

BUILDING CONNECTIONS

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Excellence in Business AWARDS

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NSCA
3950 River Ridge Drive NE, Suite
Cedar Rapids, IA 52402
800.446.NSCA • 319.366.6722
Fax: 319.366.4164
www.nasca.org

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A Message from the
Executive Director

What Will Legislation Bring for Integrators in 2019?

There's been an unprecedented level of activity on licensure bills this year. Many bills are the result of adjacent industries that use legislative influence, lobbying, and regulatory efforts to capture and control trade jurisdiction.

Integrators have always relied on training, safety, performance, skills, and expertise to move this industry forward, which has served us very well so far. But legislation on the horizon could change our approach.

For this reason, when this industry goes up against powerful lobbying groups, we can look very "slim" if we aren't unified. Because our industry is made up of AV, security/life safety, alarm and detection, low-voltage lighting, control and command, healthcare communication, and other technology solution providers as defined in CSI MasterFormat Divisions 27 and 28, we need to band together as a cohesive industry. When we do, we win almost every time.

For example, in Utah, there was a proposed rule change to building code that would amend the use of the National Electrical Code to lower Class 2 wiring voltage from 100v to 50v — which would have prevented integrators from being able to install distributed audio systems.

A grassroots action alert let NSCA members in Utah know what was going on; several NSCA members then quickly reached out to their legislators and code officials to request a reconsideration. The reasoning: We cited that this rule change was a possible attempt to capture work via unnecessary regulation rather than a safety or training issue (which is how it was posed).

Shortly after, we received news from the Utah Department of Commerce that the amendment was being removed from the pending rule hearing. This was a huge win for NSCA members in Utah (and just one small example of how NSCA serves as the voice of the systems integrator).

If you do business in Arizona, Florida, Idaho, Maryland, New Jersey, New York, North Dakota, Oklahoma, Texas, and/or Utah, there are licensure bills that need your immediate attention.

There are pressing issues in other states as well regarding code changes, legislation governing connected devices, cybersecurity laws, intellectual property rights, school safety regulations, payment and obligations, apprenticeships, and a host of other bills of interest.

NSCA is tracking and monitoring 70+ bills so far in 2019. Visit www.nasca.org/track-legislation for details.

Chuck R. Wilson

Chuck Wilson
NSCA Executive Director

UPCOMING EVENTS

April 16 **WEBINAR**

The Value of Your Expertise

Presented by: Domotz

April 17-19 **EVENT**

Next-Gen Training

Chicago, IL

April 23-26 **EVENT**

Project Management Training

Southern California

May 2 **EVENT**

Ignite the Future @ LASC

Los Angeles, CA

May 7-10 **EVENT**

Project Management Training

Orlando, FL

May 14-17 **EVENT**

Project Management Training

Northern California

May 20 **EVENT**

Ignite Golf Outing

Minneapolis, MN

May 21 **WEBINAR**

Creating a Successful Internship Program

Presented by: Ignite/NSCA Education Foundation

June 12 **EVENT**

Drunk Unkles

Orlando, FL

Sept. 23 **EVENT**

Ignite Golf Outing

Irving, TX

Sept. 24-25 **CONFERENCE**

Pivot to Profit

Irving, TX

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Embrace Innovation at Pivot to Profit 2019

At Pivot to Profit 2019, you'll discover how to embrace disruption and innovation. Thriving in this type of environment takes passion, collaboration, and inspiration.

Learn how to take advantage of the innovation already available to you through resources like product partners, existing employees, and technology capabilities while also pinpointing concrete steps you can take to create a culture of innovation internally.

You won't want to miss some of the hot topics we'll be discussing:

- New apps for integrators that drive extreme business value and opportunity
- The ways that innovation impacts revenue — and how you can plan accordingly
- Innovation practices to embrace that will help your customers and your own business
- Emerging technologies and the infrastructure behind them (Power over Ethernet, virtual reality, artificial intelligence, machine learning, Internet of Things, etc.)
- Frameworks that support innovation while maintaining alignment with corporate strategy and mission



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West Penn Wire's new AV-IP components and system (for point-to-point AV distribution or expanded for AV collaboration) are providing maximum value to users and their AV assets and to integrators by minimizing installation time.

