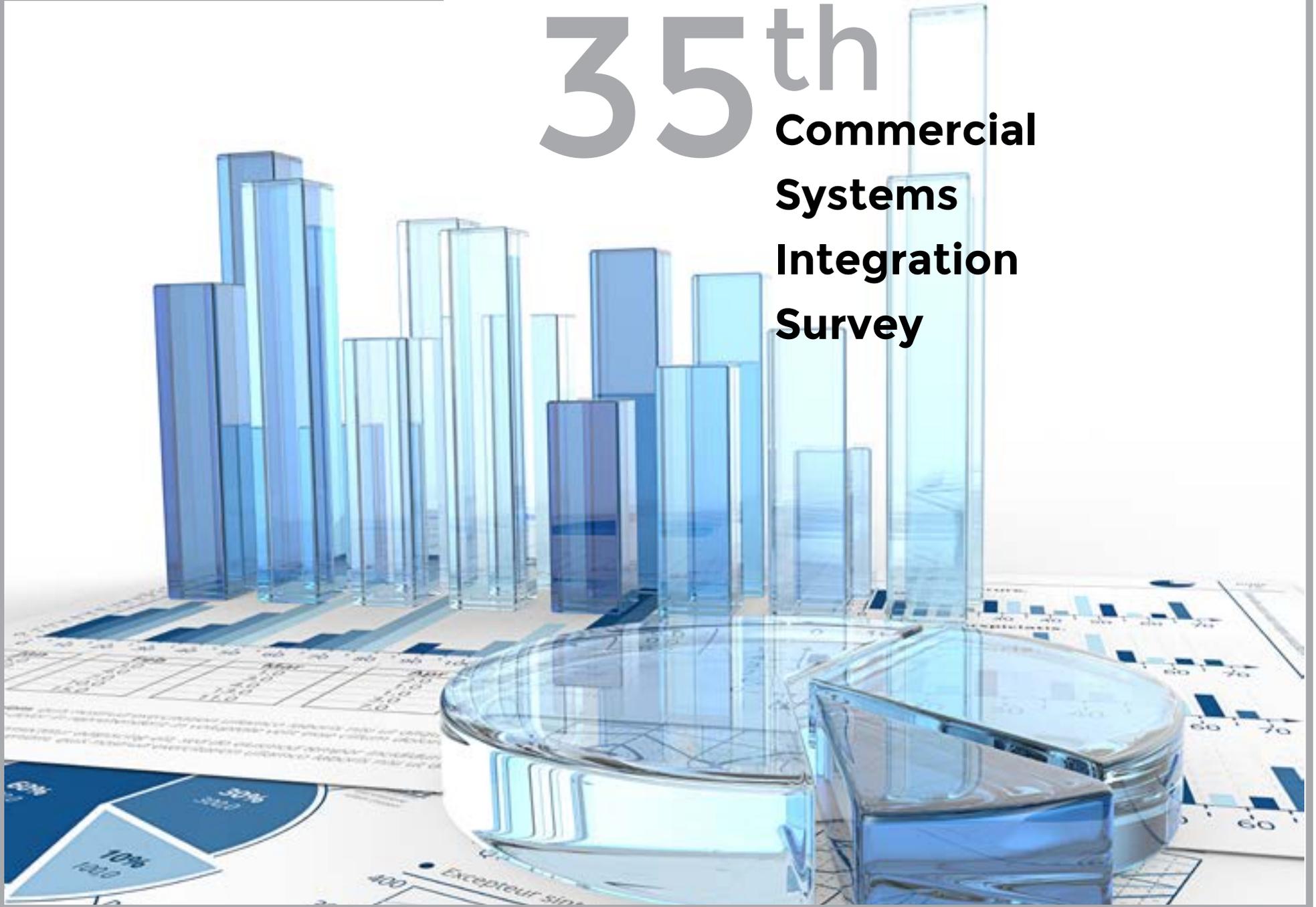
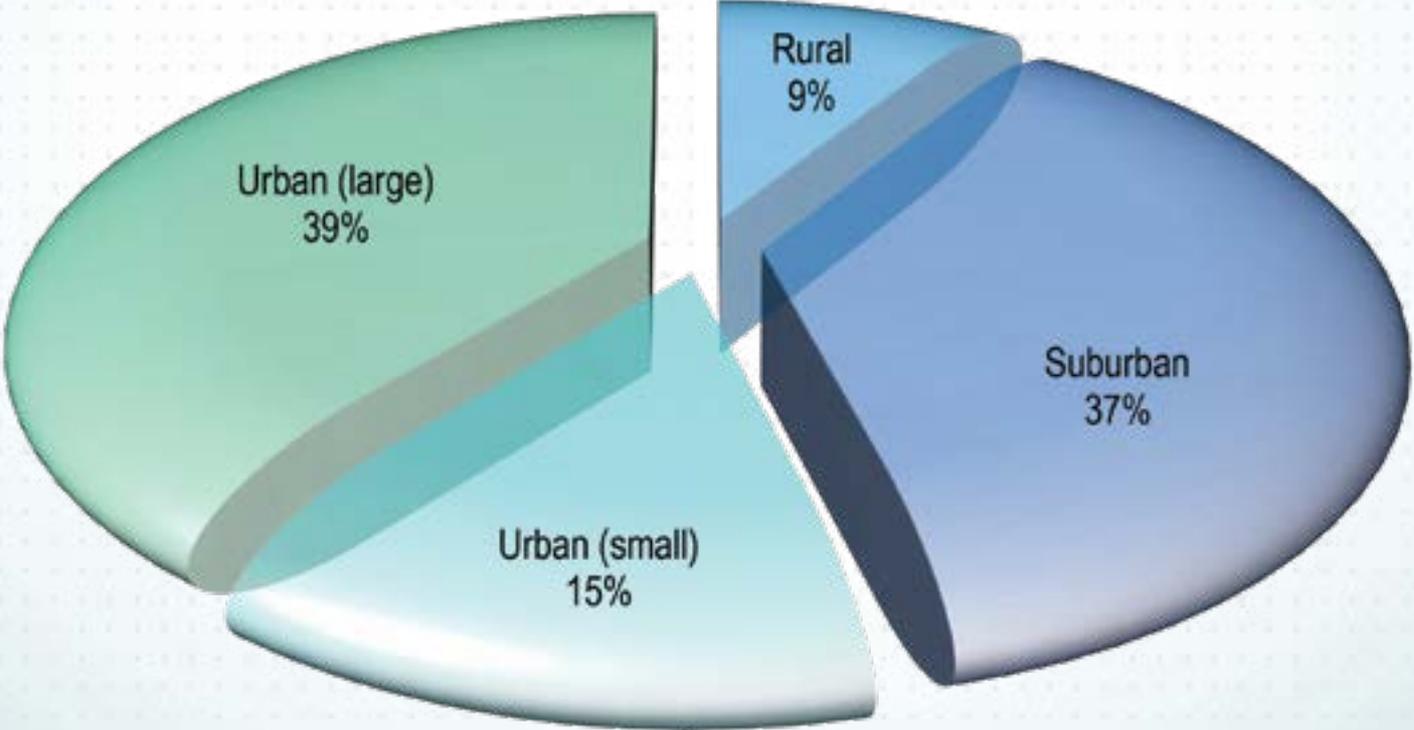


