Integrate

Pivot to Profit+

Integrators, this is your moment for action.

Use this supplement along with what you learn at Pivot to Profit 2022 to write a playbook that moves your business forward with:

- Becoming a Master Systems Integrator
- Better Budgeting
- Going Deeper with Customers
- Supply Chain Risk Mitigation
- Better Recurring Revenue Processes
- Becoming Cyber Resilient
- Staying in Compliance on Projects
- Being Vital to the Office of the Future

PAGE 4: Learn How to Become a Master Systems Integrator

What Is
Pivot to Profit+?

This edition of NSCA's *Integrate* is designed to be a companion reader to the 2022 Pivot to Profit conference – and a playbook to get you started on important initiatives.   *By Tom LeBlanc*

The cover of Q3 2022 *Integrate*, your NSCA trade journal, describes "Pivot to Profit+." What do we mean by that?

It's simple. Pivot to Profit (P2P) is the integration industry's most unique conference, focused on helping integrators elevate their businesses by considering new technologies and challenging their business models. The important topics and sessions that we've planned for 2022 P2P shouldn't exist solely at the event, Sept. 19-21 in Rosemont, IL. Many of the articles in P2P+ are written by session speakers and designed as:

1. Complements to the important topic discussions at P2P
2. Playbooks that lay out action steps for integrators to get moving on the important topics at P2P
3. Standalone guides to the topics discussed at P2P (for those unable to attend sessions)

We encourage NSCA members to use this special edition of the quarterly journal to enhance their business transformation conference experience. Consider P2P+ the official guide to NSCA's 2022 P2P conference. Don't forget to use the workbook on the inside last page to jot down notes and your own next steps.

Pivot to Profit 2022 Highlights

Pivot to Profit, as a business conference, aims to help integrators keep pace with their customers' evolving needs. One thing we've seen coming out of the pandemic is that the value integration companies offer customers has never been higher. Integrators are at a critical pivot point – the timing of Pivot to Profit 2022 will help companies position themselves for long-term success.

P2P 2022 Discussion Topics:

- Supply Chain Risk Mitigation
- Integrators' Role in Evolving Workspace Needs
- Becoming a Master Systems Integrator
- Finding Profitability
- Staying in Compliance
- Pursuit of Recurring Revenue
- Being Cyber Resilient

To learn more about Integrate*, Pivot to Profit+, or how to optimize your NSCA membership, contact Max Johnson at* **mjohnson@nsca.org** *or* **319-861-8629.**

One thing we've seen coming out of the pandemic is that the value integration companies offer customers has never been higher. Integrators are at a critical pivot point.

What's featured in P2P+?

The theme of P2P 2022 is *This Is Your Moment for Action*. As such, this P2P+ edition of *Integrate* features columns and articles that provide specific action steps on important topics for integrators.

What's Inside P2P+?

- A series of articles outlining the topics chosen for sessions at 2022 P2P, along with action steps on how to move forward
- "Business Transformation" and "New Innovation" articles relevant to your business
- Sponsor highlights that will aid in the different toolkit talks and breakout sessions
- A workbook to add thoughts and comments from each sponsor's toolkit talk demonstration

This special P2P+ edition of *Integrate* is printed for in-person P2P 2022 attendees. That means NSCA members attending P2P 2022 near Chicago can read P2P+ between P2P conference sessions. Peruse it in the hotel room. Put it in your bag and refer to it as you outline strategies. Whether you're in Chicago or reading this in the digital version of Q3 2022 *Integrate*, we hope the content in P2P+ will help position you for "your moment for action." △

I *Tom LeBlanc is Executive Director of NSCA. Contact him at* **tleblanc@nsca.org***.*

Integrate | IN THIS EDITION

Pivot to Profit:
Becoming a Master Systems Integrator

Understand the revenue opportunities around positioning your integration firm as a master systems integrator that is incredibly relevant and vital to customers as their needs evolve. *By Chuck Wilson*

Inside the Priority:

A master systems integrator is best defined as a company who oversees all of the technical solutions within CSI Divisions 27 and 28. So what does that mean?

Do AV integrators have to do security? Do security and life safety companies have to do AV? Not at all… but there will likely come a time when the building owner or facility manager will see so many systems within their building and want a company with sole responsibility for all of them.

Partnerships are forming daily between NSCA members. It's not uncommon to see the same integrators working together on large projects within their communities. They realize the school or hospital doesn't really want 10 different companies taking responsibility for the technology within their buildings. They are trying to standardize on platforms, operating systems, network configurations, remote access capabilities, workflows and processes. With many of these solutions operating on the same network, having remote data centers and cloud storage, integration with one another, APIs and programming features, etc. that it just makes sense to have one organization take responsibility for the integrity of that entire technical ecosystem. The concept of the master systems integrator was born out of that need.

Action Steps:

Risk vs. reward. As we know, pushing risk to the other party is a game that we get forced to play. Specifications, terms and conditions, waiver of liability, penalties and liquidated damages are all examples of pushing risk onto someone else. If we assume risk, we need to be compensated for it. Likewise, if we share a network with building technologies we have no control over we add risk. Cyber security vulnerabilities is a great example of added exposure where there was once no concern. The last thing we want to do is add risk to our company without being paid to do so. The idea behind the master system integrator role is to be that technology provider who is willing to manage the connectivity and IP-enabled devices while controlling what goes on that network. And getting paid well to do so.

This concept isn't for everyone. For those who embrace the idea it starts with a desire to be a service(s) provider. It's unlikely that in the future we will see multiple remote managed services providers operating within one client space. If that system you provide has open architecture and provisions for APIs within it, it's likely the client will want it added to their network monitoring platform. It's a partnering opportunity, a business decision, a risk decision, a growth opportunity all at the same time.

The idea behind the master system integrator role is to be a technology provider that is willing to manage connectivity and IP-enabled devices while controlling what goes on a customer's network.

