

# Are We Killing Our Industry?

Education, standards and proper pricing are the answers to eliminating the confusion among homebuilders, integrators and consumers regarding residential cabling. Bad business models are hurting integrators' reputations. By Dan Fulmer

**N**o one likes to see a business fail; it's bad for the owners, the employees; the vendors, the customers and their families. In some cases, business failures can have a negative impact on an entire industry. The recent failure of a high-profile "start-up" company highlights some of the glaring problems within our industry. These problems must be addressed for the collective good of the industry. Since the announcement of the company's bankruptcy, my company has been called on numerous occasions to survey "finished" systems experiencing problems, and to finish unfinished homes started by this company. For an industry that operates with no accepted system(s) standards or certifications for the regulation of proper cable and wiring installation, it seems the integration industry could cut itself to pieces by using competitive business and pricing models based on an entirely different industry.

## Manufacturer-based training is not enough

We, as an industry, need to promote internal training and continuing education within our industry, for which several venues already exist. The industry must work together with the Consumer Electronics Association (CEA) and other organizations, to establish levels of certifications, or accept existing levels that can be obtained or worked toward at the many existing training facilities now in operation. These levels of certification need to be well defined and outlined so both the consumer and installer know the exact criteria. Beyond this, the CEA Tech Home Rating System is a great place for the industry to initiate an accepted "standard" system whereby we can rate entire companies on their experience and capabilities of both installing specific sub-systems and integrating multiple sub-systems together.

Furthermore, we recently sent a couple of our project managers, not techni-



Dan Fulmer advocates education and consistent high standards to ensure the survival of the structured wiring industry.

cians, to a local distributor's industry Expo where free manufacturer training was provided. One of these salesmen soon returned to the office with a certification in structured cabling, after three hours in a class. Quickly hiring and training many technicians, using free manufacturer-based training seminars and attempting high-volume installations clearly will not work. Service calls and poor system performance were one of the many problems that predictably resulted. Manufacturer-based training clearly has a place in the industry and serves a great purpose; my company's training program actually requires some manufacturer-based training as a prerequisite. However, these seminars are often specific to the system in question and rarely discuss more than the capabilities that the particular system has to offer and the basics of operation. Additionally, they often do not involve training on systems integration or integrating with other components in real-world applications,

and if they do, it is usually limited to a few key partners. Dealers and installers need some accepted training and certification programs that direct and guide them on their journey into this complex and technical industry.

Quality training of installers and technicians is key to a successful systems integration business. Industry-accepted quality training or capability certifications would serve to offer consumers a means of qualifying their installing dealer. Continuing education of homeowners and technicians is paramount in the ever-evolving world of technology. To understand all of what the industry has to offer, what an integrator can really offer, one must be involved in the industry. The best way to do this is to attend the annual industry shows, read the major periodicals and participate in regular manufacturer and professional training. It is up to the industry leaders to come up with a system of accrediting the training and certifications.

## Cabling bait and switch hurts the industry

We have learned that most of these competing start-up companies are cutting the wiring and trim packages to the bare bones, which has the effect of lowering the cost so much that the builders are almost making more revenue on their pass-along cost of the system to the consumer than they are paying to have it installed. The effect is to lower the builder's initial cost and to lower the percentage the integrator would have to pay to the builder from the upsell. That business model does not suit a high-tech industry with an uneducated consumer or builder on the end user's side. Consumers don't realize that cabling infrastructure can only be done properly—once—at construction. It is not an upgrade done after the house is built.

Most of the builder's packages we

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have seen emerging that are based on this model are in many cases trimmed out with only one of the two or four cables behind each wall-plate. In the worst cases, homes had multiple blank plates on a single wall; one for phone, one for cable, one for network, etc. This makes it extremely difficult for someone to identify what is where, and forces the homeowner to call an installer to connect a phone line or cable outlet in each room. Most of the builders in our area have not yet even realized this issue. This is a total disservice to what any product or dealer from a "smart" industry should offer.

We should not allow installations of a functionally superior product to need a service call from the end user just so they can use their telephones and cable TV. These are services that have been standard equipment in homes for more than 20 years. Cheap structured wiring may seem like an attractive package for the builder initially, but eventually builders will find that these cuts cost them. Eventually these cost-cutting tactics will cause an installer to fail, leaving the homeowner to pay the price. The bait-and-switch pricing model is not for our industry, as it causes more harm than good.

Additionally, many of these builders entered into exclusive contracts with a particular installer that don't allow their clients to use anyone but that dealer. This precluded my company from doing several jobs, including ones for family and friends. None of the clients were satisfied with what they received, and some of the builders ended up eating the cost of repairs, or large down payments for systems that were not installed at all. When there is no way for the builder to verify qualifications, his neck is ultimately on the line.

If dealers install a quality cabling system and a basic but acceptable trim package on which they can later build a home automation system, there will be plenty of opportunity to make future sales. I, for one, would not feel comfortable leaving a home with a "structured cabling" system that only had either a phone jack or a cable jack in each room. We are not selling a common commodity. We should not be using a high-volume, security-industry-based, cutthroat pricing system to undercut our competi-

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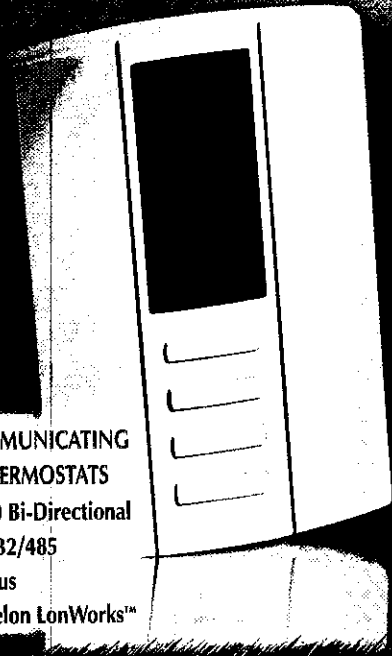
tors and gain business. This shows the general lack of understanding of what structured cabling infrastructure can offer and the actual cost involved, even within our industry. Professional installers and systems integrators offer a quality service and product that takes knowledge and training to properly design and install. Don't sell it short!

### Raising the bar

The industry and competing dealers must welcome newcomers, businesses and interested parties to our relatively new and small industry with open arms. At the same time, we must police ourselves and point our new peers in the right direction to obtain the proper training and knowledge. We must also be the consumer advocates for our industry, assuring the consumers that they are receiving fair value for what they are paying for, and not overselling what we can deliver. The industry must come together to educate both consumers and installers to give the customers the best and most reliable systems they can get for their money. We have a lot to offer the homeowners of the 21st century and beyond; let's position ourselves to offer that, and not just become another subcontractor in the construction industry. Let's raise the bar and bring an air of professionalism to our industry. **ICE Pro!**

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