17th Annual

SDM's Top Systems Integrators

THE ROAD IS STILL UNCERTAIN

For the second year in a row, systems integration revenue fell by 4 percent. Instead of paving their own straight road, integrators are facing sharp curves in adoption of new technology infrastructure and new service models.

By Laura Stepanek, Editor

Security systems integrators had expected to pull ahead in 2011, but instead they experienced a dismal first half of the year and a better-by-comparison but still "just average" second half. Following a 4.4 percent drop in 2010, systems integration revenue among the industry's largest security companies fell yet again — by 3.6 percent in 2011 — leaving many wondering what it would take to get back up to speed. Integrators face sharp curves in the need to quickly adopt IP as the primary infrastructure for security systems, as well as to create business models that offer security as a service.

There were some stand-outs among the 2012 Top Systems Integrators, a report which ranks companies by their North American systems integration revenue from the previous year. Among the top 10 companies, Convergint Technologies, LLC, ranked No. 7, reported 17 percent growth year-over-year in systems integration revenue reported to *SDM*. Stanley Convergent Security also did well with its acquisition of Niscayah, removing Niscayah from the No. 8 spot on the report. And Schneider Electric pulled ahead by about 10 percent. Nevertheless, many other companies continued to feel a hard pinch in an industry that has been historically reliant on new construction, government spending, and big capital budgets.

Projects in 2011 originated from a mixed bag of vertical sectors. For some integrators in some geographic areas, government spending carried them through; while for other integrators, the private sector provided the greatest source of new work. As in 2010, the Corporate market was cited by systems integrators as the No. 1 vertical sector contributing to their 2011 revenue. The Industrial market displaced Education as the second most productive vertical sector — meaning that more companies ranked it higher among sources of revenue than in the previous year.

Clearly, existing infrastructures have risen to the top of the road as a primary source of new business to tap. "The market continues to recover and has moved from weak to average on new builds, while strong on maintaining existing infrastructures," commented No. 13-ranked NAVCO Security.

Many companies found they relied on their key customers' expansion programs in 2011. Hand-in-in-hand with servicing existing customers is realizing that large capital expenditures are fewer to be found, making the development of security-as-a-service business models more important than ever. However, not all integrators are moving in that direction with the same speed, some saying that customer demand just isn't there yet.

"Projects for us in 2011 are up at the moment," claims High-Tech-Tronics Inc., ranked No. 65. "With IP camera technology getting better — especially with bandwidth requirements — I see the market going up. Cloud-based is still new, but we are starting to get customers asking about it."

Some integrators, such as Interface Security Systems Holdings Inc., ranked No. 109, are farther along this road than others are. In 2011, only 1 percent of service revenue among Top Systems Integrators came from hosted and managed services.

"Our company's strategic decision in 2007 to expand into the IP managed services market with both physical security and logical security services, along with IP-based remote video and digital voice services, has proven to be extremely successful. We have more than doubled our RMR in the last four years as a result and expect to add over $2 million of new RMR in 2012 all through organic growth," stated Interface Security.

SDM's Top Systems Integrators Report ranks, by reported North American systems integration revenue, the largest companies that contract electronic security projects for commercial, industrial, institutional, government, and other non-residential markets. For ranking purposes, these are businesses that derive more than half of their revenue from the sale, design/engineering, installation and service of multi-technology electronic security systems, such as access control and identification, video surveillance, alarms, perimeter security, and other network-based technologies. Listings begin on the following page.

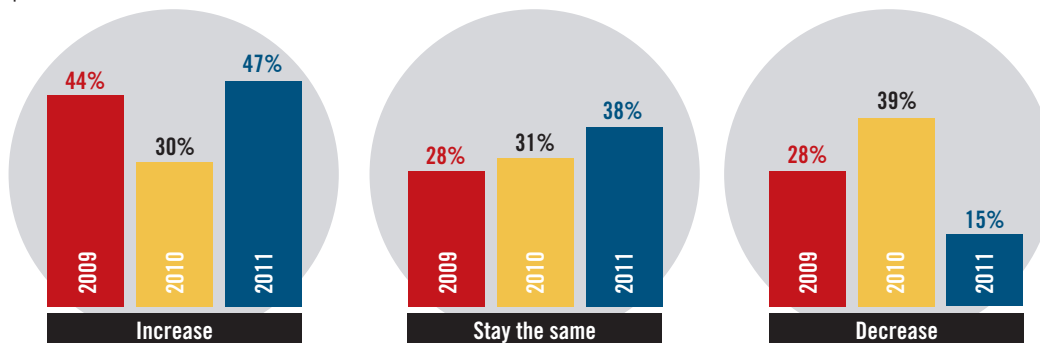| 2012 Rank	2011 Rank	Company & Headquarters Location	North American Systems Integration Revenue 2011	Number of New Projects 2011	Value of Largest New Project	Value of Smallest New Project	Top 3 Markets Contributing to Revenue	Full-time Employees	Business Locations
1	1	ADT Boca Raton, Fla.	$1,800,000,000 *e	na	na	na	na	26,000	350
2	2	Siemens Industry Inc. Buffalo Grove, Ill.	$1,400,000,000 *e	na	$4,000,000	$1,000	govt, edu, health	na	100
3	3	SimplexGrinnell Westminster, Mass.	$925,000,000	na	na	na	na	10,000	150
4	4	Diebold Security North Canton, Ohio	$536,000,000	na	$21,300,000	$2,500	finance, transport, retail	4,689	90
5	5	Stanley Convergent Security Indianapolis, Ind.	$372,400,000	na	na	na	na	4,200	101
6	6	Johnson Controls, Inc. Milwaukee, Wis.	$256,200,000	3,000	$10,000,000	$25,000	health, airport, utilities	768	35
7	7	Convergint Technologies, LLC Schaumburg, Ill.	$237,175,269	6,645	$9,000,000	$2,500	corp, edu, health	995	26
8	9	HBE, a Kratos Company San Diego, Calif.	$95,200,000	na	$18,000,000	na	airport, health, transport	na	na
9	10	Schneider Electric Carrollton, Texas	$91,714,000	220	$10,100,000	$10,000	govt, health, airport	1,764	17
10	11	G4S Technology, LLC Omaha, Neb.	$81,361,700 *e	146	$47,000,000	$1,500	govt, transport, utilities	347	15
11	13	Kastle Systems Springfield, Va.	$64,000,000	na	na	na	corp, govt, finance	350	8
12	14	Carter Brothers, LLC Atlanta, Ga.	$45,428,908	na	na	na	health, edu, hospitality	168	11
13	15	NAVCO Security Anaheim, Calif.	$42,151,584	1,200	$560,000	$12,000	finance, retail, corp	133	10
14	17	Tri-Signal Integration Inc. Sylmar, Calif.	$36,982,000	500	$28,000,000	$36,000	health, corp, correctnl	265	9
15	18	RFI Communications & Security Systems San Jose, Calif.	$36,546,606	1,807	$1,137,280	$14,350	health, corp, edu	211	5
16		AFA Protective Systems Inc. Syosset, NY	$31,200,000	6,250	$600,000	$450	retail, indus, corp	437	19
17	20	Tech Systems Inc. Duluth, Ga.	$30,850,536	na	$865,000	$25,000	corp, utilities, health	155	3
18	21	VTI Security Integrators Burnsville, Minn.	$30,850,000	850	$2,200,000	$500	finance, utilities, health	121	6
19	19	ASG Security Beltsville, Md.	$22,277,089	16,465	$949,662	$199	indus, govt, retail	862	23
20		Securityhunter Inc. Baltimore, Md.	$20,517,540	24	$7,442,752	$10,490	na	14	1

