

## The Future of Talent: Outsourcing takes hold in corporate security

*'The key trend for the future will be increased outsourcing, contracting, and sub-contracting, including by country heads of security. This means they will need knowledge of assurance, risk management, governance, overseeing supply partners, managing contracts, and running requests for proposals (RFPs).'*  
Chief Security Officer (CSO) interviewee.

### Key Insights Up Front

- Outsourcing is a distinct trend for multinational corporations. Benefits include cost reduction, flexibility, standardized service delivery, and access to specialized talent.
- Outsourcing in corporate security is increasing. The physical security equipment and services market will grow from \$377 billion in 2022 to \$496 billion by 2026.<sup>1</sup>
- Corporate security functions are outsourcing a wider range of roles, from guards to intelligence analysts, Security Operations Center (SOC) operatives, security technology specialists, and more.
- Fifty percent of CSOs spend more than half of their corporate security budgets on outsourced services, and half expect this to increase.
- Outsourcing is linked with rising technology spending, and almost all (82%) CSOs expect their technology spending to increase over the next two to three years.
- Outsourcing impacts talent needs. CSOs must adjust their talent recruitment and professional development strategies to incorporate required skills. They must also ensure resilience through a balance between in-house and embedded roles, especially in the increasingly business-critical area of intelligence.

### The Rise of Corporate Outsourcing

Outsourcing is an important trend across most functions in multinational corporations, which increasingly rely on workers who are not full-time direct hire employees to deliver some of their most essential services. In a 2022 study by *MIT Sloan Management Review* and Deloitte, almost all (93%) managers said external workers formed part of their organization's workforce, and three-quarters (74%) agreed that effective management of external contributors is critical to their organization's success.<sup>2</sup>

Companies outsource for a number of reasons: to reduce costs, provide flexibility in resourcing, standardize service delivery, achieve efficiencies, develop new capabilities, reduce risk, and access new or specialized talent pools. There are downsides to outsourcing, including a loss of control, short-term costs (outsourced roles are usually more expensive), the underdevelopment of in-house talent, and reduced resilience due to the vulnerability of outsourced roles to budget cuts.

### Outsourcing in Corporate Security Functions

Outsourcing has long been an important feature of the corporate security function, primarily in guarding. A recent report from ASIS International and SIA found that the physical security equipment and services market was worth almost \$377 billion in 2022, and is forecast to grow by a third to \$496 billion in 2026.<sup>3</sup> Two in five (42%) CSOs we surveyed outsource at least one quarter of the roles within their function, and 25% outsource more than half (fig. 1). One third (36%) of CSOs expect to increase the proportion of

<sup>1</sup> [Complexities in the Global Security Market: 2024 through 2026](#), ASIS and SIA, 2024

<sup>2</sup> [Orchestrating Workforce Ecosystems: Strategically Managing Work Across and Beyond Organizational Boundaries](#), E.J. Altman, D. Kiron, R. Jones, and J. Schwartz, *MIT Sloan Management Review* and Deloitte, May 2022

<sup>3</sup> ASIS and SIA, 2024

outsourced roles in the next two to three years. They are turning to external providers for a wider range of jobs, moving beyond guards, notably intelligence analysts and SOC operatives. There is a new trend for outsourced regional or country security managers, and some companies outsource the entire security function.

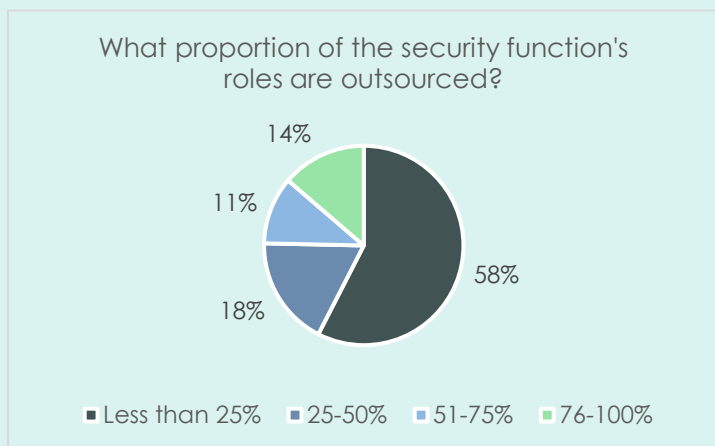


Figure 1: The proportion of a security function's roles that are outsourced (CSOs)

When calculated as a proportion of budget rather than headcount, outsourcing trends are even more pronounced. Fifty percent of CSOs spend more than half of the corporate security budget on outsourced services (fig. 2), and 46% expect this proportion to increase over the next two to three years.