35th Commercial Systems Integration Survey



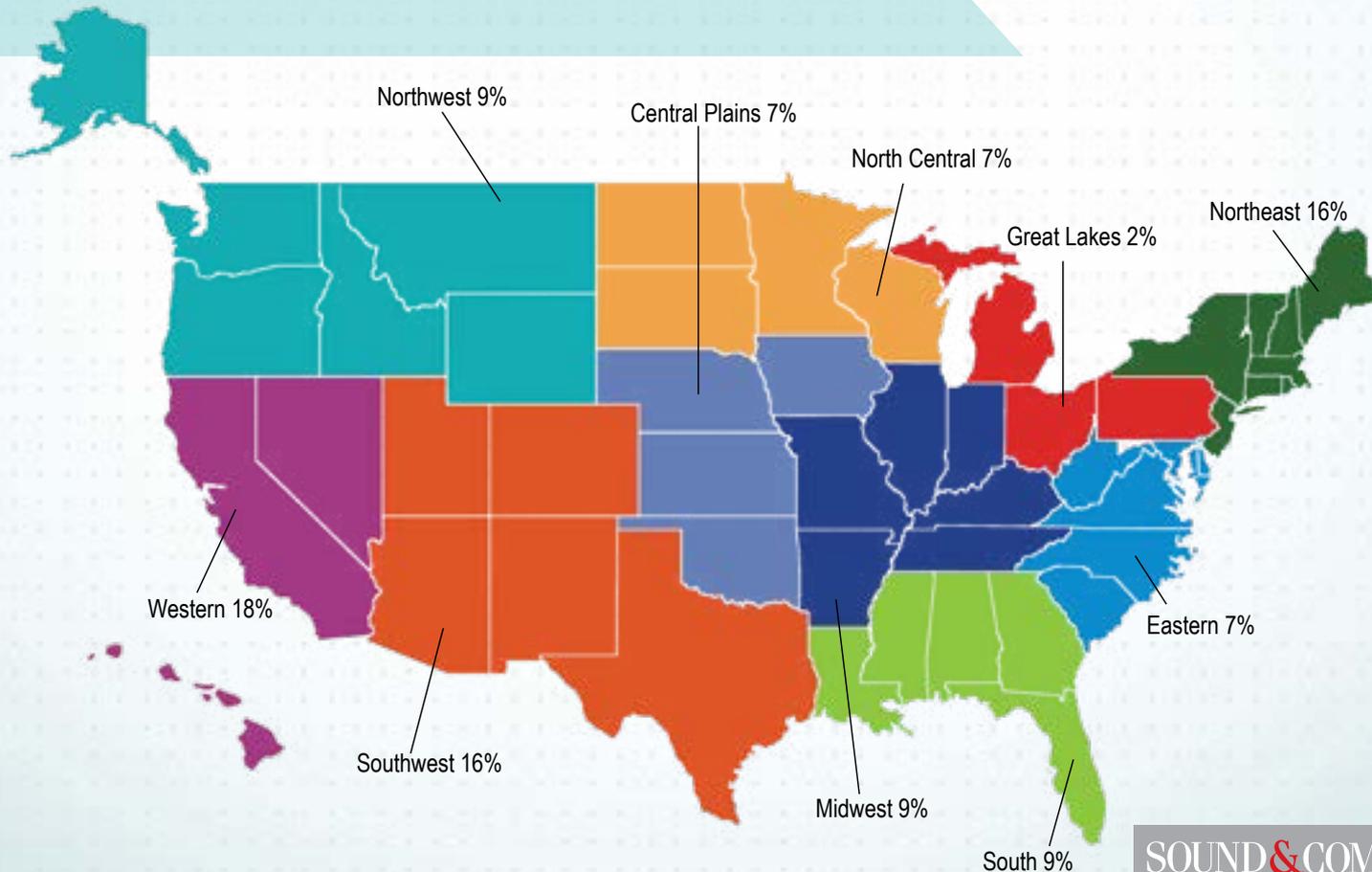
Question #1:
**Characterize the region in which
your central office is located.**

In **Question #1**, we asked respondents to characterize the region in which their central office is located. We find that survey takers are heavily weighted toward the suburbs and urban areas. Indeed, 54 percent indicated their central office is located in an urban setting—whether large or small—and another 37 percent answered that they're headquartered in the suburbs. By contrast, only nine percent of respondents characterized their home office as being in a rural area. Generally, one might suspect that an integrator or consultant whose home office is where lots of people are would be well positioned to earn lots of business, but we oughtn't ignore the fact that, as of this writing in early July, urban and suburban areas have been especially affected by the pandemic (probably due to people's proximity to each other). So, among these integrators, some might be disproportionately challenged.



Question #2: Indicate the region in which your central office is located.

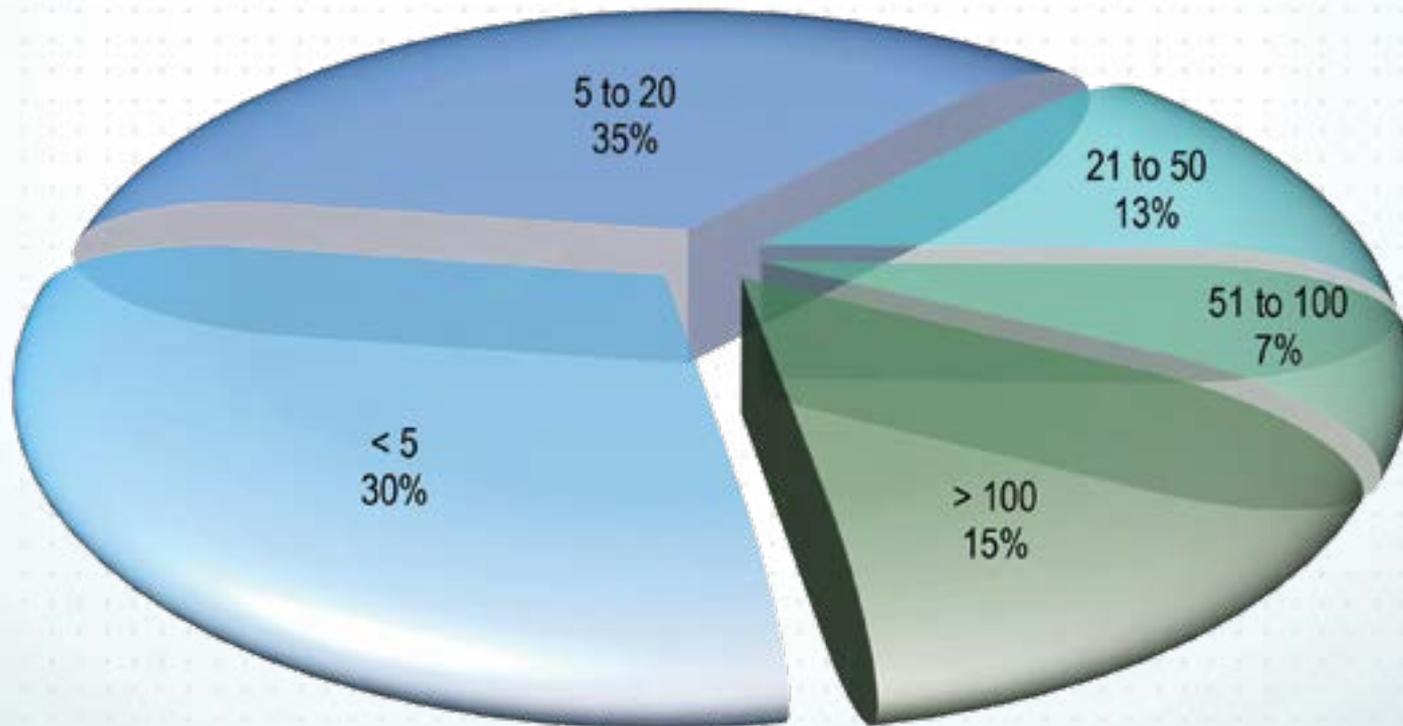
Question #2 approaches the same subject—the respondent’s central office—with more granularity, asking about the specific region in which it’s located. As you can see, every corner of the United States has representation in our survey, with the plurality coming from those farther west: Western (18 percent), Southwest (16 percent) and Northwest (nine percent), totaling to 43 percent from that area of the country. One region that seems underrepresented relative to its total population—and thus market size—is the Great Lakes, from which only two percent of respondents hail. It seems unlikely, however, that this breakdown will affect the data materially.