No. 1 – In Oct. 2011, Tyco announced plans to separate Tyco's businesses, including ADT, into three separate, publicly traded operating companies: ADT North America Residential and Small Business Security, Commercial Fire and Security, and Flow Control. In March 2012, Tyco announced that ADT North America Commercial Security business unit would change its name to Tyco Integrated Security. ■ No. 2 – *SDM*'s 2010 Systems Integrator of the Year. Combined Fire Safety and Security to offer customers a broader portfolio of solutions and services from one source. ■ No. 4 – *SDM*'s 2011 Systems Integrator of the Year. Selected to conduct the challenging and intricate integration of sophisticated security solutions at the World Trade Center complex, including the construction site, 4WTC skyscraper, WTC Transportation Hub, and the Situational Awareness Platform Software. ■ No. 5 – Parent Stanley Black & Decker (NYSE: SWK) acquired No. 8 Top Systems Integrator, Niscayah, which had $200M in North American Systems integration revenue in 2010. Stanley CSS made six acquisitions in 2011. ■ No. 6 – *SDM*'s 2009 Systems Integrator of the Year. Turned primary selling focus toward direct-to-the-end-user business versus selling in the unsolicited competitive bid market. Moved to a more vertical market structure by creating vertical market specialists who understand the nuances of a particular vertical market. ■ No. 7 – *SDM*'s 2007 Systems Integrator of the Year. Developed automated customer support portal, which provides customers with faster response and complete reporting metrics on all project- and service-related issues. ■ No. 8 – Acquired Ingersoll Rand Security Technologies early 2012. ■ No. 10 – *SDM*'s 2008 Systems Integrator of the Year (Adesta). Record-breaking backlog for seventh consecutive year. ■ No. 13 – New customer revenues of over $2 million. ■ No. 15 – Expanded the sales team and hiring leadership to expand into Southern California. ■ No. 16 – Converted computer operating system to allow it to interface both its operational and accounting facilities for significantly more efficiency. ■ No. 17 – Stanley Healthcare Dealer of the Year for two years running. ■ No. 19 – Deployed ASG Connect, an enhanced service platform in the intrusion category that gives customers the ability to interact with their security systems in real time, including integrated video, lights, locks, and environmental control, via PC, smart phone or tablet. ■ No. 20 – HSPD-12 integration with nationwide VHA/VBA facilities obtaining $500M BPA.

e = *SDM* estimate. na = not available. Abbreviations to markets: airport = airports; corp = corporate; correctnl = correctional; edu = education; entertainmnt = entertainment and sports venues; finance = financial/banking; gaming = casinos/gaming; govt = government; health = healthcare; hospitality = hotels and hospitality; indus = industrial; law enforc = law enforcement; retail = retail and restaurants; transport = transportation/distribution/logistics; utilities = utilities.

SDM

Punched up Profit in 2011

Top Systems Integrators were asked, "Did your company's net profit margin increase, decrease or stay about the same in 2011 compared with 2010?"
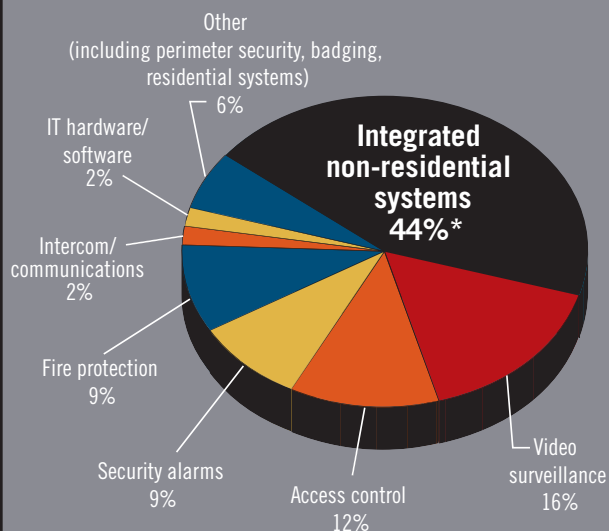

Increase — 2009: 44%, 2010: 30%, 2011: 47%

Stay the same — 2009: 28%, 2010: 31%, 2011: 38%

Decrease — 2009: 28%, 2010: 39%, 2011: 15%

Top Systems Integrators noted much-improved net profit margins compared with the previous year. Nearly half of integrators (47 percent) recorded an increase in 2011, compared with less than one-third of integrators in 2010.

