

The U.S. Contract Guarding Market: Where It Goes From Here

Consolidation, technology, labor pressure - and the operating metrics that may separate the strongest providers from everyone else.

THE CENTRAL THESIS

Contract guarding is consolidating at the top, remaining fragmented underneath, and increasingly competing with technology for the same security dollar. The next advantage may come from a provider's ability to build a stable, trained workforce, equip capable frontline supervisors, integrate people and technology into a single operating model, and demonstrate the quality of execution at the site level.

Richard Dunmire, MBA | August 2026

Directional industry analysis informed by public market research and long-term operating experience.

01. Executive Summary

35-40% Estimated share held by large national/global providers	30-40% Estimated share held by smaller regional/local providers	5% Securitas North America organic sales growth in 2025
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Four trends stand out. The top of the market will probably continue to consolidate. Strong regional providers may remain unusually resilient. Smaller local operators face rising labor, insurance, compliance, and technology costs. And technology is more likely to change how guarding is delivered than eliminate guarding altogether.

The result is likely to be a guarding industry that becomes **more concentrated, more technology-enabled, and more dependent on measurable execution quality, workforce capability, and capable frontline supervision.**

That last point is the focus of this report. Market size matters. Market share matters. But the more useful question for operators and buyers is: what does a well-run guarding operation actually look like - and how do we know officers are being trained, supervised, and held to a measurable standard of performance?

Important note: published market estimates vary because some sources include investigations, armored transportation, electronic security, and other adjacent services. Market-share ranges in this report should therefore be treated as directional, not audited company shares.

02. A Fragmented Market With a Concentrated Top

The U.S. contract guarding market remains fragmented overall, but the top of the market is increasingly concentrated. For this report, I group providers into three practical size bands.

Provider group	Directional share	Representative players / profile
Large national / global	~40%	Allied Universal, Securitas, GardaWorld
Regional / mid-market	~25%	Inter-Con, Walden, Metro One, CSC; Sunstates, Admiral, Marksman, St. Moritz
Smaller regional / local	~35%	Thousands of independent operators; highly market-specific and fragmented

The market can be fragmented and concentrated at the same time. Large platforms increasingly have the infrastructure to compete for major national accounts, while thousands of firms still compete locally.

IBISWORLD FRAGMENTATION SNAPSHOT

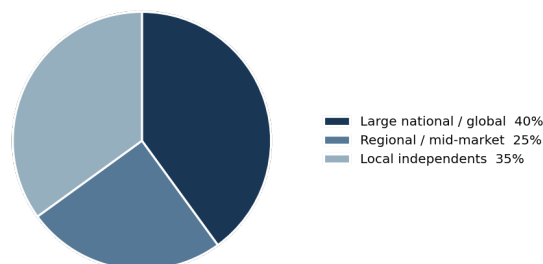
18.1%

Top four share of the broader Security Services industry in 2019

65.9%

Operators with fewer than 20 employees

Directional provider mix today



Rounded author estimate. Technology is tracked separately because it increasingly overlaps provider revenue.

Why the IBIS numbers are broader than guarding

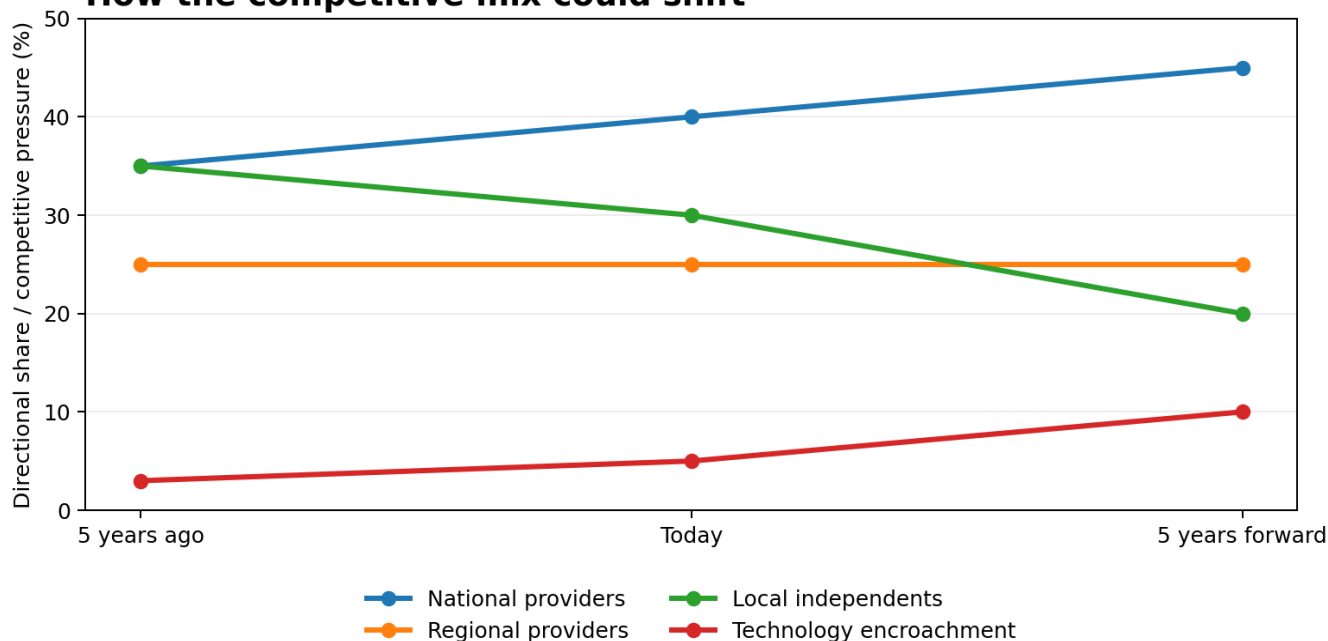
IBISWorld's Security Services category included guard and patrol work, investigations, armored-car services, event security, private detective work, and bodyguard services. In its 2019 mix, building-and-grounds guarding represented 68.1% of revenue, investigations 15.8%, armored vehicles 7.2%, other services 5.5%, and event guarding 3.4%.

