# Integrate





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# Get Your Team As-a-Service Sales Ready

Free Training & Certification Program for NSCA Members

Customer Focused Sales Interviews to Sell Managed Services Training, presented by NSCA Member Advisory Councilmember Partner Sales Coaches

Self-paced training and certification program teaches:

- When/how to introduce managed services in the sales process
- How to assess prospects' needs for managed services
- How to frame the value and impact of managed services to the prospect
- How to correlate business outcomes and user experience to managed services
- How to incorporate managed services into technology-as-a-service programs

Integration companies need these sales skills now more than ever.



# Manage by Numbers, Not Emotions



I know: Running your business without emotional influence is easier said than done.

One current trend among integration companies is the return of old habits. While your priority is always to stay in business so you can be of value to employees, clients, and vendor partners, don't use the COVID-19 lockdown to justify bad business decisions or regress to poor practices like:

- Low-margin box sales
- Offering services below true cost
- Selling things that you don't know will work
- Taking projects from unvetted electrical and general contractors

#### 7 Basic Rules to Remember

To maintain good decision-making, remember these seven business guidelines:

- 1. Vendor Management: Get out our vendor scorecard (contact us for a copy) and see who has the highest "channel-friendly" profiles. In good times and bad, these are the companies you want by your side.
- **2. Box Sales:** Don't do it ... unless you've created a separate P&L for the activity. Remember how badly a "cost plus 10" transaction impacts your financial metrics and the benchmarks you use? If the margin is below your selling, general, and administrative expenses, then have a purpose for every order placed.
- 3. Pricing Labor: Know your true costs before setting a discounted rate just to get people employed. To do that, you must know your burdened costs (which means you have to know your utilization percentage ... and you must have an accurate schedule).
- 4. Pinpoint Inefficiencies: Identify constraints and determine adherence to processes. We're seeing many companies ignore the processes they worked so hard to establish. Shortcuts to reduce time on the jobsite shouldn't create more return trips after the cutover.
- **5. ERP and CRM Updates:** Evaluate what you need in order to run your business more efficiently and profitably. There's no doubt you've collected lots of data. Figure out how to use it! Data without a purpose is useless; data that drives great decisions is invaluable.
- **6. Scaling Up/Down:** Most integrators have spent the last decade scaling up and now many NSCA members are scaling down. Key indicators and proven metrics must be used. Tough decisions must be made. It's time to project your year-end revenue and match fixed and variable expenses. You can't allow your company to go broke to avoid matching employment levels to revenue.
- 7. Emerging Technology: Figure out what's next for your business: staying relevant to clients, building recurring revenue through managed services, introducing problem-solving technology, etc.

Don't use the COVID-19 lockdown to justify bad business decisions or regress to poor practices.



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hade R. Wilson

**Chuck Wilson, Executive Director** 

**NSCA** 

cwilson@nsca.org

Explore these management principles in depth at NSCA's 2020 Pivot to Profit Virtual. Register at www.nsca.org/p2p.



#### Beer & Bull Podcast Posted Quarterly

The concept of Beer & Bull is simple — getting together with likeminded individuals to talk about a passion topic while enjoying a beverage or two. Much like the cover of this edition of *Integrate*, the most recent video podcast episode, produced with our friends at AVNation, focuses on the "future of the integration business." Many aspects of the integration business will change — even post-COVID-19 recovery. Customers in all vertical markets — K-12, higher education, healthcare, corporate, you name it — will have new priorities. And integration companies need to react. *But how? And what technology solutions will you need to deliver?* 

A good source for answers (or at least great speculation) is NSCA's **Emerging Technologies Committee**. Dan Abrams, VP of business development at IVCi, and Siddharth "Sid" Bose, an attorney for legal firm Ice Miller's data security and privacy practice, do their best to lay out a roadmap.

Find all episodes here: nsca.org/tag/beer-bull/ Subscribe to AVNation podcasts on iTunes.

Sept. 15

Insperity Vice President of Product Innovation David Burnley will share experiences, lessons learned, and best practices for leading a technology organization during times of uncertainty. In this session, we will take a deeper dive into the risks and opportunities associated with:

Webinar: Leading a Technology

Organization in Uncertain Times

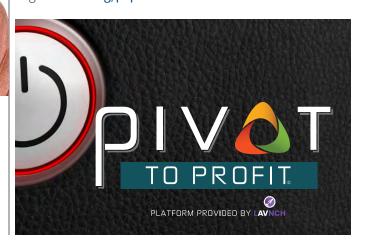
- · Sourcing high-end technical talent
- · Hiring and retaining the right talent
- Building self-organizing, self-correcting, and high-performing teams
- Managing under-performing teams
- Manag teams working in multiple locations, as well as fully remote workers
- Maintaining culture during high times of change
- Standing up new teams with blends of new hires and experienced employees
- Creating a drive for continuous improvement while minimizing disruption

Register for all webinars at nsca.org/webinars

#### Pivot to Profit Virtual Sept. 22-23

NSCA's 2020 Pivot to Profit has gone virtual (P2Pv) with this mission: "Accelerate Change, Reboot Your Business." The pivot-to-profit premise of this annual business-transformation event has always been critical for forward-focused integration companies — but 2020 is even more vital. As the integration market looks to reboot from the COVID-19 crisis, NSCA guides members through the shift to survival. P2Pv content is focused on helping companies through their recovery and repositioning for new market demands.

Register: nsca.org/p2p



# Putting a 9% Construction Decline in Context

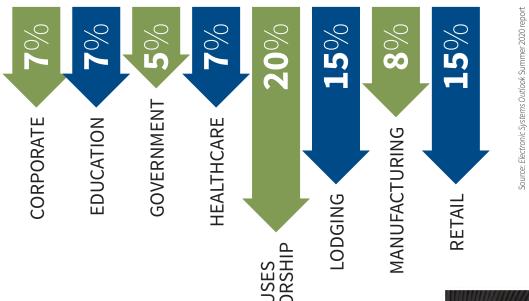
It surprises no one that the results of NSCA's biannual *Electronic Systems Outlook* Summer 2020 report are less than pretty.

NSCA recognizes that, by analyzing trends in the construction industry, we can anticipate opportunities for the low-voltage integration market. That's why our biannual *Electronic Systems Outlook* report is so important. Given the COVID-19 pandemic, our newly released Summer 2020 edition includes some sobering numbers.

Overall, the forecast for 2020 construction put in place calls for a 9% decrease this year in comparison to the 0% growth rate of 2019. The report also zeroes in on vertical market outlooks, construction outlook summaries, and technology/systems outlooks in each market. As you can see from the infographic, several markets are hit hard.

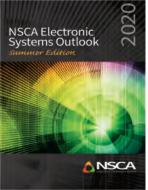
It's not all bad news, though. The full report, which looks beyond 2020, takes a broad look at various verticals and helps integrators map out a recovery plan.

#### DIPPING INTO THE CONSTRUCTION MARKET



#### **READ THE FULL REPORT**

Get research, insight, and analysis that will help with critical strategic planning. The NSCA Electronic Systems Outlook is free for NSCA members to download. For more information about the Electronic Systems Outlook Summer 2020 report, or to join NSCA, visit www.nsca.org or call 800.446.NSCA.





# What Is Ignite 2.0?

NSCA Education Foundation's Ignite has always prioritized diversification of the integration market. Now, with version 2.0, we're doubling down on inclusion.

A common criticism of the integration industry is that it's a tad, well, incestual. The same folks jump from company to company. The same faces are seen at industry events. Our industry isn't as diverse as it ought to be.

The root of the problem, NSCA contends, is that not enough individuals outside our bubble know about our industry. If enthusiastic professionals from across all demographics knew about exciting jobs built around using technology to solve business problems, they'd be all in!

Ignite is about going to technical schools, high schools, and job fairs to spread the word about our great industry. Through internship programs and NSCA member companies that act as Ignite Ambassadors, we launch integration careers.

While Ignite has always sought to improve racial and gender inclusion, we're ramping up that initiative. Ignite 2.0 is driven by an NSCA committee focused on leveraging the proven program to hasten inclusion.

