

Changing of the Guards

How one guard company inspired its demoralized security guard force, reducing overtime and turnover while boosting the bottom line.

“WHILE I THOUGHT we were doing some things well, we were struggling,” says Kathleen Jackson, president of Motivated Security Services, Inc., in Somerville, New Jersey. By late 2007, the contract security firm was in trouble. It was facing an annual turnover rate of 140 percent, and the company’s balance sheet was in the red, with losses of \$60,000 a year.

The company was a family operation, founded by Jackson’s father in 1972. But Jackson had not been handed the top job on a silver platter. Before taking over the business in 1995, she had worked as a security officer and had done stints in accounting, collection, hiring, and training. The company now has 700 officers working in New York and New Jersey.

“What I learned in my various jobs within the company, and as owner, is that I don’t have to be in touch with everything, but I do need to know where to go to get help,” Jackson said. “One of the big mistakes owners can make is making that call too late.”

Jackson made the call to Christopher Carey, a management consultant from Brooklyn, New York. Having heard of Carey’s success in designing metrics for other local businesses, Jackson enlisted his help. Together, they implemented a program that put the company back on track. In a little over a year, the new program improved customer satisfaction and earned some employees a raise in the process.

At their initial meeting, Jackson and Carey discussed specific problems with the company and challenges within the security guard industry in general. Motivated Security, along with the other contract security firms, had been forced to lower prices to compete, which created “a race to the bottom,” Carey notes. That resulted in “compromises in training and support,” which leads to a downward spiral of lower morale, higher turnover, and worsening customer service.

This spiral had taken a toll on Motivated Security. The company had lost six clients and thousands of dollars per quarter over the previous year. Carey set out to devise a program that would allow the company to differentiate itself and provide a quality service that would stand out when clients were clamoring for lower prices.

“We wanted to see if Motivated Security could find a way to provide better service

and get the customer to recognize that and be prepared to pay for it,” said Carey.

Carey and Jackson met with Motivated Security’s supervisors in the field and identified some of the company’s problems, including absenteeism, and ways to address these issues. With this basic information, the group established a plan. First, they conducted surveys to determine what clients needed, and they then set up a beta test site. Bringing security guards on board with training and the potential for a pay increase led to a new level of communication and cooperation.

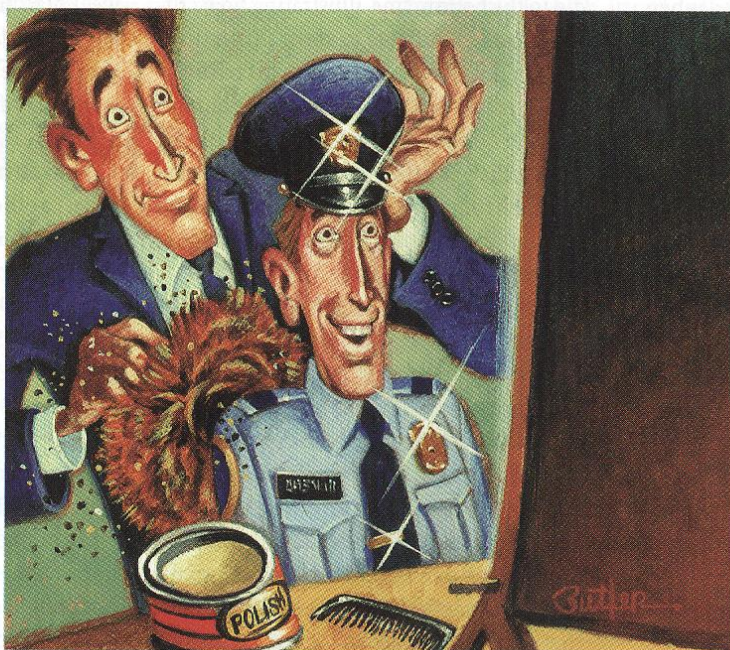
Customer Surveys

With the information obtained from the field supervisors in hand, the next step was to get customer feedback. Jackson and office staff from Motivated Security called each client and asked a series of questions. The answers to these questions formed a

template that would serve as the bedrock of the program.

Among the questions were whether guards were on time, how professional they were, and how often they followed the rules. The answer to each question was placed on a scale of one to five, with five being the best score possible. The results were not promising. Only 62 percent of customers said they were satisfied with their service.

Jackson then reinterviewed the dissatisfied customers and asked more specific questions. For each of the **continued on page 83**



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items that clients said were lacking, Jackson asked how the company could improve.