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

Source: SDM Top Systems Integrators Report, July 2012

Integrators' Sales Revenue by *Product* Category

Top Systems Integrators were asked to break down their 2011 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 2010 to 2011 in the percentage of revenue from products.
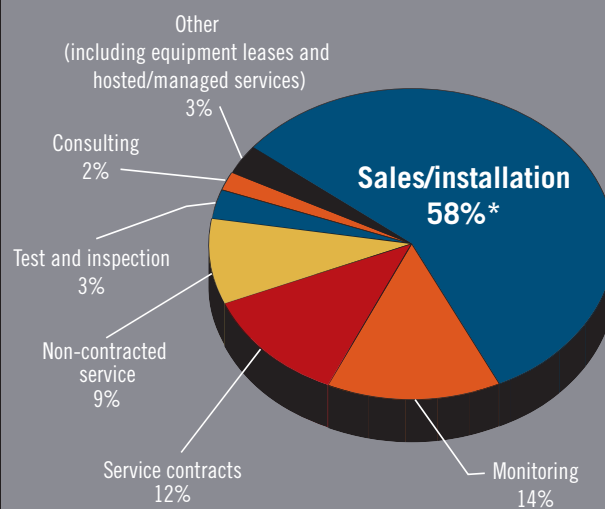

- Other (including perimeter security, badging, residential systems) 6%
- IT hardware/software 2%
- Intercom/communications 2%
- Fire protection 9%
- Security alarms 9%
- Access control 12%
- Video surveillance 16%
- Integrated non-residential systems 44%*

*percentage of Top Systems Integrators' 2011 sales revenue; based on 100 responses.

Source: SDM Top Systems Integrators Report, July 2012

Integrators' Sales Revenue by *Service* Category

Top Systems Integrators were asked to break down their 2011 revenue by type of service. The majority is earned from sales and installation of engineered systems. No significant changes were recorded from 2010 to 2011 in the percentage of revenue from services.

- Other (including equipment leases and hosted/managed services) 3%
- Consulting 2%
- Test and inspection 3%
- Non-contracted service 9%
- Service contracts 12%
- Monitoring 14%
- Sales/installation 58%*

*percentage of Top Systems Integrators' 2011 service revenue; based on 104 responses.

Source: SDM Top Systems Integrators Report, July 2012

SDM's Top Systems Integrators

2012 Rank	2011 Rank	Company & Headquarters Location	North American Systems Integration Revenue 2011	Number of New Projects 2011	Value of Largest New Project	Value of Smallest New Project	Top 3 Markets Contributing to Revenue	Full-time Employees	Business Locations
21	22	Allied Fire & Security Spokane, Wash.	$20,502,326	150	$3,000,000	$1,000	health, indus, corp	120	3
22	24	Security Corporation Novi, Mich.	$20,258,551	na	na	na	finance, edu, utilities	111	3
23	25	SFI Electronics, LLC Charlotte, N.C.	$18,519,165	335	$1,400,000	$1,000	utilities, indus, health	87	9
24	26	Northland Control Systems Inc. Fremont, Calif.	$17,800,000	500	$4,300,000	$10,000	corp, edu, health	46	4
25	29	Genesis Security Systems, LLC Germantown, Md.	$17,500,000	200	$5,500,000	$10,000	na	47	1
26	30	MidCo Inc. Burr Ridge, Ill.	$17,125,000	675	na	na	gaming, hospitality	na	2
27	36	SecureNet Inc. Carrollton, Texas	$16,502,157	95	$514,000	$5,000	corp, transport, edu	85	5
28	50	ARK Systems Inc. Columbia, Md.	$15,500,000	na	$530,000	$500	edu, health, hospitality	112	3
29	39	SSD Alarm Systems / Kern Security & Fire / Alpha Security & Fire Anaheim, Calif.	$15,277,551	na	na	na	corp, indus, retail	na	12
30	35	Idesco Corporation New York, N.Y.	$14,900,000	20	$1,500,000	$5,000	na	43	1
31	43	Intertech Security Pittsburgh, Pa.	$14,464,388	900	$845,000	$1,200	indus, health, edu	125	7
32	46	MSE Corporate Security Branchburg, N.J.	$14,048,351	50	$40,000	$1,000	retail, corp, edu	57	4
33	33	BCI Technologies Inc. Grand Prairie, Texas	$14,000,000	800	$250,000	$1,500	indus	na	4
34	49	DTT Surveillance Los Angeles, Calif.	$13,925,000	2,113	$6,740	$100	na	226	3
35	44	Unlimited Technology Inc. Chester Springs, Pa.	$13,854,000	345	$3,900,000	$2,500	indus, correctnl, utilities	55	4
36	27	SDI Chicago, Ill.	$13,404,540	8	$1,350,000	$110,000	airport, transport, govt	107	5
37	54	Intelligent Access Systems Garner, N.C.	$13,305,797	350	$500,000	$1,200	utilities, health, edu	60	5
38	41	SIGNET Electronic Systems Inc. Norwell, Mass.	$13,200,000	800	$1,370,000	$560	govt, health, edu	83	3
39	51	Low Voltage Contractors Inc. Minneapolis, Minn.	$13,182,277	404	$1,267,000	$120	corp, health, indus	69	2
40	42	CTSI Chantilly, Va.	$13,065,612	186	$1,300,000	$5,000	govt, health, edu	46	1
41	37	SDT Inc. Newtown, Pa.	$12,588,275	623	$1,407,050	$500	corp, edu, govt	88	1

