

Innovation Delivered

The concept of delivering innovative solutions involves more than just providing security. It positions Diebold, *SDM's* Systems Integrator of the Year, as an organization that meets customers' needs beyond physical and electronic security, both operationally and financially.

By Laura E. Stepanek, Editor

SDM
systems
integrator
of the year 2011

Three of Diebold Security's top five executives — Kevin Engelhardt (left), Jacqueline Grimm, and Jeremy Brecher — are pictured at the World Trade Center where the company has been working since 2007. Diebold's approach is having a single end-to-end organization that operates as a unified resource.

To learn the story of Diebold Inc. one would need to go back more than 150 years to Cincinnati in 1859, when German immigrant Charles Diebold — a locksmith by trade — began to buy interest in a safe-building business where he had worked, later to be named Diebold, Baumann and Company. The Great Chicago Fire of 1871 proved the worth of Diebold's fire-proof safes, and the company went on to flourish in many markets over the next century.

"One hundred years after our founding, our product mix had expanded to include surveillance equipment, access control systems, alarms and devices," describes Bradley Stephenson, vice president of Security Solutions. "As we moved toward the 21st century, we added ATM security, logical security and monitoring to our portfolio." As the company continually refined its breadth of services and depth

of in-house capabilities, Diebold evolved into a total security systems integrator.

"From the simple installation of a single device to the most complex system implementations, we approach our work with experience, passion and commitment," Stephenson says.

We begin our story of Diebold, not in 1859, but last month — on an October morning in New York — when three of Diebold Security's top five executives posed for an *SDM* cover photo at the World Trade Center (WTC) complex. It was a fitting location for Diebold's executives to be photographed amidst the construction of Tower 4 and overlooking the 9/11 Memorial. Diebold began its work at WTC in 2007 when it was awarded the contract for a wireless-mesh video system on the perimeter of the construction site. This led to other WTC projects including the most current — the multi-phase

implementation of a Situational Awareness Platform Software (SAPS) system. (See related story, “Diebold at the World Trade Center,” on page 56.)

Securing what is perhaps the world’s most visible commercial site is not the primary reason *SDM* named Diebold its 2011 Systems Integrator of the Year. Rather, Diebold was selected for all of the capabilities that enabled it to earn that project and many others, including security solutions for notable clients such as Christie’s Auction House, National Oceanic and Atmospheric Administration, United States Postal Service, and more.

Diebold’s value as a systems integrator stems from a mission that reaches beyond traditional security systems. This mission, in part, states, “While the core of our business is to protect our customers’ assets, our security solutions also help our customers address other critical business priorities.” Some of these other business priorities are “enhancing security and mitigating fraud, improving operating efficiency, delivering optimum experiences for their customers, and growing and retaining their customer base.”

Kevin Engelhardt, vice president, Security Operations, explains further: “While we’re focused on security, we also want to focus on our customer’s business. We want to...help them run their business better, and we try to affect their needs beyond just electronic physical security.” (At press time, Diebold announced Stephenson’s plans to retire, with Engelhardt filling his role until a replacement is named.)

It may be difficult to embrace this concept unless you understand how Diebold’s mission translates into a complete service offering. This suite of services enables Diebold to help customers meet their critical business needs, and it also dovetails into a business model of outsourcing or “security as a service.” Outsourced security, which the company calls Diebold Integrated Services®, describes those services that are either managed or hosted by Diebold on behalf of end users.

“Because Diebold is a security integrator with a strong focus on security services, nearly every solution we provide includes some element of service, whether it be consultation, integration, monitoring, maintenance or any of the other value-add services we provide to end users,” explains Greg Steffy, vice president, North America Security Solutions. He provides an overarching description of Diebold’s services, as aligned with the following categories:

- Security integration and consultation
- Security services, maintenance and security outsourcing (managed and hosted)



PHOTO COURTESY OF DIEBOLD

Diebold is deeply rooted in Ohio, having first begun serving customers with safes in Cincinnati in the mid-1800s, and then moving to Canton, Ohio, in about 1870. Its corporate headquarters, shown here, is in North Canton.

- Enterprise solutions
- Identity, credential and access management (ICAM)
- Intrusion detection and surveillance
- Fire detection solutions and services
- Security and energy monitoring
- Logical security

Diebold at a Glance

Founded as a security company in the mid-1800s, Diebold remains deeply rooted in security. As a leading security integrator — No. 4 on *SDM*’s Top Systems Integrators Report — its focus is on the sale, installation and service of security components, as well as expert consultation regarding their application.



