

Speech by Lieutenant General Sir Cedric Delves KBE, DSO (Director, Olive Group)**RUSI-BAPSC First Annual Conference****30 October 2006**

When discussion turns to so-called PSCs, there is always this foreign and defence policy context that comes first to mind. Presumably, because this is where contention lies – if Government can embrace private security, then I suppose PSCs might have achieved some sunny upland. It has to be said that in this country there seems a long uphill path to tread, and there remains a high degree of suspicion and distrust about privatized security. I am sure that we shall hear more on this issue – how PSCs offend the principle of the Crown’s monopoly on the carriage of arms and use of force. How, in the past, some PMSCs have not helped themselves in this respect, the odd notable few having indulged in their own foreign policy initiatives.

I would offer, and I suppose I am bound to, that this obscures where commercial security companies are now and what their potential might be, not least in support of Government. In recent years the industry has moved a long way from its manpower intensive offerings, close protection, perimeter guarding, minor tactical skills training, and advisory services turning around discrete offerings such as environmental risk and threat assessments and travel advisories. This is not to say that there aren’t examples of effective Government outsourcing to PSCs. The Washington-based MPRI’s training and equipment programme in former Yugoslavia could be viewed as one such example, which suggests that the US Government might be more advanced in its attitude towards the use of private provision to support Defence and Foreign Policy objectives. But returning to the UK, consideration within Government should not be unduly confined by this past experience; particularly at a moment when the costs of defence and security increasingly outstrip the current resources of the departments charged with their implementation and “value for money” is a growing concern.

We at Olive see security-related services for governments falling into three broad areas of demand. The first is support of governments involved in volatile countries and regions abroad. The range of services might include:

- Supporting the agencies of western governments, international organisations, NGOs and the media, in such areas as logistics; site and personnel security; the tracking of assets and people; emergency response support; and so on. In other words, helping to create an enabling environment for them to be able to function and dispatch their responsibilities.
- It may also include advising governments on their security related programmes and helping with their delivery. For example, providing analytical and policy development support to a government aid department in designing a programme focused on security sector reform. This is a policy development role, where a security company can bring domain expertise in support of governments.
- Finally, there may be direct support to governments emerging from conflict, for instance with security sector reform, training and re-training of security forces, and de-mining. The use of commercial providers in these areas could bring much needed relief to Crown Forces, enabling them to concentrate more fully on that which only they can or should do.

The second area of demand is for modernising governments, helping to strengthen their critical infrastructure and homeland resilience. There is an enormous wealth of expertise to

be tapped into in this context, which has its roots in the commercial arena rather than the “private security” industry. The range of services here could include:

- National and local level audits of homeland resilience in light of current and emerging risks
- Procedural improvements in how existing governmental capabilities, such as integrated threat and risk assessment and response, and assets could be used to better effect
- Technology-enabled strengthening of security around critical infrastructure. This might include intelligent transportation systems that can monitor vehicle movements, access control systems for large facilities such as industrial areas, and security systems for infrastructure networks such as oil pipelines, power grids, and telecommunications.

These services would apply to any country that is serious about strengthening its resilience. It has a particular application for countries that are organizing major international sporting or similar events that would bring focused international attention.

The third area of demand would be from any government confronting catastrophic events, such as natural disasters. Specialist security providers can help in a number of ways that would include develop and refining crisis management capabilities, either nationally or on a regional basis, through to practical response and logistical support. Olive Group, for example, supported the U.S. Federal Emergency Management Agency’s operations on the Mississippi Gulf Coast in the immediate aftermath of Hurricanes Rita and Katrina in 2005, and the international response to the Asian tsunami in Banda Aceh the same year.

Companies that are able to respond to this broad set of Government-based demands will look and behave very differently from the image of the PSC of the past. We at Olive see ourselves as an “integrated security services provider” that can offer a broad range of capabilities that enable governments but also non-governmental and commercial customers to protect their high-value assets. This involves offering technology-enabled security services and solutions to support critical infrastructure protection, post-conflict reconstruction, humanitarian aid support and emerging market opportunities.

So, we would offer that companies matching the demands of today and tomorrow are likely to show some if not all of the following characteristics, reflecting the sophistication of their corporate approach and capabilities:

- They will be led and managed increasingly by business leaders as distinct from ex-military and security services people. I myself am an exception on the Board of Olive – my colleagues bring a mix of business and legal backgrounds to the leadership of the company.
- The value of work will migrate from risk management and mitigation of harm to enabling positive advantage – or being a “force for good”.
- Solutions will be bespoke, developed from deep engagement with clients, geared to core capabilities of integrated security rather than commoditised services charged by day rates for the number of men deployed.
- Service offerings will extend from:
 - Enhanced physical security, which includes physical protection combined with intelligence, technology and training; to
 - Integrated security that involves systems design and integration of both hardware and software, including practices and procedures, for individual facilities, broader localities and critical national infrastructure; to
 - Assurance that is forward looking and seeks to help clients create advantage from an advanced capability to manage security.
- Technology will feature as a key enabler to improve the quality of security at lower cost than more traditional manpower intensive solutions. This brings us back to

providing value for money in governments and organisations looking for efficiency savings or constrained by zero real growth cost targets.

- And the best companies will define the cutting edge in leadership of thought, addressing key security and risk issues of today and tomorrow.

So by way of illustration, the type of government work advanced, integrated security providers might be involved in currently could include:

- Policy development and delivery of security sector work in such places as Sudan.
- Advising on and assisting with the integration of otherwise discrete domestic resilience programmes and projects.
- The design, integration and operation of area surveillance – e.g. London Ring of Steel, e-borders within Europe, or pipeline and shipping security systems.
- The provision of support such as air and aviation where traditional Defence resources may be stretched taut or financial efficiency dictate alternative methods of provision.

I am conscious of time and will conclude on these notes:

- First, this sector should not be judged on the past performance of some. The very organisation of BAPSC and this conference shows the evolution towards standards and self-regulation. These are the minimum standards we must adhere to in order to have the “right to work” with governments.
- The industry is growing in sophistication to the extent that very soon a military-led physical security provider operating only in the most insecure environments will look as dated as the Walkman does in the age of the iPod.
- The future will be defined by commercially-led companies that are able to address the wider security challenges of their customers, and bring sound commercial solutions to governments that demonstrate much higher quality at a lower cost to what they could do in-house.
- Managing the complex and growing challenges faced by governments in this area will require novel solutions and bringing together a range of quite diverse capabilities. Companies that are able to focus their own resources and create compelling partnerships with others to address this growing demand will win.
- Finally, the security industry of the future will be led by companies that not only help clients reduce their risk but also create opportunity, not only avoid doing harm but serve as forces for good. As the emerging norm regarding “Responsibility to Protect” grows in acceptance, it is not just governments, inter-governmental organizations and NGOs, but also private companies that must share this responsibility. Olive Group takes its responsibility most seriously, and believes that its role is to strengthen society by assuring what really matters. High-quality security services providers will continue to have an important role to play in supporting governments as long as there are needs for responding to humanitarian emergencies and strengthening accountable national security capabilities around the globe.