

2019
SDM100



DUE: Monday, March 18, 2019

Enter your response online: <https://www.surveygizmo.com/s3/4853058/2019-SDM-Qualification-Form>

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

SDM Magazine, Attn. Laura Stepanek

E-mail: stepanekl@bnpmedia.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(s) _____

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 email: _____

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 2018?

\$ _____

Please state full amount, rounding to the nearest dollar, and do not abbreviate. As an example, if revenue was \$3,589,002, please do not enter \$3.6M; please enter the FULL AMOUNT of \$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 2018 was security-related. _____%

PLEASE NOTE: To verify your answers you MUST submit either an audited or reviewed financial statement or a copy of your company'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 form 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 (below) 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 please skip to question 7.

6. What was your company's total NORTH AMERICAN (not worldwide) revenue in (calendar-year or fiscal-year) 2018 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 (below) 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 company's Recurring Monthly Revenue (RMR) in both 2017 and 2018?

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 billed on a Time & Materials basis, rather than a contractually fixed charge.

PLEASE 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, 2017
\$ _____ Monthly RMR on December 31, 2018
\$ _____ Net gain or loss (amount on 12/31/18 less amount on 12/31/17)

7b. In 12/31/18 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 2017: _____
ADD customers gained through new sales in 2018: _____
ADD customers gained through purchase in 2018: _____
ADD customers gained through other means in 2018: _____
[SUBTOTAL:] _____
Now, SUBTRACT customers sold to others in 2018: _____
And, SUBTRACT customers lost in 2018: _____
[SUBTOTAL:] _____
ADD or SUBTRACT other activity affecting customer accounts: _____
BOTTOM LINE: Total customers at year-end 2018: _____

7d. Of your total RMR customer accounts at year-end 2018, 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 2018 TOTAL 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 and 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 2018 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 and connected home technologies such as lighting or lock controls, energy management, audio systems, home theater, etc.)
- _____ % Access control systems (**stand-alone**)
- _____ % 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)

Your answer to Questions 10a and 10b will be reported only in aggregate, not individually by company. We would appreciate your participation in helping SDM track this data.

10a. What was your company's net profit margin in 2018? _____

10b. Did your company's net profit margin increase, decrease or stay about the same in 2018 compared with 2017, and by how much?

Increased by _____% Decreased by _____% Same

11. Please rank the following non-residential markets (from 1 – 5) in order of those that provided the most significant portion of your 2018 revenue (1 being the greatest, etc.) If your company does not serve non-residential markets, please skip to the next question.

- | | |
|-------------------------------------|---|
| _____ Airports | _____ Healthcare |
| _____ Corporate office space | _____ Hotel / Hospitality |
| _____ Correctional | _____ Industrial |
| _____ Education / Campus | _____ Law Enforcement |
| _____ Entertainment / Sports Venues | _____ 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; send as attachment 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 2018. (Include cost for items such as receivers, software, computers, etc.) \$ _____

15a. How many RESIDENTIAL systems did your company install in 2018? _____

15b. Please estimate the total sales (*non-recurring*) revenue for residential system installations in 2018: \$ _____

16a. How many NON-RESIDENTIAL systems did your company install, or integrated system projects did your company start in 2018? _____

16b. Please estimate the total sales (*non-recurring*) revenue for non-residential system installations/projects in 2018: \$ _____

PLEASE NOTE: A "new installation/project" is defined as an installation/project for a client that your company 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 2018? \$ _____

17b. In terms of revenue, what was the **SMALLEST** security project or system installation your company started in 2018? \$ _____

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

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

19. What percentage of projects sold in 2018 incorporated IP-based technology?

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

20a. Do you participate in an authorized dealer program (i.e., ADT, Brinks, Guardian, etc.) as an authorized dealer?

- Yes No Not sure

20b. If yes, which one(s)? _____

21. 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	_____	_____

22. Did your firm purchase any security companies in 2018?

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

23. 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. _____

24. Who, at your company, is responsible for making equipment-purchase decisions, and what is their title?

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

- AiN (Alarm Installer Network)
- ASIS (chapter and/or national)
- BICSI
- CEDIA
- The Monitoring Association (TMA)
- Electronic Security Association (ESA) (national and/or chapters)
- National Fire Protection Association
- National Security Integrators
- National Systems Contractors Association (NSCA)
- NetOne (formerly SNA)
- PSA Security Network
- Security Industry Association (SIA)
- Security-Net
- Others _____

OUTLOOK & OPINION

26. Please describe the market for security system sales and integrated systems projects in 2018 compared with 2017. Was the market strong, average or weak? What segments exhibited the best/worst growth?

27. What was your company's most significant accomplishment in 2018?

28. How do you expect revenues in 2019 to compare with revenues in 2018?

Up by _____% Down by _____% Stay the same

29. Do you think end-users' funding for security projects was generally better, worse, or about the same in 2018 as it was in 2017?

Better Worse About the same Don't know

Why? _____

30. Which of the following services does your company offer to customers? (check all that apply)

- Maintenance contracts
- Managed access control
- Remote video monitoring
- Cloud-based Video Surveillance as a Service (VSaaS)
- Network monitoring
- Cybersecurity services
- Other _____

31. What issues and trends do you think will have the greatest impact on your business in 2019? Please consider things such as cybersecurity; do-it-yourself (DIY) security; self-monitoring; the IoT (Internet of Things); active shooters; crime/terrorism, etc. (This question is open-ended so feel free to elaborate.)

32. What will be the top two challenges for your company in 2019? (This question is open-ended so feel free to elaborate.)

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 no later than Monday, March 18, 2019