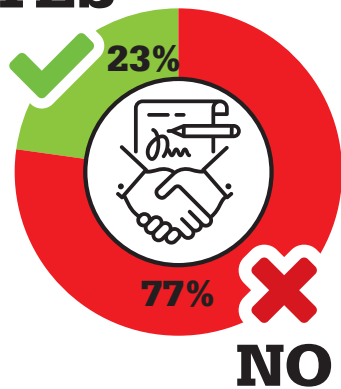


The Fast50 Market Research

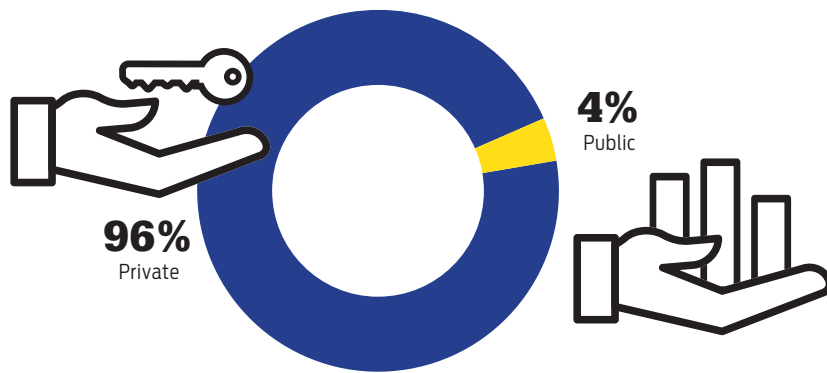
All entrants of SD&I's Fast50 fill out a series of market research questions designed to give dealers and integrators greater insight into the security market and the forces affecting it. Here are the results, along with the continuing "Fast50 in their own words" observations. **Editor's Note:** Percentage results for some questions may not total 100% – we encouraged those surveyed to "select all that apply" on certain questions.

YES



Has your company merged with or acquired any companies in the past 24 months?

