

HOW TO START A SECURITY GUARD COMPANY

BY JW MURPHEY



**EVERYTHING YOU NEED TO KNOW
TO START AN AGENCY IN THE
PRIVATE SECURITY INDUSTRY**

2ND EDITION

Pictured: A G&C Security patrol car circ. 1998. This particular patrol car had previously served as an Oregon Highway Patrol vehicle. It found an exciting second life in private security enforcement.



How to Start a Security Guard Company

2nd Edition
Copyright 2012 - 2016
The Security Guard Network



HOW TO START A SECURITY GUARD COMPANY

Click each title to navigate directly to the chapter.

[Foward - The Benefits and Challenges of Security Agency Ownership](#)

[My Story - Learning Lessons and Strategies Through My Experience.](#)

[The Investment - How Much Does It Cost To Start a New Security Agency?](#)

[Methodology of Getting Started - Three Strategies for Starting Your Agency](#)

[The Price - How Much Should the Your New Agency Charge Its Clients?](#)

[The Database \(CRMS\) - Always in the Right Place at the Right Time](#)

[Creating the Hook - Defining Your Agency as the Agency That . . .](#)

[Niche Specialization - Staking Out Your Turf](#)

[Market Research - Populating the CRMS and Plotting the Attack](#)

[The Boring Chapter - Legal Stuff: The Basics You Must Know](#)

[Operating Policies and Procedures - Establishing Expectation](#)

[Marketing Materials - Articulating the Hook](#)

[The Communications Infrastructure - An Opportunity to Keep Cost Down](#)

[The Shift Report - Creating a Culture of Observance](#)

[The Incident Report - Taking a Bad Situation and Turning It Into a Positive](#)

[Other Reports - Going Above and Beyond](#)

[Reaching Out - Building The Relationships That Pay Off](#)

[The Security Staff - Security Officer Recruitment and Retention](#)

[Sales - Assembling A Sales Team Without Paying Anything](#)

[Sourcing and Securing Contracts - Winning The Sales Experience](#)

[Conclusion](#)

Table of Contents

Table of Contents - Extras

Click a title to navigate directly to the extra.

RESOURCE DIRECTORY

A comprehensive list of the resources in this guide with links to the services referenced. Print this page out and keep it handy!

Sample Business Plan

A sample security agency business plan. You may use and modify this document to fit your agency.

CASE STUDY - Donovan Security, Spreading out the Overhead

Donovan Security, a new firm, has won its first and only account. It's a nightly onsite post, eight hours a night, seven days a week. On average, this client pays for 240 hours per month. But, that's not enough to spread out the insurance cost.

CASE STUDY - Mike Wilson, Independant Security Contractor, The Soft Approach

Wilson demonstrates the soft, onsite only approach to starting a security agency with little or no upfront capital.

CASE STUDY - Jason Nueman, Century Security LLC

Nueman's first year of hard work pays off as he reaches profitability, no longer has to work his own security posts and finances a significant yearly salary.

HOW TO START A SECURITY GUARD COMPANY

Forward

The Benefits and Challenges of Security Agency Ownership

In the three years since its original release, this book had been downloaded by hundreds of readers across the country and beyond. This guide doesn't just walk the reader through the basics but speaks at length to innovative approaches and strategies for building a successful agency.

The book appears to have struck a note with those security officers who do not have strong financial resources but who possess a drive to become more than just another "**security guard**." They aspire to more and this book provides the specific roadmap by which they can get there.

Security officers are frequently trapped within the large international corporations which dominate the private security industry.

These corporations provide limited opportunity for advancement; moreover, even when the officer does advance, he finds himself trapped in a supervisory position with duties mostly limited to staffing security sites. His most important supervisory duty entails making phone calls and pleading with other officers to fill open shifts. He's no longer a security officer, he's become a human resource drone.

Security agency ownership provides the officer with his outlet for escape.

As the owner of his own security agency the officer controls his own destiny. He makes a living providing his clients with solutions to their security challenges. He receives satisfaction each time he successfully mitigates a challenge.



He also enjoys the rewarding experience of training his officers. These security and law enforcement professionals of the future initially enter the security industry as his employees and subsequently spend a long career in security or law enforcement. These professionals will always remember and be grateful for the opportunity and training provided by the officer and his agency.

The owner of a successful security company can set his own work hours, take vacation when he feels like it and work whatever security post he wants to work.

Better still, his hard work increases the value of his equity in the agency.

