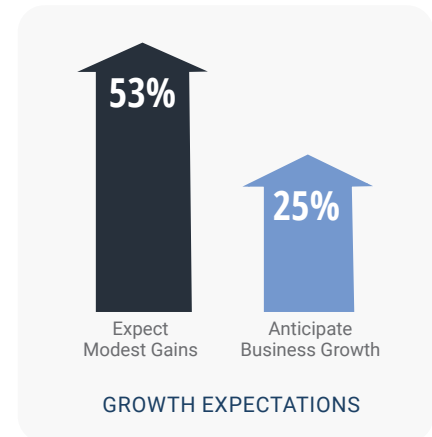




## EXECUTIVE SUMMARY

Fueled by optimism over cloud adoption and customer demands arising from the COVID pandemic, the vast majority of channel partners—including resellers, designers, specifiers, installers, and integrators—expect their security business to grow over the coming year. One-quarter of respondents anticipate business growing greatly, while another 53% expect more modest gains, according to a survey conducted by Brivo in conjunction with SDM Magazine and Clear Seas Research.



### Among other key points:

- **80%** of channel partners believe that having remote options to manage access control off property reigns as their customers' most important security system capability, followed by intelligent video surveillance at 78%
- As U.S. companies begin to reopen amid continuing COVID concerns, 70% of resellers' customers want touchless door access and 60% want remote access control capabilities
- **80%** of reseller respondents report offering cloud-based solutions
- Respondents say that two-thirds of end-users are likely to consider cloud solutions, with that number expected to increase over the next 12 months

## What's Driving Growth?

Experts cite various factors contributing to bullishness among channel partners. First, market opportunity and demand continue to increase. Security technology expert Lee Odess, author of *The 6 Phase Changes Shaping Access Control*, observes that, “the marketplace is moving beyond high security. It’s going from keeping bad people out to letting the right people in.” That trend ties in to the COVID era demand for occupancy tracking, social distancing, digital visitor management, digital wayfinding—using a smartphone to find your way around a property—and so on. As Odess points out, “access control is moving from a mechanical single-point solution to a feature of software that might also include temperature control, visitor management, room scheduling, and various other features. Now security is part of a larger ecosystem.” Odess says.

The optimism is well-founded. In his almost four decades in the industry, Darin Dillon, who works for Houston-based Pivot3, has seen continual growth, much of it double-digit, from his enterprise-sized clients. “I’ve never installed a system that didn’t grow over time,” he says. “I installed a card reader and in a couple of years there’s more.” Or the company acquires new facilities with legacy systems and wants to standardize. “Plus, there’s always new risks” that drive growth, he says. Data centers, which require multiple layers of access control, will drive new commercial business.

However, COVID still changes the equation. With companies ceding real estate, or reconfiguring the current office footprint to adapt to work-from-home, Dillon says designers, installers, and integrators will be dealing with fewer new sites but will be busy with more security at existing sites. “Multifamily residential facilities can compensate for any sluggishness on the commercial side,” says Dillon. “The access control arena will continue to grow,” he predicts, “but we will have a funky time for 12 to 18 [months] until we see how the market will reconfirm.”