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What We Forecast

FOR SPECIFIC MARKETS AND TECHNOLOGIES IN 2019 (and Beyond)

The Winter 2018 edition of the *Electronic Systems Outlook* report is now available! Looking ahead to the rest of 2019, we forecast a 3% increase in total construction spending over 2018.

Primary growth segments this year are expected to include corporate offices, education, government, and lodging. All of these markets have forecasted growth rates of 5% or more. Most other segments are likely to grow (roughly with the rate of inflation) and therefore be considered stable. The houses of worship market is the only segment expected to decline in 2019.

Summarized from the report, we've identified trends in each market that are impacting construction (positively and negatively):

CORPORATE

- Urban office construction activity has been stable through the end of 2018
- Suburban and rural area project activity has progressively slowed
- Increasing lease costs and the growing trend of hoteling and remote work flexibility are contributing to slowing traditional office investment

EDUCATION

- Educational enrollments are expected to grow at an increasing rate over the forecast period
- Endowments continue to increase despite implications from the 2017 tax restructure
- Tuition revenue growth in private schools is expected to nearly double the revenue growth seen at public institutions

GOVERNMENT

- States and municipal governments are experiencing growing revenues and increasing construction budgets
- Growth is led by expanding metropolitans that require additional emergency and correctional resources
- Continued fiscal constraints, tied to ever-increasing pension and Medicaid needs, continue to weigh heavily on capital programs

HEALTHCARE

- Demographic shifts indicate a need for more medical office space, and increased modular construction within healthcare is anticipated as a means to streamline projects and reduce project costs
- Telehealth, wearable health technologies, and artificial intelligence are considered technological breakthroughs in the industry, each potentially tempering growing demand for healthcare facilities

HOUSES OF WORSHIP

- Declining attendance frequency, especially among active members, is the predominant driver of declining construction investment
- Design trends continue to favor smaller, multi-site local facilities over larger, single-site alternatives
- Very few large-scale, single-site projects are expected over the forecast period
- Facilities are increasingly designed with more gathering spaces and family appeal (e.g., cafés and play areas)

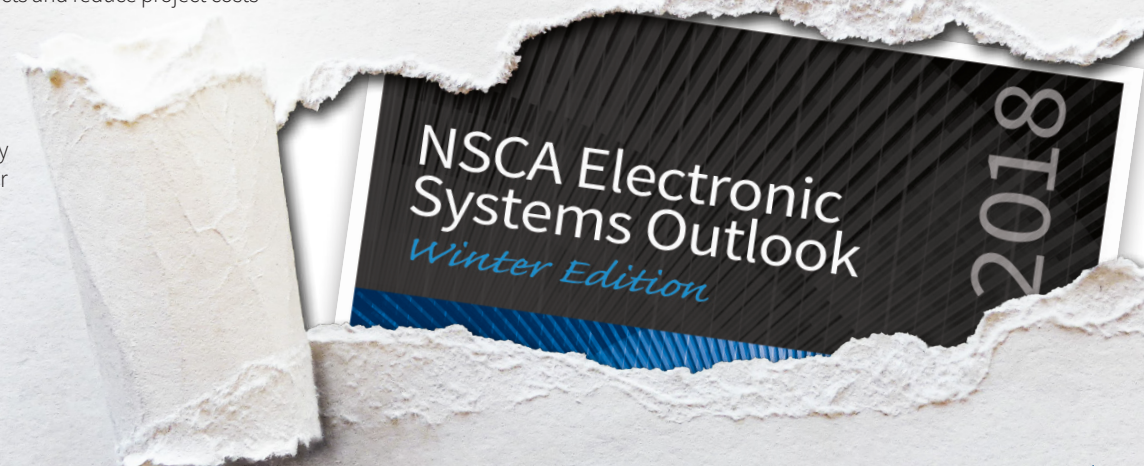
LODGING

- Momentum in 2018 is due to persistent economic expansion, which has boosted corporate earnings, business and leisure travel, and investments in amusement and convention center spending
- Occupancy rates are near the strongest point within the past decade
- Rising construction costs and large projects coming online will have an adverse impact on owners' continued willingness to expand in 2019