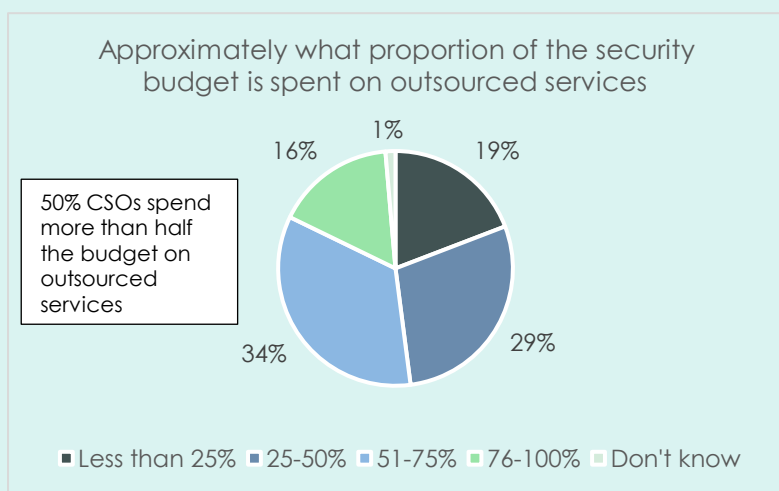


Figure 2: The proportion of a security function's budget that is spent on outsourced services (CSOs)

Increased outsourcing partly reflects the growth of security technology, which is often purchased externally rather than built in-house. A vast majority of CSOs (82%) expect the proportion of the security budget spent on technology to increase over the next two to three years, with only 1% expecting this to decrease. 'There will be no room for Luddites going forward,' one CSO told us.

While increased use of technology is likely to increase the proportion of the security budget spent on outsourced services, it will decrease headcount in some areas, for example, the use of smart CCTV will reduce the need for guards. Some CSOs anticipate AI and Gen AI will reduce the number of intelligence analysts they have. As one told us, 'Why use full-time employees to write insight pieces when I can use ChatGPT? I'm likely to decrease the number of analysts from two to one in the near future through increased use of GenAI.' Another commented, 'I'm anticipating a plateau on intel hires; AI will transform our needs in that area.'

## The Implications of Outsourcing for Corporate Security Talent

All corporate leaders must adapt their talent strategies to respond to outsourcing. A 2022 study found that only 30% of managers across multiple functions and industries felt their organization was sufficiently prepared to manage a workforce that relies more on external contributors.<sup>4</sup>

### **CSOs must recognize the impact of outsourcing on talent needs**

CSOs must recognize and prepare for the impact of outsourcing on talent. Our survey found that CSOs rank outsourcing as one of the least important factors impacting talent needs, with just 7% placing it within their top three. There appears to be greater recognition within the team than at leadership level. Survey respondents overall were more than twice as likely as CSOs to choose outsourcing as a key factor (fig. 3).