Over time, his agency grows into a valuable entity as does his ownership equity.

It's a rewarding experience!

I can still remember the exciting feeling as I walked out of my new client's facility after signing them up for my company. I had just taken another step on the path to success and it felt good!

I also recall taking the phone call from the business where I had just dropped off my company's marketing materials:

"We need security! Can you start tonight?"

Meeting the immediate security needs of these clients required flexibility and hard work; however, I would rise to the challenge and send my agency down the path towards profitability.

Aside from the reward of ownership, there are other tangible benefits.

Unlike startups in other industries, security agency startups are required

HOW TO START A SECURITY GUARD COMPANY

to deploy little initial capital. The agency doesn't need a building, expensive tools, or production equipment; likewise, there's little ongoing capital expense.

For example, the security agency owner need not fear sudden cost such as the replacement of an expensive piece of broken equipment.

Because there are few liabilities, once the agency reaches profitability, it's unlikely to ever return to the red. If the agency recruits new clients at a clip faster than it loses them, it will remain profitable.

There are also challenges.

Owning and operating a security agency requires the officer to come into contact with many people. It's the business of a people person!

The owner must not fear soliciting business and can not dread rejection. He must remember: for every 100 clients he solicits for business, **he will be successful if he wins just one**. The 99 rejections must not discourage him from his marketing efforts.

Client acquisition is only the first part of his job. He must develop the plan to secure the client's property; design and implement post orders; salvage the client's account from the inevitable mistakes of his officers; keep his officers trained, licensed and certified; pay invoices and make payroll; keep the agency's pricing strategy competitive and much more.

When an on site officer has an altercation with troublemakers, the police refuse to get involved, and the client is upset, it's the owner's people skills, quick thinking, and stress management which resolves the situation.

Welcome to the 2nd edition of "*How to Start a Security Guard Company.*"



We will systematically walk through a series of steps, including the defining of your company's services, implementation of strategies for keeping overhead low, underbidding the competition and completing the necessary legal paperwork. **Let's get started!**

My Story

Learning Lessons and Strategies Through My Experience

Throughout this ebook, I will share some lessons learned and provide ideas and suggestions to security officers who, like me, want to escape from the big security company and start their own security agency.

Before reviewing specific strategies for your security agency, let's review my story and how I learned and implemented these concepts in my own agency.

At the age of 18, I earned my license as an unarmed officer.

I wanted to be a part of the private security world and was so committed to this vision that I took the state-mandated 40 hours of required class time, passed the licensing test and applied for my security license without first obtaining a conditional license or even getting a job with a security company.

I was immediately hired by a big name company, which you would recognize. Like so many other big company security officers, I was assigned to a large office complex consisting of two six-story office buildings staffed 24 hours a day by us, the unarmed officers.

This boring post might have been ideal for a college student trying to

HOW TO START A SECURITY GUARD COMPANY

do school work while on duty, or an easy-going retiree wanting to earn supplemental income, but wasn't conducive to helping me evolve and grow as a security officer.

I worked third shift. My biggest challenge: **to stay awake!**

Occasionally, at some point during the night, some unauthorized person might wander into the complex's expansive parking lot; however, they usually left immediately upon contact and rarely did I have occasion to practice security enforcement or tactical communications skills.

Worse, I didn't sense any opportunity to earn higher pay or more responsibility. The company seemed primarily focused on throwing uniforms onto warm bodies and assigning them to mindless responsibilities. It was as if the company was just a personnel staffing agency instead of a private security agency.

I didn't take long for the lack of challenge and the uncertainty of opportunity to motivate me to action.

I quit my big company security job, created my own security agency, went to looking for clients.

Through much hard work I built up a series of both patrol and on site clients.

As a brand new security agency owner, with no references, I couldn't be selective in picking my clientele. It would take the income from several clients to pay for my overhead cost such as general liability, unemployment and workers compensation insurance.

To survive, I had to take on clients in some of the worst parts of town. These high maintenance properties helped me quickly make up for the lack of learning opportunities from the previous security job.



Over the next few years I learned from my mistakes and successes. I learned the importance of tactical communications and dealing with security incidents; managing officers and relating to clients; interacting with the police; and, competing with some rather vicious and sometimes unscrupulous security industry competitors.

I sought to provide both an innovative and affordable security service to my clients. I wanted each client to think: "*We are paying less but receiving better service.*"

It may seem counterintuitive to provide a better service even though the client is paying a lower price; nonetheless, through innovative thinking and commitment it's possible. The private security industry is a prime venue for these strategies.

