

The background of the slide features a dark blue field with a pattern of white binary code (0s and 1s). Overlaid on this are several circular nodes, each containing a white padlock icon. These nodes are interconnected by thin white lines, creating a network-like structure. A large, solid blue rectangle is positioned on the left side of the slide, serving as a backdrop for the title text.

# The State of Physical Security Entering 2023

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# Pandemic Roadblocks Ease While Economic Uncertainty Takes Root

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Pro-Vigil's "The State of Physical Security Entering 2022" report, published last February, painted a picture of 2021 as a "year like no other." Businesses around the world faced unprecedented challenges, including the pandemic-prompted overnight shift to a remote operations model, staffing shortages, wide-scale business disruption and the physical security issues resulting from it all.

As we entered 2022, COVID-19 restrictions began to ease and many organizations hoped to turn the page on the pandemic and related business and security challenges. But while Pro-Vigil's "The State of Physical Security Entering 2023" survey report reveals that COVID-19 challenges may have eased a bit, business owners are not out of the woods. New problems have emerged, including supply chain troubles and economic uncertainty, with fears of a recession taking root – and they, too, have introduced new opportunities for thieves, leaving business owners continuing to battle escalating crime rates.

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# Executive Summary

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In October 2022, Pro-Vigil conducted its third annual survey of business operations leaders to gain insight into the evolving world of physical security and better understand their changing perceptions and challenges. Respondents came from several industries including dealerships (car/truck/boat/RV), retail, construction, manufacturing, public sector/education and more. The following is a high-level summary of the report's key findings.

“The State of Physical Security Entering 2023” report found that businesses continue to experience a rise in physical security incidents. **Last year, 28% of businesses reported an increase, matching 2021 and up from 20% in 2020.** When it comes to crime in the coming year, **29% believe security incidents will continue to increase in 2023**, up from about 27% entering 2022.

This year's survey results also revealed that the **construction industry is ripe for crime – with 66% of those in the industry noting they've experienced at least one physical security incident in 2022.** Yet not enough is being done to combat crime. 58% are not using Remote Video Monitoring (RVM) in their security strategies, and the majority of those who are using RVM aren't maximizing their return on investment (ROI) by using it for purposes beyond security.

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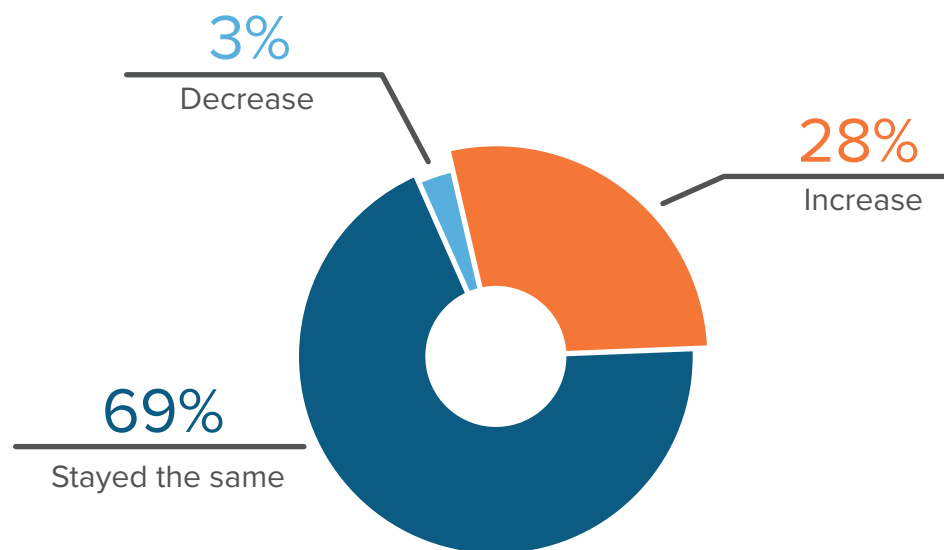
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## Part 1: Physical Security Incidents Aren't Slowing Down

# Physical Security Incidents Continue to Rise

To understand the crime landscape in 2022 and how it compares to years' prior, we asked respondents if they experienced an increase, decrease or consistent rate of physical security incidents last year. **Nearly one-third of respondents (28%) saw an increase** – matching 2021 and up from just 20% in 2020. Only 3% reported a decrease, with the remaining 69% noting the number of incidents remained the same.

Percentage Of Businesses That Experienced An Increase In Physical Security Incidents In 2022:

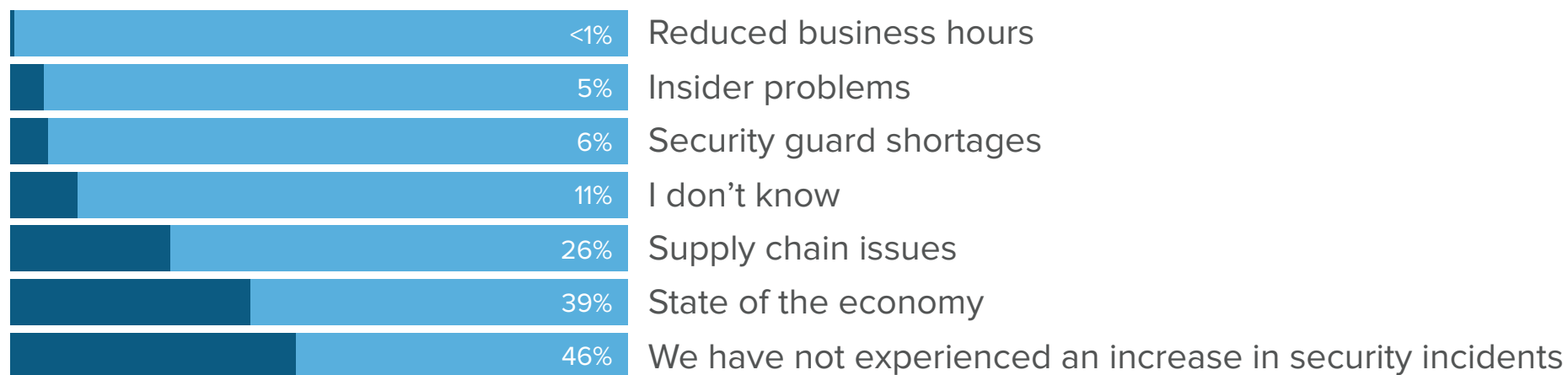


# Causes of Rising Crime

Why are so many businesses reporting an increase in physical security incidents? We asked respondents exactly this, and 39% believe the **state of the economy** is the number one reason. 2021's top answer, supply chain issues, landed in the number two spot, with security guard shortages rounding out the top three.

