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CE PRO 20 YEARS

INTEGRATION
AUDIO/VIDEO
NETWORKING
CONTROL
BUSINESS

LARGEST CUSTOM RESIDENTIAL INTEGRATORS SHOW 11% GROWTH

PAGE 46

2013 CE PRO 100 RETURN TO GLORY?

Integrators report 11% revenue growth as more large players enter the market with entry-level home automation.

BY JASON KNOTT

THERE'S BEEN A definite change of tune amongst members of the CE Pro 100. While some might still be singing Bruce Springsteen's "Glory Days" song, longing for the heady years of 2006-07, others are humming the old 1929 standby "Happy Days are Here Again."

Either way, the results of *CE Pro*'s 15th annual list of the highest revenue residential integration companies in North America are in and the data is improving. Both high-end custom integrators and entry-level home automation-based dealers reported improvement in 2012. The list also marks the continuing entry of large security-based players offering low-cost connected systems to the market.

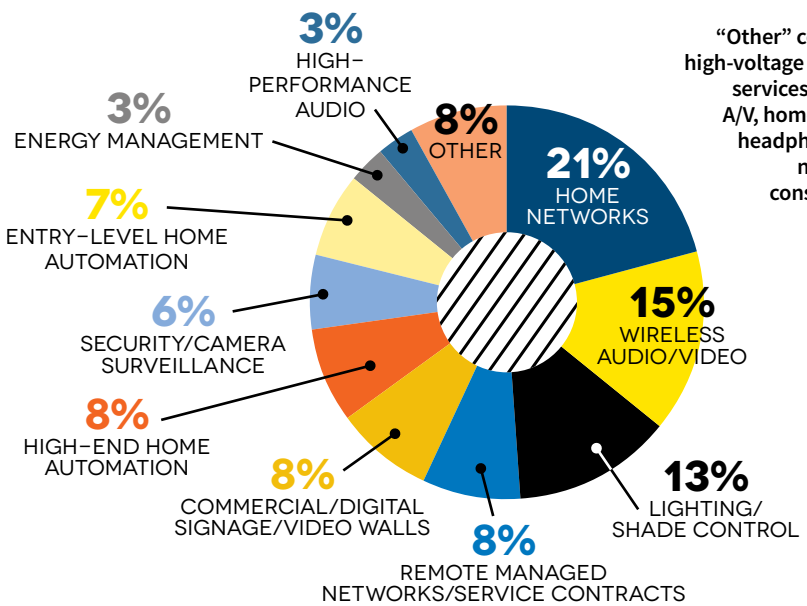
The most significant trend in this year's list is the emergence of bigger and bigger companies into the market coming from outside the industry. The top three integrators — AudioVisions/Best Buy/Magnolia, Vivint and ADT — are joined this year by other mammoth firms offering entry-level home automation: Nebraska Furniture Mart ($800 million in total revenue and owned by Warren Buffett's Berkshire Hathaway) and Vector Security ($236 million in total revenue).

When the CE Pro 100 was first introduced in 1999, the largest company on the list did $5 million in residential custom installation revenue. This year, there are 38 companies on the list that exceed that $5 million number. In terms of total revenues, which would include money from recurring revenue, over-the-counter retail and commercial work, there are 47 companies over $5 million — nearly half the list.

In total, the companies on this list earned $1.5 billion in residential installation revenue last year. That means the average company had revenues of $15.5 million. That's up 11 percent from last year. Even if you subtract the top three companies, which had residential custom installation revenues of $986.3 million, the average company on the CE Pro 100 did $5.8 million in revenues, up 7 percent from the year before. Even still, that figure is down from the halcyon year of 2007, in the

FASTEST GROWTH SEGMENTS IN 2013

(PERCENTAGE OF CE PRO 100 INTEGRATORS THAT INDENTIFIED THESE PRODUCT CATEGORIES AS THEIR FASTEST GROWTH SEGMENT)



"Other" consists of high-voltage electrical services, outdoor A/V, home theater, headphones and new home construction.

midst of the housing boom when the average company earned $7.4 million.

While the top three companies on the list are unchanged, the order is different. Once again, AudioVisions/Best Buy/Magnolia tops the list as the big-box retailer continues to boost its reputation as an integration company in the face of competition from telecom companies and others *(See 'Big Guns' box on page 48)*.

This year, Vivint jumped to the No. 2 slot. The company is so focused on home automation that nearly every security-based installation it does connects to lighting and climate control systems. For No. 3 company ADT's part, home automation via its ADT Pulse offering is a secondary focus behind stand-alone alarm systems. *(See 'Estimating ADT' box on page 49)*.

As described in previous years, many of the large players' offerings don't allow an apples-to-apples comparison to traditional custom integrators' solutions. Some continue to argue that they do not even represent "custom installation." But many entrepreneurial integrators on the list are offering identical products and services at their most basic level as the large players are offering. For example, many local integrators do simple flat panel installations and limited lighting and HVAC control tied in with a security panel.

ANALYZING KEY METRICS

› **REVENUE PER EMPLOYEE:** This once-bellwether statistic in the industry is taking a hit with the influx of mass-marketed systems. For 2012, the average revenue per full-time employee was $8,521. That figure is misleading because of the high-volume players. The range stretches from a mind-blowing $900,000 per employee at Intech in Hicksville, N.Y. to just $4,701 per employee at AudioVisions/Best Buy/Magnolia. Of course, many of the latter company's employees are not involved in custom installation so that figure is a bit skewed. The median revenue-per-employee figure is a respectable $192,000.

Remember, the CE Pro 100 revenue number does not include recurring monthly revenue derived from monitoring of security accounts. Of course, subsidized systems sacrifice upfront payment in return for the long-term commitment of a monitoring contract, which turns

KEY BENCHMARK NUMBERS

$1,552,330,438
TOTAL CUSTOM REVENUES LOGGED BY THE CE PRO 100 **IN 2012**

$15.5 MILLION
AVERAGE CUSTOM REVENUES EARNED BY THE CE PRO 100 **IN 2012**

11%
INCREASE IN AVERAGE CUSTOM REVENUES IN 2012 VS. 2011.

475,474
ESTIMATED TOTAL **NUMBER OF MULTI-SUBSYSTEM RESIDENTIAL INSTALLATIONS** DONE BY THE CE PRO 100

40%
PERCENTAGE **INCREASE IN THE TOTAL NUMBER OF MULTI-SUBSYSTEM RESIDENTIAL INSTALLATIONS** DONE BY THE CE PRO 100 IN 2012 VS. 2011.

150
MEDIAN NUMBER OF MULTI-SUBSYSTEM RESIDENTIAL INSTALLATIONS PER COMPANY IN 2012

15%
INCREASE IN THE NUMBER OF MULTI-SUBSYSTEM RESIDENTIAL INSTALLATIONS IN 2012 VS. 2011.

$192,000
MEDIAN **REVENUE PER EMPLOYEE**

$3,265
AVERAGE **REVENUE PER INSTALLATION**

-9%
THE **DECREASE IN THE AVERAGE REVENUE PER INSTALLATION** IN 2012 VS. 2011

$12,444
AVERAGE **REVENUE PER INSTALLATION 12 YEARS AGO IN 2001** (RECORD HIGH)

22
MEDIAN NUMBER OF EMPLOYEES PER CE PRO 100 COMPANY

2
NUMBER OF EMPLOYEES ON AVERAGE THAT EACH CE PRO 100 COMPANY ADDED IN 2012 VS. 2011

$731 MILLION
ESTIMATED CUSTOM RESIDENTIAL INSTALLATION REVENUES FOR THE **NO. 1 COMPANY**.

