



2010 Annual Report



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**VISION**  
To help our members become more successful in an evolving global security environment.

**MISSION**  
To proactively represent SIA members in the global security and life safety markets in order to ensure a safer world.

Dear Industry Colleague,

In the introduction to the SIA Annual Report a year ago, I noted how challenging 2009 had been for the security industry and, indeed, the entire country. With slumping stocks, a stagnant housing market and an economic recession, few of us were sad to see that year end.

What a difference a year makes. In 2010, the industry—and the nation—found its financial footing, and the economic engines are again picking up steam, pushing us into a promising 2011. At SIA, we are excited, not only because of the vastly improved economic conditions—though that accounts for no small part of our happiness—but also because we are building on the momentum of several important strategic moves in 2010 that reshaped the association and will have a significant impact on the industry as a whole.

In 2010, SIA established itself in China and Brazil—two of the best non-U.S. markets to be in for security in coming years—as it continued its progress toward becoming an organization of international influence. SIA also bought the Securing New Ground conference and helped to create Security Week, a New York City-based mega-event that will debut in November, and created the Ashlar Foundation to serve as a vehicle for SIA and the entire industry to give back by providing financial support to key life safety and security initiatives. All of this is in addition to the great work done in our core areas of Education & Training, Government Relations, International Relations, Research & Technology and Standards. As you can see, it was quite a year.

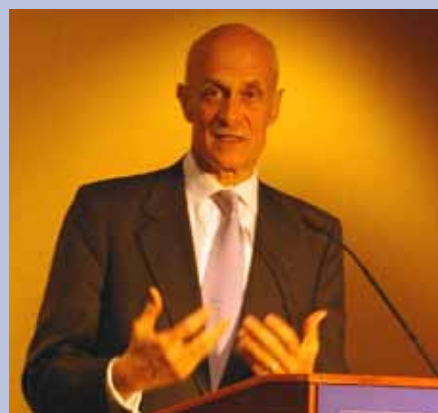
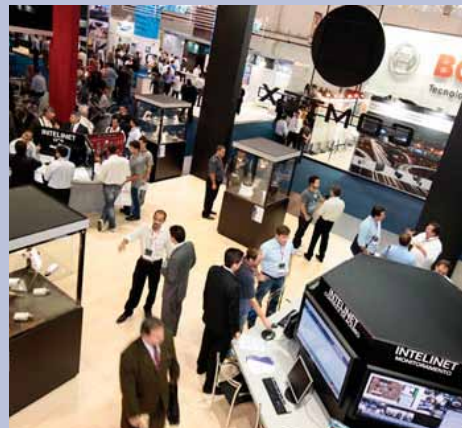
But while SIA enjoyed many accomplishments in 2010, we are far more interested in the next success than the last one. We are committed to looking forward, to implementing the ambitious vision provided by our Board of Directors, and to leading our members and the security industry to new levels of achievement and prosperity.

Thank you for your interest in SIA. If you have any questions about the association, I invite you to contact me or any of the staff members listed on the following pages.

Sincerely,

Richard W. Chace  
CEO  
Security Industry Association

# FROM THE CEO



For the Security Industry Association, 2010 was the year we made contact with many long-term goals and took a leap forward in brand recognition and influence.

For the Security Industry Association, 2010 was the year we made contact with many long-term goals and took a leap forward in brand recognition and influence.

During the past several years, SIA has been guided by the objective of becoming the “go-to” organization in the electronic security industry. SIA’s Board of Directors and staff developed and implemented policies and programs shaped by member needs that pursued this goal, and in 2010, those efforts in each of SIA’s core areas began to coalesce.

Members told SIA that, in order to prosper, they need high-quality training, actionable research, representation of their interests before state and federal government officials, open standards and new business opportunities. In short, they need information, insight and influence—three deliverables that have become the calling card of SIA.

#### INFORMATION

SIA’s Education & Training Department became an even more vital resource for the industry in 2010, working with Reed Exhibitions, the producer of the ISC shows, to revamp the educational programs at those events. The success of the overhaul was so striking and the response of attendees so positive that SIA expects to assume an even greater role

in the development of the ISC Education Conference programs.

#### INSIGHT

The Research & Technology Department offered its most innovative product to date in 2010, with the web-based *Brazil Security Market Report*. The wealth of data that can be manipulated and analyzed in a user-friendly interface—and which will be updated twice a year—further enhanced SIA’s status as the expert in security market reports.

