

2013 SDM QUALIFICATION FORM

23rd Annual

SDM 100

18th Annual

SDM's Top Systems Integrators

DUE: Friday, March 1, 2013

Enter your response online: http://www.surveygizmo.com/s3/1150493/2013-SDM-Qualification-Form

Or print and complete this application and return by mail, FAX or e-mail to:

SDM Magazine, Attn. Laura Stepanek
155 Pflingsten Road
Deerfield, IL 60015
FAX: (248) 502-1031 E-mail: stepanekl@bnpmmedia.com

PLEASE PRINT OR TYPE ALL ANSWERS

CONTACT INFORMATION

1. Please state your:

Company name

(Doing business as)

Note: the DBA is the name your company will be ranked with, unless otherwise stated.)

Address

City State Zip

Phone FAX

Website:

CEO

Please state the name of your parent company, if applicable.

2. So we may contact you with questions about your application, please state:

Your name Your title

Your phone Your e-mail address

BUSINESS ACTIVITY

3. What is your company's primary business? (check one that best describes)

- Security dealer (system sales, installation, service and monitoring by either your own central station or a third party)
Security system sales and installation only (sell all/most accounts to another party)
Security system monitoring only
Systems integrator (primarily sell access control, video, etc. to non-residential market)
Residential electronic systems contractor
Authorized-dealer company (subscriber account purchase, billing, monitoring, etc.)
Engineered Fire Systems Distributor
Other (please state)

4. What was your company's TOTAL gross revenue in calendar or fiscal year 2012?

\$ _____

Please state full amount, rounding to the nearest dollar, and don't abbreviate. As an example, if revenue was \$3.6M, please enter \$3,589,002.

5. If your company's primary business is NOT security, then please state what percentage of your company's TOTAL gross revenue in 2012 was security-related. _____%

PLEASE NOTE: To verify your answers, you ***MUST*** submit either an audited or reviewed financial statement or a copy of your firm's tax return (only the page that shows total gross receipts), which will be kept confidential. If neither of these documents is available, please complete and return this application with a note stating the expected date on which you will furnish these documents. (You may return this Qualification Form first, if necessary, followed by financial documents later.) ***NO APPLICATION WILL BE CONSIDERED WITHOUT THIS INFORMATION.***

YOUR ANSWER TO QUESTION 6 IS THE NUMBER THAT WILL BE USED TO RANK COMPANIES ON THE TOP SYSTEMS INTEGRATORS REPORT. IF YOUR COMPANY DOES NOT SELL AND/OR INSTALL INTEGRATED SECURITY SYSTEM PROJECTS, THEN SKIP TO QUESTION 7.

6. What was your company's total NORTH AMERICAN (not worldwide) revenue in (calendar-year or fiscal-year) 2012 from SECURITY SYSTEMS INTEGRATION PROJECTS? Integration includes: Solutions such as design, project management, product, installation, programming, start-up, training, and T&M-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. **DO NOT INCLUDE** revenue from *non-security* products and services such as energy management, process control, IT networks, etc., unless it was an integral part of the total project that also included security. **DO NOT INCLUDE** revenue from product manufacturing or wholesale distribution.

PLEASE NOTE: Recurring revenue from services and monitoring when provided to an end-user customer should ***NOT*** be included in your answer to question 6, but it should be included in question 7.

\$ _____ North American revenue from SECURITY SYSTEMS INTEGRATION (non-resi)

YOUR ANSWER TO QUESTION 7 IS THE NUMBER THAT WILL BE USED TO RANK COMPANIES ON THE SDM 100. ANSWER THIS QUESTION IF YOU HAVE RMR TO REPORT THAT WASN'T INCLUDED IN QUESTION 6.

7a. What was your firm's Recurring Monthly Revenue (RMR) in both 2011 and 2012?