Type of Ownership

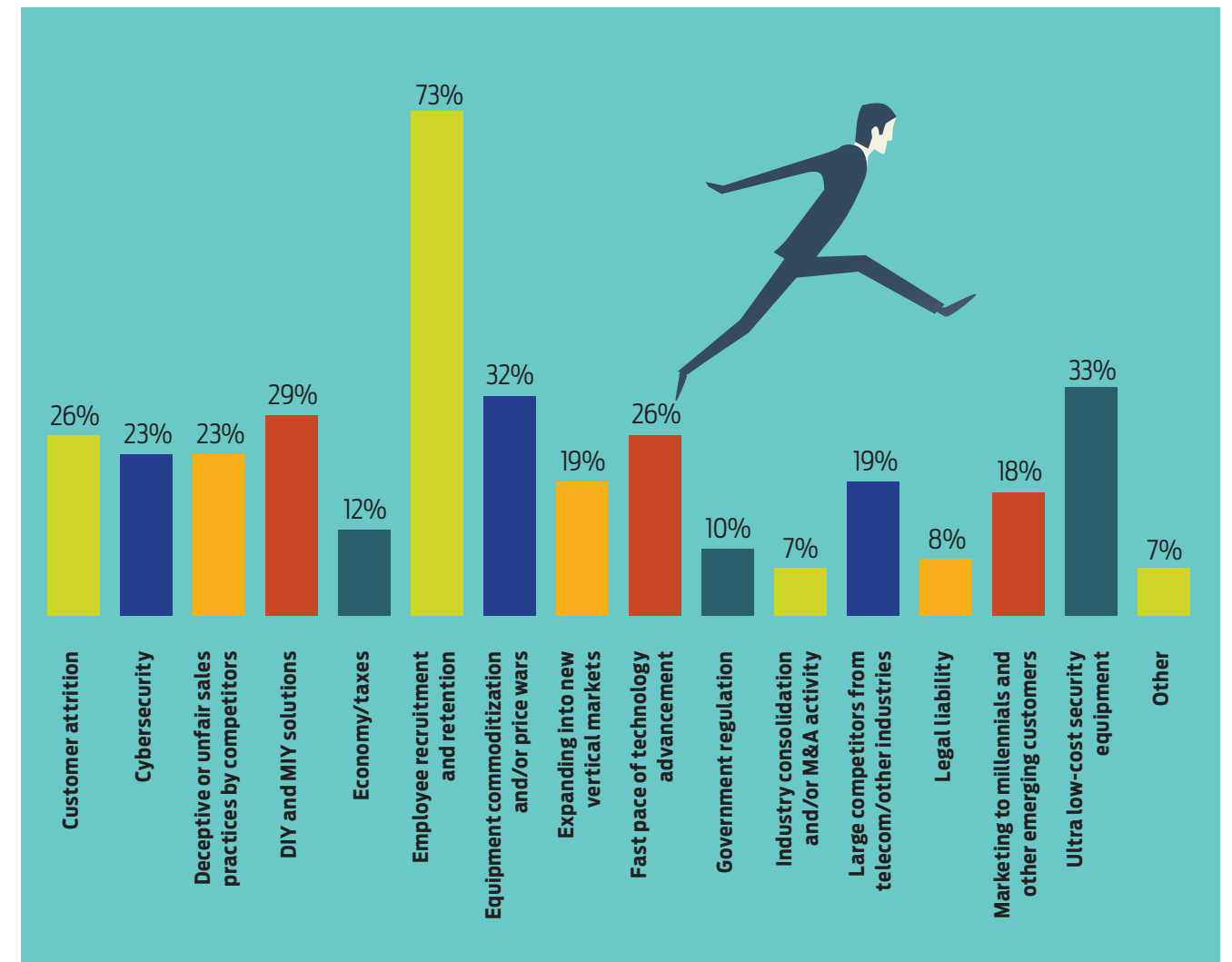


...on recruiting and IT expertise

"As integrated electronic security systems become more technically complex and integrated into our customer's networks, having strong and talented IT professionals is a must. We need system architects, engineers, and cybersecurity professionals as well as service professionals with the aptitude to quickly assess, troubleshoot and mitigate performance or operations issues."

– Dan O'Sullivan, CEO, GC&E Systems Group

What are the top threats/challenges to your business?

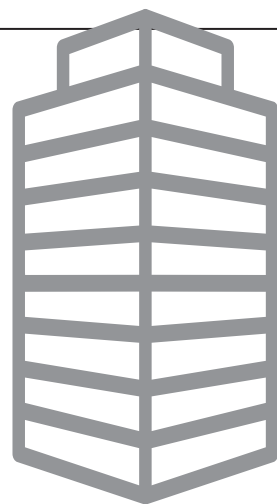


...on cybersecurity

"We are more selective with our technology partners based on network security concerns."

– Richard Stuart, VP Security, Vision Technologies Inc.

What is your business mix?



82%
% Commercial
(includes the government market)

...on recruiting and retention

"Industry-wide, experienced and seasoned technicians are aging, with some wanting to retire and others looking to get out of the field and into the office. Skilled trades are down in favor of higher education for incoming generations, and we are feeling the pain."

– Andy Boyd, President, Integrated Protection Services (IPS)

...on new players entering the market

"Large players are coming into our space and lowering the costs of monitoring rates with DIY systems,"

– Curtis Kindred, President and CEO, American Defense Systems

What are your top concerns when it comes to growing your business?



...on the biggest threat to the security industry

"DIY is our greatest threat, and it is our job to educate and promote the quality difference."

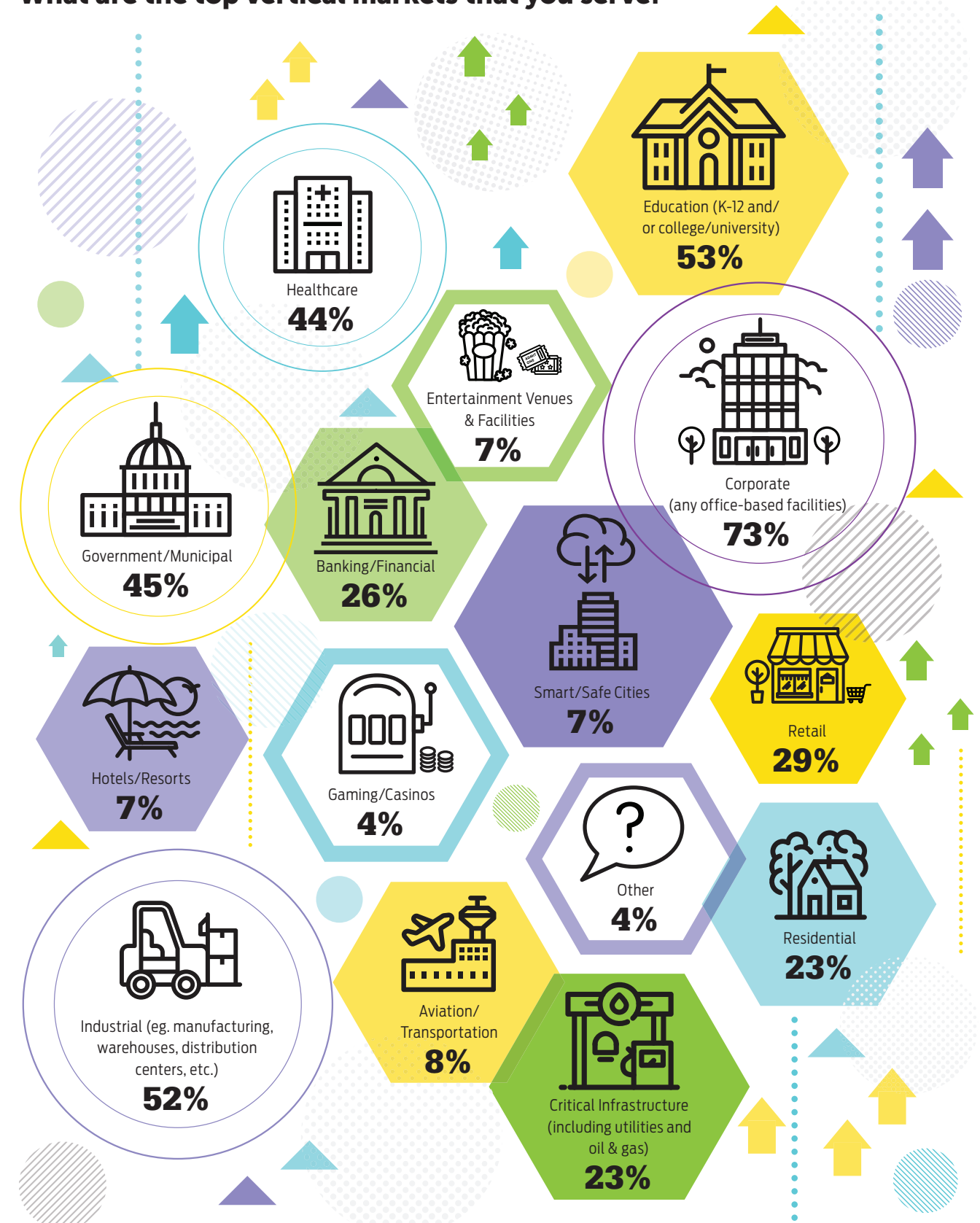
– Jeff Torok, Vice President, Am-Tec Total Security Inc.