Question #3:

Total number of employees, all branches.

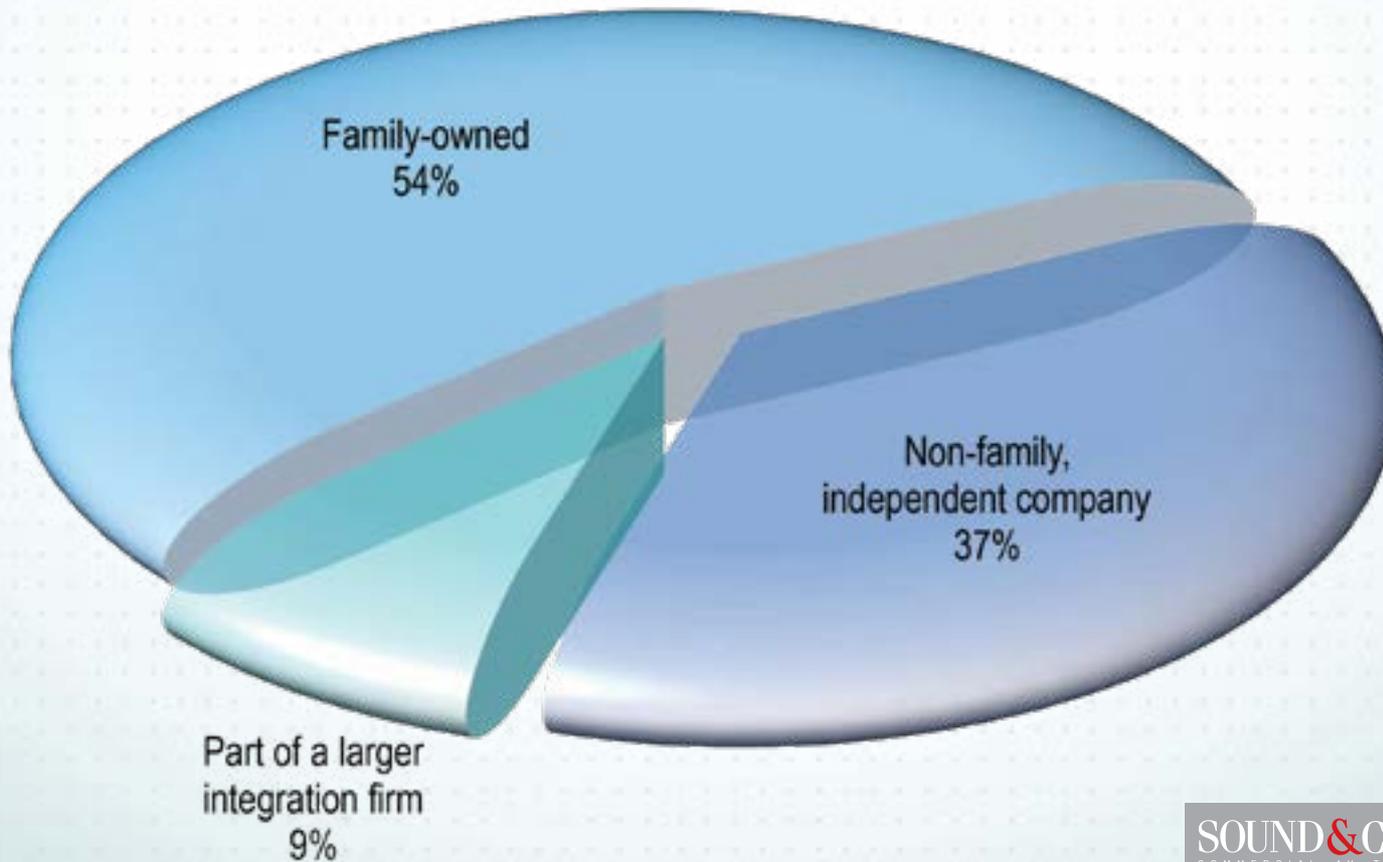
In **Question #3**, we inquire as to the total number of employees—across all branches—that the respondent's firm has. There's no mistaking the composition of our survey takers: The vast majority are affiliated with smaller integrators and consultancies. Indeed, 78 percent indicated that their company has 50 or fewer employees; moreover, within that group, more than four-fifths are affiliated with companies of 20 employees or fewer. It has often been said that commercial AV is a cottage industry, with many companies having been created over the dinner table or by the family tinkerer out in the shed; our data aligns with that common perception. However, it's worth acknowledging that 15 percent of survey takers reported their firm has more than 100 employees, indicating that some big boys exist among the mom-and-pop businesses in our industry.



Question #4:

Characterize your business ownership.

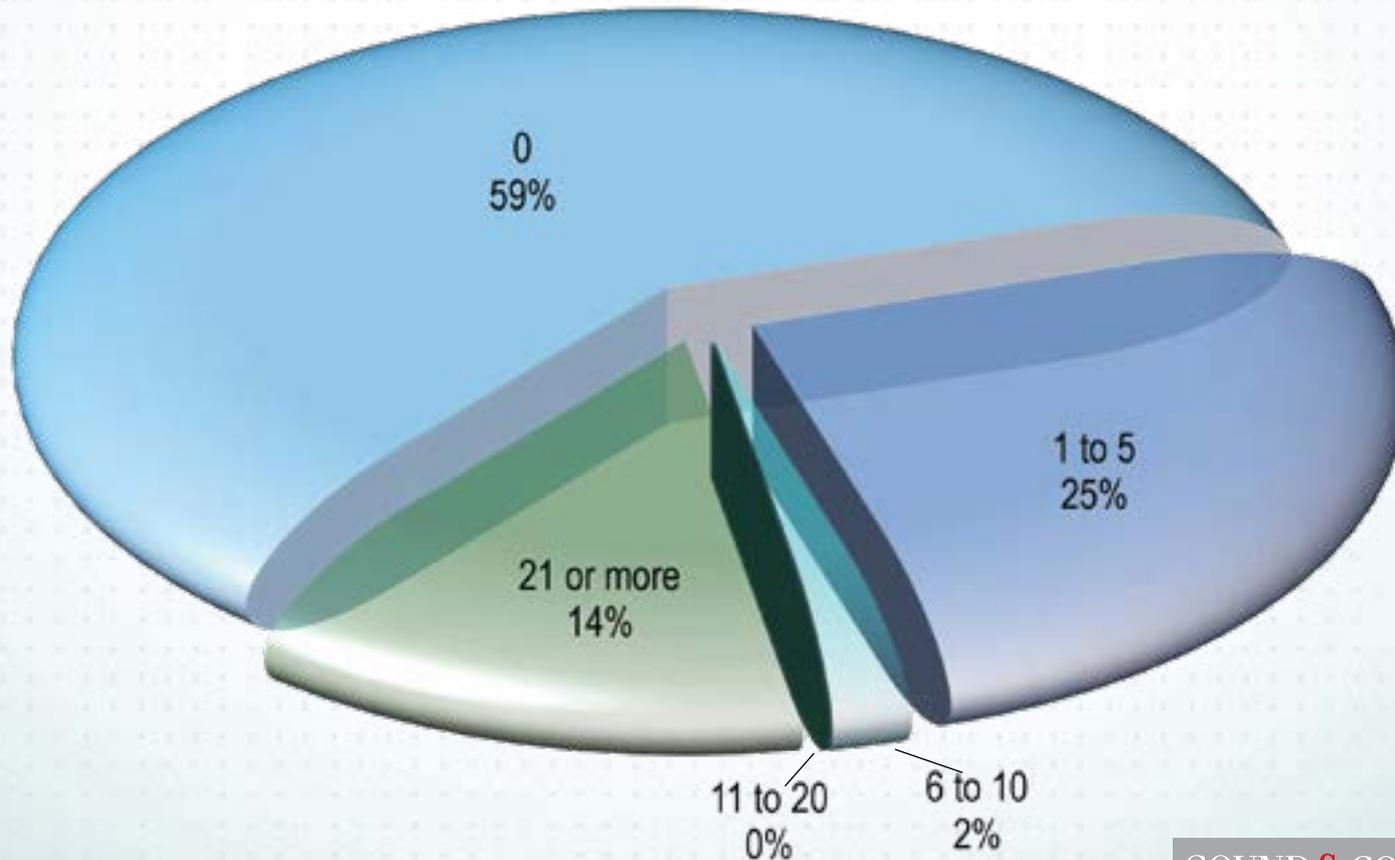
Speaking of mom-and-pop businesses, we get right to the heart of the matter in **Question #4**, asking respondents to characterize their businesses' ownership. Aligning with the earlier discussion, a majority of survey takers—54 percent—reported that theirs is a family-owned business. Although examining other industries' data is beyond the scope of this survey report, it seems likely that family ownership on this level is a distinguishing point for commercial AV—and probably something that underpins AV integrators' and consultants' tendency to treat clients as partners and friends. Another 37 percent of survey takers indicated theirs is a non-family, independent company, whereas only nine percent reported their business is part of a larger firm. Here in the commercial AV industry, it's clear that small business is still alive and well!



