



# ACTIVE MARKET

## BOOSTS '14 REVENUES,

## *Bodes Well For '15*

A broader base of competition, margin erosion, and pressure on end user budgets all played their part on performance, but integrators experienced enough opportunities to counter those impediments to growth.

By **Laura Stepanek**, Editor

**W**hile there has been no shortage of market pressures and disruptive influences on the security business lately, systems integrators nonetheless performed well last year. As a group, the integrators encapsulated in *SDM's* 2015 Top Systems Integrators Report didn't show much growth — just 0.3 percent. But that had more to do with the structure of the report than with the companies' individual accomplishments in 2014. For example, 16 of the top 25 integrators for which year-to-year comparisons could be made, as well as many of the lower-ranked integrators, reported significant revenue increases. However, there was one significant change (the removal of Siemens Industry Inc., due to *SDM's* inability to obtain reliable financial data for creation of an estimate), which resulted in a shift in aggregate figures for the integrators as a whole, as well as a shift in ranking on the Top Systems Integrators Report for many of them.

*SDM's* Top Systems Integrators Report ranks *SDM* companies by their North American systems integration revenue, which includes solutions such as design, project management, product, installation, programming, start-up, and training sold directly to an end-user customer or through a tier of contractors. Total North American revenue from systems integration reached \$6.83 billion in 2014 for the 110 companies ranked on this year's report. However, a comparison between the top 100 companies ranked this year and the top 100 ranked last year shows a 7.1 percent decline, much of which can be attributed to the omission of Siemens Industry Inc. as stated above.

A broader base of competition, margin erosion stemming from falling product prices, pressure on end user budgets,

and other factors all played their part on performance, but systems integrators still experienced enough opportunities — such as the continuing need for end users to meet regulatory requirements — to counter those impediments to growth. And while some justifiably viewed the business climate as

### Guide to Using the Top Systems Integrators Report

The 2015 Top Systems Integrators Report ranks North American companies by their security systems integration revenue. This ranking is based on data provided to or, in a few cases, estimated by *SDM*. Ranked companies were asked to submit either an audited or reviewed financial statement, or a copy of their income tax return showing total gross receipts for the stated period. The vast majority of the firms ranked are privately held.

The main table, which begins on page 50, ranks 110 companies by their North American revenue in 2014 from their security system integration projects. Integration includes solutions such as design, project management, product, installation, programming, start-up, training, and time-and-materials-based service sold directly to an end-user customer or through a tier of contractors. This includes revenue related to security, such as: access control, ID/badging, video surveillance/analytics, intrusion alarms, perimeter security, electronic gate entry, intercom/communications, fire protection, etc. It does not include recurring revenue, as that is counted towards ranking on the *SDM* 100 ([www.SDMmag.com/SDM100Report](http://www.SDMmag.com/SDM100Report)).

Note: an e following the figure indicates it is an *SDM* estimate.

To find a company by name, use the alphabetical index on page 66.



#### MORE ONLINE

To find this article online, as well as previous years' editions of the Top Systems Integrators Reports, visit [www.SDMmag.com/Top-Systems-Integrators-Report](http://www.SDMmag.com/Top-Systems-Integrators-Report).



# 20<sup>th</sup> ANNUAL REPORT

2015 Rank	2014 Rank	Company & Headquarters Location	North American Systems Integration Revenue 2014	Number of New Non-Residential Projects, 2014	Value of Non-Residential Projects, 2014	Top 3 Markets Contributing to Revenue	Full-time Employees	Business Locations
1	1	<b>Tyco Integrated Security</b> Boca Raton, Fla.	\$3,126,000,000e	na	na	na	10,000e	200e
2	3	<b>Diebold Security</b> Uniontown, Ohio	\$500,000,000e	na	\$460,000,000	financial, commercial, corp	1,000	110
3	4	<b>Stanley Convergent Security Solutions</b> Indianapolis, Ind.	\$500,000,000e	na	na	na	8,300e	75e
4	6	<b>Convergent Technologies LLC</b> Schaumburg, Ill.	\$462,000,000	9,576	\$320,000,000	industrial, corp, health	1,881	53
5	5	<b>Johnson Controls Inc.</b> Milwaukee, Wis.	\$336,000,000	2,600	\$336,000,000	health, govt, utility	576	116
6	7	<b>Kratos Public Safety &amp; Security Solutions Inc.</b> , San Diego, Calif.	\$196,000,000	na	\$196,000,000	na	500	31
7	9	<b>Protection 1</b> Romeoville, Ill.	\$105,000,000	na	na	retail, financial, industrial	2,755	74
8	8	<b>G4S Technology LLC</b> Omaha, Neb.	\$104,538,894	1,991	\$157,995,278	utility, airports, corp	478	14
9	10	<b>Schneider Electric</b> Carrollton, Texas	\$95,217,000	na	na	health, govt, edu		17
10	11	<b>Vector Security Inc.</b> Warrendale, Pa.	\$75,533,000	5,855	\$71,538,000	retail, health, corp	1,275	32
11	13	<b>Securadyme Systems LLC</b> Dallas, Texas	\$75,200,000	na	na	utility, edu, oil/gas	302	19
12	17	<b>VTI Security</b> Burnsville, Minn.	\$50,030,862	na	\$47,455,640	edu, financial, govt	185	7
13	15	<b>AFA Protective Systems Inc.</b> Syosset, N.Y.	\$48,350,398	6,700	\$36,500,000	retail, corp, govt	447	19
14	18	<b>Tech Systems Inc.</b> Duluth, Ga.	\$47,511,984	na	na	na	224	2
15	16	<b>RFI Communications &amp; Security Systems</b> San Jose, Calif.	\$43,840,195	2,368	\$43,970,129	na	235	5
16	19	<b>SDI</b> Chicago, Ill.	\$43,343,460	38	\$10,019,183	govt, airports, financial	168	8
17		<b>Securityhunter Inc.</b> Baltimore, Md.	\$41,963,897	41	\$41,542,424	govt	24	1
18	21	<b>Universal Protection Security Systems</b> Santa Ana, Calif.	\$37,286,857	1,227	na	na	258	15
19	22	<b>Entech Sales &amp; Service Inc.</b> Dallas, Texas	\$34,642,153	118	\$34,642,153	na	241	8
20	30	<b>Unlimited Technology Inc.</b> Chester Springs, Pa.	\$30,723,000	624	na	utility, corp, edu	75	5
21	24	<b>DTT</b> Los Angeles, Calif.	\$29,000,000	2,000	\$2,500,000	na	357	3