During the interviews, Jackson also took the opportunity to determine whether clients would be willing to pay more if they could receive an elevated level of service. Customers said that they would increase rates if guards could meet objective performance measures.

Beta Test

From the surveys, Jackson identified a customer in the transit industry that agreed to serve as a test case. The client, which had contracted with Motivated Security for many years, employed 30 guards at multiple locations. However, the guard firm was in trouble with this client. There had been an increasing number of thefts at several of the client's locations, and turnover was high.

In January 2008, Jackson and Carey launched a series of meetings designed to get everyone on the same page. First they met with executives and supervisors from the client company as well as the security officers assigned to the client. The client company representatives opened the meeting by discussing the issues they thought were most important, including reducing crime on the property, maintaining staffing, and increasing professionalism among the guards.

Next it was the guards' turn. Jackson and the client company were shocked when the officers detailed all the obstacles they faced in providing good service. At one site, the guard booth window was broken, and instead of being repaired, it had been covered with a board. This meant that while the guards were in the booth taking calls or filling out paperwork, they couldn't see out.

Fences and lights were broken and had not been repaired, despite reports to the client. There were no nearby bathrooms that were accessible to the guards, meaning that they had to leave their post to walk to a restroom.

But the single most important issue, according to the guards, was that the client did not support them on security procedures. For example, guards were told to search everyone's bags when they entered the property. Yet senior executives bring-

ing guests onto the property were rude to the guards when they tried to carry out the required search, and employees routinely refused to permit their own bags to be inspected.

The meeting had significant ramifications. Jackson elicited a promise from the client that everyone, including senior executives, would follow security procedures. But even more importantly, security staff were empowered and felt that their issues were finally being considered. One guard told Jackson that no one had ever asked his opinion about anything in the workplace and that the simple act of being heard made him more positive about his job.

At the end of the meeting, everyone agreed on a course of action. If the guards could meet certain criteria over the course of a year, they would get a raise of \$1.50 an hour. After the meeting, Jackson surveyed the client every week. She asked seven agreed-upon questions and, just as in the initial survey, ranked the answers on a scale of one to five. She posted the results in her office and had weekly meetings with the officers assigned to the site to discuss the survey results.

Training. Jackson also used the weekly meetings to give guards additional training on the security industry. For example, she spent one session discussing basic business practices and how a contract security company makes money. In another meeting, she addressed what one hour of overtime did to the bottom line, illustrating how critical it was for officers to show up on time.

According to Jackson, this part of the program was the most difficult for her. However, Carey insisted that it was essential for the guards to understand how the business functioned and how their actions affected the company's profits. "It was a big leap of faith for me to give out this sort of information," Jackson said. "But it paid off. The guards understood how the company worked, and they felt like they were part of something bigger."

Teamwork. Another critical part of the program was the emphasis on teamwork. Each site created a team around a site supervisor. If the survey results from one site dropped, no one assigned to that company would get a raise, so the site supervisors met with the officers on their team on a

monthly basis to make sure everyone who was part of the team was on track.

The team concept proved to be a powerful tool. If there was a problem with a coworker, guards would call their supervisor instead of covering for that individual.

All new hires who were assigned to the beta test company were hired on a trial basis. After a 30-day period, teams voted on whether to keep the new guard at the site. Within a few months, Jackson noticed greater team cohesion. She called and asked the supervisors what was happening. It turns out that the guards were putting pressure on those who weren't coming to work, which had forced others to work overtime in the past. The team at one site even requested that a guard be transferred after he was absent too many times.

Results

The beta test site was a success. Customer survey results showed a marked overall performance improvement; there was a reduction in overtime, and thefts were reduced to zero. Customer satisfaction jumped into the 90 percent range.

By the end of 2008, the teams were scoring high marks on every target measure. At this point, the guards were given their raise. By the end of 2009, they had earned an additional dollar an hour.

Jackson continues to conduct the surveys and meet with the guards on a monthly basis. The site supervisors meet weekly to go over the metrics and address any issues. Jackson meets with all the officers and the client quarterly. Guards understand that if performance falls back to what it was, so will their wages.

Jackson has started introducing the program to other sites—more than 50 percent of her clients have expressed interest. So far, the program has reduced overtime costs from \$30,000 to \$3,000, and the company is saving \$250,000 a year thanks to declining turnover, which has plunged from 140 percent to 60 percent. After a year and a half of effort, the company is now back in the black, going from \$60,000 a year in losses to \$200,000 in profit last year.

By not taking a guarded approach to improvement, the company has secured not only its clients' sites but also its own future. ■