#### INFLUENCE

Technical standards shape the future of the security industry, pointing to where it will go and outlining how it will get there. The American National Standards Institute-accredited SIA Standards program continued to have a vital role in this process in 2010 as it made advances in developing the ambitious Open Systems Integration and Performance Standards family of standards and completed work on important revisions to the control panel standard that will further reduce false alarm dispatches.

The Government Relations Department has established itself as the gold standard for security industry advocacy, and it closed out 2010 with a major win: securing passage of a bill that corrects misdirected energy efficiency rules that

threatened to have a significant negative impact on security product manufacturers and their customers. Just as important as its work with government officials, though, was its release in 2010 of the “Privacy Framework.” This document demonstrated that security and privacy need not be mutually exclusive by describing a set of best practices through which users of security technology can ensure that privacy is protected.

In many of these programs, SIA is working with and for end-users—almost as much as the manufacturers, dealers and integrators who compose its membership. By addressing the needs of end-users—whether through training, the development of reliable, interoperable standards or the drafting of an industry-leading response to privacy concerns—SIA is also helping vendors meet their business challenges.

This philosophy was reflected at ISC Solutions (formerly ISC East) in New York City in November. The show was designed for end-users, with the focus not on individual products, but on *applications* of security technology. SIA, as the sole sponsor of the show, was a co-creator of this concept along with show producer Reed Exhibitions. Both attendees and exhibitors benefited from this new direc-

tion, and the response was very positive.

SIA also moved strategically into new areas in 2010. The association bought Securing New Ground, a conference that focuses on identifying business trends and opportunities in the security industry. In 2011, Securing New Ground, ISC Solutions and other events will be combined to form Security Week, three days in New York that will touch on every aspect of the security industry.

Finally, SIA became even more of an international association last year, hosting a pavilion at ISC Brazil, establishing a membership program for Brazilian companies and reaching an agreement to sponsor a new ISC show in Shanghai in 2012. This will build on SIA’s other international activities, including its participation in the Global Security Industry Alliance. All of this will create new business opportunities for SIA members and will give the association a better understanding of critical issues in those fast-growing markets.

A lot changed in 2010 for SIA, but in many ways, change meant that we were doing things we had been doing, only better. And SIA’s members seem to approve: 90 percent renewed their memberships, a clear indication that they view SIA as a valuable part of their business.

# EDUCATION & TRAINING

In 2010, the SIA Education & Training Department continued a project it started a year earlier—working with ISC shows producer Reed Exhibitions to revamp the educational content at those events.

As a result of those efforts, ISC West and ISC Solutions each had an Education Conference that featured high-quality, commercial-free sessions developed and taught by industry experts. In addition, SIA led the development of several new features, including the Solutions at Work Case Study Forum at ISC Solutions that showcased actual uses of security technology. This fit in with the security applications theme of the show, as did the arrangement of education sessions so that they focused on issues within

four vertical markets—campus, government, health care and non-governmental organizations.

Attendees gave both conferences high marks. In a survey about the sessions at ISC Solutions, for example, 95 percent of respondents rated the speakers as subject matter experts and 85 percent found the education sessions to be valuable educational experiences from which they obtained information and ideas that will help them be more effective on the job.

Because of SIA's success in developing the educational programs with Reed, the association is expected to take on an even larger role in developing the conferences



Being entrusted with such a big part of the nation's two most significant security conferences demonstrates the respect that SIA is afforded in the industry and the status it has acquired as a "go-to" organization, in this case, for top-level training and program development.

## COMMITTEE CHAIRMAN



**Scott Chillemi, CSPM**  
Hirsch Electronics

## COMMITTEE VICE CHAIRMAN



**John Hunepohl, PSP**  
ASSA ABLOY

## STAFF

**Arminda Valles-Hall**  
Director of Education & Training

**Kimberly Roberts**  
Manager of Education & Training

at ISC West and ISC Solutions. Being entrusted with such a big part of the nation's two most significant security conferences demonstrates the respect that SIA is afforded in the industry and the status it has acquired as a "go-to" organization, in this case, for top-level training and program development.

In addition to its work on the ISC shows, the SIA Education Department had the best year ever for its Certified Security Project Manager (CSPM) program. The four-day CSPM course is a one-of-a-kind offering—project management instruction that focuses on security and is taught in the classroom—and is becoming more and more in-demand by security professionals.