Ignite 2.0 Mission Statement: The NSCA's Ignite 2.0 program offers our members and organizations a competitive advantage with knowledge and skills needed to thrive in the industry with diversity, equity, and inclusion strategies for business growth. To do this, we need our membership to be reflective of the industry we serve and to provide opportunities for growth and influence for our professional workforce. Our commitment is to inclusion, where everyone is welcome — an inclusive industry across age, gender, race, religion, identity, and experience to drive us forward under the Ignite umbrella. △

Learn more: IgniteYourCareer.org

#### Ignite 2.0 Priorities

The goals of Ignite 2.0 are continually evolving but these are the program's core priorities:

- Continue to educate young, diverse professionals about career opportunities in the exciting integration market
- Build on the success of Ignite Internship and Ignite Ambassador programs to recruit qualified individuals with fresh perspectives to the industry
- Diversify the pipeline of integration company leaders who are heavily involved with NSCA and on a course toward potentially becoming NSCA board members
- Always focus on racial and gender inclusion
- Shift toward becoming a more well-rounded, diverse industry

We want to hear from NSCA community members like you. Share your priorities, your suggestions, and/or offer to get involved by emailing NSCA Director of Industry Outreach Tom LeBlanc at tleblanc@nsca.org







# WITH PRESIDENT BILL ELLIS

Candela Controls, Inc. Winter Garden, FL

candelacontrols.com

No. of Locations: 1

**Executives:** Bill Ellis, President; Dale Ward, General Manager and Corporate Secretary **Primary Focus:** Lighting systems integration

# **Q:** What makes your company's approach unique within the NSCA community?

We take a wholistic approach to lighting control projects, looking at all aspects, including architectural, entertainment, and energy management, as well as interfacing with other systems in the facility. The world of LEDs has presented all sorts of new technologies to understand from multiple manufacturers. Candela Controls takes the full integration approach, working to tie up all the loose ends that individual manufacturers don't. We own the entire lighting control system and don't allow finger pointing. The owner is going to come to us, not the manufacturers. We manage all the different aspects of that lighting system.

"We own the entire lighting control system and don't allow finger pointing. The owner is going to come to us, not the manufacturers."

-Bill Ellis, President

**Q:** What are the biggest business challenges that lie ahead for your company? How will you overcome them?

As we all know, finding proper talent to fill positions is always a challenge. NSCA's **Ignite** recruitment program can be an excellent source to fill that gap. We also look to tech and professional development schools to find people whom we can train and nurture. We want to be sure customers understand the relevance of what Candela Controls provides as early as possible in the design phase and not as an afterthought.

# **Q:** What is the most important benefit or resource provided to you by NSCA? How do you leverage it?

The Business & Leadership Conference, Pivot to Profit events, and the webinars are excellent "kickstarts" to learning new methods and best practices. They provide the opportunity to step outside of the business and look back in. They help us see where the business itself is so we can adjust accordingly. And NSCA keeps us abreast of the regulations we might face, as well as ideas to improve profits that we can leverage back into our operations and sales.

# Q: Why is being part of a trade organization and part of a community important?

As a standalone company, we would have little to no effect on legislation, rules, and regulations governing our business. With leaders such as Chuck Wilson and the NSCA team, we know that we are not only "at the table" during these discussions, but also that they will work tirelessly to help keep the industry on track and more relevant than it ever has been.

## **Q:** What is one lesson that the NSCA community can learn from your company's approach to business?

Allow employees to collaborate, learn, and help innovate. They [employees] are Candela Controls in the field, and the people the customers trust and respect.

#### Q: Why are your employees proud to be part of your organization?

Every employee knows they're an essential member of the team. As such, they own each job they do and, while consistency in the overall methodology is what keeps Candela Controls as a leader in what we do, the individuals on the project own the job, tasks, and end result.

#### Who is Candela Controls' NSCA 'Champion'?

"I was first introduced to NSCA by Bill Ellis back in 2011-2012. We attended a Business & Leadership Conference (BLC) in Tampa that was extremely informative and helpful. At the end of that event, I was hooked. 'Hooked' is a good way to put it because it rained so much for those three days; we all felt like fish. When we returned, Bill gave the entire Candela staff a rundown of what we learned. One or both of us have attended every BLC since then. Upon returning from BLC, the discussions with our team here are always well received and often followed up by one-on-one conversations."

-Dale Ward, General Manager





# WITH CEO SCOTT KEPLINGER

#### IntelliSee

(parent company Malum Terminus Technologies) Coralville, IA

intellisee.com

#### No. of Locations: 3

(Coralville, IA; Waukee, IA; Arlington Heights, IL)

**Executives:** Scott Keplinger, Chief Executive Officer; Maureen Pajerski, Chief Customer Officer; Tom Goedken, Chief Financial Officer; Jared Jeffrey, Director of Product Development

Primary Focus: Surveillance; Artificial Intelligence

#### Q: What makes your company's approach unique within the NSCA community?

As an Iowa Technology Institute spinout, we're bringing technologies built for the U.S. Department of Defense to the public. Our mission is to improve the world through artificial intelligence (AI); with IntelliSee, we're providing "smarter surveillance for a safer world."

IntelliSee autonomously and simultaneously monitors camera feeds to detect a litany of threats, like drawn weapons or slip-and-fall hazards, in real time. Once detected and instantly validated, alerts are sent to the systems and people who can act. This provides clients with a modernized layer of protection and gives integrators a great way to achieve recurring monthly revenue with streamlined installation and simplified pricing. Because it's VMS agnostic and works with existing and new installations, IntelliSee also gives integrators a reason to reach out to their clients.

#### Q: What are the biggest business challenges that lie ahead for your company? How will you overcome them?

The Iowa Technology Institute has worked with the U.S. Department of Defense for decades on some of the world's most advanced AI and virtual reality — but nobody knows that. One challenge is awareness, but we're okay with that since we're just now coming to market.

Another challenge is believability. Al is rapidly progressing, but efforts within the security industry have had fits and starts over-promising but under-delivering in many cases. This risks integrators' client relationships and doesn't help the industry. We think we've built a better solution to address that.

#### Q: What is the most important benefit or resource provided to you by NSCA? How do you leverage it?

One of the first things we did was join NSCA based on its makeup and reputation, and it's one of the best decisions we've made. There are so many benefits to membership that it's hard to pick just one. We've been explicitly seeking feedback and direction to help guide our development priorities. The feedback from the members and the NCSA team has been invaluable

#### Q: Why is being part of a trade organization and a community important?

First and foremost, we're dealing with protecting what matters most: people. Our mission drives us, so being part of a passionate organization made up of others driven by similar missions is really amazing.

It's also important that we help people improve their livelihoods. That includes creating better working, learning, and healing environments for clients — and includes making integrators more successful in their efforts to do so, too. It even means giving a career start to bright, driven, young developers and engineers.

#### O: What is one lesson that the NSCA community can learn from your company's approach to business?

I've never seen a company fail by focusing too much on their customers and partners — but I have seen them fail by focusing too narrowly on their own needs. The needs of your customers and partners ultimately define and drive innovation — but only if you're tuned in to what those needs are in the first place. If you can offer a solution to those needs and be easy to do business with, you're generally on to something.

#### Q: Why are your employees proud to be part of your organization?

At the risk of being repetitive, I can't overstate how driven we are by our mission. We have seasoned executives and amazing individuals on our team who are passionate about using cutting-edge technology to protect people's lives and improve their livelihoods. They take that very seriously, but also have a lot of pride in the fact that they are actively making a difference in the world.  $\triangle$ 

#### Who is IntelliSee's NSCA 'Champion'?

We have several champions, ranging from our product development and technical teams to sales, marketing, and customer support. We also recently had a summer intern who, for education's sake — and to help learn how to leverage our NSCA membership to its fullest. It's fair to say that the opportunities to leverage our membership exceed our current capacity to act upon



IntelliSee, an Al-based risk mitigation platform, monitors existing camera feeds to detect threats in real time.

"AI is rapidly progressing, but efforts within the security industry have had fits and starts — over-promising but under-delivering in many cases. This risks integrators' client relationships and doesn't help the industry."

-Scott Keplinger, Chief Executive Officer

# ON MEMBERS' MINDS

# **Describe one way you** expect your business to change after the COVID-19 recovery.

NSCA's membership is a community. The individuals and companies that make up NSCA share common challenges. We take pride in providing a community where you can discuss shared obstacles and successes. "On Members' Minds" is just one platform to share thoughts on the integration market.



"The needs of our customers will undoubtedly change several times in the coming months. COVID-19 has forced PTG to reexamine these needs, and we are on a mission to define the 'new normal,' pivot our offerings, and assist our customers in doing the same. Client budget adjustments will inspire great value-adds, and we will continue to explore flexible pricing models and financing options. A partnership with a strong technology partner that can help navigate the new industry footprint has never been more important."