MANUFACTURING

- 2017's tax reform is expected to continue fueling a rise in manufacturing plant investment
- Tariffs on Chinese imports, as well as retaliatory tariffs on U.S. goods, continue to generate uncertainty
- Increased volatility in manufacturing construction is expected if the Trump administration maintains the use of tariffs as a strategic initiative ▲

Download the report at no cost to find out what these trends indicate for short- and long-term construction. The report is available to all members at www.nasca.org/research!



Five Integrators Transform How They Do Business

Every year, we ask integrators across the country to tell us what they've been up to — and what new initiatives they've undertaken to improve business. Then, based on the responses we receive, we present our Excellence in Business awards to those that stand out.

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During this process, we inevitably learn about new strategies that innovative integrators are establishing to create business and keep up with industry changes. There are some great lessons to be learned from these leaders.

The 2019 Excellence in Business award winners were recognized at NSCA's 21st annual Business & Leadership Conference in Tampa, FL, for their efforts to adapt to the constantly changing industry we face every day:

- **Customer Experience:** Beacon Communications, Englewood, CO
- **Differentiating Strategies:** Horizon AVL, Blackwood, NJ
- **Employee Engagement:** Spinitar, La Mirada, CA
- **Strategic Transformation:** Vistacom, Allentown, PA
- **Talent Development:** Innovative Collaboration, Winter Park, FL

Beacon Communications

Winner: Customer Experience



Beacon has always been focused on customer service as one of its four core values. Over the past year, the company has refined its approach and continues to improve upon the customer experience. Prior to beginning each day, the team discusses what they can do to improve client experiences. In some cases, when Beacon Communications isn't able to gain access to the guidelines it sets forth for success, it passes on those opportunities. This helps ensure that every client experience is positive.

Horizon AVL

Winner: Differentiating Strategies



Horizon AVL launched a new division to focus on esports integration after a higher-education client asked for direction and development in this market. Not only does Horizon AVL address the AV needs of events and arenas in this market, but it also helps clients build successful teams, launch marketing, and increase knowledge of this industry.

Spinitar

Winner: Employee Engagement



Spinitar believes that the best customer experiences are possible when employees are enjoying their work. With the launch of its Chairman's Club event, Spinitar takes top sales performers, teams, and employees of the quarter — along with significant others — to an all-inclusive resort to celebrate success. Quarterly breakfast meetings keep all employees in the know about news and company initiatives while birthdays and work anniversaries are celebrated monthly to create a positive work environment.

Vistacom

Winner: Strategic Transformation



Vistacom has steadily experienced growth while being a smaller integration firm. A big part of its success has been the transformation of its managed services offerings. Throughout the last year, Vistacom enhanced these services to include training programs, 24/7 help desk services, design consulting, and remote management, monitoring, and diagnostics. Through its remote management services, Vistacom becomes a true member of its customers' teams, taking full responsibility for system health and functionality. By connecting these systems to the cloud, Vistacom can fix, repair, update, and manage them to eliminate downtime and let clients focus on other important initiatives. Over the past year, more than 10% of Vistacom's revenue came from managed services — and this number continues to grow.

Innovative Collaboration

Winner: Talent Development



Innovative Collaboration was inspired by NSCA's Ignite program to refocus its efforts on finding young talent with drive and determination — and making sure onboarding is customized based on the needs and talents of each individual. At Innovative Collaboration, career development comes after an employee has worked with the team for a few months and discovered underlying interests and talents. In the last year, for example, an employee hired as a tech discovered his talent for 3D modeling. After going through company-supported training, this employee now programs and prints parts.



Excellence in Business Award Winners Panel

From left to right:

Jay Rogina of **Spinitar**, Winner in the Employee Engagement category;
Al Sheppard of **Innovative Collaboration**, Winner in the Talent Development category;
Jim Ferlino of **Vistacom**, Winner in the Strategic Transformation category;
Joshua Kell of **Horizon AVL**, Winner in the Differentiating Strategies category; and
Chris Ford of **Ford AV**, Commercial Integrator's 2018 Integrator of the Year.
Beacon Communications, not pictured

What will you do in 2019 to improve your business?