Technology is not included as a fourth slice in the pie because it increasingly overlaps provider revenue. I treat technology as competitive encroachment and an integrated-service opportunity rather than a clean standalone market-share category.

03. Where Market Share May Be Going

My directional view of the competitive structure is less about a precise forecast and more about the direction of travel: national platforms gain scale, strong regionals hold a defensible middle position, local independents are squeezed, and technology takes a growing role in work historically assigned to static guarding.

How the competitive mix could shift



Technology is shown as competitive encroachment rather than a clean market-share category because technology and guarding revenue increasingly overlap. These estimates are author judgment, not audited historical shares or a representative national survey.

Organic growth versus consolidation. Normal guarding growth comes from new wins, retention, pricing, and expanded scope. Acquisitions create the larger step-changes in scale. Securitas reported 5% organic sales growth in North America in 2025, a useful public benchmark for the underlying growth characteristics of the business.

04. What Is Driving the Change?

LABOR	Guarding remains a labor-intensive service. Turnover and vacancies create instability, increase the training burden, and put execution quality at risk.
TECHNOLOGY	Remote monitoring, video analytics, AI-assisted detection, and access control can reduce some static posts while expanding integrated-service opportunities - and increasing the technical capability expected of officers.
MARGIN	Officer wages, insurance, compliance, and operating expenses can rise faster than billing rates clients will accept.
CONSOLIDATION	Scale helps absorb recruiting, technology, compliance, insurance, and corporate overhead - and M&A; accelerates that scale.

The labor cascade



Weaknesses reinforce one another. High turnover creates vacancies. Vacancies are often filled with newer or less-experienced employees. That increases both the training burden and the supervision burden. Frontline supervisors must coach newer employees, reinforce standards, review performance and reporting, correct gaps, and stabilize the site - or execution quality and client confidence can deteriorate.

05. What Does a Well-Run Guarding Operation Look Like?

The strongest guarding operations are not simply fully staffed. They are stable, trained, measurable, and capable of demonstrating the quality of the security work being performed. I would evaluate them across five dimensions.

Frontline supervision belongs alongside stability, capability, and execution because it is the mechanism that turns standards into daily behavior.

Coverage is necessary. It is not the same thing as quality.

Dimension	Measures I would expect to see	What strong performance looks like
Workforce stability	Guard turnover; dark hours; staffing stability; call-off trends	Turnover trending down; dark hours exceptionally low; fewer chronic staffing disruptions
Execution quality	Incident-report quality; DAR/report quality; patrol/tour execution; post-order compliance; corrective-action closure	Reports are complete, useful, and audited; exceptions are investigated; recurring problems lead to action
Workforce capability	Site-specific training; tested post-order knowledge; refresher training; supervisor coaching; technology competency	Training is tracked and tested - not merely signed off - with refreshers tied to site risks, incidents, and technology
Frontline supervision	Site visits; report review; coaching; testing follow-up; corrective-action ownership; performance accountability	Supervisors know site conditions, reinforce standards, coach officers, review quality, and act on trends rather than waiting for complaints
Financial health	Gross margin; EBITDA; revenue per employee; contract economics	Economics are sustainable enough to support staffing, supervision, training, and technology investment

Two numeric measures I would watch especially closely: guard turnover and dark hours. Turnover is a leading indicator of workforce stability. Dark hours are even more direct: the client purchased coverage and the provider did not deliver it.