17
NUMBER OF **CE PRO 100 COMPANIES BASED IN CALIFORNIA**

25
AVERAGE NUMBER OF **YEARS IN BUSINESS**

1
MEDIAN NUMBER OF **BUSINESS LOCATIONS/STOREFRONTS**

67
NUMBER OF CE PRO 100 **COMPANIES WITH A SINGLE BUSINESS LOCATION/ STOREFRONT**

13%
PREDICTED AVERAGE **REVENUE INCREASE IN 2013**

$24,619
MEDIAN **REVENUE PER INSTALLATION**

BIG GUNS

TOP INTEGRATORS BY TOTAL REVENUES (ALL SOURCES)

1. **AudioVisions/Best Buy/Magnolia** $50.7 billion
2. **ADT** $3.2 billion
3. **Nebraska Furniture Mart** $800 million
4. **Vivint** $396.9 million
5. **Abt Electronics** $320 million
6. **Vector Security** $236 million
7. **Guardian Protection Services** $150.1 million
8. **Just One Touch/Video & Audio Center** $42.7 million
9. **World Wide Stereo** $30 million
10. **MODIA** $24.8 million

This list shows total company revenues from all sources, including custom installation, and is a mix of retailers and security companies.

that subsidization into profit after a certain point in time. So in terms of this list, as more subsidized companies participate, this metric will have less relevance and may be dropped from future lists of the CE Pro 100. The list also does include commercial revenues. Meanwhile, the median number of employees increased from 20 to 22 as integrators grew while staying lean.

› NUMBER OF INSTALLATIONS: The total number of installations continues to climb, rising a whopping 40 percent in 2012. That was after a similar jump took place in 2011 as the first mass-marketed entry-level systems hit the market, namely from Vivint and ADT. Overall, the CE Pro 100 performed an estimated 475,474 installations, up from 338,094 the previous year. That includes an estimated 206,450 installations by public companies AudioVisions/Best Buy/Magnolia and ADT (these companies do not officially report that piece of data) and a verified 269,024 installations from the other 98 companies on the list.

However, with many large players on the list this year skewing the average higher, a more accurate snapshot of a typical CE Pro 100 company might be to look at the median number of installations. Median represents the number in which half the respondents are above and half are below. In this case, it is 150 installations per company.

› REVENUE PER INSTALLATION: The number of jobs did not translate into higher-paying installations in 2012. Indeed, just the opposite. The average revenue per installation continues to fall as the influence of entry-level home automation hits the market. The average multi-subsystem installation price fell 9 percent in 2012 to $3,265. That is only about half as much as it dropped the previous year, which is perhaps a signal that the price pressure is waning a bit. That downward trend is likely to continue as the public becomes even more accustomed to subsidized home automation models from alarm companies adding HVAC and lighting control to their security packages.

OLD SCHOOL ACES

TOP 10 TRADITIONAL CUSTOM A/V INTEGRATORS

1. **Audio Command Systems** $22 million
2. **Audio Video Systems** $17.3 million
3. **Engineered Environments** $17.2 million
4. **Audio Interiors** $13.5 million
5. **Cyber Sound** $13.4 million
6. **DSI Entertainment Systems** $10.8 million
7. **ETC** $10.6 million
8. **Intech** $9 million
9. **Advanced ESI** $8 million
10. **Performance Imaging** $7.4 million

These traditional A/V specialists have the time-tested business model of working closely with homeowners, architects, interior designers and custom builders to fashion sophisticated integrated systems — one at a time.

VOLUME EXPERTS

TOP 9 SECURITY/STRUCTURED WIRING-BASED INTEGRATORS

1. **Vivint** $130.5 million
2. **ADT Security Services** $124 million
3. **Guardian Protection** $28.9 million
4. **Vector Security** $11.8 million
5. **SST** $7.4 million
6. **PWM Technology** $5.7 million
7. **iWired** $5.6 million
8. **Dynamark Systems** $4.9 million
9. **Trinity Wiring & Security Solutions** $4 million

Volume is the key word for these top integrators whose efficiency is based on doing as many jobs as possible in the most efficient manner. Most of them are security-based and often they work with homebuilders on large housing tracts.

RETAIL GIANTS

TOP 8 CUSTOM RETAILERS (INSTALLATION REVENUE ONLY)

1. **AudioVisions/Best Buy/Magnolia** $731 million
2. **Abt Electronics** $32.6 million
3. **Just One Touch/Video & Audio Center** $24.9 million
4. **MODIA** $20.9 million
5. **Hifi House** $12 million
6. **World Wide Stereo** $5.6 million
7. **(tie)**
   Bjorn's Audio Video $4 million
   County TV & Appliances $4 million

These integrators sell equipment over the counter and/or online to form relationships with customers that lead to installing the equipment.

PRODUCTIVITY KINGS

TOP 10 HIGHEST REVENUE-PER-EMPLOYEE INTEGRATORS

1. **Intech** $900,000
2. **Sound Concepts** $499,662
3. **Audio Video Systems** $456,433
4. **Elite Custom Audio Video** $425,077
5. **Peak Audio & Video** $403,222
6. **Audio High** $380,000
7. **Accent ESI** $375,000
8. **Just One Touch/Video & Audio Center** $360,367
9. **Acoustic Designs** $339,472
10. **Acadian Home Theater & Automation** $337,325

These are the most efficient integrators that have been able to maximize employee productivity.

BIG JOB GURUS

TOP 10 HIGHEST AVERAGE REVENUE-PER-INSTALLATION INTEGRATORS

1. **Accent ESI** $300,000
2. **Engineered Environments** $285,505
3. **DSI Entertainment Systems** $215,600
4. **Bekins** $181,250
5. **Audio Video Systems** $173,292
6. **Audio Images** $170,320
7. **Home Entertainment Design South** $135,200
8. **Logic Integration** $133,643
9. **Signals A/V** $133,436
10. **Hometronics** $132,400

These companies are the ones that focus on big jobs that often entail long-term, complex integration of multiple subsystems.

The Continuing Evolution of Best Buy

MANY CE PROS MIGHT BE WONDERING how Best Buy's custom revenues grew in 2012 to an estimated $731 million from $680 million in 2011, especially when all anyone ever reads about these days in the press is that the company is struggling.

Yes, the company is facing serious competitive influences to its retail business. And the company president had to resign in scandal, while founder Richard Schulze was making overtures to purchase the company. Despite all the bad press, according to the company's Fiscal Year 2012 Annual Report, Best Buy's total revenue grew to $50.7 billion in 2012, up about $1 billion from the previous year, growth of about 1.5 percent. And about $600 million of that growth was in the domestic U.S.

But in the world of public companies, it's all about pleasing shareholders and keeping the stock price higher. Total profits were down, but the company still made $1.8 billion in profit last year. That's why the company embarked on some cost-cutting moves, closing a handful of Best Buy locations and one Magnolia. The big cost savings came in staff, where the company's slashed nearly 3,000 employees.

Best Buy readily admits that sales fell in "several key consumer electronics product categories" and the company's overall marketshare declined, specifically in televisions. Same-store sales of consumer electronics fell 5.4 percent year vs. year.

So how did the company's revenues still grow? Custom integration services had a lot to do with it. Best Buy had double-digit gains in computing and mobile phones, as well as in appliances. Meanwhile, its "services" business remained steady, accounting for 6 percent of overall sales. "Services" include installation and extended warranties, although Best Buy does not break apart the two components of that category.