■ No. 21 – Restructured and centralized service dispatch. Implemented automated mobile workforce solution. ■ No. 23 – Successfully and profitably managed and delivered projects while keeping pace with a 45+ percent increase in project sales volume that began in June 2011 and is continuing into 2012. ■ No. 24 – Completed a 20-seat global security operations center. ■ No. 25 – Sold a campus-wide multi-million-dollar project for a large client. ■ No. 26 – Converged what was the old telecom business into a Network Division doing networks on both sides of the company's businesses. Retraining staff to move in a common direction from what were two separate divisions into a powerful, state-of-the art, network company for security, networks and communication. ■ No. 34 – Established a $20 million credit facility. ■ No. 35 – Opened new office on Madison Ave. in New York City. ■ No. 36 – For the Chicago Transit Authority (CTA), SDI acted as project manager; managed a team of more than 100 technicians, more than a dozen companies and 16 deployment teams in the installation of new cabling, network switches and servers to support nearly 1,700 IP-based surveillance cameras. The is the second largest public transit in the U.S. ■ No. 37 – Completed an upgrade conversion of internal systems. ■ No. 38 – Secured a $1.3 million rehabilitation hospital project including VMS, telecom, nurse-call, A/V, access control, patient handling, life safety, data com. ■ No. 39 – Addition of a structured cable division and expansion of national accounts group. ■ No. 40 – Increase of revenue by 30 percent. ■ No. 41 – Landed very large pharmaceutical project.

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Largest Project Winners

Company	Value of Largest Project	2012 Rank
G4S Technology, LLC	$47,000,000	10
Tri-Signal Integration Inc.	$28,000,000	14
Diebold Security	$21,300,000	4
HBE, a Kratos Company	$18,000,000	8
Schneider Electric	$10,100,000	9
Johnson Controls Inc.	$10,000,000	6
Convergint Technologies, LLC	$9,000,000	7
Securityhunter Inc.	$7,442,752	20
Cam-Dex Security Corp.	$6,314,036	69
Genesis Security Systems, LLC	$5,500,000	25
Security Integrations	$5,300,000	52
Northland Control Systems Inc.	$4,300,000	24
Siemens Industry Inc.	$4,000,000	2
Unlimited Technology Inc.	$3,900,000	35
Allied Fire & Security	$3,000,000	21
CONTAVA Inc.	$2,875,000	42
Redrock Security & Cabling Inc.	$2,500,000	98
Koorsen Security Technology	$2,450,000	49
VTI Security Integrators	$2,200,000	18
Security Equipment Inc.	$1,800,000	51
Operational Security Systems Inc.	$1,700,000	57
Systems Integration Corp	$1,680,000	70
GSI	$1,550,000	62
Advanced Electronic Solutions	$1,500,000	48
Idesco Corporation	$1,500,000	30
Integrated Security Technologies	$1,500,000	43
Midstate Security Company	$1,500,000	47
Safeguard Security	$1,500,000	55
SDT Inc.	$1,407,050	41
SFI Electronics, LLC	$1,400,000	23
SIGNET Electronic Systems Inc.	$1,370,000	38
SDI	$1,350,000	36
CTSI	$1,300,000	40
Low Voltage Contractors Inc.	$1,267,000	39
SCI Inc.	$1,200,000	94
RFI Communications & Security Systems	$1,137,280	15
Firstline Security Systems Inc.	$1,120,000	64
ESIGroup	$1,100,000	85
Simpson Security Systems Inc.	$1,100,000	81
Enterprise Security Inc.	$1,000,000	78
EO Integrated Systems Inc.	$1,000,000	60
The Protection Bureau	$1,000,000	46
Ferndale Electric Systems Integration Division	$950,000	59
ASG Security	$949,662	19
CGL Electronic Security Inc.	$890,000	68
Tech Systems Inc.	$865,000	17
Intertech Security	$845,000	31
ASSI Security Inc.	$810,500	54
Life Safety Engineered Systems Inc.	$800,000	108
Accent Electronic Systems Integrators Inc.	$700,000	61
Advanced Cabling Systems	$700,000	45
Qualified Systems Contracting Inc.	$650,000	67
Telenet VoIP Inc.	$650,000	77
AFA Protective Systems Inc.	$600,000	16
First Alarm	$600,000	107
Ackerman Security Systems	$577,000	63
JMG Security Systems Inc.	$560,000	84
NAVCO Security	$560,000	13
Per Mar Security Services	$551,000	91
American Alarm & Communications	$550,000	54
ARK Systems Inc.	$530,000	28
SecureNet Inc.	$514,000	27
APL Access & Security Inc.	$500,000	75
D/A Central Inc.	$500,000	82
Intelligent Access Systems	$500,000	37
Interface Security Systems Holdings Inc.	$500,000	109

These 66 companies reported having the highest-value projects on their books in 2011. (Note: Projects below $500,000 are not ranked here. Three of the top 10 companies did not report project sizes as requested by *SDM*.)

