

TOP 30 STRUCTURED WIRING INSTALLERS:

GETTING Creative

In a sagging market, these leading structured wiring dealers find new ways to make up for the shortfall.

by Julie Jacobson

It's tough to be a high-volume integrator that relies on new construction, and lots of it. It's especially tough today.

By the end of July 2007, single-family housing starts were down 26.9 percent for the year. The July 2007 seasonally-adjusted annualized pace of U.S. housing starts plunged to its lowest

absolute level in over 10 years, and now stands 39.7 percent below its peak, recorded in January of 2006.

And let's not even talk about the subprime crisis.

In this era, we celebrate the *CE Pro* Top 30 Structured Wiring Dealers that have hung in there. But how are they doing it?

New Avenues

"Creative" is the word Bill Wright of Ranger American uses when he talks about the structured wiring business. The San Antonio, Texas-based installation company, which focuses on security, had a fairly good year in structured wiring with about 16,291 installations, up a couple of percentage points from last year.

His group is looking at getting creative with their wiring crews. "We're even thinking about garage door prewires and sprinkler prewires. We try to get the most out of every house."

One saving grace for Ranger is the continued proliferation of broadband. "There are certain specs you have to have," Wright says.

Another high-volume integrator, Design Tech Electronics of Waldorf, Md. has seen its CCTV business "increase dramatically," says principal George Clark. In fact, CCTV is so strong, he wonders what Design Tech will do "if the market returns to what it was in 2005."

Several of the Top 30 dealers say they have made headway in new markets. Phoenix-based Dennis Sage Home Entertainment, which saw a dramatic decline in single-family business last year, has had some success in the multidwelling unit (MDU) market.

Collins, of St. Paul, Minn., has always been strong in the MDU market and is finding now that business in the college and senior housing market is growing.

Then again, it helps that Collins is a major electrical contractor in the area, providing low-voltage as well (and that the company got much of the local structured-wiring business once promised to Best Buy).

TOP 30 2007





2007 Structured Wiring

Rank	Company	Location	Web Address	Phone
1	Ultimate Electronics	Thornton, Colo.	<i>UEBuilder.com</i>	866-379-3385
2	Ranger American (WB Holdings)	San Antonio, Texas	<i>rangeramerican.net</i>	210-691-2815
3	Guardian Protection Services	Warrendale, Pa.	<i>guardianhometechnologies.com</i>	724-741-3500
4	Smart Systems Technologies Inc.	Irvine, Calif.	<i>sstsun.com</i>	949-367-9375
5	Foresight Systems Inc.	Gilbert, Ariz.	<i>foresightaz.com</i>	480-388-3400
6	Advanced Electronic Solutions	El Cajon, Calif.	<i>aes2.net</i>	619-579-2898
7	C&R Systems Inc.	Corona, Calif.	<i>crsys.net</i>	951-270-0255
7	Liberty Bell Alarm & Home Theater	Sacramento, Calif.	<i>libertybellalarm.com</i>	916-386-9696
9	iWired	Scottsdale, Ariz.	<i>iWired.com</i>	480-922-2500
10	Eagle Sentry	Las Vegas, Nev.	<i>eaglesentry.com</i>	702-736-8880
11	Showcase Home Theatre & Automation Inc.	Calgary, Alberta	<i>showcasehometheatre.com</i>	403-254-5820
12	JWE Corp.	Irvine, Calif.	<i>jwecorp.com</i>	949-366-8366
13	Concept Home Theatre & Networks	Ottawa, Ontario	<i>concepthometheatre.com</i>	613-746-6663
14	RIMI Systems Integration	Simi Valley, Calif.	<i>rimisecurity.com</i>	805-522-8000
15	Collins (Formerly Convergent Media)	St. Paul, Minn.	<i>collinsolutions.com</i>	651-224-2833
16	Beutler Corp.	McClellan, Calif.	<i>beutler.com</i>	916-646-2222
16	DiscoverTec LLC	Deerwood, Fla.	<i>discovertec.com</i>	904-680-3000
16	Vintage Security LLC	Jessup, Md.	<i>vintagesecurity.com</i>	410-290-1800
19	Dennis Sage Home Entertainment Inc.	Phoenix, Ariz.	<i>dshe.net</i>	602-274-3211
20	Automatic Switching	Concord, Ontario	<i>automaticswitching.com</i>	905-669-6310
21	Connective Home	Brookhaven, Pa.	<i>connectivehome.com</i>	866-947-3348
22	Azimuth Communications Inc.	Wilsonville, Ore.	<i>azimuthcommunications.com</i>	503-639-0110
22	Mesa Home Systems	Austin, Texas	<i>mesahomesystems.com</i>	512-258-2599
24	S&S Electric	Oldsmar, Fla.	<i>ss-electric.com</i>	813-855-6692
25	Structured Cable of Va.	Richmond, Va.	<i>structuredcableofva.com</i>	804-934-0000
26	Design Tech Electronics	Waldorf, Md.	<i>designtechelectronics.com</i>	301-843-8008
27	American Cable Services	Ocala, Fla.	<i>americable.us</i>	352-342-9353
28	Interscapes LLC	Montgomery, Ala.	<i>interscapesonline.com</i>	334-395-6555
29	American Home Systems	Alexandria, Va.	<i>wireitall.com</i>	703-461-8100
30	Questron Inc.	Elkridge, Md.	<i>questron-inc.com</i>	877-909-7070