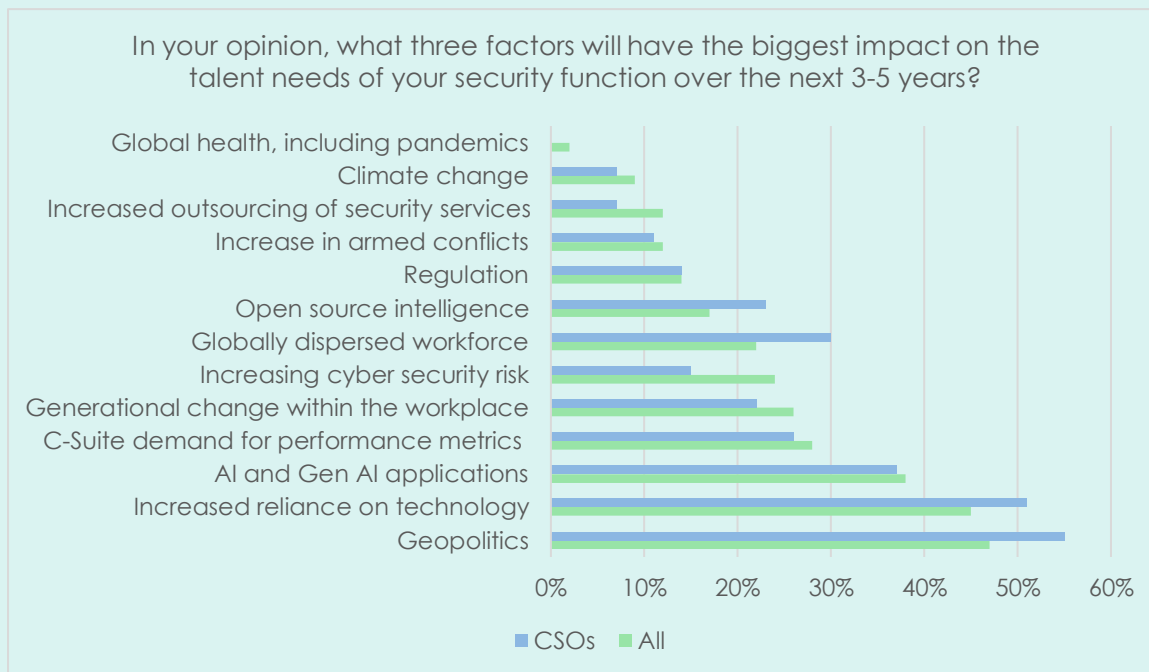


Figure 3: The factors that will have the biggest impact on talent needs in the next 3-5 years (CSOs versus all respondents)

CSOs that outsource at higher levels are more likely to recognize the implications. Those who spend more than half of their budget on outsourced services are almost four times as likely to rank outsourcing as a top-three factor impacting talent (11%), than those who spend less than half (4%).

### **Corporate security professionals report high levels of vendor management skills**

A majority of all survey respondents (72%) and CSOs (73%) said they have vendor management and contracting skills, and more than 80% in both groups say they have associated skills, such as project management, stakeholder management, and communication and influencing skills.

There is a positive correlation between the level of outsourcing and the presence of vendor management skills. The vast majority (85%) of respondents from functions that spend more than half their budget on outsourced services have these skills, compared to 64% in functions that spend less than half.

### **Skills overall are higher in functions with elevated levels of outsourcing**

Interestingly, respondents from functions that spend more than half of their budget on outsourced services report higher skills across almost all skillsets (fig. 4).

<sup>4</sup> MIT Sloan Management Review and Deloitte, May 2022

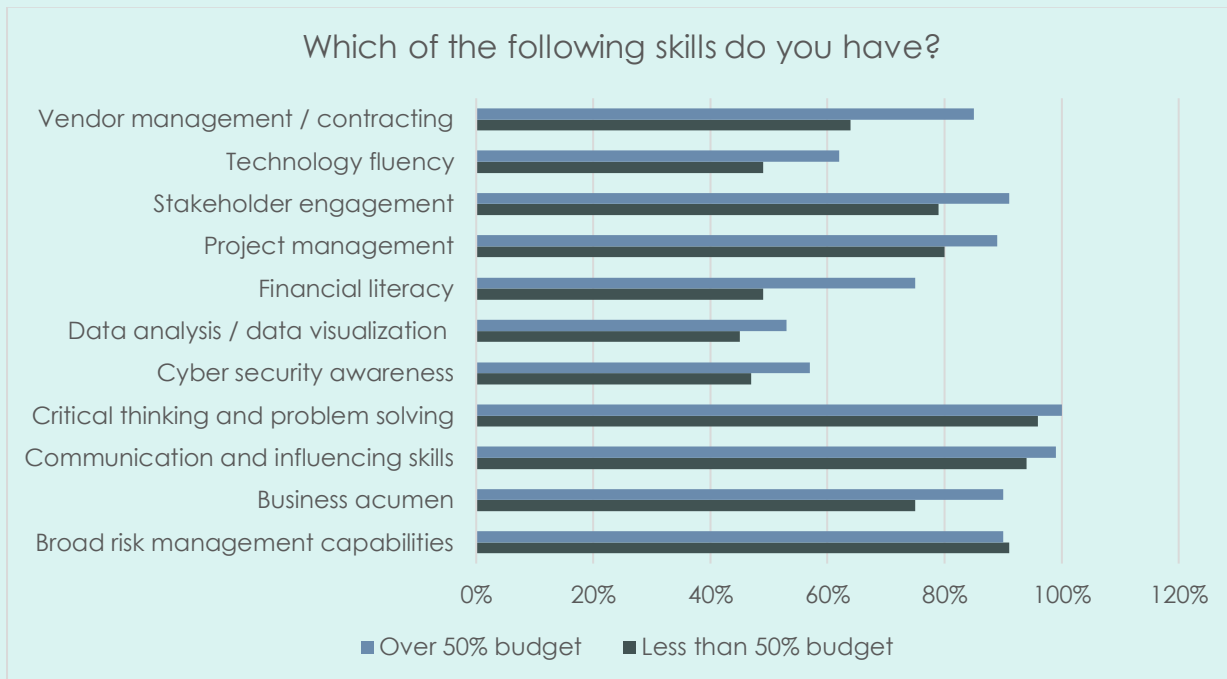


Figure 4: Self reporting of skills (based on % budget spent on outsourced services)

**Vendor management skills are critical for corporate security professionals**

Vendor management skills are now critical for effective corporate security, but only 3% of CSOs surveyed ranked them as one of the top three skills necessary for members of their team. Even CSOs who spend more than half of their budget on outsourced services are only slightly more likely to list vendor management skills within their top three (5%).