As directional operator benchmarks, annualized guard turnover in the 25-40% range would be very strong in many contract-security environments, while dark hours should be driven as close to zero as practical - ideally below roughly 0.1-0.25%.

06. Quality Also Has to Be Financially Sustainable

Service quality and financial performance should not be treated as opposing goals. A guarding operation needs enough economic health to fund capable supervision, recruiting, training, technology, quality assurance, and management infrastructure over time.

The point is not to maximize margin at the expense of service. It is to avoid an operating model in which chronically weak contract economics eventually undermine the resources required to deliver quality.

Metric	Directional operator range	Very strong / best-in-class	How I would use it
Revenue / guard	\$60K-\$65K	\$70K-\$80K	A productivity and service-mix indicator; higher-rate markets and premium or technology-enabled services can lift the number
Revenue / employee (FTE)	\$55K-\$60K	\$65K-\$75K	Shows how efficiently the broader workforce supports revenue, not just billable officer headcount
Gross margin	15-20%	20-25%	Measures whether contract pricing covers direct service costs with enough room to support the operation
EBITDA margin	5-8%	8-10%	A useful operating-profit proxy when definitions are consistent; comparisons vary if companies report EBITDA, EBIT, or operating margin
Revenue retention	95-100%	98-100%+	Shows whether lost business is being offset by price increases, added scope, and expansion of retained accounts
Non-billable overtime	0-6% of O	<3.5% of OT hours	<3% of OT hours Signal, not a quality target. Over-focusing on OT can raise turnover.

Operating profit still matters, but the more important question is whether contract economics fund supervision, training, technology, and quality assurance.

Over-focusing on overtime reduction can create quality problems. A common fix is hiring too many part-timers, which often weakens leverage and feeds turnover.

IBIS LABOR COST VS. A DIRECTIONAL GUARDING SPLIT

IBIS measured broad industry labor cost. The guarding split below is an operator rule of thumb.



IBIS broader Security Services

Wages 60.5% • Other 31.3%
EBIT 4.2% • Purchases 3.6% • Marketing 0.4%



Directional guarding wage-to-bill view

Base wage ~66% • Remaining spread ~34%

Why they differ

- IBIS included guarding, investigations, armored-car services, event security, and other activities.
- IBIS "wages" included pay plus benefits.

What the remaining 34% still funds

payroll burden • workers' comp • recruiting • training
supervision • technology • insurance • overhead
and then operating profit

Key point: the remaining spread is not profit.

07. Quality Has to Be Measured - Not Assumed

A fully staffed post can still be a poorly protected site. Coverage tells us that an officer was present. It does not tell us whether the officer understood the assignment, identified meaningful risk, responded correctly, or documented what happened well enough for anyone to learn from it.

That is why guard reporting quality should be treated as an operating KPI, not merely an administrative requirement.

Area	What should be measured
Incident reporting	Completeness, accuracy, timeliness, useful detail, classification, and supervisory review
Daily activity reporting	Whether reports provide meaningful observations rather than repetitive activity logs
Patrol / tour execution	Completion, exceptions identified, response to exceptions, and quality of follow-up
Post-order competency	Tested knowledge of site-specific duties, emergency procedures, and escalation requirements
Corrective action	Whether recurring issues are assigned, tracked, closed, and verified
Incident trends	What is trending up or down, why it is changing, and what management is doing about it

A report that says *officer completed patrol* has very little value by itself. A well-trained officer, supported by a capable supervisor who reviews and acts on what is reported, who identifies an unsecured door, repeated access-control failure, unusual behavior, lighting deficiency, or recurring vulnerability - and documents it clearly enough to be analyzed - creates real security value.

08. Training Has to Move From Compliance to Capability

Training is often measured as a completion event: assigned, completed, signed off. That is not enough. A stronger model asks whether the officer actually learned the material and can perform the task.

Assigned -> Taught -> Tested -> Observed -> Refreshed -> Measured

Training dimension	What stronger practice looks like
Initial / site-specific training	Role-specific instruction tied to the actual post, risks, systems, and client expectations
Competency testing	Knowledge is tested rather than acknowledged by signature alone
Ongoing / refresher training	Training continues after onboarding and responds to incidents, trends, and observed gaps
Supervisor coaching	Supervisors review performance, reports, and exceptions, test understanding, and coach against actual work
Technology competency	Officers are trained on access control, mobile reporting, video workflows, sensors, monitoring platforms, and tech-supported response

Training also matters to workforce stability. Better-prepared employees have greater role clarity and confidence, and continuous development can support retention by helping officers succeed in the job rather than simply survive onboarding.