Last year, based on public statements by Best Buy execs in various other media, *CE Pro* was able to estimate that approximately 4 percent of the company's total revenues are derived from installation services. The three-location AudioVisions division experienced double-digit increases in revenues and installations last year. ■

Estimating ADT's Custom Revenues

ADT HAD A BIG YEAR IN 2012, not in terms of revenues but in terms of corporate structure. It broke away from its mammoth Tyco parent company in September 2011 as a stand-alone residential integration company. Now, ADT is 100-percent focused on home security/home automation.

ADT's total revenues grew 3.8 percent in 2012 to $3.2 billion. Amazingly, recurring revenue accounts for $2.96 billion of that total, or 92.5 percent of total revenue. The growth is being driven by the traction continuing to be gained in the marketplace by ADT Pulse, an entry-level home automation system that links security with control of lighting, HVAC and deadbolt locks.

Also in 2012, ADT opened up sales of Pulse to its 400 authorized dealers, in addition to its 206 locations in the U.S. and Canada. For 2012, *CE Pro* estimates custom installation revenues for ADT of approximately $124.8 million. This includes high-end integrated security installations via the ADT Custom program, plus installation revenue only from ADT Pulse installations. We are estimating there were 78,000 installations of the two higher-tier integrated Pulse systems (Advantage and Premier) in 2012, which is slightly up from last year. At $1,000 apiece ($78 million), plus the first year of monitoring at $50/month on average ($46.8 million) totals to $124.8 million. ■

INDUSTRY VETERANS

TOP 10 OLDEST INTEGRATORS

1. **ADT** 139 years
2. **Abt Electronics** 77 years
3. **Ray Supply** 76 years
4. **Nebraska Furniture Mart** 75 years
5. **Century Stereo** 63 years
6. **Guardian Protection Services** 62 years
7. **County TV and Appliances** 60 years
8. **(tie) HiFi House** 58 years
9. **(tie) Jamiesons Audio/Video** 58 years
10. **Hermary's** 51 years

These companies have seen it all. The tenure represents the number of years the company itself has existed, not the number of years in the custom installation business.

› **GEOGRAPHIC TRENDS:** California continues to lead the list with 17 companies based there. It makes sense — the Golden State is the most populous and has several hubs of wealth in Northern and Southern California.

Next, the tri-state area of New York/New Jersey/Connecticut with 12, followed by 10 in Texas, nine in Florida, seven in Arizona, and five in Pennsylvania. Other areas with strong representation include Illinois (four) and Nevada (four). We have been waiting for Nebraska to crack the list, and the Cornhusker State did this year.

› **PREDICTIONS FOR 2012:** Optimism continues to abound for the coming year. Only one company says it anticipates 2013 to be worse than 2012. Another seven are expecting a "flat" year in terms of revenue, while another one declined to speculate. That means 91 companies in the group are bullish on 2013, which is up from 84 companies that felt that way heading into 2012. Meanwhile, the average revenue increase predicted by integrators is 13 percent for next year.

HOW COMPANIES VERIFY THEIR DATA

Ever since *CE Pro* started asking for verification of the financial data 10 years ago, we have been waiting for this year. For 2012, every company in the final CE Pro 100 either submitted its data, had it verified by an outside accountant, or was verified via manufacturers. The verification is optional. Companies were required to sign a statement (for faxed or mailed entries) that says, "the information provided is accurate and truthful." That statement also appears at the bottom of electronic submissions.

Similar to previous years, *CE Pro* has selected gross revenue in multisystem residential installations as the determining factor for the ranking. Keep your eyes peeled for the June issue of *CE Pro* that will include a brand analysis by the CE Pro 100. The list allows you to gauge your own company's per-

formance against others. It may even provide you with a valuable tool to use with investors or bankers when trying to describe the scope of the custom installation business.

The *CE Pro* list is obtained in several ways:

- A qualification form appeared in the February and March 2013 issues of *CE Pro*.
- An online form was posted on *www.cepro.com* for three months, inviting entries. The website will also maintain a list of the 2012 CE Pro 100 for the next 12 months.
- A blast email was sent out to the installing companies that subscribe to *CE Pro*.
- Special emails and phone calls were made to a handful of firms that appeared in previous CE Pro 100 listing.

The list is ranked by the volume of billed, not booked, business from residential systems that incorporate at least three of the following subsystems:

- Audio (sources, speakers, processors or multiroom distribution components)
- HVAC control/energy management systems
- Lighting controls
- Security systems (alarms, integrated fire, access control or CCTV)
- Structured wiring
- Telecommunications
- Video (sources, monitors, projectors, screens, DBS, multiroom distribution components or gaming)
- Whole-house automation/integration
- Networking (PC/broadband routers, modems, WAPs, etc.)
- Window covering controls
- Other (central vacuum, surge protection, irrigation control, spa controls, acoustical panels, seating, furniture, etc.)

As always there are several large companies that chose not to participate in this year's listing. Many higher-end custom companies do not want to be compared with high-volume companies on any list. Is your company missing from the list? If so, email *CE Pro* at *jknott@ehpub.com*, or please email any other comments about the CE Pro 100. CE Pro

@jasonwknott, @ce_pro

RANK	VERIFIED	COMPANY	CITY, STATE	CUSTOM RESIDENTIAL REVENUES	TOTAL REVENUE	RESIDENTIAL INSTALLS	CUSTOM REVENUE/ INSTALL	FULL-TIME EMPLOYEES	CUSTOM REVENUE/ EMPLOYEE	YEARS IN BUSINESS	2013 OUTLOOK
1	e	AudioVisions/ Best Buy/Magnolia	Lake Forest, Calif.	**$731,000,000**	$50,705,000,000	128,450	$5,691	155,500	$4,701	48	Up 15%
2	✓	Vivint	Provo, Utah	**$130,500,581**	$396,990,924	180,347	$724	5,800	$22,500	14	Up 20%
3	e	ADT	Boca Raton, Fla.	**$124,800,000**	$3,286,949,035	78,000	$1,600	16,300	$7,656	139	Up 5%
4	✓	Abt Electronics	Glenview, Ill.	**$32,580,000**	$320,000,000	8,700	$3,745	130	$250,615	77	Up 10%
5	✓	Guardian Protection Services	Warrendale, Pa.	**$28,965,174**	$150,096,745	26,916	$1,076	337	$85,950	62	Up 3.5%
6	✓	Just One Touch/ Video & Audio Center	Santa Monica, Calif.	**$24,865,350**	$42,695,720	2,148	$11,576	69	$360,367	32	Up 20%
7	✓	Audio Command Systems	Westbury, N.Y.	**$22,000,000**	$22,000,000	250	$88,000	90	$244,444	37	Up 10%
8	✓	MODIA	Houston, Texas	**$20,895,162**	$24,875,193	1,400	$14,925	72	$290,211	26	Flat
9	✓	Audio Video Systems	Plainview, N.Y.	**$17,329,239**	$17,329,239	100	$173,292	38	$456,033	36	Up 2%
10	✓	Engineered Environments	Alameda, Calif.	**$17,207,293**	$17,207,293	65	$264,728	80	$215,091	20	Up 10%
11	✓	Accent Electronic Systems Integrators	Bridgeville, Pa.	**$15,000,000**	$15,000,000	50	$300,000	40	$375,000	13	Up 5%
12	✓	Audio Interiors	Hauppauge, N.Y.	**$13,469,940**	$13,469,940	182	$74,011	47	$286,594	31	Up 5%
13	✓	Cyber Sound	Scottsdale, Ariz.	**$13,363,935**	$13,363,935	150	$89,093	65	$205,599	17	Up 10%
14	✓	HiFi House	Broomall, Pa.	**$12,000,000**	$15,900,000	800	$15,000	58	$206,897	58	Up 5%
15	✓	Vector Security	Warrendale, Pa.	**$11,800,000**	$236,000,000	7,923	$1,489	1,500	$7,867	42	Up 8%
16	✓	DSI Entertainment Systems	Lake Balboa, Calif.	**$10,780,000**	$11,978,000	50	$215,600	53	$203,396	19	Up 10%
17	✓	ETC	West Palm Beach, Fla.	**$10,607,662**	$10,935,734	402	$26,387	71	$149,404	26	Up 15%
18	✓	Intech	Hicksville, N.Y.	**$9,000,000**	$9,000,000	100	$90,000	10	$900,000	20	Up 15%
19	✓	Maverick Integration	Bedford, N.H.	**$8,500,000**	$8,600,000	120	$70,833	36	$236,111	10	Up 5%
19	✓	Advanced Electronic Systems Integrators	Bonita Springs, Fla.	**$8,000,000**	$9,000,000	150	$53,333	80	$100,000	1	Up 5%
20	✓	SST	Irvine, Calif.	**$7,700,000**	$14,056,031	5,200	$1,481	110	$70,000	14	Up 15%