Related P2P 2022 Session:
September 20 • 9:15-10:15am CST

How—and Why—to Become a Master Systems Integrator

The value an integration company offers its customers has never been higher. Organizations across all verticals need communications, security, life safety, video, audio, and healthy building solutions to adapt to their new realities. Customers tend not to compartmentalize technology solutions providers, so why should you limit how you solve those customers' business challenges? The integrator of the future may be one with holistic solutions. Don't be an "AV integrator" or "security integrator" when you can be a "master systems integrator."

Bio: *Chuck Wilson, CEO of NSCA, is focused on the relevance of NSCA's member integration companies. Educating integrators on the importance of becoming a "master systems integrator" is among the primary focuses for the trade association in 2022.* △

Pivot to Profit:
Going Deeper with Clients

The need to solve more business challenges and enter a true partnership with customers creates new revenue opportunities for integrators. *By Don Mastro*

Inside the Priority:

We toss around dozens of acronyms and phrases in our industry. It just goes with the territory. What does the phrase "going deeper and wider" mean to a sales organization? And how does it affect strategic account management? Let's take a closer look at how to create a strategic account management playbook.

Today, great AV and UC should perform like IT assets for the CIO. You need to apply a strategic approach to every "deeper and wider" enterprise account to get there.

This starts with a playbook that achieves three primary objectives: Win targeted enterprise accounts, capture a wider range of an integrator's portfolio of offers, and conduct quarterly business reviews that net new business.

This playbook includes the following elements and related action steps:

- Customer Landscape
- Customer Relationship
- SWOT Analysis
- Strategy Alignment
- Quarterly Business Review

Action Steps:

Customer Landscape — This section helps you understand the customer's overall business, including:

- Their specialties
- Their physical office locations
- If they've announced acquisitions — or plan to
- Long-term tactics (e.g. expansion into new markets, a new corporate headquarters)
- Ownership structure

Learn about this landscape through conversations with your contacts, public documents like the company's 10K, or conduct your own internet research.

Customer Relationships — Sales executives should identify decision makers and create a persona stack for the client. More departments and individuals are now involved in decision-making including business line leaders, global real estate, and CIOs. As you develop relationships across AV and UC platforms, capture contact details for all three personas using third-party databases like **Zoom Info** and its affiliate, **DiscoverOrg**. Recognize that different technologies and services serve each persona uniquely. For example:

- Global real estate might own conference rooms.
- CIOs might own Zoom, Teams, Google, integrations.
- A VP of communications or HR might own corporate town hall events or executive office communications.

SWOT Analysis — Understanding a company's Strengths, Weaknesses, Opportunities, and Threats (SWOT) enable you to coach account teams and develop playbooks for each customer with a clear set of eyes. Your SWOT lets you be true to strengths while also recognizing weaknesses. Sometimes opportunities and threats are interconnected (threats = opportunities to connect with the right persona). Work to ID changes in personnel that may affect buying personas.

Strategy Alignment — Assess the current reality with goals for new opportunities to sell deeper and wider. You already aligned much of the strategy when you developed the previous sections. Now ask:

- How will I differentiate my offerings to win?
- What actions need to take place with my contacts, and what is our 90-day plan?
- How can I accomplish this with the resources at my disposal?

This is the takeaway section and sets up the final piece of the playbook.

Quarterly Business Review (QBR) — Make sure you schedule an internal meeting to prepare for the QBR, provide the agenda to the customer, and invite the right decision-makers. Then, use the meeting to:

- Review the health of the account
- Discuss how you assist in the customer's growth strategy
- Gather internal resources for execution
- Propose actions based on the client's challenges uncovered in the playbook

Is your sales team ready for long-term success?

The sales process takes planning and research to be successful. When you use this framework, you're in a better position to go deeper and wider and grow sales with new and existing customers.

Related P2P 2022 Session:
September 21 • 9:15-10:15am CST

Grow by Going Deeper with Customers

Taking a consultative role requires three things:

- Building a reputation as a service company
- Rethinking typical approaches to identifying and solving business challenges
- Managing your customer relationships.

Find out how to focus on fully leveraging the journeys of your customers. By doing so, you can create stickier, more lucrative relationships. If you attend "How— and Why—to Become a Master Systems Integrator" on Day 1, then you should definitely put this session on your schedule as a great follow-up.

Bio: *Don Mastro, Executive VP, Global Sales for AVI Systems, is on the NSCA Board of Directors. He volunteered to moderate this session because he lives and breathes this objective.* ⬦

> **When you use this framework, you're in a better position to go deeper and wider and grow sales with new and existing customers.**

It's common now for your employees to comply with the same employment provisions of your clients. That comes at a cost.

Pivot to Profit:
Staying in Project Compliance

From a revenue standpoint, there is a dramatic downside for integrators unaware of how to keep their project in compliance with codes and regulations. *By Chuck Wilson*

Inside the Priority:

The systems integration business is far more regulated than it once was. Today we must make sure we have our field staff properly trained on safety, proper disposal of abandoned materials, and a host of proper containment methods for dust and harmful airborne items when disrupting existing structural items.

Beyond that our employees need to be licensed properly and we have to make sure the same is true for our subcontractors if we outsource portions of the project. Unfortunately, we have no national licensure for limited energy or low voltage work so each state can adopt their own exemptions or license requirements. That is especially problematic for integrators that cover a national footprint. The transportable nature of state licenses (A.K.A. reciprocity) isn't defined by skills, training, or experience, but rather the state's desire to maintain and collect funds for their own licensing and permitting process. The more we do as design-build integrators the more we will need to pull permits as a prime contractor on these larger scale projects. Even local municipalities have entered the regulatory scene by requiring systems integrators to be registered and pull permits that have fees and provisions associated.

In many cases our BAA (business associate agreements) and terms and conditions require our level of background checks, I-9 documentation, injury reporting and safety training, drug testing, etc. It's common now where your employees will need to be in compliance with the same employment provisions of your clients. That comes with a cost associated.

Action Steps:

- Compliance with prevailing wage (PW) laws is a big challenge for NSCA members. Once again state by state we have variations of what projects are considered subject to PW. It is imperative that you get in writing a classification that you know is 100% accurate prior to submitting your price on any PW project. Project labor agreements are becoming more prevalent with our current administration. Even in right-to-work states we are seeing a resurgence of projects identified as a PLA project. The National Labor Relations Board has come under scrutiny for upholding these when states have clearly found them to be illegal.