There is a greater appreciation among younger respondents; those under the age of 45 years were three times more likely (10%) to list vendor management in their top three than CSOs (3%). Some CSOs we interviewed recognize the importance of this skillset and are prioritizing it in recruitment. One told us, ‘Security’ skills are important for certain roles, but going forward they are less important. One of the key skills we look for now is vendor management.’

**CSOs need to invest more in training on vendor management**

Levels of training in vendor management and contracting are low overall. Fewer than one-in-five (19%) have received training. Staff within functions that spend more than half their budget on outsourced services are three times more likely to receive training (28% versus 10%).

Training levels are higher for associated skills, such as stakeholder engagement (33% of CSOs and 27% of all respondents), project management (37% / 29%), and communication and influencing skills (58% / 45%).

**Experience outside the corporate security function is beneficial**

Corporate security professionals may attain vendor management experience by working in other parts of the business where outsourcing trends are more established. Two-fifths of survey respondents (42%) said they have worked in another function, such as HR, supply chain, or operations. Analysis by age shows this is more common among younger corporate security professionals.

There is generally less exposure to other functions among CSOs, with only one-third (34%) having worked in another part of the business. CSOs who outsource more than half of their roles are twice as likely to have worked in another function (56% versus 27%).

As outsourcing of both roles and spending increases, the nature of the relationship between corporate security core team staff members and the rest of the business will shift. As one CSO commented, ‘In the future, there will be much more outsourcing, so it will be less important to have on the ground experience in your core team. It will also mean that the core team behave more like consultants to the business. It will be more important that they have experience relevant to the business, such as how a manufacturing site

works, business processes and structures, and so forth.’ Another commented, ‘I tell the team to think of themselves as security consultants for the company.’

### ***It is important to build resilience into outsourcing***

Outsourcing is especially high for intelligence roles, which in the current global operating environment are becoming more business critical. CSOs should consider the balance between in-house and embedded analysts to ensure continuity of service, given outsourced roles are often the first to go when cuts are made. It is also important to ensure outsourced personnel are properly integrated so they can deliver a service fully aligned with business needs.

## **Recommendations for CSOs**

- Acknowledge the outsourcing trend and identify opportunities for outsourcing to enhance the value proposition of the security function.
- Ensure your talent strategies take into account the impacts of outsourcing.
- Do not overlook the criticality of effective vendor management and contracting skills, which should be highlighted as ‘essential’ or ‘desirable’ skill sets in recruitment.
- Invest in relevant training and professional development to ensure team members working with vendors deliver maximum value to the business.
- Strengthen relationships between the corporate security function and internal procurement to ensure the function is utilizing best practices in outsourcing.
- Prioritize associated skills, such as communications, stakeholder engagement, and project management, through both recruitment and professional development.
- Identify opportunities for core team members to work more closely with colleagues outside the function, including internal secondments and cross-functional working groups.
- Embrace internal secondment opportunities into the corporate security function.

## **About the Authors and Partners**

**Kathy Lavinder** is Founder and Executive Director of SI Placement  
**Rachel Briggs OBE** is Founder and CEO of The Clarity Factory

[SI Placement](#) is the premier retained recruiting firm operating in the security arena. With more than 20 years’ experience and a proven track record for assisting multinationals and the family offices of the high-net-worth community with critical talent needs, SI Placement has a unique window into the needs and concerns of complex organizations.

[The Clarity Factory](#) consults with major multinationals, producing knowledge, actionable insights, and practical solutions to drive innovation in corporate security and cyber security.

SI Placement and The Clarity Factory offer a range of joint services to assist CSOs with their talent strategies. This includes: talent audits, future talent strategy facilitation, staff development and training, compensation reviews, job description reviews, and advice on recruitment needs.

To discuss how SI Placement and The Clarity Factory can assist you, please contact [Kathy Lavinder](#) or [Rachel Briggs](#).

## **About the Study**

This insight draws on research conducted by SI Placement and The Clarity Factory in 2024, including 24 interviews with CSOs from a range of sectors and geographies, and a global survey of corporate security professionals (73 CSOs from MNCs and a total of 204 respondents). The survey data for CSOs quoted in this insight relates to CSOs from multinational corporations. Where survey data is broken down by age, it draws on all survey respondents. More information on this study can be found [here](#).