Source: SDM Top Systems Integrators Report, July 2012

2012 Rank	2011 Rank	Company & Headquarters Location	North American Systems Integration Revenue 2011	Number of New Projects 2011	Value of Largest New Project	Value of Smallest New Project	Top 3 Markets Contributing to Revenue	Full-time Employees	Business Locations
42	38	CONTAVA Inc. Edmonton, Alberta	$12,255,575	281	$2,875,000	$8,500	utilities, govt, indus	52	3
43	47	Integrated Security Technologies Herndon, Va.	$12,154,301	356	$1,500,000	$2,000	govt, edu, utilities	64	1
44	23	Dallas Security Systems Inc. & DSS Fire Inc. Dallas, Texas	$12,000,000	800	$300,000	$499	health, corp, edu	182	1
45		Advanced Cabling Systems North Little Rock, Ark.	$11,550,000	125	$700,000	$5,000	edu, corp, gaming	84	3
46	52	The Protection Bureau Exton, Pa.	$11,350,000	717	$1,000,000	$99	corp, edu, finance	98	2
47	45	Midstate Security Company Grandville, Mich.	$11,204,022	na	$1,500,000	$500	corp, correctnl, edu	66	2
48	32	Advanced Electronic Solutions College Point, N.Y.	$10,831,000	82	$1,500,000	$35,000	corp, airport, health	60	3
49		Koorsen Security Technology Indianapolis, Ind.	$10,737,826	537	$2,450,000	$5,000	corp, health, airport	44	2
50	31	ASSI Security Inc. Irvine, Calif.	$10,719,078	394	$810,500	$995	health, corp, law enforc	52	2
51	57	Security Equipment Inc. Omaha, Neb.	$10,130,227	850	$1,800,000	$95	corp, airport, edu	137	4
52		Security Integrations Albany, N.Y.	$9,865,375	36	$5,300,000	$7,500	utilities, correctnl, indus	32	3
53		ACT Clifton, N.J.	$9,755,214	41	$450,000	$4,500	edu, health	35	2
54	58	American Alarm & Communications Arlington, Mass.	$9,262,130	2,941	$550,000	$50	finance, corp	159	4
55	53	Safeguard Security Scottsdale, Ariz.	$8,962,067	400	$1,500,000	$500	na	153	3
56	65	Operational Security Systems Inc. Atlanta, Ga.	$8,500,000	347	$1,700,000	$0	edu, health, corp	52	2
57	63	Guardian Protection Services Warrendale, Pa.	$8,232,659	4,013	$131,298	$150	retail, health, edu	899	18
58	55	Integrated Controls USA Inc. Albuquerque, N.M.	$8,040,786	na	$188,887	$250	govt, corp, health	58	3
59		Ferndale Electric Systems Integration Division Ferndale, Mich.	$7,690,210	152	$950,000	$1,000	transport	27	1
60	28	EO Integrated Systems Inc. Washington, Mich.	$7,620,000	25	$1,000,000	$20,000	correctnl, utilities, law enforc	25	4
61		Accent Electronic Systems Integrators Inc. Bonita Springs, Fla.	$7,600,000	375	$700,000	$10,000	edu, health, corp	66	3
62	78	GSI Troy, Mich.	$7,343,725	463	$1,550,000	$120	corp, utilities, indus	33	1

■ No. 44 – Became more active in sales of IP-based systems. ■ No. 45 – Named largest alarm company in the state of Arkansas. ■ No. 46 – Large museum project. Increased managed services from central station. ■ No. 49 – Evaluated and implemented a hosted/managed access control system solution for clients. ■ No. 51 – Deployed a number of hosted/cloud services for clients. ■ No. 53 – New product additions; and better pricing negotiated. ■ No. 56 – Shifted work processes to handle smaller projects, per market demand. ■ No. 59 – Installed more IP and VMS. ■ No. 60 – Obtained 37th state license. ■ No. 61 – Completed Pittsburgh Public Schools security network consisting of 56 buildings, comprised of nearly 60 servers, 10,000 cameras and 400 DVRs. ■ No. 62 – Won significant new client who was purchasing and renovating a number of commercial buildings and has regional offices throughout the country.

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Dashboard: Top Systems Integrators' Totals

2011	
Total North American systems integration revenue:	**$6.91 billion**
New systems started:	100,319
Total full-time employed:	59,375
Business locations operated:	1,275

Total North American revenue from systems integration for the 114 largest integrators reached $6.91 billion in 2011 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 130 systems integrators; this year's report ranks 114 companies. A comparison between the top 100 companies ranked in 2011 and the top 100 ranked in 2010 shows a 3.6 percent decrease in systems integration revenue.

Source: SDM Top Systems Integrators Report, July 2012

Top Systems Integrators: 8-Year Performance

North American systems integration revenue (as reported to or estimated by *SDM*) reached $6.91 billion in 2011, based on reporting from 114 Top Systems Integrators.

However, for comparison purposes, *SDM* measures the top 100 companies ($6.88 billion in 2011) against the top 100 companies from the previous year ($7.14 billion in 2010), which registers a 3.6 percent decline overall.

Among the top 10 systems integrators, five reported increases in 2011, while five reported (or were estimated by *SDM* to have) either the same or less.

Bar chart — Billions $ (% change) by Year:
- 2004: $4.6 (12.2)
- 2005: $6.25 (35.9)
- 2006: $6.67 (6.7)
- 2007: $7.81* (17.1)
- 2008: $7.86 (0.6)
- 2009: $8.05 top 100 only (2.4)
- 2010: $7.14† top 100 only (-11.3)
- 2011: $6.88 top 100 only (-3.6)
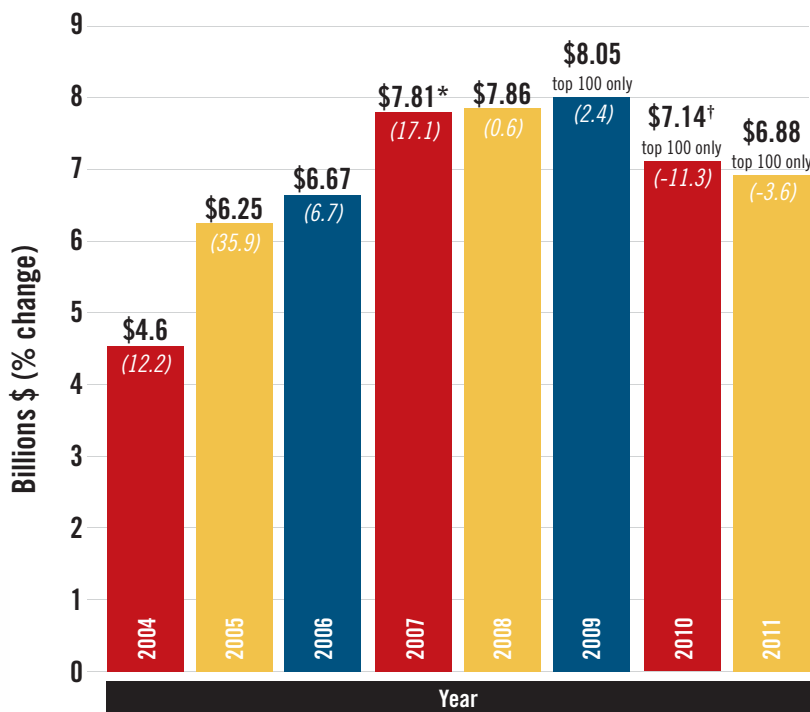
*2007 figure reflects a correction to reported revenues for Johnson Controls and ADT, following incorrect reporting in 2006. While it appears that there was a 17 percent increase in total revenue between 2006 and 2007, it was actually 4 percent growth.