I learned from my mistakes. For example, I initially solicited for onsite security clients. I needed to pay my bills and figured that I could survive with just a single onsite post. I thought I could get the post and work it myself. This one post would let me earn an income and keep the bills paid while trying to find more clients to build my agency.

This strategy didn't work. Onsite clients are hard to come by when there are no existing references from

Follow for the Latest Security Industry News

@OfficerHQ on Twitter



Security Officer HQ @OfficerHQ · 1h

Woman bites security guard who stopped her from shoplifting, deputies say - TBO
bit.ly/1NZ33OR #securityguard

HOW TO START A SECURITY GUARD COMPANY

other happy customers and I couldn't find a single onsite client. **I had to do something different.**

I started to solicit security patrol clients instead of onsite. Patrol-only services cost far less than onsite and I was able to find and win patrol clients even though I didn't yet have great references.

I charged a minimum amount per patrol.

Each night, I personally conducted these patrols, in my own vehicle.

During the day, I tried to get more clients.

This strategy worked! The patrol clients provided the references which helped in my attempts to win the bigger and higher paying onsite posts.

My patrol route helped entice onsite clients in another way: I learned to market the benefits of the patrol route to the onsite clients.

My patrol officer provided assistance, supervision and back-up to the onsite officers; therefore, my agency's onsite clients benefitted from the services of two security officers for the price of one.

Because of the increased supervision, onsite officers had to stay awake and do their job knowing that at any moment the patrol supervisor could roll on site.

After the first few months, I purchased an inexpensive but professional-looking "retired" police-package vehicle – complete with detention cage. Whenever an onsite security incident required arrest, the onsite officer wasn't stuck standing around with a handcuffed arrestee while waiting for the police to arrive.

Instead, the patrol officer used the vehicle to keep the subject out of



the public view. My client didn't have to worry about the subject trying to run off while handcuffed or shouting insults at the client's patrons and employees.

Other security companies didn't have this latitude. They couldn't end a situation without help from the police.

We could! Even if the police took an hour to respond, that was fine. We had the situation under control.

Even though small, my agency had found a competitive advantage over those agencies which only offered onsite with no patrol, or those which did offer patrol but without detention capabilities.

This one benefit enabled me to demonstrate a superior level of service, even while outbidding the competition.

My patrol route clients, though paying significantly less, were collectively subsidizing onsite operations. And, that was okay, because the patrol clients paid on a per patrol basis. On most nights, the patrol officer could spend as much time as necessary with his onsite officers.

As the owner, I benefitted from personally working the patrol route. I saw first-hand how my onsite officers were doing, what they were experiencing and got to know them on the job instead of just while training or when giving out paychecks.

The patrol route put me in the middle of everything. I frequently drove through the city's crime ridden areas, observed what the police were up to, saw where other security companies were conducting their patrols, and kept a database to keep track of it all.

HOW TO START A SECURITY GUARD COMPANY

I earned a detailed understand of the public safety and the security situation of the city. I rapidly evolved into a security professional whose insights were beneficial to my clients.

It didn't take long for me to realize the importance of these observations.

I equipped the patrol route with the tools necessary for capturing public safety knowledge. This included a police scanner allowing us to hear and log police calls of interest; and, inexpensive computer equipment to build our database of security incidents.

The information gathered by the patrol officer was a roadmap. It showed those areas where the private security need was the highest and where we could find even more clients.

Perhaps the police responded to a break-in at a site near one of our patrol sites. We could immediately respond to our site, inform the client of the danger and impress them with our knowledge of local crime activity. Better still, in a few days, we could attempt to solicit for other clients in that area by pointing to the recent crime as justification for more security services.

Additionally, as we patrolled the city, we kept an eye out for our competitors. Upon seeing one of their cars at a site, we knew we had found a potential new client who was already paying for security albeit with the wrong security provider. **I knew I could win that business.** I just had to do the research, find the site's decision maker, and the right time for submitting a bid.

Had I been confined to an onsite post, as was my initial plan, **I would have missed out on much of this knowledge.**

My agency specialized in patrol and on site security to the motel/hotels



niche. Serving multiple clients in the same niche allowed me to tailor our services to their specific needs.

We kept a database of incidents and the people involved. A person who created a disturbance or trashed a room at one site, might be show up in our database while subsequently visiting a second site.