Question #5:

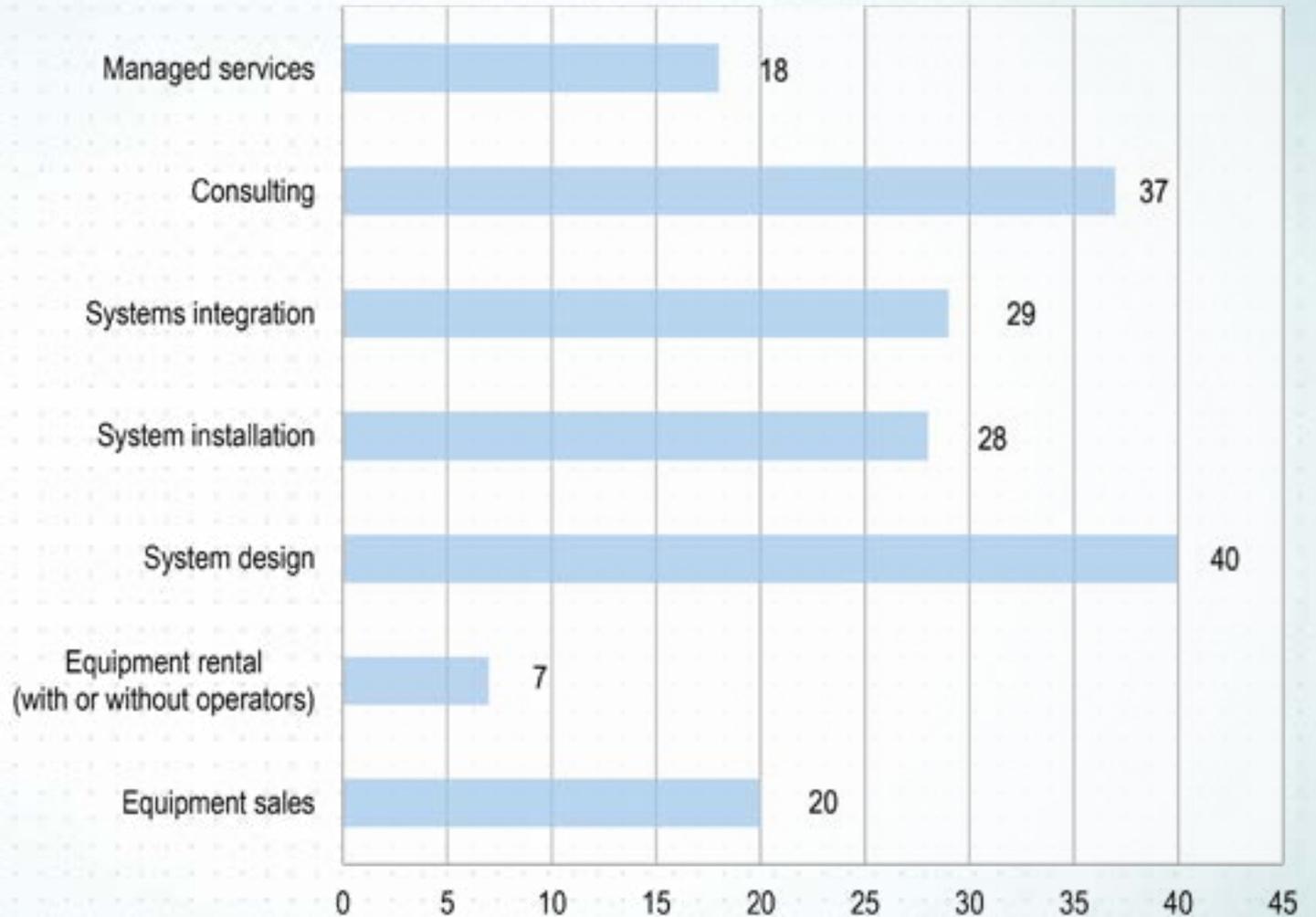
How many projects do you design/integrate outside of North America annually?

Turning to **Question #5**, in which we inquire about respondents' work designing and/or integrating outside of North America, we get a clear picture that, at least among our survey takers, projects of this sort are somewhat rare. A large majority—59 percent—indicated that, in a typical year, they perform zero projects outside of North America. Another quarter of survey takers pegged the number at one to five projects. Thus, in total, 84 percent of respondents reported five or fewer non-North-American projects in a typical year. On the other end of the spectrum, 14 percent of survey takers indicated they perform 21 or more international projects annually. It's apparent that there is substantial polarization here: A quite-small number of integrators and consultants do a quite-large proportion of the international work.



Question #6: How do you characterize your company's activities?