**Deborah Zupancic** PTG

"Marketplace dynamics have always played a role in guiding our business. Over the last 10 years or so, the AV industry has been fortunate to see continued growth — even with pressure from new disruptive technologies and competitors. The COVID-19 pandemic has forced us to adapt much more quickly to trends and changes in the marketplace. Adapting to this shift requires encouraging a culture that can meet the need for agility with urgency. Implementing these changes requires courage — and will be needed beyond the pandemic."

Shedan Maghzi Avidex





"We do not accept the terms 'new normal' or 'recovery' as part of our evolution beyond the pandemic. Our transformation into a changed world economy is focused on financial management, employee purpose, and client fit. The change we see coming for business is downsizing of office space and a culture of distributed staff.

Commercial real estate is in trouble. Like the phenomena of tiny houses, most businesses will enter a world of minimalist offices. Human Circuit will cut our space in half with a need for open space for temporary warehousing and system builds. Our new space could be a converted airplane hangar."

**Bruce Kaufmann** Human Circuit



"COVID-19 has helped remind us that our company's future is dependent on our ability to adapt to ever-changing landscapes. Moving forward, the biggest change affecting our business is the shift in mindset toward being more agile. This focus has put even more emphasis on advancing our initiatives across the business that are centered around customer experience, improving efficiencies, building and supporting our team, and exploring new technologies that may be traditionally considered outside our scope."

Kyle Habben **Electronic Contracting Company**  "The work-from-home paradigm will stick with us moving forward. I don't think we will see people return to working in the office all day every day. Though many of us miss the social interactions and energy of a buzzing office and are eager to be back amongst our friends. I believe we will see a hybrid moving forward, with certain days declared 'office days' when people can come into the office and interact face to face with most of their coworkers."

**Kevin McKay** Genesis Integration Inc.





"We have seen a huge push for technologies that, not long ago, were distant from reality. For some, this pandemic accelerated engineering to achieve solutions that saved lives: others shifted their entire business just to survive. For our business, we believe agility has been a key factor that allowed us to grow even during this pandemic. This was a strength we recently identified through strategic planning with NSCA's Chuck Wilson. Having said that, going forward, our business will be focused on making improvements to the strategy and agility we already possess — with extra energy dedicated to being better prepared for those unknown changes."

Joe Perez ClearTech Media



# Meet NSCA's 2020-2021 Board of Directors New President Mike Boettcher lays out priorities for NSCA's Board of Directors.

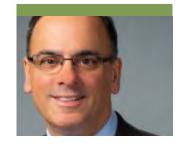
n July 1, the NSCA Board of Directors for the 2020-2021 term assumed office. This group includes three new faces and a new president: Mike Boettcher, CEO-PA for New Era Technologies. Boettcher, who has served on the board and as vice president, replaces Josh Shanahan, president and CEO at Sport View Technologies. Shanahan now serves as the executive committee's immediate past president, replacing Kelly McCarthy of Genesis Integration.

The organization was sad to say goodbye to former treasurer Anne Sellers, who stepped down after her company (Sensory Technologies) was acquired by Diversified in February.

For the 2020-2021 term, NSCA welcomes Laurie MacKeigan, president, Backman Vidcom; Kyle Habben, president, Electronic Contracting Company; and Shedan Maghzi, corporate strategic advisor, Avidex, to is board of directors. Maghzi, who joined the board in August, effectively replaces Sellers. In an interview with NSCA Director of Industry Outreach Tom LeBlanc, he talks about Sellers' enormous contributions to NSCA. He also discusses his personal







New Faces on NSCA's Board: Laurie MacKeigan, president, Backman Vidcom; Kyle Habben, president, Electronic Contracting Company; Shedan Maghzi, corporate strategic advisor, Avidex

relationship with NSCA, the resources he uses at Avidex — including our advocacy program for learning about legislation that impacts the industry — and how he intends to leverage those perceptions at the board level. (Watch the full video interview.)

The NSCA Education Foundation will continue to be served by Laurie Englert of Legrand AV (president), Steve Emspak of Shen, Milsom & Wilke (vice president), Lauren Simmen of AMETEK/SurgeX (secretary), and Jeff Kindig of Harman (treasurer).

Strong leadership for a trade organization is always critical, but the stakes are even higher for this new NSCA Board of Directors. "Mike is becoming NSCA's president at a unique time in history, as we all face new challenges," says Chuck Wilson, NSCA executive director. "The new NSCA board represents the diversity of our membership, which means we're well-positioned to give integrators whatever they need — no matter the trials they face."

Along those lines, Boettcher answers a few questions about the board of directors, assuming this new leadership position at a unique point in history, and his priorities ...

#### Q: What was (and is) NSCA's role during the COVID-19 crisis?

Staying true to our mission and our core values of "voice, resource, and advisor." As it has to do with COVID-19, we were able to put together some useful data, provide that to membership, bring in our economist [Dr. Chris Kuehl], and talk about what the big picture looks like. Then we got a little more granular with the [roundtable discussion] we conducted in an advisory role.

We're maintaining the concept of what we're about specific to business survival (which was really a key topic for most integrators [throughout the COVID-19 crisis]) with discussions around how to maintain cash flow. Bringing people together, providing those resources, being that advisor, and connecting people is what we've done — and continue to do.

We're not out of this yet. We've got a way to go. But I think we've set the tone for our membership.

#### Q: What are some priorities for your tenure as board president?

Continuity: We've developed programs, put committees together, and have lots of initiatives in the works. We've got to keep these things going because they've been fantastic. We've gotten good involvement from folks all around the industry, moving things forward in a lot of categories. We saw that happen last year with legislative issues. We were able to quickly put together groups of people and attack it.

Diversity: Diversity covers a lot of different angles. We have different industry types. We've touched on several industries over the past six months that have been on the fringe for us. As an industry, we can leverage IT-, network-centric type organizations to benefit our membership. Then, of course, diversification in terms of people. We certainly have some work to do there. We put together the Ignite program, which is great for bringing people into the industry. We can do more to push that forward.

Agility: If nothing else, in the last few months, we've realized that we need to be nimble and adjust quickly to members' needs. Specifically, earlier this year, we were concerned with supply chain, so we became a connection point, posting supply chain updates on our website to initiate a lot of conversations. That guickly turned in a different direction to business survival. We were able to pivot and bring our membership additional resources. We're going to have to stay agile in responding to our members' needs.  $\triangle$ 

# "I've got some big shoes to fill ... the priorities that come to mind for me are continuity, diversity, and agility."

-Mike Boettcher, NSCA Board President

#### NSCA'S 2020-2021 **BOARD OF DIRECTORS**

**President: Mike Boettcher**, New Era Technology

Immediate Past President: Josh Shanahan. Sport View Technologies

Vice President: Ray Bailey, **Lone Star Communications** 

Secretary: Tim Hennen, IVCi

Treasurer: Dan Schmidtendorff,

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Dale Bottcher, AVI-SPL

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**Kyle Habben**, Electronic Contracting Company

Laurie MacKeigan, Backman Vidcom

Shedan Maghzi, Avidex



NSCA's Future of the Integration Business Series focuses on how COVID-19 is catalyzing change in many aspects of what you do.

e're all tired of the term "new reality" (as in, "Thanks to the COVID-19 pandemic, things will never quite be the same and this is our new reality") — including those of us at NSCA. As a trade organization charged with providing business resources and advice to help you succeed, however, we do have to live in reality (like you do, too) — and it has indeed changed. To position yourself for success post COVID-19, you need to adjust to business changes in several areas:

- Technology: The solutions that customers demand will evolve based on new needs.
- **Project Logistics:** The ways in which integration companies interact with customers regarding sales and product deployment need to change dramatically.
- Business Processes: Almost every aspect of how integrators conduct business and provide for employees is impacted by new perspectives brought on by COVID-19.

The theme for NSCA's Pivot to Profit Virtual, being held Sept. 22-23, is: Accelerating Change to Reboot Your Business. The content aims to help attendees pivot toward the future of the integration business.

#### Here's a glimpse at 16 ways the integration business is changing (we'll discuss many of these things at Pivot to Profit Virtual) ...

#### 1. Demand for the OPEX Model is Growing

Technology-as-a-service via monthly payments will make sense for many customers working from an operating expenses (OPEX) vs. a capital expenses (CAPEX) model. Security and life safety integrators are already seeing this from testing and inspection perspectives, but we expect security and AV projects to follow. Customers are focused on cash preservation, so shelling out a lot of upfront capital for a project makes less sense now.

Meanwhile, the uncertainty of the market (and the world) equates to customers not always knowing what types of solutions they need. An OPEX scenario is more palatable because they're assured quality, maintenance, and upgrades.