- Contract administration has become a big deal. Most NSCA members don't have in-house counsel or a dedicated contract administrator, but someone trained in that field really needs to be reading large project contracts. The terms and conditions have changed; items like cyber security insurance and compliance, close-out procedures, substitutions due to delivery issues, deposits and/or progress billing, stored materials, etc. all have a major impact on our business. De-risking every project must be a way of life for the systems integrator. In many cases the terms and conditions will become the deciding factor on which projects to chase. Learning to say no has become a way to make sure you stay in business.

Related P2P 2022 Session:
September 20 • 1:30-2:30pm CST

Project Compliance Playbook

It's getting harder for integrators to keep up with the codes that impact their projects and weigh heavy on the minds of customers. Making sure a proposal, contract, and project comply with specs can be the work of several full-time jobs. This session outlines specific information and advice on how to understand and apply local codes and requirements. Members of the NSCA Codes & Compliance Committee lead a discussion to help your company avoid costly setbacks and keep projects compliant.

Bio: *Chuck Wilson, CEO of NSCA, is liaison to NSCA's Codes & Compliance Committee. Each day he spends time consulting with NSCA members on various compliance issues that could make or break their projects.* △

Regularly educate employees about the changing cybersecurity landscape, and tactics that may be used to target your industry or your clients. Help them understand how to identify and respond to potential cyber threats.

Pivot to Profit:
Focus on Your Cyber Resiliency

NSCA members should understand the revenue impact of not having a strong cyber resiliency stance – before they learn it firsthand.   *By Shanna Utgard*

Inside the Priority:

Imagine this — your employee opens a routine email from a vendor, but instead of an Excel attachment, the screen locks up with a ransom demand. Now you can't access your company email, files, or any other service you rely on. Your whole operation comes to a screeching halt and panic ensues.

A ransomware attack occurs every 11 seconds, even to organizations like yours.

How long could you weather the business interruption? A week? A month? The average downtime is 22 days. Would you survive?

Action Steps:

1. **Perform a risk assessment**
   The assessment should include questions about technology solutions and cloud applications used, data storage and protection methods, employee cybersecurity training tactics, data use policies and incident response plans, company cybersecurity testing processes and more. Identify what sensitive information you possess, where that data lives, and who you might need to protect it from. You should also outline which applications, technology or services are critical for conducting business. Compare your current posture to cybersecurity or compliancy frameworks and best practices. Highlight any areas of improvement with high impact potential.

2. **Secure your critical accounts**
   Use strong, unique passwords for all accounts and enable multi-factor authentication on any devices, applications or anywhere else sensitive data lives.

3. **Train your employees**
   Regularly educate employees about the changing cybersecurity landscape, and tactics that may be used to target your industry or your clients. Help them understand how to identify and respond to potential cyber threats.

4. **Manage vulnerabilities**
   Regularly scan for and patch security vulnerabilities in a timely manner, beginning with critical severity vulnerabilities.

5. **Talk with your cybersecurity insurance provider BEFORE an incident occurs**
   Have a dialogue about your provider's preferred or required process in the event of a breach. Many have a list of approved vendors or their own in-house response team. Identify any steps and communicate with stakeholders at your organization before a crisis happens.

Pivot to Profit:
Healthy Buildings

Understand the revenue opportunities around demand for healthy buildings and how NSCA member integrators can position themselves for success.   *By Chuck Wilson*

Inside the Priority:

What does a healthy building have to do with being a systems integrator? A lot actually.

In today's modern building we have several new factors involved. First of all, the building owner or investor has to make sure the building will be desirable for the occupants. That's become a huge deal as people debate the issues surrounding spacing, air quality, transmittable diseases, etc. During the pandemic, schools, hospitals, and corporate facilities have all recognized that safety of the occupant is now a major concern.

How do we get people back into the workplace and do so safely? We monitor the building; we secure it and enable it to be a safe and healthy environment. We collect data and do something with that information. We make the occupants feel safer with our technology. We give them proper lighting and acoustics, reduce noise and distractions, we help them hear what's being taught, we improve workflows to make teachers and nurses more productive and fulfilled in their essential roles. We help make it more energy efficient and we deploy technology using PoE technology that reduces the impact on our environment while making the buildings safer and smarter.

The foundations of a healthy building impact NSCA in many ways. Security and life safety, paging and communications, distributed antenna systems, room occupancy sensors, IoT devices, smart building technology, remote monitoring of networks and systems, etc. all play into the role we will serve as technology solutions providers. Think about a school or hospital and how many solutions we offer that can make that building a place where people want to work, want to visit or shop, want to learn, or go to get medical treatment. I'm certain we can play a huge role in this.

Action Steps:

"PropTech" or the building technology ecosystem will become a new frontier for the NSCA member who wants to be involved in the technical systems that are foundational to both the building owners and for the buildout of the tenant spaces. As we move forward we also have to wonder what role we play in the tenant spaces if we don't have a role with the building technical infrastructure. To better understand the future of systems integration we have to learn more about our role in the creation of the healthy building just like we did with the smart or intelligent building.
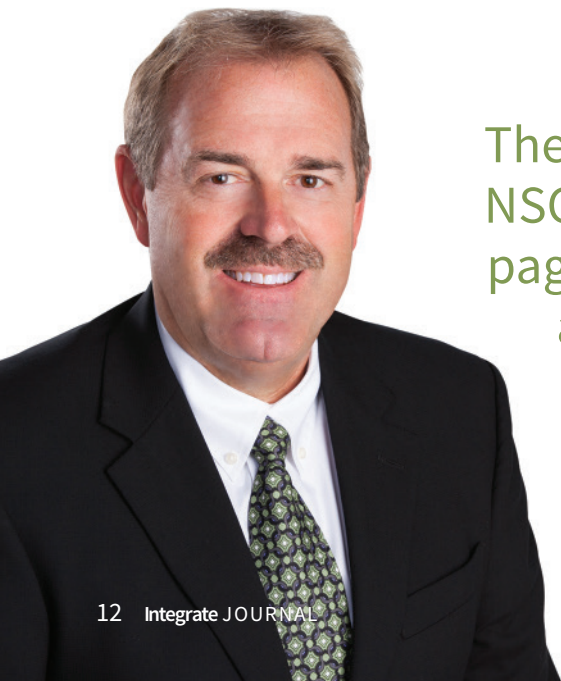
The foundations of a healthy building impact NSCA in many ways. Security and life safety, paging and communications, distributed antenna systems, room occupancy sensors, IoT devices, smart building technology, remote monitoring of networks and systems, etc. all play into your role.