No. 2 — *SDM's* 2011 Systems Integrator of the Year. ■ No. 4 — Acquired Beacon Security in Europe. *SDM's* 2007 and 2012 Systems Integrator of the Year. ■ No. 5 — In 2014 undertook an organizational change within company's branch locations across North America. Under a new combined branch model, each location includes expertise in controls, HVAC and security offerings, giving the company a broader footprint in the security space and access to more customers. *SDM's* 2009 Systems Integrator of the Year. ■ No. 7 — 9.2% net attrition; several very large national account customer wins; awarded the USAA Affinity partnership for residential channel; *SDM's* 2012 Dealer of the Year. ■ No. 8 — Experienced significant sales growth. Re-built sales organization to create demand. *SDM's* 2013 Systems Integrator of the Year (and 2008 as Adesta). ■ No. 11 — Company successfully integrated Advanced Control Concepts and Intelligent Access Systems, both of which were acquired in late 2013. ■ No. 14 — Transitioned to an ESOP (Employee Stock Ownership Plan) to empower employees while maintaining the corporate culture that prioritizes the clients' needs. *SDM's* 2004 Systems Integrator of the Year. ■ No. 16 — Numerous project delivery achievements and contract wins, highlighted by the contract renewal for Technical Support and Maintenance of the Integrated Safety, Security and Operations Command and Control Systems (ISSOCCS) at O'Hare and Midway International Airports. SDI has provided these services since 1991. ■ No. 17 — Created a robust Engineering Department to tackle the sales from the U.S. Navy. Relocated to accommodate need for triple the size office space. ■ No. 18 — Made tremendous strides in monitored video and situational awareness services. ■ No. 20 — *SDM's* 2014 Systems Integrator of the Year.

e = *SDM* estimate. na = not available. Abbreviations to markets: airport = airports; corp = corporate office space; correctional = correctional; edu = education/campus; entertainment = entertainment/sports venues; finance = financial/banking; gaming = casinos/gaming; govt = government; health = healthcare; hotels = hotels/hospitality; industrial = industrial; law = law enforcement; retail = retail/restaurants; transport = transportation/distribution; utility = utilities/critical infrastructure.

average, there were more integrators who viewed it as strong and even robust.

“Business continues to be better and better with new opportunities. Sales volume and profits continue to rise, but slowly,” notes MidCo Inc., ranked No. 35. “We are expanding and investing in our business and skill set. We are 55 years young this year. We started a new data division in 2015. We spent an enormous amount on industry and factory training. New constructions projects continued to increase. A focus on managed services and systems seem to be expanding.”

Top Systems Integrators started 123,003 new projects in 2014, up 5 percent from 2013. The total value of those projects was \$2.45 billion — an impressive total considering that several of the largest integrators did not report this figure, which would have added immeasurably to the total if they had. The size of the largest integrated security project was \$39 million, reported by Interface Security Systems Holdings. (For the complete list of single project values, see page 54.)

No. 11-ranked Securadyne Systems LLC, which worked integrating its 2013 acquisitions, Advanced Control Concepts and Intelligent Access Systems, into the company, reported systems integration revenue of \$75.2 million in 2014, up from \$69 million the previous year. “The market continued to expand, allowing us to grow bookings by 17 percent organically. We expect continued strength, growth and demand for our services, especially in market segments facing regulatory compliance challenges such as oil and gas, electrical utilities, and food and beverage.”

Top Systems Integrators ranked the market sectors producing the greatest growth in 2014 as corporate office space,

education/campus, and healthcare — the same top three sectors as in 2013. In addition, a wide variety of other sectors were mentioned as ones offering great sales opportunities, including energy, utilities, transportation, industrial, distribution/warehousing, telecommunications, bio-technology, and a wide swath of governmental entities. Several systems integrators commented that demand from the retail sector was down in 2014, however.

“The market is definitely improving overall, driven by pent-up demand, continued migration to IP and network technologies, as well as regulatory changes. However, the growth in institutional markets is not where it was expected to be by this time,” states Johnson Controls Inc., ranked No. 5. “The market is getting stronger but certain vertical markets are lagging, such as healthcare. Some markets that exhibited growth were commercial, education and utilities/critical infrastructure,” the company notes.

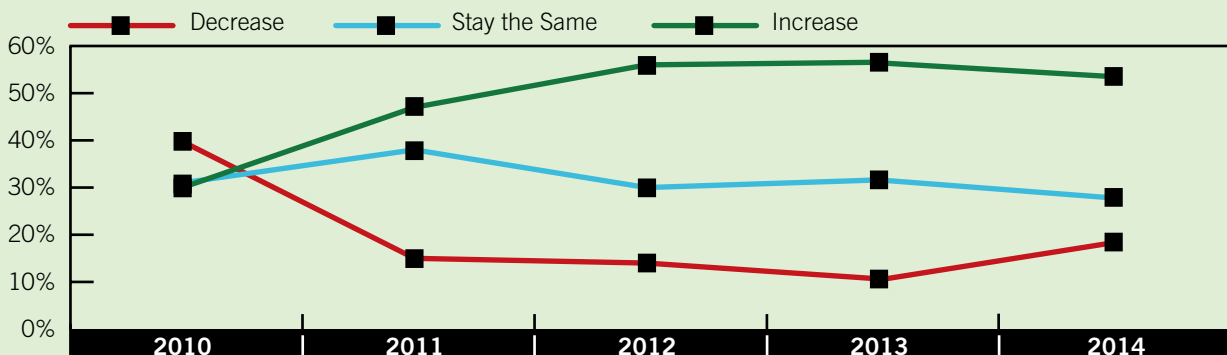
“We felt the market was strong. We continued to see growth in new commercial construction as opposed to just up-fits and/or retrofits. All segments seem to be good in our area,” says Sonitrol Security Systems of the Triangle, ranked No. 103.

The quickly evolving world of security technologies, on the one hand, may pose challenges for systems integrators in keeping up to speed, but on the other hand creates opportunities.

From Tutela’s perspective, “2014 saw an increase in the integrated security projects and we were instrumental in driving open architecture within our vendors to fully integrate deployed access control, video and intrusion detection systems. The market was marginally stronger as spending increased, but clients are still managing security budgets very

## Net Profit More Difficult to Hold Onto in 2014

Top Systems Integrators were asked, “Did your company’s net profit margin increase, decrease or stay about the same in 2014 compared with 2013?”