These responses support what we're seeing in the industry. Inflation and fears of a looming recession, piled on top of the supply chain issues many businesses have faced since 2020, have all contributed to a rise in security incidents. Why? It's simple: thieves are looking to target assets and inventory that are more valuable and, in some cases, in higher demand than ever before.

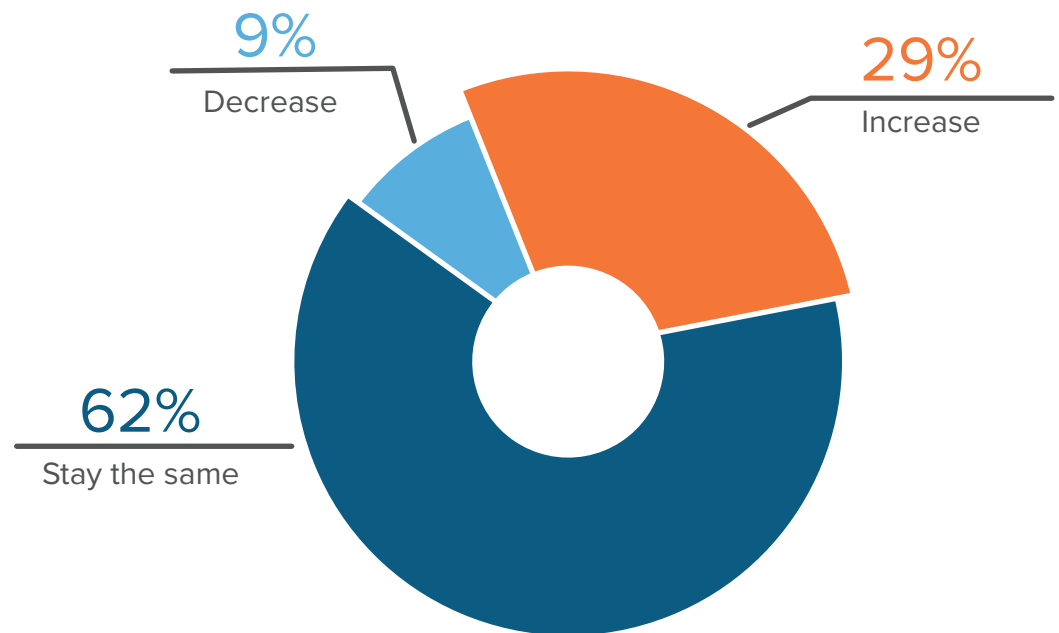
## What Companies Believe Caused An Increase In Security Incidents In 2022:



# Predicting 2023 Physical Security Incidents

To understand how respondents think the crime landscape will look in the year ahead, we asked if they believe the number of physical security incidents will increase, decrease or stay the same in 2023. Similar to last year's findings, 29% predict physical security incidents will increase in 2023. 62% think the number of incidents will stay the same, with only 9% believing incidents will decrease this year.

**How Respondents Think Security Incidents Will Change In 2023:**





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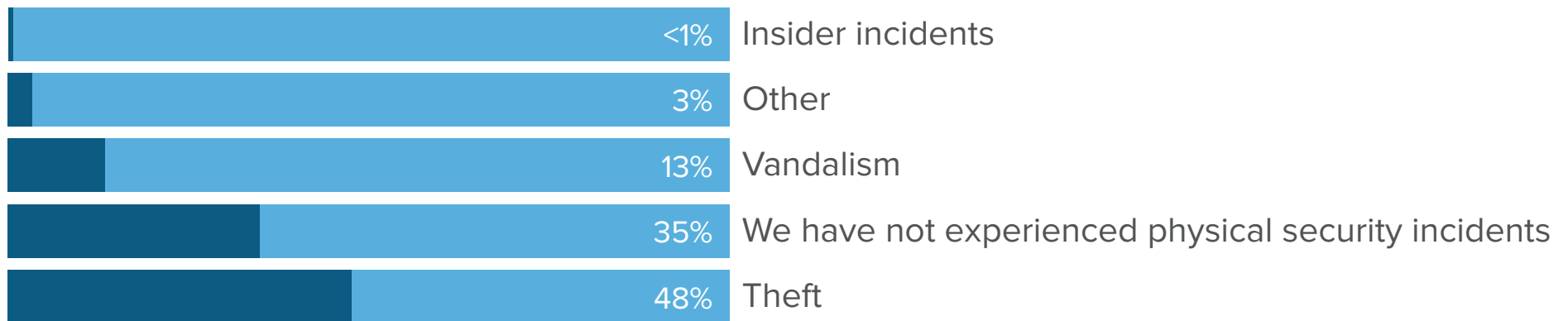
## Part 2:

# Security Incidents Are Impacting Business Operations

# Theft is the Biggest Barrier to Physical Security

When we asked respondents about the most common types of physical security incidents impacting their business, theft came out the clear winner. Close to half (48%) reported theft made up most of the security incidents they experienced in 2022, with vandalism coming in a distant second (13%).

