INTEGRATION INDUSTRY 2019 MID-YEAR MARKET UPDATE

STATS AND FACTS YOU CAN USE TO CALIBRATE YOUR CHANNEL SALES AND MARKETING INVESTMENTS

PRESENTED BY EMERALD EXPO – CE PRO, COMMERCIAL INTEGRATOR, SECURITY SALES & INTEGRATION, CEDIA EXPO, TOTAL TECH SUMMIT

SESSION PURPOSE, PLAN, PRESENTERS

Purpose

Provide a look at 2019 1st half and full-year market health and highlights useful for manufacturers, distributors and service providers in calibrating their integrator channel related sales and marketing investments.

Plan

Macro economic and construction stats
Integration Industry Market Pulse Survey results
Anecdotal evidence from the editors
Media & Event Highlights

Presenters

John Galante, President AE Ventures, producers of Total Tech
Jason Knott, Chief Content Officer, Emerald Connected Media
Tom LeBlanc, Editor, Commercial Integrator
Scott Goldfine, Editor/Associate Publisher, SSI

MACRO-ECONOMY

- Employment
  - Non-farm employment up 820,000 year-to-date
  - Unemployment rate at 3.6% lowest since 1969
  - High growth categories – health services (+195K); hospitality and leisure (+163K); construction (+86K)
  - Categories shedding jobs – retail trade (-32K); vehicle/parts mfgr (-7K); utilities (-3K)
- GDP - Q1 up 3.2%
- Inflation Rate in April 2.0%, at Fed target

Employment Drives…

Construction Drives…

Integration Projects Drive…

Product Sales

CONSTRUCTION

- 1.25M Housing Starts projected for 2019 (+0.7%)
    - 894K SF Starts (+1.4%)
    - 365K MF Starts (-0.3%)
    - Top 50 Metros with Q1 double digit growth in permitted value: San Antonio 31%, Miami 24%, Charleston, SC 22%, Tampa-St. Pete 17%, Oklahoma City 14%
    - States with Q1 double digit growth in permitted value: Maine 57%, Vermont 54%, New Hampshire, 38%, West Virginia 36%, Oklahoma 17%, Connecticut 15%
- 30-yr Mortgage Rate at 4.06% -- 88 BPs below Nov. 4.94% recent high
- Non-residential Construction up 4.8% (Jan.-Feb)
    - Fast Growth – Amusement & Recreation (+9.0%); Lodging (+7.6%), Office (+5.2%)
    - Contraction -- Religious (-3.0%); Health Care (-2.9%)

SURVEY METHOD AND RESPONSE

- 16 question online survey

- CE Pro, CI and SSI reader/viewer universes

- Incentive: executive summary of report

- 296 responses

- Filtered to 252 respondents whose primary businesses were custom, commercial or security integration

- Analyzed in four primary business segments
  - Residential Custom Electronics Integration (44% of sample)
  - Commercial Electronics Integration (31% of sample)
  - Security Dealer/Integration with Light Commercial/Residential Focus (14% of sample)
  - Security Dealer/Integration with Enterprise/Mid-Market Focus (12% of sample)
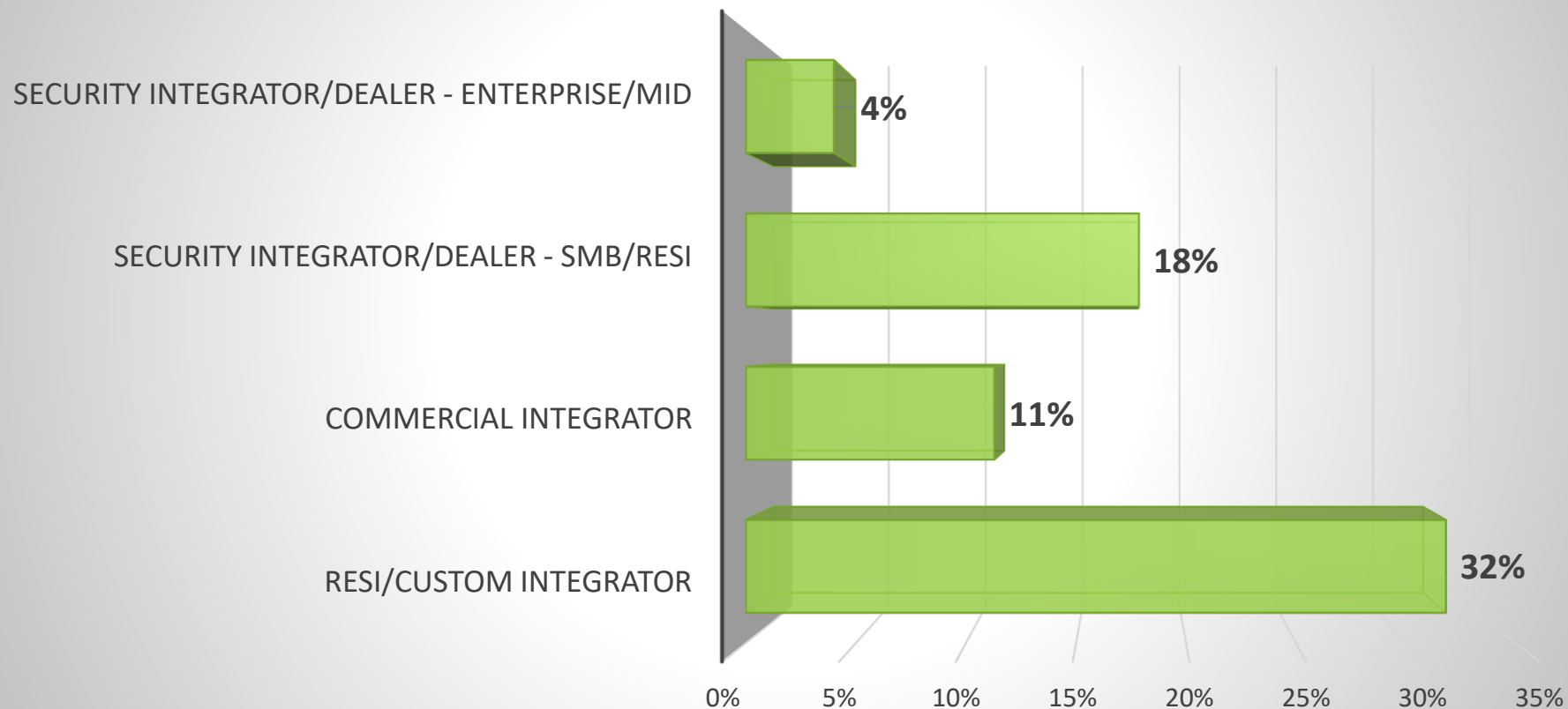
KEY FINDINGS