While SIA's members include manufacturers, distributors and integrators, the services of SIA's Education Department often focus on end-users. By improving the training and knowledge of security product customers, SIA advances the interests of its members and becomes a driving force to promote a vibrant and profitable industry.

# GOVERNMENT RELATIONS



The SIA Government Relations Department cemented its role as the voice of the security industry on Capitol Hill in 2010.

The department closed out the year with an important win that concluded a nearly two-and-a-half year battle. In 2007, Congress passed the Energy Independence and Security Act (EISA) to require electronic devices to meet certain efficiency standards while in “no-load” mode. The law was written in such a way that the requirements applied to security and life safety devices, even though such equipment must always be in “active” mode. To correct this, SIA pulled together a coalition that contained both industry and environmental groups—including the Natural Resources Defense Council—to draft legislative language and push for a correction. Both the House and Senate

passed the legislation in December and President Obama signed the bill on Jan. 4, 2011.

SIA also developed a position paper in 2010 that supported the use of biometric technology in the federal E-Verify program. E-Verify allows employers to use Social Security numbers to confirm that job applicants are legal residents of the United States, but the Government Accountability Office has found the program to be “vulnerable to identity theft and employer fraud.” A biometric component would dramatically increase its effectiveness.

On the regulatory side, SIA filed comments opposing proposed Department of Transportation rules that would impose much tighter restrictions on the shipment, packaging and labeling of lithium batteries. Lithium batteries are used

SIA successfully defended the use of key electronic security technologies in Washington, D.C., and several state capitals in 2010, while demonstrating that security solutions can and should be deployed in a way that protects privacy.

to power many wireless security and life safety devices. In addition, SIA filed technical comments with the National Institute of Standards and Technology and the Interagency Security Committee’s Physical Access Council about FIPS 201 and the Federal Identity, Credential and Access Management (FICAM) implementation plan.

SIA also took its advocacy to state capitals in 2010, successfully opposing proposals in three states that would have sharply limited the use of certain electronic security technologies. When lawmakers in New Hampshire and Alaska tried to prohibit most uses of biometrics and the Oklahoma legislature did the same with radio frequency identification (RFID) technology, SIA quickly and effectively responded, pointing out misperceptions regarding the technologies and

noting that the severe limits that were being sought would likely force the use of less reliable means, thus putting the safety and privacy of residents of those states at risk. In the end, each of the measures was rejected.

Privacy was the focus of another major SIA Government Relations project in 2010—the production of a “Privacy Framework” for security technology. The Framework was drafted to address privacy concerns related to the recording of video, the collection of personally identifiable information and the use of biometrics, RFID and other technologies. By identifying 12 guidelines to be followed in the deployment of electronic physical security solutions, the Framework allows security equipment manufacturers, installers and end-users to stay ahead of the privacy issue by addressing concerns

## COMMITTEE CHAIRMAN



**John Stroia Diebold**

## COMMITTEE VICE CHAIRMAN



**Rick Freyvogel Bosch Security**

## STAFF

**Donald Erickson**  
Director of Government Relations

**Tom O’Connor**  
Manager of Government Relations

## INTERNATIONAL RELATIONS

Though it has some non-U.S. companies in its membership, SIA has long been regarded as primarily a domestic organization. After 2010, though, it is no longer possible to see the association in that way.

SIA International Relations is the organization's newest department, having been created in 2009. Since then, though, it has grown rapidly, helping members to reach markets around the world.

In April, SIA hosted its first pavilion at ISC Brazil, the leading security products trade show in that fast-growing nation. The SIA delegation had its own display area at the show in Sao Paulo, and participating companies enjoyed the benefits

of an inclusive package that took care of the logistical details and allowed them to focus on making sales. Interest grew significantly following this initial delegation and sign-ups for the 2011 pavilion were, in late 2010, running well ahead of the previous year's pace. In addition, SIA now has a full-time representative in Brazil and has started accepting applications for membership in SIA Brazil.

SIA also continued its business development efforts in China. As a founding member of the Global Security Industry Alliance—an association of security industry trade groups from several nations—SIA has been a part of the China Public Security Expo in Shenzhen. That will continue, but in 2012, as a result of

SIA now truly has a global reach, with strong footholds in nations that represent more than a fourth of the planet's population and more than a third of its economic activity.