...on recruiting qualified employees

"We have recently partnered with local technical colleges and programs, helping them to design curriculum and training that will best result in qualified candidates for us."

– Brian Thomas, President & CEO, A3 Communications Inc.

What are the top vertical markets that you serve?

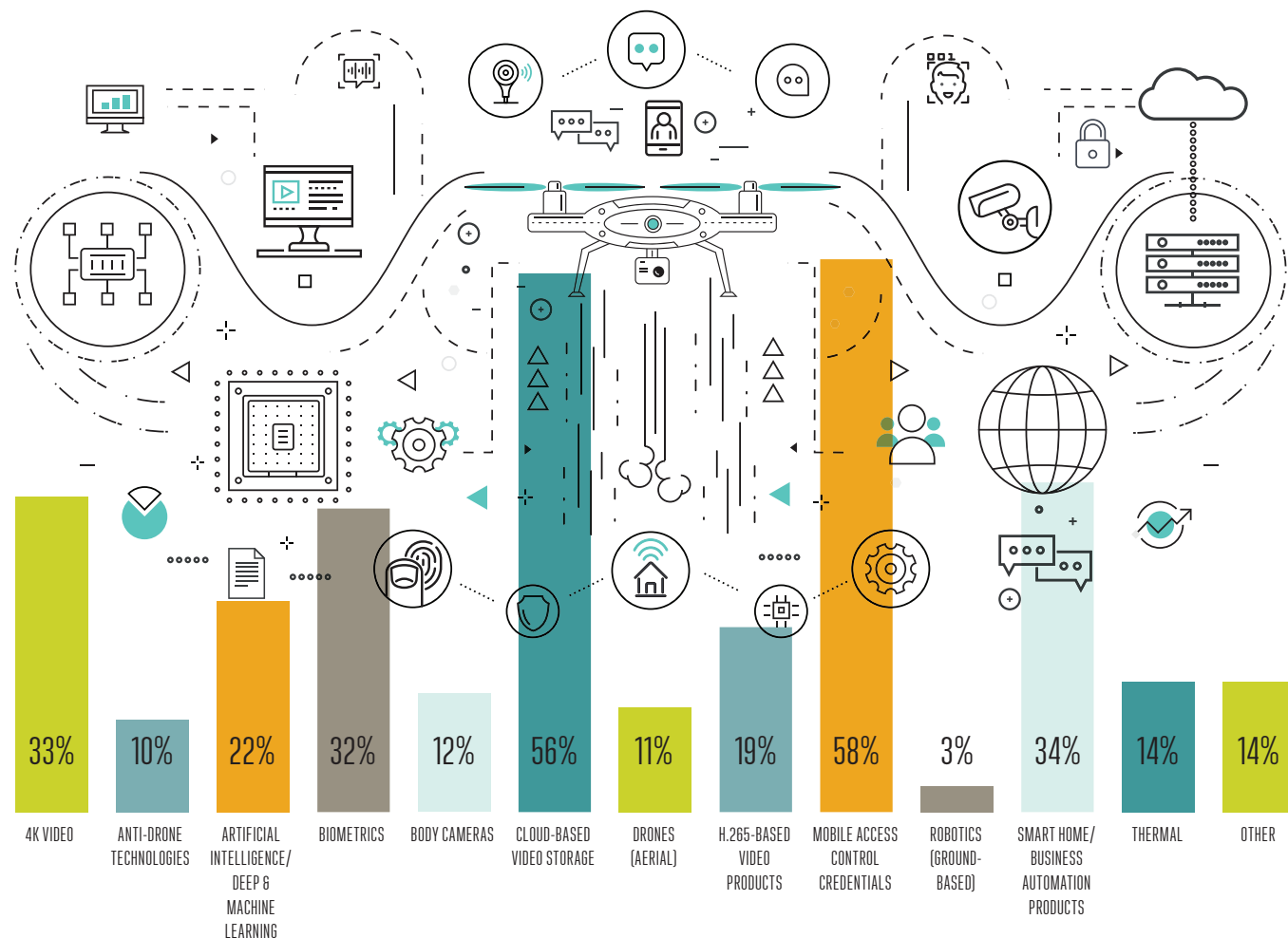


...on attracting talent to the industry

"If there was a message to convey to the new entrants in our space, it would be to recognize the incredible potential for advancement in an aging industry."

