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CIVIL SECURITY SECTOR SURVEY

-Final report

Swedish Trade Council
Stockholm, February 1st, 2012

AGENDA

- Introduction
- Findings
- The way forward

OBJECTIVE

- The objective of the quoted project is to:
 - Map the Swedish civil security sector with regard to companies, products and services, trends, prioritizations, trade barriers, needs and success factors

PROJECT OUTLINE

Step 1

4-5 weeks

In-depth interviews

- Design questionnaire
- Identify key players to interview
- Conduct interviews

Step 2

4-5 weeks

Web survey

- Identify companies to include in survey
- Web survey among selected companies

Step 3

3-4 weeks

Finalize report

- Analyze material and putting findings together

DELIVERABLES

- In-depth understanding of the characteristics of the market
- Increased knowledge about needs, priorities, success factors of key players

- Increased knowledge about needs, priorities, success factors of companies within civil security

- Report with findings from Step 1 and Step 2



 Meeting

BROAD PROFILE OF PARTICIPATING COMPANIES

Participation overview

- The Swedish Trade Council used internal and external resources and contacts to identify suitable respondents within the field of civil security
- Interviews held with key players in within the civil security sector in order to fine tune the web survey
- A long list of 174 unique companies was put together

Examples of participating companies



Companies in study represents a broad range of companies and both large companies and SME:s

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- Introduction

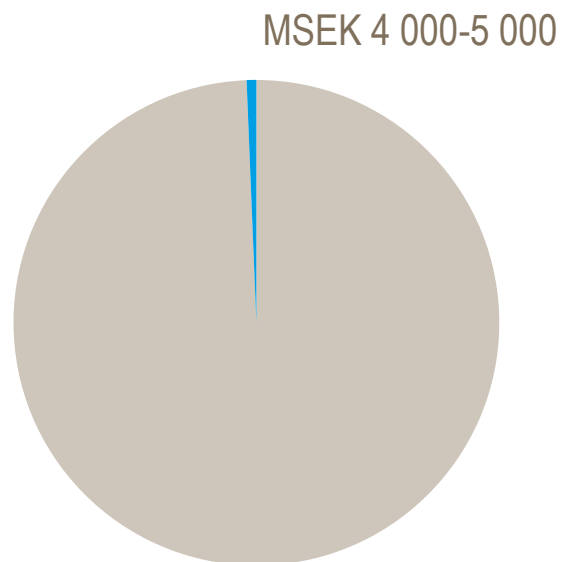
- Findings

- The way forward

THE WORLD MARKET FOR CIVIL SECURITY IS HUGE AND BENEFITS FROM A STEADY GROWTH

Total world civil security market and Swedish export within civil security

100%=TrSEK 462



- World civil security market
- Swedish exports within civil security

- The total world market for civil security is approximately worth TrSEK 462
- The sector benefits from a steady growth which is estimated at 7,5 percent per year during the last couple of years
- Swedish export within the sector is approximately worth MSEK 4 000 – 5 000

The market for civil security sector is very large with untapped potential for Swedish companies

CIVIL SECURITY SOMEWHAT DIFFICULT TO DEFINE AND RARELY A BUSINESS AREA ON ITS OWN...

The civil security sector appears to be very fragmented and difficult to define...



"We have been studying the civil security sector for 10 years, but haven't yet fully understood it" **Lars Jernbäcker, Vice president, Program manager Civil Security, SAAB AB**

...which to some extent could explain the lack of attention among companies



"Civil security is rarely an own business area for a company, which means it doesn't get the attention that is needed" **SACS**

...AND THERE SEEMS TO BE A NEED FOR A MORE COORDINATED APPROACH IN THE SECTOR



Common total solutions

- *Kenneth Wiklander, paper on international system sales within Swedish civil security for Safety and Rescue Region Mid Sweden:*
 - Suggests that companies within the sector should cooperate to a greater extent and offer total solutions

Structured marketing approach

"The sector could benefit from a more coordinated approach, e.g. common marketing material" SACS