#### 2. Employees Need to Feel Safer

Integration company leaders are no doubt eager to bring employees back and make up for lost time and revenue — but it's important to balance that with the ramifications of jumping back in too quickly, says Michael Timmes, a human resources consultant for NSCA Business Accelerator Insperity. "As employees prepare to return to the office, firms should consider investing in health precautions, such as daily screenings and contactless temperature checks, to ensure that safety is a top priority. Stocking the workplace with sanitization tools and masks, as well as implementing continued social distancing guidelines, can help limit the chances of the virus resurfacing."

#### 3. Escalating Impacts of Regulations

It's not necessarily related to COVID-19, but the future of integration is one in which companies must be cognizant of proposed businesscrushing legislation. NSCA has been paying particular attention to states creating regulations with license provisions around Power over Ethernet (PoE) systems. As we all know, many devices installed by integrators are PoE enabled. In some cases, regulations may prevent low-voltage integrators from installing PoE systems.

NSCA encourages members to track state and federal legislative activity via the advocacy section of our website. We strongly recommend that you join us in pushing back against proposed regulations that may limit your business.

#### 4. Litigation is a Bigger Concern

Another legal factor is the real possibility that you may be sued. During a series of roundtable discussions NSCA conducted with integration company leaders, a resounding concern was the possibility that customers would somehow contract the virus and bring legal action against the company. Running a company in the COVID-19 era and beyond means taking every logical step to prevent the spread of the virus and protecting your company by enlisting legal representation.

#### 5. Strive To Be More Inclusive

The COVID-19 pandemic isn't the only enormously significant impact on culture and business in 2020. Racial equality deserves everyone's focus. The industry and integration business leaders should consider it a call to action to accelerate efforts toward creating an environment that's

inclusive and supportive. Not only is it the right thing to do, but it makes business sense. A one-dimensional company (or industry) is not wellpositioned to solve customers' diverse challenges now or in the future.

#### 6. Increasing Need for Remote-Work Policies

Many employees have grown accustomed to working from home and are motivated to continue to do so. As such, your company needs strategies to manage remote workers. "While drafting these policies, business leaders should consult with employees to get feedback on communication practices, work-life balance, and remote management to ensure they include examples of what did or did not work well," Timmes says. "As businesses reopen, some employees may prefer to continue working from home rather than return to a traditional office setting. For staffers who successfully demonstrated their effectiveness while remote, businesses may consider implementing a flexible schedule that allows employees to split time between working remotely and in the office."

#### 7. Rethinking Jobsite Access

Any post-COVID-19 reboot plan should include new policies and project management processes for jobsite health and safety precautions. Integration companies need to invest in making sure they can service a client's facility without having to go onsite every time. This might include having a help desk and facilitating remote access to monitor and check the status of devices.

#### 8. Job Costing Becomes More Complicated

Of course, integration companies also need to access jobsites before the project for sales and job costing purposes. That's no longer an easy proposition. "Information gathering has been interesting," says Dan Abrams, VP of business development at IVCi. "We've had to adapt to new ways of gathering the information that we need in order to be able to understand and develop accurate proposals and plans for projects." Those new ways include relying more on video and being flexible with customers when it comes to their unique needs and willingness to provide access.

#### 2020 PIVOT TO PROFIT VIRTUAL

**Explore the Future of the Integration Business** Register: nsca.org/p2p



Integration companies need to consider offering health check solutions. Shown is integrator Red Thread's RapidEntry.

#### 9. Monitoring Building Capacity and Occupancy

The integration industry can dramatically increase the importance of what we do through cloud-based technology focused on COVID-19 procedures. Customers will be extremely focused on capacity and occupancy monitoring. We have the ability to track people using sensor technology — making sure people are going *only* where they need to be. By monitoring temperature and humidity, for instance, we can optimize a building for capacity through Internet of Things (IoT) and sensor-based technologies.

#### 10. Setting Up Entrance Checkpoints

Integration companies will step up to customer demands and provide solutions for office entrance health monitoring. NSCA member Red Thread, for instance, launched its own solution, RapidEntry, which leverages a thermal camera with calibrator technology to screen temperatures as people enter a building. Pivot to Profit sponsor vIRalert, an AMETEK company, offers a solution designed to identify potential coronavirus carriers by screening visitors for elevated temperatures. Integration companies need to consider offering solutions like this.

Beyond health monitoring, entrance points address occupancy concerns. Although these checkpoints can be set up in different ways, they all essentially act as a form of access control: relying on personnel badges or mobile credentials for each person, checking them in to make sure only authorized personnel enter the building. Additional checkpoints could be placed outside each floor, suite, and/or common area. Instead of badges or mobile credentials, checkpoints could also rely on retina scans or facial recognition, but likely not right away.

#### 11. Ramping Up Cybersecurity

Our industry's cyber posture needs to improve for internal operations and for customers. Companies need to consider what they do in their own shops in terms of protecting equipment and databases and storing files. To be the integrator of the future, you have to get your own house in order — then make sure you're cyber-savvy on the client side because of the IP-enabled devices you're installing. It will require an investment

It's not just your customers who are likely moving away from compact huddle spaces; integrators also need to provide employee social distancing.

in cyber positioning, including training and hiring individuals with cybersecurity credentials. Many NSCA member companies work with **Defendify**, an NSCA Business Accelerator that provides companies with cybersecurity consulting and resources.

Meanwhile, as integrators find themselves providing new solutions to address their customers' new technology needs, there are new cybersecurity concerns. "Being cognizant of new risks with the types of technologies coming in" is important, says Siddharth "Sid" Bose, an attorney for legal firm Ice Miller's data security and privacy practice. "You're also starting to see technology shift from what was traditionally thought of as surveillance [to address safety concerns]. As part of that, there's a lot more collection of data." He advises integrators to understand what they're collecting, why they're collecting it, and the privacy implications around it.

#### **WANT MORE?**

Dig deeper into these topics in our "Future of the Integration Business Series." Visit: nsca.org/tag/future-of-integration/

If you're concerned about keeping revenue flowing, the best thing you can do is understand your clients' businesses better to help keep their revenue flowing.

#### 12. Redefining Meeting Spaces

Corporate customers are likely to emphasize social distancing, so it seems unlikely that huddle rooms will continue to be in high demand. New meeting room demands may emerge instead ...

- Contactless operation: Organizations will want to limit the number of surfaces (screens, light switches, etc.) that employees need to touch. Integrators will be called upon to help make this happen through wireless control of meeting rooms via personal devices and voice and motion control.
- Room scheduling: Customers will want solutions to schedule and organize who uses each meeting space, as well as limit the number of attendees. They'll use these solutions to set strict time limits and avoid overlap — and to schedule time for sanitization between meetings.
- Converting offices to accommodate meetings: There may be a resurgence in private offices. That will bring demand for better remote meeting experiences from those spaces. This could include UCC solutions, larger screens, better audio, and more.

Changes that were going to happen anyway will be accelerated, says David Riberi, CEO of LightWerks Communication Systems, Inc. For example, his company was already championing cloud conferencing, "but it was probably going to take years for people to trust and adopt it," he says. Throughout the COVID-19 crisis, however, the use of the technology skyrocketed.

#### 13. Social Distancing in Your Own Office

It's not just your customers who are likely moving away from compact huddle spaces; integrators also need to provide for employee social distancing. "This could result in fewer employees per office, increased space between desks or cubicles, fewer in-person meetings, and restrictions on the number of people permitted in communal areas at one time," Timmes says. "Businesses may also consider rotating which employees are in the office."

#### 14. Recalibrated Operating Costs

The integration market is, of course, facing challenges on the business side related to the impact of COVID-19. For the remainder of this year, companies have to figure out a way to operate at about 80% efficiency. Based on our data points, there may be as much as a 20% labor overage due in part to the need for personal protective equipment and new jobsite access rules. If you bid 100 hours to do a project, then it's probably going to take you 120 hours because of factors such as cleaning.

#### 15. Growing Digital Signage Demands

Your customers will have a lot to communicate to employees and on-premises visitors. There will be instructions and reminders about how to maintain social distancing. As a result, customers are likely to implement a digital signage communications strategy, which could lead to opportunities for you.

#### 16. Evolving Business Values

Integration firm leaders should recognize that, despite the many challenges, there are also silver linings. Consider how important your solutions were to your customers before COVID-19. For argument's sake, let's say the security, life safety, AV, IT, or communications technology you installed were between a 4 and 6 on a mission-critical scale of 1-10. Now, with the stakes higher, the business solutions you're providing are easily a 9 or 10.