## COMMITTEE CHAIRMAN



**Pedro Duarte**  
Samsung

## STAFF

**Dean Russo**  
Chief Programming Officer

negotiations that concluded in 2010 after several years, SIA and Reed Exhibitions—the producer of the ISC shows—will also start a new show in Shanghai. This will give SIA members new opportunities to break into a huge market and will enable the association to educate its members about the challenges they may face in that country—such as issues related to trade rules and international property laws—and the best way to overcome them.

SIA now truly has a global reach, with strong footholds in nations that represent more than a fourth of the planet's population and more than a third of its economic activity. As globalization continues to make the world a smaller place, SIA has positioned itself to help its members and the entire security industry meet the challenges that come with international marketing and sales in productive and profitable ways.

## RESEARCH &amp; TECHNOLOGY



For the SIA Research & Technology Department, 2010 was a milestone year.

SIA was already regarded as the leader in international security market reports, but the association took a leap forward last year with the update to its *Brazil Security Market Report*. For the first time, all of the data was made available to subscribers online, enabling users to download and crunch numbers on product penetration, market forecasts, economic conditions and more in ways that met their individual needs. In addition, the web-based format allows for semi-annual data updates that will offer an ongoing look at the market that can illustrate new developments, trends and opportunities. SIA will continue this new approach

by providing the increased functionality to all future security market reports.

Also in 2010, SIA began working with Global Security pipeline, a leader in industry research, to provide unique insights into the security sector. The first product of this partnership—an analysis of mergers and acquisitions and other financial deals in the security industry—was presented to attendees at Securing New Ground, an annual New York conference, recently purchased by SIA, that focuses on identifying business trends and opportunities in the security industry. SIA is also working with Global Security pipeline to launch a new cloud-based business intelligence and news service that will provide

SIA took a leap forward in its research offerings in 2010, releasing a web-based update to its *Brazil Security Market Report* that, for the first time, enabled users to download customized data that is updated twice a year.

proprietary, customizable, forward-looking information about security companies and the security sector around the world.

SIA's Research Department last year also continued to work to promote and defend cutting-edge security technology. In November, SIA released a response to a recent National Research Council report that concluded that biometrics were "inherently fallible" and that "The scientific basis of biometrics...needs strengthening." SIA's response noted crucial flaws in the report and stressed the unmatched ability of biometrics to answer the question, "Are you who you claim you are?" This response provided an important rebuttal to a document

that had the potential to hinder further adoption of this technology.

With its industry-leading market reports, innovative research into the financial and other aspects of the security sector, and important defense of security technology, SIA's Research & Technology Department in 2010 found new ways to provide members with insight that is relevant to their bottom lines and to help position SIA at the forefront of the security industry.

## COMMITTEE CHAIRMAN



**Jim Gingo**  
TransTech Systems

## STAFF

**Mark Visbal, CAE, IOM**  
Director of Research & Technology

# STANDARDS

Given that SIA aims to be nothing less than the leading organization in the security industry, and that the future of the industry is defined by the technological standards that are developed today, the association needs to have a robust and effective Standards Department. In 2010, the American National Standards Institute-accredited SIA standards program showed itself to be both of those things.

SIA Standards activities last year addressed several of the most pressing standards issues in the security industry. In the first half of the year, ANSI approved the program's CP-01 2010 Control Panel Standard. This revision of a 2007 standard includes features that further reduce false alarm dispatches—widely regarded

as one of the scourges of the industry—while maximizing utility. Though the original standard was very well received, the revisions are expected to significantly increase the adoption rate.

In November 2009, the federal government released the *Federal Identity, Credential and Access Management (FICAM) Roadmap and Implementation Guidance*, which provided guidelines regarding identity management solutions. Since widespread adoption of the document's recommendations by federal agencies is expected, standards developing organizations must demonstrate that their standards will be relevant when the government sector is largely defined by the FICAM roadmap. In response to

SIA Standards in 2010 took industry-leading positions by revising an important control panel standard and releasing a white paper about the federal government's deployment of identity management solutions.

#### COMMITTEE CHAIRMAN



**Hunter Knight**  
Integrated Command  
Software

#### COMMITTEE VICE CHAIRMAN



**Rick Kelley**  
Security Access Design

#### STAFF

**Joe Gittens**  
Manager of Standards

this demand, SIA Standards released "Applying OSIPS to ICAM." This application white paper highlighted the role that SIA's Open Systems Integration and Performance Standards (OSIPS) had in the development of the FICAM document and detailed how the OSIPS family of standards aligns closely with the goals that the document identifies.