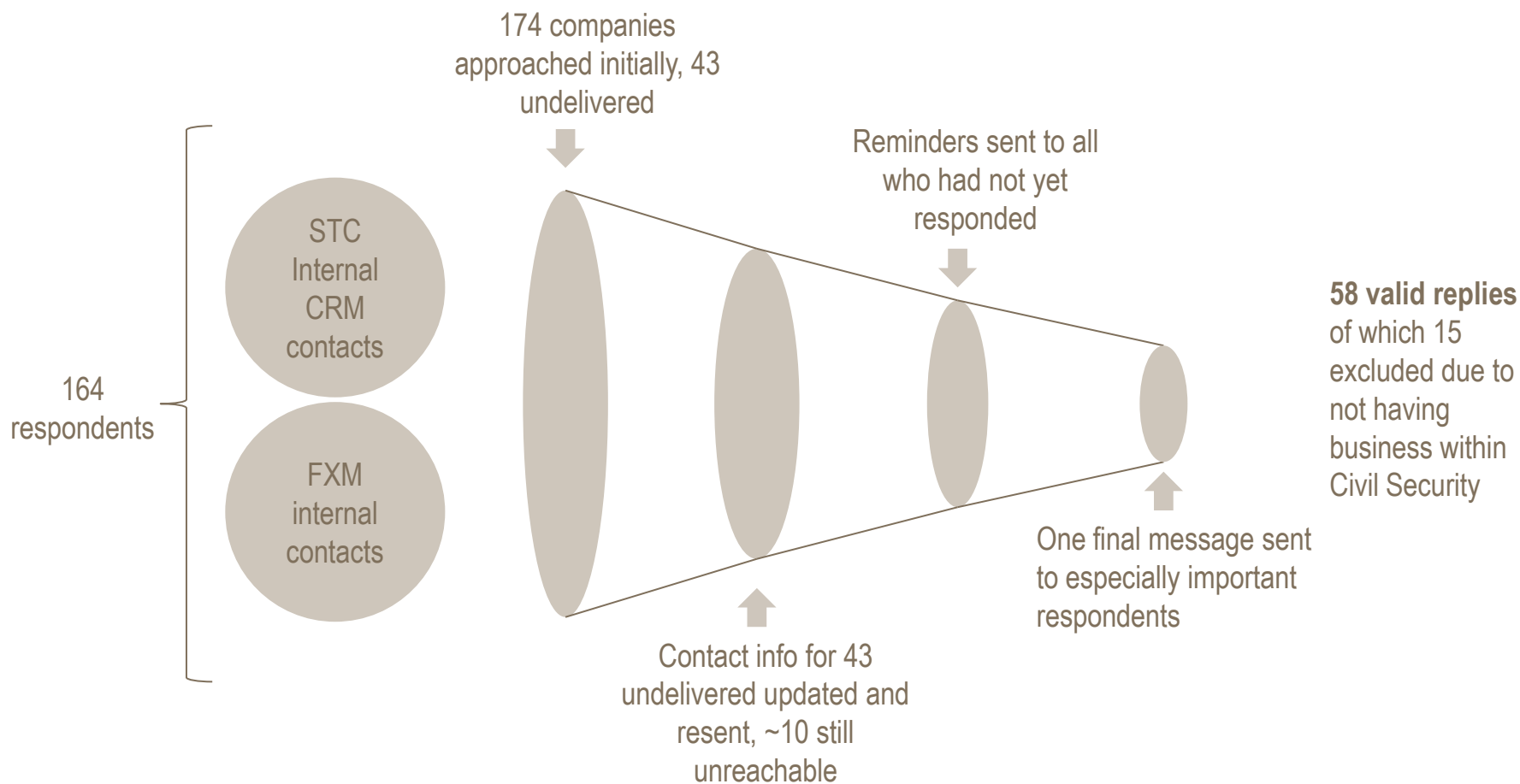


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58 OUT OF 164 COMPANIES RESPONDED TO THE SURVEY