- All integration segments show substantial diversity in their product mix (Slide 7):
  - Resi/custom integrators are most diverse, with more than 50% offering solutions in six major categories.
  - SMB/resi security dealers are next, with more than 50% offering in four major categories.
  - Commercial AV and Enterpise/Mid-market focused security integrators are more focused on their core products as befits the buying patterns of their larger-sized customers.
- Almost a third of Resi/custom integrators are now doing line voltage electrical work and almost one-in-five a SMB/resi security dealers are doing the same. (Slide 8).
- Security integrators and dealers lead the way in percentage of contracted recurring revenue, with commercial and resi integrators on the rise to 21% and 9% respectively (Slide 9).
- **2019 revenue growth is solid with resi focused integrators projecting growth of 5.7% to 6.6% and commercial focused projecting growth of 8.7% to 9%. (Slide 11).**
- Hot product growth categories for Resi/custom integrators are Lighting Controls (10.3%), Video Surveillance (8.8%), Shade Controls (8.5%), Home Automation (8.4%) and Home Data Networks (7.8%) (Slide 12).
- Hot product growth categories for commercial integrators are Electronic Access Control (8.9%), Video Surveillance (8.2%), Distributed Audio (8.1%), Commercial AV Control Systems (7.1%), AV Systems for Performing/Presentation Spaces (7.1%) and Data Networks for Businesses (7.0%) (Slide 13).
- Home Automation is a hot growth category for SMB/resi security dealers (7.8%) and 95% are active in the category (Slide 14).
- Video Surveillance, Electronic Access Control and Electrical & Mechanical Locking Hardware are all growing 10%+ for Enterprise/Mid-market focused security integrators (Slide 15).
- Resi/custom integrators are including LED Lighting Fixtures, Switches and Outlets in more than a quarter of their jobs (Slide 16).
- Commercial integrators are seeing fastest growth in the commercial office space (7.3%) and health care facilities (7.0%) markets (Slide 18).
- K-12 Schools, Colleges & Universities and the Government buildings markets are all growing at 10%+ for Enterprise/Mid-market focused security integrators (Slide 20).
- Finding and developing technical and sales staff is a pressing business challenge across all integration segments, and competing with inexpensive mass marketed offers is a challenge for all but Enterprise/Mid-market focused Security Integrators (Slides 21-24).

RESPONDENT PROFILE

Solutions Offered	Security	IT	A/V	Control	Telecom	Lighting	Electrical	HVAC	Majap
Resi/Custom Integrator	70%	74%	95%	97%	51%	91%	23%	25%	5%
Commercial Integrator	40%	39%	94%	63%	35%	29%	6%	0%	0%
Security Integrator/Dealer - SMB/Resi	100%	43%	86%	82%	46%	50%	14%	21%	7%
Security Integrator/Dealer - Enterprise/Mid	100%	40%	60%	44%	32%	12%	4%	0%	0%

Original Core Solutions of Business	Security	IT	A/V	Control	Telecom	Lighting	Electrical	HVAC	Majap
Resi/Custom Integrator	3%	5%	57%	18%	5%	3%	7%	1%	1%
Commercial Integrator	15%	5%	73%	5%	3%	0%	0%	0%	0%
Security Integrator/Dealer - SMB/Resi	75%	0%	14%	11%	0%	0%	0%	0%	0%
Security Integrator/Dealer - Enterprise/Mid	80%	0%	16%	4%	0%	0%	0%	0%	0%