Late in 2010, the Standards Department embarked on a new project: the development of an online wiki-glossary that will define terms used in the industry to ensure that everybody is speaking the same language. This ambitious effort began in November with a kick-off meeting at ISC Solutions in New York, and work is continuing on building a glossary that

is expected to contain thousands of entries and will be a living document that can evolve with the industry.

Participation in the standards creation process offers members of the security industry a very real way to shape the markets of tomorrow. As a respected leader in the development of open consensus standards, SIA offers the ideal venue for security professionals to influence how they—and their competitors—will soon be doing business.



The ISC shows in 2010 continued to provide all of the things for which they are known—exciting new products, great networking and lucrative business opportunities—but presented them in enhanced ways, all while adding industry-leading educational programs.

Just as it was for SIA, 2010 was a year of both transition and achievement for the two security products trade shows of which SIA is the sole sponsor—ISC West and ISC Solutions.

ISC West was once again the premier security show in the United States, with the March 2010 event in Las Vegas hosting more than 23,000 attendees—a 5 percent increase over the previous year—and more than 900 exhibitors across 263,000 square feet. Reaction to and reviews of the show were overwhelmingly positive, from the standing-room-only crowd at the State of the Industry panel discussion that kicked off the event to the throngs of people that packed the aisles during all three days of the exhibitions. ISC West 2010 also marked the debut of a revamped educational program that was the product of months of

intense work by SIA's Education Department and Reed Exhibitions, the show producer, and session attendees gave the conference high marks. (For more details, see the Education section.) The night before the show began, SIA hosted its annual Customer Appreciation Reception at ESPN Zone, an event that gave attendees a chance to network and make deals—when they weren't enjoying the hours of unlimited video games or the ample food and beverages.

In November, ISC Solutions—formerly ISC East—in New York City offered exhibitors and attendees a new model for security trade shows, one focused on security *applications*. The event targeted three vertical markets—education, government and health care—and was designed to connect vendors with end-users and promote the acquisition

of not just products, but solutions. Both buyers and sellers found the new approach to be a productive one. The Education Conference, meanwhile, built on the success of the ISC West conference by offering a program that included solutions-focused sessions for the entire security channel, from manufacturers to installers to integrators to end-users.

After the show's first day, SIA, along with the Central Station Alarm Association, the Electronic Security Association and the U.S. Airport and Seaport Police, hosted the annual Tri-Association Awards Dinner. A crowd of more than 300 attended the elegant event to honor the achievements and contributions of Leo Guthart, Cecil Hogan and retired Coast Guard Admiral Thad Allen, the federal government's national incident commander for the Deepwater Horizon oil

spill in the Gulf of Mexico.

The ISC shows in 2010 continued to provide all of the things for which they are known—exciting new products, great networking and lucrative business opportunities—but presented them in enhanced ways, all while adding industry-leading educational programs. ISC West and ISC Solutions have become the defining events in the industry, the place where security professionals go to market, learn, buy, sell and deal, and both are projected to grow sharply in the coming years.



Sarnoff's Iris on the Move took top honors as the Best New Product of 2010.

# NEW PRODUCT SHOWCASE

The SIA New Product Showcase at ISC West had another successful year in 2010, cementing its role as the premier awards-based marketing program in the security industry.

Eighty-five products and services were entered in the March competition, a nearly 10 percent increase from 2009.

Iris on the Move from Sarnoff—an iris-recognition device that can capture an iris image at a distance of as much as 10 feet while an individual is in motion—won the program's top honor, the Best New Product Award, while CyberKey Vault from Videx—an intelligent key cabinet that automatically programs and dispenses electronic keys—received the Judges' Choice Award. In addition,

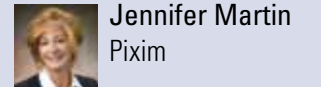
awards were presented in 15 technology categories.

The NPS was once again covered extensively by the press, offering valuable exposure to entrants and helping them to launch their new products.

While no NPS competition was held at ISC Solutions in November, entrants in the event at ISC West were featured on meter-boards at the fall show, providing them with additional marketing benefits in front of a new audience.

Now in its fourth decade, the NPS is an integral part of both ISC and SIA, and it is the leading event for any company looking to make the most of its product debut.