If you're concerned about keeping revenue flowing, the best thing you can do is understand your clients' businesses better to help keep their revenue flowing. Your job is to keep your clients in business by knowing how their business operates and applying technology to make their facilities safer, facilitate communication, create better efficiencies, and provide user-friendly solutions. If you help improve your clients' business, then you're doing your part.

What NSCA members do for their customers is growing in importance every day. 🔷

#### **WATCH & LISTEN**

Check out the "Future of Integration Business" episode of the NSCA Beer & Bull Video Podcast, produced by AVNation. Members of our **Emerging Technologies Committee analyze** several of these changes.

Find all episodes here: nsca.org/tag/beer-bull/ and subscribe to AVNation podcasts on iTunes.



Check out our strong, top-to-bottom lineup of 2020 education

he stakes are high as you battle COVID-19 and position your business for success. We know you need an event about business transformation now more than ever. Enter 2020 Pivot to Profit Virtual (2020 P2Pv).

The sessions we planned for 2020 P2Pv uniquely address today's business challenges and provide great value. Mike Staver, author of Leadership Isn't for Cowards, will provide the opening keynote. He energized 2020 Business & Leadership Conference (BLC) attendees with a powerful message. Then, almost immediately after BLC, the world changed — along with what it means to run a company. Staver will reconvene with our community to talk candidly about how to lead a company at this point in 2020.

His opening keynote, "The Leadership Challenge During the Most Unpredictable Time Ever," sets the tone for a solid lineup of 10 additional business transformation sessions. Here's a rundown ...

#### Finding New Opportunities with Today's Technologies

This session, driven by NSCA's Emerging Technologies Committee, takes an in-depth look at what's possible with the technology we can access today. It taps into technology like AI, VR, machine learning, and predictability tools, identifying the roles integrators can play in each of

#### Cash is King! CFO Perspectives on Understanding Liquidity and Cash Flow in Managed Services

This session will provide insight for all integrators — regardless of financial expertise — to help you understand the impact of predictable monthly income and how to recognize that revenue properly. The pros and cons of the most common compensation plans will be discussed, along with incentives that drive departmental behavior.

#### Preservation of Culture and Team

This session, led by NSCA President Mike Boettcher and NSCA Immediate Past President Josh Shanahan, tackles digital transformation before, during, and after massive disruption. Learn how to play the hand dealt to you and fuel culture and team.

#### Technology Lifecycle Management Using the Managed Services Model

Developing a predictable, reliable, and profitable managed services business requires a steadfast business strategy developed around clients' preferred methods of technology consumption and their desire to stay ahead of the obsolescence curve. This session covers the three-legged-stool approach: finance, sales, and the technology roadmap.

#### Apps and Solutions that Differentiate and Drive Revenue

Mind-blowing innovations and killer applications proven to drive successful (profitable) managed services companies: This session links new and exciting technologies to your integration business. Discover how to pick the right innovation partners and match those to your subscription offerings and technical competencies.

#### A World of Connected Devices ... And the Threats It Presents

The network-connected devices being deployed today can increase vulnerability; embedded technology often has inherent flaws. Learn to strengthen your defenses from every angle and develop risk-mitigation strategies with resources such as cyber insurance. Compliance, IP protection, contract language, and legal issues will also be discussed.

#### "How do we balance the need to keep our people safe and the business moving forward — and what's a leader's role in that?"

-Mike Staver, 2020 P2Pv keynoter

#### 2020 Legislative and Regulatory Challenges with Emerging Technology

The low-voltage industry, including your company, is being targeted by business-crushing legislation. The Connected Technologies Industry Consortium, comprised of 15+ global trade organizations, will present the challenges and opportunities for integrators. This session will help you understand what's at stake for your business and what actions vou can take.

#### Customer Experience Linked to Innovation and Advanced Service Models

End-user adoption and mindsets are now embedded into new business models; end-users are much more knowledgeable. Creating a business case has replaced the old product pitch. Gain insight into the tools and approaches you need to be successful, including technology lifecycle planning, investment strategies, audits, and checklists.

#### Generating Your Own Top 10 List of Priorities for Surviving and Thriving

It's all about priorities in 2020. What should integration companies leaders focus on to stay afloat and move their businesses forward? This session features two integration firm leaders — one with a profound finance background and one a forward-thinking strategist — helping attendees make their list of priorities.

#### Planning for the Future: Insights from the Emerging Technologies Committee

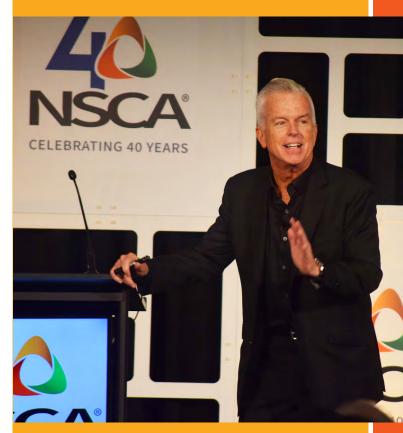
Corporate, healthcare, higher ed, and government markets have all been impacted by COVID-19 in different ways. This session will tie everything together and provide expert opinions on the direction our industry will head as we face the future of technology — and the realities of the workplace.  $\triangle$ 

Business & Leadership Conference 2020 attendees have been through a lot. In February, if we had gathered in a bar at the end of our closing meeting to discuss the future, this would not have been the prediction — at least not the one we would have hoped for. It was the second-tolast speech I gave in a traditional public forum.

I'm excited to talk with you about the practical things we need to deal with — not just what has changed. How does a business leader balance the different perspectives of people who want their freedom, who want their jobs, and who are concerned with their health? How do we balance the need to keep our people safe and the business moving forward — and what's a leader's role in that?

I spend a lot of time every day talking to and coaching leaders. The questions are always the same:

- What do I do with my people?
- How do I keep the business moving forward?
- How do I take care of my customers?
- How do I remain relevant in a world that's constantly shifting and changing?



Mike Staver, author of Leadership Isn't for Cowards, on stage at 22nd annual Business & Leadership Conference

I'm really excited to give you some very specific steps and action items you can use immediately when Pivot to Profit is over. I'm not saying we're going to make it easy, because I don't think that's reasonable. But I am saying there's a path forward — a way to have a positive impact on our businesses, our customers, and our employees and families. That's what I'm excited to be chatting about when we're back together.

# The Latest from NSCA's **Solution Provider Members**

Unfiltered content provided directly from NSCA's manufacturer and solution provider members to keep integrators updated.





#### Legrand | AV

#### **Virtual Courtrooms Considerations and Solutions**

For those with no legal needs, it might be easy to overlook the booming demand forming for virtual court solutions. While those dealing with legal situations, may be able to think of nothing else as they wait and wait. Courts have been forced to severely prioritize their time since the pandemic onset. Lawmakers are seeking ways to get back to business as usual through the integration of AV technology to connect legal professionals and conduct virtual hearings. Legrand | AV is here to go over three basic considerations when integrating a Courtroom Solution.

The first consideration is who will be using the equipment. The ultimate goal of going virtual is to mimic the experience of a physical courtroom as closely as possible. To do so, it's logical to start with who is participating. Consider participation at a few different levels: Who is on camera? Who is speaking? Who is setting up the equipment?

The second consideration is space. The physical space can have a direct impact on the acoustics, and clarity of sound is absolutely essential for courtrooms.

The third consideration is if the setup will be an immediate fix or a long-term solution. This pandemic created a timeline of its own. Driving many legislators to make these decisions quicker than many would like, but Legrand | AV is here to help you through the process.

For more information on these considerations, click here.

#### Xilica

#### Xilica Announces 5-Year Limited Warranty

Xilica announces a "Five-Year Limited Warranty" covering most eligible, Xilica-branded products. The modular nature of Xilica digital signal processing (DSP) solutions means that the warranty will also cover new expansion modules, field-swappable cards, and other devices that expand a previously purchased DSP's capabilities.

The new extended warranty aligns with changing customer habits and requirements that relate to both system scalability and the increased integration of DSP within modern AV/IT networks.

"By extending its three-year limited warranty to five years, Xilica underscores its unwavering commitment to delivering quality, value, and reliability to our global base of partners and end customers," said Xilica CEO Donny Chow.

xilica.com

#### **Daktronics**

#### **Getting Started with LED Video Walls**

The Daktronics Difference — We are a U.S.-based manufacturer of high-performance LED display solutions. Partners choose us to leverage our unmatched experience and reliable technology.