— Angela White, EVP, Central 1 Security

What bleeding-edge technologies are you most interested in or are considering adding to your offerings?

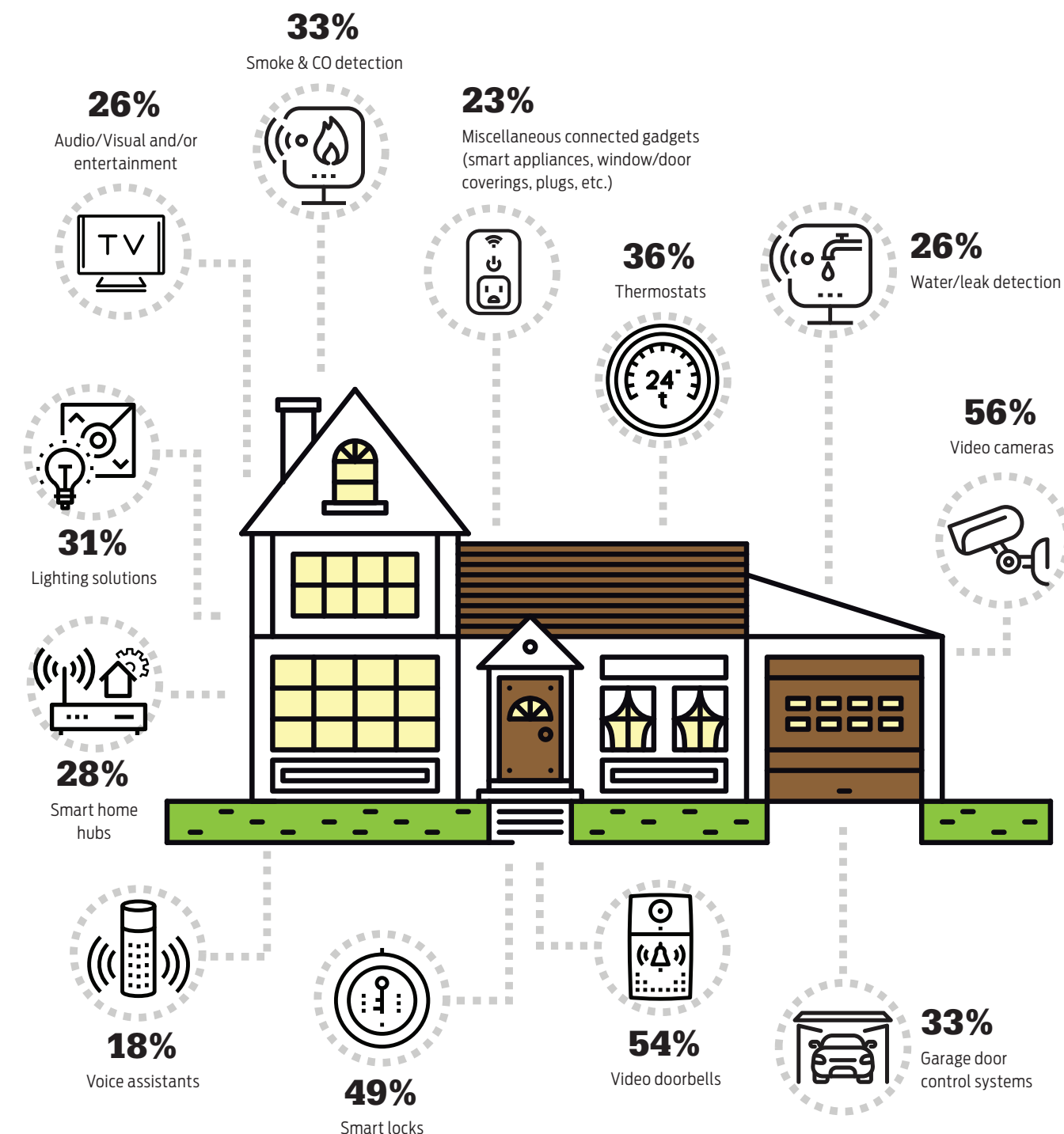


...on the evolution of IT in the security industry

"Simple systems are the past. To compete on larger and more complex jobs, your team must be very open minded when it comes to technology. Hire only technicians that are capable of learning IT and other high-tech applications."