Technology makes this more important, not less. Hybrid security does not necessarily require fewer capable people; in many environments it requires **more capable people**. A poorly trained officer with more technology simply has more systems they do not fully understand. A well-trained officer with better detection, reporting, and analytics tools can become substantially more effective.

09. Frontline Supervision Is the Operating Multiplier

Policies, post orders, training programs, reporting systems, and dashboards can all be designed centrally. But contract guarding is delivered locally, one shift and one site at a time. That makes the frontline supervisor one of the most important variables in the operating system.

Capable supervision connects workforce stability, training, execution quality, and accountability.

A strong supervisor does more than fill schedules. The supervisor knows the site, understands the client expectation, reviews officer reports for quality, reinforces post orders, observes performance, identifies training gaps, follows up on incidents and exceptions, and makes sure corrective actions actually close.

This matters because employees tend to respond to what is consistently reinforced in the field. A training module can establish the standard; the supervisor determines whether that standard becomes normal behavior. The same is true for reporting quality, technology use, patrol execution, professionalism, and response to incidents.

Supervision also matters to retention. Employees who receive clear expectations, useful coaching, timely feedback, and competent day-to-day leadership are operating in a fundamentally different environment from employees whose only contact with management occurs when something goes wrong.

For that reason, I would measure supervision itself: site-contact frequency, report-quality reviews, coaching and documented follow-up, completion of corrective actions, tested post-order knowledge, and whether supervisors can explain the performance trends at the sites they own.

A PRACTICAL SUPERVISION RULE

Supervisor visit frequency is useful - but it is not enough for every site.

UP TO 168 HPW

Regular, documented supervisor visits can be an appropriate control when combined with report review, coaching, competency testing, and follow-up.

OVER 168 HPW

I would expect dedicated on-site supervision rather than reliance only on periodic field visits. At this scale, leadership should be embedded in the operation.

168 HPW equals one continuously staffed 24/7 post. Risk, geography, client complexity, or staffing structure can justify dedicated site leadership even below that threshold.

10. Who Is Best Positioned?

Large providers: benefit from capital, geographic coverage, recruiting infrastructure, technology investment, and acquisition capability.

Strong regional providers: may occupy the most interesting middle ground. They can combine meaningful scale with local leadership, faster decisions, and greater management visibility.

Smaller providers: can still win through specialization, owner involvement, responsiveness, and client relationships - but must increasingly absorb the cost of insurance, licensing, recruiting, compliance, technology, training, and supervision.

1

The largest providers get larger

Scale and acquisition capability continue to matter.

2

Technology changes guarding more than it replaces it

The winning model increasingly combines people, monitoring, analytics, access control, and response.

3

Measurable quality becomes a competitive differentiator

Providers that can demonstrate workforce stability, capable frontline supervision, training quality, reporting quality, and site-level execution will look materially different from those that manage primarily by complaint.

The companies that become genuinely good at measuring and managing the promise of reliable execution may have the strongest competitive advantage of all.

11. The Questions I Would Ask

Contract guarding is not disappearing. It is changing. The industry appears likely to become somewhat more concentrated, increasingly technology-enabled, and more demanding operationally.

But underneath all of those changes is something more fundamental: security companies ultimately sell **reliable execution**. They promise that the right person, supported by capable frontline supervision and equipped with the right training and tools, will be in the right place, at the right time, and will perform - and document - the work the client purchased.

- Who supervises the site, how many sites do they own, and does any site over 168 HPW have dedicated on-site supervision?

- What is guard turnover - and where is it concentrated?
- How many contracted hours went uncovered?
- How do you measure the quality of incident and daily activity reports?
- How do you test post-order knowledge after training?
- What ongoing and refresher training is being completed?
- Are officers trained and tested on the technology they are expected to use?
- What incidents and vulnerabilities are trending upward?
- What are gross margin, EBITDA or operating margin, and revenue retention - and are the definitions consistent?
- Are contract economics strong enough to fund supervision, training, technology, recruiting, and quality assurance?
- What is management doing about the trends the data reveals?

A company that can answer those questions - and demonstrate the answers with data - looks very different from one that can only show that a post was filled.

Sources and methodology

Market-share figures and operational ranges presented here are directional estimates informed by public industry research and long-term operating experience. They should not be interpreted as audited industry averages.

Selected sources: IBISWorld, *Security Services in the US* (July 2024); Fortune Business Insights, *Manned Security Services Market*; Securitas AB, *Full-Year Report 2025*; Trackforce, *Physical Security Operations Benchmark Report 2025*.

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ECONOMIC BENCHMARK NOTE

IBISWorld (2019): wages 60.5% of revenue; purchases 3.6%; marketing 0.4%; EBIT/profit 4.2%. IBIS defines wages to include benefits. These are broader-industry benchmarks, not a guard wage-to-bill split.