% of Companies Performing Line Voltage Electrical Work

RESPONDENT PROFILE

Average Projected 2019 Revenue

- RESI/CUSTOM INTEGRATOR: $4,664,675
- COMMERCIAL INTEGRATOR: $24,864,470
- SECURITY INTEGRATOR/DEALER - SMB/RESI: $4,875,460
- SECURITY INTEGRATOR/DEALER - ENTERPRISE/MID: $19,675,000
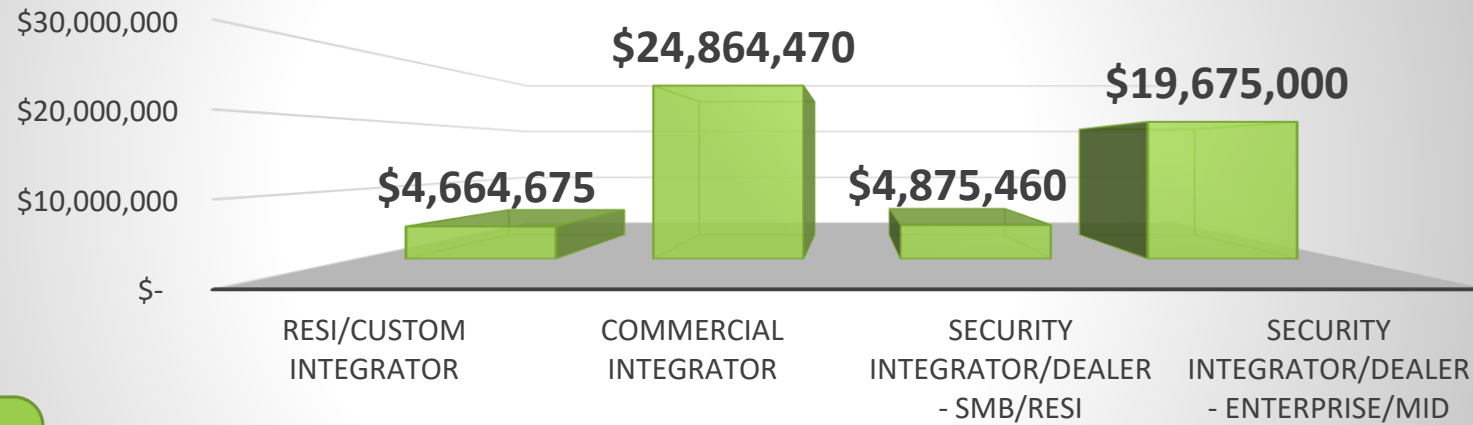
Sample skewed to bigger, better players

Average Projected 2019 Installations

- RESI/CUSTOM INTEGRATOR: 461
- COMMERCIAL INTEGRATOR: 941
- SECURITY INTEGRATOR/DEALER - SMB/RESI: 676
- SECURITY INTEGRATOR/DEALER - ENTERPRISE/MID: 1,349
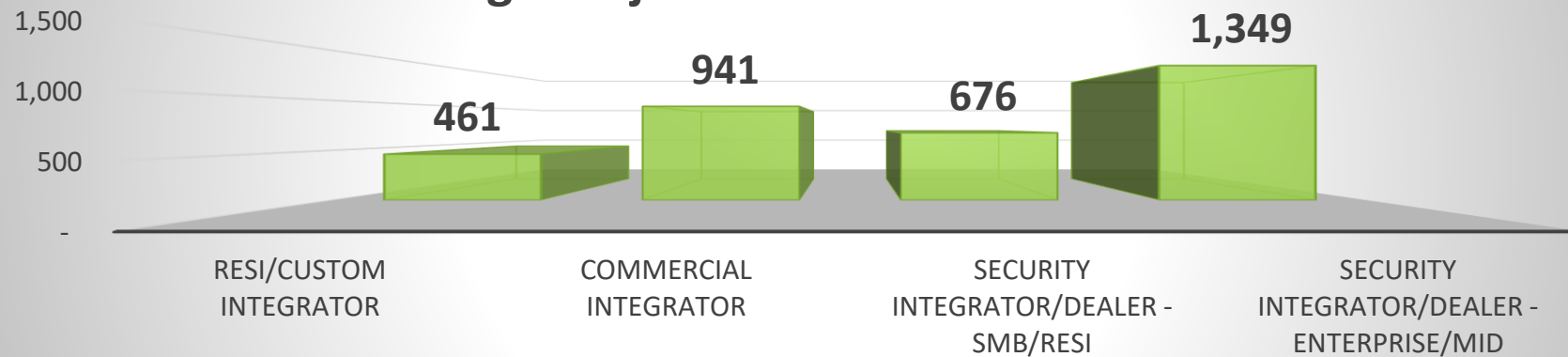
% of Revenue Contracted Recurring Revenue
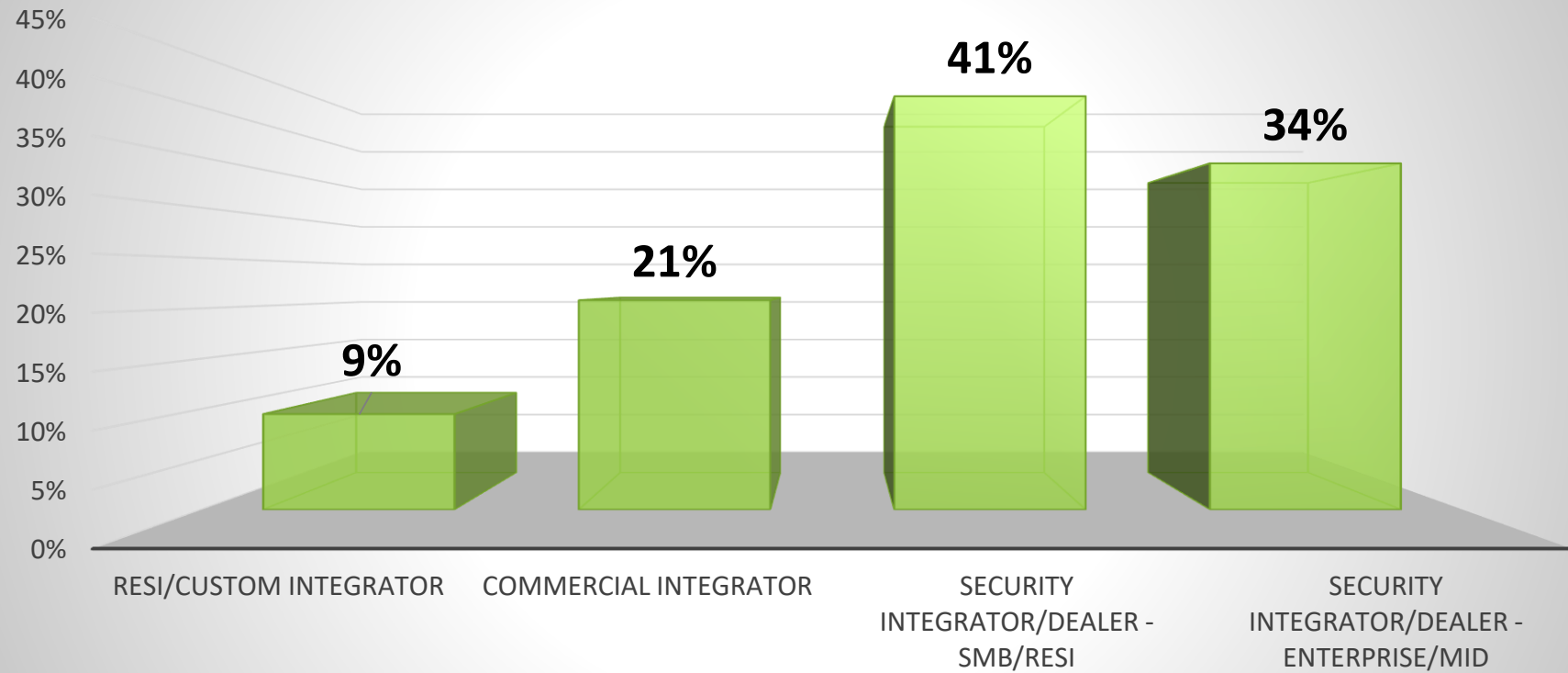
2019 vs. 2018 Revenues Growth