Profitability was elusive for more systems integrators in 2014 than it was in 2013. A significantly greater percentage of integrators (19 percent) reported a decrease in their net profits in 2014 compared with the prior year (11 percent).

*\*percentage of Top Systems Integrators indicating each answer; based on 100 responses*

*Source: SDM Top Systems Integrators Report, July 2015*



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2015 Rank	2014 Rank	Company & Headquarters Location	North American Systems Integration Revenue 2014	Number of New Non-Residential Projects, 2014	Value of Non-Residential Projects, 2014	Top 3 Markets Contributing to Revenue	Full-time Employees	Business Locations
22	23	<b>Dakota Security Systems Inc.</b> Sioux Falls, S.D.	\$27,056,887	2,474	\$18,709,410	financial, health, edu	139	8
23	31	<b>Genesis Security Systems LLC</b> Germantown, Md.	\$21,300,000	110	\$16,000,000	utility, corp, financial	53	1
24		<b>Interface Security Systems Holdings Inc.</b> Earth City, Mo.	\$20,988,174	9,976	\$24,441,866	na	666	15
25	27	<b>Intertech Security</b> Pittsburgh, Pa.	\$20,849,600	482	\$23,574,000	industrial, health, utility	184	8
26	33	<b>Security Corporation</b> Novi, Mich.	\$20,117,899	na	na	na	111	2
27	26	<b>Sound Incorporated</b> Naperville, Ill.	\$19,685,538	260	\$19,685,538	na	37	1
28		<b>SIGNET Electronic Systems Inc.</b> Norwell, Mass.	\$19,120,000	365	\$19,000,000	govt, health, edu	129	3
29	54	<b>F.E. Moran Inc. Alarm and Monitoring Services</b> Champaign, Ill.	\$19,037,609	5,266	\$15,311,959	retail, financial, corp	148	6
30	38	<b>Integrated Security Technologies</b> Herndon, Va.	\$18,899,020	517	\$18,899,020	govt, edu, health	75	2
31	37	<b>Advanced Cabling Systems LLC</b> North Little Rock, Ark.	\$18,714,151	350	\$16,000,000	na	165	4
32		<b>Low Voltage Contractors Inc.</b> Minneapolis, Minn.	\$18,459,326	925	\$16,850,000	financial, govt, health	93	2
33		<b>MSE Corporate Security</b> Branchburg, N.J.	\$18,131,381	na	na	na	78	4
34	32	<b>Allied Fire &amp; Security</b> Spokane, Wash.	\$18,000,000	130	\$15,000,000	health, govt, corp	80	3
35	34	<b>MidCo Inc.</b> Burr Ridge, Ill.	\$16,907,000	2,205	\$16,907,000	na	100	2
36	40	<b>Koorsen Security Technology</b> Indianapolis, Ind.	\$16,737,407	50	\$16,737,407	corp, health, industrial	56	4
37	48	<b>CTSI</b> Chantilly, Va.	\$16,615,890	190	\$13,048,418	govt, health, edu	48	1
38	39	<b>TRL Systems</b> Rancho Cucamonga, Calif.	\$16,345,776	491	\$16,345,776	health, industrial, transport	146	4
39	29	<b>Security Equipment Inc.</b> Omaha, Neb.	\$15,999,833	583	\$14,290,880	retail, health, edu	163	4
40	41	<b>GSI</b> Troy, Mich.	\$15,648,677	925	\$15,648,677	industrial, utility, corp	52	2
41	42	<b>ARK Systems Inc.</b> Columbia, Md.	\$15,000,000	946	\$10,500,000	na	116	3
42	45	<b>American Alarm &amp; Communications</b> Arlington, Mass.	\$14,949,316	6,900	\$15,889,368	property mgr, financial, govt	202	5
43		<b>Mountain Alarm</b> Ogden, Utah	\$14,750,000	4,055	\$14,700,000	govt, edu, hotel	194	10

■ No. 22 — Crossed the \$25 million revenue mark. ■ No. 23 — Captured two new clients with significant potential for future growth. ■ No. 24 — Won contract for multiple security / video solutions with 8,000-plus site retailer. ■ No. 28 — Closed a \$1.5 million dollar integrated court house. ■ No. 30 — Increased revenues from \$16.9 M to \$18.9 M as well as increased net profit. ■ No. 31 — Hired a CFO and expanded into Oklahoma City. ■ No. 32 — Grew by 20% over 2013. ■ No. 35 — Celebrating 55 years in business as the company trains its third generation of the family in the business. ■ No. 37 — 40% growth in overall service revenue. ■ No. 38 — Extended regular Service Department business hours to include Saturday and Sunday, offering 84 hours of regular time per week; experienced significant growth in Security Service revenue: 67% in 2014. ■ No. 39 — Rewrote company mission statement and implemented a new customer experience initiative. ■ No. 42 — Focus on product line management and training.

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## Largest Project in 2014: \$39 Million

