



**GARY LINCOLN-HOPE,**  
Chief Executive  
Officer, XFOR.

# XFOR takes aim at private security

Following its launch in the local market three months ago, XFOR, the UK-based private security firm founded by former military officers is causing ripples after winning key clients.

By Alex Gichira

**M**any employers think theft by employees only occurs in the lower cadres of an organisation. But recent undercover investigations by XFOR, a private security firm, in a local factory and a flower firm found widespread collusion between senior managers, junior staff and security guards.

Gary Lincoln-Hope, XFor's chief executive says the problem is complex. "From a security perspective, many Kenyan businesses are finding themselves in a difficult position. They face equal risks presented by outsiders trying to get in and the workforce engaging in criminal activities and unethical behaviour."

Junior workers, he says, engage in petty theft and pilferage: they will take away small, low value materials and items like stationary that can be easily sold or used at home.

But such behaviour becomes a problem when half of the 5,000-strong workforce in a flower farm is the culprit. "Imagine the monthly loss when 2,000 people each day take way an item worth KSh10," says Enoch Makanga, the business development director.

Petty theft can be addressed through deployment of effective security officers and control measures in the workplace. The real threat to companies is however not so easy to tackle. "The larger risk is from a more complex source and that is fraud and corruption and this happens at the management

level," says Mr Lincoln-Hope adding that the best way to mitigate such threats is through change in corporate culture, policy and procedures.

XFOR is the newest entrant into the local private security industry. Barely three months since it launched its operations, it is bringing in expertise to help tackle corporate crime and other security risks.

The UK-based firm was started in 2004 by Mr Lincoln-Hope, a former Parachute Regiment officer and Steve Gillespie, a warrant officer. The two serve as chief executive officer and chief operations officer respectively.

The pair are however not strangers to Kenya as they visited the country regularly for training with the British military.

XFOR Security Solutions Kenya was registered last year. It has assembled an executive team of "top flight" former police, security and specialist intelligence officers from Kenya and UK.

Consider Mr Makanga. A former intelligence officer, he worked with the Kenya Police for 12 years serving in the

Criminal Investigations Department, Presidential Escort Unit and the Bomb Squad Unit before leaving the force in 2000. He has served as head of security at USAID, World Vision and ICIPE as well as general manager of Fidelity Security, a private security firm.

With its sharp focus on investigation, information gathering and risk management, the firm has grown beyond expectations, according to the CEO. "When we decided to launch in Kenya, I wrote a business plan that anticipated having 500 guards by the end of this year. All indications are we will hit that figure next month."

The strong growth seems to indicate the firm has found the sweet spot in the sprawling private security industry, estimated to be worth KSh48 billion.

During his first business "recce" in the country in November last year, Mr Lincoln-Hope says he saw a "significant opportunity". Most residences and commercial buildings were heavily secured due to high crime rates and the threat of terrorist attack.

"To some people, the Kenyan

security market is saturated but my observation was that there is genuine demand for quality services,” he says. “I also saw that there is little representation of quality, international security companies.”

Although he knew the industry has “great potential,” he is surprised by the speed at which the industry embraced the firm. “I thought it would take longer to build a reputation for quality, reliability and competency. Fortunately, we have been able to do that in a short time.”

One explanation why the market has been quick to embrace the firm is the low standards of available service. Although there are some good private security firms, the general quality of guarding and related security services has been wanting. There are several reasons for this lack lustre performance with the main one being lack of regulations.

“Anyone can wake up one day, register a company, start hiring guards and providing private security services,” says Mr Makanga. This has led to proliferation of small, poorly run private security firms. Presently, it is estimated there are over 5,000 such firms in Kenya while in Uganda, where the industry is regulated, there are about 30.

The small size of the firms has made it hard for them to hire experts and invest in training. This has compromised quality at the client level and professionalism at the industry level. “It is not unusual to hear people say security guards are uneducated and don’t know their work.”

Lack of regulations has also been blamed for rampant price

undercutting with some firms charging uneconomic rates. It is possible to get a guard for KSh6,000 a month whereas blue chip service providers charge in the range of KSh25,000.

Due to the low rates, many small and medium size firms cannot afford to pay the minimum wage. “Some firms pay guards about KSh3,000 a month and post them to guard multi-million investments,” says Mr Makanga. “I think such guards increase the risk to the client or property they are guarding.”

Most owners of private security firms are entrepreneurs and business people. They have limited knowledge of industry issues and lack skills and expertise in security. This has further

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compromised service quality and stifled innovation across the industry.

### Innovating security

For Mr Lincoln-Hope, the opportunity was hard to miss. “I saw Kenya needed a credible security service provider combining rigorous guard selection, extensive training and exceptional management to ensure the highest levels of service.”

It is an insight that the firm has relentlessly pursued in the last three months. It has focused on selecting the “best security guards”, offering them



world-class training and kitting them with the best equipment and uniforms.

Before they are hired, guards are taken through a rigorous vetting process covering physical fitness, work experience and background checks. Mr Makanga observes that guards have gained a reputation for mediocrity largely because their employers have not been investing in training.