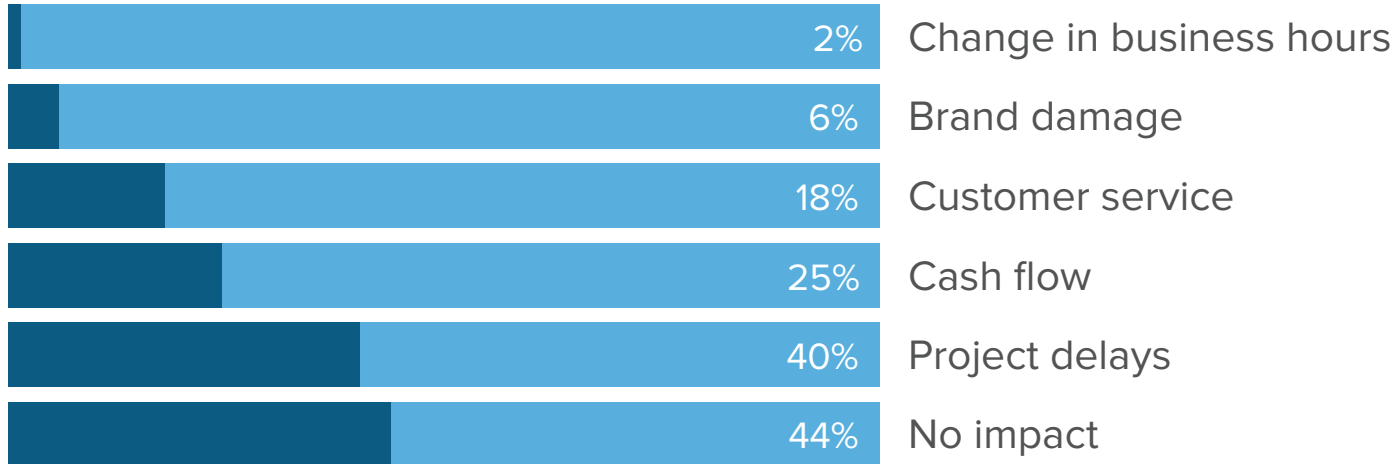
## Type Of Physical Security Incidents Experienced The Most In 2022:



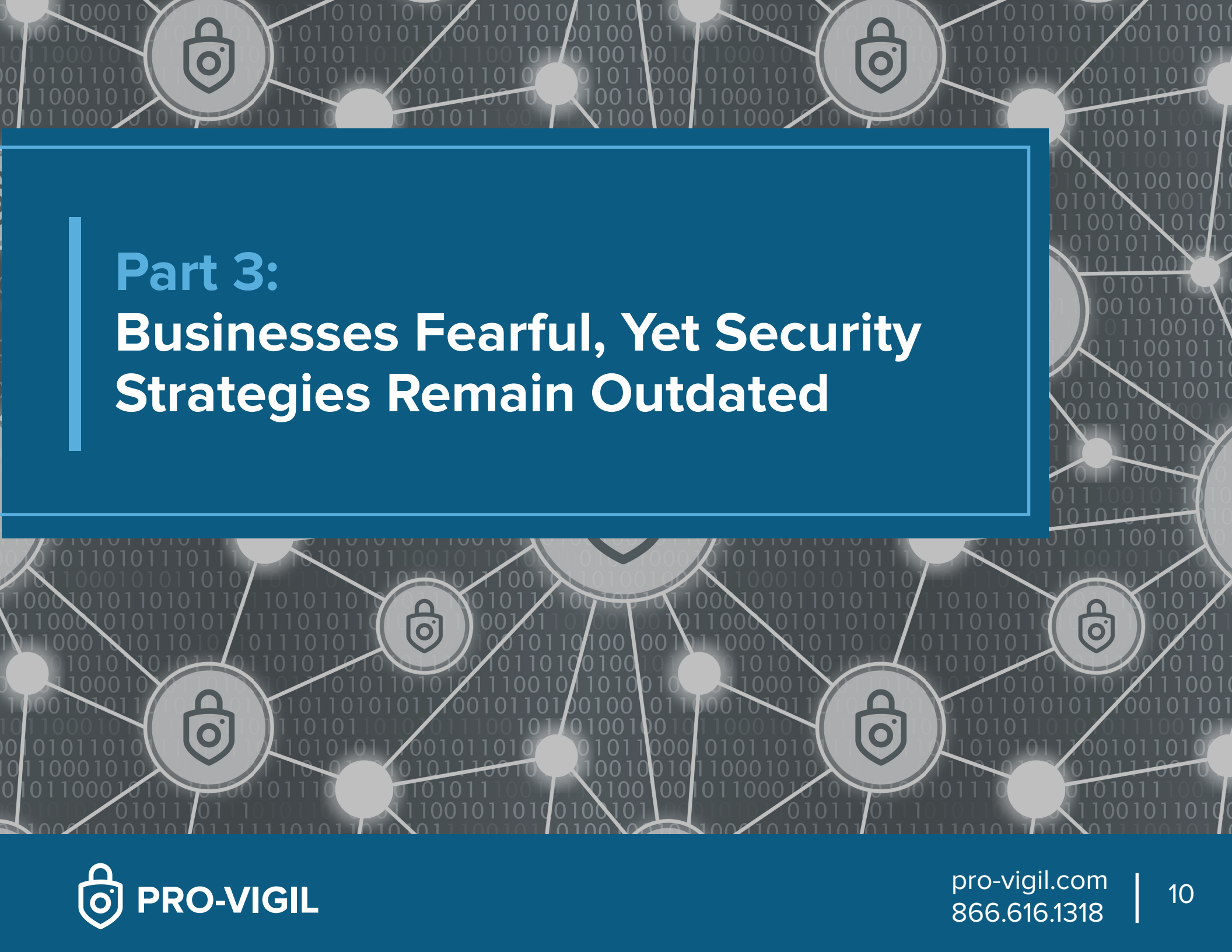
# The Real Cost of Security Incidents

Beyond the upfront costs associated with physical security incidents (for example, replacing stolen assets or fixing vandalized property), additional business disruptions are taking a toll. 40% of survey respondents noted security incidents, including theft and vandalism, caused project delays. Other areas of the business where crime has taken a toll include cash flow (25%) and customer service (18%).

## Impact Of Security Incidents On Business:



The results show that the impact of these security incidents stretches far beyond immediate losses from stolen or damaged inventory and assets. Businesses are facing real roadblocks when it comes to business operations, and the impact can be long lasting on brand reputation and customer satisfaction.