Company	Value of Largest Project	2015 Rank	Company	Value of Largest Project	2015 Rank
Interface Security Systems Holdings Inc.	\$39,000,000	24	Tech Systems Inc.	\$887,368	14
G4S Technology LLC	\$14,459,345	8	ASG Security	\$800,000	51
Convergint Technologies LLC	\$14,000,000	4	Universal Protection Security Systems	\$750,000	18
Securadyne Systems LLC	\$13,000,000	11	ArCom Systems Inc.	\$750,000	107
Securityhunter Inc.	\$9,035,195	17	PASS Security	\$710,000	68
Johnson Controls Inc.	\$7,500,000	5	Sonitrol New England	\$666,962	65
Advanced Electronic Solutions	\$6,000,000	66	Low Voltage Contractors Inc.	\$649,000	32
ACT	\$3,575,000	52	Operational Security Systems Inc.	\$576,000	67
Tech Electronics	\$3,200,000	48	Electronic Security Concepts LLC	\$565,000	83
Security Equipment Inc.	\$3,003,220	39	Dakota Security Systems Inc.	\$561,217	22
Protection 1	\$3,000,000	7	Guardian Protection Services	\$558,494	69
SDI	\$2,763,676	16	CM3 Building Solutions Inc.	\$528,625	74
Ferndale Electric Systems Integration Division	\$2,500,000	57	Tutela	\$518,220	49
Simpson Security Systems Inc.	\$2,500,000	70	Allied Fire & Security	\$500,000	34
VTI Security	\$2,100,000	12	Security Integrations	\$500,000	56
RFI Communications & Security Systems	\$2,100,000	15	Sonitrol of Buffalo, Rochester, Toronto	\$484,000	98
Unlimited Technology Inc.	\$2,100,000	20	APL Access & Security Inc.	\$475,000	75
Midstate Security Company	\$2,000,000	53	Will Electronics	\$450,000	77
Artel Communications Corp.	\$2,000,000	89	Protex Central Inc.	\$375,000	106
Security and Data Technologies Inc.	\$1,983,429	47	Scarsdale Security Systems Inc.	\$350,000	63
Integrated Security Technologies	\$1,971,008	30	ARK Systems Inc.	\$338,000	41
CTSI	\$1,969,941	37	Ackerman Security Systems	\$325,000	73
Advanced Cabling Systems LLC	\$1,800,000	31	The Protection Bureau	\$298,636	46
TRL Systems	\$1,800,000	38	American Alarm & Communications	\$294,307	42
RAE Security	\$1,800,000	58	Fleenor Security Systems	\$291,034	90
Redrock Security & Cabling Inc.	\$1,800,000	82	Select Security	\$290,000	88
Access Control Consultants	\$1,542,154	79	Peak Alarm Co. Inc.	\$278,211	86
Genesis Security Systems LLC	\$1,500,000	23	SCI Inc.	\$260,000	93
Sound Incorporated	\$1,500,000	27	Alarm Detection Systems Inc.	\$250,000	62
SIGNET Electronic Systems Inc.	\$1,500,000	28	F.E. Moran Inc. Alarm and Monitoring Services	\$238,252	29
Minuteman Security Technologies Inc.	\$1,482,000	50	Sentry Security	\$235,000	104
Entech Sales & Service Inc.	\$1,432,111	19	Stone Security	\$212,197	80
GSI	\$1,400,000	40	Matson Alarm Co. Inc.	\$200,000	92
Firstline Security Systems Inc.	\$1,400,000	45	Sonitrol of Sacramento & Orange County, Cybex Security	\$153,150	95
MidCo Inc.	\$1,300,000	35	Sonitrol Pacific	\$146,920	96
Intertech Security	\$1,200,000	25	EMC Security	\$143,800	97
Sentry Communications & Security	\$1,200,000	60	World Wide Security & GC Alarm Inc.	\$125,000	100
intraWorks	\$1,200,000	64	Sonitrol of Evansville Inc.	\$123,058	109
NextGen Security	\$1,070,884	55	Acadiana Security Plus	\$106,000	108
AFA Protective Systems Inc.	\$921,000	13			

These 79 systems integrators reported having the highest-value security projects started in 2014. Note: Six of the top 10 companies did not report their largest project size, as requested by *SDM*. Projects below \$100,000 are not ranked here.

Source: *SDM Top Systems Integrators Report, July 2015*



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2015 Rank	2014 Rank	Company & Headquarters Location	North American Systems Integration Revenue 2014	Number of New Non-Residential Projects, 2014	Value of Non-Residential Projects, 2014	Top 3 Markets Contributing to Revenue	Full-time Employees	Business Locations
44	36	<b>SSD Alarm Systems / Kern Security &amp; Fire / McNeill Security &amp; Alpha Alarm</b> Anaheim, Calif.	\$14,677,805	na	na	na	0	13
45	52	<b>Firstline Security Systems Inc.</b> Anaheim, Calif.	\$14,250,000	47	\$14,250,000	financial, utility, corp	58	3
46	43	<b>The Protection Bureau</b> Exton, Pa.	\$14,216,424	665	\$6,998,567	retail, corp, edu	160	3
47	58	<b>Security and Data Technologies Inc.</b> Newtown, Pa.	\$14,146,012	274	\$12,493,465	na	98	1
48		<b>Tech Electronics</b> St. Louis, Mo.	\$14,100,000	1,113	na	na	250	6
49		<b>Tutela</b> Brunswick, Ga.	\$13,307,596	638	\$13,280,000	media/cable/telecom, financial, health	46	3
50	64	<b>Minuteman Security Technologies Inc.</b> Andover, Mass.	\$13,154,300	410	\$13,154,300	transport, edu, health	36	2
51	49	<b>ASG Security</b> Beltsville, Md.	\$12,587,373	7,267	\$28,119,340	govt, edu, industrial	1,163	27
52	50	<b>ACT</b> Clifton, N.J.	\$12,333,112	119	\$10,415,254	health, edu, corp	39	1
53	57	<b>Midstate Security Company</b> Wyoming, Mich.	\$11,304,751	410	\$9,500,000	na	69	1
54	56	<b>ADS Security L.P.</b> Nashville, Tenn.	\$11,222,120	4,827	\$5,893,969	retail, corp, industrial	301	16
55		<b>NextGen Security</b> King of Prussia, Pa.	\$10,864,444	100	\$6,187,500	na	40	2
56	53	<b>Security Integrations</b> Albany, N.Y.	\$10,549,958	300	\$8,000,000	industrial, govt, correctional	33	3
57	65	<b>Ferndale Electric Systems Integration Division</b> Ferndale, Mich.	\$9,850,000	600	\$9,850,000	industrial, transport, airports	45	1
58	69	<b>RAE Security</b> Houston, Texas	\$9,546,642	300	\$12,000,000	na	42	1
59	51	<b>Dallas Security Systems Inc. &amp; DSS Fire Inc.</b> Dallas, Texas	\$9,477,887	950	\$9,275,000	health, corp, govt	178	1
60	75	<b>Sentry Communications &amp; Security</b> Hicksville, N.Y.	\$9,039,673	na	\$4,500,000	na	57	1
61	66	<b>Sonitrol SW Ohio</b> Mason, Ohio	\$8,843,747	500	\$3,247,155	govt, transport, corp	48	2
62		<b>Alarm Detection Systems Inc.</b> Aurora, Ill.	\$8,288,739	1,193	\$5,298,246	edu, govt, financial	219	3
63	60	<b>Scarsdale Security Systems Inc.</b> Scarsdale, N.Y.	\$8,230,426	753	\$5,895,280	retail, edu, corp	92	2
64	61	<b>intraWorks</b> Albuquerque, N.M.	\$8,144,250	503	\$7,800	govt, retail, edu	65	3