e = ESTIMATED CUSTOM REVENUES AND INSTALLATIONS

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Platinum Award - Website

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RANK	VERIFIED	COMPANY	CITY, STATE	CUSTOM RESIDENTIAL REVENUES	TOTAL REVENUE	RESIDENTIAL INSTALLS	CUSTOM REVENUE/ INSTALL	FULL-TIME EMPLOYEES	CUSTOM REVENUE/ EMPLOYEE	YEARS IN BUSINESS	2013 OUTLOOK
21	✓	Performance Imaging	Stamford, Conn.	**$7,450,000**	$9,385,500	105	$70,952	31	$240,323	17	Up 5%
22	✓	Audio Video Crafts	Long Island City, N.Y.	**$7,000,000**	$7,000,000	89	$78,652	22	$318,182	26	Up 5%
23	✓	Service Tech AV	Cedar Park, Texas	**$6,954,347**	$6,954,347	150	$46,362	40	$173,859	7	Up 25%
24	✓	Home Entertainment Design South	Hollywood, Fla.	**$6,760,000**	$7,510,208	50	$135,200	22	$307,273	16	Up 10%
25	✓	Audio High	Mountain View, Calif.	**$6,460,000**	$6,800,000	150	$43,067	17	$380,000	16	Up 20%
26	✓	Tunnel Vision Technology	Chicago, Ill.	**$5,967,456**	$5,967,456	266	$22,434	22	$271,248	14	Up 20%
27	✓	PWM Technology	Irvine, Calif.	**$5,772,875**	$6,514,081	3,410	$1,693	52	$111,017	35	Flat
28	✓	Innerspace Electronics	Port Chester, N.Y.	**$5,750,000**	$5,775,000	81	$70,988	22	$261,364	25	Up 5%
29	✓	World Wide Stereo	Hatfield, Pa.	**$5,600,000**	$30,000,000	2,013	$2,782	72	$77,778	35	Up 12%
30	✓	iWired	Scottsdale, Ariz.	**$5,581,140**	$5,581,140	1,823	$3,062	32	$174,411	12	Up 17%
31	✓	Sound Concepts	Jonesboro, Ark.	**$5,496,287**	$5,725,299	730	$7,529	11	$499,662	10	Up 5%
32	✓	The Sound Room	Chesterfield, Mo.	**$5,300,000**	$5,900,000	500	$10,600	35	$151,429	30	Up 15%
33	✓	Signals Audio/ Video	El Segundo, Calif.	**$5,204,014**	$5,204,014	39	$133,436	19	$273,895	18	Up 20%
34	✓	Audio Images	Tustin, Calif.	**$5,109,602**	$5,472,926	30	$170,320	25	$204,384	21	Up 10%
35	✓	Bethesda Systems	Bethesda, Md.	**$5,000,000**	$5,400,000	75	$66,667	30	$166,667	9	Up 15%
36	e	Nebraska Furniture Mart	Omaha, Neb.	**$5,000,000**	$800,000,000	3,274	$1,527	36	$138,889	75	Up 10%
37	✓	Audio Video Design	Newton, Mass.	**$4,993,750**	$5,875,000	166	$30,083	30	$166,458	40	Up 20%
38	✓	Dynamark Systems	Tampa, Fla.	**$4,900,000**	$5,100,000	2,000	$2,450	49	$100,000	19	Up 20%
39	✓	AVL PRO	Naples, Fla.	**$4,813,143**	$4,813,143	85	$56,625	16	$300,821	13	Up 20%
40	✓	Stereo East Home Theater	Frisco, Texas	**$4,790,000**	$5,037,000	600	$7,983	25	$191,600	30	Up 18%

e = ESTIMATED CUSTOM REVENUES

RANK	VERIFIED	COMPANY	CITY, STATE	CUSTOM RESIDENTIAL REVENUES	TOTAL REVENUE	RESIDENTIAL INSTALLS	CUSTOM REVENUE/ INSTALL	FULL-TIME EMPLOYEES	CUSTOM REVENUE/ EMPLOYEE	YEARS IN BUSINESS	2013 OUTLOOK
41	✓	Triphase Technologies	Carmel, Ind.	**$4,524,000**	$4,524,000	88	$51,409	28	$161,571	16	Up 10%
42	✓	Vitex Systems	Naples, Fla.	**$4,250,000**	$5,250,000	2,200	$1,932	51	$83,333	10	Up 35%
43	✓	County TV and Appliances	Stamford, Conn.	**$4,000,000**	$22,000,000	100	$40,000	15	$266,667	60	Up 5%
T-44	✓	Audio Video Design	Mission Viejo, Calif.	**$4,000,000**	$4,600,000	45	$88,889	21	$190,476	22	Up 10%
T-44	✓	Trinity Wiring & Security Solutions	Manassas, Va.	**$4,000,000**	$6,000,000	2,000	$2,000	35	$114,286	11	Up 12.5%
T-44	✓	Bjorn's Audio Video	San Antonio, Texas	**$4,000,000**	$13,500,000	900	$4,444	65	$61,538	37	Flat
T-47	✓	Phoenix Unequaled Home Entertainment	Memphis, Tenn.	**$3,990,000**	$4,200,000	55	$72,545	20	$199,500	19	Up 10%
T-47	✓	Audio Video Excellence	Birmingham, Ala.	**$3,900,000**	$5,107,000	100	$39,000	26	$150,000	14	Up 5%
T-47	✓	Showcase A/V	Calgary, Canada	**$3,900,000**	$3,900,000	410	$9,512	14	$278,571	19	Flat
50	✓	Logic Integration	Lone Tree, Colo.	**$3,742,000**	$4,100,000	28	$133,643	16	$233,875	9	Up 40%
51	✓	Fusion Media Systems	St. Louis, Mo.	**$3,646,923**	$3,646,923	60	$60,782	16	$227,933	5	Up 10%
52	✓	Peak Audio & Video/Peak Alarm	Salt Lake City, Utah	**$3,629,000**	$3,629,000	1,384	$2,622	9	$403,222	2	Up 71%
53	✓	Bekins	Grand Haven, Mich.	**$3,625,000**	$7,100,000	20	$181,250	60	$60,417	36	Up 12%
54	✓	Integrated Electronics	Olathe, Kan.	**$3,400,000**	$3,655,000	250	$13,600	18	$188,889	30	Up 10%
T-55	✓	HomeTronics	Dallas, Texas	**$3,310,000**	$3,310,000	25	$132,400	10	$331,000	28	Up 5%
T-55	✓	Encore Audio/ Video	Portland, Ore.	**$3,310,000**	$4,650,000	389	$8,509	12	$275,833	31	Up 12%
57	✓	Eagle Sentry	Las Vegas, Nev.	**$3,300,000**	$3,400,000	400	$8,250	29	$113,793	27	Up 15%
58	✓	AAMI	Naples, Fla.	**$3,250,000**	$4,100,000	250	$13,000	15	$216,667	18	Up 12%
59	✓	Century Stereo	San Jose, Calif.	**$3,225,000**	$4,300,000	225	$14,333	20	$161,250	63	Up 15%
60	✓	SoundVision	Novato, Calif.	**$3,201,751**	$3,201,751	130	$24,629	14	$228,697	15	Up 15%

