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WHY A PRIVATE
PLANE IS THE KEY
VEHICLE IN THIS \$6M
INTEGRATOR'S FLEET.

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Ryan Heringer,
Sound Concepts, Jonesboro, Ark.

PLUS:
**CE PRO'S
ANNUAL GUIDE
TO DISTRIBUTION**

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THE SIX MILLION DOLLAR INTEGRATOR

Bionic parts might not factor into Ryan Heringer's success with Sound Concepts, but a company jet, ultra-efficient vehicle fleet and mountains of showroom A/V gear helped fuel this CE Pro 100 stalwart to \$5.96M revenues last year.

BY ERIN HARRINGTON, PHOTOGRAPHY BY AMY LONG

WHILE LEE Majors may have originated the role of *The Six Million Dollar Man* on the hit '70s TV series, Ryan Heringer is reprising it superbly. As owner and president of Sound Concepts in Jonesboro, Ark., Heringer is raking in revenues hovering around the \$6 million mark, good enough to rank the company as No. 34 in the 2015 CE Pro 100.

So how exactly has this integrator spun his services into a multimillion-dollar

operation in this remote city of roughly 70,000? Indeed, Sound Concepts is not your everyday, down-home Arkansas A/V company. In fact, it's a bit of an anomaly for any business located just down the road a piece from the Ozark Mountains.

Sound Concepts offers a complete menu of services, spanning home automation, audio/video, media, music, digital signage, lighting, security and amenities, such as climate control, irrigation, pool and spa, insect control, fireplaces and inventory management. In 2014, the company logged 590 installations and sales of \$5.96 million.


The company has its own distribution center, private jet and pilot, and a 17,000-square-foot office and showroom that includes three indoor theaters and one outdoor; a custom kitchen; a wine cellar; integrated bedrooms; a soundproofed listening room; two conference rooms; a golf and hunting simulator room; three demo rooms; and "His and Her" luxury rest rooms.

As elaborate as his business has become, Heringer has built it on some very basic principles. Among them: Don't spend

Quick Stats

COMPANY: Sound Concepts
LOCATION: Jonesboro, Ark.
WEB SITE: mysoundconcepts.com
YEARS IN BUSINESS: 13
NUMBER OF EMPLOYEES: 17
REVENUES (FOR 2014): \$5.96 million
SPECIALTY: Home Automation
TOP 5 BRANDS: Elan, Crestron, Klipsch, SnapAV, Samsung
FYI (ONE PIECE OF ADVICE TO ANOTHER DEALER): Reinvest your profits back into your company and save for the rainy day.



A man with short brown hair, smiling, wearing a blue button-down shirt with a "SOUND CONCEPTS" logo. He is standing in front of a Beechcraft King Air C90 airplane. The airplane has a white body with red and black stripes. A large grey "S" with a red outline is visible on the side of the plane. The background shows the interior of the plane, including a brown leather seat and wooden trim.

Ryan Heringer of
Sound Concepts
bought a Beechcraft
King Air C90 airplane in
2012 to fly to projects
all across the U.S.

CE PROFILE

SOUND CONCEPTS



Sound Concepts does its own design/builds for acoustics, handles line-voltage electrical, and even lays carpeting.

money you don't have.

"I wanted to be debt-free, so I saved and saved and put the money back into the business," he points out. By staying true to the commitment, Heringer contin-

ued to prosper through tough economic downturns, and reinvested in the company, which has been operating in the black since 2012. "We can be competitive since we only have to make payroll," he adds.

Despite the company's wild growth, the road to success has been carefully paved. Passion for the work and a willingness to labor hard for prosperity seem to be the constant catalysts along the way.

Although Heringer launched Sound Concepts in 2002, its inception was born much earlier on for the integrator, who dates his love of all things A/V to as far back as junior high school. That's when he began working afterschool jobs and used his paychecks to buy A/V gear, which he hooked up himself.