Tell us at www.nasca.org/contact. We'd love to hear about it! ▲



BUSINESS **ACCELERATORS**

NSCA's newest Business Accelerators connect you to trusted, well-known organizations that save you time, reduce your expenses, and help you focus on managing and growing your business.

Many members already use these services and are experiencing impressive discounts, money back, and time savings as a result.

The newest NSCA Business Accelerators available to members include:



Deluxe, which offers integrators and manufacturers access to printing specialists and personalized printed products, such as business cards, envelopes, folders, letterhead, and business forms (work orders, invoices, etc.). Deluxe also offers promotional products and logo design, web services, and search engine marketing to help businesses get found online and stand out in a crowd.



OfficePro, which offers online and in-person training services for technical personnel and administrators. Its unique, dynamic training methodology helps integrators educate employees on new technology, products, and services specific to unified communications, pro AV, telecommunications, and other technology. Their professional services can also augment staffing levels, allowing integrators to grow their IT, communications, and help desk personnel numbers when needed.



PSAEducation.com, which provides integrators and manufacturers with the knowledge, skills, tools, and resources needed to help their businesses thrive and be successful. Training, professional development, and continuing education on a variety of industry topics are available through this portal. The service provides access to PSAEducation.com's Certification Tracker for managing licensing and compliance requirements. Users also gain access to their own LMS nested within the PSA website, where unique company training content can be hosted.



TradeCycle, which utilizes trade finance techniques to provide simple, supply-side funding for integrators and manufacturers. The company offers unsecured lines of credit that are used to pay its clients' vendors and extend payable terms. By delivering working capital where it matters most — in the supply chain — TradeCycle helps the industry expand production and grow revenue.

NSCA also added a new resource to its Member Advisory Council program:



Audira Labs, which offers executive and career coaching for leaders seeking change, development, and growth. By combining a personalized approach with a systematic methodology, Audira gives integrators and manufacturers the skills needed to lead effective teams and organizations. It also offers strategic planning services and framework to improve goal achievement, as well as team building, collaboration, and facilitation services.



How to Make the Right Hires (and Keep Them)

To help you locate capable workers — and retain existing talent — NSCA created a set of resources you won't find anywhere else (and most of these resources are included in your NSCA membership). Here's a quick overview of the talent acquisition and management tools we provide for the industry to use — and what they can do for you.



Ignite: To Help You Find New Staff

Ignite attracts, engages, and encourages students and young professionals to join the fast-growing commercial electronics systems industry. It offers free resources to integrators and manufacturers to assist with recruiting and hiring, guidelines and framework for subsidized internship programs (to help interns and the organizations that bring these interns on board), and connections to scholarships for interested students and professionals who want to learn more about our industry.

Technical Assessment Tool: To Help You Analyze Employee Proficiency

Scrutinize technician and installer proficiency before you hire — saving time, money, and frustration. This tool walks the test-taker through basic, intermediate, and advanced questions about the industry and specific technologies.

Although the tool is perfect for screening new candidates, it can also give you a better read on internal candidates. Does your project manager have the skills to move into a technical role? Is one of your existing technicians better suited to work with unified communications and videoconferencing systems instead of fire alarms? This tool can tell you.

C-SIP (Certificate as a Systems Integration Professional): To Help with Onboarding & Training

Great onboarding is now a necessity — not an option — to cultivate talent. The best employees will want to stay with you and grow, but only as long as you engage them properly in that crucial first-90-days period.

NSCA's C-SIP (certificate as a systems integration professional) program is an effective and deliberate onboarding program that helps you develop the best people in the industry. Get new employees started on the right foot — without a lot of hands-on time required from existing staff. It provides industry and job-specific training in an online, at-your-own-pace environment without placing the training or information-transfer burden onto other staff members.