— Chris Leonidas, Vice President, Silco Fire & Security

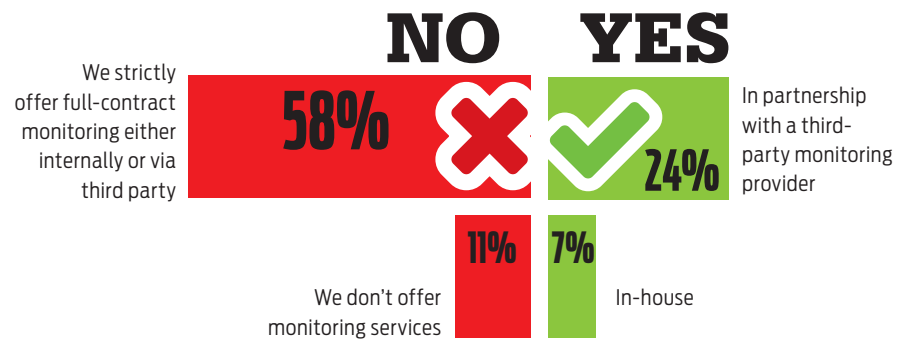
If you service the residential market, what smart home products/services have you added (or plan to add in the next 12 months) to your offerings?



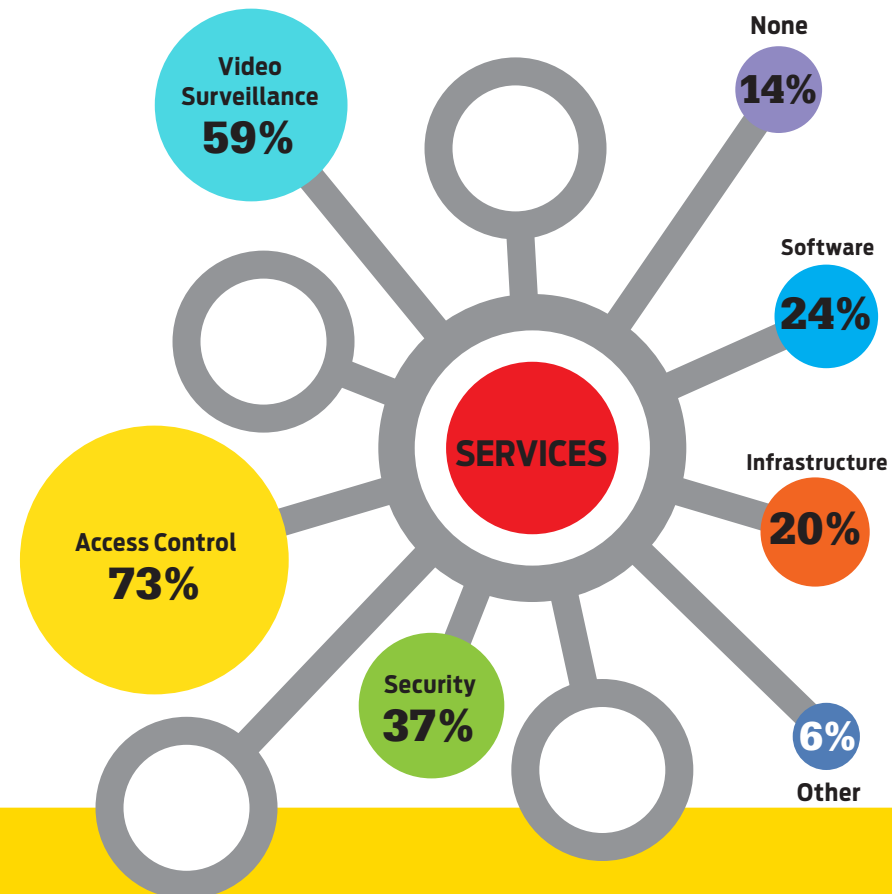
...on sales tactics

"We don't simply encourage every sales associate to attach RMR on each proposal – we require it. The impact has been exponential."
– Aaron Hughes, VP Sales, Brady Integrated Security