While attending the University of Arkansas, Heringer installed electronics for fraternity buddies. Word of mouth quickly spread. "It grew into other jobs, many with restaurants," he says. Then came a project for Don Tyson, president and CEO of Tyson Foods, another University of Arkansas alum. "I met with him and he actually wrote me a blank check, telling me to install whatever I thought I should. That's when I knew this is what I wanted to do." A blank check and a clear purpose — not bad confidence boosters.

STAYING IN CONTROL

While the company caters to high-end installs, it maintains a pretty good mix of projects. "Mid-level to high-end automation is our focus," Heringer says. "The mix in terms of size and scope ranges from a \$2,500 one-room TV system or \$10,000 security system to a million-dollar-or-more custom automation project. We've evolved over the years and taken on more of a product mix and there are a couple of things we've folded in.

"I like to have control over what we do; I don't want to have to rely on an outside contractor to show up," he continues. "We do our own design/builds for acoustics and sound isolation, and even do the carpet work in-house, as well, so we can deliver on time. We control everything in-house and are the single point of contact."

That holds true right down to the electrical, as Heringer just closed on a deal in mid-May, purchasing Renew Electric, a local electrical contracting company he's partnered with over the years.

"If, for instance, we needed electrical

work done on a rack, [Renew Electric] gave us quick service so we could finish the job,” Heringer explains. “They’re a small, three-to-four-person electrical company, but they always gave us good and fast service. They did solar and generator work but got into a bind doing some big projects that some contractors didn’t pay them on, so they were looking to sell.”

And sell they did, to Heringer, who has taken Renew Electric’s overhead and folded it into Sound Concepts. “We’ve already worked with them and they know our customers, and now we can add the Lutron solar [shading] systems that they’ve done for us for years. I’m already in there doing the low voltage, so why not be able to offer the high voltage, as well? I don’t think it will change our business model, it’s just another add in. We’ve got a proven track record, and will keep all the same procedures in place. There’s a lot of synergy there.”

BEEFING UP SECURITY

Sound Concepts also has stepped up the security side of the business a bit over the



“INCREASINGLY, CUSTOMERS WOULD INVITE ME TO THEIR HOMES, FARTHER AND FARTHER AWAY, AND I SAID, ‘THIS IS THE WAY TO GO.’ I HAD TO WORK HARD TO AFFORD IT. **THE PLANE HAS PROVEN A TRUE TIME SAVER.**”
—SOUND CONCEPTS’ RYAN HERINGER, ON THE COMPANY’S BEECHCRAFT KING AIR C90

Sticking to the Golden Rules

ADHERING TO CERTAIN business practices and principles has sustained Sound Concepts and its profitability. Here’s a broad stroke of just some of president and owner Ryan Heringer’s philosophies, in his own words, that play heavily into the company’s success.

“All of my guys are from Arkansas, and we believe in putting in a full day’s work, sometimes from 6 a.m. to 6 p.m., six days a week.”

“If we promise a customer a deadline, we get it done, even if it requires long hours to deliver as promised.”

“I’ve been very fortunate with my techs. We don’t have trouble finding good technicians. I sit on the Advisory Board for a technical college and we hire one a year, and train them on our business.”

“Scheduling is one of the biggest challenges, so I try not to rely on outside people.”

“We have a working list. If a customer comes and we schedule the job for say, four to six weeks out, we ask if they want to be put on the working list in case we have a cancellation. If so, we can then take our techs to that other job, be efficient, and deliver ahead of schedule.”

“Hard work, determination, and severe loyalty to our customers’ needs are essential. My staff and I believe in an honest day’s work and delivering first-class customer service.”

“Because of our demographic, we’re only going to get a certain amount of local customers. We deliver a first-rate job at a fair price so they keep coming back. It’s a



small town — referrals are 90 percent of my business. If I don’t do my job right, my business is in jeopardy. Being from a small town, I’m going to do the best I can and put my name on it.”

“My business mantra (from Tyler Kent White), which is pasted on my wall and I read daily, is: ‘Today I will do what others won’t ... so tomorrow I can do what others can’t. While others slept, I worked. While others worked, I worked harder. Not so I could be good, not so I could be great. I did it so I could be the best, ever.’”