“Every guard needs to understand that they are expected to deliver a service of a certain quality,” he says adding that training helps the guards understand what is expected of them and how to handle their “clients”.

After the training, the security officers are taken through a “profiling” process, which guides the company during deployment. He says a factory requires a different profile of a guard from a bank or a hotel. “Some sites require knowledgeable and friendly security

**ENOCH MAKANGA,**  
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officers while in others the bias may be towards guards with a strong personality.”

The guard force is complemented by strong supervisory ranks. According to the CEO, other security firms may deploy the same number of guards per site as XFOR but the quality of

to pay. “Our salaries are well beyond the minimum wage and we have incentive schemes to boost morale,” he says adding that XFOR has an exchange program where the best security officer is sent to the head office in London to broaden their experience.

workshops that it has been running. It has so far conducted workshops in Nairobi, Mombasa and Naivasha during which participants, mostly police officers and private security managers, were trained on anti-terrorism measures among others.

Mr Makanga says the training is meeting a need that has not been addressed. “Most security officers have never seen an explosive device and yet you seem them busy in building entrances screening cars and people. I doubt if some of them would recognise a bomb if they saw one.”

The training is fully funded by the firm with the police providing practical training on handling of explosives. “Our goal is to build capacity of security managers so that they are able to train their own security guards in anti-terrorism measures.”

The response has been “incredibly positive and I am surprised no one has been doing this before”, says Mr Lincoln-Hope. Each of the workshops has attracted over 100 participants, “a demonstration that there is a real appetite in the private security industry for strategic and operational level training.”

“Training at the moment seems to be focussed on deployment of security officers. There is lack of training for senior managers and that’s what we are addressing.” The next phase of the initiative will see the firm working with grass root groups like resident associations to create awareness of the need to be vigilant.

“As a country, we are beyond the point where one can say anti-terrorism is the work of the



**HIT THE ROAD**  
The CEO joins security officers on training for a morning run with Byron Adera, the Operations Director; the officers in their dashing uniform and shades.

service cannot be the same. “What makes us different is our high ratio of supervisors to security officers.”

Apart from ensuring the guards are alert and catered for, the supervisors and managers also maintain regular contact with clients and respond to any concerns.

The high regard for the welfare of guards is evident from their elaborate uniforms

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### Capacity building

XFOR has also focussed on building industry capacity especially in anti-terrorism and loss prevention. One of its key initiatives is a series of training

police. We all have a role to play in raising the level of surveillance across the country.”

The approach is evidently working given the growing numbers of guards deployed by the firm. It is also a vindication of Mr Lincoln-Hope’s insight about demand for quality services. “The clients we have won over so far are not first time buyers of private security services. We are replacing existing providers.”

XFOR’s clients include Orbit Chemicals, Sher Karuturi, Dormans Coffee, Devki Steel, Mavuno Church and Insta Products.

Although security is the most visible aspect of the business due to the high number of personnel involved it is “Investigations” that take pride of place in terms of revenue and number of clients. “As new expertise comes into the market, companies are starting to confront workplace risks directly.”

The firm estimates that crime costs local firms as much as 9% of sales while a third of all businesses cite crime, corruption and fraud as significant risks to their success.

XFOR undertakes confidential investigations in areas such as internal theft, corporate fraud, corruption, corporate intelligence and undercover operations.

### Where’s the Bill?

The rising interest in the local private security industry by European firms is an indicator of its untapped potential. XFOR becomes the second foreign firm to invest in the country after Ireland-headquartered Senaca Group, which launched 14 months ago and now has



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over 2,800 security officers in the country.

Experts say the industry can attract more investors if it is regulated. Mr Lincoln-Hope says a legal framework for the industry would raise standards and urges the security industry to pursue it with vigour. “It is in the interest of the security industry to be legitimised and in the interest of clients to have accountability and high standards of service.”

He adds that lack of regulations will not slow down XFOR’s growth since its target market is happy to pay a premium for quality. “We are not worried about competition from players in the low end of the market

since our target market is not interested in that type of service.”

Attempts to enact a law to guide the industry have so far failed. It was widely expected that the Protective Security Industry Regulation Bill 2010 would be debated and passed by Parliament together with police reform laws, namely the National Police Service Bill, National Police Service Commission Bill and the Independent Policing Oversight Authority Bill.

The bill was however conspicuously missing when the policing bills were debated and approved last year. Mr Makanga says failure to debate the bill was a missed opportunity. “It does not make sense to regulate the police and leave out private security. The two are complementary.”

A regulatory framework could help raise levels of professionalism by locking out “briefcase” operators and catalyse investments and innovation. “When you are pursuing high standards of security services you have to make investments but in the absence of regulations the incentive to invest may not be there,” says Mr Lincoln-Hope.

**CAPACITY BUILDING** Mr Lincoln-Hope addresses one of the security workshops XFOR organised in Mombasa and right, a bomb expert holds an explosive device used for training during the event.