

See how four industry veterans beat the competition and closed their deals.

HOW I GOT THE JOB

by Don Kreski

According to estimates from a handful of veteran systems integrators, the closing rate for an average AV systems bid runs anywhere from about 10 to 33 percent. When you're going up against these kinds of statistics, you can, at best, expect to come up short in two out of every three attempts to close a project. However, obviously some very successful AV sales people and integration firms continue to defy these odds. To help define what it takes to sell large AV systems effectively, let's take a look at how the following four AV firms "got the job." Read closely: Their answers may surprise you.

The not-low-bid bid project

One common problem integrators face is that large projects are nearly always bid — where system bids can be cutthroat and profit margins thin. Despite that fact, Ace Communications isn't the low bidder for a significant number of the jobs it wins, says David Goldenberg, vice president of sales.

"It depends on the consultant, but a good portion of the time the low bidder will get thrown out because the customer's afraid he doesn't know what he's doing," he says. "On this job, I think we were the second or third highest. But once we submitted our package, we were called back to the table with four other vendors. At that point, it was an interview process."

According to Goldenberg, a client's decision to hire an integrator is first typically based on the firm's history, capabilities, methodologies, and values statement. Then, clients look at price. "Once you take out the high and the low bids, typically it's no more than a 10 to 12 percent spread," Goldenberg says. "On the AIA job, it really came down to a matter of selling the bid team on the idea that Ace was the best vendor for the job. At the end of the day, AV is looked at as a commodity business — like long distance. So what you have to do is to get clients away from the idea that just anyone can do this installation."

And that's what Ace does best. Goldenberg says the relationships he and his team have built with individual consultants probably have had the greatest influence on his company's ability to win bids. "These strong relationships lead us to getting a fair look at the bid," he says. "What I mean by that is these consultants know we're not always going to be the low bidder, but we bring some of this other value."

One of the things Goldenberg believes gives Ace a competitive edge are the comprehensive marketing packages his team puts together. "That package describes the company's CTS Gold status and other certifications, its special expertise, and high standards," he says.

Goldenberg also likes to include audited financial statements. "We include several case studies relevant to the client we're bidding the package for," Goldenberg says. "We probably have a good 60 or 70 at this point. They help the clients feel you understand their industry because you did four other pharmaceutical companies. I think it's incredibly important to leverage your experience with vertical markets and communicate these types of differentiators."

The never-bid bid projects

BlueWater Technologies' Mack Truax, Grand Rapids, MI, branch manager, takes issue with Goldenberg's assertion that the lowest price is often thrown out. "That may be true in New York, but I'm in a different market here in Grand Rapids," he says. "We don't have as many big companies, and so pretty much all of our customers are going to go low bid."

For that reason, when the research project came up, Truax was determined it should not go to bid at all. Truax needed a good sale. He was just two months into setting up a Grand Rapids branch. When he heard about the



Ace Communications, New York, designed and installed the AV system in the American Institute of Architects' New York Chapter Center for Architecture. AIA provides guidance, service, and standards to architects around the world.

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project, he offered to create an initial design and bid documents for a fee, but the customer wasn't interested. " 'Truax,' the client said, 'you're giving me a line! You just came from a company where you told me you were the best in town. You think you can give me the same story again, just because you went somewhere else?'"

So Truax decided to do the design for free. After visiting another research foundation that had the functionality it was looking for, the customer hit a snag: This project cost roughly \$750,000, which was way over its current budget.

"I felt this was a unique opportunity," Truax says. "I had just hired an engineer out of Texas who was so far above anyone in this area that even my Detroit office has been drooling to get him to help them. From what I knew of my competition and also what the customer had for resources, I felt we were the company they should deal with. So I asked that they give this to us as a sole source."

Although the customer didn't initially agree to that concept, it did allow Truax to begin working on the project — essentially as an advisor. However, the group quickly learned he could deliver much more for their money. Over the next five months, Truax met with the staff a dozen times, invested 150 hours of engineering, and delivered four versions of a project scope plus a final proposal.