*MDUs (multidwelling units, such as condos) are counted for each unit that has its own structured wiring hub.

*On-Q is On-Q/Legrand

NA - not available

Single Family	MDU*	Total	Years in Business	Locations	Top 2 Structured Wiring Brands
16,000	3,000	19,000	39	N/A	N/A
16,291	0	16,291	30	10	On-Q*, DSC Concourse
10,940	1,931	12,871	56	16	On-Q, GE
6,800	900	7,700	8	5	Leviton, SUN
4,000	1,500	5,500	10	1	Honeywell, On-Q
3,000	2,000	5,000	25	2	Leviton, GE
4,000	800	4,800	26	5	USTec, On-Q
4,000	800	4,800	26	2	Channel Vision, Leviton
4,304	306	4,610	6	2	On-Q, USTec
4,300	0	4,300	21	2	On-Q, Leviton
1,800	1,200	3,000	10	1	Home Director, Elan
1,689	1,034	2,723	24	1	Open House
2,200	325	2,525	23	2	Home Director
1,800	600	2,400	28	3	On-Q, GE
210	2,140	2,350	60	1	Open House, Suttle
2,200	0	2,200	23	2	On-Q, Honeywell
1,760	440	2,200	13	2	SCP, On-Q
1,500	700	2,200	6	2	On-Q
1,628	110	1,738	13	1	Channel Vision, Honeywell
1,350	300	1,650	7	2	Home Director
1,600	50	1,650	7	1	GE, Leviton
1,100	400	1,500	7	1	Elan, USTec
1,500	0	1,500	15	1	On-Q, Honeywell
1,496	0	1,496	60	4	DataComm, On-Q
995	410	1,405	8	1	GE, On-Q
1,185	217	1,402	19	1	USTec, On-Q
850	250	1,100	4	N/A	N/A
788	304	1,092	8	2	Elan, On-Q
800	230	1,030	35	1	Honeywell
1,015	0	1,015	9	1	Honeywell

About the Top 30 Listing The Top 30 list is available online at www.cepro.com/top30wiring

The CE Pro list of Top 30 Structured Wiring Dealers is created using information from the dealers that participate. CE Pro does not verify the figures independently. Many high-volume installation companies choose not to participate in the listings. For these reasons, the Top 30 list should not be considered a complete or perfect compendium of the highest-volume dealers in North America. Instead, it is a reasonably accurate, fairly comprehensive catalog of some of the busiest structured-wiring dealers in the United States and Canada. Please direct questions and comments to jjacobson@ehpub.com.

Structured Wiring & Electrical

Collins used to be "Collins Electric," then formed a low-voltage division called Convergent Media and, ultimately, determined the low- and high-voltage businesses were so intertwined that the whole group now is known as Collins Solutions.