Related P2P 2022 Session:
September 21 • 9:15-10:15am CST

How Your Customers' Spaces Will Evolve: A Sneak Peek

Presenter: Kay Sargent

The savvy integrators that attend Pivot to Profit looking to position themselves for new revenue opportunities and sustained profitability – whether they offer AV, UCC, security, life safety, etc. — have one thing in common. They want to know what's next. What will their customers across all vertical markets will be demanding in a few years? They need this information in order to remain relevant.

In this session, Director of Workplace Practice for global design and architecture firm HOK Kay Sargent brings insight on:

- How the meeting room will need to evolve.
- What customers' security priorities will include in the future.
- The evolving demand for a more healthy building.
- How the pandemic may impact demand for technology solutions.

The bottom line: Forward-focused attendees walk away with knowledge to help them prepare to remain relevant to their customers.

Bio: *Chuck Wilson, CEO of NSCA, has long been exchanging ideas with Kay Sargent, a director of HOK's global WorkPlace practice with a passion for using design to transform how and where people work. She spends her days (and many nights) working with clients on workplace strategy and design. Their shared goal is to understand how integrators can play a vital role in the escalating demand for healthy buildings.* △

Pivot to Profit:
Mitigating Supply Chain Disruption

The revenue impact for integrators created by lack of product availability is obvious. Meanwhile, the impact of steps integrators can take to mitigate their reliance on elusive products is significant. *By Mike Abernathy*

Inside the Priority:

As an integration community we have experienced record sales … followed by record backlog … followed by record inventory in our warehouse. This is all due to the supply chain disruption of the last 24 months. It comes down to the reality that we as integrators are unable to recognize revenue due to the delayed products for our integration projects. When you add all this together you get a lot of business challenges — cash flow, correct staffing levels, banking relationships, liquidated damages, price increases, inefficiencies, and the list goes on.

We can't snap our fingers to have the technology we need to complete a project on our docks by tomorrow morning. Over the last few months, NSCA's Emerging Technologies Committee has been discussing how can we as integrators can mitigate the supply chain

impact and pivot to technologies and processes that can minimize these challenges. Mainly, how can we as integrators get work accomplished so we can invoice our clients?

As integrators our mission is to solve problems for our clients. We do this by taking disparate systems and integrating them to improve workflows and business outcomes of our clients. Due to long-lasting relationships with vendors and understanding of technology we have designed systems based on a few manufacturers. Now we need to look at new technologies or new ways to deliver current technologies. This can be new vendor relationships that need to be vetted and tested with our engineering teams as well as vetted by customers from a cybersecurity and function perspective.

So what can we do from a technology point of view to get things installed, commissioned, and functioning for your clients? One area the Emerging Technologies Committee has discussed is how virtualized processing can assist to avoid long delays on hardware and still deliver the functionality and experience goals for clients. There is still hardware needed, but at least it moves the ball forward. Having virtualized processing does not solve all our problems – but it really opens how we deliver better monitoring of system uptime and data. Having the data is key. It grows outside manufacturer driven solutions; then, as integrators, we are equally as focused on visualizing data and delivering context. This can go for security, life safety systems as well.

It is key for integrators to use monitoring and access to contextual data as a value driver. This falls into the ability to create recurring revenue streams and increase sales for high margin services. Finding ways to monetize this data and services on existing systems helps integrators find new revenue streams to mitigate cash flow and other supply chain disruptions. This leads to developing software applications that enhances functionality and delivers the data needed to help clients with their business outcomes.

> **Emerging Technologies Committee has discussed how virtualized processing can assist to avoid long delays on hardware and still deliver the functionality and experience goals for clients.**

Actions Steps to Mitigate Supply Chain Impact:

1. Determine what applications can move to virtualized processing. Work with your vendor and distribution partners to vet these solutions.

2. Leverage the data: By monitoring systems and gathering data, use this to create RMR for current clients. Use this data to create services for your client.

3. Develop software applications: Use software applications that provide self-healing systems or proactive management of systems. Look to use outsourced partners for this.

4. Continue to look at how services and data can be used to increase revenue that that can be recognized right away.

Related P2P 2022 Session:
September 20 • 8:00-9:00am CST

Where's My Stuff? A Frank Supply Chain Discussion
It's the No. 1 business challenge on your mind, so we'll tackle it during our opening session. We don't have a flip-a-switch solution to fix your supply chain challenges, but NSCA's Board of Directors pulled together a step-by-step guide to risk mitigation. In this discussion, we'll analyze pre-sales (e.g. contract language, discussion of chipset backlog, surcharges), sales (e.g. setting quote expiration, customer-to-ops communication), operations (e.g. ordering restrictions, safeguards, labor allocation), engineering (e.g. backlog analysis, redesigns), accounting (e.g. tips for collection teams), and legal (e.g. protecting yourself on the front and back of projects) considerations. You won't walk away with a supply chain challenge resolution, but you will have a playbook of risk mitigation steps to improve profitability.

Bio: *Mike Abernathy, NSCA's Director of Business Resources, is the liaison to the NSCA Emerging Technologies Committee. A big focus of that group in 2022 has been understanding how to use technology to overcome supply chain challenges.*

Gross margin is the lifeblood of your company. If you do not have enough gross margin dollars, you cannot cover your fixed costs, selling expenses and personal, general and administrative expenses and personnel, owner/executive compensation.