**Design Your Video Wall** — Daktronics offers a spectrum of LED video wall choices, fitting nearly any size wall or application. Configure and request pricing for indoor LED video walls

at daktronics.com/ledconfig.

**Become a Partner** — When you become a Daktronics partner, you get access to exclusive tools, and a dedicated team to support you throughout your projects, giving you the ultimate advantage all free of charge.

daktronics.com/avintegrator





#### IntelliSee

#### IntelliSee<sup>™</sup> Risk Mitigation Platform

Malum Terminus Technologies, a University of Iowa Technology Institute spin-off, is launching its IntelliSee™ risk mitigation platform. Using advanced artificial intelligence (AI) developed for the U.S. Department of Defense to improve soldiers' safety and performance, IntelliSee is now bringing "smarter surveillance for a safer world" to a wider market.

Through a simple connection, IntelliSee seamlessly integrates with existing IP surveillance systems to provide real-time autonomous AI monitoring simultaneously across cameras. For a single monthly fee, multiple threats covering the risk spectrum are detected and range from drawn weapons to slip and fall hazards, trespassing, no shows, and more. Once detected, instant alerts with context are sent to customer defined contacts and systems — including first responders — so organizations have the situational awareness needed to act.

Unlike alternatives, this powerful technology proactively identifies several root-causes, like spills, as the precursor to a slip and fall, so risks can be addressed before they become a claim. Or, in critical situations, IntelliSee significantly mitigates impacts by dramatically shortening response times when seconds can mean the difference between an incident and a catastrophe.

IntelliSee protects end-clients' financial health, brand reputation, and what matters most — their people — by complementing existing security strategies. IntelliSee also provides integrators simplified opportunities for monthly recurring revenue at improved margins. Typical client sectors include education, health care/hospitals, retail, office, government/municipal, and warehousing/industrial, but IntelliSee can be used in nearly all surveillance environments.

#### intellisee.com



#### Legrand | AV

#### **Fall-Ready Solutions for Your Campus**

As schools look forward to Fall 2020, they are turning to AV to strike a balance between students at home and in the classroom. Legrand | AV offers support and solutions to help educators adapt to the new way of **hybrid** learning that allows for education applications including live streaming a class session, sharing course content, or receiving calls from students on an impromptu video call.

Legrand | AV's new education solutions guide helps you adapt these AV tools to customer's needs, from small-scale classrooms to auditoriums, while also providing information on the biggest trends in distance learning going forward.

For the complete education solutions guide, click here.

#### AtlasIED

#### Just Released! AtlasIED's Atmosphere™ Platform Sets New Standard for Digital Audio Systems

Touch-less control, automation, and artificial intelligence offer AV integrators and end-users an intuitive, effortless way to deliver audio to restaurants, bars, hotels, school campuses, houses of worship, and other commercial environments.

The new Atmosphere system is modular, scalable, and customizable, giving integrators a solution for a wide variety of applications — from the smallest cocktail lounge to the largest luxury hotel. But what really sets the new platform apart from other digital audio systems is the innovative technology built into its digital signal processors, graphical user interfaces, programming software, and controls, as well as its breadth of interoperable products. The Atmosphere platform doesn't require dayslong training to program and deploy, and offers users a simple, modern system interface that takes minutes to learn to control.

#### atlasied.com/atmosphere

#### Dynacord

#### **NEW! Dynacord MXE5 Matrix Mix Engine**

Dynacord introduces a new era of performance audio matrices with the **MXE5** — the first member of the MXE matrix mix engine series. With full 96 KHz processing power, superior SNR and THD specifications, and the industry's lowest latency, every detail of the MXE5 is designed to deliver the highest audio quality for both fixed installations and live performance.

- 24 x 24 matrix with 12 analog mic/line inputs, eight line outputs and 24 Dante audio channels
- System-wide control and supervision for a wide range of applications
- Advanced feature set provides professional audio mixing and routing capabilities
- Complete integration with **SONICUE** sound system software

products.dynacord.com/na/en/mxe5/ products.dynacord.com/na/en/sonicue

#### SPECIAL NSCA PARTNER UPDATE SECTION



#### Legrand | AV

#### How Schools Are Preparing for 2020-2021 School Year

As industries slowly return to normal, they're looking toward AV to find a balance between social distancing and resuming normal operations. This is especially relevant in education, as schools have to decide how to proceed with the 2020 school year. While every customer is going to have unique AV needs, in general, schools are approaching distance learning in three different ways for Fall 2020: asynchronous, synchronous, and hybrid approaches.

An asynchronous approach to distance learning sees students learning at their own pace using content that has been pre-recorded separately by a teacher.

With synchronous learning, students and teachers meet and learn together in real time, usually through video conferencing platforms like Teams or Zoom.

A hybrid (aka HyFlex) solution uses both synchronous and asynchronous distance learning. This may take the form of shorter synchronous lessons supplemented with recorded mini-lectures, or a primary asynchronous environment with teachers routinely checking in via live stream.

Distance learning has never been more important, and integrators will have a vital role to play when education institutions open up in the fall. For more information on distance learning approaches, read our blog here.

#### **AMETEK & Rauland**

#### **Solutions for Battling COVID-19**

AMETEK Land and Rauland have released three solutions to help address the current global pandemic.

VIRALERT3 screens visitors at the entrances of businesses, healthcare and education settings for elevated temperatures. If a person approaches who is outside the desired limits, they can be redirected to security or other staff members.

Rauland Rapid Response kits enable an emergency unit to be commissioned quickly to have a communication system ready for staff and patients.

Rauland EveryWear<sup>™</sup>, a wireless staff, patient and asset location solution, can quickly be installed and support a hospital's need to trace and report contact between patients and staff.

ametek.com rauland.com landviralert.com

#### **QSC**

#### Introducing 2 New Q-SYS™ Control Plugins

QSC is proud to announce two new Q-SYS" Control plugins now available in Q-SYS™ Designer Asset Manager. The Sennheiser TeamConnect Ceiling 2 microphone plugin and the UCI QR Code plugin allow for drag-and-drop integration into the Q-SYS Ecosystem, saving programming time and resources for our integrators. For more info, contact cory.schaeffer@qsc.com.

The OSC Work From Home Webinar Series features live interactive webinars covering system installation topics across the Q-SYS™ Ecosystem, all in a small, virtual classroom setting. If you can't find a desired topic in the live webinar schedule, check out our On Demand page, which includes all QSC WFH Webinars.

https://blogs.qsc.com/systems/2020/04/14/ q-sys-work-from-home-webinar-series/

#### Jeron

#### Learn About Jeron

Jeron is a Made-in-the-USA manufacturer that has been in business over 55 years. We produce quality nurse call systems that are certified by Underwriters Laboratories (UL 1069), create multiple software integrations with leading healthcare technology partners, and have partnerships with a global network of distributors and integrators.

Our nurse call optimizes staff efficiency by keeping caregivers mobile, accessible, and available for direct patient care. Our systems' full duplex intercom ensures clear nurse call communications throughout any size facility. All of this streamlined workflow creates essential and increased patient and staff satisfaction.

Please contact us at sales@jeron.com or 800.621.1903.

jeron.com

#### System Surveyor

#### How to Leverage System Surveyor

System Surveyor is an easy to use mobile design platform that allows Security, AV, IT and Fire/ Life-Safety professionals to design a system layout, track device details, and capture photos all-in-one place.

Using the collaborative capabilities of System Surveyor, the Konica Minolta Security Services team sought to upgrade its sales process with a digital tool to gather site requirements and create system designs. The team now has a streamlined sales methodology and design process that elevates the customer experience when purchasing Konica Minolta security solutions and MOBOTIX cameras.

Read the full story here: Case Study PDF

systemsurveyor.com





#### Winsted

#### **Benefits of New Winsted Protective Operator Partition**

The new Winsted protective operator partition is an effective, easy-to-install solution that creates a physical barrier between operators in control rooms and operations centers. The partitions define the personal workspace and reinforce social distancing. These partitions are a high-quality original equipment solution that can be easily repositioned as needed.

#### The protective operator partitions feature the following benefits:

- Extended height and depth for extra protection
- Easy-to-clean acrylic partition
- Temporary or permanent installation options
- Clear or frosted surface
- Smooth bull-nosed edges
- · Radius corners

Winsted operator partitions conform to OSHA 3990-03 guidelines on preparing workplaces for COVID-19. According to OSHA guidelines, engineering controls must include the installation of physical barriers, such as clear plastic guards. Winsted's new protective operator partitions will help control room operators meet these required standards.

