Researching The Corporate Counter Terrorism Market

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RESEARCHING THE CORPORATE COUNTER TERRORISM MARKET

Whilst there is an increasing awareness in the corporate world of the need to manage global risk and security, the fact that limited budgets are allocated to security consultancy and advice means that interest in counter terrorism is very much event driven

Hazard Management Solutions Ltd (HMS) are specialists in advising commercial and government clients about the threat of terrorism and the risk management of that threat. Their clients include UK and foreign governments as well as corporate companies in the insurance, media, oil and pharmaceutical sectors.Â With increasing threats from terrorism becoming more prevalent in the last five years and in the foreseeable future, security has certainly risen up the corporate agenda.Â HMS commissioned B2B International to research the corporate market to find out what the opportunity was for counter terrorism consultancy in the corporate market and how they should enter the market.

Nick Hague, Director at B2B International and co-author of the report, feels that companies are now very aware of the threat of risks of all kinds.Â â€œBusiness is taking risk management seriously and addressing it with risk registers and risk management programmes.Â We certainly found that the terrorist threat is moving up the list of risk threats to join IT, fraud, and reputation.Â However, research shows that corporate businesses are not, as yet, spending lots of money or allocating annual budgets for security advice.â€•

The market research showed that corporate companies see risk as coming from a wide and diverse range of groups or specific people ranging from religious extremists, animal activists, Provisional IRA, Al Qaeda and loners through to the disenfranchised in society i.e. the young, the poor and the unemployed.

Risk management in the corporate market appears to be very event-driven â€“ reactive rather than proactive.Â Risk does vary considerably over time, from company to company and according to their geography and industry sector.Â Corporate organisations face threats in a variety of scenarios from threats to their sites (buildings, offices, factories), their people (staff, customers, third parties), their IT infrastructure, goods and people in transit/logistics, and suppliers in the supply chain.

The research showed that respondents felt there are more pressures than ever before to mitigate risks; especially in high profile companies.Â Security is becoming a priority now and even a Board issue.Â However, whilst all companies interviewed believe that mitigating risk is vital to the running of their business, they believe they have dealt with the situation by taking on a security advisor.

Andy Cooper, business director at HMS, says they are a number of factors contributing to companies requiring solutions to the problems of security and risk.Â â€œSaturation of traditional markets is taking markets to more risky places, globalization has changed the structure and pace of modern life, there is more religious extremism and fanaticism than ever before.Â Many of the threats such as terrorism, organized crime and information security are asymmetric and networked, making them difficult to manage.Â There is also greater appreciation of the interdependence between a companyâ€™s risk portfolio and the way it does business as certain types of behaviour can enhance or undermine an organisationâ€™s license to operate.Â New forms of accountability such as corporate governance and corporate social responsibility put added pressure on companies.Â Experienced and specialist firms such as HMS can manage and minimize the risk.â€•

An obstacle to the burgeoning of corporate top-level security firms may be the level of suspicion surrounding suppliers in the security arena.Â Many respondents expressed little faith in the security knowledge or expertise of security firms.Â The market appears to be very reputation-led with a high proportion of respondents saying that personal recommendation was the only way to choose and that trust was vital for a good working relationship.

The market research report concludes that the corporate security market must take its lead from business drivers rather than specific threats and security departments must expand their work far beyond the traditional security portfolio to include issues such as business continuity, reputation, risk management and corporate responsibility.Â The research also reinforced the fact that security firms who are delivering commercial security have to major on business, management and communications experience as much as actual security experience.

The market for anti-terrorist services amongst corporates at the moment is small but growing.Â The majority of businesses seem interested in ad hoc assignments costing a few thousand pounds, to advise them and work out a strategy, yet they would pay much more if in the middle of a crisis, hence being an event-driven market.