RANK	VERIFIED	COMPANY	CITY, STATE	CUSTOM RESIDENTIAL REVENUES	TOTAL REVENUE	RESIDEN-TIAL INSTALLS	CUSTOM REVENUE/ INSTALL	FULL-TIME EMPLOYEES	CUSTOM REVENUE/ EMPLOYEE	YEARS IN BUSINESS	2013 OUTLOOK
T-61	✓	Greyhaven/Smart Home Theaters and Security	The Colony, Texas	**$3,200,000**	$3,200,000	75	$42,667	15	$213,333	13	Up 25%
T-61	✓	Sound & Vision	Cuyahoga Falls, Ohio	**$3,200,000**	$3,200,000	500	$6,400	15	$213,333	10	Up 15%
63	✓	Dallas Sight and Sound	Addison, Texas	**$3,174,344**	$3,208,618	59	$53,802	21	$151,159	29	Up 20%
64	✓	Audio Video Interiors	Middleburg Heights, Texas	**$3,165,242**	$3,907,705	140	$22,609	24	$131,885	23	Up 50%
65	✓	The Premier Group	Carmel, Ind.	**$3,056,587**	$3,056,587	141	$21,678	21	$145,552	14	Up 10%
66	✓	Procom Enterprises	Elk Grove Village, Ill.	**$3,026,721**	$3,026,721	90	$33,630	16	$189,170	20	Up 20%
67	✓	LinkUs	Fresno, Calif.	**$2,964,000**	$3,428,000	1,600	$1,853	25	$118,560	15	Up 5%
68	✓	Dennis Sage Home Entertainment	Phoenix, Ariz.	**$2,823,101**	$2,823,101	900	$3,137	25	$112,924	18	Up 25%
69	✓	Jamiesons Audio/Video	Toledo, Ohio	**$2,800,000**	$4,000,000	200	$14,000	18	$155,556	58	Up 15%
70	✓	Hi-Fi Sales	Cherry Hill, N.J.	**$2,730,000**	$2,730,000	650	$4,200	15	$182,000	34	Flat
71	✓	Intra Home Systems	Garfield, N.J.	**$2,700,000**	$2,700,000	125	$21,600	11	$245,455	29	Up 15%
72	✓	North Bay AVS Design	Santa Rosa, Calif.	**$2,674,300**	$2,674,300	61	$43,841	8	$334,288	9	Up 35%
73	✓	Livewire	Richmond, Va.	**$2,670,000**	$2,670,000	926	$2,883	23	$116,087	10	Up 45%
74	✓	Audio Video	College Station, Texas	**$2,665,000**	$4,100,000	200	$13,325	20	$133,250	36	Up 8%
75	✓	Sierra Integrated Systems	Reno, Nev.	**$2,650,000**	$3,109,552	35	$75,714	14	$189,286	11	Up 10%
76	✓	Holm Electric	Incline Village, Nev.	**$2,613,750**	$3,485,000	40	$65,344	30	$87,125	15	N/A
77	✓	Elite Custom Audio Video	Montclair, Calif.	**$2,550,461**	$2,820,303	92	$27,722	6	$425,077	19	Up 10%
78	v	Acoustic Design	Las Vegas, Nev.	**$2,550,000**	$3,400,000	42	$60,714	10	$255,000	10	Up 10%
79	✓	Maxsystems/Max-security Systems	Van Nuys, Calif.	**$2,537,023**	$2,537,023	200	$12,685	15	$169,135	33	Up 10%
80	✓	Residential Systems	Lakewood, Colo.	**$2,516,958**	$2,516,958	45	$55,932	15	$167,797	25	Up 5%

RANK	VERIFIED	COMPANY	CITY, STATE	CUSTOM RESIDENTIAL REVENUES	TOTAL REVENUE	RESIDEN-TIAL INSTALLS	CUSTOM REVENUE/ INSTALL	FULL-TIME EMPLOYEES	CUSTOM REVENUE/ EMPLOYEE	YEARS IN BUSINESS	2013 OUTLOOK
81	✓	Automation Integration	Celina, Texas	**$2,507,587**	$3,578,226	40	$62,690	10	$250,759	14	Up 25%
T-82	✓	Hermary's	San Carlos, Calif.	**$2,500,000**	$3,000,000	20	$125,000	9	$277,778	51	Up 8%
T-82	✓	The Phonograph	Tulsa, Okla.	**$2,500,000**	$3,130,000	150	$16,667	10	$250,000	24	Down 20%
84	✓	Ray Supply	Queensbury, N.Y.	**$2,480,000**	$4,462,390	180	$13,778	22	$112,727	76	Flat
85	✓	Creative Sound & Integration	Scottsdale, Ariz.	**$2,446,423**	$2,446,423	30	$81,547	12	$203,869	12	Up 15%
86	✓	The Little Guys	Mokena, Ill.	**$2,400,000**	$5,000,000	1,000	$2,400	22	$109,091	18	Up 20%
87	✓	Quadrant Systems	Portland, Ore.	**$2,357,200**	$2,381,000	307	$7,678	18	$130,956	29	Up 5%
88	✓	Fusion Systems/ Fusion Audio + Video	Greenville, S.C.	**$2,307,000**	$3,845,000	55	$41,945	18	$128,167	11	Up 25%
89	✓	Sterling Home Technologies	Boerne, Texas	**$2,235,371**	$2,235,371	60	$37,256	12	$186,281	9	Up 15%
90	✓	Digitech Custom Audio & Video	Carmel, Ind.	**$2,203,330**	$2,720,160	252	$8,743	18	$122,407	26	Up 10%
91	✓	Wipliance	Bellevue, Wash.	**$2,160,087**	$2,160,087	197	$10,965	12	$180,007	7	Up 10%
92	✓	Advanced Communication Technologies	Rockland, Mass.	**$2,156,078**	$2,507,068	50	$43,122	12	$179,673	11	Up 5%
93	✓	Audio Video Intelligence	Easton, Mass.	**$2,112,767**	$2,327,885	82	$25,765	10	$211,277	17	Up 10%
94	✓	MyerConnex	Gaithers-burg, Md.	**$2,110,000**	$2,110,000	200	$10,550	11	$191,818	3	Up 22%
95	✓	Boca Theater & Automation	Boca Raton, Fla.	**$2,100,000**	$2,347,316	129	$16,279	10	$210,000	9	Up 10%
96	✓	Acoustic Designs	Phoenix, Ariz.	**$2,036,833**	$2,037,910	60	$33,947	6	$339,472	8	Up 5%
97	✓	Acadian Home Theater & Automation	Baton Rouge, La.	**$2,023,953**	$2,023,953	32	$63,249	6	$337,325	10	Up 15%
98	✓	Automated Environments	Mesa, Ariz.	**$2,010,000**	$3,350,000	135	$14,889	17	$118,235	18	Up 20%
99	✓	Dynamic Sound Systems	Scottsdale, Ariz.	**$2,005,697**	$2,228,553	156	$12,857	10	$200,570	16	Up 20%
100	✓	Elite	Pawling, N.Y.	**$2,000,000**	$3,884,789	140	$14,286	30	$66,667	20	Flat

