

## CHECKLISTS, FORMS AND TEMPLATES

### ADEQUATE PER-EMPLOYEE SPENDING ON PHYSICAL SECURITY

When asked whether the amount of money their organization spends on its physical security is enough, 62 percent of security directors said it is, according to IOFM's *2011 Benchmark Survey on Security Salaries and Spending*.

While this means more than one in three security directors feel their budget is inadequate, the figure is an improvement over survey data from 2009 and 2005.

Executives working in the utilities and natural resources and services sectors reported the highest degree of contentment with their organization's level of security spending. There is less satisfaction among security leaders at security firms, hospitals and educational institutions, and manufacturing companies (see figure 1).

It is clearly impossible to identify the exact level of security spending that should be enough for a quality security process, as there are myriad variables unique to an organization that influence what amount of spending is required. Some of these have been noted, including whether a company owns or leases its facilities. However, analyzing the survey results does yield benchmark figures that are worth thinking about.

Examined broadly, the results show that a majority of security executives believe security spending is sufficient when the organization spends more than \$500 per employee on physical security. When companies spend less per employee, a majority of security executives report feeling that it is inadequate to administer a quality security process. On a positive note, the actual median spending per employee (\$600) exceeds the "adequate" level, suggesting that a majority of companies are giving security executives what they should need to lead an effective security program.

We also examined security spending by industry in light of whether the amount was seen as sufficient. By calculating the average security spending per employee—at those companies where the security department believes the amount is sufficient—results analysis indicates the amount of security spending that is typically found to be sufficient within each industry (see figure 2). (Because data analysis was limited to respondents who knew their spending level and also said their spending level was sufficient, a reliable figure could not be calculated for every industry.)

The small difference between most industries' overall spending and the spending level perceived to be adequate suggests that

	<b>Insufficient for a quality security process</b>	<b>Sufficient to administer a quality security process</b>
Education & Healthcare facility	41.7%	58.3%
Hospitality/Public Venue	33.3%	66.7%
Manufacturing & Production	43.5%	56.5%
Security Services	58.3%	41.7%
Services	29.6%	70.4%
Utilities & Natural Resources	28.6%	71.4%



companies are doing a better job than in the past of funding security right at the level that is needed. A level of funding that makes it impossible for security executives to succeed now appears to be less of an issue than in years past.

<b>Figure 2. Median Per Employee Spending at Organizations Where Level Is Perceived as Adequate*, by Select Industry</b>	
	<b>Per Employee Spending at Organizations Where Level Is Perceived as Adequate*</b>
Hospitality/Public Venue	\$750
Manufacturing & Production	\$318
Services	\$700
Utilities & Natural Resources	\$2,000
Overall	\$500
*defined as sufficient to administer a quality security process	