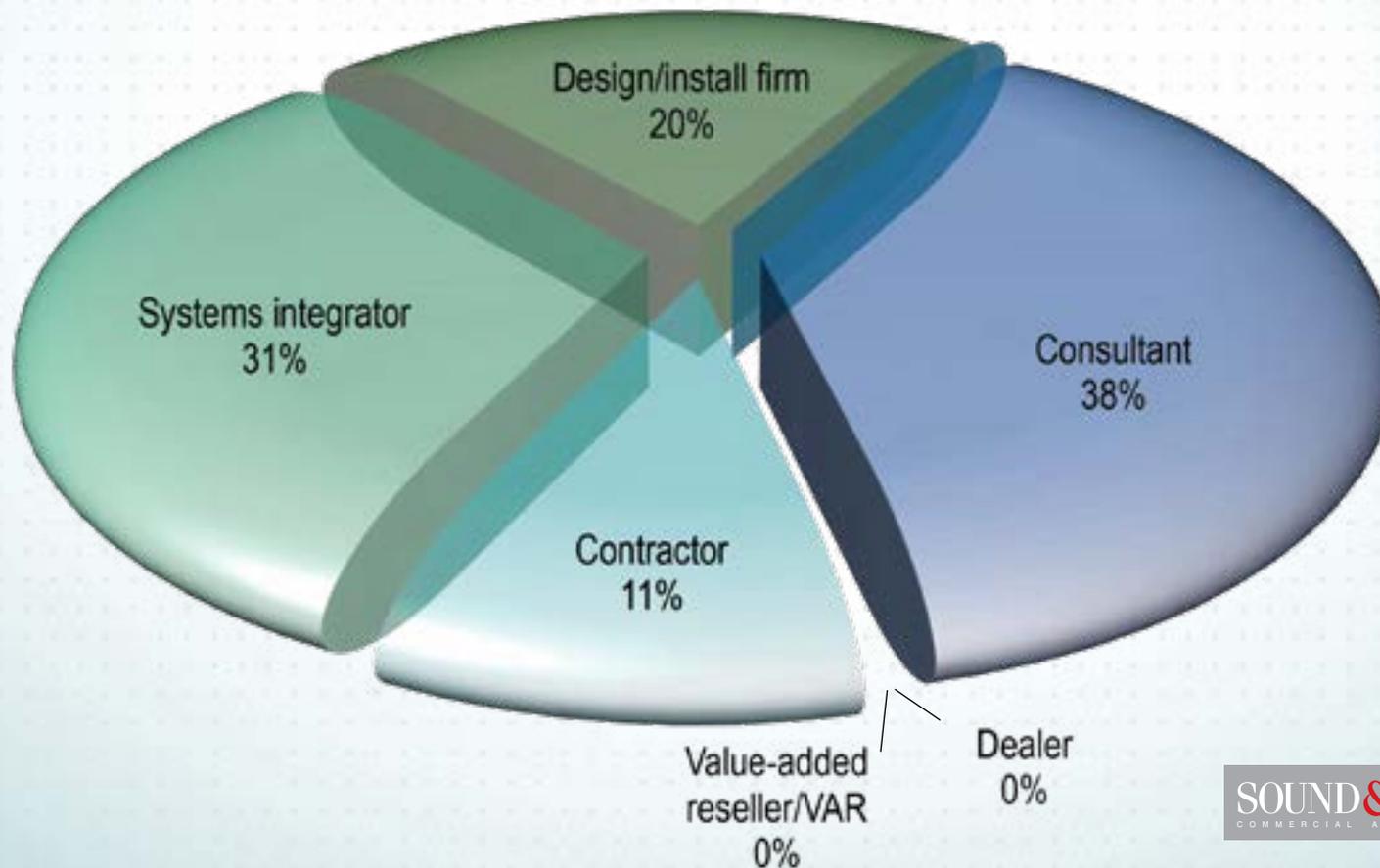
Let's shift to **Question #6**, which centers on how the respondent characterizes his/her company's activities. (For this question, we allowed survey takers to offer multiple responses, as choices were not mutually exclusive.) Of the options offered, "System Design" and "Consulting" attracted the most responses—40 and 37, respectively—indicating that our sample likely had a particularly large number of consultants in it. Going down the list, "Systems Integration" and "System Installation" attracted 29 and 28 responses, respectively; those folks seem like the core integrator reader of *Sound & Communications*. Attracting the least response was "Equipment Rental," which only seven survey takers indicated they offer. This is unsurprising, as *Sound & Communications*—and, by extension, its audience—focuses heavily on fixed-installation applications.



Question #7:

If you could call your business only one of the following, which would you choose?

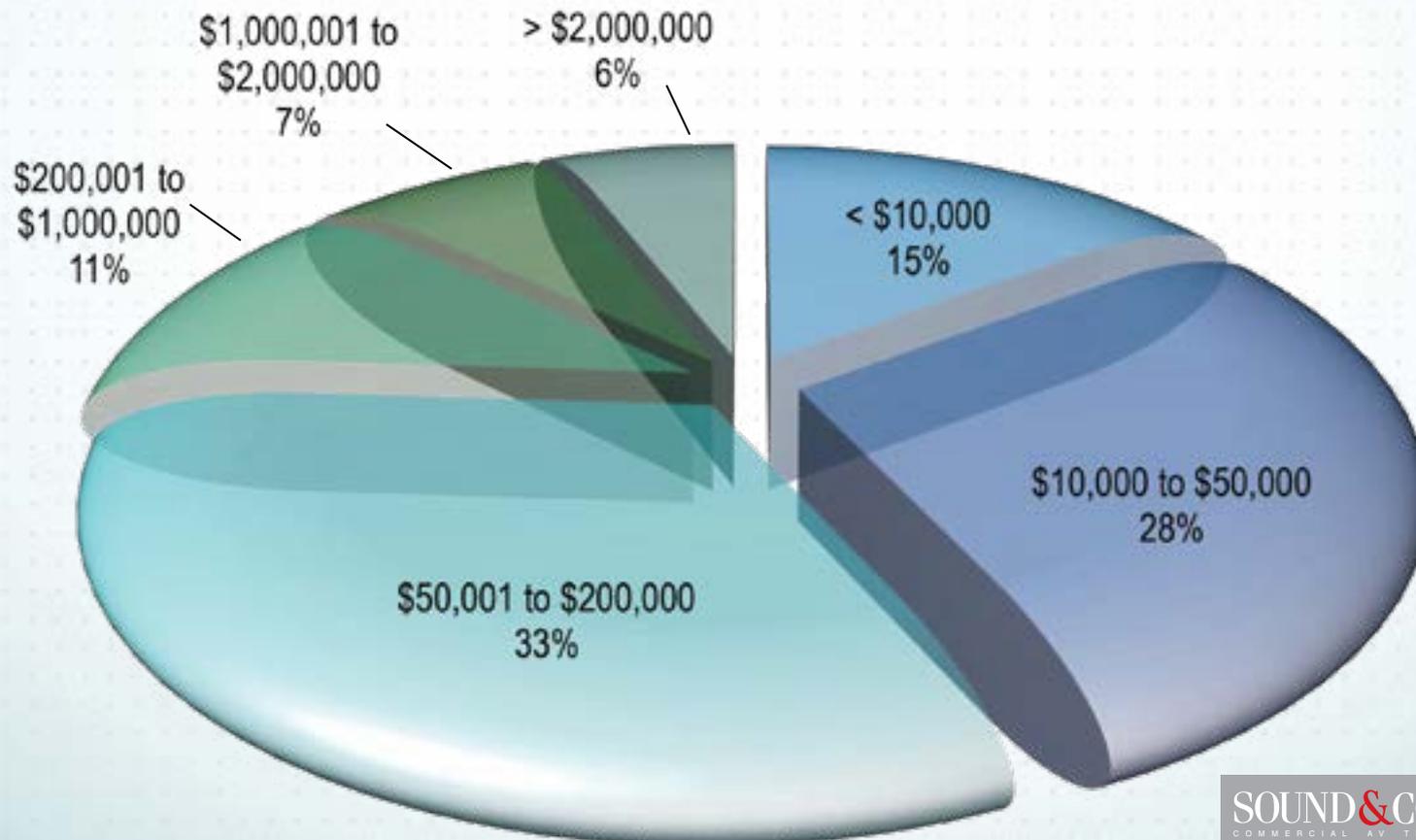
Continuing in this vein is **Question #7**, which queries about which single descriptor survey takers would use to categorize their business. The answers here confirm our supposition from the previous question: We, indeed, do have a particularly large number of consultants responding. Thirty-eight percent of survey takers—a significant plurality—answered “Consultant” as their primary descriptor; the second-most-popular answer, “Systems Integrator,” attracted 31 percent of responses. The other answers were far behind: “Design/Install Firm” at 20 percent, “Contractor” at 11 percent, and “Dealer” and “Value Added Reseller/VAR” failing to register at all. As you consider the data that this report presents, bear in mind that nearly two-fifths of respondents are consultants.



Question #8:

Average dollar size of jobs completed in 2019.