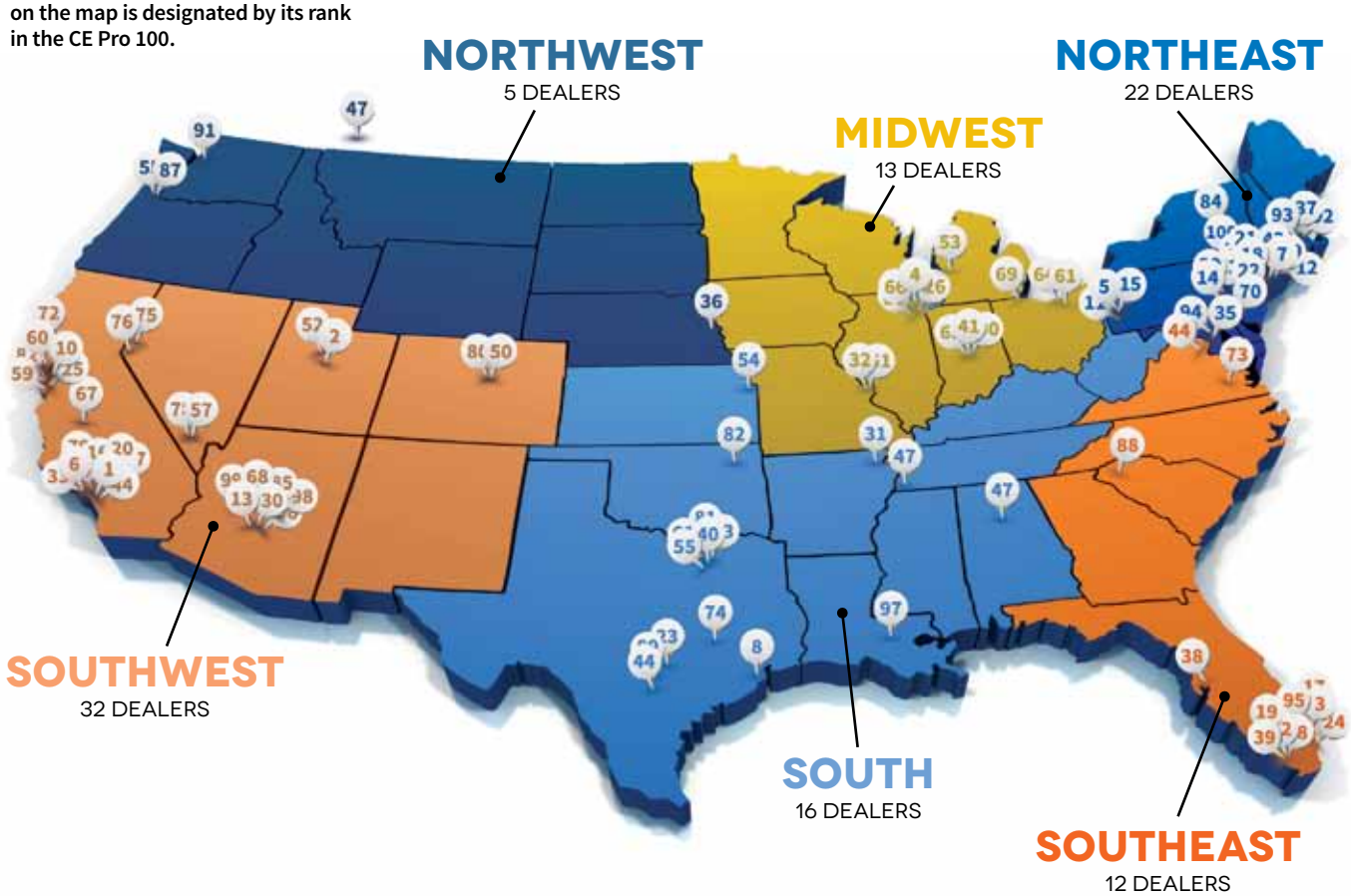
ALPHABETICAL LISTING AND RANK OF CE PRO 100 COMPANIES

AAMI	58
Abt Electronics	4
Acadian Home Theater & Automations	97
Accent Electronic Systems Integrators	11
Acoustic Design	78
Acoustic Designs	96
ADT	3
Advanced Communication Technologies	92
Advanced Electronic Systems Integrators	19
Audio Command Systems	7
Audio High	25
Audio Images	34
Audio Interiors	12
Audio Video	74
Audio Video Crafts	22
Audio Video Design	37
Audio Video Design	44
Audio Video Excellence	47
Audio Video Intelligence	93
Audio Video Interiors	64
Audio Video Systems	9
AudioVisions/Best Buy/ Magnolia	1
Automated Environments	98
Automation Integration	81
AVL PRO	39
Bekins	53
Bethesda Systems	35
Bjorn's Audio Video	44
Boca Theater & Automation	95
Century Stereo	59
County TV and Appliances	43
Creative Sound & Integration	85
Cyber Sound	13
Dallas Sight and Sound	63
Dennis Sage Home Entertainment	68
Digitech Custom Audio & Video	90
DSI Entertainment Systems	16
Dynamark Systems	38
Dynamic Sound Systems	99
Eagle Sentry	57
Elite	100
Elite Custom Audio Video	77
Encore Audio/Video	55
Engineered Environments	10
ETC	17
Fusion Media Systems	51
Fusion Systems/Fusion Audio + Video	88
Greyhaven/Smart Home Theaters and Security	61
Guardian Protection Services	5
Hermary's	82
HiFi House	14
Hi-Fi Sales	70
Holm Electric	76
Home Entertainment Design South	24
HomeTronics	55
Innerspace Electronics	28
Intech	18
Integrated Electronics	54
Intra Home Systems	71
iWired	30
Jamiesons Audio/Video	69
Just One Touch / Video & Audio Center	6
LinkUs	67
Livewire	73
Logic Integration	50
Maverick Integration	19
Maxsystems/ Maxsecurity Systems	79
MODIA	8
MyerConnex	94
Nebraska Furniture Mart	36
North Bay AVS Design	72
Peak Audio & Video/ Peak Alarm	52
Performance Imaging	21
Phoenix Unequaled Home Entertainment	47
Procom Enterprises	66
PWM Technology	27
Quadrant Systems	87
Ray Supply	84
Residential Systems	80
Service Tech AV	23
Showcase A/V	47
Sierra Integrated Systems	75
Signals Audio/Video	33
Sound & Vision	61
Sound Concepts	31
SoundVision	60
SST	20
Stereo East Home Theater	40
Sterling Home Technologies	89
The Little Guys	86
The Phonograph	82
The Premier Group	65
The Sound Room	32
Trinity Wiring & Security Solutions	44
Triphase Technologies	41
Tunnel Vision Technology	26
Vector Security	15
Vitex Systems	42
Vivint	2
Wipliance	91
World Wide Stereo	29

GEOGRAPHIC BREAKDOWN

BY REGION

The locations indicated in the chart represent headquarters and do not include branches. Each firm marked on the map is designated by its rank in the CE Pro 100.



