



## **Electrone Europe**

### **IP CCTV Opinion Article – IT RESELLERS SHOULD WATCH OUT FOR IP CCTV**

*As the CCTV market has migrated towards digital technology, demand has flourished throughout the industry. But despite this opportunity the traditional IT channel has been underprepared to provide migration paths from analogue CCTV systems to new digital or mixed environments. Stuart Thorn, chief executive of IT peripherals vendor Electrone Europe, explains how technology resellers and system integrators are now in a prime position to capitalise on the IP CCTV trend.*

Wartime Germany in 1942 and the first CCTV system is installed by Siemens AG at Test Stand VII in Peenemünde, for observing the launch of V2-rockets. Now in 2008, with just one per cent of the world's population, the UK boasts 20 per cent of the world's CCTV cameras. Schools, shopping centres, even the workplace are teeming with more than four million security cameras. Yet despite rapid advancements in technology and the birth of a multi-billion pound IT industry, many CCTV systems are still relying on antiquated analogue technology.

Worse still, many traditional CCTV installers are still selling large analogue systems while IT resellers, in prime position to take advantage of a new network ubiquity, are missing a massive opportunity.

#### **Network Growth**

The market for IP and networked video surveillance grew nearly 50 per cent in 2007 to approach \$500m worldwide, according to research house [MultiMedia Intelligence](#). Its report in April claimed that the IP CCTV jump was nearly four times that of the broader video surveillance equipment market. Yet the reluctance of traditional IT resellers to get involved has limited the IP CCTV market's growth to date.

For 45 years up until the mid 1990s the CCTV industry developed as a self-contained entity. Traditional installers, who had likely spent 30 years with their workforce up a ladder, began to learn about the benefits of digital technology. But faced with high costs of retraining their workforces, installers have been hesitant to take up this expensive technology. Now manufacturers in the Far East have cut electronics prices, these installers can still effectively compete for smaller projects using entry-level legacy cameras

To ease the transition to digital, a number of players have developed hybrid systems which bridge the gap between legacy systems and the latest IP technology. Digital video recorders designed to work with both analogue and digital cameras can remove the need for complete re-cabling. This allows IT resellers to extend existing analogue installations with new digital technology. This flexibility can only be achieved using IP CCTV.

Specially designed control systems, such as keypads and joysticks, have been designed to easily integrate seamlessly with new digital devices. These can allow installers to start to upgrade traditional networks without the need for expensive operator retraining.

For larger projects, IT resellers can make real gains with IP CCTV systems. The success of the mobile phone industry has caused the price of high-quality camera image sensors to plummet. 'Arrest quality' two-to-sixteen Megapixel cameras are now widely available.

The combination of cut-price legacy systems and the business costs of retraining staff have encouraged traditional installers to stick with what they know. Rather, there has been little advantage for many to take the pain to digitise their systems. However, many IT resellers,

unconstrained by these historical factors, are now perfectly equipped with the IP network knowledge to expand into the CCTV arena and compete with analogue installers.

Many irritating bug bears which plagued the old CCTV system have also gone away. The market used to talk about compression standards but now everything is multi-mode and can use several different compression formats as standard. Generic delivery methods enable footage to be viewed remotely over the Internet using commonplace software, e.g. QuickTime, and footage can even be sent to mobile devices.

During May, at this year's vast IFSEC exhibition, there was a sizeable IP and networks hall testament to a growth in this market. Many of these small companies have roots in the unified communications space yet the large comms market players were notably absent. For niche IP experts, there is now a significant opportunity to treat cameras like any other network device and add CCTV to their product offerings.

### **Intellectual chaperones**

However, do traditional IT resellers, despite their familiarity with IP network environments, have all the skills and experience to set up effective CCTV systems? IT resellers may lack the contacts and experience with CCTV tendering processes. Traditional CCTV installers also have the advantage of being able to target their installed base with the new technology.

This competence divide has begun to be resolved by companies partnering sideways. Technology suppliers are standing next to system integrators and guiding them through every stage of the installation. These 'intellectual chaperones' are a safe pair of hands on an IP network, adding their expertise to that of the installer. Now these partnerships are beginning to win installation projects and finally see the growth of an IP CCTV market.

### **Stolen opportunities**

One market segment ripe for the IP CCTV channel is education. Schools, colleges and universities are likely to be heavily networked environments and have in place already the necessary backbone of network cabling. Schools are also full of expensive items that people may be tempted to steal. Security for the children, from either outside threats or from each other, is also a paramount concern. Good nimble IT infrastructure providers can capitalise on this and take business from the traditional CCTV resellers. Even for small schools, the market opportunity is enormous.

Many surrounding industries have seen the lapping of IT waters gradually transform the market. Estates management, access control and unified communications are prime examples which link to network CCTV. With the shortfall of expertise in traditional CCTV companies, SMEs can profit by becoming IP technology chaperones. Traditional resellers and system integrators in these markets should see the security industry as open for them to steal.

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