Percent of respondents projecting increased revenues in 2019:
- Resi/Custom – 70%
- Commercial – 86%
- Security SMB/Resi – 81%
- Security Enterprise–74%

What happens when you decrease sales and marketing investments in a growing market?
You lose market share!

PRODUCT MIX – RESI/CUSTOM INTEGRATOR

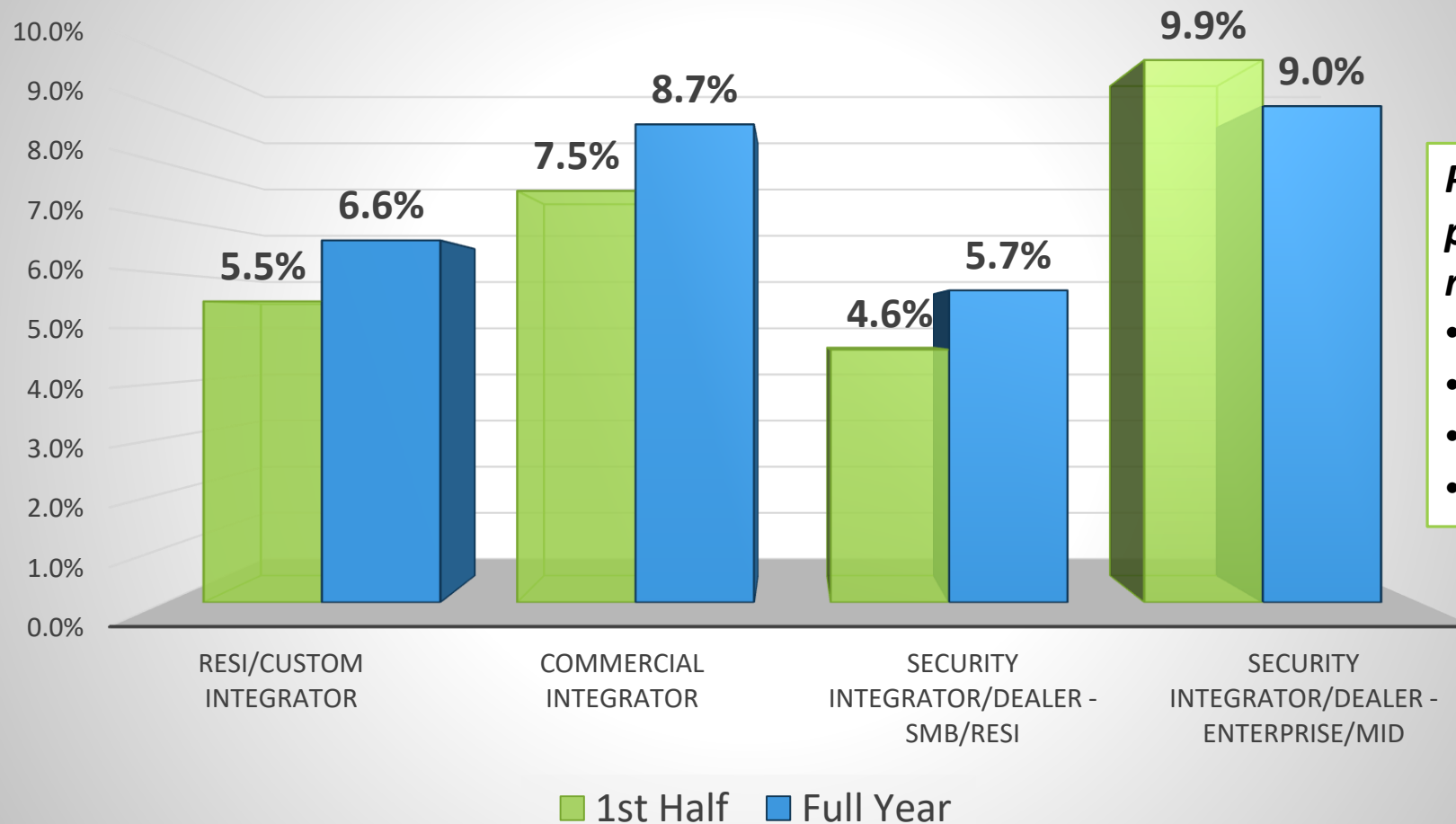| Major Category	Sub Category	Avg. Annual Growth Next 2 Years	% Active
Audio/Video and Control	**Home Automation**	**8.4%**	**100%**
Networking/IT	**Home Data Networks**	**7.8%**	**100%**
Audio/Video and Control	Distributed/Multi-Room Audio	5.5%	98%
Networking/IT	Structured Wiring Systems	4.6%	98%
Audio/Video and Control	Architectural (In-Wall, In-Ceiling) Speakers	4.1%	97%
Audio/Video and Control	Home Theater	3.4%	97%
Audio/Video and Control	**Lighting Controls**	**10.3%**	**97%**
Audio/Video and Control	A/V Control Power Management/Conditioning	5.8%	95%
Audio/Video and Control	**Shade Controls**	**8.5%**	**94%**
Audio/Video and Control	Distributed Video	3.5%	92%
Electronic Physical Security	**Video Surveillance/Security**	**8.8%**	**91%**
Electronic Physical Security	Keyless/Remote Control Locks	6.9%	85%
Electronic Physical Security	Electrical/Mechanical Locks/Door Control Hardware	6.3%	83%
Electronic Physical Security	Electronic Access Control	6.0%	77%
Electronic Physical Security	Intrusion Detection	4.9%	75%
Audio/Video and Control	Commercial A/V Control Systems	4.2%	72%
Audio/Video and Control	A/V Systems for Performing/Presentation Spaces	3.1%	68%
Networking/IT	Network Security/Firewalls	3.7%	66%
Networking/IT	Data Networks for Businesses	4.1%	65%
Electronic Physical Security	Fire Detection	3.4%	60%
Networking/IT	Storage Devices & Services	2.4%	49%
Audio/Video and Control	Digital Signage	0.3%	48%
Electronic Physical Security	Badging/ID Systems	4.5%	48%
Networking/IT	VoIP Phone Systems	4.1%	46%
Networking/IT	Data Security Devices & Software	3.1%	45%
Networking/IT	Managed Cyber Security Solutions	3.8%	42%
Electronic Physical Security	PERS/Senior Monitoring	3.0%	42%
Networking/IT	Servers	0.7%	38%
Electronic Physical Security	Electronic Article Surveillance	1.0%	32%