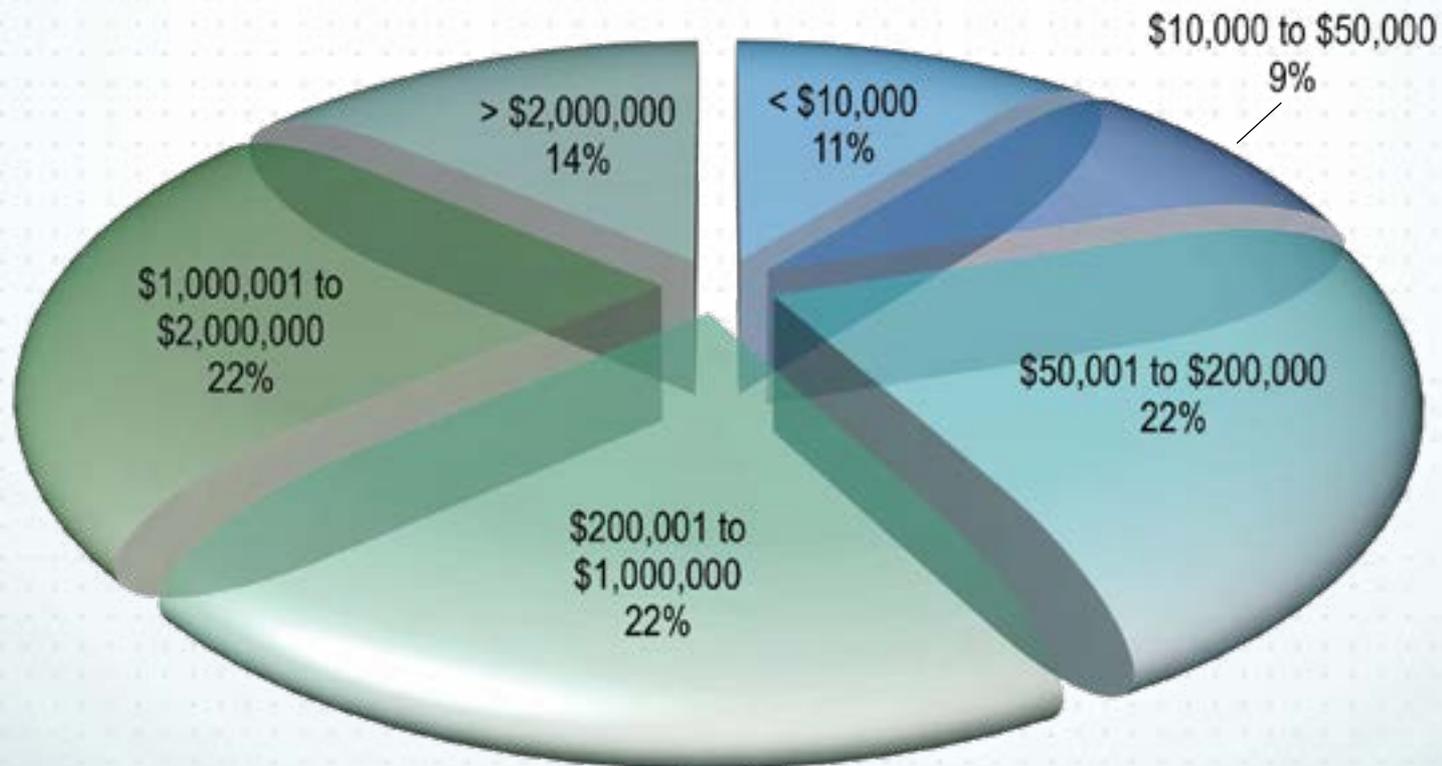
Looking to **Question #8**, asking about the average dollar size of jobs completed last year, we see a clear pattern: A large majority of survey respondents has average job sizes of \$200,000 or less. In fact, 76 percent fall into that category. It's worth noting, however, that, within that group, more than two-fifths indicated their average range is \$50,001 to \$200,000; that indicates that most respondents don't focus on the smallest projects as their day-to-day activity. Looking at the largest job-size options, only 13 percent fell into those categories: seven percent for \$1 million to \$2 million, and six percent for more than \$2 million. Although *Sound & Communications* covers those projects most frequently, multi-million-dollar AVL deployments are necessarily limited in number. So, it's no surprise that only a handful of companies pursue them routinely.



Question #9:

Largest dollar-size job completed in 2019.

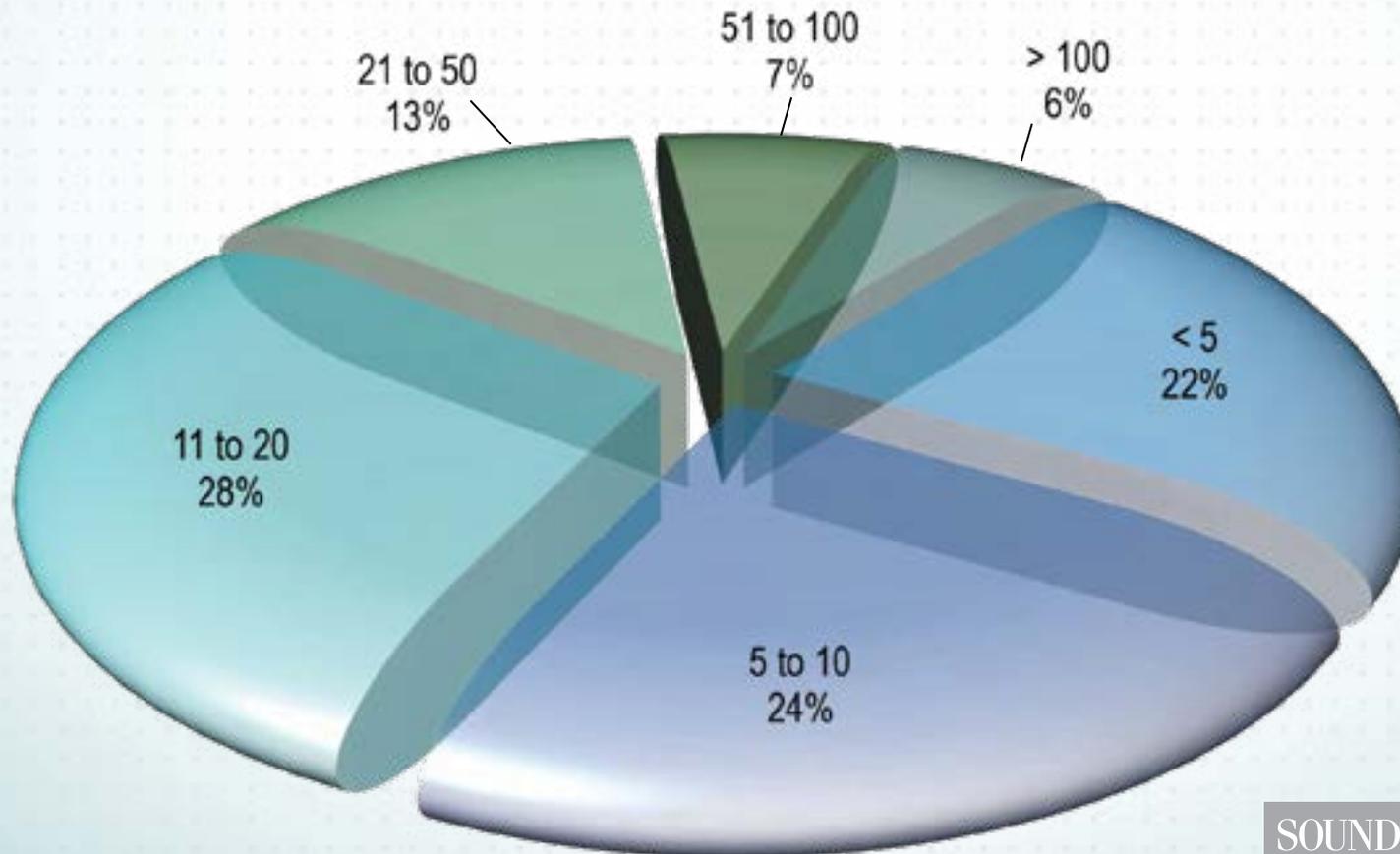
Moving from average job sizes to one-time projects, we turn to **Question #9**, which asks respondents the largest dollar-size job they completed last year. Here, the distribution of percentage points is much more equitable, with every category earning substantial response. Only 42 percent of survey takers said their largest project last year was \$200,000 or less; by contrast, 36 percent said their largest project in 2019 was \$1 million or more. This goes to show that companies that might pursue average projects of around \$150,000 are certainly not disqualified from taking on huge projects on the rare occasions when those jobs present themselves. And, naturally, if they deliver an excellent outcome, respondent companies might receive those opportunities more frequently.



