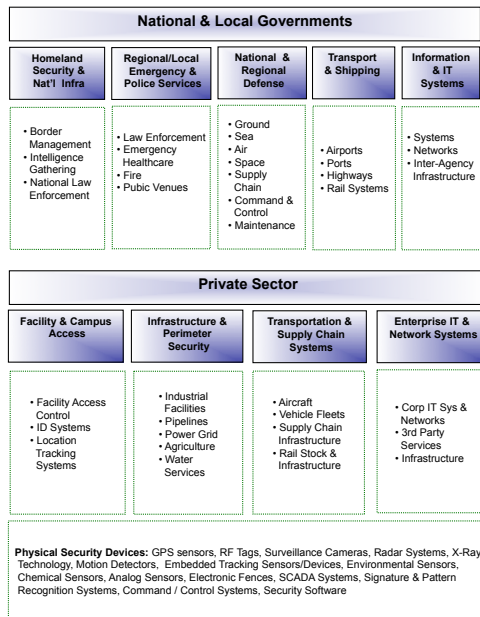


Physical and Public Safety Security Systems Get Smarter

The Advent of Intelligent Physical Security Systems

The Security & Public Safety venue is one of the largest and fastest growing sectors of the US Economy. Fueled by the global war on terrorism and increasing domestic security concerns, this sector has displayed double-digit growth, which is unlikely to change anytime soon. The bulk of spending is concentrated in three areas: domestic security & infrastructure, military equipment and systems and corporate surveillance/protection.

All of these applications involving security technologies are benefiting from lower cost easier to integrate devices and interoperability among devices and sub-systems. As these systems become more intelligent, the need for massive deployment of personnel will give way to true systems optimization.



Key Forces & Trends

Demand for improved security post-9/11 and technical innovations in security equipment are combining to create a fast-growing, high margin segment in the security market. Explosive detection systems, biometric access controls, virtual surveillance agents, and shipping container monitors are multi-billion dollar markets that have sprung up in recent years.

Security has taken the fore as an area of major technological development and implementation in both the private and public sectors. The unprecedented scale of the new security solutions being sought has

Harbor Venue Coverage

Venues and markets we address in our Pervasive & M2M research and analysis include:

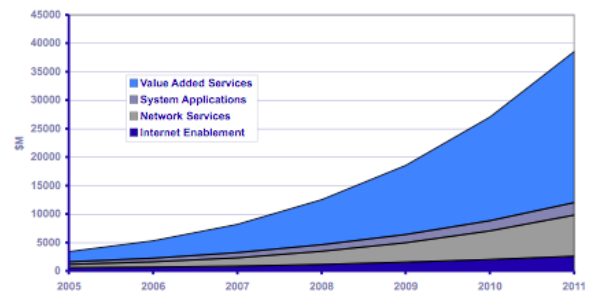
- Energy & Power
- Industrial Systems
- Retail
- Smart Homes & Buildings
- Healthcare
- Physical Security
- Transportation
- IT & Comms Systems

Security Venue Segmentation

The Security Venue includes GPS sensors, RFID, surveillance cameras, embedded tracking, and other devices for private and national security. These services are designed to monitor potential security threats and track people and objects. It is important when considering the security and public safety venue to understand that the buying behavior and purchasing preferences are dramatically different across public versus private segments.

Venue Scale & Growth Potential

Value added capabilities and managed services within the Security Venue could grow to as much as \$30+ billion by 2012.



created a major need for security companies to diversify the range of capabilities, levels of integration, and services of their systems. The following are just two examples of technological developments and trends within this large, encompassing venue.

Traditional video equipment is being revolutionized by both hardware and software advances. For example, the transition from analog to digital cameras has facilitated the next leap to internet (IP) connected cameras, allowing centralized monitoring from nearly anywhere in the world. New security software provides virtual surveillance agents, designed to automatically search digital video for certain patterns of activity or motion, reducing the need for human monitoring of the camera output—thereby cutting costs at the same time as monitoring effectiveness is improved.

In the case of shipping container monitors, this business will go from nothing to a billion dollar business overnight, as the US government mandates installation of sophisticated monitoring devices on the 18 million containers in current global circulation. Every container entering the US will be required to have one of these purpose-built devices that monitor both the goods in a container and any intrusions into the container during transit.

The domestic security and public infrastructure budgets for most countries are on the rise. Most of the critical infrastructure needs constant security awareness including: airports, ports, national landmarks, nuclear/biological facilities, financial centers, government centers, etc.

Current applications driving investment include:

- Public Infrastructure: Water/Waterways, Environmental Monitoring Equipment;
- Emergency Services: Hazardous Waster Collection, Treatment, and Disposal, Police Equipment, Fire Equipment.

In addition to public monies being spent by government entities, there is also spending by corporations and private citizens to ensure their own safety and security. With the decreasing cost of fixed surveillance systems there will be widespread use of this technology in the following categories in this segment:

- Emergency Services: Car Breakdown Services, Lone Workers.
- Tracking: Animal Tracking and ID.
- Fixed Surveillance: Speed cameras and CCTV.

We Clarify the Business Value

We understand that most potential adopters see the M2M / Pervasive Internet world as a daunting terra incognita. The technologies are difficult, the standards are constantly evolving, and the vendor landscape can seem fragmented and bewildering.

We make industry knowledge a key element of our toolkit. In order to keep ourselves fully up-to-date we perform continual analysis and research into specific markets and the maneuvers and strategies of the best performers. Our ongoing research gives us a rich context in which to view each client's opportunities and challenges.

We have direct consulting experience with viurutally all the supply side and adopter segments within the over buildings arena

About Harbor Research

Harbor Research, Inc. has been providing strategic consulting and research services to leaders in communications, computing, control, equipment and content since 1983. Harbor's keen eye toward market results is manifest in all of our processes and tools, providing clients with the perspective they need to make best-informed decisions. We emphasize interactive analyses, the incorporation of outside perspectives, time-efficient workshops, and action-oriented decisions. Our multifaceted approach, ranging from the research we publish to the fully customized consulting engagement, provides optimal value to our clients and has also allowed us to develop important advantages as a firm.

Contact Us For More Perspective

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