■ No. 45 — Increased client base and added office location. ■ No. 47 — Increased sales and net profits; added several high-profile customers. ■ No. 48 — Increased revenue by 10%. ■ No. 49 — Expanded footprint through organic growth. Won several large projects that both increased revenue and increased where the company services customers, on both domestic U.S. and international projects. ■ No. 50 — Completed the design and implementation of a \$6.9 M mobile IP video surveillance system for the Massachusetts Bay Transportation Authority passenger buses. ■ No. 51 — Opened physical branch locations in four new markets in 2014: Laredo, TX, Corpus Christi, TX, Monroe, CT, and Ft. Lauderdale, FL. ■ No. 52 — Cross-trained all personnel on the major products the company sells. ■ No. 53 — Implemented better vertical market approach, resulting in revenue growth. ■ No. 54 — Closed five acquisitions and successfully integrated them into ADS Security's operations and used them to expand on organic sales. *SDM's* 2014 Dealer of the Year. ■ No. 58 — Grew 20%. ■ No. 59 — Company reported a very successful sales year; jobs were installed by newly promoted project managers that had worked their way up through the ranks of the company. ■ No. 60 — Large fire projects. ■ No. 61 — Nominated for the BBB Torch and Eclipse Award in 2014. ■ No. 63 — Implemented new productivity tools including WeSuite as an adjunct to SedonaOffice.

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## Top 10 Integrators by Total Revenue

Among companies ranked on the Top Systems Integrators Report, these reported (or were estimated by *SDM*) the highest total revenue in 2014.

Company	Total Revenue
Johnson Controls Inc.	\$4,200,000,000
Tyco Integrated Security	\$3,876,000,000
Stanley Convergent Security Solutions	\$1,700,000,000
Schneider Electric	\$649,047,000
Diebold Security	\$628,000,000
Protection 1	\$468,000,000
Convergent Technologies LLC	\$462,000,000
Vector Security Inc.	\$288,175,750
Kratos Public Safety & Security Solutions Inc.	\$196,000,000
Guardian Protection Services	\$169,914,518

Source: *SDM Top Systems Integrators Report, July 2015*

## TSI Top Stats

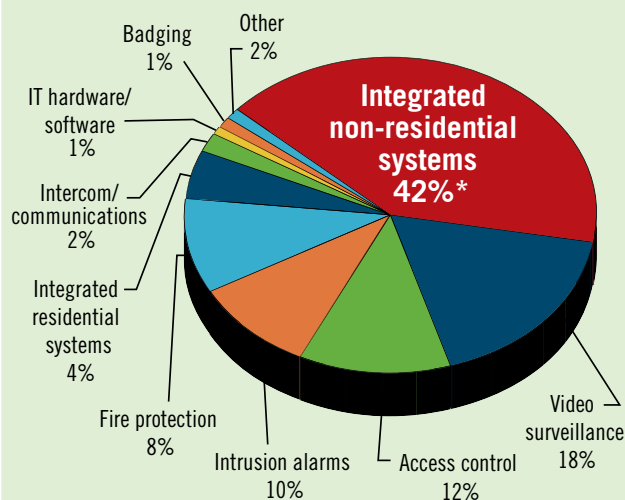
2013	
Total North American systems integration revenue:	\$6.83 billion
New systems started:	123,849
Total full-time employed:	39,971
Business locations operated:	1,164

Total North American revenue from systems integration for the 110 largest integrators reached \$6.83 billion in 2014 from solutions such as design, project management, product, installation, programming, start-up, and training sold directly to an end-user customer or through a tier of contractors. It does not include recurring revenue from service and monitoring, as integrators were asked to report that amount separately in order to be ranked on the *SDM 100*, a report based on RMR in the security industry. Last year's Top Systems Integrators Report ranked 117 companies; this year's ranks 110. A comparison between the top 100 companies ranked this year and the top 100 ranked in 2014 shows a 7.1 percent decrease in systems integration revenue, part of which can be attributed to the fact that Siemens Industry Inc. is not ranked on the current-year report.

Source: *SDM Top Systems Integrators Report, July 2015*

## Integrators' Sales Revenue by Product Category

Top Systems Integrators were asked to break out their 2014 revenue by type of product. The majority is earned from integrated non-residential systems that combine two or more different technology solutions. No significant changes were recorded from 2013 to 2014 in the percentage of revenue from these types of products.

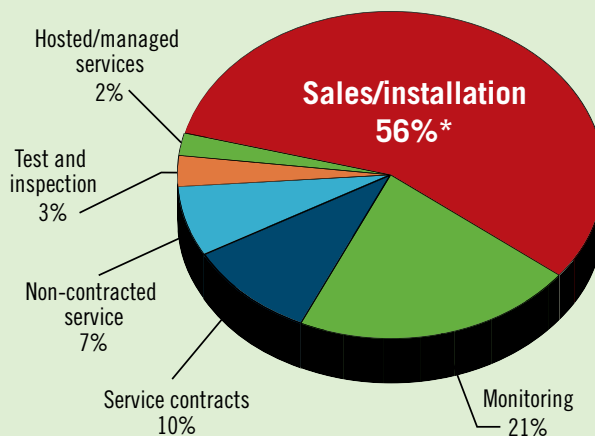


\*percentage of Top Systems Integrators' 2014 sales revenue; based on 104 responses.

Source: *SDM Top Systems Integrators Report, July 2015*

## Integrators' Sales Revenue by Service Category

Top Systems Integrators were asked to break out their 2014 revenue by type of service. The majority is earned from system sales and installation. No significant changes were recorded from 2013 to 2014 in the percentage of revenue from these types of services.



\*percentage of Top Systems Integrators' 2014 service revenue; based on 104 responses.