-Corresponding to a 35 percent response rate

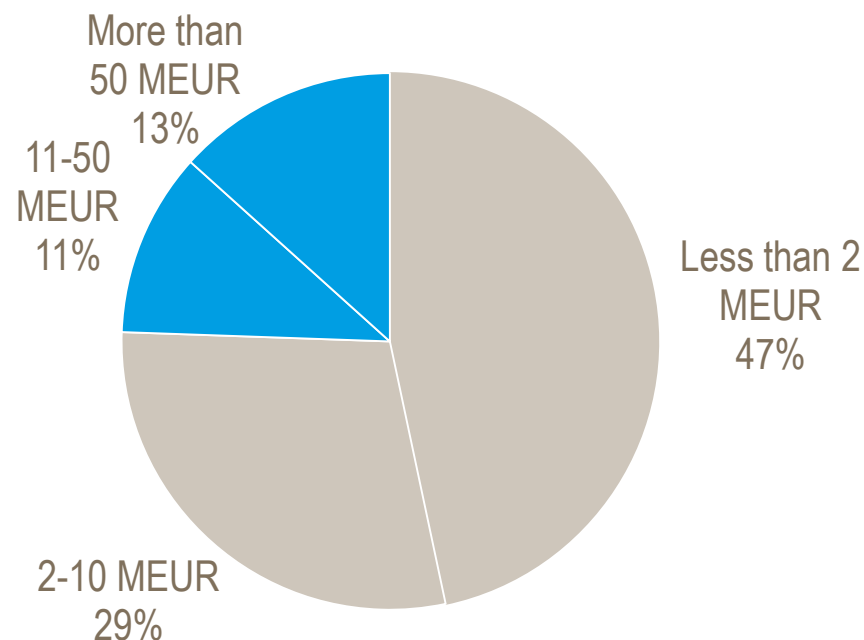


A MAJORITY OF THE RESPONDENTS REPRESENTS SME:S

- However, quite a few large companies have answered as well

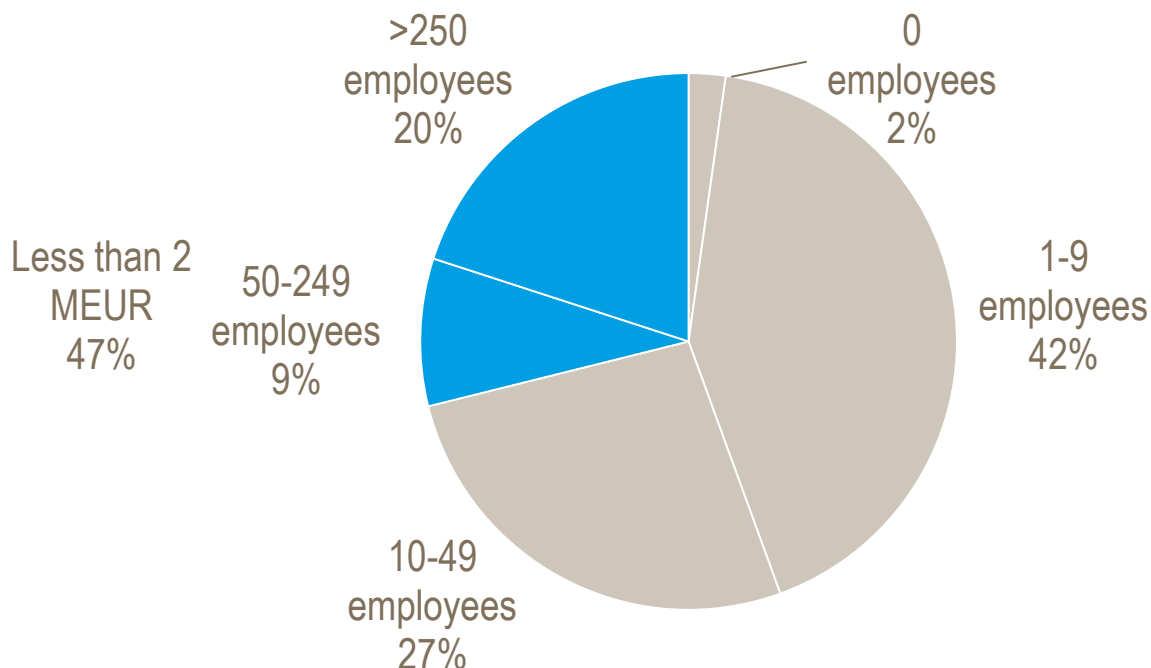
Respondents by turnover

100% = 43 respondents



Respondents by employees

100% = 43 respondents



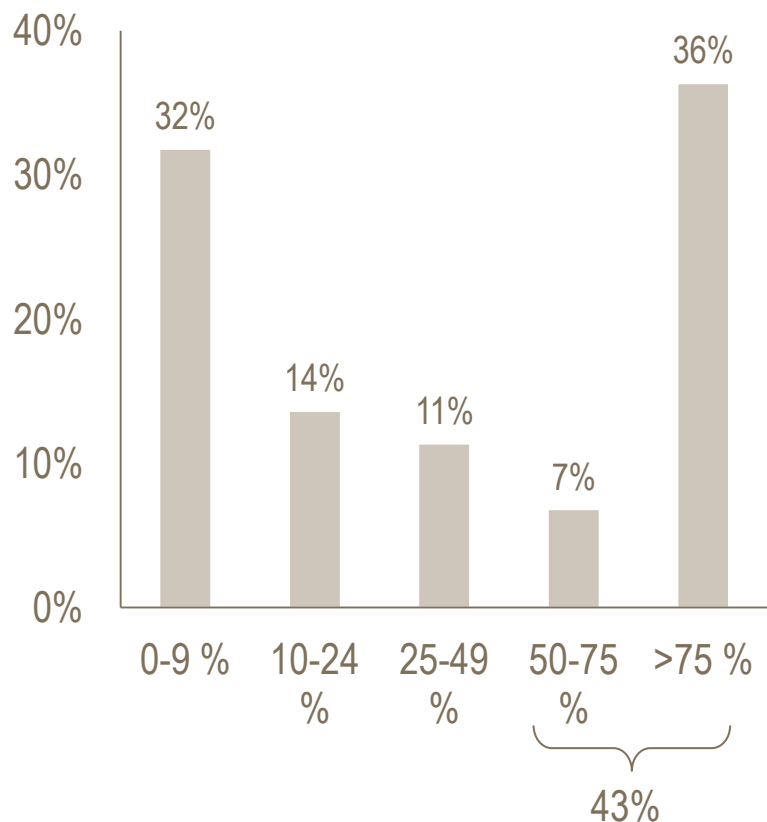
- SME