Pivot to Profit:
Get Better at Budgeting

The need to understand the bottom-line impact of budgeting might not be ground-breaking but so many integrators can benefit from better benchmarking.   *By Jeff Bronswick*

Inside the Priority:

The game of business means competing to win; and to do it over the long term. It means competing to win new customers and jobs, competing to keep your current customers, retaining enough capital to ride out slow or difficult times -- all while targeting to be highly profitable over a long period of time.

Then what does *benchmarking* mean and how can it help systems integrators? Benchmarking is the process of measuring products, services, and processes against those of companies known to be high performing.

Action Steps:

1. **First analyze your own data.** There are so many areas where you can benchmark, but I recommend starting with gross profit margin (as a percentage of sales) "GP%." Gross margin is the lifeblood of your company. If you do not have enough gross margin dollars, you cannot cover your fixed costs, selling expenses and personal, general and administrative expenses and personnel, owner/executive compensation, and make a profit.

   a. GP calculation: Make sure to include all direct and indirect labor, whether utilized or not, as well as materials and direct overhead.

   b. Go back a few years (five years is ideal) and measure and calculate the GP% by year.

   c. Put it on a line graph and add a trend line. What is the line graph telling you? Are you on a decline or incline? If it is not where you expect or need it to be, then things (any or all of your customers, your pricing, your processes, your product/service mix, your costs/procurement, labor utilization, personnel, etc.) need to change.

2. **Drill down.** What is the GP% trend by month? By type of job? By salesperson? By project manager? The high and low performers will become known.

3. **Compare your GP% to systems integration competitors.** See NSCA's financial benchmarking study at https://www.nsca.org/industry-research/.

4. **Specifically with labor utilization, look outside of the Systems Integration industry.** For example, how do successful electrical contracting companies perform with installations, realization of employee hours, and their job margins? What other industries are worthy of comparison?

Note: GP% is just one item to benchmark. But it is a crucial one and once you dig a bit, you learn significantly much more about other aspects of your operational performance. This is a big step in winning the game!

Related P2P 2022 Session:
September 20 • 9:15-10:15am CST

What Are You Spending on _____?

To be profitable in 2022 and beyond, every penny in your budget counts. Integration companies need better metrics when it comes to what they should spend on different aspects of their business (e.g., marketing, vehicles, labor, benefits). The NSCA Financial Leadership Council recently conducted a focused research project to help you create better annual spending benchmarks, and we'll share those results. Your accounting department will love the specific insight you bring back from this session.

Bio: *Jeff Bronswick is CEO at Bronswick Benjamin, a CPA firm and NSCA Business Accelerator. He works with integration companies to help put them in position for financial success.* △

Pivot to Profit:
Time is Now for Recurring Revenue

An original premise of NSCA's Pivot to Profit event was to empower integrators to pursue more recurring revenue. You understand that need. The new revenue opportunity stems from identifying a playbook to pursue it.   *By Tyler Ebnet*

Inside the Priority:

While some integrators have had significant success transitioning to recurring revenue over the years, many still struggle to find the path to get started or make their recurring revenue a substantial part of their business. With customer demands changing and multiple industries moving to a monthly payment model, the time is now for integrators, or the risk of being less relevant in the marketplace could significantly impact your business.

An example of these changing demands can be found in the drastic increase in organizations having a managed IT contract. They pay a fixed monthly fee and can be hands-off with managing those systems. Service tickets are placed without customer engagement, end users have

a number to call to answer their questions quickly and move on with their day, and metrics are compiled regularly and put in a format that helps them make business decisions on their equipment. All of this is done at a budget-able monthly cost.

The same decision-makers that are making the managed IT decisions are the same people making the decisions for the solutions that integrators are providing. If you can't deliver an experience on par with what they are used to, they will start utilizing other organizations or even ask their managed IT provider if they can add on some of the solutions you are selling. These current managed IT providers already have the infrastructure built to deliver the experience; all they need is a little push to add service for AV, security, fire, or even nurse call from their customers.

The time is now.

Integrators' employees are technical and analytical-minded individuals, which allows for the delivery of highly integrated and profitable projects. This skill set can, however, drastically lengthen the time to get a recurring revenue solution to market. Getting a program in place, even if it is not fully baked or as full featured as you like, is better than standing still. Start with something, get feedback from your customers, and then you can continue to build on it. The sooner you get something in place, the sooner you can develop your value statement and the better data you can get to refine your program over time.

If you have a recurring revenue program created, but it has not had traction, there are simple market-focused action steps you can take today. Most integrators that have a program but have not seen traction note that it's because "It does not get brought up." The root cause of this problem is either it's too hard to quote, or your organization does not understand the value of your program. Take steps to understand which root cause affects your organization and start overcoming that specific obstacle.

Act today, make a plan, and establish a cadence to move your program forward, but act today. The time is now.

Action Steps:

Positioning your RMR program to provide value for your customers is essential in achieving explosive revenue growth. Here are five action steps to overcome challenges integrators face in positioning their RMR with customers.

1. **Your RMR pricing strategy must be easy and repeatable.** Develop an *MSRP RMR Pricing Strategy* that allows you to publish a price list just like your manufacturing partners. This strategy works for all products that integrators sell; it enables you to quote a solution quickly and supports the three critical selling events in the sales process (Pre quote Stage, Quote Stage, and Post project Stage).

2. **Set an ongoing "Traction" session focused on moving your RMR program forward.** Creating an RMR solution or having considerable RMR growth takes many different steps. Many integration organizations get overwhelmed with the steps, but if you step back and break it down to weekly and monthly goals, the task won't feel as big.

3. **Communicate Value to your Customers.** Buying an RMR solution is a *Financial Strategy* for your customers, and because of this, they buy it differently from buying a product. Also, because this is a financial strategy, your customers need time to budget differently. Making them aware of the solutions and the ROI before they do a project with you will make it easier to attach the RMR solution to the project.

4. **Coach your Revenue Team on Creating a Business Case/ROI for your RMR Program.** Your customers buy an RMR solution for different reasons than a technology product from your organization, so the way we sell and communicate value to our customers has to change. Customers buy an RMR solution because it's a *Financial Strategy*. When we present the solution, we must communicate value by showing how it will financially benefit your customer.

