries, the costs of non-compliance can be enormous. With regulatory standards increasing and changing, maintaining adherence can be challenging. PSIM systems can provide automated reporting that is necessary for compliance and helps prove adherence. They also can ensure compliance by providing operators and management with the appropriate actions to be taken.

Through automation and standardization, much higher levels of effectiveness and efficiency are achieved and thus costs are reduced.

IMPROVED SECURITY

Everyone knows that security is important, that goes without saying. But how do you measure "better security" and an even more complex question – How do you measure better security ROI?

Savings resulting from improved security and risk prevention are harder to measure, yet undoubtedly significant and relevant to consider. We can divide those into two types: 1) considerations affecting public perception and 2) the effect of potential catastrophes.

Reputation, Perception and Brand Integrity

On a daily basis, customers consider the perceived safety and security of a company when they make spending decisions or when choosing one service provider over another. Customers today have options, and they'll choose the one that they have "positive experiences" with — the one that is reliable, safest and most secure. Much of this is built on perception, reputation and brand integrity, which are built over time and based on smooth operations, the presence of security infrastructure, and a lack of negative exposure that affects public opinion.

Incidents of equipment malfunction, business disruption, along with the maintenance and security of assets and intellectual property are all elements that contribute to a brand's overall integrity and thus help ensure a good reputation.

Crisis Management

Every type of enterprise defines a crisis differently. In general, this is the kind of event that potentially has great negative implications, for example, an explosion on an oil rig; a breach in a bank's security system compromising millions of customers personal information; a long shutdown of an airport terminal due to a bomb threat; they all hold the potential for significant losses.

Advanced PSIM solutions improve the way organizations react to potential catastrophic events. This makes the resolution and recovery faster and more effective, thus preventing more losses and a snowball effect of negative events. It is important to remember that even if a small percentage of the potential damage is mitigated with a PSIM solution, the ROI is significant.

Take a look at the following equation:

Potential damage = Risk of the incident happening (%) x Loss created from the Incident ($)

Crisis although very rarely occur, still represent the potential for significant savings and ROI due to the large impact they have. Take for example BP's 2010 oil spill fiasco in the Gulf of Mexico; this event went far beyond its immediate (and catastrophic) implications with severe impact on many areas that created long lasting negative damage to BP's reputation. The implications of this incident, which are measured in the billions of dollars, couldn't be prevented in full with advanced safety and security systems, but any slight improvement in identifying and handling the incident once it was already unfolding could have translated into very significant savings.

Qognify

CONSIDER ALL POTENTIAL ROI

The day-to-day improvement of your security operations and addressing the one-off crisis in a better way both provide an ROI. Though organizations today tend to focus on the short term ROI and convince executives to invest in PSIM using the operational ROI, it is important to remember that major losses can still come from the rare and impactful events that are considered "once in a lifetime". Those are equally important to consider when ROI discussions are on the table.

ABOUT

Qognify helps organizations mitigate risk, maintain business continuity, and optimize operations. The Qognify portfolio includes video management, video and data analytics, and PSIM/Situation Management solutions that are deployed in financial institutions, transportation agencies, airports, seaports, utility companies, city centers, and to secure many of the world's highest-profile public events. **www.Qognify.com**

Get in Touch: www.Qognify.com/get-in-touch

WP-66-02 07/2016

CONTACTS

info@Qognify.com
info.americas@Qognify.com
info.emea@Qognify.com
info.apac@Qognify.com

Qognify