- Large companies

Approximately 75 percent of the respondents classified as SME:s

CIVIL SECURITY ACCOUNTS FOR 50 PERCENT OR MORE OF TOTAL TURNOVER FOR 43 PERCENT OF THE COMPANIES

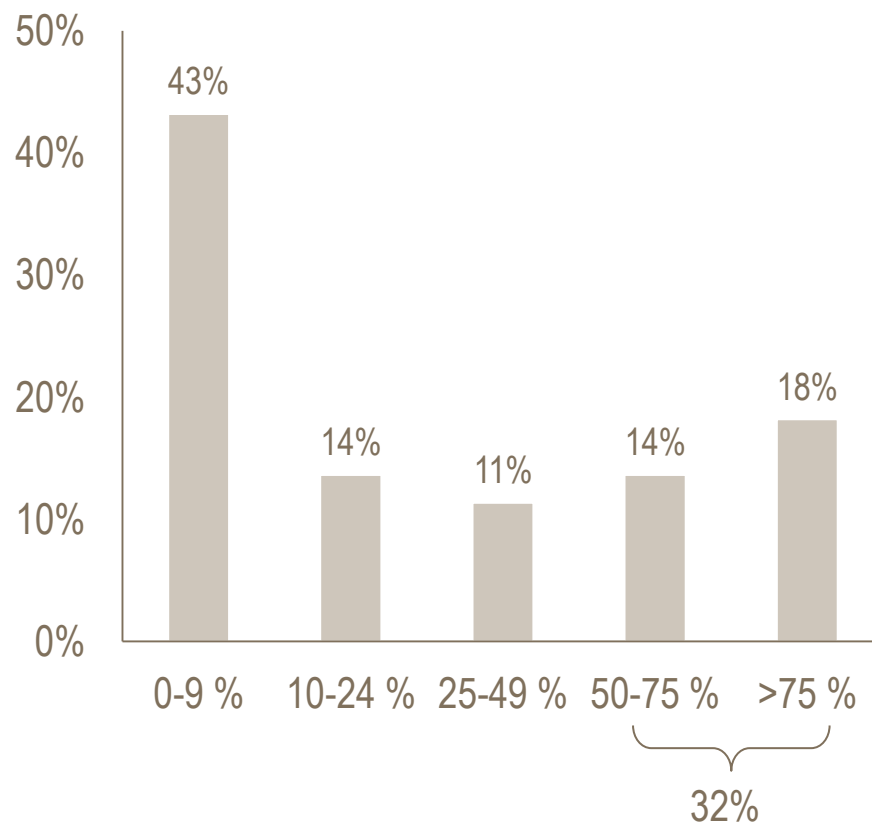
Civil security as a share of total turnover

100%=43 respondents



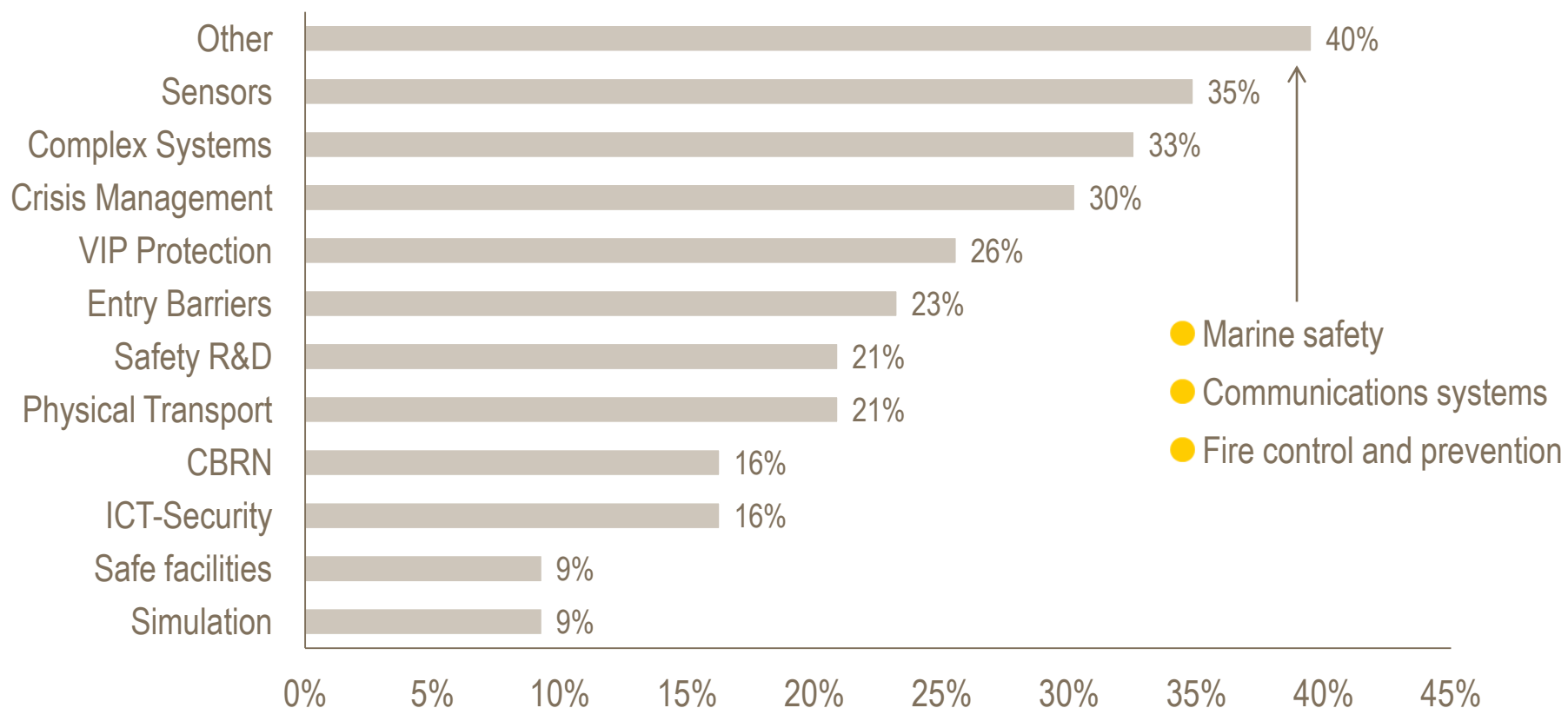
Share of export within turnover related to civil sec.