5. **Join an accountability group with other integrators that are in the same managed service stage as you are:** We are all a part of NSCA for the camaraderie and for sharing best practices; the same should be said for building RMR solutions. If you are just building a program, start a monthly get-together with other similarly sized organizations that are also just getting started.

> Getting a program in place, even if it is not fully baked or as full featured as you like, is better than standing still. Start with something, get feedback from your customers, and then you can continue to build on it.

How Is Liberty

Unifying the Customer Support Experience?

A paradigm shift from AV to IT to Information Communications Technology (ICT)

Covid-19 has fundamentally changed our industry. Remote and hybrid work has sharply increased demand for touchless control, automation, and collaboration products. Providing customers with the support and service they need has never been more challenging for a systems integrator. But even before the pandemic, our industry was undergoing a paradigm shift from AV and IT to Information Communications Technology (ICT). Pro AV has become increasingly networked, cloud-based, and integrated with traditional IT systems. HMDI matrix switches are giving way to IP video distribution. Which integrator is awarded a project is increasingly determined by IT leadership. IT solution providers, AV integrators, and security contractors are competing for the same projects. End users are demanding standardized, scalable solutions that can be remotely managed and monitored like other IT assets. Their expectations for how systems are designed, purchased, and supported continues to evolve. As integrators, you had to adapt to succeed.

An Opportunity for Recurring Revenue

Liberty has always designed products for systems integrators. Our goal is to provide hardware, software, and services that make it easier to design, deploy, and support systems for your customers. We are committed to the channel and invested in helping you grow. At this year's NSCA P2P event, Liberty will be demonstrating its managed service offerings including CX Detect, a software that enables contractors to remotely manage, remediate, and control conference room systems. In addition, Liberty offers a call center solution called CX Support+ that utilizes CX Detect and provides contractors with a turn-key service that includes LIVE support for their conference room deployments. Both offerings are sold exclusively to contractors and enables them to significantly enhance their SLA portfolios with high margin monthly recurring revenue opportunities.

Enterprise customers are overwhelmed with the current hybrid business model. The rapid growth of video conferencing is taxing IT departments globally. Integrators can now offer LIVE help and remote support without having to make the investment in human capital and infrastructure needed to provide this level of service. They simply sell the system and the managed service offering as if it was their own. It also provides contractors with unlimited scalability, giving them the ability to grow fast and efficiently.

CXDETECT®

We developed software like CX Detect to manage and monitor soft codecs, hard codecs, USB peripherals, and other IoT devices in a single tool. CX Detect also supports desktop clients for Zoom and Microsoft Teams, so your customer is covered whether they're in the office or working from home.

CXSUPPORT+

We launched CX Support+ as a level one help desk offering. Whether your business is large or small, you can provide your customers with expert support whenever and wherever they need it. It can be deployed as a completely outsourced help desk or as an augmented solution for your existing AV support help desk. It utilizes both CXDetect and Teleportivity to deliver a best-in-class "save the meeting" level of service.

TELEPORTIVITY
WHEREVER YOU ARE SO ARE WE

Liberty partnered with Teleportivity to make it incredibly easy for your customers to get support. Your customer simply scans the plaque on the wall with their phone and instantly connects to the help desk. Manuals, how-to-videos, technical documents, and other content can be available at the press of a button. We offer a range of value-added services. Bundle any hardware into a kit orderable as a single SKU. Asset tagging, firmware updates, and other tasks can be completed before the product leaves our docks.

CXLOGISTICS®

With Liberty's Inventory Services (LIS) you can have the product you need on hand without paying for it until you need it. Easily check product in and out of your consigned inventory. Track costs by order and/or project. Add product from any of WESCO's 30,000+ suppliers. Use an LIS account for a long-term project so that it's cash positive from start to finish. You can even use LIS to power consignment programs for your customers.
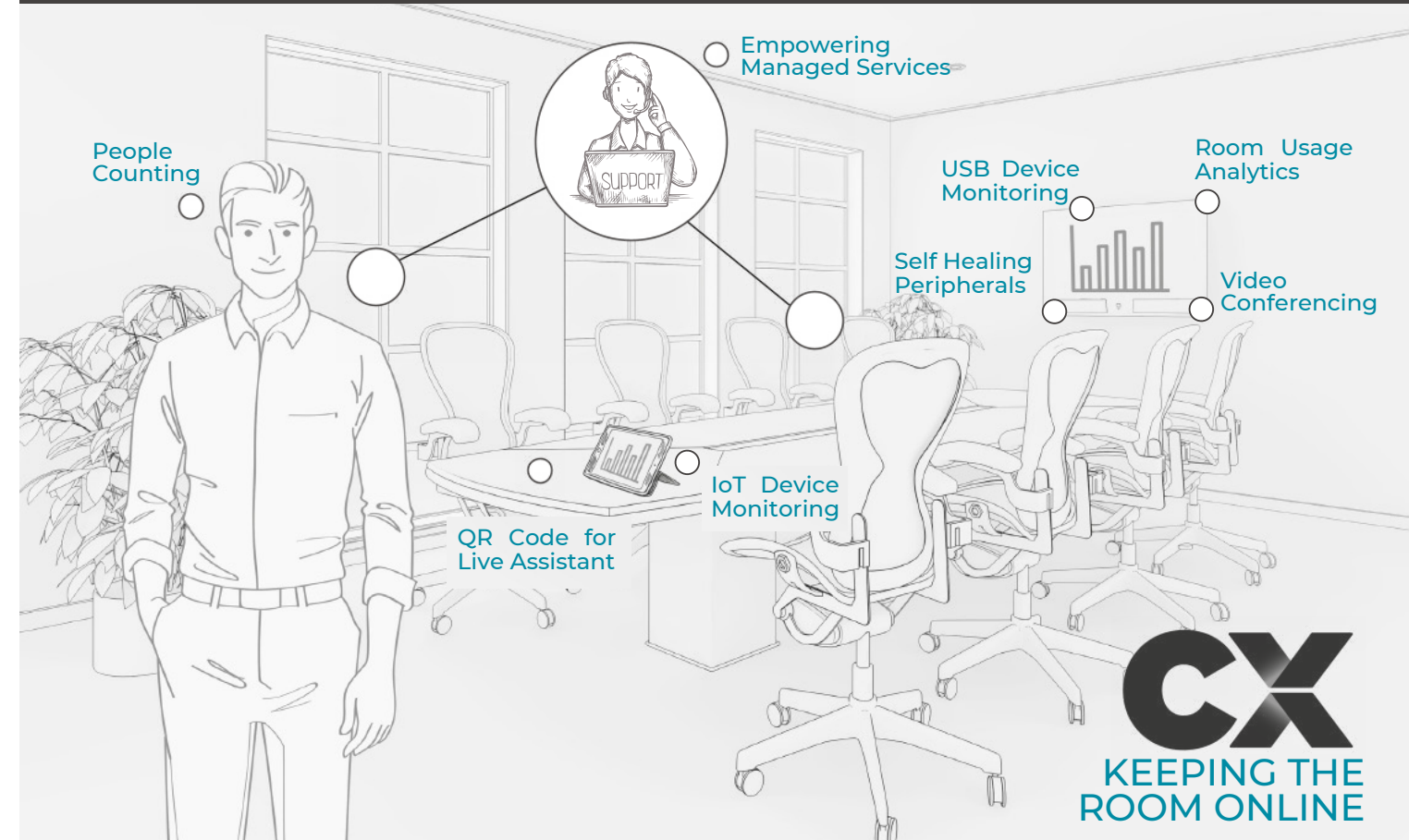
ARRANGER
BUILD | CONTROL | MANAGE