RMR is the amount of contractually recurring revenues due from customers in force, as of the end of the year, expressed monthly. For instance, a \$20 per month residential monitoring customer, whether billed quarterly \$60, semi-annually \$120, or annually \$240, is a \$20 RMR customer. Similarly, a \$60 per month commercial customer (which may include monitoring, maintenance, leasing and/or Security-as-a-Service) is a \$60 RMR customer irrespective of their billing cycle. RMR should not include amounts for maintenance if it is billed on a Time and Materials basis, rather than a contractually fixed charge.

NOTE: This must be RMR from contracts that your company bills. Do not include RMR from contracts that were sold to others.

\$ _____ Monthly RMR on December 31, 2011

\$ _____ Monthly RMR on December 31, 2012

\$ _____ Net gain or loss (amount on 12/31/12 less amount on 12/31/11)

7b. In 12/31/12 RMR above, is any amount from non-owned accounts that you monitor/bill for other companies? [] yes [] no If yes, how much? \$ _____

THE FOLLOWING QUESTION PERTAINS TO COMPANIES THAT HAVE CUSTOMERS (SUBSCRIBERS) UNDER CONTRACT FOR MONITORING AND OTHER RECURRING-REVENUE BASED SERVICES. IF YOU HAVE CUSTOMERS THAT DON'T SUBSCRIBE TO SERVICES THAT PRODUCE RECURRING REVENUE, THEN DO NOT ANSWER THIS QUESTION.

7c. Please complete the following formula to help indicate customer account activity.

Start with: Total customers at year-end 2011: _____
 ADD customers gained through new sales in 2012: _____
 ADD customers gained through purchase in 2012: _____
 ADD customers gained through other means in 2012: _____
SUBTOTAL: _____
 Now, SUBTRACT customers sold to others in 2012: _____
 and SUBTRACT customers lost in 2012: _____
SUBTOTAL: _____
 ADD or SUBTRACT other activity affecting customer accounts _____
BOTTOM LINE: Total customers at year-end 2012: _____

7d. Of your total RMR customer accounts at year-end 2012, approximately how many were:

Residential _____ Non-residential _____

PLEASE NOTE: Do not use a percentage for this reply.

Question 8 below attempts to measure revenue split by various types of services.

8. If you were to break down your TOTAL 2012 revenue by type of service, approximately what percentage was derived from:

_____ % Sales/Installation
 _____ % Service contracts
 _____ % Non-contracted service
 _____ % Test and inspection
 _____ % Equipment leases
 _____ % Monitoring
 _____ % Hosted & managed services
 _____ % Sales of subscriber contracts to other parties
 _____ % Consulting
 _____ % Risk analysis
 _____ % Other (please state) _____
 100% TOTAL (Total must equal 100% of sales revenue)

Question 9 below attempts to measure revenue split by various types of products or technologies. In your answer do not include or break-out revenue from non-product-related services you may provide, such as consulting, monitoring, etc.

9. If you were to break down your 2012 sales revenue by type of product/technology, approximately what percentage was derived from:

_____ % Integrated non-residential systems (including some or all of the technologies listed below)
 _____ % Integrated residential systems (may include structured wiring, security, lighting control, energy management, audio systems, home theater, etc.)
 _____ % Access control systems **(stand-alone)**
 _____ % CCTV – video surveillance systems **(stand-alone)**
 _____ % Security (intrusion alarm) systems, including residential burg/fire **(stand-alone)**
 _____ % Fire protection systems, commercial **(stand-alone)**
 _____ % Intercom and communication systems **(stand-alone)**
 _____ % Badging systems **(stand-alone)**
 _____ % Perimeter/outdoor security and gate controls **(stand-alone)**
 _____ % PERS – Personal Emergency Response Systems and Home Health Systems
 _____ % IT hardware, software and services as related to security
 _____ % Other (please state) _____
 100% TOTAL (Total must equal 100% of sales revenue)

PLEASE NOTE: Your answer to Question 10 will be reported only in aggregate with the other respondents, not individually by company. We would appreciate your participation in collecting and tracking this data.