†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.

Source: SDM Top Systems Integrators Report, July 2012

SDM's Top Systems Integrators

2012 Rank	2011 Rank	Company & Headquarters Location	North American Systems Integration Revenue 2011	Number of New Projects 2011	Value of Largest New Project	Value of Smallest New Project	Top 3 Markets Contributing to Revenue	Full-time Employees	Business Locations
63		Ackerman Security Systems Atlanta, Ga.	$7,039,576	1,547	$577,000	$199	corp, retail, utilities	266	2
64	80	Firstline Security Systems Inc. Anaheim, Calif.	$6,835,000	45	$1,120,000	$1,500	corp, utilities, finance	40	1
65	66	High-Tech-Tronics Inc. Oklahoma City, Okla.	$6,689,000	200	$323,000	$800	edu, corp, govt	51	1
66	67	PASS Security Fairview Heights, Ill.	$6,553,120	na	na	na	na	39	1
67		Qualified Systems Contracting Inc. Tampa, Fla.	$6,300,000	300	$650,000	$1,200	health, govt, utilities	40	3
68	85	CGL Electronic Security Inc. Norwood, Mass.	$6,286,784	300	$890,000	$5,000	edu, corp	31	1
69		Cam-Dex Security Corp. Kansas City, Kansas	$6,175,176	75	$6,314,036	$5,734	govt, health, retail	15	2
70	83	Systems Integration Corp Boulder, Colo.	$6,127,395	124	$1,680,000	$2,500	corp, edu, govt	38	2
71	62	Custom Alarm Rochester, Minn.	$6,101,945	844	$240,000	$300	health, retail, edu	71	2
72	77	Will Electronics St. Louis, Mo.	$6,100,422	na	$455,000	$3,000	health, finance, indus	26	1
73	64	Tele Tector of Maryland Columbia, Md.	$6,075,347	18	$184,809	$1,120	govt, health, edu	39	1
74	121	ArCom Systems Inc. North Little Rock, Ark.	$6,065,436	101	$299,570	$4,953	health, indus	49	3
75	68	APL Access & Security Inc. Gilbert, Ariz.	$6,001,726	50	$500,000	$10,000	corp, govt, indus	38	2
76	73	Advanced Control Concepts Inc. Pensacola, Fla.	$5,949,164	252	$262,000	$3,500	govt, law enforc, airport	31	1
77	70	Telenet VoIP Inc. El Segundo, Calif.	$5,900,000	76	$650,000	$5,000	edu, corp, indus	42	1
78	75	Enterprise Security Inc. Anaheim, Calif.	$5,885,292	120	$1,000,000	$1,000	airport, utilities	36	3
79	101	Scarsdale Security Systems Inc. Scarsdale, N.Y.	$5,832,810	1,000	$375,000	$1,250	retail, finance, airport	86	2
80	74	T&R Alarm Systems Inc. Clifton, N.J.	$5,802,909	80	$240,000	$500	edu, health, corp	35	3
81	93	Simpson Security Systems Inc. Alexandria, La.	$5,540,243	57	$1,100,000	$500	correctnl, govt, gaming	55	1
82	86	D/A Central Inc. Oak Park, Mich.	$5,500,000	na	$500,000	$1,200	edu, finance, health	na	3
83	87	Electronic Security Systems Warren, Mich.	$5,200,000	125	$250,000	$5,000	na	26	2
84	72	JMG Security Systems Inc. Fountain Valley, Calif.	$5,124,000	350	$560,000	$900	na	48	1

■ No. 63 – Moved from a 12,000 sq. ft. building occupied since 1992 to a new 33,000 sq. ft. facility. ■ No. 64 – Brought electronic capabilities to field service techs. ■ No. 67 – Purchase of land, construction and acceptance of new headquarters in Tampa, Fla. ■ No. 69 – Eliminated business debt. Added customers to base. Developed a technology center at corporate headquarters. ■ No. 71 – Set up a new classroom-style training center with a resource center stocked with training tools. Set all training classes up online. Became CSAA Five Diamond central station. ■ No. 73 – Completed deployment of a wireless, IP-based CCTV system for the city of Annapolis, Md. ■ No. 74 – Arkansas State Crime Lab upgrade and installation for access control system. ■ No. 75 – Completed Hoover Dam project. ■ No. 76 – Organized company departments and moved toward achievement of goals set for company's further growth. ■ No. 78 – Overhauled the financial reporting and decision-making capabilities of the organization. ■ No. 79 – Opened new Remote Observation Center for loss prevention services. ■ No. 80 – Added video verification via third party. ■ No. 81 – Completion of FCI Aliceville, AL Div 17 project.

e = *SDM* estimate. na = not available. Abbreviations to markets: airport = airports; corp = corporate; correctnl = correctional; edu = education; entertainmnt = entertainment and sports venues; finance = financial/banking; gaming = casinos/gaming; govt = government; health = healthcare; hospitality = hotels and hospitality; indus = industrial; law enforc = law enforcement; retail = retail and restaurants; transport = transportation/distribution/logistics; utilities = utilities.