Combining low- and high-voltage helped Rimi Systems Integration keep pace in 2006. Brian Lipscomb, principal of the Simi Valley, Calif.-based business, says it took his company awhile to make the most of its dual offerings.

Although it saves a builder plenty of money — and plenty of headaches — to use a single contractor for high- and low-voltage work, Lipscomb learned that they still refuse to pay for the benefit. While electrical work may get Rimi in the door, it's the low-voltage side of the business that makes the money.

Electricians can't sell options, Lipscomb says. And low-voltage installers can't do high voltage.

A Time for Reflection

While the housing downturn was just underway last year, several high-volume dealers almost relished the lull to recover from the frenetic 2005.

Back then, Carl Hurrle of Guard-O-Matic, a Tempe-based Top 30 business that failed to reply by press time this year, said the slowdown "gave us a chance to strategize, see where our most important markets were, where we needed to be more efficient."

At the time, he said, the increasing cost of cable and gas wasn't really hurting the company's bottom line because it "covered our margins in better efficiency."

While Top 30 dealers clearly are not delighting in their free time anymore, they are still working hard at improving efficiencies. One dealer who was forced to lay off many staffers said that the entire company appreciated the new environment because the remaining crew was top notch.

JWE Corp., a Top 30 dealer based in Irvine, Calif., won't yield to the temptation of the commercial market because it feels "it would distract from our core business and potentially hurt our relationships with our main partners, the production home builder," says JWE's Luis Pena. "We have really seen this time as an opportunity to reflect on the success of the previous boom, fine-tune our operations even more, implement new systems and process improvements, strengthen our relationships across the entire value chain, and ensure we are ready to move forward with our builder partners when the market turns again in their favor."

Time Yet to Ponder

For those who like to contemplate, there's both good news and bad news. On the one hand, you may have more time for reflection, "primarily because of the demand-dampening impact of the subprime mortgage and related credit market crises," says Daryl Delano, research director for EH Publishing, the parent company of *CE Pro*. "Forecasts for housing starts and sales recovery in 2008 have grown more pessimistic in recent months."

On the other hand, Delano says, market conditions, "still appear to be deteriorating, but at a much slower rate than earlier in the year." **CE Pro**

Top 30 By the Numbers

More Money per Job

Virtually every Top 30 dealer interviewed for this story has focused on making more money on every job to make up for the shortfall in the volume of installations.

The effort has paid off.

The amount charged for structured wiring installations in 2006 was about even with 2005, but dealers did in fact make more per home.

Dennis Sage of Phoenix-based Dennis Sage Home Entertainment speaks for many dealers when he says, "Our sales team is selling more to fewer clients." His company has more aggressively pursued "many items the industry has been talking about," such as new categories like security monitoring, extended service agreements and furniture.

Price of Structured Wiring per Installation

	2006	2005
Mean:	\$1,126	\$1,143
Median:	\$1,050	\$1,000

Price per Job, Including Options

	2006	2005
Mean:	\$3,350	\$2,780
Median:	\$3,200	\$2,700

What's the Prognosis?

Will business improve in 2007? It's a mixed bag. As for structured wiring, Top 30 dealers, on average, believe their structured wiring installs will increase 10 percent this year over last. An equal number of dealers said their installs would increase as said they would decrease.

Of course, that doesn't really tell us anything about anyone's faith in the housing market. The figures may very well reflect a change in focus to more custom work or different markets, for example.

Revenues are another story. On average, Top 30 respondents foresee a 4.4 percent drop in revenues for business related to low-voltage installations (median .01 percent drop). One dealer expects revenues to be down 35 percent this year. The most optimistic expects a 10.7 percent rise.

Gone Shopping?

Last year's crop of Top 30 did an average of 90 percent of their business through home builders versus consumers (90 percent median). With this year's class, that ratio drops to 85 percent (both mean and median).

Seeing volume decreasing in 2007, Elkridge, Md.-based Questron has begun marketing directly to consumers and remodelers. Ranger American has increased sales reps on the streets.



COLLINS ELECTRICAL CONSTRUCTION CO.

278 STATE STREET, ST. PAUL, MN 55107

651.224.2833 • (F)651.292.0359 • WWW.COLLINSOLUTIONS.COM