10. Did your company's net profit margin increase, decrease or stay about the same in 2012 compared with 2011, and by how much?

Increased by _____ % Decreased by _____ % Same

11. Please rank the following non-residential markets (from 1 – 15) in order of those that provided the most significant portion of your 2012 revenue (1 being the greatest, etc.) If your company does not serve non-residential markets, please skip to question 14.

_____ Airports	_____ Healthcare
_____ Corporate office space	_____ Hotel / Hospitality
_____ Correctional	_____ Industrial
_____ Education / Campus	_____ Law Enforcement
_____ Entertainment / Sports	_____ Retail / Restaurants
_____ Financial / Banking	_____ Transportation / Distribution
_____ Gaming	_____ Utilities / Critical Infrastructure
_____ Government	_____ Other _____

INTERNAL OPERATIONS

12. Is your firm (or its parent) publicly traded? Yes, trading symbol is _____ No

13a. Including your main office/headquarters, how many business locations does your company operate? _____

13b. Where are branch offices located? (list mailing addresses; use a separate sheet if necessary)

- a. _____
- b. _____
- c. _____

14a. Do you operate your own central station? Yes No

14b. If yes, please estimate how much you spent in equipment purchases for your central station in 2011? (Include cost for items such as receivers, software, computers, etc.) \$ _____

15a. How many RESIDENTIAL systems did your company install in 2012? _____

15b. Please estimate the total sales (non-recurring) revenue for residential system installations in 2012: \$ _____

16a. How many NON-RESIDENTIAL systems did your company install, or integrated system projects did your company start in 2012? _____

16b. Please estimate the total sales (non-recurring) revenue for non-residential system installations/projects in 2012: \$ _____

PLEASE NOTE: A "new installation/project" is defined as an installation/project for a client that your firm previously did not have as a client, or a brand-new site for an existing client or a completely brand-new installation/project for an existing customer at an existing site. Under "new installations/projects," do not count add-ons for the same "system."

17a. In terms of revenue, what was the LARGEST security project or system installation your company started in 2012? \$ _____

17b. In terms of revenue, what was the SMALLEST security project or system installation your company started in 2012? \$ _____

18. Approximately what percentage of your projects were funded by Homeland Security dollars? _____%

19. Please describe a recent project or installation that you feel demonstrates your firm's capabilities and staff talents well:

Note: If high-resolution project photos are available, please feel free to submit one or two for possible publication.

20. What percentage of projects sold in 2012 incorporated IP-based technology?

zero 1% - 25% 26% - 50% 51% - 75% 76% - 100%

21a. Do you participate in an authorized dealer program (i.e., ADT, First Alert, Guardian etc.) as an authorized dealer?

Yes No Not sure

21b. If yes, which one(s)? _____

22. How many people does your company currently employ in North America? (Please state only those employees in the security and life-safety business; do not include non-security-related businesses.)

	Full-time	Part-time
Executive management	_____	_____
General management	_____	_____
Sales/marketing	_____	_____
Project management	_____	_____
Engineering/design	_____	_____
IT (information/network tech.)	_____	_____
Installation	_____	_____
Technical service	_____	_____
Central station	_____	_____
Customer service	_____	_____
Administrative support	_____	_____
Finance/accounting	_____	_____
Other _____	_____	_____
TOTAL	_____	_____

23. Did your firm purchase any security companies in 2012?

Yes; number of companies _____ Number of subscriber accounts purchased _____ No

24. Please list your top three suppliers (both manufacturers and distributors) in order of volume purchased from them (#1 is largest volume).

Manufacturers	Distributors
1. _____	1. _____
2. _____	2. _____
3. _____	3. _____

25. Who, at your firm, is responsible for making equipment-purchase decisions, and what is their title? _____

26. Are you a member of any of the following professional organizations or industry groups?

- ASIS (chapter and/or national)
- BICSI
- CEDIA
- Central Station Alarm Association
- Electronic Security Association (national and/or chapters)
- National Security Integrators
- PSA Security Network
- Security Industry Association
- Security-Net
- Others _____

[More questions on next page.]