Source: *SDM Top Systems Integrators Report, July 2015*



# 20<sup>th</sup> ANNUAL REPORT

2015 Rank	2014 Rank	Company & Headquarters Location	North American Systems Integration Revenue 2014	Number of New Non-Residential Projects, 2014	Value of Non-Residential Projects, 2014	Top 3 Markets Contributing to Revenue	Full-time Employees	Business Locations
65	68	<b>Sonitrol New England</b> Rocky Hill, Conn.	\$7,969,546	1,374	\$7,384,236	edu, corp, industrial	102	5
66	35	<b>Advanced Electronic Solutions</b> College Point, N.Y.	\$7,800,000	65	na	corp, health, airports	70	3
67	62	<b>Operational Security Systems Inc.</b> Atlanta, Ga.	\$7,681,172	316	\$7,500,000	na	55	2
68	70	<b>PASS Security</b> Fairview Heights, Ill.	\$7,559,000	350	na	edu, utility, health	45	1
69	72	<b>Guardian Protection Services</b> Warrendale, Pa.	\$7,326,494	3,457	\$7,326,494	retail, health, edu	1,030	14
70		<b>Simpson Security Systems Inc.</b> Alexandria, La.	\$7,297,588	90	\$6,769,000	gaming, correctional, hotel	63	1
71	67	<b>AVS Technology</b> Totowa, N.J.	\$7,091,921	170	\$7,091,921	industrial, corp, edu	28	3
72		<b>iTech Digital</b> Indianapolis, Ind.	\$6,789,824	557	\$5,579,616	retail, transport, financial	34	2
73	74	<b>Ackerman Security Systems</b> Atlanta, Ga.	\$6,640,929	2,290	\$5,107,145	retail, health, govt	300	2
74		<b>CM3 Building Solutions Inc.</b> Fort Washington, Pa.	\$6,573,721	242	\$6,200,000	na	11	1
75	76	<b>APL Access &amp; Security Inc.</b> Gilbert, Ariz.	\$6,500,000	50	\$4,200,000	corp, govt, health	36	2
76	78	<b>Per Mar Security Services</b> Davenport, Iowa	\$6,403,550	5,087	\$18,163,000	industrial, health, corp	359	13
77	77	<b>Will Electronics</b> St. Louis, Mo.	\$6,278,925	50	\$4,000,000	na	27	1
78	90	<b>EPS Security</b> Grand Rapids, Mich.	\$6,203,196	na	\$10,952,377	corp, edu, retail	204	6
79	81	<b>Access Control Consultants</b> Greensboro, N.C.	\$5,855,827	278	\$5,097,137	edu, corp, law	32	4
80	89	<b>Stone Security</b> Salt Lake, Utah	\$5,293,743	235	\$5,187,470	corp, edu, govt	27	1
81	108	<b>Engineered Security Systems</b> Towaco, N.J.	\$5,200,840	na	na	health, industrial, corp	48	3
82	93	<b>Redrock Security &amp; Cabling Inc.</b> Irvine, Calif.	\$5,000,000	130	\$5,000,000	corp, edu, hotel	100	2
83	85	<b>Electronic Security Concepts LLC</b> Scottsdale, Ariz.	\$4,948,357	470	\$400,000	govt, health, edu	29	2
84	80	<b>Bates Security LLC / Sonitrol of Lexington</b> Lexington, Ky.	\$4,754,842	279	\$3,167,483	variety of businesses, corp, industrial	53	1
85	86	<b>Kimberlite Corp.</b> Fresno, Calif	\$4,550,287	71	\$2,942,209	edu, industrial, govt	111	8
86		<b>Peak Alarm Co. Inc.</b> Salt Lake City, Utah	\$4,545,870	2,300	\$1,665,000	corp, industrial, retail	85	3

■ No. 65 — Involved with PPAR and the coming of age of verified priority dispatch to help combat false alarms. ■ No. 66 — Awarded the security system project for 432 Park Avenue, the tallest residential building in the city. ■ No. 69 — 12.3% growth in monthly RMR from the prior year. ■ No. 72 — 425 NVRs deployed over a five-state region. ■ No. 73 — Hit a high mark with more than 100 sales representatives on staff. ■ No. 74 — Company increased its security sales by 25 percent from 2013 to 2014, and expanded into new markets such as gaming. ■ No. 76 — Cut attrition rate from 7.5% in 2013 to 7.3% in 2014. ■ No. 79 — Helped some large police departments and small cities improve their security; implemented wireless technology to link problem areas and have been instrumental in crime reduction. ■ No. 80 — Hired a new CEO with extensive government CEO experience. ■ No. 83 — Relocated main operations to a new larger building location. ■ No. 86 — Launched PeakView and experienced high market acceptance of three bundles of leased video surveillance packages for business applications. Central station obtained UL 2050 listing for the monitoring, signal processing, investigation, servicing and operation of alarm systems for which a national industrial security system certificate is required.

e = *SDM* estimate. na = not available. Abbreviations to markets: airport = airports; corp = corporate office space; correctional = correctional; edu = education/campus; entertainment = entertainment/sports venues; finance = financial/banking; gaming = casinos/gaming; govt = government; health = healthcare; hotels = hotels/hospitality; industrial = industrial; law = law enforcement; retail = retail/restaurants; transport = transportation/distribution; utility = utilities/critical infrastructure.



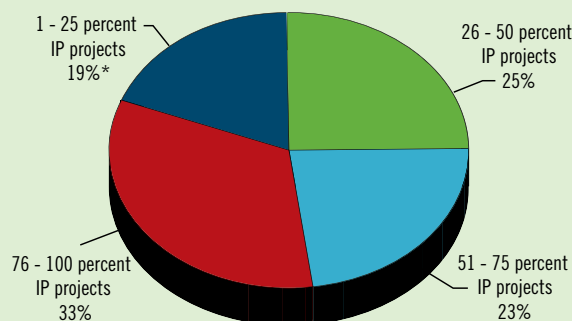
2015 Rank	2014 Rank	Company & Headquarters Location	North American Systems Integration Revenue 2014	Number of New Non-Residential Projects, 2014	Value of Non-Residential Projects, 2014	Top 3 Markets Contributing to Revenue	Full-time Employees	Business Locations
87	102	<b>Atronic Alarms Inc.</b> Lenexa, Kan.	\$4,360,946	733	\$2,562,086	hotel, corp, retail	51	1
88		<b>Select Security</b> Lancaster, Pa.	\$4,230,000	1,550	\$4,020,000	financial, industrial, retail	160	11
89		<b>Artel Communications Corp.</b> Plainview, N.Y.	\$4,097,326	10	\$4,000,000	transport, edu	23	1
90	97	<b>Fleenor Security Systems</b> Johnson City, Tenn.	\$3,823,350	493	\$2,290,985	industrial, health, corp	51	1
91	95	<b>Custom Security Systems</b> Lacey, Wash.	\$3,759,802	486	\$1,945,018	govt, utility, edu	115	3
92	96	<b>Matson Alarm Co. Inc.</b> Fresno, Calif.	\$3,477,986	1,138	\$2,191,014	corp, industrial, retail	67	4
93	101	<b>SCI Inc.</b> Albuquerque, N.M.	\$3,386,117	244	\$2,533,767	govt, edu, utility	15	1
94	98	<b>Redwire / Sonitrol of Tallahassee, Bay, NW FL, EC FL</b> Tallahassee, Fla.	\$3,213,564	na	na	na	63	6
95	88	<b>Sonitrol of Sacramento &amp; Orange County, Cybex Security</b> Roseville, Calif.	\$2,969,680	518	\$3,304,778	edu, govt, corp	38	2
96	99	<b>Sonitrol Pacific</b> Portland, Ore.	\$2,893,941	397	\$2,833,941	edu, corp, govt	78	5