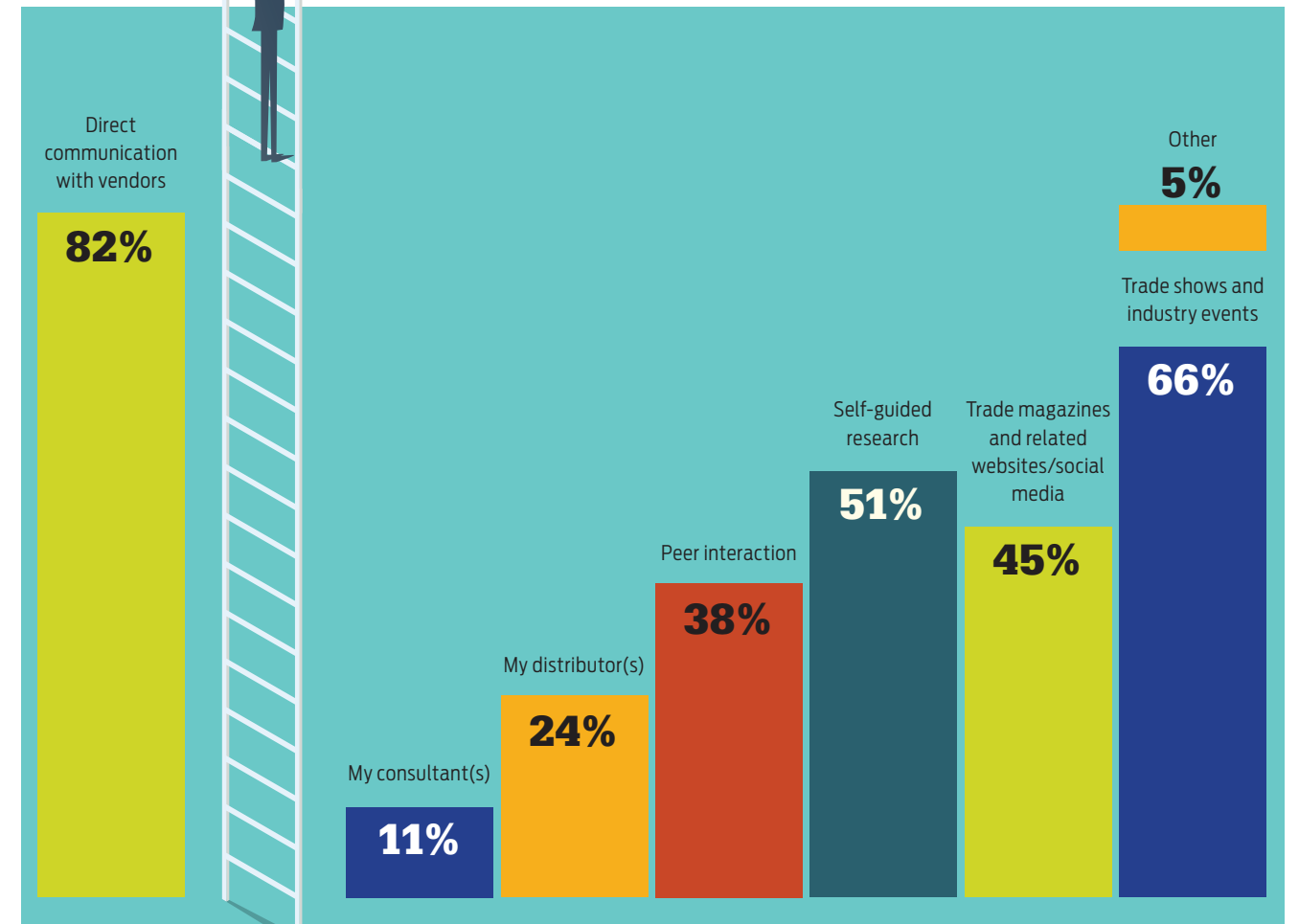
Do you offer non-contractual monitoring (ie Monitor-as-you-go or Monitoring on Demand)?



What managed or hosted services do you offer?



How do you keep up-to-date on rapidly changing technologies?



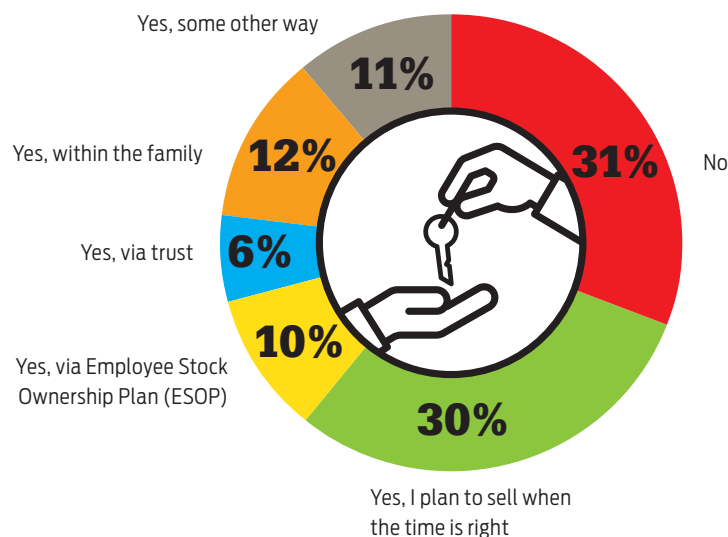
...on growth challenges

"In 2018, our biggest challenge will be succession planning and employee acquisition to sustain our year-over-year growth."
– Joshua William, General Manager, Skynet Integrations

...on competitive sales tactics

"Deceptive sales practices continue to be a challenge for our industry. There are a few bad apples who are giving our entire industry a black eye. While ADT has taken a leadership role through legal action and by teaming with ESA, TMA and the BBB to educate consumers, we need others in the industry to join the fight."
– Bob Tucker, Director of Corporate Affairs, ADT

Have you considered succession planning for your business?

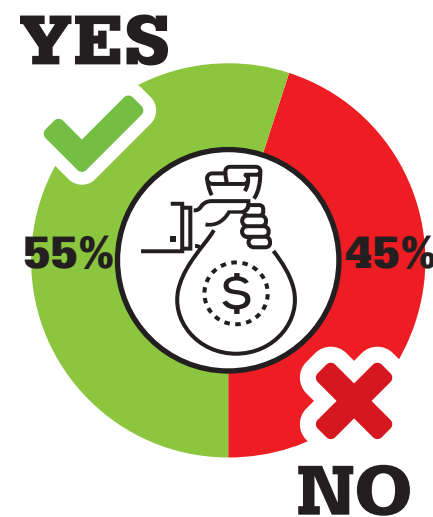


...on security products

"With all of the concerns over cyber-security with (some) video surveillance manufacturers, it is simply not worth the risk to be included with those on a race to the bottom where price is concerned."