Question #10:

Number of jobs completed in last six months.

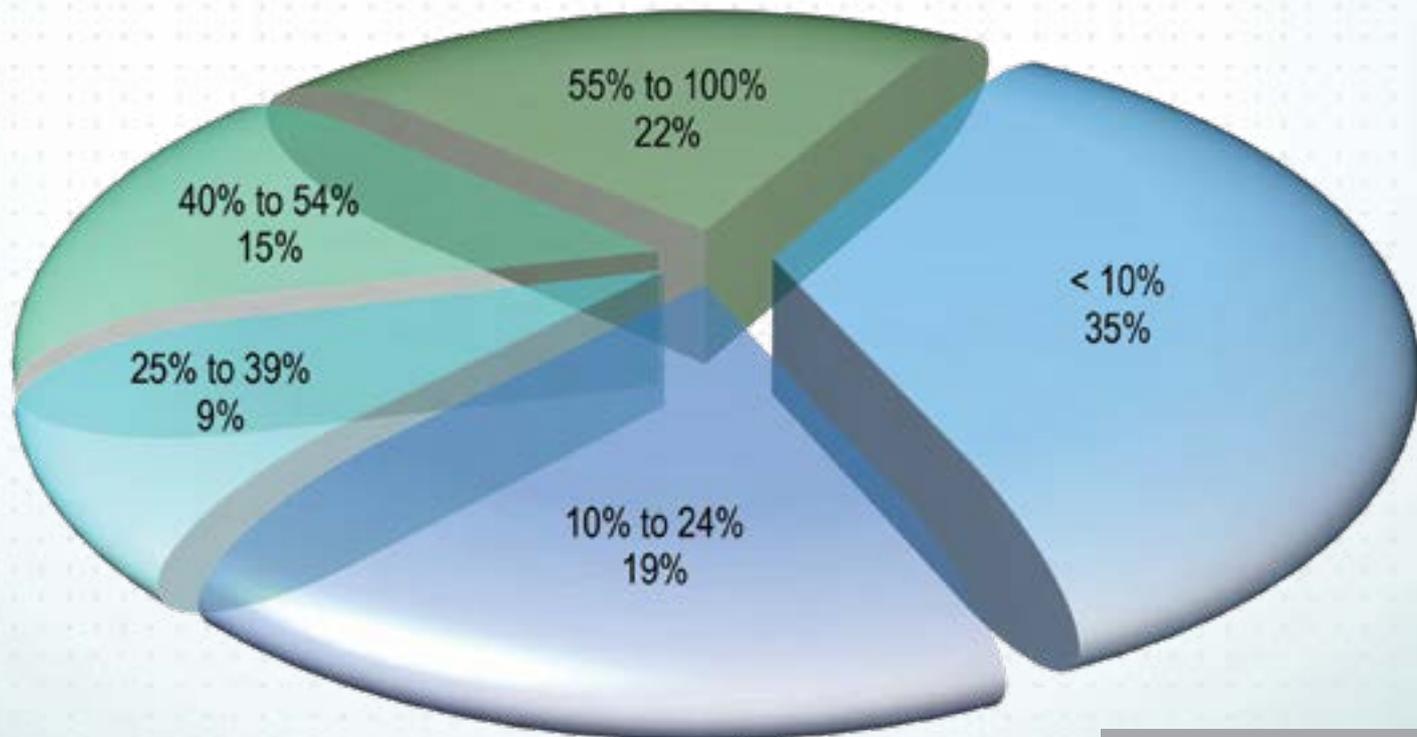
In **Question #10**, we inquire about the number of projects that respondents' companies have completed in the last six months. The data indicates that most survey takers' firms have not been completing projects by the dozens. Indeed, nearly three-quarters of respondents answered that their company had completed 20 or fewer jobs in the last half-year. It's difficult to know the reason for that. One plausible hypothesis is that, given that many responding companies are smaller, mom-and-pop-type businesses, they can only perform so many projects in a limited timeframe; another hypothesis is that, during the time of COVID-19, many projects ground to a halt. (Survey takers answered the questionnaire between June 2 and June 25.) It's notable that 13 percent of respondents said they'd completed 51 or more projects in the last half-year, including six percent whose tally exceeded 100 jobs. Impressive numbers—especially during a pandemic!



Question #11:

Percentage of jobs for publicly funded customers
(*e.g.*, federal, state and local governments,
public schools, etc.).

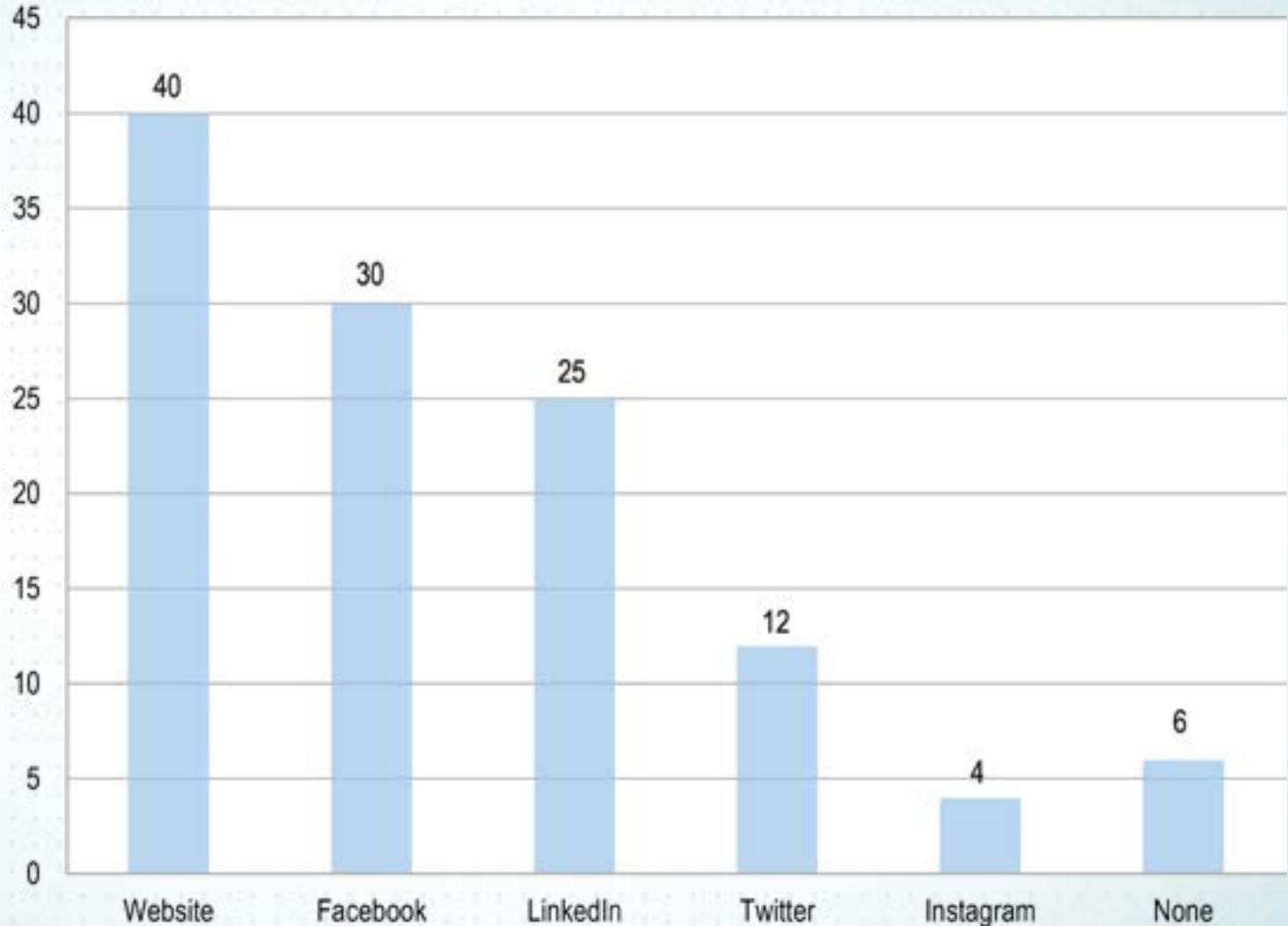
Next up is **Question #11**, asking about the percentage of respondents' jobs that are for publicly funded customers. The earlier-referenced polarization manifests here, too, with comparatively few survey takers falling in the middle. Fifty-four percent of respondents indicated that 24 percent or less of their projects are for publicly funded customers; conversely, 22 percent indicated that 55 percent or more of their jobs are for publicly funded entities. As the US continues to mount a recovery from COVID-19, it'll be interesting to see whether public investments—legislative chambers, courthouses, public schools, public colleges, etc.—outpace or trail private investments.