How did Truax eventually convince the client to use him as a sole source? "First, we made it very clear that this was our design, and it was not for them to put out to bid," he says. "If someone else was to bid on this opportunity, they would have to come back and create their own design. Second, by the time we finished, they were in a timeframe where they couldn't go through that kind of process and still finish construction by the fall. Third, they brought in the consultant that was involved in the East Coast project to validate our proposal. He went down the drawings and grilled my engineer over the phone, and we came through with flying colors. They also did some line-item shopping, just to compare prices and be sure we weren't overcharging them."

Truax says a technology showcase he staged in April was also a big help in landing the account. "The department sent four people and saw a 16,000-square-foot venue set up with close to 40 projectors and control systems," he says. "They had a chance to visit with some of the manufacturers of the products they were going to be implementing while their computer people were talking to other technical people — that was huge."

Delta AV Systems' design engineer Jeff Overbo's project at the community college also changed from a bid to design/build project; however, in this case the change was the customer's idea. "Creating the legal documentation required for a bid is a pretty cumbersome process," he says. "In this case, it probably would have added at least three months, and the project was already getting beyond the point where there was enough time for design."

The other deciding factor was the fact that Overbo had just completed another large system for the owner's rep, a firm the college had hired to oversee the student union's construction. The rep was very comfortable with Delta and didn't feel a strong need for a competitive bid. One issue the school ran into was a legal obligation in Washington State to bid out the project. Overbo says his customers' attorneys decided they could book the job as a change-order to the building's construction. For that reason, the purchase order came from the general contractor, and Delta worked as a sub.

Both Overbo's and Truax's jobs were completed essentially without the use of an AV consultant, which can be good or bad. "There are advantages to the bid process," Overbo says. "You bring in a competitive element, and there's a level of comfort for the owner in that you have an expert involved, he's overseeing this process, and you end up with an apples-for-apples number."

In the end, both Truax and Overbo say it was their engineering staffs that made the biggest difference in getting the jobs. "You can always try to drop your price and be more competitive, but you just create a war," Truax says. "So you have to add value. We brought in the best people we could with a lot of experience. I felt that once I had that as a core, that's the story we had to tell."

The let's-control-the-bid bid project

Jack Rebert, now Decatur, IL, branch manager for CCS Presentation Systems, used yet another approach at Carle Foundation Hospital: He acted as the paid designer and as a result, gave himself an inside track on winning the project when it went out to bid. Although Rebert admits he often pursues this strategy, there were two unique aspects to the Carle project.

First, Rebert took the unusual step of hiring another customer to help in the design process: Bob Graczyk, the late media department head of State Farm Insurance in Bloomington, Illinois. "Most of us in this industry sell this stuff, design this stuff, but don't ever really use it," Rebert says. "And so I thought it was best if Bob could come in and deal with the end-users, helping them set priorities. Once we had completed the design, then put together a bid package and request for proposal, I kind of divorced myself from the project and became an AV contractor."

Second, Rebert is unusually well connected with the client — which is what ultimately made it possible for him to win the design work in the first place. "Carle had been a long time customer of ours," he says. "Our name was synonymous with audiovisual over there because we had worked with them for a number of years on a number of projects. They were impressed with what we did."

Rebert agrees with Truax that you normally have to be the lowest bidder to win a big project, just like he was on the Carle job. Nevertheless, he also believes that doing the design work helped him put together the winning bid. "At one time, you could build in equipment that you might have an exclusive territory for, and then have the specifications read 'no substitution' on that item," he explains. "That's not really possible anymore. But still, these systems are complex so it's likely you're going to understand them better than the other bidders. Then too, if you've spent three months designing something and the other bidders only have 10 days to figure it out, you're going to have an advantage."

How important are certifications, special expertise, industry involvement, or marketing programs to



On this design-build job at a community college in Seattle, Delta AV Systems, Portland, OR, installed projection and audio equipment in this multipurpose educational space.

success in these situations? “Those are all important to get new customers,” Rebert confirms. “But once you’re in the door, it’s how you get along with the customer that counts. It’s relationship selling — I base the whole thing on that. I always tell people there’s a fine line between confidence and arrogance. You never cross that line, but you have to show you’re confident in what you’re doing and what you can do.”