100%=43 respondents



SENSORS AND COMPLEX SYSTEMS LARGEST SEGMENTS AMONG RESPONDENTS

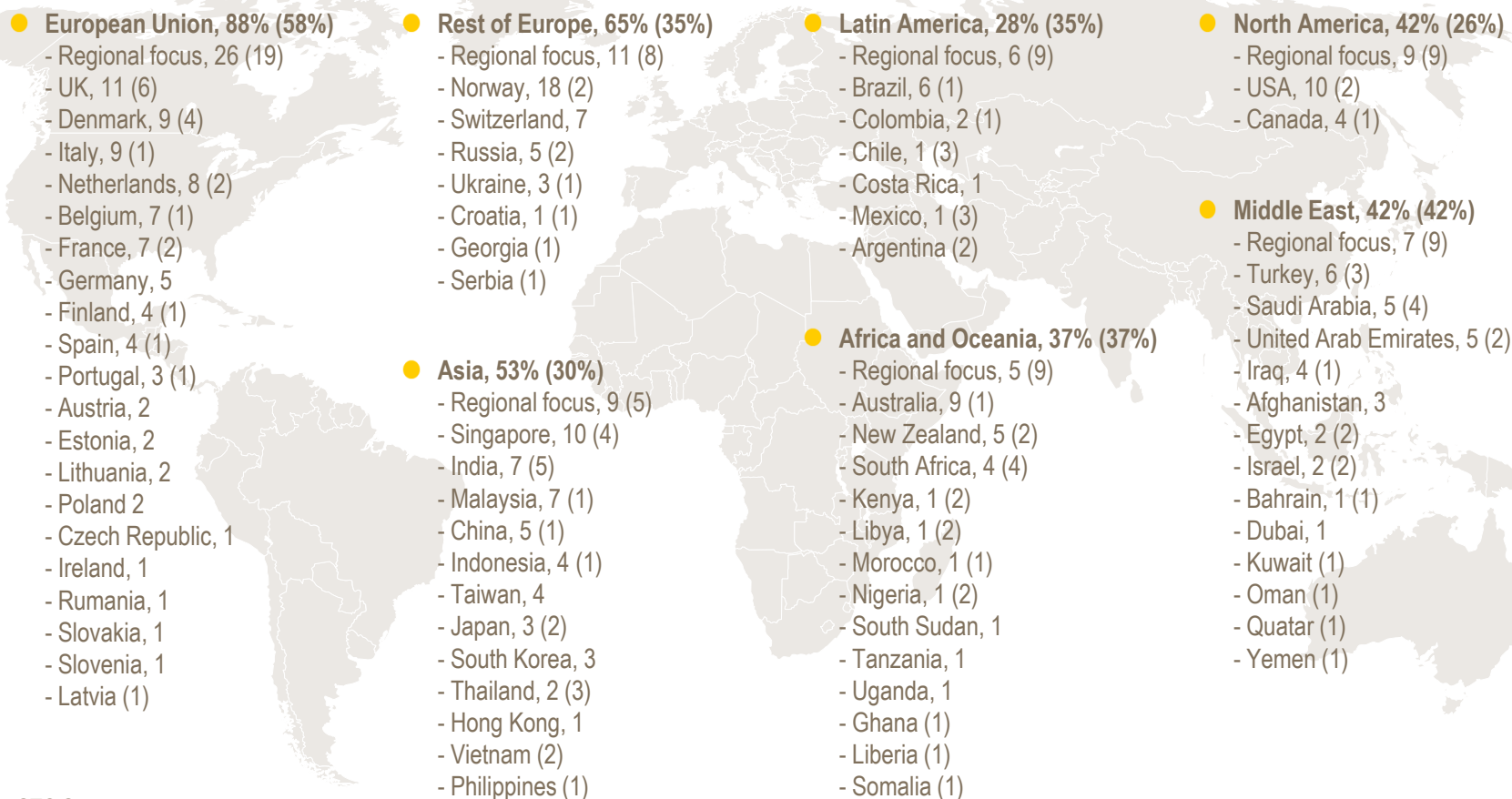
Respondents by civil security segment



THE INTERNATIONAL PRESENCE SEEMS TO BE RATHER HIGH AMONG COMPANIES IN SURVEY

Current and new future markets split according to region and country

- With number of companies active on each market (and new future markets)