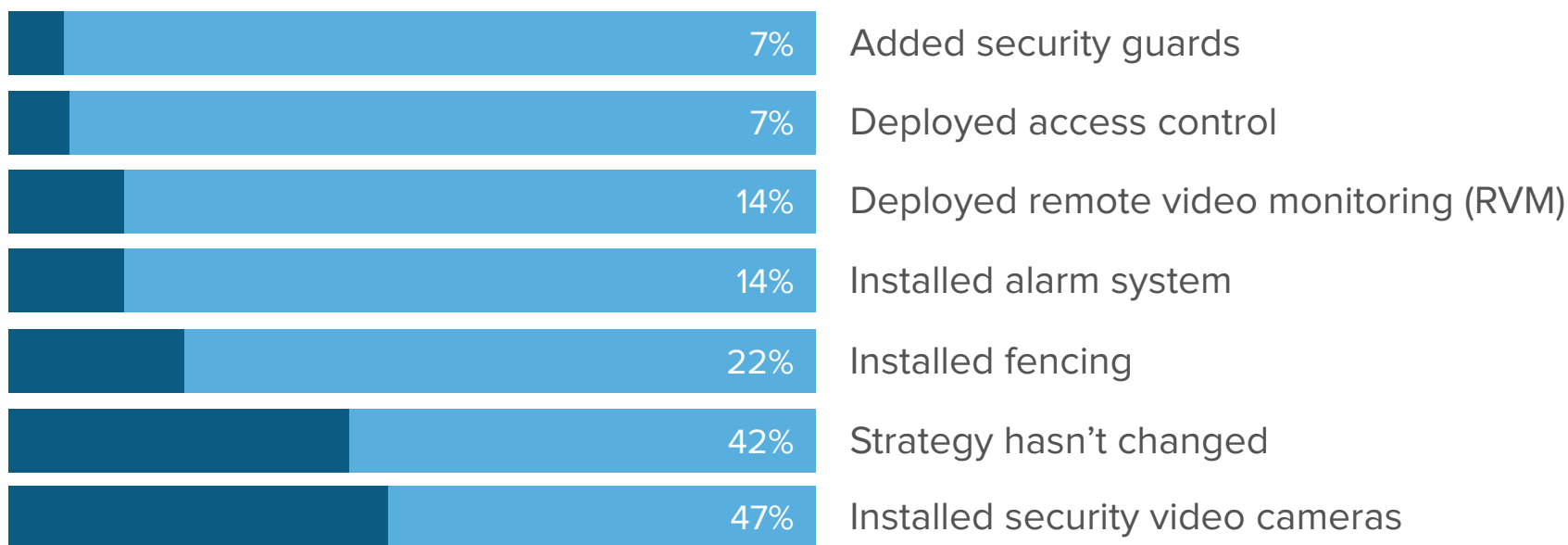


## **Part 3:** **Businesses Fearful, Yet Security Strategies Remain Outdated**

# Strategies Remain Stagnant

Despite more than 90% of respondents believing the number of physical security incidents will stay the same or increase in 2023, 42% haven't changed their security strategy.

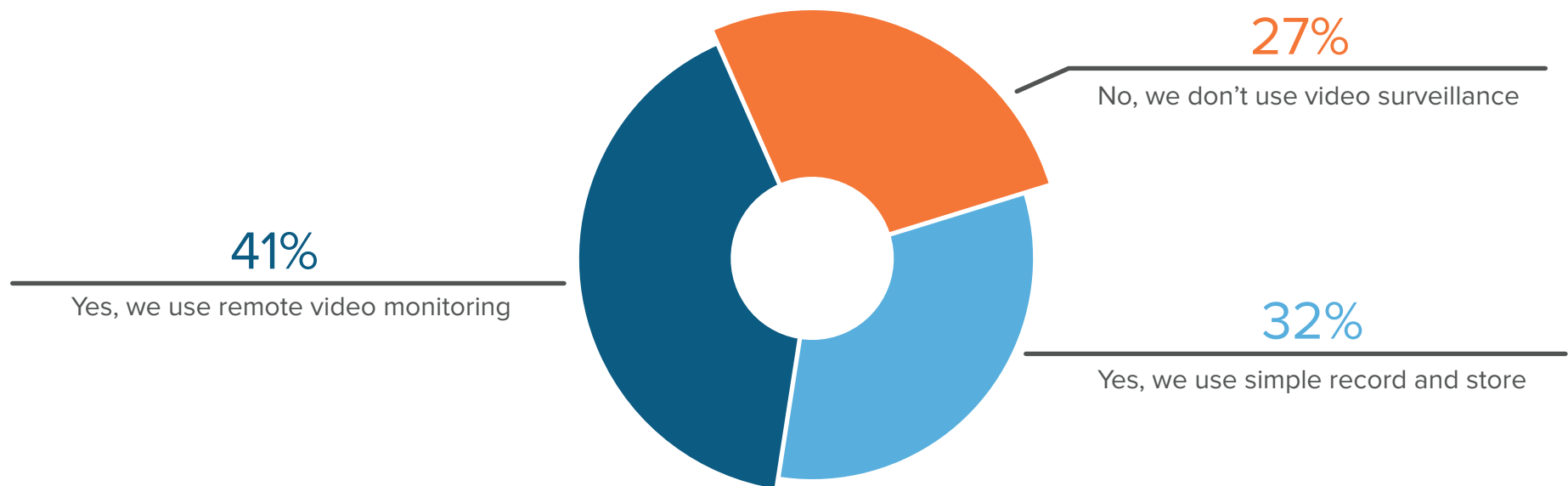
## How Businesses Have Changed Their Physical Security Strategy In 2022:



# RVM Catching On, But Work To Be Done

More than 70% of this year's survey respondents indicated they are using video surveillance in their businesses. When we dug a little deeper, asking whether they're using RVM or simple record-and-store systems, we found that 41% are utilizing RVM while 32% are sticking with simply recording.