COMMITTEE CHAIRMAN



STAFF LIAISON

Patricia Sherwood  
Director of Marketing

**Best in Show:** Iris on the Move from Sarnoff

**Judges' Choice Award:** CyberKey Vault from Videx

**Best in Access Control:** CyberKey Vault from Videx

**Best in Biometrics and Identity Solutions:** Iris on the Move from Sarnoff

**Best in Commercial and Monitoring Solutions:** Hosted Video 4-HVR from OzVision

**Best in Convergence Solutions:** PACE (Physical Access Control Events) Gateway from Hirsch Electronics

**Best in Fire/Life Safety:** Xtralis VESDA VFT-15 from Xtralis

**Best in Integrated Software, Products and Systems:** Virtual Video Recorder from IPVision Software

**Best in Intrusion Detection and Prevention Solutions:** PoolSonix Solar Powered Wireless Pool Alarm System from S.R. Smith

**Best in IP Devices, Products and Software:** JKW-IP from Aiphone

**Best in Public Safety Solutions:** BreezeMAX Extreme 5000 from Alvarion

**Best in Residential and Monitoring Solutions:** AES-7094 IntelliPro from AES-IntelliNet

**Best in Tools & Hardware:** ViewPoint Console System from Middle Atlantic Products

**Best in Video Analytics:** AISight 2.1 from Behavioral Recognition Systems

**Best in Video Device:** PAIR (Pentax Atmospheric Interference Reduction) C61248 long-range zoom lens from Pentax Imaging

**Best in Video Storage and Distribution:** Intransa Video Appliance Simplicity Line Server/Storage Appliance from Intransa

**Best in Wireless:** EK7-Wireless Bluetooth Access Control from ECKey

# 2010 NPS AWARDS

# ASHLAR FOUNDATION

The Security Industry Association has a long tradition of giving back to the industry and the community. SIA has made hundreds of thousands of dollars in charitable contributions over the years, including donations to organizations such as the Guardian Angels, the National Crime Prevention Council, the National Fallen Firefighters Foundation, the National Law Enforcement Officers Memorial Fund, the Polly Klass Foundation and Students Against Violence Everywhere. In 2010, SIA took this commitment to a new level, establishing the Ashlar Foundation to provide a vehicle for its charitable activities.

The Ashlar Foundation is a 501(c)(3) tax-exempt charitable organization that funds groups and projects that promote life safety and security initiatives. It works to bring together individuals and organizations from diverse disciplines that are committed to growing and supporting life safety and security projects both nationally and internationally. The foundation fills a vacuum in the security industry by providing an umbrella organization in which all entities that touch security can interact, network, share ideas and support new programs.

Though created by SIA, the Ashlar Foundation is a separate entity from the association, with its own Board of Trustees and Grant Review Committee that processes applications for funds and makes award decisions. The foundation is funded by contributions from SIA, its members and any other organizations that wish to contribute. SIA provided initial funding to the foundation with a contribution presented at the Tri-Association Awards Dinner in New York City on Nov. 3, 2010.

The name of the foundation refers to Ashlar blocks—large, finished stones with square edges and smooth faces that are used in certain types of masonry. Though once rough and unfinished, Ashlar blocks have been shaped by skilled and dedicated hands, and in this way, they represent the efforts by the foundation to improve what now exists, to smooth what is rough and to contribute to society something that not only is a success in itself but can be built into something even greater.

More information about the foundation is available at [www.ashlarfoundation.org](http://www.ashlarfoundation.org).



## Board of Directors

### EXECUTIVE COMMITTEE

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#### VICE-CHAIRMAN:

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Richard Chace,  
Security Industry Association

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Raymond Dean, Niscayah

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Chris Gerace, Bosch Security Systems

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Kenneth LaMarca, Sony Electronics

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Lisa Roy, Johnson Controls

Scott Schafer, Arecont Vision

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Solutions Company

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### NON-VOTING DIRECTORS

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Charles Darsch, System Sensor

Les Gold, Mitchell, Silberberg & Knupp

Sandy Jones, Sandra Jones and Company

Rob Zivney, Identive Group

## Staff

### EXECUTIVE MANAGEMENT TEAM

Richard Chace, Chief Executive Officer

Rand Price, Chief Operating Officer

Ray Wisniewski, Chief Marketing Officer

Dean Russo, Chief Programming Officer

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Jennifer Crier Johnston, Assistant to the  
CEO