Whether it’s fundamental access control solutions or a comprehensive security system, innovative building security or complex data protection, Diebold takes a security management approach to combine physical, electronic and logical security principles with people, process and technology to deliver integrated security solutions that meet customers’ specific business and security needs.

Headquarters: North Canton, Ohio

Traded on the New York Stock Exchange under ticker symbol: DBD

2010 revenue: \$630.3 million across all markets

Employees: Diebold Security has 331 full-time employees. Diebold employs more than 16,000 globally across the company, including more than 4,000 professional service technicians to service the security business.

Locations: 90 branch offices in the United States

Ranked on *SDM*’s Top Systems Integrators Report: No. 4, based on \$567.85 million North American systems integration revenue.

Source: Diebold



Diebold was awarded a commemorative flag, which was flown at the World Trade Center complex on the 10th anniversary of 9/11, in honor of its security efforts at Ground Zero. "It was probably the proudest moment I've ever had as part of the organization," comments Engelhardt. Other Diebold employees pictured are: Luis Pinto, Dan Putnam, Nelson Barreto, Kevin Engelhardt, Jeannine Gallego, Gary Bergfield, and Adam Simkins.

Often an organization with such a comprehensive breadth of services can be bureaucratic and inaccessible. The way that Diebold is structured overcomes any such predisposition. With service professionals who are trained and managed by Diebold, as well as an infrastructure of geographically dispersed locations, "Diebold provides single-source service with one contract and one number to call for entire security programs," Steffy says.

SERVICES INFRASTRUCTURE

The service organization is structured for intelligent and swift response. Diebold Security has 331 employees, but it is part of a much larger and global organization within Diebold Inc., which employs more than 16,000 people. This is where Diebold Security gets its reach. Among this larger talent pool

Diebold at the World Trade Center

Diebold began working on the perimeter security at the Ground Zero/World Trade Center (WTC) site approximately four years ago. "We were awarded a wireless mesh network project — video that criss-crossed the site," describes Diebold's Kevin Engelhardt. "Then we built a temporary command center on site. Subsequently, we were awarded the access control application and then it built from there. There were numerous buildings that were added on. Tower 4 was the first, then the transportation hub, then obviously this SAPS project."

The SAPS system collects, correlates and displays information from a wide variety of the WTC site's critical security systems, as well as provides identity management capabilities. PSIM software from VidSys, combined with physical identity and access management (PIAM) software from QuantumSecure, serves as the basis of a full Situational Awareness Platform Software (SAPS) system for the WTC complex.

The 4 World Trade Center (4WTC) skyscraper (located at 150 Greenwich St.) will be a 2.3-million-square-foot, 64-story tower rising 975 feet from street level. It will be the fourth-tallest skyscraper on the WTC site. The majority of 4WTC will house office space, one-third

of which will be the new headquarters for the Port Authority of New York and New Jersey. The building also will have two retail levels below grade and a transportation concourse.

At the 4WTC skyscraper, Diebold is building a centralized security command-and-control center which will serve as the security hub. Diebold will install more than 500 biometric access control readers, more than 400 cameras, an elevator destination control system, a stairwell crossing system and X-ray equipment throughout 4WTC, and will integrate these solutions into the command center to centralize their management. Throughout the implementation of this massive project and for several months after its completion, Diebold will maintain an on-site presence.

Advanced security solutions are paramount across the World Trade Center complex. Biometric access control readers will utilize card controls and fingerprint scans to manage access to areas housing mechanical, electrical and telecommunications systems, as well as entry points, elevators and other high-priority areas. Cameras will monitor those areas in addition to stairwells, lobbies, baggage-screening areas, loading docks and outdoor areas. The fully inte-

grated systems will enable a card reader alarm event to automatically display the camera feed associated with that reader in the command-and-control center.

The elevator destination control system will integrate access card data with floor access permissions. When an authorized employee scans his or her badge and fingerprint at a secure elevator turnstile, the system automatically assigns an elevator to access the floor on which that employee works.

The stairwell crossing system will display up-to-date building evacuation routes in the event of an emergency. From the command-and-control center, security operators can review exit routes and update stairwell signage to reflect the best evacuation route at a given time. In addition, X-ray equipment to be installed in 4WTC's mailroom and lobby areas will be utilized to screen packages and belongings.