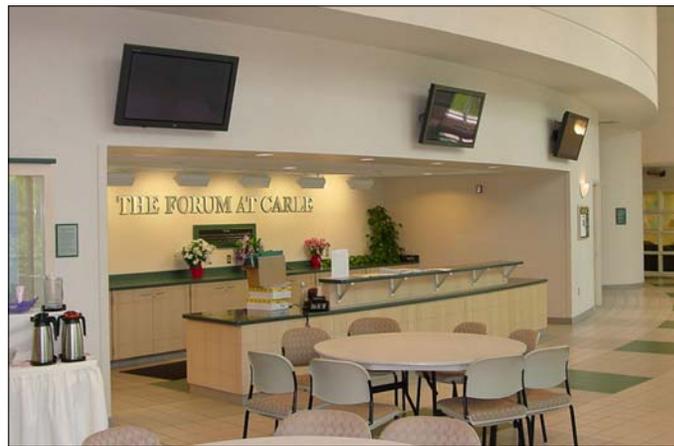
Another key factor, Rebert says, is trust. “You have to realize that people want someone they’re comfortable with,” he says. “I have the same culture they have, and the same Midwestern mentality. I was successful at Carle because I’m one of them.”

Common ground

Just as with any group of industry professionals, these four AV salespeople have different ideas about what it takes to “get the job.” For Goldenberg, it’s all about qualifications and how you communicate them to potential clients. For Truax and Overbo, performance is key. For Rebert, relationships are crucial. Nevertheless, it’s not hard to find some common ground. Like Rebert said, trust is paramount. All four AV pros managed to gain the trust of their customers — making a compelling case for why they would deliver quality work for the money on time. All four also know how to lose. Unlike industry averages, Truax, Rebert, Overbo, and Goldenberg estimate they win roughly 50 to 60 percent of the projects they go after — the trick is finding a way to get up again once you take a fall.

One trick Overbo uses is seeking out projects that are unusually difficult in some respect. “Whether it’s the level of complexity or an ugly timeline, I actually want the ones where something about them is tough,” he says. Because many bidders drop out of these kinds of projects, Overbo says the price and the profit margin go up accordingly. “You don’t want to come down to the level of the guy who’s working out of his garage,” he says. “I’m looking for something that can put our skill set to use.”

Both Goldenberg and Truax put a lot of effort into their proposal packages, and feel that can make the difference in a competitive situation. Both itemize costs, though some integrators don’t. “We break down every component,”



CCS Presentation Systems’ Jack Rebert served as the AV consultant and integrator on the Carle Foundation Hospital of Urbana project.

Goldenberg says. “We don’t mark up anything drastically because everybody knows what you can buy a projector for. We try to make our money on the labor and installation side.”

One last word of caution from Truax relates to the way in which you treat consultants. “You need to make sure, if you’re going to do an alternate, that you’re not recommending a design that would compete with the consultant that was hired for the project,” he says. “That consultant is your customer. You have to be as clear and as diplomatic with him as with anyone else. In my past life, almost 50 percent of my projects were from consultant-driven jobs. You may win one battle, but you’ll lose the war if you go against them.”

THE PROJECTS



David Goldenberg, vice president of sales at Ace Communications in New York, helped land a large bid project at the American Institute of Architects’ New York Chapter Center for Architecture. The AV system called for projectors, audio, and videoconferencing gear in a 175-seat auditorium, a public resource center, and a library/common room — all of which were connected on a networked control system. Goldenberg describes how Ace won the \$250,000 project, even though it wasn’t the low bidder.



Mack Truax, Grand Rapids, MI, branch manager for Detroit’s BlueWater Technologies, designed and sold an elaborate new AV system for a large research facility, including video observation, videoconferencing, multiimage display, sound, and control in a testing room, conference room, classroom/observation room, and control room. Truax engineered the \$225,000 project without a contract and then landed it without ever going to bid.



Jeff Overbo, design engineer at Delta AV Systems in Portland, OR, recently completed a multi-room install in a new student union at a community college in Seattle. Like the previous example, this \$210,000 project was also originally meant to go to bid, but ultimately turned into a design/build job. Delta installed projection and sound in a dividable meeting room and a conference room, plus sound in a cafeteria, bistro, and bookstore.



Jack Rebert, now Decatur, IL, branch manager for CCS Presentation Systems, won a \$1 million training center project for his former employer Midwest Visual Equipment. Rebert describes the factors that led the customer, Carle Foundation Hospital of Urbana, to choose him as the AV consultant and integrator and later allow him to continue on there.