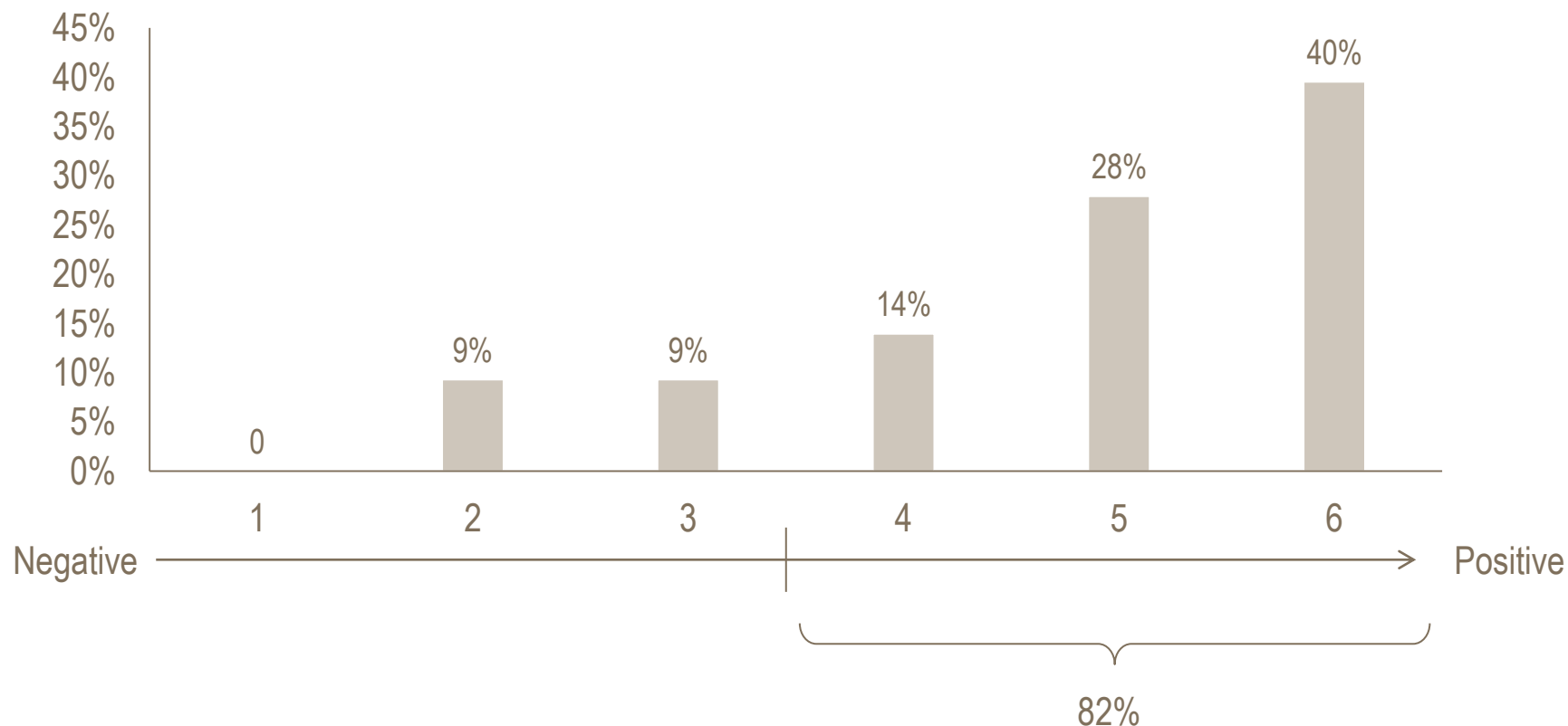


Source: STC Survey

MOST COMPANIES HAVE A POSITIVE OUTLOOK ON THE FUTURE

Outlook on the possibilities to grow the next five years

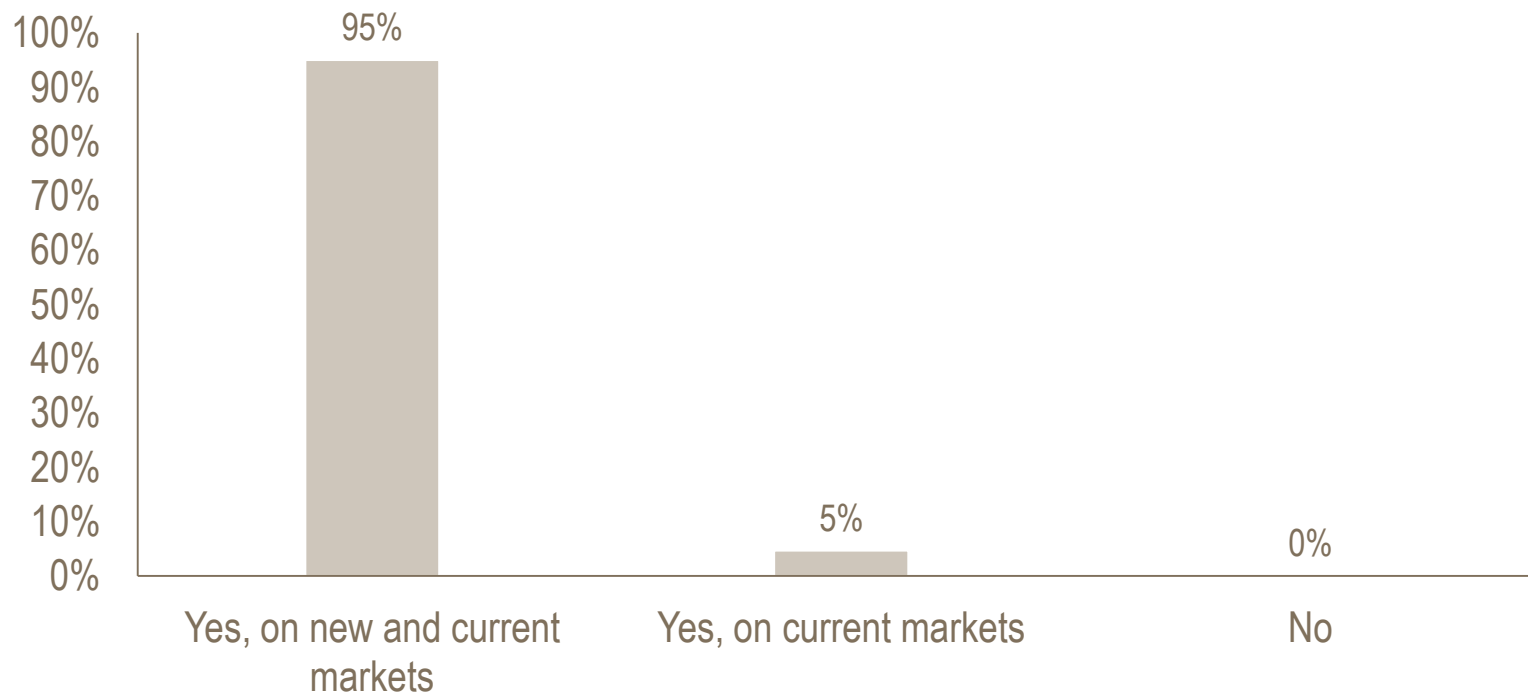
100% = 43 respondents



ALL OF THE COMPANIES PLAN TO EXPAND ON NEW AND CURRENT MARKETS

Respondents by five year expansion plans

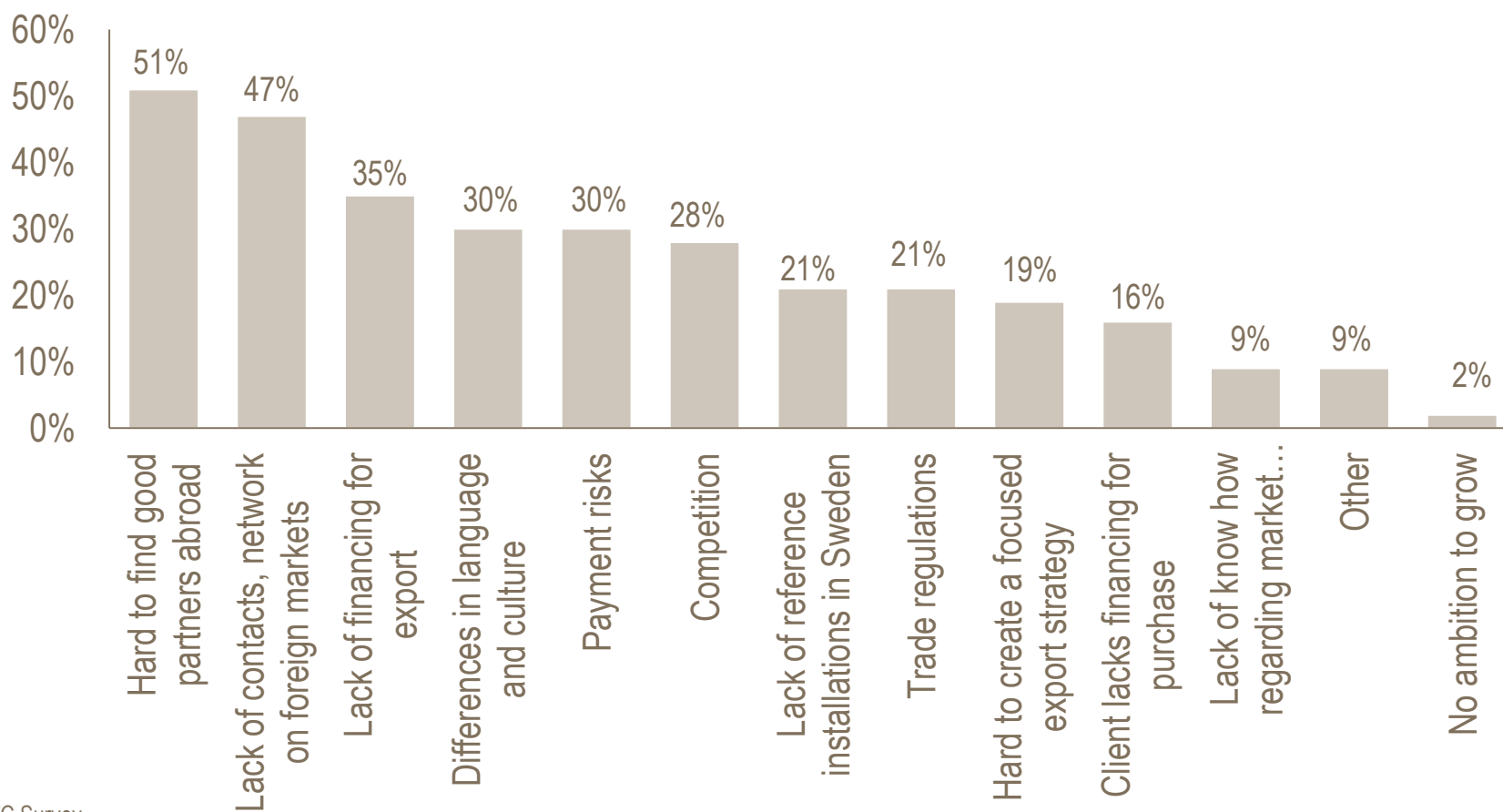
100% = 43 respondents



DIFFICULTIES TO FIND GOOD PARTNERS AND LIMITED NETWORK THE MOST COMMON CHALLENGES

Respondents by hinderance for internationalisation

43 respondents



Source: STC Survey

SEVERAL STRENGTHS IN THE SWEDISH SECTOR, BUT ROOM FOR IMPROVEMENT IN SOME AREAS (1/2)

High competence but weak at marketing the solutions on a global market...

"Sweden has very high competence within certain areas, but I think that we are weak at marketing our solutions on a global market. It's good to see you trying to research this"