PRODUCT MIX – COMMERCIAL INTEGRATOR

Major Category	Sub Category	Avg. Annual Growth Next 2 Years	% Active
Audio/Video and Control	**A/V Systems for Performing/Presentation Spaces**	**7.1%**	**93%**
Audio/Video and Control	**Commercial A/V Control Systems**	**7.2%**	**91%**
Audio/Video and Control	Architectural (In-Wall, In-Ceiling) Speakers	5.0%	86%
Audio/Video and Control	Digital Signage	6.2%	84%
Audio/Video and Control	**Distributed/Multi-Room Audio**	**8.1%**	**82%**
Audio/Video and Control	A/V Control Power Management/Conditioning	4.9%	82%
Audio/Video and Control	**Distributed Video**	**8.0%**	**80%**
Audio/Video and Control	Lighting Controls	4.3%	68%
Electronic Physical Security	**Video Surveillance/Security**	**8.2%**	**61%**
Networking/IT	Structured Wiring Systems	5.6%	55%
Audio/Video and Control	Shade Controls	3.7%	52%
Networking/IT	**Data Networks for Businesses**	**7.0%**	**52%**
Electronic Physical Security	**Electronic Access Control**	**8.9%**	**50%**
Networking/IT	Network Security/Firewalls	6.6%	43%
Networking/IT	Data Security Devices & Software	4.9%	43%
Electronic Physical Security	Intrusion Detection	6.4%	43%
Networking/IT	Servers	4.8%	41%
Electronic Physical Security	Electrical/Mechanical Locks/Door Control Hardware	6.3%	41%
Audio/Video and Control	Home Theater	1.7%	39%
Networking/IT	Storage Devices & Services	2.4%	39%
Electronic Physical Security	Badging/ID Systems	4.9%	39%
Electronic Physical Security	Keyless/Remote Control Locks	8.3%	36%
Audio/Video and Control	Home Automation	5.2%	34%
Networking/IT	Home Data Networks	5.2%	34%
Networking/IT	Managed Cyber Security Solutions	4.7%	34%
Networking/IT	VoIP Phone Systems	4.3%	30%
Electronic Physical Security	Electronic Article Surveillance	2.2%	30%
Electronic Physical Security	Fire Detection	4.8%	23%
Electronic Physical Security	PERS/Senior Monitoring	5.1%	23%