Wanda Brown, Manager of Events and  
Operations

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Arminda Valles-Hall, Director of Education  
& Training

Kimberly Roberts, Manager of Education  
& Training

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Relations

Tom O'Connor, Manager of Government  
Relations

### INTERNATIONAL RELATIONS

Dean Russo, Chief Programming Officer

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Mark Visbal, Director of Research  
& Technology

### STANDARDS

Joe Gittens, Manager of Standards

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Patricia Sherwood, Director of Marketing  
Ronald Hawkins, Manager of  
Communications

Alain Taylor, Manager of Sales

Marc Benson, Manager of Sales

Nicole Daughters, Manager of Design  
& Production

### MEMBER SERVICES

Chrissy Bagby, Director of  
Member Services

Lacy Packard, Manager of  
Member Services

# LEADERSHIP & STAFF

The balance sheet and statement of activities shown in this Annual Report have been audited and are accurate depictions of the financial position of the Security Industry Association as of December 31, 2010. The information that follows illustrates the major categories of revenues and expenses related to SIA's activities. The association's operations for fiscal year 2010 conformed to the Strategic Plan approved by the SIA Board of Directors.

## FINANCIAL POSITION

	Dec. 31, 2010	Dec. 31, 2009
<b>ASSETS</b>		
Cash and cash equivalents	\$ 120,430	\$ 383,351
Investments	4,310,658	4,287,178
Accounts receivable	2,545	5,860
Due from foundations	69,517	—
Prepaid expenses	67,828	65,409
Intangible assets	405,000	—
Deposits	12,741	12,741
Property and equipment	178,120	162,074
<b>Total assets</b>	<b>4,916,613</b>	<b>4,916,613</b>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable and accrued expenses	282,880	120,455
Notes payable	160,151	250,000
Deferred revenue	312,647	406,173
Total liabilities	755,678	776,628
Net assets — unrestricted	4,139,985	4,139,985
Commitments	—	—
<b>Total liabilities and net assets</b>	<b>\$5,166,839</b>	<b>\$4,916,613</b>

Audited by Tate & Tryon, CPAs.

## STATEMENT OF ACTIVITIES

	2010	2009
<b>REVENUE</b>		
Sponsorships	\$3,615,938	\$3,736,834
Membership dues	608,884	619,396
Participation fees	270,899	183,347
Document sales	40,893	41,898
Other income	8,718	2,243
Interest and dividends	176,588	161,813
<b>Total revenue</b>	<b>4,721,920</b>	<b>4,745,531</b>
<b>EXPENSES</b>		
Salaries and related	1,631,466	1,644,908
Outside services	657,089	858,319
Meetings, speakers and rentals	698,902	638,091
Rent, assessments and parking	236,224	245,865
Insurance	259,799	226,070
Contributions	167,181	192,062
Member exhibitor rebates	142,000	143,275
Web development, hosting and support	124,824	142,395
Payroll taxes and administration	134,277	134,398
Recruiting and incentives	202,823	119,045
Travel	103,531	114,679
Depreciation and amortization	96,754	112,167
Retirement contributions	97,711	81,232
Dues	39,593	58,328
Bank and merchant fees	58,247	53,659
Temporary help	—	30,099
Phone and fax	28,555	27,521
Equipment purchase, rental and service	24,251	20,478
Training	18,778	19,316
Stationery and supplies	27,257	19,046
Printing and advertising	13,261	15,802
Resources	20,351	12,683
Postage, express mail and messenger	9,719	8,126
Virginia sales and use tax	9,645	6,659
Miscellaneous fees and expenses	7,430	5,325
Subscriptions	2,970	3,369
Computer hardware, software and services	9,957	3,180
<b>Total Expenses</b>	<b>4,822,595</b>	<b>4,936,097</b>
Change in net assets before investments	(100,675)	(190,566)
Net gain (loss) on investments	371,851	704,026
Change in net assets	271,176	513,460
Net assets, beginning of year	4,139,985	3,626,525
<b>Net assets, end of year</b>	<b>\$4,411,161</b>	<b>\$4,139,985</b>

Audited by Tate & Tryon, CPAs.

# LOOKING FORWARD

In 2010, SIA began several new projects that will shape the association in 2011 and beyond.