OUTLOOK & OPINION

27. Please describe the market for security system sales and integrated systems projects in 2012 compared with 2011. Was the market strong, average or weak? What segments exhibited the best/worst growth?

28. What was your company's most significant accomplishment in 2012?

29. How do you expect revenues in 2013 to compare with revenues in 2012?

Up by _____% Down by _____% Stay the same

30. Do you think funding for security projects is generally better, worse, or about the same in 2013 as it was in 2012?

Better Worse About the same Don't know

Why? _____

31. Are you seeing demand among your customers for Security-as-a-Service (cloud-based services)? Please elaborate. _____

32. Does your company currently offer Security-as-a-Service, such as hosted video, managed access control, or other? yes no not sure

The information furnished on this application is accurate to the best of my knowledge, and I am authorized by my company to sign off on this application.

Signature _____ Date _____

**Thank you! Applications are due on Friday, March 1, 2013
(Please see below for optional survey.)**

SDM Optional Survey of RMR

Please complete — at your option — a survey on RMR. Your answers will be kept confidential, to be used only in aggregate with the results from other respondents, presented later in 2013 in SDM.

By what percentage did your company increase the recurring revenue rates charged to customers in 2012?

- _____ We did not implement a rate increase in 2012
- _____ Less than 2.5%
- _____ Between 2.5% and 5%
- _____ Between 5% and 7.5%
- _____ More than 7.5%

Which of the following recurring-revenue-based services does your company offer?

- _____ Hosted access control
- _____ Managed access control
- _____ Hosted video management
- _____ Hosted video storage
- _____ Video verification
- _____ Video monitoring
- _____ Network monitoring / system health
- _____ PERS/independent living
- _____ Environmental controls
- _____ Fire alarm monitoring
- _____ Mass notification / emergency response
- _____ Interactive services
- _____ GPS services
- _____ Self-monitoring
- _____ Energy management (or control)
- _____ Other _____

Which of the following recurring-revenue-based services yielded the highest RMR rate increases, or contributed most to RMR, in 2012? (Number the selections 1-16, with 1 being the highest.)

- _____ Hosted access control
- _____ Managed access control
- _____ Hosted video management
- _____ Hosted video storage
- _____ Video verification
- _____ Video monitoring
- _____ Network monitoring / system health
- _____ PERS/independent living
- _____ Environmental controls
- _____ Fire alarm monitoring
- _____ Mass notification / emergency response
- _____ Interactive services
- _____ GPS services
- _____ Self-monitoring
- _____ Energy management (or control)
- _____ Other _____

In 2012, what percentage of your company's new system sales were generated by the following:

- _____ % Cold calls
- _____ % Telemarketing
- _____ % Additional work from existing customers (add-ons, new sites, etc.)
- _____ % Referrals
- _____ % Advertising
- _____ % Website or other online activities (e-newsletter, etc.)
- _____ % Manufacturer leads
- _____ % Bid
- _____ % Other

In 2012, what percentage of your subscriber account base used each of the following as their primary method for monitoring?

- _____ % Audio
- _____ % Cellular
- _____ % Digital dialer
- _____ % Direct connect
- _____ % Internet
- _____ % Radio
- _____ % Video
- _____ % Other

In 2012, what percentage of the systems you sell and install used the following for monitoring?

- _____ % Self-monitoring (by end user) only
- _____ % Central station only
- _____ % Both central station and self-monitoring

What new capability (internal improvement) did you add in the last 12 months? (If you added more than two, please just state the two that had the greatest impact.)

New Capability 1: _____
New Capability 2: _____

What percentage of service, troubleshooting and software updates do you perform remotely (using phone, or Internet)?

- _____ Less than 10%
- _____ Between 10% and 25%
- _____ Between 25% and 50%
- _____ More than 50%

Thank you for completing our optional survey!