BY STATE

California hosts the most members of the CE Pro 100 (17), while the tri-state area of New York/New Jersey/Connecticut has 12 companies.

1 CALIFORNIA
17 DEALERS

2 TEXAS
10 DEALERS

3 FLORIDA
9 DEALERS

4 NEW YORK
8 DEALERS

5 ARIZONA
7 DEALERS

6 PENNSYLVANIA
5 DEALERS

7 ILLINOIS, NEVADA
4 DEALERS

8 INDIANA, MASSACHUSETTS, OHIO
3 DEALERS

2013

CHALLENGES + OPPORTUNTIES

CE Pro 100 companies identify growth, staffing, eroding margins as key challenges. Commercial markets and RMR highlight opportunities.

BY JASON KNOTT

WITH THE END of the recession, the outlook for members of the CE Pro 100 is much more positive than in years past, and worries about Obamacare and the general state of the economy have eased.

Still, things aren't entirely rosy. There are lingering concerns over eroding video margins and competition from low-price, entry-level players that seem universal. The biggest challenge by far for systems installers appears to be how to grow their businesses effectively and efficiently to maintain productivity and profitability.

On the flip side, there are opportunities to be had and CE Pro 100 companies are looking to the commercial market and recurring monthly revenues (RMR) from service contracts and alarm monitoring as the two biggest opportunities. We asked CE pros what their biggest challenges and opportunities will be in 2013. Here's what they had to say:

▹ The biggest challenge in 2013 will be executing on Vivint's vision of creating a connected life. Our goal is create smart home

Vivint, No.2

technology that connects customers to all the things that matter most: their homes, health, business, pets and family. We believe that this type of integrated approach to home lifestyle technologies is the future of home automation and smart homes. However, many large telecom providers are already expanding into this space. Reaching out to this new market and being [the] first to offer high-quality, affordable solutions will be critical. Our current business model has already laid a foundation for this type of growth. However, in 2013 we will face the challenge of developing additional technology to complete that vision. We are already deep into the development process and will continue to innovate throughout the coming year. — *Kristi Knight, Vivint*

▹ As competition begins to crowd the home automation space, there is also a great opportunity for ADT to elevate itself with the key Smart Home differentiators of ADT Pulse. — *Elise Askenazi, ADT*

▹ Finding qualified help to meet growth demands. Training from within. — *Paul Grayczyk, Abt Electronics*

▹ The biggest challenge and the biggest opportunities are doing more business than the previous year. Once the economy turns around, we will continue to do what we do best. —*Joseph Akhtarzad, Just One Touch/ Video & Audio Center*

Just One Touch/ Video & Audio Center, No.6

▹ Biggest challenges: Declining margin[s] on equipment, increasing competition. The biggest opportunities: new solutions

(wireless products, streaming solutions, etc.). — *John Clancy, Audio Command Systems Inc.*

▹ As economic conditions continue to improve, MODIA sees a lot of opportunities in expanding our residential and custom businesses. With new technologies such as 4K and OLED arriving in 2013 we expect to have additional opportunities in the video marketplace, where MODIA is well-positioned to become the leader in sales and marketing of such new products. We are poised to introduce all new technologies to the consumer and capitalize on those opportunities to grow sales in a new market segment. MODIA continues to integrate custom demonstration into the retail showroom and provide training to our sales staff to stay on the cutting edge of emerging technology and opportunities. — *Prashant Mody, MODIA*

▹ One of the major challenges is the introduction of the specifier and RFPs. This is a major challenge to our business model and how we have done business for 35 years. The biggest opportunity is that more people recognize that they cannot live without some level of integration and control. — *Franklin Karp, Audio Video Systems*

▹ The greatest challenge and opportunity is transitioning to become a (residential) managed service provider with a recurring revenue and services model. — *Randy Stearns, Engineered Environments*


Accent ESI, No.11

▹ Expansion is the biggest challenge. The strain that organic growth places on human resources. Adding strategic acquisitions will help growth and provide key resources. The biggest opportunity is geographic expansion into Central Ohio, Central Pennsylvania and possible acquisitions in these areas. — *Paul Caruso, Accent ESI*

▹ Problems: Rising health insurance costs, rising transportation costs, higher taxes and lower profitability on products such as flat panel TVs and Apple products. We will address [these] issues by trying to increase profits by increasing our presence in the lighting and motorized shading markets. We are also selling MORE to our existing client base. 31 years of business success gives us a distinct advantage over newer firms. And our track record sets us apart. — *Neil Greenberg, Audio Interiors*

"IT'S HARD TO FIND A GM OR PROJECT MANAGER. WE KEEP LOOKING."
— MICHAEL SILVER, AUDIO HIGH, NO. 25


Cyber Sound, No.13

▹ Getting more qualified people to continue growth and seeing the customer [download] apps for automation without our involvement. — *Jon Summer, Cyber Sound*

▹ Getting the consumer to understand the difference in what an integrator/retailer does and the services provided versus a big box retailer that uses subcontractors. Continue educating the consumer via social networking, in-store events and other initiatives. — *Jon Robbins, HiFi House*


Vector Security, No.15

▹ Focus on technology and making the right decisions on product offerings, training our people in all segments, developing the go-to-market strategies that differentiate the new offerings in a more crowded market. — *Art Miller, Vector Security*

▹ Our industry not charging enough for labor as we move into becoming professional services firms is a big challenge. — *Eric Thies, DSI Entertainment Systems*

▹ Managing the work force. We forecast what jobs we have in-house and what jobs are expected to be closed and base our manpower needs on these forecasts. — *Bill Maronet, ETC*

▹ Staying competitive in this economic climate while maintaining value and service. — *Richard Hollander, Performance Imaging*


Service Tech AV, No.23

▹ Internal process management and operations consistency. — *Chris Pearson, Service Tech AV*

▹ The biggest challenges are the ever-faster speed of technology development, and the dwindling margins on products, particularly A/V because of over-distribution by manufacturers. The biggest opportunity comes about due to the same challenge of fast-paced technology changing. This gives us service and recurring revenue opportunities with high-end busy clients. Our value increases with our service. — *Bob Brown, Home Entertainment Design South*

▹ Dealing with rapid growth has forced us to rewrite our standard operating procedures. This adjustment has allowed us to focus more on growing the business than maintaining it. We brought in a consulting firm that guided us through this process. — *David Welles, Tunnel Vision Technology*

▹ Competing with my manufacturers and dealing with products that come to market before they are ready and other folks selling them to underbid us. — *Bob Cole, World Wide Stereo*

▹ The biggest challenge is to sell higher-end solutions with new products such as Sonos and other less expensive solutions that work for a shoestring budget. Biggest opportunities are new alarm [systems] and gaining recurring revenue. — *Ryan Heringer, Sound Concepts*

"HANDLING GROWTH WILL BE OUR CHALLENGE. WE HAVE NOT GROWN IN FIVE YEARS. WE NEED TO DO IT SMARTER AND MORE EFFICIENTLY."
— GREG SIMMONS, EAGLE SENTRY, NO. 57

▹ The biggest opportunity for us is still in the commercial market. Another big opportunity has been security cameras for both residential and commercial. We are constantly training on the latest technology to stay up to date with the continuing changes in technology. — *Deborah Ross, Audio Video Excellence*

▹ The biggest opportunity is the increased activity in building and remodeling with heightened awareness in automation and security with smart device operation. — *David Young, The Sound Room*

