



Threats & Opportunities Your Commercial Tech Integration Business Will Contend With in 2018

Commercial tech integration in 2018 requires your AV business to be IT-centric; to be poised for acquisition; but most of all: to be prepared!

By Ari Fuchs

With 2018 just underway, it's an excellent time to take a new look at your commercial tech integration business to position it for success this year.

With the industry changing at such a quick pace, pro AV integrators need to adapt their AV business model to take advantage of new opportunities and protect it from new threats that may be right around the corner.

The average owner of a commercial tech integration business tends to spend more time working in their business, rather than working on their business, which can lead to losing sight of the strategic priorities and direction necessary for success.

Integrators are finding success by adapting their models to accommodate some of the key trends: the rise in tech-enabled workspaces that demand more IT-centric services; the expansion of unified communications and the impact of collaboration on the marketplace.

Smaller integration firms are having an increasingly challenging time competing given the growth in complex A/V and managed services that they may not be equipped or have the necessary expertise to handle.

Taking a proactive approach to assessing your business' threats and opportunities today will help maximize its value in the future.

Opportunities for Commercial Tech Businesses

With customer's needs changing, you need to consider opportunities you may not have considered in the past. Consider the following questions:

- Could you be delivering your product or service in a more meaningful way to generate increased customer loyalty or engagement?
- How can you innovate your business model to deliver a better customer experience?

- Are there other complementary services that you could be providing to your customers?

Back in the good old days, if you delivered a quality product or service at a reasonable price, customers would always return. Not so today.

Businesses require constant innovation to meet the changing demands of their customers. The need to nurture and develop customer relationships is of paramount importance.

Threats to Commercial Tech Integration

We are now truly a global economy, thanks to technological advancements. While this has created opportunity for business owners, it has also paved the way for significant threats and challenges. Consider:

- Are you seeing new and/or stronger competitors appear in your market?
- Are new technologies emerging that will impact your customers preferences or buying habits?
- Have you considered the impact of shrinking markets, new regulations and/or material shortages on your business?

While many of these threats may be outside of your control, their impact can be mitigated (or even deflected) with proper strategic planning.

Acquisitions to Maximize Pro AV Business Value

Businesses can flourish because of purchasing another company. The benefits can include instant access to new customers, products and markets; access to new talent, equipment and technology; removing a competitor from the playing field; and getting a big bump in revenue, margins and earnings.

Acquisitions can also be used to take advantage of opportunities in the marketplace as well as mitigate the impact of threats and challenges. Many integrators, both large and small, have been availing themselves to acquisitions in the past several years, drawing considerable outside attention to the growing sector.

Could an acquisition help you expand the scope of your AV business by providing access to a complementary vertical? Alternatively, you may consider using an acquisition to expand the scale of your business by consolidating smaller competitors.

Either way, acquisitions are a tool that can be used to maximize the long-term value of your AV business.

2018 promises to be a year of both challenges and opportunities. Taking the time to craft a strategic plan to address those challenges and opportunities will benefit you in the long-term.

The combination of favorable capital markets, the fragmented nature of the commercial tech integration industry and the desire among integrators to become more IT-centric speaks to the direction the industry is moving in.

Now may be a good time to consider an acquisition to accelerate your growth strategy, capitalize on opportunities and maximize value for years to come.

About the Author

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