Or, a person that was asked to leave a client's property, and told to never return by one officer, could potentially face trespassing arrest by another officer even though the second officer wasn't on duty when the warning was issued. He could pull that person's file in our database and see the original eviction notice.

A troublemaker couldn't simply wait for one officer to go off duty before coming back on site again and expect that the next officer wouldn't be able to see what had happened in the past. Our system provided an institutional knowledge-base which could transition from officer to officer.

How did we develop the technology for the data collection and retrieval?

I just purchased an inexpensive laptop, put a Microsoft Access database on it, and put it in a patrol car. The laptop could be pulled out of one patrol car and placed in another one as necessary.

In this way, we had a mobile data retrieval system always assigned to an on-duty patrol officer.

We didn't have to hire a dispatcher to sit in front of a computer. The patrol officer essentially become the dispatcher for the purpose of data retrieval.

As the database evolved, I could market it to our hospitality clients as a tool which only our officers could access: *"When someone hosts a big underage drinking party at one of our other hotels, we will record it, and that might help us prevent the same thing from occurring at your hotel."*

HOW TO START A SECURITY GUARD COMPANY

These innovative strategies, allowed us to market a superior product; nonetheless, the agency was still a small startup and still building references.

I needed to underbid the competition.

There was only one way to do it: keep cost low!

Here's how I did it.

Most security agencies have unnecessary overhead costs. The foremost unnecessary cost is an office, complete with front office personnel.

No security startup should pay for an office.

I completely avoided this cost by trading with a local office space provider.

They received three or four nightly patrols and we got a free, albeit unfurnished office space. We didn't staff the office. I forwarded the agency's phone number to my cell phone thus avoiding the cost of an office person.

I even found a way to cut the insurance cost. Insurance cost comprised most of my agency's overhead and I needed to find a way to keep it low.

We had to pay both general liability and workers compensation insurance. workers compensation was especially problematic. I couldn't shop the policy around because only one insurance entity wrote workers comp for security companies in my area.

But I still found a way to cut that cost.

My agency partnered with the federal Job Corp program. We used their security industry students as officers at some of our sites. This provided their program with a method for giving their students on-the-job training. In return, the program paid for the cost of their uniforms and, most



importantly, their workers comp insurance.

As an added benefit, we were under no requirement to keep a student working a post. If the student officer failed to perform, he would be returned to the program without us having to worry about unemployment insurance or any of the other separation trauma which sometimes occurs when an officer doesn't work out.

These strategies helped me to market a superior security product at a substantially smaller price point.

Speaking of marketing, I learned a lot of lessons the hard way.

I wasn't a natural salesman and soliciting business wasn't easy for me. But, throughout the years, I developed my system for locating and seeking new clients.

I learned to keep comprehensive notes. I used basic database software to build a list of target businesses where I might get a contract. As I learned more about each business, I would put that information into their file.

Perhaps, during my visit, a procurement manager told me, "*We are not interested. We bid out our security contract each November and we are happy with our current provider.*"

I had just learned a valuable piece of information. In November, I might have a shot at the contract. That fact went into my database. In late October, I would go back and bid of the service. Because my pricing was low, I felt that I always had a chance and at the very least could keep pressure on the competition to keep prices affordable.

I disciplined myself to record each substantive factoid from my interaction with these businesses.

I also learned the art form of patience. I wouldn't get

HOW TO START A SECURITY GUARD COMPANY

clients quickly. It would take time.

There's a great need for a new generation of security startups to modernize the security industry with new, innovative ideas which will keep the cost of security services at a minimum while providing a great product.

With the decreasing cost of Web-based, technology solutions this innovation is now more possible than at any other time in history.

I implemented my low-cost, innovative security model before the Internet and Web-based technologies were commonplace. I was a 19 year old with just several months of experience in the security industry and little upfront capital.

Just imagine the amazing opportunity to those who have more security experience, better technology and several thousand dollars of upfront capital!

The Investment

How Much Does It Cost To Start a New Security Agency?

Here's the million dollar question: "How much do I need to save before starting my security agency?" Here's some good news: it's not really a "*million dollar question*". The private security industry features an extremely low financial barrier to entry. This low entry cost is one of the most compelling reasons to start a new company in this industry.

A security agency does not require substantial capital cost.



This Concludes The Sample Chapter of This Book

Download the entire copy by visiting
<http://securityofficerhq.com/book/start-security-guard-company>.

Thank you!