▹ The biggest opportunity is LED lighting. — *Michael Wilson, Bethesda Systems*

▹ The biggest opportunity is builders' ability to finance high-end systems. We hope to expand our finance capabilities internally as well as through third-party options. We also hope to offer more remote assistance this year. — *Jim Lind, Nebraska Furniture Mart*


Audio Video Design, No.37

▹ Our biggest challenge is pricing pressure; there are dozens of small shops just giving it away. We will continue to emphasize our longevity and reliability. — *Brad Smith, Audio Video Design*

▹ The big challenges are equipment margins, lack of manufacturer support and commitment, oversupply and everybody is a distributor. We are addressing this with aggressive buying, moving our business to supportive manufacturers only and creating house brand products. — *Gary Montagna, Stereo East Home Theater*

▹ Our biggest challenge for 2013 is that many of our builders are now focusing on smaller, less expensive homes. This limits our exposure to the larger custom homes which have been our core target-market over the past 15 years. In addition, home appraisals are down, so many consumers are spending less on luxury items like technology. We are now focusing on providing some less expensive packages to our builders that open the door for future upgrades. These products are quick-turn and extremely scalable. — *Robert Haecker, Triphase Technologies*

▹ Staffing and a price-competitive marketplace are challenges. — *Ty Meyer, Audio Video Design*

▹ Continuing to improve our overall product/performance with the right quality, efficiencies and customer service experience as we grow in the marketplace. Also, hiring good, quality people to support our business. —*Brendan F. Armstrong, Trinity Wiring & Security Solutions*

▹ Market development and growth while maintaining individual project margin and increasing overall profitability will be both a challenge and an opportunity. Continuing to become more relevant to our clients is one of our main objectives for 2013. We are closely monitoring our clients' needs, wants and desires and providing solutions to accommodate these. We continue to increase our services and support offerings for our client base and feel this will provide continued, positive impact on our goals. — *Scott Fuelling, Phoenix Unequaled Home Entertainment*

▹ Our market is becoming easier for the consumer to buy and install on their own. We plan to find other new innovative products that people can't find at a retailer, and be the one-stop shop for all of their low voltage needs. — *Jeff Praechter, Fusion Media Systems*

▹ Increasing competition and lower margins are hurdles. Our opportunities are increased brand recognition, new relationships, and better manufacturer support. — *Chris Porter, Peak Audio & Video/Peak Alarm*

▹ The biggest opportunities for us are having a more significant retail presence than we've maintained in recent years to service the hi-fi category and increasing the amount of "light" commercial work that we do. We're addressing these opportunities through a series of marketing programs aimed at small businesses and specifiers. We've also achieved LEED-Green associate status, CEDIA outreach instructor status, IDCEC instructor status, AIA instructor status, and ASID instructor status, and are using these credentials to perform bimonthly accredited presentations to specifiers. — *Will Pisula, Encore Audio/Video*

"THE BIGGEST CHALLENGE FOR 2013 IS TO SET UP A SERVICE PLAN AND REMOTE ACCESS TO ALL OUR FINISHED SYSTEMS."
— WILLIAM PAHOLSKY, LINKUS, NO. 67

▹ As our business continues to see growth our challenges lie in managing the growth, especially in terms of our manufacturer's abilities to support us. We will address this by continuing to improve upon our business systems in order to better anticipate bottlenecks in our process that may be caused by others so we can proactively manage them earlier. — *David Rogers, Dallas Sight and Sound*

▹ Challenges are continuing to develop our service department and 24/7 technician-on-call program. Opportunities are broad market home automation and ultra high-end design. — *Jason Barth, The Premier Group*

▹ Biggest challenges are the servicing of broken product, setting up a responsible

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Dennis Sage Home Entertainment, No.68

recurring revenue contract especially for networking, continued erosion of TV profit, big box and online competition, managing growth again, and multiple bids on projects/low price awarding. Biggest opportunities are owning the network, new display products, video distribution, growth post recession, security, builders are building again. — *Dennis Sage, Dennis Sage Home Entertainment*

▷ Our challenges are increasing the dollar amount of each sale, maintaining profitability and improving productivity. We try to increase our awareness and step to a higher level of organization. Our past customers offer our biggest opportunities. — *Ric Clark, Jamiesons Audio/Video*


Livewire, No.73

▷ Staying ahead of commoditization on all fronts and selling RMR more intentionally. — *Henry Clifford, Livewire*


Sierra Integrated Systems, No.75

▷ Challenge: Electricians entering our marketplace. Our strategy is to give the customer lots of design services. —*Keith Burrowes, Sierra Integrated Systems*

▷ We grew 32 percent in 2012. We have to figure out a way to manage this growth in a healthy way. Improving builder relationships and getting in earlier in the construction process. We tend to do more marketing outreach to get our name better known and do more Internet advertising. — *Travis Leo, Residential Systems*

RAYsupply PHOTO AUDIO VIDEO

"FINDING SOMETHING [OTHER] THAN TVS TO REVOLVE THE BUSINESS AROUND."
— GREGROY GOETZ, RAY SUPPLY, NO. 84

▷ Learning to better harness RMR through burg alarms, fire, service contracts, network monitoring, etc., as well as opening up a fire alarm group to better serve our clients. —*Eric Becker, Automation Integration*

▷ Problem: Overcoming negative market perceptions related to not completing jobs in a timely manner and changing of personnel. Opportunity: Move downmarket somewhat to less complicated jobs that can be managed more efficiently and with less surprises, etc. — *Richard Maris, The Phonograph*

▷ Our challenge is getting people through the door and creating relationships with the architects and designers. — *David Wexler, The Little Guys*

▷ Continuing to operate profitably and effectively in the midst of lower profit margins and competition with electricians and do it-your-selfers. Biggest opportunity is in more reasonably priced integration solutions that can be incorporated into projects where integration wouldn't have been an option in the past. We continue to believe that mining our existing clients and their referrals is the best way to reach out. — *Kathleen Nedlisky, Quadrant Systems*

▷ Biggest challenge: Staffing. Finding and hiring the right people with a balance of technical skills and personality. Biggest opportunity: Builder partner business is picking up. We are consolidating from two locations to one by building a new office/showroom. — *Todd Jarvis, Sterling Home Technologies*

Wipliance, No.91

▷ The biggest challenge is project size and profitability due to pricing in a low economy. We will address by targeting more profitable projects and clients, and diversify more into commercial. — *Lee Travis, Wipliance*

▷ Continue to grow our business while increasing our net profits. Continue on with our employee training program and continue to work with management to better specify, price and manage our projects. — *Paul Diggin, Advanced Communication Technologies*

▷ One of the same challenges that we have been facing for many years is the decrease of margin in video. To counteract that we have sold higher-end speaker packages while yielding higher margins. We have also concentrated on higher-end products and control to make our systems more profitable as well as valuable. We have also had to educate clients on the installation of a proper network and the importance of having the proper foundation. This has also created a new source of revenue. — *James Shapiro, Audio Video Intelligence*

▷ Opportunity: Learning new verticals such [as] hospitality industry and digital signage. Everything is moving so quickly and integrating with more third-party and client-provided devices has been a big challenge. We need to elevate our staff and get them involved with vendors for training and experience. — *Jason Hersh, Dynamic Sound Systems*

Elite, No.100

▷ The biggest challenge we are experiencing is explaining the difference between our proposed solution vs. another integrator or what the client's friend is recommending. Even if you don't sell it, you better know what is does and doesn't do. — *John Predham, Elite* CE Pro

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