Leveraging its expertise in complex security system integration, Diebold also is implementing advanced security solutions at the new WTC Transportation Hub. As part of this \$20.825 million project, Diebold's integrated system will include the installation of video surveillance, access control and alarm devices throughout the hub. In addition, Diebold

there are 4,000-plus professional service technicians that are available to service security customers.

“When our customers are working with Diebold, they are most often working directly with Diebold, not through a third-party,” Stephenson emphasizes. “Diebold is one of the few large systems integrators that has the services infrastructure to support and service large construction deployments that require management of thousands of applications and devices. We are able to support such projects by holding all of our core functional positions in-house.”

The services infrastructure Stephenson references includes more than 90 branch offices in and near major metropolitan areas in the United States. “This close proximity to a large percentage of our customer base enables our employees to

have face-to-face interactions and maintain close relationships with their customer contacts,” he adds.

In addition, Diebold operates nearly 400 service locations including satellite offices, which are staffed by services professionals, and parts depot locations, which allow convenient and timely access to parts required to keep customers’ security equipment operational. (See Diebold Service Locations map on page 58.)

Services professionals, as well as all of Diebold’s employees, are a primary strength of the company due to the exhaustive training that every associate undergoes. Education is part and parcel of every

department and at every level of the company.

will expand the Port Authority Trans-Hudson Corporation’s (PATH) existing security system at the PATH WTC station.

Slated to open in 2014, the WTC Transportation Hub will make Lower Manhattan the third-largest transportation center in New York. Housing the PATH rapid transit system, the hub will connect to 11 subway lines. The Port Authority of New York and New Jersey expects the hub to eventually serve more than 250,000 travelers daily.

A centerpiece of the project will be a state-of-the-art system for managing access to various areas of the hub. Diebold will incorporate access control points that will utilize both secure credentials and biometrics to identify and grant access to employees, contractors and security personnel.

Diebold’s integrated surveillance system will enable the Port Authority to monitor all areas of the WTC Transportation Hub, including entrances, exits, rail platforms and other pedestrian zones, as well as high-priority areas such as electrical and telecommunication rooms. The implementation also will integrate



PHOTO BY ARNOLD ADLER PHOTOGRAPHY

existing PATH cameras, providing a consolidated view of the entire site.

Diebold will fully integrate all security solutions planned for the site into the WTC Transportation Hub’s centralized telecommunications network. The integration will link multiple data elements associated with an event, enabling faster security response times. For example, a card reader alarm event will automatically display the video associated with that reader and initi-

ate an action plan in the hub’s command-and-control center.

“The most critical deadline we’ve had to date was the 10-year anniversary of 9/11 and that was associated to the SAPS project, because the situation awareness project was tying together pieces of that site and they needed to be up and ready for the command center to be utilized to support the people who were on site — the President and other high-ranking individuals,” Engelhardt described. “We successfully deployed phase 1 of that project by 9/11. It exceeded everyone’s expectations, and then we were subsequently awarded on that day a commemorative flag that was flown on site on [the 10th anniversary.] It was taken down and handed to Diebold in honor of all the effort we had put in... at Ground Zero. It was probably the proudest moment I’ve ever had as part of the organization.”

Engelhardt explains that there are three more phases of the SAPS application, as well as numerous phases of the build and the Tower 4 hub, as well as the memorial. “We have budgeted to be on site for another three to four years — across all projects.”

Diebold Service Locations



MAP COURTESY OF DIEBOLD

Diebold operates 90 branch offices in and near major metropolitan areas. It also operates nearly 400 service locations, at which it stores equipment and parts related to its field services operations. On this map, the blue dots represent branches, the olive dots represent Diebold customer service engineers, and the green dots represent parts bin locations.

“Diebold is very much a learning company,” describes Jacky Grimm, vice president, Security Solutions and Business Development. “It’s important to us to have our [employees] always keep up with the latest technology and continue to evolve and improve themselves so we can serve our customers better. First, it really helps keep the focus on the customers and keeps our employees committed and focused on our core business. Second, it’s also a reason for employees to stay with Diebold.”

To that end, Diebold employs two full-time security sales educators and 10 security service educators. It maintains its own education center on the campus of Stark State College in North Canton, Ohio.

Classroom training is only one aspect of Diebold’s educational initiatives. Recognizing that continual education requires training content to be available in many different forms, Diebold offers workshops, peer coaching, online modules, webinars, on-the-job training, and more. Content spans job responsibilities — from sales to technical to customer service to management. Technicians are required to obtain at least 40 hours of training per year.