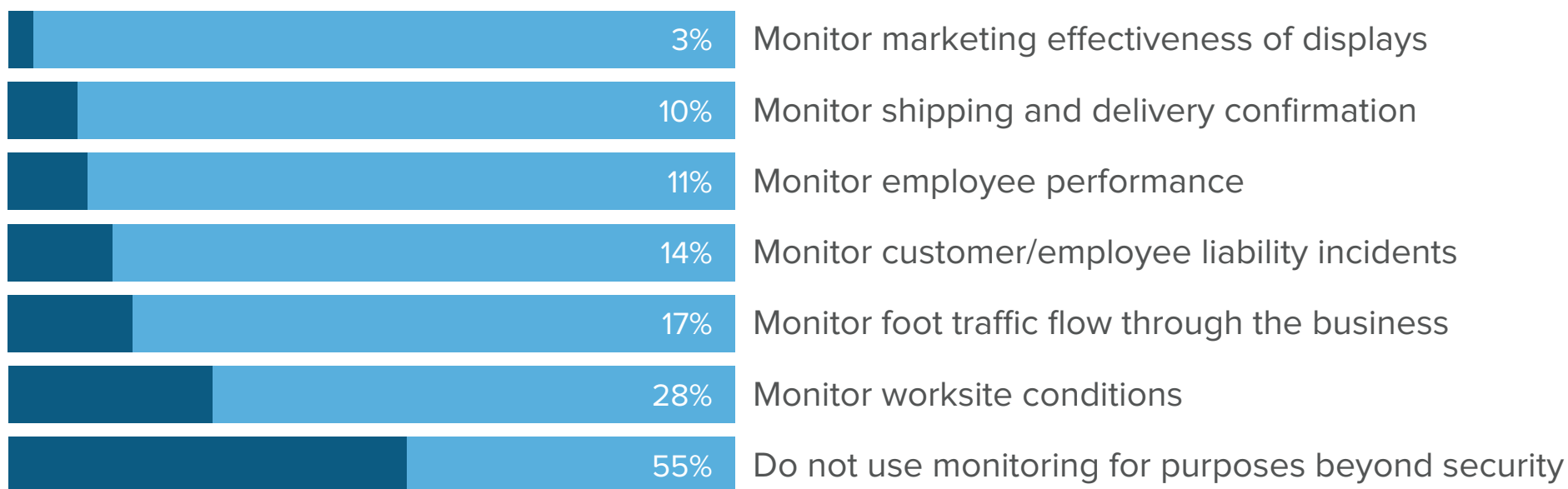
## Do Businesses Use Video Surveillance:



Of those that are using RVM, almost half (45%) are using it for purposes beyond security, which can add significant value to business operations. For example, respondents note they're also using RVM to monitor worksite conditions (28%) and foot traffic flow (17%), among other use-cases.

However, the majority (55%) still are not using RVM for purposes beyond security, which represents a missed opportunity to improve the business and achieve maximum ROI from video technology in which they've already invested.

#### How Do Businesses Use Video Monitoring For Purposes Beyond Security:







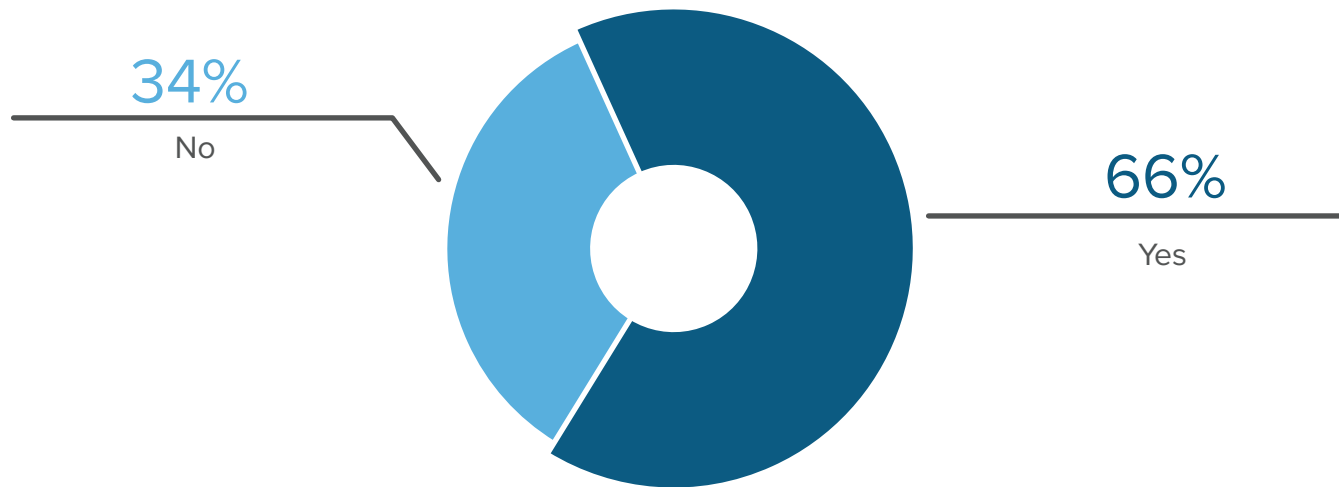
## Part 4: Industry Spotlight: Construction



# Crime High, RVM Use Lags

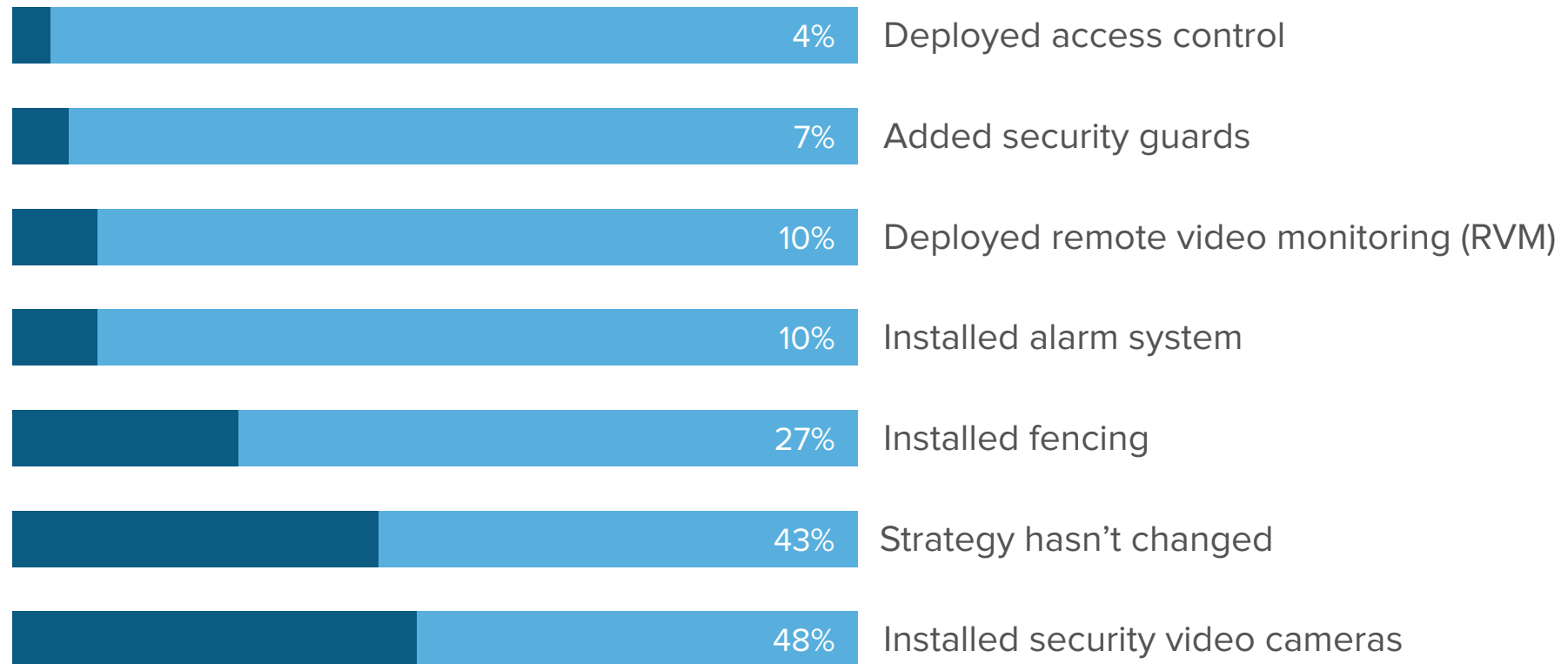
While many vertical markets reported physical security incidents over the past year, construction faced an elevated threat, with **66% of those in the industry experiencing at least one security incident in 2022**. This isn't all that surprising, considering many construction sites and staging areas are loaded with materials such as lumber, copper wire and pipe and new appliances – all of which have experienced fluctuating price and demand over the past few years.