Liberty's Arranger AVoIP system has helped our customers achieve scalability, flexibility, and to leverage existing Datacom infrastructure. Arranger provides mass distribution and management of HDMI audio, video, IR, RS232, and USB signals on a network. It allows our customers to generate rich sets of actionable data that allows users and organizations to better manage their AV for continuous service improvement and strong ROI for all stake holders. A perfect tool to manage costs and maximize facilities. This software integrates seamlessly as a Network/IOT device in CXDetect. △

Liberty is a sponsor of NSCA's 2022 Pivot to Profit business transformation conference and a supporter of this Pivot to Profit+ section of Integrate. Learn more about Liberty at libertycable.com

REVup

Managed Services Revenue
5 ways to shift your program into drive.

If your Managed Services program is going nowhere fast, don't just keep spinning your wheels hoping that something will catch. The good news is, you have an ideal vehicle to drive recurring revenue. All it needs is traction.

At Revenueify, we focus on getting your revenue organization on track move your company forward – in the fast lane. And we do it through tactical sales training and data analytics. Through our research and experience, we've identified 5 critical areas to focus your energies

Revenue Team Skills

Many integrators don't realize how different selling RMR is from selling projects. They assume the same tools and methodologies that work in selling solutions will translate into winning a managed services contract. Likewise, they look at a sales team member who's crushed it on the solution side and scratch their heads trying to figure out why this star performer is struggling. The disconnect comes up time and again in our assessment process, which prompts integrators to ask, "Do we have the right people in the right roles to drive this new revenue source? And what can we do to help them succeed on the RMR side?"

Sales Process

Sales people KNOW they should bring up Managed Services Programs, but they hit a ditch regarding WHEN to talk about them. Typically, they'll bring up RMR as an afterthought to a quote. But reams of data show that this is the least effective time to get the wheels in motion. You have to introduce customers to the idea far earlier in the sales cycle, and present pricing in a way that avoids the pitfalls of so many extended warranty pitches. Skeptical? Read our **recent blog** post on how integrators need to start pricing their plans like other managed services providers.

Revenue Operations

Do you have a comp plan that excites your team to sell Managed Services? Too often the answer is no. Which is nuts – because great sales people are coin operated. And by the way, that's a GOOD THING, because it's predictable. To assess your compensation strategy, check out our RMR comp plan document in NSCA's resource library.

Another critical question: Do you have the right metrics in place to track your RMR adoption and win rates? For the first 6-12 months, if you're just tracking billed RMR, you'll be incredibly frustrated. At this stage of the cycle, you need to focus on lead metrics. (We can show you how).

RMR Program Marketability

Many sellers don't fully understand the value of the RMR program or are doubtful about its worth, and consequently leave it out of their conversations with prospective purchasers or present it as boilerplate. Just as often, they'll focus on the least compelling aspects of program – say, service team response times rather than the actual dollars a purchaser can expect to save by switching to managed services. That's a failure of marketing. And it needs to be addressed.

Managed Service Priority in the Organization

Before you blame your sales team for y our program's lack of success, look higher up in the food chain. Is ownership truly invested in generating RMR? One way to gauge their commitment is by considering how long it takes to jump-start a new manufacturer or Vendor in your organization. Whatever amount of time that is, double it for RMR because managed services programs are an intangible. Prospective buyers will undoubtedly need time to fully understand them. You need to be prepared to set a constant drum beat for least two quarters in order for a program to catch fire.

Just like any change in your organization, revving up your Managed Services business takes planning, change management, and unwavering execution to succeed. Creating a plan around these five critical areas will get your program into gear – and burning rubber all the way to the bank.

About Revenueify

With 15 years of experience building revenue teams, more than $100 million in annual RMR contracts secured, over $20 million in financing through Great America, and now the backing of the best-in-class sales coaching methodology, Corporate Sales Coaches, we're driving a managed services revolution.

Revenueify's Revenue Team Assessment

Revenueify has built a customized assessment process that gauges these five critical areas of your revenue organization and creates a tailored road map to focus your resources where they'll pay off – not only for your RMR program, but across your entire revenue organization.

Don't wait – because if you don't offer managed services, another provider will. Connect with us at **revenueify.today** and let's get your program MOVING. ◊

Revenueify is a supporting partner for NSCA's 2022 Pivot to Profit business transformation conference and a supporter of this Pivot to Profit+ section of Integrate.

Can evolution
drive a
Managed Services revolution?

Revenueify and Corporate Sales Coaches are evolving to transform the way integrators sell managed services programs. If you want to realize the potential of recurring revenue, get ready to shift your sales into Drive.

Visit revenueify.today, or find Tyler Ebnet at Pivot to Profit 2022.