#### winsted.com

#### Stem Audio

#### Inside the Stem Audio Ecosystem

Discover the ecosystem that gives you the freedom to create, manage, and scale your collaboration space audio exactly the way you want: Stem Audio. The Stem ecosystem addresses and solves every challenge in modern audio conferencing, with a toolbox of five networkable products that can be mixed and matched into any size meeting room.

A combination of ceiling, wall and table-top microphones blend intelligently through a single hub to deliver optimal audio in any meeting environment. Stem solutions introduce never-before-seen audio innovations in technology and features including design and management tools, deep learning, mute sync with Zoom and true beamforming.

info.btx.com/stem-audio

#### Kramer

#### **Kramer's Top Picks**

As a recognized leader in the Pro AV industry with literally thousands of unique and reliable solutions, Kramer Electronics understands narrowing down a search to the best possible solution from our comprehensive offering can be a little bit overwhelming.

Kramer's Top Picks featured in our new brochure are those products in our line that fulfill the 80/20 rule. These products meet the needs of 80% of the Pro AV applications and are our top sellers worldwide. Kramer's Top Picks should be your go-to solutions on a day-to-day basis, and we wanted to highlight them for you in a very convenient manner.

Download Kramer's Top Picks Brochure, today!

kramerav.com/us

#### Shure

#### Meet Shure's Microflex™ Networked Loudspeaker

Market trends point to an ever-increasing adoption of AV technologies geared around simple deployment, intuitive operation and seamless compatibility with leading collaboration platforms. The new Shure Audio Ecosystem for Conferencing includes scalable, flexible audio solutions for all room types, delivering a high-quality, more unifying AV conference experience.

With the introduction of the new Microflex™ Networked Loudspeaker, MXA710 Linear Array Microphone, IntelliMix® Room Audio Processing Software, and innovative MXA Network Mute Button, coupled with the latest Designer and SystemOn software releases, Shure expands its portfolio of networked audio solutions for AV conferencing, providing the complete audio signal chain, from input to output.

shure.com/ecosystem

#### **HELLO NSCA SOLUTION PROVIDERS!**

Want to communicate directly with NSCA member companies or optimize your platform? Contact NSCA Channel Partner Manager Max Johnson at mjohnson@nsca.org or 319.861.8629.



**Are Profits HB Communications** Hiding in Plain Sight?

> Your integration company might be capable of being more profitable than you realize. A variable cost structure can add profitability to your business.

More than 20 years ago, I discovered the hidden profit enhancement found in reducing overhead costs and making certain that direct costs were truly variable costs.

My company had acquired a failed roll-up with a national footprint. It had great customers and good revenue for its size, yet the company was losing millions of dollars (even with large depreciation and amortization costs excluded).

The acquired company's strategy had been twofold:

- Build out a national services offering
- Develop new products for its national customer base

On the surface, these were two great strategies; however, this led to a bloated national field labor force that was underutilized (install and service), bloated fixed costs for R&D, and a centralized service desk, along with the associated administrative and multi-layer executive teams.

Post-acquisition, my company took two actions to turn this loss into a multi-million-dollar profit in the first year.

By Joel Harris

First, we eliminated all fixed costs that weren't essential to providing existing customer services.

Second, and even more impactful, we transformed all our "fixed" direct labor costs into truly variable costs. We did this by offering underutilized employees the opportunity to set up their own subcontracting firms where we guaranteed a minimum revenue based on average hours of utilization along with the freedom to offer installation and services in their local markets. With this decision, we turned our direct costs into truly variable costs and ensured that every project or service contract was profitable on its own merit.

Because we no longer had a few profitable customers carrying the weight of other project losses, this action drove up total net profit from our project sales and services revenue. We didn't stop there; for the next 20 years, we were able to grow profits by greater than 15% annually.

## The principles of reducing fixed overhead costs and making direct costs truly variable will unlock a hidden treasure of profitability — with no change to your existing revenue stream.

Dollars Saved Equals Profits

You can reduce fixed overhead and variable costs ... and grow at the same time!

While the above scenario or solution may not apply directly to your business, the principles of reducing fixed overhead costs and making your direct costs truly variable will unlock a hidden treasure of profitability — with no change to your existing revenue stream.

Here's how a variable cost structure can add profitability:

- · Address seasonality (build fixed costs to lowest expected revenue) and use variable costs for peak demand.
- Address growth, which is typically chunky and not linear. Until it becomes steady state, don't add fixed costs that are actually variable costs simply because they're labeled "direct costs."
- Take on "big" projects that are unlikely to repeat themselves annually, giving yourself the capability to flex growth opportunistically.
- Take on projects that are "out of footprint" but enable you to service a customer whose geographic reach exceeds your own.
- Limit risk on your fixed contracts. Get fixed bids from qualified subcontractors to reduce demand on your internal resources while also locking in project profit.
- Address hiring needs that cannot be filled to your standard in terms of cultural fit and capability in a current market environment.

When I first introduce this principle to a company, the hiring manager always asks, "Why would I pay a subcontractor double or triple what I would have to pay a full-time employee?"

The answer is typically threefold (although I often hear additional excuses to justify hiring only full-time employees):

- 1. You have grossly underestimated your true burden rate. At best, your internal rate when fully utilized is no more than a 20% discount to a subcontractor cost (and often less).
- 2. You do not understand the cumulative profit loss for periods where that resource is not fully utilized.
- 3. You find it "easier" to manage people you can threaten to fire vs. holding a temp or subcontractor to your standard of performance.

As a caveat: If you are staffed below your fully utilized work available (for at least the foreseeable year), then adding full-time qualified staff will be more profitable than hiring temps or subcontractors.

What about your integration business? I'm sure you can add to this list with relevant examples from your own company. Where are you leaking profits by not considering the option of adding truly variable costs to address your company needs? 🛆

Joel Harris is COO of North Haven, CT-based integration company HB Communications.

#### **WANT MORE?**

This is an excerpt from Navigate's blog series by Joel Harris, Understanding Variable Costs is Wildly Important for Your Integration Business. Find the blogs on Navigate Management Consulting's website: navigatemc.com.



passion or a skill — all the way up to professionally run companies and others that are ISO certified. If I had to pick out one key indicator that I see in a mature integrator crossing that chasm, it's embracing project management as a profession and having a lot more structure and process behind project management."

A lot of very talented people have started integration firms, but many of them haven't had much financial exposure. "This has created a lack of financial acumen in the industry," says Malone.

During the video podcast, the two discuss the fact that too many integrators view revenue as a primary metric when it's really just a number and potential for profit. "Revenue is for vanity," says Dempsey. "I would go as far as saying that you have to run your business on gross profit, and you should measure your business on gross profits."

Here are the more important, project-based financial metrics that Solutions360 recommends you measure instead ...

#### 1. Gross Margin Erosion

One of the things a company must do is determine a target gross margin that covers overhead. It's very important to keep tabs on this number, beginning from when you create a proposal and moving on to negotiating a deal and managing that margin throughout the lifecycle of a project. Track costs daily. If you have visibility into daily costs, you'll be able to react in a timely manner to overruns as they occur. Keep tabs on your current margin compared to what you sold it as. Doing this at the lowest level of time and material tracking will roll up to the project portfolio level where you have visibility to outliers that need your attention.

#### 2. Gross Profit Dollars Per Hour

One of the most limiting factors for a company is direct labor force. It's expensive to hire people. It's expensive to keep people. It's very expensive to keep them up to date, trained, and working effectively. If you have 1,000 hours of labor available, look at the backlog of projects and the deals coming in that require labor; divide the gross profit by the number of hours to calculate your profitability with a mix of equipment and services. That's the overall solution you're selling to the customer. The higher you can get your gross profit per hour, the more money the company can make without unnecessarily investing in unutilized labor and related expense.

#### 3. Backlog

Backlog is the difference between what you've actually sold and are financially committed to (a purchase order or legally binding deal with a customer) vs. what you've actually delivered or executed.

"Backlog has inputs and outputs," says Dempsey. "The inputs are sales orders and existing projects; the output is your execution. The way these three things move together is critical in managing a portfolio of projects. If my backlog increases, that may or may not be a good thing. It may be that I'm doing a poor job of execution. It may be an increase in sales vs. the ability to absorb that work."

There must be a penchant with the executive team to share meaningful finances that drive profitability from the ground up. This makes people feel connected to the business, gives them

a sense of purpose, and helps them understand the "why" behind what you do.

How much transparency should there be when it comes to sharing financial information? Why is it important that everyone in your company be educated on basic financial metrics? Dig deeper into Solutions360's resources to learn more. 🛕

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Watch the entire video podcast conversation on the Navigate Management Consulting YouTube page.

