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# Certis: Digital transformation of a physical security company

30 July 2021

*How a company synonymous with auxiliary police injected sensors and artificial intelligence into its 21st century operations*

When Jewel Changi Airport opened in 2019, plenty of attention was given to the Rain Vortex, the 40-metre indoor waterfall that is the world's tallest of its kind. Accompanying the never-ending gush of water were regular light shows that were a treat for the senses, adding another feather to the cap of Singapore's world famous airport.

What is less well-known is that the company in charge of monitoring and co-ordinating all that water and light is usually associated with auxiliary police and security guards. What is more, it is done with a platform that also oversees the entire complex's security, facility management and customer service needs by crunching data from over 5,000 sensors, 200 mobile devices and 700 closed-circuit television cameras. All that, plus A.I.-enabled alarms and threat prediction.

A physical security company digitalising for the 21st century? Yes, Certis would like to think so.

## EVOLUTION...

Before Certis took on its current form, it was CISCO – an acronym for Commercial and Industrial Security Corporation – a statutory board under the purview of Singapore's Ministry of Home Affairs (MHA). After it was corporatised in 2005, it became CISCO Security Pte Ltd, and later on Certis CISCO before confusion with tech giants CISCO Systems led to its current name.

Its name was not the only thing that has changed in the 63 years since Certis began life as the Singapore Police Force's Guard and Escort Unit. For many years, it was synonymous with and was the dominant player in the local auxiliary policing industry. While preserving its leadership position in its dominant business, Certis had embarked on diversification in the 1990s, a strategy that enabled the organisation to pursue successive waves of growth.

By the time the government opened up the local private armed security services industry in 2005, which added four competitors to the landscape, Certis (then CISCO) had expanded into event security, executive protection and even enforcement support services such as vehicle parking violations and issuance of fines.

Certis CEO **Paul Chong** was clear they had to adapt to the new reality to survive.

"From a monopoly where everyone comes to us and we don't have to go out to get business, to an organisation where we have to compete with others and nothing comes for granted, is a big part of the transition," he recounts. "[But] that had also given the organisation the impetus to grow."

Technology was a key area Certis focused on. While acquiring a cybersecurity startup in 2012 that was divested six years later – while retaining cybersecurity competencies – the company also introduced the BPRO® (Business Process Re-engineering and Operations) concept that entailed partnering customers to design and co-create bespoke solutions meeting their security needs using a design thinking approach.

The implementation of BPRO® solutions in shopping malls began gaining traction after Certis won their first mall security contract with Far East Malls in 2014. The deployment of smart CCTVs to monitor visitor as well as vehicle traffic flow outside of the malls helped to reduce existing security manpower needs by 20 percent.

Given that manpower costs constituted up to 80 percent of the total security related outsourcing cost, any potential productivity savings that Certis could deliver to mall operators was an important competitive advantage for winning contracts. True to the old adage of ‘success begets success’, Certis eventually captured the full market share of 34 major retail malls in Singapore within a short span of four years.

## **...AND TRANSFORMATION**

With no more malls to approach, Chong re-examined how Certis’s technology could be applied elsewhere.

“We realised that the same platform on which we deployed our security solutions can also be used for facility management as well as visitor management,” he explains. “We started having conversations with our customers about bringing their cost of operations down - and any cost savings is good news to them. That was how we embarked on the next phase of our diversification, and that’s why we moved to Security+.”

Security+ was Certis’ service offering comprising core security services, as well as technology-enabled digital operations that included integrated FM and guest services. While the company had long embraced technology, it wasn’t till more recent times—starting about 2010—that the digital tide brought about major commercially available advances in computing power and sensor capabilities that were cheap enough and reliable enough to open up a world of new possibilities for deploying smart applications on mobile devices, for making much great use of sensors, and for collecting and processing the data to do analytics, as well as to enhance this with AI capabilities.

Jewel Changi Airport was the company’s lighthouse project for Security+, featuring large scale technology-enabled solutions combining security, facilities management (FM) and visitor management (concierge) services. Its successful deployment has served as a catapult for new business acquisition, with Jurong Town Corporation (JTC) and Our Tampines Hub, a high-density community space, signing up.

## NOW WHAT?

But Chong has major concerns. Security+ is all about integrated service support, and therefore requires clients to commit on the CEO or CFO level in order to cut through operation silos within the client organisation. Otherwise, there would always be a different decision maker and budget within the client organisation for security, for facilities management, for employee and visitor access management, and also for IT.

While far from easy, it was a realistic goal to reach out to the CEO or CFO of a Singapore-based company to pitch the Security+ approach. Chong admitted that it was more difficult to get access to the CEOs and CFOs of the overseas customers in order to have the conversations needed to get them to rethink the way they made purchasing decisions across their silos of physical security, facilities maintenance and visitor management.

Additionally, how could Certis sustain its competitive advantage once it has demonstrated to the public as well as to competitors the effectiveness of its digital transformation and its new highly-integrated, tech-enabled approach to providing security, facilities and concierge services? For how long can the Security+ business model give the company the competitive edge to retain its market leading position in its home market and its expanding presence overseas?

*This is an adapted version of the SMU Case, "Digital transformation of the Certis group: Delivering beyond security services". To see the full case, please click on the following link: <https://cmp.smu.edu.sg/case/4956>.*

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