**Have Construction Businesses Experienced At Least One Physical Security Incident In 2022:**



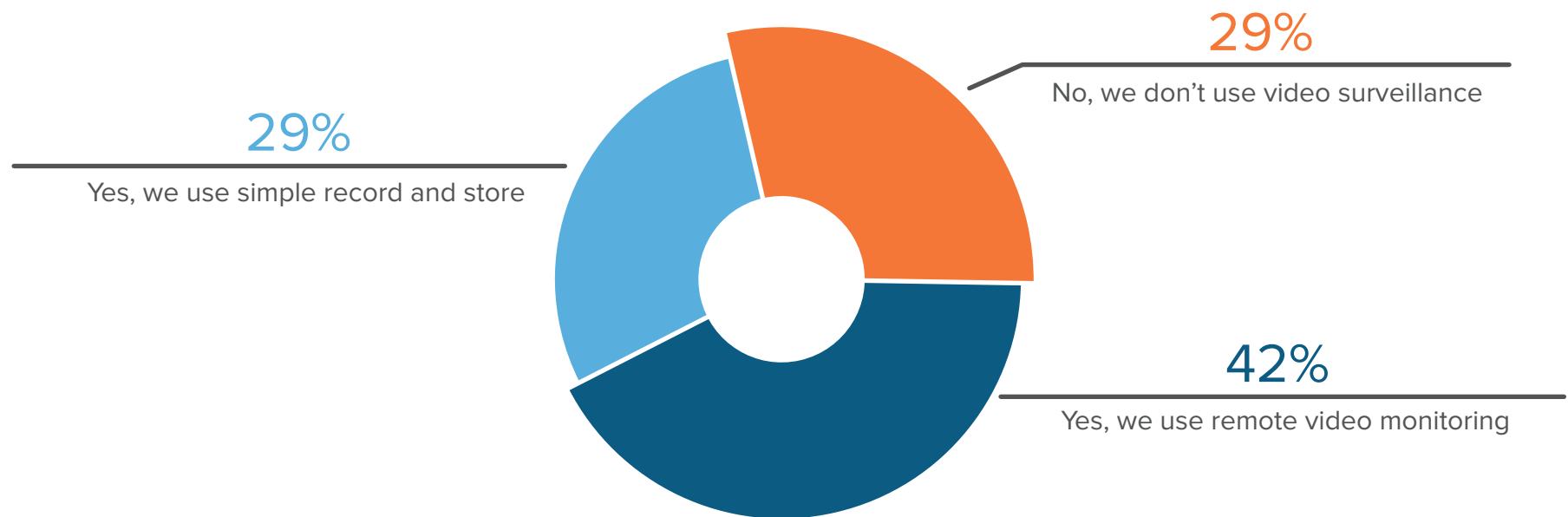
What is surprising, however, is the fact that despite the majority of respondents stating they're experiencing security incidents, almost half (43%) did not change their security strategy to meet this threat.

### How Construction Businesses Have Changed Their Physical Security Strategy In 2022:



When it comes to what type of video surveillance solutions construction businesses use, only 42% are utilizing RVM. This presents a major missed opportunity for greater crime deterrence on construction sites.

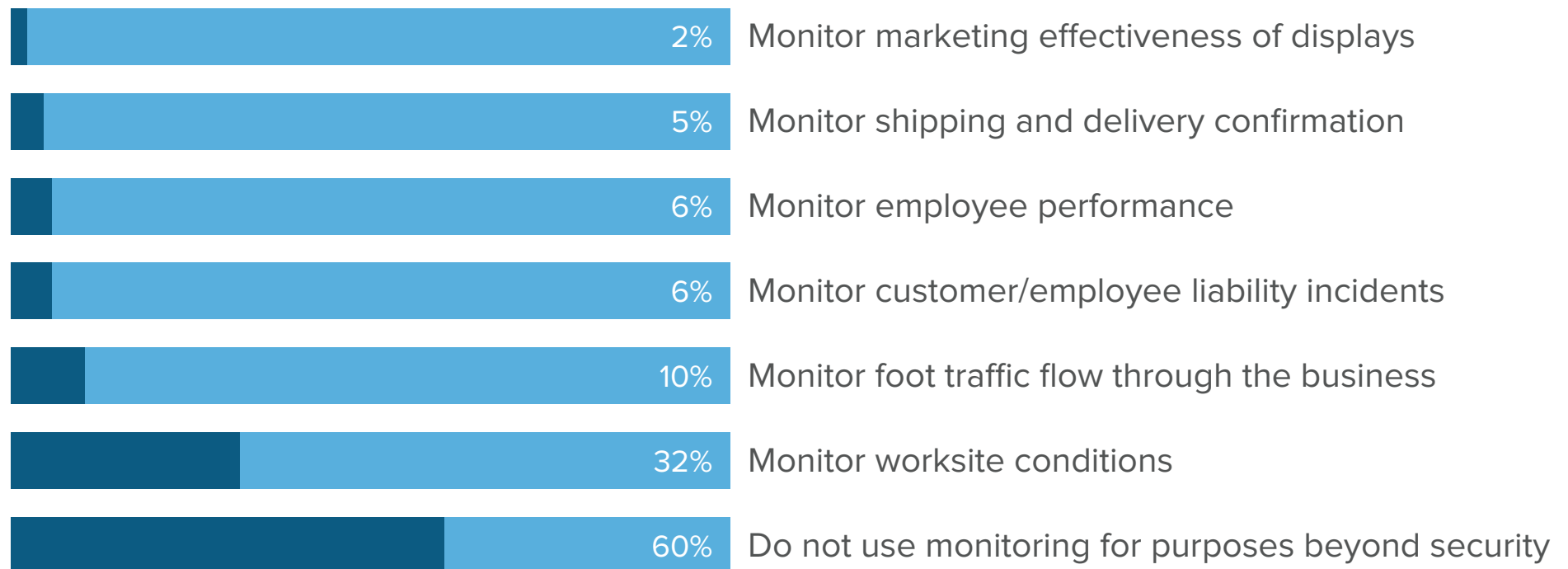
### Do Construction Businesses Use Video Surveillance:



