

Plain Talk

Build Your Business the Right Way

We are in a wonderful business, which, if managed properly, can provide tremendous personal and career satisfaction – “managed” not only from the short-term economics side of the equation, but importantly the quality side. Remember that we are in a business unlike most others. Each day, we are in a highly stressed environment, charged with protecting the things our customers cherish most, including their loved ones and valued property.

Yet, too many in our industry have become cynical; making our commit-

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ment to long-term security solutions a cliché rather than a business philosophy.

If you’re an independent alarm company owner who wants to achieve and have a long-term career, here are some ideas that I have found will be valuable to you.

Concentrate on quality instead of price. Position your company to be the “quality provider” instead of the mediocre performers who are the lowest price providers. Resist the urge to become a “me, too” provider like the mass marketers who sell commodity-like pricing with no differentiation in quality. Your chances of surviving on that treadmill are poor.

Build added value into your services. It is the quality differences, the smallest details that really build added value for your business and help you succeed in today’s harshly competitive environment where price seems to be everything. It’s not! Make your company stand out for something – a specific service, or perhaps a critical mar-

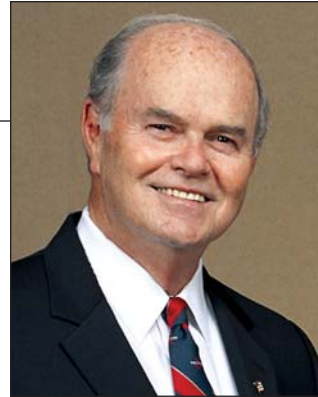
keting factor – and blend that message into every new and existing customer communication.

Create and maintain a highly personal relationship with your customers. People want to trust their service providers to be there for them. Trust and reliability are factors that no amount of slick advertising or sharp price discounts can surpass. Your customers want to know you by name, trust you, and feel that no matter what you’re in their corner. It’s their sustained patronage that will create long-term

value for you. This is true, no matter how large your company grows.

Understand the real costs of doing business. While entrepreneurial spirit – built by individuals driven by a passion – makes this business stand out, ignorance of your long-term costs is a recipe for failure. Know your costs, and don’t be embarrassed to price your services in a way that creates sufficient profit to service your present and future growth. Increase your business education every chance you get.

Protect your company. Protect your company’s reputation and your legal rights, as well. Maintain accurate customer files, obtain adequate profession-



By John A. Murphy

al liability insurance, and never do business without a bona-fide contract. Fully understand what your obligations and risks are.

Create a company transition plan right from the start. The best transition plans consider a number of factors, including the future of your customer base and retaining your key employees. Unless you plan on leaving town, it’s nice to be remembered as a conscientious businessperson who served the community with integrity, and took care of customers and employees alike.

Know when it’s the best time for change. Too often business owners wait to plan transition only when they’ve grown tired of the business or when the business has grown beyond their capability to manage it effectively. There are many ways to reinvent your company as part of something else with people who have a vision, which you share. Plan for change every day.

John A. Murphy is president of Vector Security Inc., Philadelphia. Vector Security is SDM’s 2003 Dealer of the Year, and ranks as No. 7 on the SDM 100.

Editor’s Note: SDM wants to hear your opinion on this and other issues that affect the electronic security industry. If you have a strong viewpoint that you’d like to share with your peers, contact the editor: Laura Stepanek, SDM Editor, 1050 IL Route 83, Bensenville, IL 60106; tele. (630) 694-4027; FAX (630) 227-0214; e-mail stepanekl@bnpmedia.com. The editors will consider all serious submissions.