For many years, SIA has been a domestic electronic security organization with a few activities outside the United States. Last year, though, SIA moved to become a truly international organization. It launched a pavilion at ISC Brazil, giving it a foothold in one of the fastest-growing security markets in the world, while producing a one-of-its-kind web-based report on the Brazilian market that provides business, demographic and financial insights that are updated twice a year. In addition, it reached an agreement to be the sole sponsor of the new ISC China in Shanghai, a show that, starting in 2012, will establish SIA and its members in the world's most populous nation. These activities build on SIA's involvement in the Global Security Industry Alliance and position it to be

a major player in the global security industry in coming years.

SIA also moved into a new facet of the security industry in 2010, purchasing Securing New Ground, a highly-regarded conference that is focused on mergers and acquisitions and other financial aspects of security. As part of this endeavor, the association launched a new online research service with Global Security pipeline that will provide subscribers with real-time security industry financial news. Securing New Ground also will be a key part of Security Week, which debuts in November 2011. Jointly put on by SIA and Reed Exhibitions, Security Week will combine Securing New Ground with the Security 500 conference, SIA's Tri-Association Awards Dinner and ISC Solutions into one New York City-based mega-event, a one-stop shop for everything related to security, from networking to capital formation to



## GLOBAL SECURITY INDUSTRY ALLIANCE



**SECURITY WEEK** SECURING YOUR BUSINESS.  
SECURING YOUR FUTURE.

SECURING NEW GROUND | SECURITY 500 | ISC SOLUTIONS™

NOVEMBER 1-3, 2011



**SECURITY 500**



buying and selling new products.

In addition to making major progress in its business development efforts, SIA last year also reaffirmed its commitment to giving back to the security industry and the community by establishing the Ashlar Foundation. This 501(c)(3) tax-exempt charitable organization will provide a means for SIA, its members and others to contribute to vital life safety and security initiatives that make real differences in people's lives.

SIA also established a social media presence in 2010. The association began using Facebook ("Like" SIA on the "Security Industry Association" page) and Twitter ("Follow" SIA at "SIAonline") as new ways to get its messages out to both members and non-members. New media will continue to grow in importance for SIA in 2011 as the association develops a mobile phone app that will update users on SIA activities, alert them to new business

and networking opportunities, guide them around the floor at the ISC shows and more.

This is the start of a new era for SIA, one that is reflected in the new logo that you see on the opposite page. The staid vertical rectangle is gone, replaced by a dynamic and multi-faceted image, with the shield representing protection and defense, the eagle strength, the laurels leadership, the stars SIA's five core areas and the compass points SIA's global reach. As for the Latin phrase at the bottom of the logo, "Virtus Per Securitatem" translates to "Strength Through Security."

Last year marked a leap forward for SIA in many ways, as it enhanced and expanded its delivery of information, insight and influence to members. In 2011, the association will build on the momentum created by those ventures and help to guide the security industry to an exciting and prosperous future.

# 2011 EVENTS

Certified Security Project Manager program | April 3-6 | Las Vegas, NV

Customer Appreciation Reception | April 5 | Hard Rock Hotel & Casino | Las Vegas, NV  
Exclusive networking event for SIA members and end-users

New Product Showcase | April 5-6 | Las Vegas, NV  
SIA member benefit: Discounted entry fee

ISC West | April 5-8 | Las Vegas, NV  
SIA member benefit: Discounts and rebates on exhibit space

SIA Pavilion at ISC Brazil | April 26-28 | Sao Paulo, Brazil  
SIA member benefit: Discounted participation fee

Certified Security Project Manager program | May 10-13 | Monroe, NC

Certified Security Project Manager program | June 6-9 | Alexandria, VA

Government Summit | June 21-22 | Washington, D.C.  
SIA member benefit: Discounted registration fee

Certified Security Project Manager program | July 18-21 | Pomona, CA

Certified Security Project Manager program | August 22-25 | New Haven, CT

Certified Security Project Manager program | September 22-25 | Orlando, FL

Certified Security Project Manager program | October 11-14 | Phoenix, AZ

Security Week | November 1-3 | New York, NY

Securing New Ground | November 1-2 | New York, NY

Security 500 | November 1 | New York, NY

Tri-Association Awards Dinner | November 2 | New York, NY  
SIA-sponsored networking and awards event

ISC Solutions | November 2-3 | New York, NY  
SIA member benefit: Discounts and rebates on exhibit space

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