CE PROFILE

SOUND CONCEPTS



Sound Concepts' Mercedes-Benz Sprinter vans have increased technicians' efficiency.

past couple of years. While the company has always used HAI (now Leviton) for alarms, it gave a local monitoring company that chunk of the work. Heringer points out that it was only after going to CE Pro Summits and hearing peers talk about recurring monthly revenue (RMR) and why it's worthwhile to get into the monitoring side of the industry, that he made that commitment.

"We started that process three years ago, and now have roughly about 175 customers," he reports. A big plus, he notes, is that the company had already programmed the alarm consoles for these accounts and was servicing the systems. "When we asked these customers if they'd like to pay us the same price to monitor them, 95 percent said, 'Yes.' It's a small part of our business, about \$200,000 out of \$6 million."

Blending the security offerings with the home automation services has been pretty seamless, Heringer says. The services are highly complementary, and he notes that it was just a matter of getting technicians certified on what's required. "It's a long-

term revenue business, so you don't make the profit margin like on the home automation, where you've got to make money on the hardware and labor. With alarms, there are smaller margins but RMR and long-term contracts," he says.

COMPANY AIRPLANE EXTENDS SERVICE AREA

Building a customer base beyond Jonesboro's locale in northeast Arkansas has figured largely into Heringer's business plan. He'll drive to jobs spanning a 300-mile radius, covering four to five states, but as demand spread for Sound Concepts' services, there was increasingly more ground to cover. What better way to get there than by airplane?

"We own and operate a Beechcraft King Air C90 and staff a full-time pilot. It's become integral to our business," Heringer states matter-of-factly. "It allows us to fly in and do jobs in several other states, including New York and Florida. We got it in May of 2012, and I was scared as hell at first, thinking, 'How am I going to fly on that itty-bitty plane?' But increasingly,

customers would invite me to their homes, farther and farther away, and I said, 'This is the way to go.' I had to work hard to afford it. The plane has proven a true time saver."

He recounts a time when one of his biggest customers realized at 5:30 p.m. on the Friday of a Fourth of July weekend that he had lost video capability in his lake house. Sound Concepts managed to fly out a couple of techs and parts and resolve the situation within two hours. "My guys were home for dinner instead of driving four hours each way," Heringer says. "It's the only way I've found to buy time."

VEHICLES UP EFFICIENCY, TOO

For better use of the ground transportation, Heringer spent a year developing custom shelving for Sound Concepts' fleet of seven Mercedes-Benz Sprinter vans. The result of that legwork has been increased efficiency from his technicians.

Sound Concepts researched the best aluminum cabinets and shelving you can buy for any utility vehicle. The problem was that the vendor had relocated to the U.K.

"We could not find a company in the states to fit our needs," recalls Heringer. So, ultimately he sat down with his team of installers and developed what he calls "the ultimate installer vehicle."

"We have a fleet that is all custom-matched for ultimate efficiency," he says, noting that the vehicles are one of the main reasons he always resides among the top 10 in terms of revenue-per-employee in the CE Pro 100 listings.

"The good thing about all our vans is that they all have three seats in the front ... even the older ones that did not come from the factory with three seats in the front. We also added the exact same Bott shelving throughout the fleet because we are constantly changing up crews depending on where our work is. Being in Arkansas, we have to travel a long distance to do big-revenue jobs, thus the need for the ultimate work vehicles. We don't have the luxury of going to a local distributor to pick up any miscellaneous parts. We have to stock all the vans with anything you might need on an install," he notes.

Outfitting a 43,000-Square-Foot Home

ONE OF SOUND CONCEPTS' most renowned projects all began with a childhood friend of the company president asking to recommend a new TV.

"Think of a big house in Hardy, Ark., in a little resort town on a river. When my friends asked me to look at the blueprints of a house they were building, I thought it would be small. But the plans didn't have dimensions. It turned out to be 43,000 square feet," says Ryan Heringer, president and owner.

It also turned out to be the largest Elan g! home automation system ever installed, Heringer says. Every room in the home has its own video and audio zone. The control system also runs a waterfall, home network and driveway gate 1,000 feet away. The super-colossal, super-impressive residence has been featured on *Amazing America with Sarah Palin* and *Clash of the Ozarks* cable TV shows.