— *David Vermillion, President, Vermillion Systems Inc.*

Have you been approached within the past 24 months to sell or merge your business with another company?



...on product commoditization

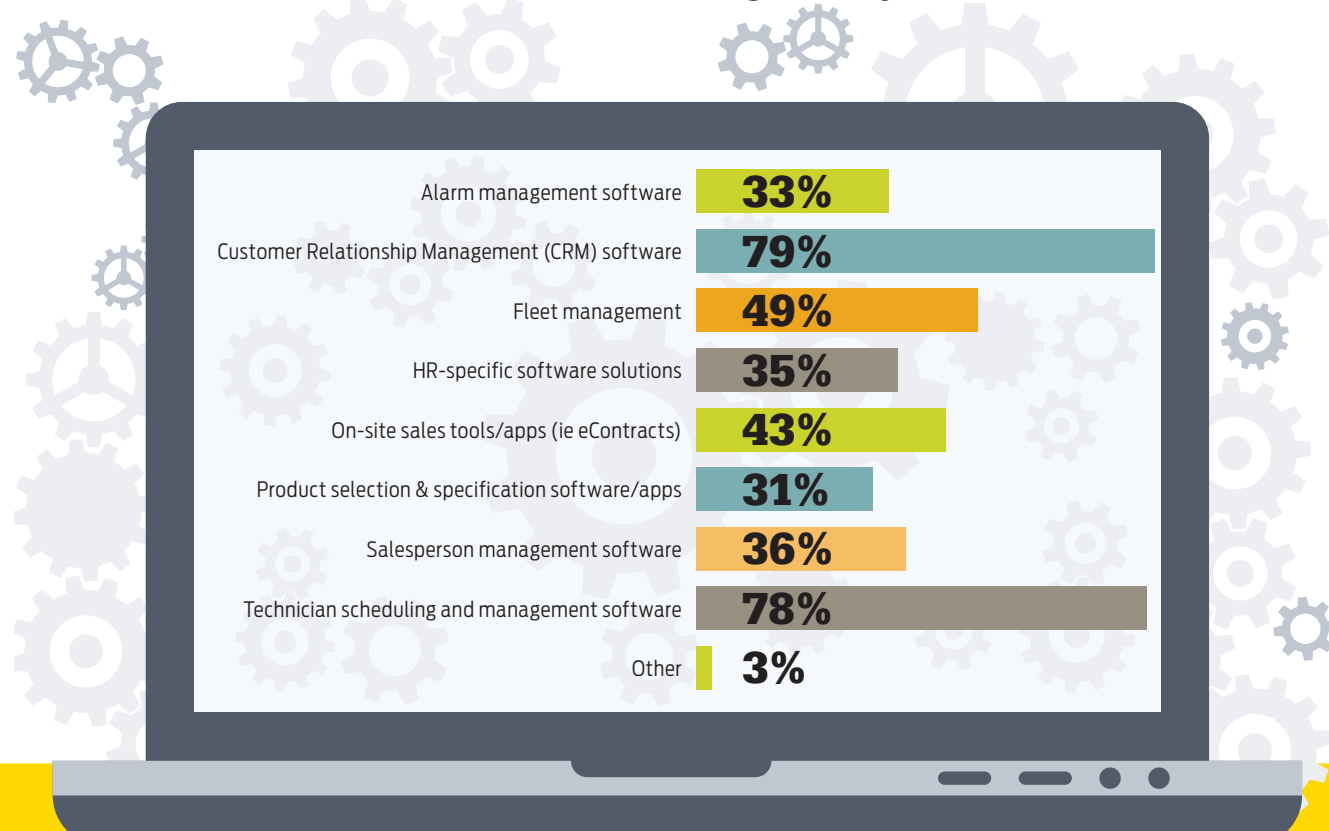
"The most significant challenge we face is the continued commoditization of the security industry – the 'race to the bottom' as it relates to price. Convergent has addressed this challenge by developing value-added services that ultimately create (better) business outcomes for clients."

— *Tony Varco, VP Security, Convergent Technologies*

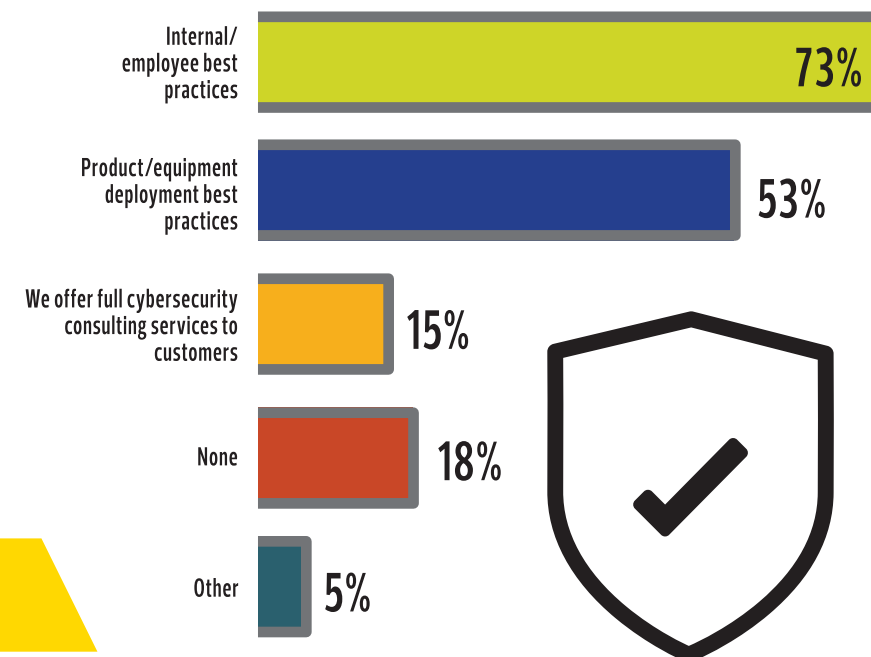
How do you increase your team's IT and cybersecurity expertise?