Two of the many notable programs within Diebold are its Leader-to-Leader program and Compass Professional Development Platform. Stephenson explains that in the Leader-to-Leader program, Diebold managers and supervisors can develop their leadership styles and communication styles, and learn best practices for developing employees and fostering successful business relationships. In the Compass platform, an online resource enables Diebold employees to manage their professional and career development. This tool provides them with a wide variety of educational opportunities, resources, coaching and mentoring tools.

Grimm attributes the heavy emphasis on education and training to a management philosophy within Diebold. “It’s really a management core goal. Part of how we’re measured is how well we train our employees for the next job,” she says. “We have tuition reimbursement plans at all levels of Diebold, because it’s important as you’re moving into the future and everything is moving so fast. You can’t go to the future with yesterday’s skills.”

Diebold’s employees on the whole hold an extensive number of certifications — more than 175 different ones — across many disciplines as well as specific products.

CUSTOMER REACH

Diebold continues to provide industry-leading ATM security solutions on a global basis. The Diebold Security division remains focused on the financial, retail, government and commercial markets within the United States, as well as in Australia and certain areas of Asia and the Middle East.

The Diebold Security business was previously aligned by core vertical markets, including financial, retail, commercial, government, critical infrastructure, transportation, healthcare and education. “We served each market independently, with individual teams providing services and solutions to individual markets,” Stephenson describes. Diebold recently reorganized the company as a single security organization that supports all markets.

Diebold Security’s Management Team

	Years with Diebold
Bradley Stephenson , vice president, Diebold Security*	38
Kevin Engelhardt , vice president, Security Operations	7
Jacqueline Grimm , vice president, Security Solutions	29
Jeremy Brecher , vice president, Technology Services	16
Greg Steffy , vice president, North America Security Solutions	25

*At the time of this writing, Bradley Stephenson announced his retirement. A search is underway for his replacement, and Kevin Engelhardt will be filling this role in the interim.

PHOTOS COURTESY OF DIEBOLD



In addition to its Monitoring Center in Uniontown, Ohio (pictured), Diebold also operates monitoring centers in Hawaii and Mexico. The center is Five Diamond certified by the CSAA and is UL, ULC and ULCRZM certified by Underwriters Laboratories. It is among the first

centers to earn UL certification as a National Industrial Security Monitoring Station, which certifies the center to deliver alarm monitoring services to the U.S. government. Diebold Security's Monitoring Center earned the distinction of being named Central Station of the

Year in both 2011 and 2007 in CSAA's Excellence Awards. It also received a 2010 Call Center Excellence Award from the International Quality & Productivity Center, and was named the North American Commercial Monitoring Company of the Year in 2009 and 2010.

Diebold's Brecher on Emerging Technologies

What new or emerging technologies does Diebold believe will have a significant impact on the security market in the coming months or years? According to Jeremy Brecher, cloud-based services and wireless connectivity enabled by technology such as 4G, will be standard in the industry of the future. More security applications will become more "cloud-aware."

"What PSIM is telling us is that the value of everything is shared information. As things move into cloud and standards get created, there will be an easier ability to share information with different agencies and even different peer groups," Brecher says, adding that proactive analytics will be a part of that scene.

"Near field communications technology over the next five to 10 years could really be a game-changer," Brecher says. "NFC could change the way we do credentialing and authentication today."

He also referenced the fact that most manufacturers are starting to embrace Web services architecture. "That alone will contribute to more collaboration between manufacturers and integrators and end users, where things could be integrated more easily, data be shared, best-of-breed components could come to the surface. Ultimately, that's going to be a big game-changer."

That technology trend is a driver towards "taking what is siloed as a security device or security application, and extending it beyond just the security means; getting more value out of it," Brecher says. "You read about how in retail, heat maps tell retailers how they're loading their shelves, as well as help shrink or loss prevention. Help them run their business and extend beyond just security is what you're going to see happening a lot more."

"Our holistic approach for integrated security solutions will ensure that we are a single point of contact for our customers in terms of our deliveries to support security implementations and our services to support ongoing security initiatives. However, approaching all of our customer segments in a similar fashion will allow us to better scale our services and leverage our systems and people," Stephenson conveys.

SECURITY AS A SERVICE

Words like "value" and "partner" may well be over-used in business circles, but at Diebold, programs such as Diebold Integrated Services® are what put the bite behind the bark. The name for this security outsourcing model describes services that are either managed or hosted by Diebold on behalf of end users.