Question #12:

Your company has which of the following internet/social-media accounts?

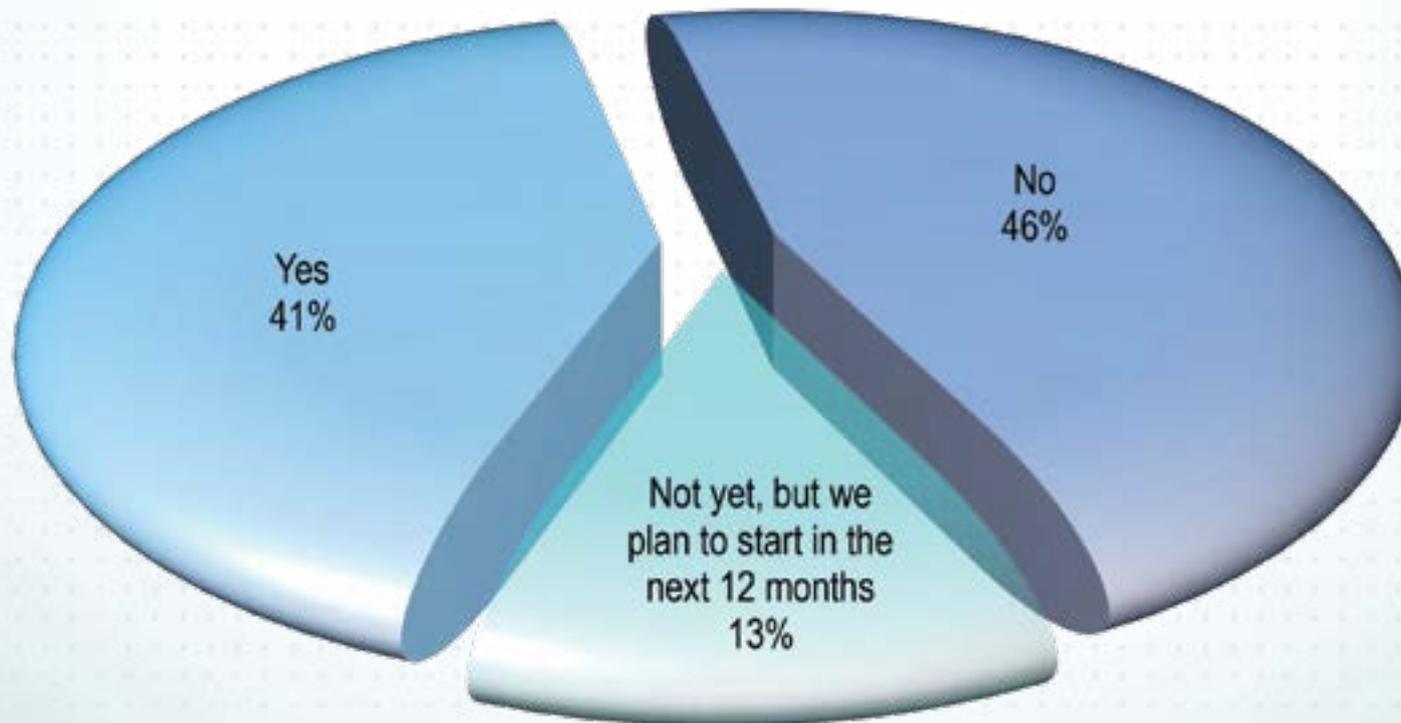
In **Question #12**, we ask survey takers about their company's internet presence and social-media accounts. (For this question, too, we allowed people to offer multiple responses, as choices were not mutually exclusive.) The top vote getter was "Website," drawing 40 responses. Next up were Facebook and LinkedIn, attracting 30 and 25 responses, respectively. Twitter occupied the fourth slot, drawing 12 responses. Instagram, so popular among teens and twentysomethings, seems like it has negligible appeal to AV integrators and consultants; we'll see how that evolves in the years ahead. Meanwhile, somewhat shockingly, six respondents indicated they have no internet presence across *any* of those categories. It's difficult to fathom an integrator or consultant not even having a website, but the data speaks otherwise.



Question #13:

Does your firm sell managed services?

The penultimate query, **Question #13**, broaches the subject of managed services. At a time when many clients are looking to streamline their systems—for example, the shift to Zoom and Microsoft Teams for conferencing, rather than large, hardware-heavy deployments—it's essential for integrators to do more than simply resell products, design systems around them and execute those designs. AV-as-a-Service (AVaaS) has become a buzzword, and for good reason! Clearly, a substantial percentage of our survey takers are plugged into this trend, as 41 percent of respondents' firms already sell managed services; perhaps even more notable is that 13 percent don't yet have a managed-services capability but plan to implement AVaaS in the next 12 months. That leaves 46 percent of survey takers thus far abstaining from the opportunities that managed services can offer. I fully expect that number to decrease in 2021's survey report.



Question #14:

Does your firm have a knowledgeable IT person on staff?

Finally, we turn to **Question #14**, which presents a query that's more pressing now than ever before: "Does your firm have a knowledgeable IT person on staff who can interact with end-user technology managers?" *Sound & Communications* has been beating the drum about AV/IT convergence for more than 15 years, and all parties now agree that the fields are inseparably melded. Networked systems are increasingly common, and AV professionals have to know the language of network security, network switches, data compression and more. Thus, it's fortunate that 93 percent of survey takers answered "Yes," affirming that at least one staff member can speak the language of IT. We don't know much about the seven percent who answered in the negative, but it's safe to say that, over time, they likely will have to adapt. End-user technology managers are more empowered than ever before to try to shape the experiences that their technology budgets facilitate; AV professionals must be simpatico with those decision-makers.