TOP 9
Strategies for Helping Employees Reach Goals

Instead of getting frustrated that team members don't always push their goals to the finish line, use this exercise to make sure you're positioning them for success. By Dannie Diego

Here's an uncomfortable truth: Many times, the goals we set for ourselves and others are not reached. As a workplace leader, you may play an important role in setting goals for employees.

But why are goals so often challenging to stick with? Here are some of the most common reasons:

- The goal doesn't tap into anything team members are passionate about or align with their core values. Without any urgency or passion to drive us, we tend to feel the goal isn't that important and may lose focus or push it aside.
- Support is lacking from team management or senior leadership.
- The goal lacks an "end," which usually means it hasn't been articulated clearly and no one knows what the finish line looks like.
- The goal is too large and overwhelming. In these circumstances, people don't know where to start or how to accomplish the goal.
- The goal isn't perceived as a priority compared to other tasks that employees are juggling.
- Employees have no sense that they're making progress, because that progress hasn't been communicated and reinforced from management.

Goals don't have to be daunting, cumbersome or confusing. Armed with the right coaching and supportive techniques, you can guide your team to achieve their goals and enjoy all the rewards that follow.

If goals need to change, let your team members know immediately – along with the reason why a change has occurred. People appreciate transparency.

Here are nine tips to help you with coaching employees to reach their goals.

1. **Begin with the end in mind**
   You must clearly articulate the goal from the outset. This includes identifying:
   - What, specifically, your company is looking to accomplish
   - The desired timeline or target date of completion
   - Definition of what success looks like and how it's measured
   - The goal's priority level
   - The potential rewards for reaching a goal

   If you've established specific and measurable goals, there shouldn't be any mystery for employees about what they need to do and by when.

2. **Give them the "why"**
   An important way to keep everyone – from executives to entry-level employees – inspired and focused on their goals throughout the year is to reinforce the big picture. Effective leaders emphasize why a goal makes a difference to the company as a whole. After all, people are driven by a larger cause and purpose.

   Explain:
   - How does each goal contribute to the organization?
   - Why is a specific goal important in the bigger scheme of things?
   - How will everyone on the team and throughout the company benefit from accomplishing this goal?

   Of course, goals also affect employees on an individual basis – it's not solely about the company. People need to know what's in it for them.

   Discuss with employees:
   - How the goal impacts them personally
   - How the goal aligns with their passions and career path
   - The knowledge and skills they can develop while pursuing the goal

3. **Communicate frequently**
   If goals need to change, let your team members know immediately – along with the reason why a change has occurred. People appreciate transparency.

   But this is a two-way dialogue. Conversely, your employees should notify you promptly of any issues they know of that could hamper their progress.

   That's why you should meet with your team on a regular basis to see how each employee is progressing toward their goals. In many cases, this will be monthly. However, the frequency of meetings depends on each employee and the level of guidance they need.

   The main point is, you don't want to wait until the last minute or until a problem arises to make sure your employees are on track to meet goals.

   If goals aren't on target, be open and honest. Ask the employee how they'll get back on track. Instead of focusing on problems, work toward a solution.

   It's key that you avoid dictating meetings with team members. Allow the employee who "owns" the goal to lead the meeting and provide updates.

4. **Solicit feedback from employees**
   When setting goals for employees, good leaders involve their employees in the process. If you want them to be motivated and passionate about the goal, you need to obtain their buy-in as well as their sense of ownership over the goal and empowerment to get it done their way.

   In any conversations with employees about their goals, your main task is to be a support figure and facilitator. To perform this function well, you need to ask your employees questions and get their input.

   - Identify any barriers or points of friction, as well as conflicting goals, that exist.
   - Find out whether a goal and its timeline are reasonable – and why or why not.
   - Inquire as to how you can help overcome any issues.
   - Confirm whether any additional resources are needed and procure them.
   - Probe past superficial, general good news (what people are most prone to share). Brainstorm the things that could sabotage progress toward a goal.
   - Ask your employees about their main plan as well as contingency plans. Have they considered how they'll work around likely challenges?

   It can also be helpful to confirm with employees:
   - How frequently they'd like to meet about their goals
   - How they prefer to be recognized for meeting goals

   By making it their plan and giving them a stake in the process, they'll be more focused and accountable.

*Dannie Diego is a strategic alliances manager for Insperity, an **NSCA Business Accelerator**.*

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HR that Makes a Difference™

WANT MORE?

Want to see the other five strategies for getting your people where they want to go? **Read the whole blog on insperity.com**

If you need a helping hand with supporting your workforce, contact Insperity at **alliance@insperity.com** to connect with a Business Performance Advisor.

Pivot to Profit 2022 Action Items

Pivot to Profit+ is your companion to P2P 2022. Use it to jot down your most important action steps.

Toolkit Talks: Takeaways

Solutions Provider	✔	Action Steps and Key Contacts
AXIS	☐	
BOSCH	☐	
BOSE	☐	
CLEERLINE	☐	
EAGLE EYE	☐	
epiphan video	☐	
ergotron	☐	
HAVRION	☐	
IntelliSee	☐	
INVZBL	☐	
kontakt.io	☐	
legrand AV	☐	
LIBERTY AV SOLUTIONS	☐	
Microsoft	☐	
poly	☐	
PRO-TECH MANAGEMENT	☐	
QSC	☐	
SENNHEISER	☐	
SHARP/NEC	☐	
SONY	☐	
SURGEX AMETEK ELECTRONIC SYSTEMS PROTECTION	☐	
VISIONARY NETWORK AUDIO VIDEO	☐	

Post-P2P To-Do List

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THIS IS YOUR MOMENT FOR *ACTION*

A playbook to move integration businesses forward

You'll walk away with a strategic playbook on:

- Supply chain risk mitigation
- Becoming a master systems integrator
- Benchmarking your spending
- Staying in project compliance
- Keeping pace with emerging technologies
- Recurring revenue implementation
- Establishing your company as a service provider
- Finding elusive margins in 2022
- Cyber resiliency
- Establishing deeper relationships with customers
- Plus golf, networking, giving back, **and more**

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