■ No. 89 — Secured several large security/communications systems projects with NYCT and LIRR for the next three years. ■ No. 90 — Central station underwent a transition to Bold Manitou in early 2014. ■ No. 92 — Software upgrade to UL-certified central station. ■ No. 93 — Reduced operating costs, managed net performance; leaner staffing supporting high customer retention. ■ No. 95 — Expanded footprint from Orange County to all of Southern California.

e = *SDM* estimate. na = not available. Abbreviations to markets: airport = airports; corp = corporate office space; correctional = correctional; edu = education/campus; entertainment = entertainment/sports venues; finance = financial/banking; gaming = casinos/gaming; govt = government; health = healthcare; hotels = hotels/hospitality; industrial = industrial; law = law enforcement; retail = retail/restaurants; transport = transportation/distribution; utility = utilities/critical infrastructure.

## IP-Based Projects More Prevalent

Top Systems Integrators were asked, "What percentage of projects sold in 2014 incorporated IP-based technology?"



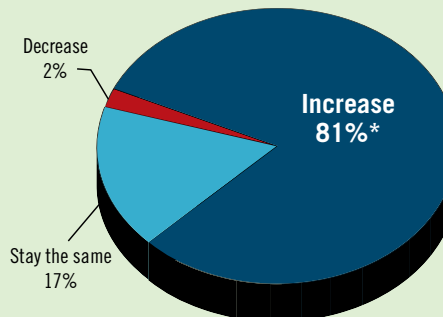
Top Systems Integrators demonstrate a wide range of experience in the use of IP technology on the job. More than half of all integrators incorporate IP technology in their projects at least 50 percent of the time, a number that is growing.

\*percentage of Top Systems Integrators indicating each category; based on 104 responses

Source: *SDM Top Systems Integrators Report, July 2015*

## Integrators Predict Performance in 2015

Top Systems Integrators were asked, "How do you expect revenues in 2015 to compare with revenues in 2014?"

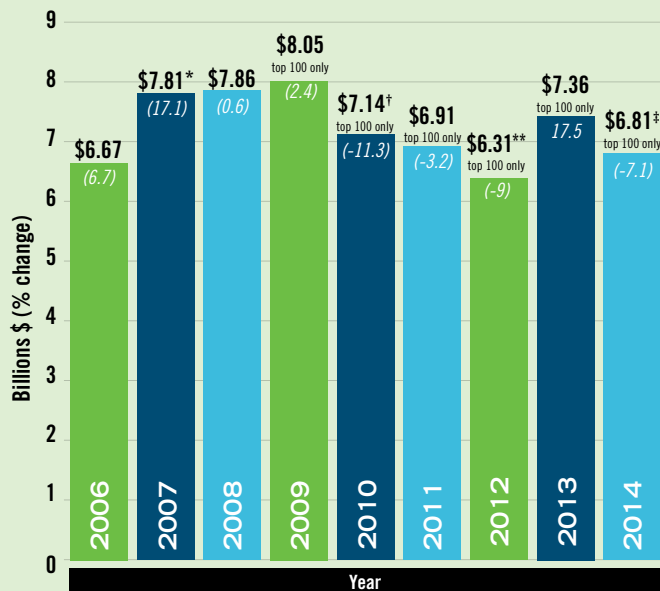


Eight of 10 Top Systems Integrators (81 percent) expect their 2015 revenues to exceed 2014's. These results are on par with the expectations systems integrators had in 2014.

\*percentage of Top Systems Integrators indicating each answer; based on 105 responses

Source: *SDM Top Systems Integrators Report, July 2015*

## Top Systems Integrators: 8-Year Performance



North American systems integration revenue (as reported to or estimated by *SDM*) reached \$6.83 billion in 2014, based on reporting from 110 Top Systems Integrators. However, for comparison purposes, *SDM* measures the top 100 companies (\$6.81 billion) against the top 100 companies from the previous year (\$7.36 billion in 2013), which registers a -7.1 percent decrease, much of which is attributed to the omission of Siemens Industry Inc. from the report (see footnotes above).

\*2007 figure reflects a correction to reported revenues for Johnson Controls and ADT, following incorrect reporting in 2006. While it appears that there was a 17 percent increase in total revenue between 2006 and 2007, it was actually 4 percent growth.

†In the 2010 report, several notable companies did not participate, including SAIC, Red Hawk Security, North American Video, and National Security Systems Inc., which skewed the results. Among systems integrators for which a year-to-year comparison could be made, there was actually only a 4.4 percent decrease in performance between 2009 and 2010.

\*\*Two major factors contributed to the decrease in systems integration revenue; ADT was not ranked, and Siemens Industry Inc. systems integration revenue was adjusted downward by an *SDM* estimate.

‡Siemens Industry Inc., which had been ranked in 2014 using estimated systems integration revenue, was not ranked in 2015. On the surface, it appears that Top Systems Integrators revenue declined 7.1 percent in 2014. When Siemens is removed from this calculation for comparison purposes, however, systems integration revenue for the top 100 companies grew very slightly, at 0.35 percent year-over-year.

Source: *SDM Top Systems Integrators Report*, July 2015

## Top 3 Market Sectors: Office Space, Education, Healthcare

Top Systems Integrators were asked to rank the sectors that provided the most significant portion of their 2014 revenue.