Q21 What business/back office technologies do you use?



What formal cybersecurity policies/offerings does your business have?

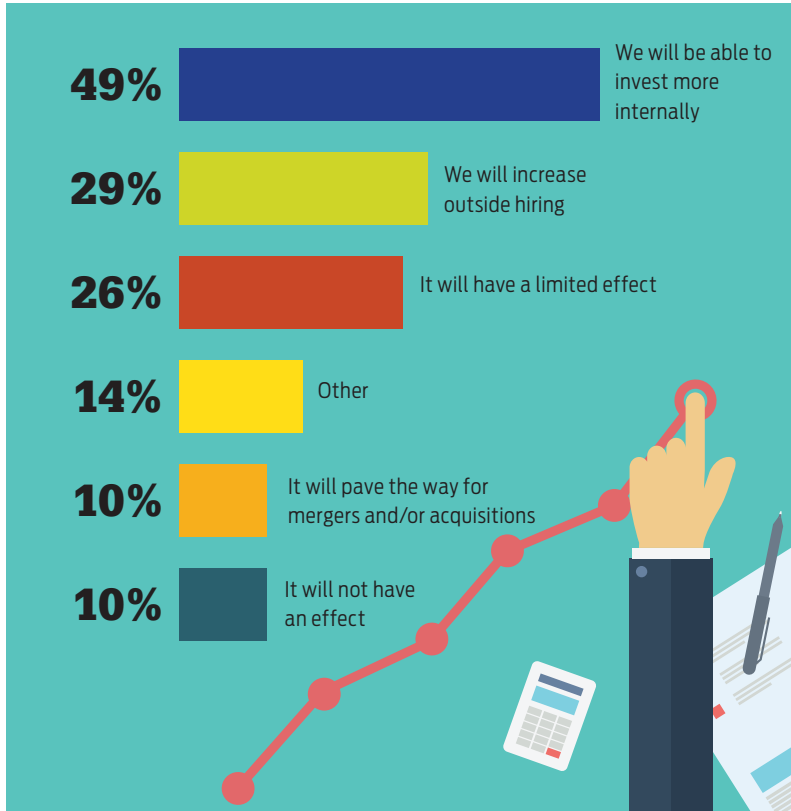


...on growth

"The greatest challenge we face is maintaining company culture and high quality services as we continue to grow. Finding the right people and integrating them properly is a real concern."

— *Brent Edmunds, President, Stone Security*

How will (or has already) President Trump's tax plan affect your business?



...on business challenges

"Customer acquisition is one of our biggest challenges. We are using a variety of approaches including social media and direct marketing."

– **Zach Grove, President, Armada Global Inc.**

...on dealing with decreasing margins

"Field hardware and installation will become even more of a commodity and press margins for integrators. It is critical that integrators continue to adapt their business models to maintain margins that will allow for growth and reinvestment."

– **Jamie Bumgardner, COO, Prime Communications Inc.**

How the Fast50 is Calculated

The companies ranked in the annual SD&I Fast50 are recognized and ranked based on percentage growth and revenue growth – with their overall ranking balancing those two considerations using a simple but effective algorithm.

If we ranked companies purely on revenue growth, it would tend to favor larger companies – this way, the playing field is level for all entrants.

We also balance the equation by studying three years of financial change to ensure that high-growth companies aren't just "flash in the pan" types of businesses, but are able to sustain themselves. It also balances ups and downs. For example, a company on our list could have had negative growth in its first year but then achieved such strong growth in year two that the average was powerfully in the positive.

To enter, companies confidentially report to us their three most recent fiscal years worth of gross revenues. Using those numbers, we compute the revenue growth and percentage growth for each of their three most recent fiscal years. We average the growth numbers to generate an average revenue growth for the company, and we do the same for the company to create an average percentage growth.

Companies may enter as long as one of their key business efforts is the installation of security solutions (e.g., video, intrusion, access control, perimeter detection, biometrics, etc.). It doesn't have to be a company's sole business effort, but it does need to be a definitive part of the firm.

» **The Fast50** is an annual rankings and market research feature in SD&I open to all North American security dealers/integrators. To access all of the results from all seven years of SD&I Fast50 rankings and research, visit www.securityinfowatch.com/sdifast50.