Of course, the media attention hasn't hurt. "Oh absolutely, we've seen more work because of it," Heringer says. "We recently flew to Fort Lauderdale to complete an install on a new client's yacht, which was in direct relation to being able to say we'd completed the largest Elan g! installation in the country. When they asked who the go-to guys were for that system, Sound Concepts was at the top of the list. You've got to be able to prove you're capable of handling large-scale projects. The more of them you do, the easier they are to get and complete."

Another standout project in Sound Concepts' repertoire includes a job for NASCAR great Mark Martin.

"He grew up in Arkansas and he believed in me. I did the first job for him on a Friday. He was re-doing his lake house in North Carolina," Heringer recalls. "I trained his wife, Arlene, on the Elan system, and then he asked what I was doing on Monday. I had a feeling he was going to ask me to do more. They have jets to get from location to location, so I roll up to his hangar and the jet pulls out, and it's just



The biggest Elan g! system ever is a 43,000-square-foot home in Arkansas. Sound Concepts' work has received TV exposure.

him. I said, 'Where's the pilot?' He said, 'You're looking at him.' So there I am, riding in this mega-million dollar jet with my favorite NASCAR driver, talking with him. You wouldn't even have to pay me — I'd want to do this job."

And Martin wanted him. "He said, 'My

local guys couldn't [fit this project into their schedules], but you turned it around in three days for the pre-wire, and four days for the install.'"

Who knew that life in the fast lane would come so naturally to these born-and-bred Arkansas superstars?

CE PROFILE

SOUND CONCEPTS

BUILD IT AND THEY WILL COME

If bigger is better, then Heringer shoots for the best. His philosophy is somewhat of an all-or-nothing nature. "If we're going to carry a brand of speakers, we want to carry every single SKU," he says. "Customers can come into the showroom and see the difference for themselves. It's just a much better user experience. They want better stuff, but you've got to be able to touch it

and feel it to be willing to spend the extra money on it."

Heringer had been earning \$4 million in revenues based out of a 1,600-square-foot building, and had huge containers of product and so many projects that he needed storage for all the equipment. But there were pitfalls to not having enough space.

"I was out in the middle of nowhere,

and the nearest distributor was eight hours away. I knew we had to build our own distribution center to be able to service our clients, and expand our showroom," he says.

"We don't go with a 'just in time' mentality. We make sure we have plenty of stock all the time," Heringer explains. "There have been a ton of times where we will call a customer who just came in when we have an opening and ask if they'd like us to come sooner than later. They're amazed that we have all the parts and equipment needed. Being able to carry that stock allows us to turn jobs around expediently. I've always been conservative before I purchase something, making sure I can pay for it when I do. I stretched myself out with the showroom, bought the property, and went out on a limb. But building the showroom and distribution center have paid off handsomely in the end."

Being able to showcase and demo 4K Ultra HDTV technology has also triggered a huge boost in ticket sales for TVs, Heringer notes.

"I've always been a believer in investing in order to show cutting-edge technology and demo it. We were one of the first to have a true 4K [distributed video system]. We ordered it from Crestron on Day One. Customers are coming in and upgrading their video distribution system after seeing, firsthand, what we've got to offer," he says.

Sticking to the slogan of "You have to see, hear, feel it to believe it," Sound Concepts has invested more than \$2 million into its new space and showcases all of its vendor partners' products from top to bottom. The company has every touchpanel, wireless and hardwired, made by Crestron and the majority of its other products on display. Sound Concepts also showcases every product from Elan, Bowers & Wilkins (B&W), Klipsch, Denon, Integra, Sunfire and Paradigm, as well as most of the McIntosh line, on display and fully functional.

"This allows us to demo all the products across multiple vendors," Heringer says, "and lets the customer ultimately decide what technology and quality they want." **CE Pro**

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Contact Joe Lautner Core Brands Director, Business Development
707-778-5707
joe.lautner@corebrands.com



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