### 2013

1. Corporate office space
2. Education/campus
3. Healthcare
4. Industrial
5. Government
6. Utilities/critical infrastructure
7. Financial/banking
8. Retail/restaurant
9. Transportation/distribution
10. Hotel/hospitality

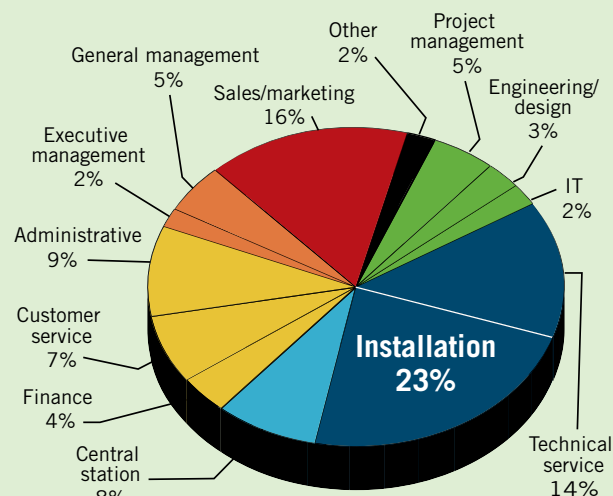
### 2014

1. Corporate
2. Education/campus
3. Healthcare
4. Government
5. Industrial
6. Retail/restaurant
7. Financial/banking
8. Utilities/critical infrastructure
9. Transportation/distribution
10. Hotel/hospitality & Airports (tied for this position)

These top 10 market sectors provided the most significant portion of revenues to systems integrators in 2014. For the past several years, corporate/property management, education, and healthcare have steadfastly been among the top market sectors for integrators.

Source: *SDM Top Systems Integrators Report*, July 2015

## Anatomy of an Integrator Staff



This chart, which you can use to compare job titles in your own company with industry averages, shows the average percentage distribution of job titles among Top Systems Integrator companies.

\*average percentage distribution of staff titles among systems integrators; based on 106 responses

Source: *SDM Top Systems Integrators Report*, July 2015

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2015 Rank	2014 Rank	Company & Headquarters Location	North American Systems Integration Revenue 2014	Number of New Non-Residential Projects, 2014	Value of Non-Residential Projects, 2014	Top 3 Markets Contributing to Revenue	Full-time Employees	Business Locations
97	104	<b>EMC Security</b> Suwanee, Ga.	\$2,833,507	450	\$2,933,507	edu, corp, industrial	120	1
98	106	<b>Sonitrol of Buffalo, Rochester, Toronto</b> Buffalo, N.Y.	\$2,726,390	416	\$4,498,983	corp, transport, industrial	85	3
99		<b>Sonitrol Tri-County</b> Grand Blanc, Mich.	\$2,710,283	1,083	\$2,631,664	health, edu, corp	59	3
100		<b>World Wide Security &amp; GC Alarm Inc.</b> Garden City, N.Y.	\$2,590,280	200	\$1,000,000	corp, gaming, govt	57	1
101	115	<b>Washington Alarm Inc.</b> Seattle, Wash.	\$2,194,056	280	\$1,249,737	edu, corp, retail	52	2
102	109	<b>Habitec Security</b> Toledo, Ohio	\$1,986,000	500	\$2,000,000	edu, govt, corp	74	3
103	112	<b>Sonitrol Security Systems of the Triangle</b> Raleigh, N.C.	\$1,938,249	75	\$1,750,000	commercial office, health, edu	21	1
104	107	<b>Sentry Security</b> Wheeling, Ill.	\$1,773,133	260	\$1,636,900	health, financial, corp	25	1
105		<b>A-Com Protection Services Inc.</b> Columbus, Ga.	\$1,600,000	310	\$458,000	edu, industrial, corp	68	6
106	113	<b>Protex Central Inc.</b> Hastings, Neb.	\$1,543,230	650	\$6,083,620	industrial, utility, health	59	4
107	63	<b>ArCom Systems Inc.</b> North Little Rock, Ark.	\$1,515,000	na	\$5,625,000	health, industrial, corp	66	3
108	117	<b>Acadiana Security Plus</b> Broussard, La.	\$1,443,029	165	\$1,092,619	govt, industrial, utility	81	1
109		<b>Sonitrol of Evansville Inc.</b> Evansville, Ind.	\$1,399,926	2,555	\$1,099,109	na	29	1
110	114	<b>First Alarm</b> Aptos, Calif.	\$1,000,000	1,322	\$3,960,000	corp, edu, industrial	148	5

■ No. 97 — Focused on key hires, training and process measurement and improvement. Reduced attrition by 2.2% from 2013 figures. Implemented new CRM system. ■ No. 100 — Enhanced central station to provide interactive video monitoring, managed access control, and video doorman services. ■ No. 101 — Implemented WeSuite. ■ No. 102 — Named a Top Workplace in Toledo, Ohio. ■ No. 103 — Continued to strengthen capabilities with verified alarms. ■ No. 104 — Expanded managerial infrastructure. ■ No. 105 — Kept revenues in line and increased RMR. ■ No. 106 — Created better diversification of sales. ■ No. 109 — Record sales; lower attrition. ■

e = *SDM* estimate. na = not available. Abbreviations to markets: airport = airports; corp = corporate office space; correctional = correctional; edu = education/campus; entertainment = entertainment/sports venues; finance = financial/banking; gaming = casinos/gaming; govt = government; health = healthcare; hotels = hotels/hospitality; industrial = industrial; law = law enforcement; retail = retail/restaurants; transport = transportation/distribution; utility = utilities/critical infrastructure.

closely,” notes the company ranked for the first time, at No. 49.

“I think there is an increased focus for companies to upgrade their systems to a newer technology. The IP camera market continues to be the leader of the pack,” says Access Control Consultants, ranked No. 79.

Access control and video are the big drivers, indicates Advanced Cabling Systems. End users are embracing systems integration on a much larger scale, contends Security Equipment Inc. Unlimited Technology, *SDM*’s 2014 Systems Integrator of the Year, believes the economy as well as more technical advances in systems and software had a positive impact on performance. “Customers want more,” the company emphasizes.

Among *SDM*’s Top Systems Integrators, 81 percent expect revenues to increase in 2015 compared with 2014. And some integrators, such as No. 52-ranked ACT, are looking toward not only continued growth but accelerated profitability, too. ■

## More from the Report

To gain additional information beyond that published in this issue and online, the complete *SDM* Top Systems Integrators Report and Database is available in Excel format. Included are contact names, mailing addresses, telephone numbers, website URLs, targeted vertical markets, branch office locations, and much more. *SDM*’s Top Systems Integrators Report and Database contains the information needed to target products and services to the systems integration market.

The cost of the report is \$595. It may be ordered by contacting Heidi Fusaro at 630-518-5470 or by emailing [fusaroh@bnpmedia.com](mailto:fusaroh@bnpmedia.com).



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