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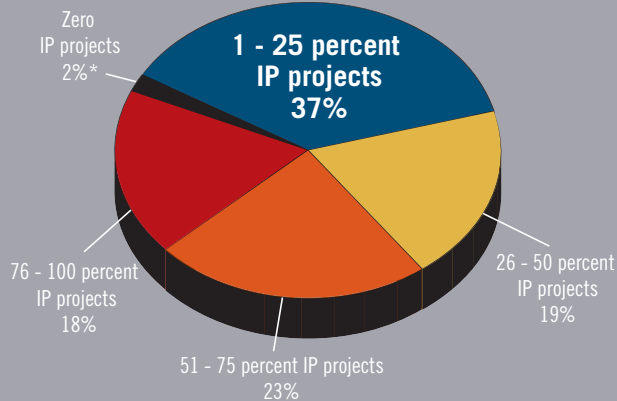
SDM's Top Systems Integrators

2012 Rank	2011 Rank	Company & Headquarters Location	North American Systems Integration Revenue 2011	Number of New Projects 2011	Value of Largest New Project	Value of Smallest New Project	Top 3 Markets Contributing to Revenue	Full-time Employees	Business Locations
85	89	**ESIGroup** Houston, Texas	$5,099,504	340	$1,100,000	$1,000	corp, health, indus	17	1
86	98	**SMG Security Systems Inc.** Elk Grove Village, Ill.	$5,060,676	na	na	na	na	55	1
87	88	**Sentry Communications & Security** Hicksville, N.Y.	$5,059,000	20	$425,000	$50	corp, health, indus	41	3
88		**AVS Technology** Totowa, N.J.	$4,924,000	20	$120,000	$18,000	indus	17	3
89	111	**Sonitrol of Lexington / Bates Security** Lexington, Ky.	$4,898,483	452	$302,280	$1,528	edu, corp, indus	57	1
90	82	**TEM Systems Inc.** Sunrise, Fla.	$4,749,965	250	$325,000	$5,000	health, govt, hospitality	34	5
91	95	**Per Mar Security Services** Davenport, Iowa	$4,714,024	3,123	$551,000	$50	retail, indus, corp	361	13

■ No. 87 – Integrating access, surveillance, fire, and alarm system for a large private company in New Jersey. ■ No. 88 – Expanded technical services. ■ No. 89 – Rebranded ADR Security Services part of business to Bates Security. Completed two acquisitions. Won one of the top four Marketing Excellence Awards and divisional Dealer of the Year at First Alert convention. ■ No. 91 – Increased RMR by 7.5 percent.

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Among Hot Market Sectors, Industrial Moves up to No. 2
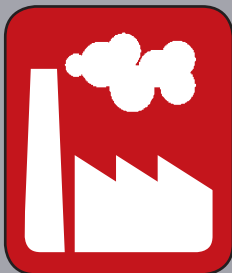
Top Systems Integrators were asked to rank the sectors that provided the most significant portion of their 2011 revenue.

1. Corporate
2. Industrial
3. Education/Campus
4. Healthcare
5. Government
6. Retail/Restaurant
7. Utilities
8. Financial/Banking
9. Transportation
10. Law Enforcement

These top 10 market sectors provided the most significant portion of revenues to systems integrators in 2011. The industrial market, which ranked as No. 5 last year, moved up to become the second most important vertical sector for integrators.

Source: SDM Top Systems Integrators Report, July 2012

Composition of an Integrator Staff

General management 5%
Executive management 2%*
Administrative 6%
Customer service 4%
Finance 3%
Central station 5%
Sales/marketing 13%
Project management 5%
Engineering/design 5%
IT 2%
Technical service 32%
Installation 18%
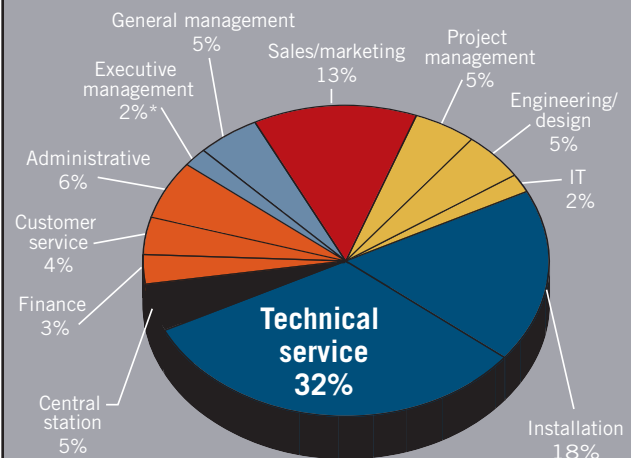
This chart, which you can use to compare job titles in your own company with industry averages, shows the average percentage distribution of job titles among Top Systems Integrator companies. Fifty percent of positions are in installation and technical service.

*average percentage distribution of staff titles among systems integrators; based on 113 responses

Source: SDM Top Systems Integrators Report, July 2012

SDM

17th ANNUAL REPORT

SDM's Top Systems Integrators

2012 Rank	2011 Rank	Company & Headquarters Location	North American Systems Integration Revenue 2011	Number of New Projects 2011	Value of Largest New Project	Value of Smallest New Project	Top 3 Markets Contributing to Revenue	Full-time Employees	Business Locations
92	106	**Atlantic Coast Alarm Inc.** Mays Landing, N.J.	$4,192,247	249	na	na	indus, corp, health	41	4
93	94	**SecurAlarm Systems Inc.** Grand Rapids, Mich.	$3,880,741	394	$311,370	$179	corp, ent, health	39	1
94	103	**SCI Inc.** Albuquerque, N.M.	$3,583,191	165	$1,200,000	$5,000	govt, utilities, corp	15	1
95		**F.E. Moran Inc. Alarm and Monitoring Services** Champaign, Ill.	$3,496,210	2,268	$252,793	$300	corp, finance, edu	111	6
96	112	**EPS Security** Grand Rapids, Mich.	$3,471,413	1,800	$350,000	$149	edu, indus, health	168	6
97	104	**Custom Security Systems** Lacey, Wash.	$3,302,000	580	$240,000	$100	govt, edu, utilities	98	3
98		**Redrock Security & Cabling Inc.** Irvine, Calif.	$3,265,311	na	$2,500,000	$10,000	corp, indus	38	2
99	114	**Sonitrol Pacific** Portland, Ore.	$3,196,567	400	$155,000	$995	edu, corp, retail	81	5

■ No. 93 – Received the "101 Best and Brightest Companies to Work for" award, and Grand Rapids' Small Business of the Year finalist for second consecutive year. ■ No. 97 – Topped $10 million sales first time. ■ No. 98 – Completed $1.7 million project consisting of fire, access control, CCTV and intrusion. ■ No. 99 – Three first-place winners and recognition of many employees at the 2011 Sonitrol National Dealers Association convention.