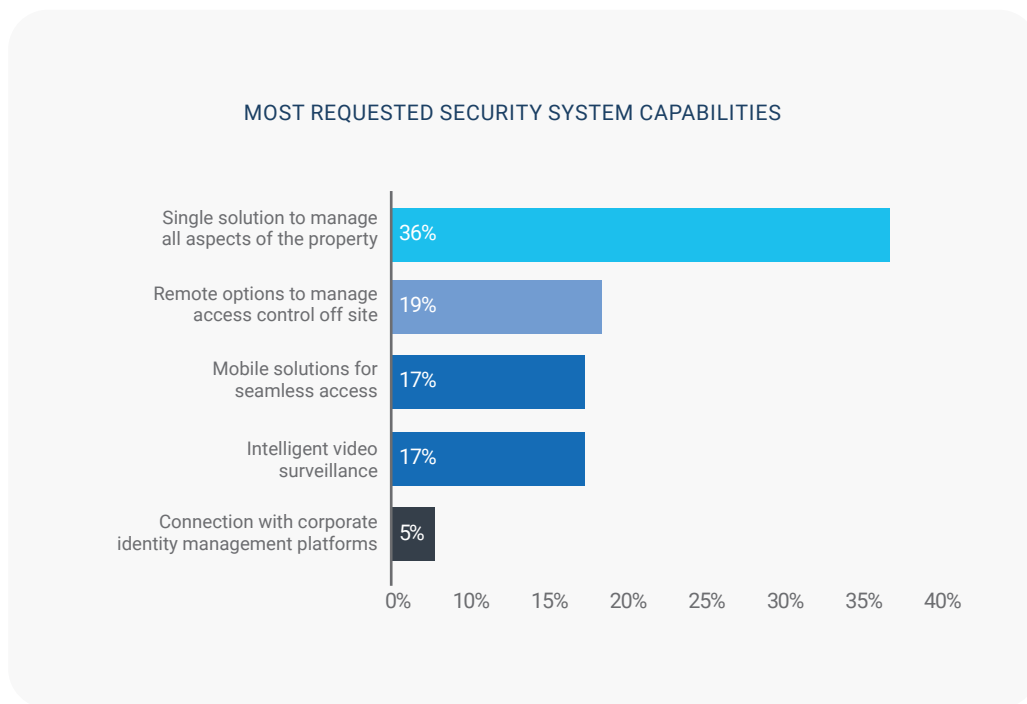
“Access Control is moving from a mechanical single-point solution to a part of a larger ecosystem”

-Lee Odess, CEO & Founder Group  
337, Security Technology Expert

## What Are the Most Important System Capabilities?

When asked what customers consider to be their most important security system capability, channel partners cite remote options to manage access control off property, scoring it at 80%. Intelligent video surveillance follows closely behind at 78%. Other top performers include mobile credentials at 75%, and a single solution to manage all aspects of the property at 74%.

Intriguingly, what channel partners consider to be their customers' most important capability doesn't match what channel partners say their customers request most frequently. Specifically, while channel partners say that remote management is the most important capability, only 19% also report that their customers' most common request is remote management. Almost twice as many customers (36%) ask for a single solution to manage all aspects of the property.



Channel partners were also asked about what customers are requesting as they prepare to reopen facilities safely in light of widespread vaccine availability.

## How Has Reopening After COVID Affected Customer Requests?

Customers are asking about the following:

- 70%** Touchless door access
- 60%** Remote access control capabilities
- 42%** Temperature scanners
- 37%** Occupancy trackers
- 27%** Mask detection
- 18%** Social distancing monitors

“We saw the initial wave of demand for touchless, and it has continued but at a slower pace”

-Aaron Whitaker, Owner, Preventia Security

While topping the list of requests, interest in touchless access may be declining; for one thing, touchless systems such as mobile access and face recognition still require users to physically open doors. Options such as automatic doors, optical turnstiles, two-way doors, and foot pedals are often expensive and/or clunky, and may not meet building or fire code requirements.

“We saw the initial wave of demand for touchless, and it has continued but at a slower pace,” confirms Aaron Whitaker, owner of Tennessee-based Preventia Security. Customers have turned to hand sanitizer as a more economical alternative to switching out door hardware, he notes. Still, the pandemic “has introduced touchless into the conversation, and the demand is high for future projects where it can be planned,” Whitaker says.

For Dillon, whose clients belong to the Fortune 1000, temperature scanning is topic number one, followed by touchless entry. But inquiries don’t necessarily translate to sales. Instead of buying an expensive thermography system, “they give a scanner to a guard,” he says.

For all the attention to touchless access, Dillon says it’s still an outlier. “I do occasional automatic doors, mobile systems, a handful of facial [recognition solutions],” he says. So what are customers actually buying? The traditional card reader system, Dillon says. “I really don’t see much change in a post COVID world except for a handful of people who put in thermal readers or automatic openers.”

Odess doesn’t think the touchless technology is quite there yet, especially as to opening doors. “Conceptually, end users like it,” he says. At some point there will be technology. But we’re far from it.”