"We have many strengths in areas such as coastguard/sea rescue services and protection of infrastructure. The strengths could be packaged and marketed in a better way though"

The neutrality could be a strength in an international environment

"Our respect for human rights and our relative neutrality makes it easier to work in an international environment"

SEVERAL STRENGTHS IN THE SWEDISH SECTOR, BUT ROOM FOR IMPROVEMENT IN SOME AREAS (2/2)

Sweden's nation brand is good...

"Sweden as a country has a good reputation, we are regarded as trustworthy and quality awareness is high. The sector should be able to benefit from this"

The large companies could act as mentors for the small ones...

"Sweden has a long tradition of exporting arms, with well established sales channels for the large companies. I think the large companies to a greater extent should act as mentors for the SME:s. This would benefit the whole sector."

More cooperation...

"SME:s should work more together and offer common solutions"

"Passive marketing strategies from Swedish companies and insufficient support from Swedish government agencies and representatives."

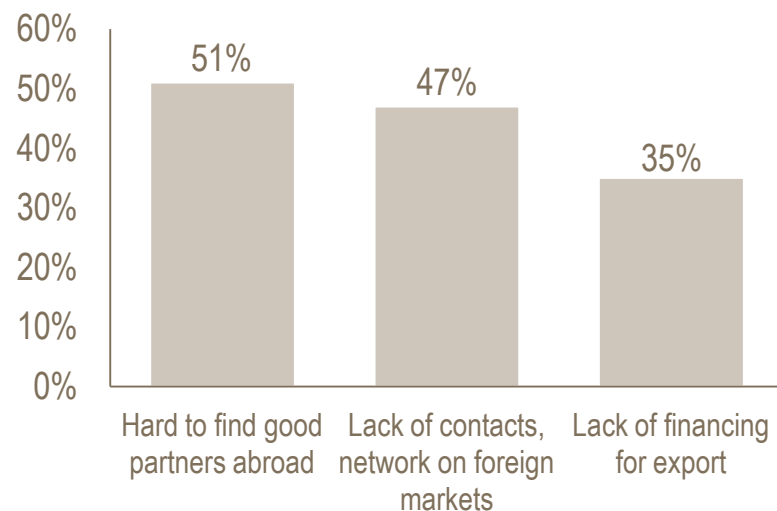
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FINDING GOOD PARTNERS AND COORDINATION OF EFFORTS IMPORTANT AREAS FOR IMPROVEMENT

RECAP

Top three challenges among companies



Improved packaging and marketing

"The sector could benefit from a more coordinated approach, e.g. common marketing material"

"Sweden has very high competence within certain areas, but I think that we are weak at marketing our solutions on a global market"

"The strenghts could be packaged and marketed in a better way"

COMMON STRATEGIC PLATFORM AND JOINT ACTIVITIES

POSSIBLE NEXT STEPS

FOR DISCUSSION

1 Marketing platform

- Creating a network of Swedish companies and organizations within civil security to stimulate and and utilize synergies



2 Joint activities

- Match making events
- Seminars
- Delegations
- Market analyses
- Fairs