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Rate of Adoption of IP Technology

Top Systems Integrators were asked, "What percentage of projects sold in 2011 incorporated IP-based technology?"

- Zero IP projects 2%*
- **1 - 25 percent IP projects 37%**
- 26 - 50 percent IP projects 19%
- 51 - 75 percent IP projects 23%
- 76 - 100 percent IP projects 18%

You can benchmark your company's expertise in IP technology against the group of Top Systems Integrators, using the information shown above. Systems integrators demonstrate a wide range of experience in this area; the majority indicate between 1 percent and 25 percent of their projects in 2011 used IP technology.

percentage of Top Systems Integrators indicating each category; based on 99 responses

Source: SDM Top Systems Integrators Report, July 2012

Outlook Improves as Integrators See More Security Projects Being Done

Top Systems Integrators were asked, "How do you expect revenues in 2012 to compare with revenues in 2011?"

- Decrease 2%
- **Increase 84%***
- Stay the same 14%
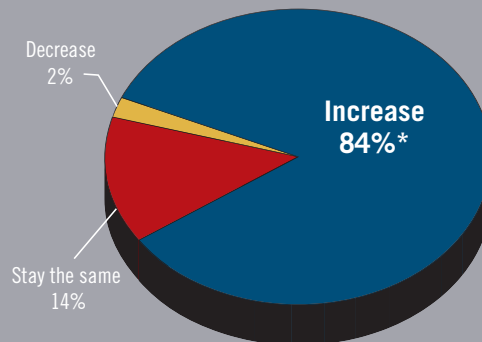
More than eight in 10 Top Systems Integrators (84 percent) expect their 2012 revenues to exceed 2011's. This marks a very significant improvement, when one year ago 70 percent of integrators expected an increase, and two years ago, only 19 percent of integrators expected an increase.

percentage of Top Systems Integrators indicating each answer; based on 108 responses

Source: SDM Top Systems Integrators Report, July 2012

2012 Rank	2011 Rank	Company & Headquarters Location	North American Systems Integration Revenue 2011	Number of New Projects 2011	Value of Largest New Project	Value of Smallest New Project	Top 3 Markets Contributing to Revenue	Full-time Employees	Business Locations
100	113	Sonitrol New England Rocky Hill, Conn.	$3,056,818	476	$468,133	$195	ent, indus, retail	112	3
101	108	Sentry Security Wheeling, Ill.	$2,741,272	110	$275,000	$499	health, corp, retail	24	1
102	107	Matson Alarm Co. Inc. Fresno, Calif.	$2,384,817	1,337	$180,000	$500	indus, corp, edu	61	4
103	92	Triad Security Systems Union, N.J.	$2,326,000	200	$260,000	$1,000	corp, indus, retail	18	1
104	105	Sonitrol of Sacramento & Sonitrol Orange County Roseville, Calif.	$2,305,532	1,336	$269,510	$55	edu, govt, corp	49	2
105	118	Key-Rite Security Denver, Colo.	$2,283,625	85	$215,000	$2,000	corp, govt, indus	12	1
106	124	Electronic Sales Company Inc. Gainesville, Ga.	$2,203,592	na	$172,668	$99	edu, indus, corp	23	1
107	115	First Alarm Aptos, Calif.	$2,000,000	1,072	$600,000	$100	retail, govt, edu	140	5
108		Life Safety Engineered Systems Inc. Buffalo, N.Y.	$1,700,000	112	$800,000	$1,000	retail, health, finance	45	3
109	116	Interface Security Systems Holdings Inc. Earth City, Mo.	$1,590,000	18,600	$500,000	$0	retail, corp, finance	555	21
110	126	Habitec Security Toledo, Ohio	$1,560,000	550	$50,000	$99	corp, edu, govt	81	3
111	123	NCA Nashville, Tenn.	$1,533,972	145	$3,500	$179	retail, corp	20	1
112	76	Protex Central Inc. Hastings, Neb.	$1,135,500	625	$249,000	$300	edu, health, govt	58	4
113		World Wide Security & GC Alarm Inc. Garden City, N.Y.	$1,100,000	550	$100,000	$0	retail, edu, corp	50	2
114	120	EMC Security Suwanee, Ga.	$1,100,000	800	$162,000	$300	corp, edu,	98	1

■ No. 100 – Acquisition of HB Alarm in Rhode Island. Won 2010 Sonitrol National Dealer Top Dealer Award (presented 2011). ■ No. 101 – Developed a sales channel for residential installations of interactive services systems via Web-related marketing. ■ No. 104 – Awarded largest project in company's history. ■ No. 107 – Completed and integrated two significant acquisitions. ■ No. 108 – Completing all projects at Kalieda hospital on time. ■ No. 109 – Completed the Dollar General project and increased RMR by more than $1.3 million. Announced merger with Westec Intelligent Surveillance, April 2012. ■ No. 110 – Grew RMR organically nearly $20,000 at a reasonable creation multiple. ■ No. 112 – Contributing significant resources to developing mass notification marketing, sales, and installation effort. ■ No. 113 – Debt refinancing, acquisition integration, organic growth programs. ■ No. 114 – Two additional county-wide school systems to add to growing school portfolio. PERs business documented seven lives saved. Significant growth in monitored customer base.

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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, Web site URLs, targeted vertical markets, branch office locations, and 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 fusaroh@bnpmedia.com.

Alphabetical Index to Companies

*PSA Security Network member