PRODUCT MIX – SECURITY INTEGRATOR SMB/RESI

Major Category	Sub Category	Avg. Annual Growth Next 2 Years	% Active
Electronic Physical Security	**Intrusion Detection**	**8.5%**	**100%**
Electronic Physical Security	**Video Surveillance/Security**	**11.1%**	**100%**
Audio/Video and Control	**Home Automation**	**7.8%**	**95%**
Electronic Physical Security	**Fire Detection**	**8.0%**	**95%**
Electronic Physical Security	**Electronic Access Control**	**9.3%**	**95%**
Electronic Physical Security	**Keyless/Remote Control Locks**	**7.6%**	**95%**
Electronic Physical Security	**Electrical/Mechanical Locks/Door Control Hardware**	**8.4%**	**90%**
Audio/Video and Control	Distributed/Multi-Room Audio	3.1%	86%
Audio/Video and Control	Architectural (In-Wall, In-Ceiling) Speakers	3.9%	81%
Audio/Video and Control	Lighting Controls	6.7%	81%
Networking/IT	Structured Wiring Systems	4.9%	81%
Networking/IT	Home Data Networks	5.6%	81%
Audio/Video and Control	Distributed Video	3.7%	76%
Audio/Video and Control	Home Theater	3.0%	71%
Audio/Video and Control	A/V Control Power Management/Conditioning	3.3%	67%
Electronic Physical Security	PERS/Senior Monitoring	4.0%	67%
Electronic Physical Security	Badging/ID Systems	5.4%	67%
Networking/IT	Data Networks for Businesses	2.3%	62%
Audio/Video and Control	A/V Systems for Performing/Presentation Spaces	3.7%	52%
Audio/Video and Control	Commercial A/V Control Systems	1.6%	52%
Audio/Video and Control	Shade Controls	6.2%	52%
Networking/IT	Network Security/Firewalls	2.7%	48%
Networking/IT	Storage Devices & Services	1.0%	48%
Audio/Video and Control	Digital Signage	0.3%	43%
Networking/IT	Data Security Devices & Software	2.2%	43%
Networking/IT	VoIP Phone Systems	3.1%	43%
Networking/IT	Managed Cyber Security Solutions	3.5%	38%
Networking/IT	Servers	1.7%	38%
Electronic Physical Security	PERS/Senior Monitoring	5.1%	23%

PRODUCT MIX – SECURITY INTEGRATOR ENTERPRISE/MID

Major Category	Sub Category	Avg. Annual Growth Next 2 Years	% Active
Electronic Physical Security	**Video Surveillance/Security**	**10.9%**	**100%**
Electronic Physical Security	**Electronic Access Control**	**13.5%**	**100%**
Electronic Physical Security	Intrusion Detection	5.6%	94%
Electronic Physical Security	**Electrical/Mechanical Locks/Door Control Hardware**	**10.2%**	**94%**
Electronic Physical Security	Badging/ID Systems	4.7%	94%
Electronic Physical Security	**Keyless/Remote Control Locks**	**8.4%**	**82%**
Electronic Physical Security	Fire Detection	6.6%	71%
Networking/IT	**Structured Wiring Systems**	**10.0%**	**59%**
Networking/IT	**Storage Devices & Services**	**7.7%**	**59%**
Networking/IT	Servers	5.3%	59%
Networking/IT	Data Networks for Businesses	6.6%	47%
Networking/IT	Data Security Devices & Software	4.9%	47%
Electronic Physical Security	PERS/Senior Monitoring	1.3%	47%
Audio/Video and Control	Commercial A/V Control Systems	8.3%	41%
Networking/IT	Network Security/Firewalls	6.1%	41%
Networking/IT	Managed Cyber Security Solutions	5.1%	41%
Electronic Physical Security	Electronic Article Surveillance	0.9%	41%
Audio/Video and Control	Distributed/Multi-Room Audio	6.9%	29%
Audio/Video and Control	Architectural (In-Wall, In-Ceiling) Speakers	2.1%	29%
Audio/Video and Control	Distributed Video	2.7%	29%
Audio/Video and Control	A/V Systems for Performing/Presentation Spaces	9.4%	24%
Audio/Video and Control	Digital Signage	11.1%	24%
Audio/Video and Control	Home Automation	10.5%	24%
Networking/IT	VoIP Phone Systems	1.9%	24%
Audio/Video and Control	Lighting Controls	10.5%	18%
Audio/Video and Control	Shade Controls	7.3%	18%
Audio/Video and Control	Home Theater	0.0%	12%
Audio/Video and Control	A/V Control Power Management/Conditioning	17.3%	12%
Networking/IT	Home Data Networks	3.0%	12%

NEXT CIRCLE PRODUCTS - ELECTRICAL/LIGHTING/HVAC/APPLIANCE

Segment	Sub Category	Avg. % of Installs Including	% Active
Resi/Custom Integrator	Lighting Switches & Electrical Outlets	34%	82%
Resi/Custom Integrator	Smart/Connected Thermostats	32%	97%
Resi/Custom Integrator	LED Lighting Fixtures & Bulbs	26%	85%
Commercial Integrator	LED Lighting Fixtures & Bulbs	16%	57%
Security Integrator/Dealer - SMB/Resi	Smart/Connected Thermostats	16%	81%
Resi/Custom Integrator	Electrical Load Centers	14%	40%
Security Integrator/Dealer - SMB/Resi	Energy Monitoring & Management	14%	62%
Security Integrator/Dealer - SMB/Resi	Lighting Switches & Electrical Outlets	11%	71%
Security Integrator/Dealer - SMB/Resi	Photovoltaics, Inverters, Energy Storage	11%	29%
Commercial Integrator	Smart/Connected Thermostats	9%	34%
Security Integrator/Dealer - SMB/Resi	Air Filtration and Cleaning Systems	9%	29%
Security Integrator/Dealer - SMB/Resi	Automated Ventilation Systems	8%	24%
Security Integrator/Dealer - SMB/Resi	LED Lighting Fixtures & Bulbs	8%	57%
Security Integrator/Dealer - SMB/Resi	Smart/Connected Kitchen/Laundry Appliances	8%	52%