## Do Customers Prefer Cloud Now?

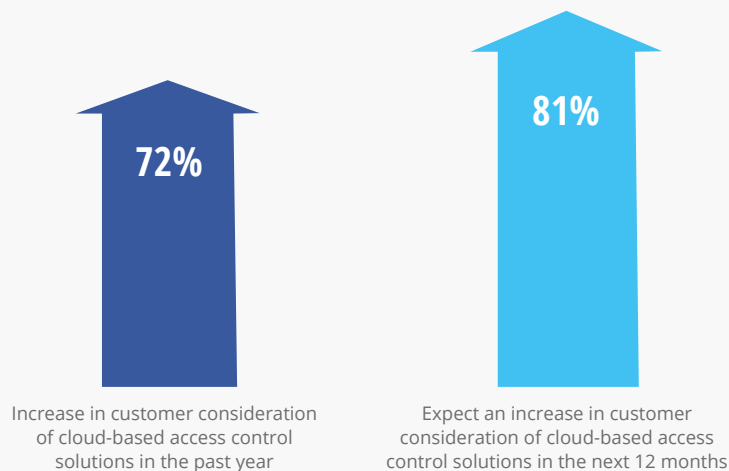
Cloud-based access control has been replacing on-premises systems, but some channel partners and customers have been reluctant to embrace the technology. While 80% of respondents have bought into cloud technology, a reluctant 20% stand their ground. Of those who offer cloud-based solutions, 70% provide one to three solutions in their company portfolio, and 11% offer more than 20 different solutions.

Channel partners report that 65% of their customers are likely or extremely likely to consider cloud solutions. Only 14% say customers frown on that option, with the rest unsure.

**65%** of customers are likely or extremely likely to consider cloud solutions, a number that is expected to grow over the next year

### SECURITY INTEGRATORS SEE CUSTOMER DEMAND FOR CLOUD-BASED SOLUTIONS

**65%** of customers today are likely to consider cloud-based access control solutions



Those numbers reflect an increase from the prior year—72% of channel partners (82% among specifiers/designers vs. 67% among sellers/installers) have witnessed growing interest in cloud from their customers. A large number, 81%, foresee growth continuing over the next year.

What about customers who have been neutral or resistant to the cloud? Over half of the respondents expect these customers to become more amenable over the next twelve months.

Overall, the future for cloud solutions appears to be healthy and growing. So what's generating the demand?

According to Preventia's Whitaker, two factors predominate. First is ease and flexibility. "Legacy access control just does not keep up with the constant development of web browsers, phones, apps, etc.," he says. "Our customers are frustrated with having to limit their own technology, or maintain extra outdated technology just for the sake of their access control."

The second factor arises from COVID's shift to more people working at home and fewer staff on site: the need to manage access remotely. "It's one thing to occasionally access your legacy system but it's entirely different when you need to use it consistently while also managing everything else remotely," Whitaker says.

Of respondents not offering cloud-based solutions, about 32% have no plans to change. About 37% will add cloud capability in the future, and 21% aren't sure. Respondents cite three drivers for adding cloud competency: monthly recurring revenue, customer demand, and flexible technology.

"Legacy access control just does not keep up with the constant development of web browsers, phones, apps, etc."

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## METHODOLOGY

SDM, Brivo, and Clear Seas Research conducted an online survey February 10-12, 2021, contacting U.S.-based professionals whose business functions include selling, installing or specifying and designing security for primarily commercial, industrial, institutional, or multifamily applications. Of the total respondents, 2/3 sell, install and integrate security solutions, while 1/3 create building/security specifications and recommend security solutions. The majority of respondents focus on commercial customer segments. Other markets include industrial, institutional, government, residential, multifamily, and healthcare. Twenty-seven percent of respondents are managers, with decreasing percentages coming from directors (17%), presidents (17%), owners (14%), vice presidents (9%), engineers or designers (6%), sales staff (4%), CEOs (4%), and consultants (3%). The median number of employees is 26-50 and median years of experience is 21-30.

## About Brivo

Brivo is the global leader in mobile, cloud-based access control for commercial real estate, multifamily residential, and large distributed enterprises. Our comprehensive product ecosystem and open API provide businesses with powerful digital tools to increase security automation, elevate employee and tenant experience, and improve the safety of all people and assets in the built environment. Having created the category over twenty years ago, our building access platform is now the digital foundation for the largest collection of customer facilities in the world, trusted by more than 25 million users occupying over 300M square feet of secured space in 42 countries.

Our dedication to simply better security means providing the best technology and support to property owners, managers, and tenants as they look for more from buildings where they live, work, and play. Our comprehensive product suite includes access control, smart readers, touchless mobile credentials, visitor management, occupancy monitoring, health and safety features, and integrated video surveillance, smart locks, and intercoms. Valued for its simple installation, high-reliability backbone, and rich API partner network, Brivo also has the longest track record of cybersecurity audits and privacy protections in the industry.

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