Insperity: To Help with HR and Onboarding

Finding the right people is only half the battle. If you don't know how to motivate employees or prepare for an ever-changing workforce, then your top performers may make a move.

Insperity — one of NSCA's Business Accelerators — offers HR, onboarding, and workforce resources and solutions to help you shape company culture, offer benefits that attract new employees, and create processes and procedures to keep your talent pipeline full.

Job Board: To Promote Your Open Positions

Our free job board is where electronic systems manufacturers, distributors, and integrators across the country advertise available positions. List yours here, too, so that NSCA members, Ignite Ambassadors, and other industry professionals can find them.

Most of these resources are free to NSCA members. Want to get started with one? **Let us know!**

5 STEPS TO PROVIDING SERVICES THROUGH SUPPORT AGREEMENTS

Why do so many integrators spend time and resources on selling “projects”? Projects come and go, clog up the warehouse, tie up capital, and consume valuable resources. But, still, it’s easy to continue to place high value on “projects” and make them your only focus.

By Steve Riley

When it comes time for project closeout, many integrators tell clients to call if or when something breaks (because it’s covered as part of the workmanship or equipment warranty). But they completely ignore the opportunity to provide partner-like value through a support agreement.

Support agreements go beyond what our industry typically calls “service” to include things like:

- Event support
- Onsite embedded employees
- Preventive maintenance and equipment-failure prediction
- 24/7 equipment monitoring
- Usage reporting and asset tracking
- Digital signage hosting and content creation

Offering services like these can help you acquire a client and keep them for years, providing true value like a partner should. It’s profitable work that keeps your clients using the systems you install, eliminates buyer’s remorse, and sets you up to be their trusted advisor for a long time.

To provide this level of support to your clients, there are five necessary steps involved.

Step 1: Recognize What You Sell

Organize and recognize what you actually sell to your client. Most companies track service contracts based on the project containing the equipment. This is a mistake because all the data is associated with the “project” and project data is good only until the job is closed.

After that, systems could be modified individually by another project. Things like control code, DSP files, and drawings seldom get updated at the original project level, and newer versions often live with the new project. It can be hard to find the most current data a year later when the client requests a change.

Step 2: Think “Systems,” Not “Projects”

Organize the products you sell as systems, not projects. Batch them in groups of equipment that is used as a system (and where a support event could occur). This is best done at the quote or proposal stage. These are the “product units” you sell, not the equipment you install.

As individual systems, you can assign numbers and track them. System ID numbers should be unique, not including a project or client number. Organize project data into system data, and store it under the system ID. Label equipment with system IDs and include your tech support hotline number.

Step 3: Document

Organize and file the documentation. At project closeout, store all system-related data by system ID, including PDF drawings (schematic flows, floorplans, reflected ceiling plans, and rack elevations), pictures of the space, DSP files, and touch-panel screenshots. This will make data quick and easy to find. File any building or site-related data (control system code, AutoCAD drawings, etc.) one level up since they are not system-related.

Step 4: Reference Systems in Support Tickets


Integrate this methodology into your support tickets. With systems documentation stored by system ID, you can reference the system in your service ticketing system. A ticket history based upon system ID lets you have different SLAs for the same client (even in the same building) because they’re assigned to the system ID, not the project.

For example, a building with 20 huddle rooms and an executive briefing center could give huddle rooms one PM visit a year with 48-hour onsite response time. The executive briefing center could get four PM visits per year with 24-hour onsite response time. It could all be held under the same contract.

Step 5: Establish a Tiered Support Structure

Set up a tiered support structure (by system ID) that shows the level of support your clients receive. This is what they are used to seeing from other providers, including IT.

Clients want an escalation path, the possibility of solving problems over the phone, and a knowledgeable place to call where they know the provider cares about their issue. They want that contact to be informed and prepared to support them quickly. A tiered support structure enables this.

Although it seems like five simple steps, deploying this process takes time and effort. If you don’t have the hours or staff resources to get to it, **Navigate Management Consulting** — an NSCA Member Advisory Councilmember — can help. Questions? **Let us know!** 

Steve Riley is a senior consultant at Navigate Management Consulting.



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