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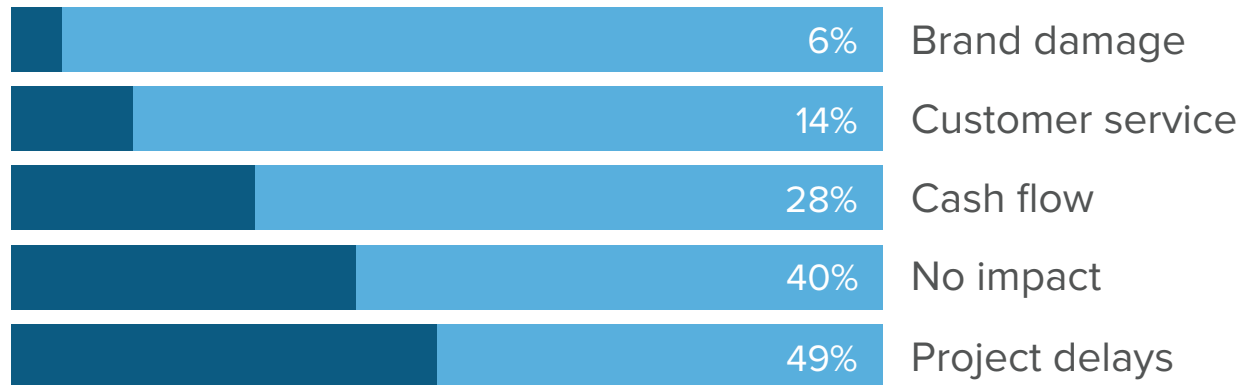
Even worse, 60% of those who do use RVM aren't using it for purposes beyond security.

### How Construction Businesses Use Video Monitoring For Purposes Beyond Security:



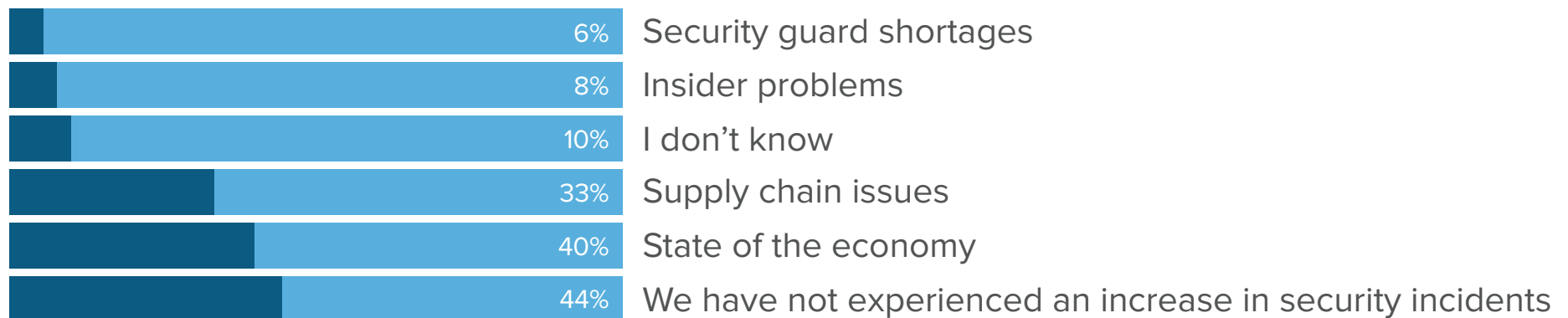
Similar to cross-vertical results, construction leaders note that project delays, cash flow and customer service are impacted the most following a physical security incident.

#### Impact Of Security Incidents On Construction Businesses:



Construction professionals also agree that the state of the economy (40%) and supply chain issues (33%) are two of the biggest factors attributing to surging physical security incidents.

#### What Construction Companies Believe Caused An Increase In Security Incidents In 2022:



## Key Takeaway

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It's clear that room for improvement exists when it comes to outdated security strategies in the face of rising crime. The good news is that solutions are readily available to help curb this trend. Businesses would benefit from greater adoption of real-time crime deterrence solutions, such as Remote Video Monitoring (RVM), and the opportunity for greater ROI that comes with it. Adopting RVM is an immediate action businesses can take to prevent physical security incidents and make a long-lasting, positive impact on the business. And then, hopefully next year, we'll see crime rates decrease across industry verticals.