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# Are You Making These 5 HR Compliance Mistakes?

Employer-related regulations can be complex. By tackling these common HR-compliance challenges now, you'll avoid headaches later.

By Dannie Diego, Insperity

If you wait to think about how employment laws affect your business until after you're confronted with a citation or complaint, it may be too late. Employer-related regulations can be complex. Underestimating their importance could be costly to your bottom line, your time, and even your reputation.

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To learn more about preferred pricing on Insperity® HR solutions for NSCA members, visit insperity.com/nsca.



Let's take a look at some common HR-related compliance challenges that businesses face — and how to manage them before problems arise.

#### 1. Properly Completing Hiring Paperwork

Just getting an employee in the door and ready to work has potential pitfalls.

Do you have a process for the paperwork that new hires fill out? Is it automated and easy for them (and you)?

Within the first three days of employment, make sure you have an I-9 form on file with supporting eligibility-to-work documentation. Failure to do so can result in fines.

To help avoid this mistake, let your new hires know there will be paperwork to fill out in a timely manner. Give them a list of the items that will be needed to verify their employment eligibility, such as a passport or a driver's license and social security card.

#### 2. Determining Employee Classifications

The Department of Labor and the Fair Labor Standards Act have specific guidelines about how to classify an employee: full-time, part-time, contractor, exempt, nonexempt, etc.

There is sometimes confusion among businesses as to whether they get to determine an employee's classification as exempt or nonexempt; however, multiple factors come into play to determine an employee's status, such as job duties, responsibilities, and pay rate. An exempt employee is not paid overtime while a nonexempt employee is eligible for overtime pay.

According to the **Department of Labor**: "Misclassified employees often are denied access to critical benefits and protections they are entitled to by law, such as minimum wage, overtime compensation, family and medical leave, unemployment insurance, and safe workplaces."

Misclassifying employees can result in fees, which increase if was an intentional act on the part of the employer. But even unintentional misclassification can cost you money and time spent addressing the charge.

#### 3. Implementing Safety Policies

The Occupational Safety and Health Administration (OSHA) is tasked with overseeing safe work environments and the standards that businesses must follow to be in compliance with the OSH Act. Don't let complacency be the reason you're the target of an OSHA complaint.

Some tips to keep workplace safety top of mind:

- Develop a management safety policy statement and outline responsibilities
- · Establish an accident investigation program
- Communicate safety rules verbally and in writing
- Provide training on industry safety protocols and standards
- Post a copy of safety regulations in a common area
- · Record lost-time injuries and post it annually

#### 4. Complying with Multiple Regulatory Agencies

The number of regulatory agencies and their associated employment laws seems to continue growing — and not just on the federal level. Regulations can vary by state, leading to confusion and misalignment.

As an employer, it can be daunting to keep up, especially if you don't have someone to lean on for experience and guidance in areas such as:

- Family and medical leave policies
- · Hiring regulations
- · Employee privacy laws
- The Affordable Care Act
- Anti-discrimination and anti-harassment policies
- · Wage and hour laws
- Workplace safety and health
- · Recordkeeping and payroll

Having a dedicated team that's up to date on state and federal employment laws can help your business stay compliant with HR-related regulations.

#### 5. Establishing a Solid Foundation

An easy — and often overlooked — way to help defend your business when faced with an audit or complaint from a regulatory agency is through an employee handbook.

Here are some items you might include:

- 1. A code of conduct: This will discuss expectations of conduct in regard to ethics, dress code, workplace safety, attendance requirements, etc.
- **Device-use policy:** How and when employees can use company-owned devices, such as computers and phones.
- 3. Anti-harassment and anti-discrimination policies: Explain the anti-discrimination protections provided for all employees. Make a statement that harassment and discrimination will not be tolerated. You can go a step further and provide training for all employees.
- 4. **Compensation:** This will be a review of employee benefits, time-off policies, payroll deductions, overtime pay, workers' compensation, and the Family and Medical Leave Act.
- 5. **Transfer and separation policies:** This goes over transfers and relocation, discipline, and termination policies.
- 6. **Acknowledgment:** Have employees acknowledge in writing that they have received the handbook and either have a copy or know where to find it digitally.

Having a dedicated team that's up to date on state and federal employment laws can help your business stay compliant with **HR-related regulations.** 

#### **Get More Help**

It's always been Insperity's mission to help businesses succeed so communities prosper. At the heart of a successful business is its people. And when your people policy supports your business plan, you can do great things.

Don't let HR-related compliance mistakes and missteps interrupt your path to success. With professional HR help, you can focus on business goals and anticipate the challenges your business may face.  $\triangle$ 

Dannie Diego is a strategic alliances manager for Insperity. A trusted advisor to America's best businesses since 1986, Insperity provides an array of human resource services and technology designed to help you minimize risk and maximize profitability in your business. For more information, please visit insperity.com/nsca or email alliance@insperity.com.

# "Innovation is a risk, and many companies in our industry are risk averse ... we must push to innovate, stay relevant, and stay in business."



**Daniel Abrams** VP, Business Development IVCi, LLC San Diego, CA ivci.com

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#### Q: What unique capabilities and perspectives do you bring to your role?

I've been fortunate over my career to hold positions as a consultant, integrator, end-user, and integrator (again). The varied experience has given me perspective to look at things through many lenses. I've had the opportunity to work on projects varying in size from single rooms to full facilities. I've worked on projects and led teams across the country and around the world. I'm a confident public speaker and always willing to share my opinions in a thoughtful manner.

#### Q: What do you like about the integration market?

My favorite part of the integration market these days is the physical construction work associated with our trade. As an industry, we focus heavily on technology, but I personally find construction/infrastructure elements to be very interesting. Mounting systems, structured wiring, and furniture connectivity are all so critical to our work but not always given the attention they deserve. The symphony of the infrastructure playing along with the technology is the sound of a successful project.

# **Q:** What challenges do you recognize for companies in the integration market?

Innovation and risk tolerance are two challenges that I think many companies are faced with. Our industry is constantly changing; in today's environment, much more change is clearly on the horizon. True innovation — coming up with a newer, better something or service — is not an easy task. It takes time, costs money, and can be wrought with failed attempts. Innovation is a risk, and many companies in our industry are risk averse. The combination of these challenges can be daunting, but, in my opinion, we must push to innovate, stay relevant, and stay in business.

#### Q: What do you value about being an NSCA member?

I value the focus of NSCA on the integrator as a whole. NSCA's programs help me strengthen not only my own personal skillset, but also ways to truly contribute

to my ability to bring benefit to my business. There are definable business outcomes from NSCA events and programs. I know that, when myself or my team are participating, we're sure to get good value out of the time and resources we invest.

# Q: Which NSCA resource do you find most valuable and why?

My personal favorite NSCA resource is the Business & Leadership Conference (BLC). The consistency of this event over time has been unmatched by other events. Year after year, the BLC provides high-quality, timely, and informative sessions focused on the business of our businesses. I've always appreciated the BLC and use it as a reminder to continue my efforts not only in but also on my business.

# Q: Why do you and your company find it important to participate in NSCA's Emerging Technologies Committee?

IVCi has been an active participant in the Emerging Technologies Committee through involvement from myself and Tim Hennen, IVCi's CTO and NSCA secretary. We've both provided COVID-19 commentary that's been used in various publications. I was also recently featured on an episode of NSCA's "Beer & Bull" video podcast where the focus was the future of integration.

# Q: If you could give one piece of advice to your industry colleagues, what would that be?

Be fearless but not crazy. Don't be afraid to take risks and do something different than what you've done in the past or what your competition is doing. Gather as much data as you can and put it to work! Make bold decisions and try something new. You never know until you try — or know exactly what the future holds.

#### Q: What do you love to do in your free time?

I've got an amazing family — the world's coolest wife, 9-year old daughter, 4-year old son, two labs (one yellow and one black), and a bearded dragon. We live in San Diego and enjoy spending time outside enjoying all that SoCal has to offer. Beyond the family, I'm a car guy through and through. I like pretty much everything automotive, but I have a real passion for classic cars. (Shown above with a 1975 Chevy K5 Blazer.)

## Q: What's one thing about you that will surprise people who only know you professionally?

I own a used car dealership that specializes in American Classics and select late-model vehicles. My hobby grew a little out of control, and I decided to chase the dream and open up shop (note before where I said I have the world's coolest wife). It's been nearly two years since I opened the business, and I just moved to a newer, larger space. Things are going well, and I'm having a great time with it. Want a cool car? Give me a call.



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