MARKET MIX – RESI/CUSTOM INTEGRATOR

Market Category	Market	Avg. Annual Growth Next 2 Years	% Active
Residential	**Residential -- Single-Family**	**11.1%**	**100%**
Residential	**Newly Constructed Residences**	**9.8%**	**98%**
Residential	Residential -- Multi-Family	4.6%	73%
Commercial	Office Buildings & Suites	3.4%	73%
Commercial	Restaurant/Bars/Clubs	2.6%	71%
Commercial	Retail Business	2.8%	64%
Institutional	Houses of Worship	2.5%	46%
Commercial	Hotels/Motels/Resorts	3.0%	34%
Commercial	Entertainment/Sporting Facilities	3.6%	34%
Industrial	Factories	0.4%	32%
Industrial	Warehouses/Distribution Centers	1.8%	30%
Institutional	Health Care Facilities	1.3%	30%
Institutional	Colleges/Universities	2.4%	30%
Government/Critical Infrastructure	Government	2.3%	29%
Institutional	Schools (K-12)	0.4%	29%
Institutional	Libraries/Museums	1.5%	23%
Commercial	Banks	1.0%	20%
Government/Critical Infrastructure	Airports	0.0%	16%
Government/Critical Infrastructure	Utilities	0.0%	16%

MARKET MIX – COMMERCIAL INTEGRATOR

Market Category	Market	Avg. Annual Growth Next 2 Years	% Active
Commercial	**Office Buildings & Suites**	**7.3%**	**97%**
Government/Critical Infrastructure	Government	4.3%	82%
Commercial	Retail Business	5.3%	82%
Commercial	Restaurant/Bars/Clubs	4.2%	82%
Commercial	Entertainment/Sporting Facilities	4.4%	82%
Institutional	Colleges/Universities	5.7%	82%
Commercial	Hotels/Motels/Resorts	4.8%	77%
Institutional	Libraries/Museums	1.2%	77%
Institutional	Houses of Worship	5.0%	77%
Commercial	Banks	4.8%	74%
Institutional	**Health Care Facilities**	**7.0%**	**74%**
Institutional	Schools (K-12)	4.8%	64%
Industrial	Factories	3.7%	62%
Industrial	Warehouses/Distribution Centers	2.5%	62%
Government/Critical Infrastructure	Utilities	5.2%	59%
Government/Critical Infrastructure	Airports	2.3%	54%
Residential	Residential -- Single-Family	6.3%	33%
Residential	Newly Constructed Residences	6.3%	31%
Residential	Residential -- Multi-Family	2.2%	28%

MARKET MIX – SECURITY INTEGRATOR SMB/RESI

Market Category	Market	Avg. Annual Growth Next 2 Years	% Active
Residential	**Residential -- Single-Family**	**9.8%**	**100%**
Residential	**Newly Constructed Residences**	**9.8%**	**100%**
Commercial	Retail Business	6.5%	95%
Commercial	Office Buildings & Suites	6.4%	90%
Commercial	Restaurant/Bars/Clubs	6.7%	90%
Residential	**Residential -- Multi-Family**	**7.8%**	**80%**
Industrial	Warehouses/Distribution Centers	4.6%	80%
Institutional	Houses of Worship	5.5%	80%
Commercial	Hotels/Motels/Resorts	6.5%	75%
Government/Critical Infrastructure	Government	0.7%	65%
Industrial	Factories	2.9%	65%
Institutional	Health Care Facilities	4.9%	65%
Institutional	Schools (K-12)	6.9%	65%
Institutional	Libraries/Museums	1.8%	55%
Commercial	Entertainment/Sporting Facilities	2.2%	50%
Institutional	Colleges/Universities	3.3%	50%
Commercial	Banks	0.7%	45%
Government/Critical Infrastructure	Airports	0.0%	40%
Government/Critical Infrastructure	Utilities	0.0%	40%

MARKET MIX – SECURITY INTEGRATOR ENTERPRISE/MID

Market Category	Market	Avg. Annual Growth Next 2 Years	% Active
Commercial	**Office Buildings & Suites**	**8.9%**	**94%**
Commercial	**Retail Business**	**7.3%**	**94%**
Commercial	Hotels/Motels/Resorts	4.9%	94%
Government/Critical Infrastructure	**Government**	**11.1%**	**88%**
Commercial	**Banks**	**7.2%**	**88%**
Commercial	Restaurant/Bars/Clubs	4.1%	88%
Industrial	Factories	6.6%	88%
Industrial	**Warehouses/Distribution Centers**	**8.4%**	**88%**
Institutional	**Health Care Facilities**	**8.7%**	**88%**
Institutional	Libraries/Museums	4.7%	88%
Institutional	**Schools (K-12)**	**10.9%**	**88%**
Institutional	**Colleges/Universities**	**10.4%**	**88%**
Government/Critical Infrastructure	Utilities	5.2%	81%
Commercial	Entertainment/Sporting Facilities	5.5%	81%
Institutional	**Houses of Worship**	**8.9%**	**81%**
Residential	Residential -- Multi-Family	4.1%	63%
Government/Critical Infrastructure	Airports	6.0%	63%
Residential	Residential -- Single-Family	5.3%	44%
Residential	Newly Constructed Residences	7.3%	44%

Item	Major challenge	Somewhat challenging	Not too challenging	Not at all challenging	Weighted Avg.
Finding and developing technical staff	46%	36%	14%	4%	3.25
Finding and developing sales staff	38%	38%	18%	7%	3.05
Competing with inexpensive, mass marketed offers	30%	41%	14%	14%	2.88
Increasing the value of the business	23%	45%	27%	5%	2.86
Developing and documenting business processes	21%	39%	29%	11%	2.71
Financing the business/managing cash flow	23%	36%	29%	13%	2.70
Generating sales	9%	50%	36%	5%	2.63
Managing junior staff	11%	38%	41%	11%	2.48
Developing cybersecurity policies and practices	9%	41%	38%	13%	2.46
Developing customer privacy policies and practices	9%	36%	45%	11%	2.43