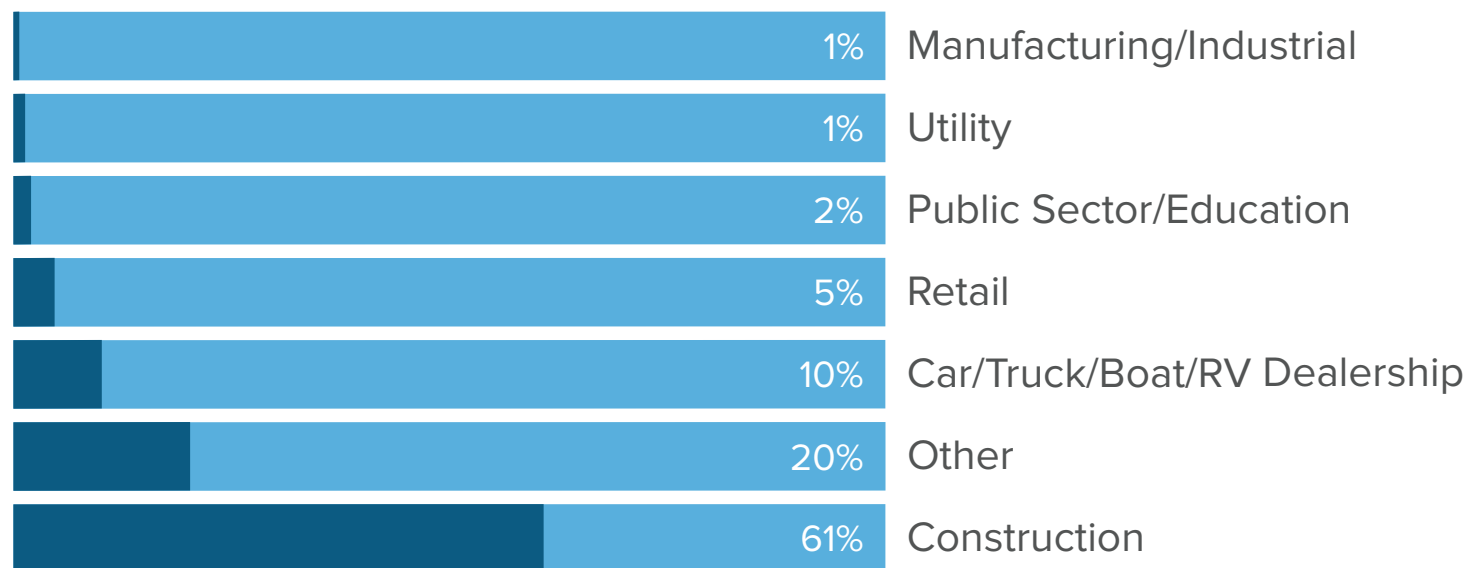
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# Methodology

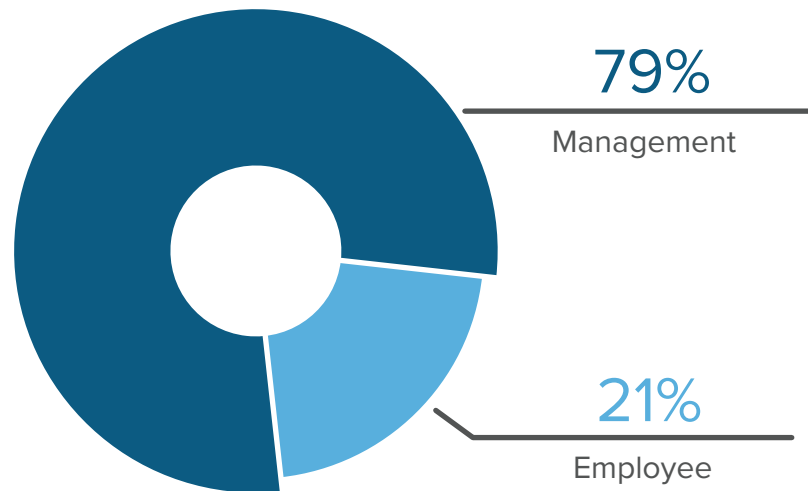
Pro-Vigil's "The State of Physical Security Entering 2023" survey was conducted in October 2022. The majority of the 149 respondents held management roles within industries such as construction, dealerships (car/truck/boat/RV) and retail, among others.

Most of the respondents' companies (62%) had fewer than 100 employees, with 38% coming from mid-to-large organizations.

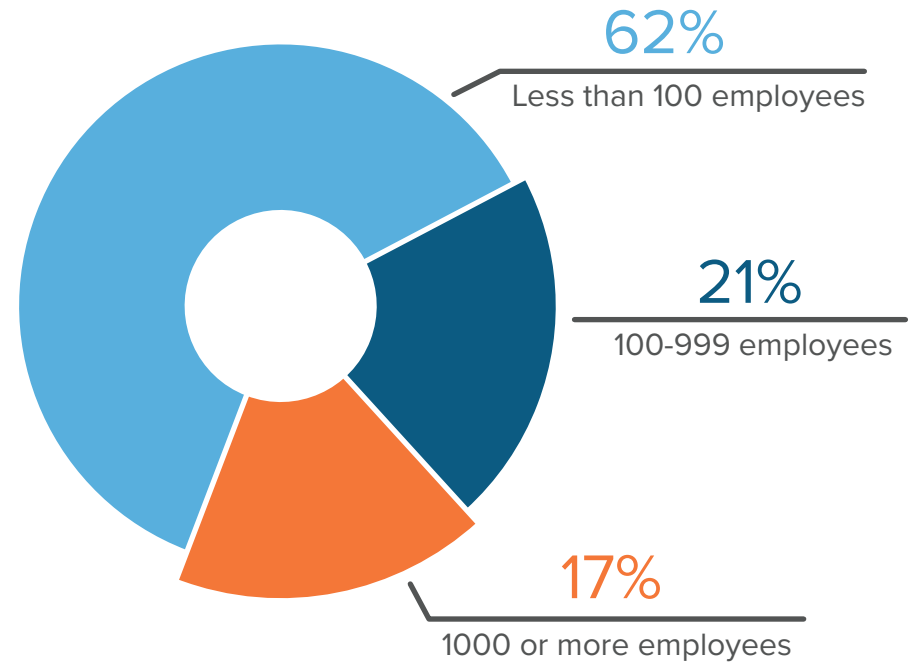
## Industries Represented In The Survey:



## Respondent Roles:



## Company Size:





## About Pro-Vigil

Founded in 2006, Pro-Vigil provides remote video monitoring solutions to organizations across North America. The company provides both on-premises and mobile intelligent video monitoring systems, and 24x7 remote monitoring services. Unlike typical remote video monitoring services that require companies to make large up-front capital investments in equipment and installation, Pro-Vigil is pioneering the concept of Video Monitoring as a Service, where customers simply pay a monthly fee for monitoring services, with no capital investments required. Pro-Vigil is backed by The Riverside Company, a global private equity firm.