Diebold Integrated Services are solutions to a growing business problem: insufficient capital for security expenditures. At the same time, providing security as a service, rather than as a capital outlay, assures clients of having technology that doesn't limit the expansion of their system and provides the most up-to-date functionality.

"We approach our customers in a very consultative manner that allows us to deploy true solutions," Engelhardt describes. "The assumption is that they have a limited amount of capital and have to solve a significant, endless amount of problems or threats. We'll deploy a solution in the proper environment that will probably be able to expand significantly

outside of their original thought. So while their budget or their money allocated to the project might answer today's problem, we apply knowledge and technology that will allow them to leverage it to where they're going to want to go. We provide them with a network-based solution that can drive services, taken from more of an operating expense model. It gets them out of the capital expense and depreciated-hardware solution to a more flexible technology-refresh, network-based model."

With Diebold's outsourcing model, "technology is rolled into a monthly services agreement to enable a predictable, operational expense," Steffy explains. "Through solutions such as managed access control, event monitoring, IT support services and logical security managed services, Diebold can provide consistent management of critical components of a security operation."

Sometimes an outsourced service solution includes a service that may be delivered through Diebold's highly acclaimed monitoring center, such as Managed Access Control/Door Control or Site Sentry® Remote Video Monitoring. Diebold offers a

5-Year Revenue Snapshot

2007\$813,000,000
2008\$775,402,000
2009\$643,589,000
2010\$630,345,000
2011\$611,435,000 - \$630,345,000*

**estimated, as reported on July 27, 2011*

wide selection of such services, and foresees strong growth in this area. In 2010, 64.5 percent of Diebold Security's revenue stream was recurring.

"Across all our markets, services for us are going to be our driver and our No. 1 growth area," says Jeremy Brecher, vice president, Security Technology and Integration. "We want to be an extension of our customers' operation and also provide the level of service that allows them to run their businesses better, maybe even improve customer satisfaction for certain retailers," he says.

To act as an extension of its customers, businesses, Diebold's service offering must be robust — and it is. In addition to traditional burglar and fire alarm monitoring, Diebold also offers Site Sentry® Remote Video Monitoring, Site Sentry® Remote Video Storage, DVR Health Check, Managed Access Control/Door Control, EnergyAlert™ Monitoring Services, and Disaster Backup services. (For more information about Diebold's services, see www.sdmmag.com and search "Diebold".)

"People have a limited amount of capital but they have a lot of issues and problems to solve. So now these managed services take what had traditionally been a capital-intensive budgetary decision and we're moving towards more of a pay-per-use model with remote services," Grimm explains.

Diebold's suite of managed services, its outsourcing model, its highly trained and geographically dispersed services infrastructure — as well as many other well-conceived and well-executed programs and practices — underscore a philosophy and a core belief held by employees that the customer is at the forefront of everything Diebold undertakes. "Innovation Delivered" is not just a tagline at Diebold. It is a living mantra that appears between-the-lines of contracts, on the plans an engineer draws, and in the voice of the operator in the monitoring center.

"Innovation delivered is not just about technology," Engelhardt claims. "It's about being innovative in anticipating and relating to our client's business priorities from a partner perspective." ■

Industry Leadership

Diebold serves the security industry through an investment in and commitment to several trade organizations — nationally, regionally and locally. Diebold's executives and employees contribute to boards and task forces. They're involved in committees and certification programs. They serve as event hosts and speakers. They execute sponsorships and trade show exhibits. They also help shape regulation and policy through partnerships with governing boards and public agencies.

Here are a few examples of Diebold's participation in the industry:

- Diebold participates heavily in the Electronic Security Association's (ESA) conferences, summits, workshops and other events, serving as a silver sponsor, sharing best practices and assisting with educational opportunities. "Our engagement with the ESA enables us to promote and enhance the growth and professional development of the security industry and provide a strong networking alliance for its members."
- John Stroia, vice president, corporate development, serves as vice chairman of the Security Industry Association (SIA) board of directors. SIA named Stroia its 2009 Chairperson of the Year for his exemplary service to the industry as the organization's 2009 Government Relations Committee chair.
- Steve Ipson, director, advanced dealer development, serves as a member of the Central Station Alarm Association's (CSAA) Marketing and Communications Committee, the Long Range Planning Committee, and is spearheading the initiative to refresh the CSAA Five Diamond program. As a member of CSAA, all of Diebold's Monitoring Center supervisors attend CSAA-sponsored seminars.