CHALLENGES— RESI/CUSTOM INTEGRATOR

Item	Major challenge	Somewhat challenging	Not too challenging	Not at all challenging	Weighted Avg.
Finding and developing technical staff	44%	46%	8%	3%	3.31
Competing with inexpensive, mass marketed offers	23%	54%	15%	8%	2.92
Finding and developing sales staff	33%	33%	23%	10%	2.90
Developing and documenting business processes	8%	59%	28%	5%	2.69
Increasing the value of the business	8%	54%	33%	5%	2.64
Developing cybersecurity policies and practices	13%	44%	33%	10%	2.59
Managing junior staff	5%	41%	46%	8%	2.44
Generating sales	5%	46%	36%	13%	2.44
Financing the business/managing cash flow	13%	33%	28%	26%	2.33
Developing customer privacy policies and practices	3%	31%	51%	15%	2.20

CHALLENGES—COMMERCIAL INTEGRATOR

Item	Major challenge	Somewhat challenging	Not too challenging	Not at all challenging	Weighted Avg.
Finding and developing technical staff	56%	38%	6%	0%	3.50
Finding and developing sales staff	56%	19%	25%	0%	3.31
Managing junior staff	25%	50%	19%	6%	2.94
Increasing the value of the business	19%	44%	31%	6%	2.75
Generating sales	19%	38%	31%	13%	2.63
Developing and documenting business processes	6%	56%	31%	6%	2.63
Competing with inexpensive, mass marketed offers	13%	38%	38%	13%	2.50
Financing the business/managing cash flow	13%	31%	44%	13%	2.44
Developing cybersecurity policies and practices	6%	31%	56%	6%	2.38
Developing customer privacy policies and practices	0%	31%	63%	6%	2.25

CHALLENGES– SECURITY INTEGRATOR ENTERPRISE/MID

CHALLENGES–SECURITY INTEGRATOR SMB/RESI

Item	Major challenge	Somewhat challenging	Not too challenging	Not at all challenging	Weighted Avg.
Finding and developing technical staff	50%	35%	15%	0%	3.35
Competing with inexpensive, mass marketed offers	35%	45%	15%	5%	3.10
Finding and developing sales staff	20%	65%	10%	5%	3.00
Managing junior staff	15%	60%	25%	0%	2.90
Increasing the value of the business	10%	75%	10%	5%	2.90
Developing and documenting business processes	15%	50%	30%	5%	2.75
Generating sales	10%	60%	20%	10%	2.70
Developing cybersecurity policies and practices	10%	45%	40%	5%	2.60
Financing the business/managing cash flow	5%	60%	20%	15%	2.55
Developing customer privacy policies and practices	0%	45%	50%	5%	2.40

EMERALD CONNECTED MEDIA

CE Pro

- Partner with **_THE_** voice of the residential install channel.
- Completely customizable solutions for every marketing initiative with CE Pro, CEDIA Expo and Total Tech Summit.

Commercial Integrator

- Align your messaging with content focused on growing the CI's business.
- Think beyond advertising - content creation, thought leadership, social media, behavioral targeting.

Security Sales & Integration

- Reach the commercial and residential security install channel partnering with SSI.
- Cutting edge marketing options using our 1st party data.

How can we help?

- Take advantage of our database and our experience of executing 300+ campaigns a year.
- Schedule a consultation today! Click the brand here: CE Pro, CI and SSI

CEDIA® EXPO
SEPTEMBER 12-14, DENVER, COLORADO

- #1 tradeshow for custom integrators
- Now in its 30th year
- 20,000+ attendees projected
- Custom integrators increasingly active in residential and SMB security
- Custom integrators have strong light commercial AV plays

- Design + Connection *700%+ growth in the design professional attendance*
- Health & Wellness Pavilion
- Security Pavilion
- Innovation Alley for start-ups (3 years old or less 1st timers)

TOTAL TECH SUMMIT

CEPro **CI** Commercial INTEGRATOR **SECURITY SALES & INTEGRATION**

NOVEMBER 4-6, FORT WORTH, TEXAS

Hosted style event that delivers scheduled, guaranteed engagements with biggest and best custom, commercial and security dealers and integrators.

35-min. boardroom presentations to 10-12 VIP guests

Scheduled 15-min. one-on-one meetings

Designed to help you breakthrough and accelerate sales traction

Now in 12th year, projecting 350 hosted guests, average annual revenue of $20 million.

Emerald Investments

CE Pro, CI, SSI Amplification Programs

Expanded Media Event Coverage

Improved Look and Feel

KEY CONTACTS

- CE Pro and Commercial Integrator Advertising – Ray Lyons, ray.lyons@emeraldexpo.com

- SSI Advertising – Steve Nesbitt, steve.nesbitt@emeraldexpo.com

- CE Pro Editorial – Jason Knott, jason.knott@emeraldexpo.com

- Commercial Integrator Editorial – Tom LeBlanc, tom.leblanc@emeraldexpo.com

- SSI Editorial – Scott Goldfine, scott.goldfine@emeraldexpo.com

- CEDIA Expo Exhibiting – Ashley Sprengnether, Ashley.Sprengnether@emeraldexpo.com

- Total Tech Sponsorship – John Galante – jgalante@ae-ventures.com