

ProAV

Real-World Solutions for AV Professionals



LIVE AV DISASTERS

*Potential AV emergencies
and how to avoid them*

SELLING DIGITAL SIGNAGE

Turning leads into sales

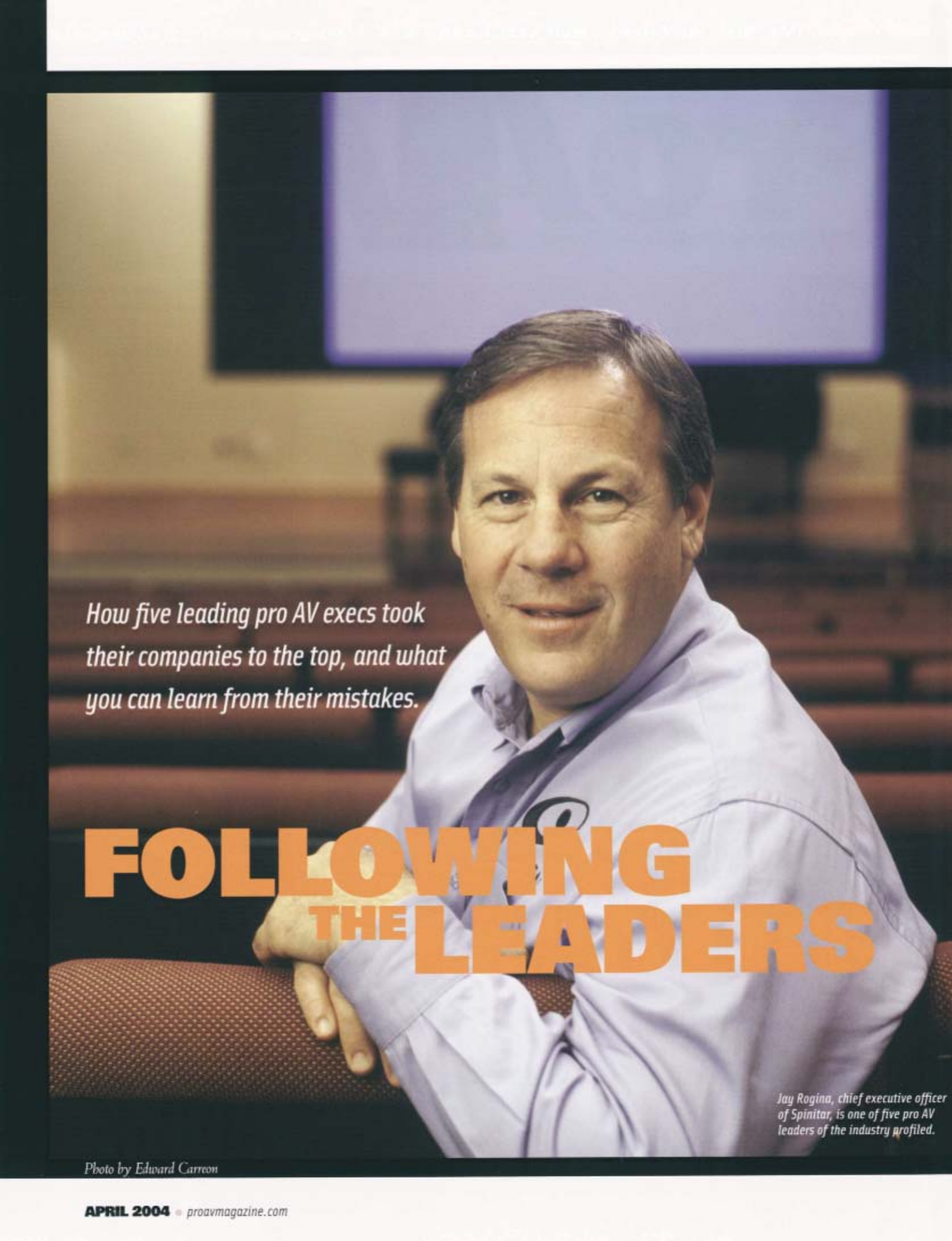
NSCA HOT-PICKS

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*How five leading pro AV
execs took their companies
to the top, and what you can
learn from their mistakes*

FOLLOWING THE LEADERS



How five leading pro AV execs took their companies to the top, and what you can learn from their mistakes.

FOLLOWING THE LEADERS

Jay Rogina, chief executive officer of Spinitar, is one of five pro AV leaders of the industry profiled.

Photo by Edward Carreon

by John McKeon

Cash is king, says Jay Rogina, chief executive officer of Spinitar and ICIA board member. "You have to focus on cash flow and not get tied up in other areas. The business is there, but if you don't have the cash flow and your bank backing you, that's a huge downfall."

Just one of many pieces of advice Rogina offers his pro AV peers, he knows firsthand that leading AV integration companies face a myriad of tough challenges today – from deciding whether to expand nationally or strengthen local roots to diversifying or concentrating on core business to focusing on engineering, sales, or financial considerations.

In our search for answers on how to keep your edge in the pro AV business, we followed the footsteps of five of the industry's leading companies and learned vital lessons from top AV execs, including the best and worst business decisions their companies ever made.

SPINITAR LEARNED the value of cash flow firsthand during the recession that struck the industry in 2001. The experience led Rogina to re-examine one of his earlier business strategies. "While focusing on building the system integration business, we neglected the service & support end of our business," he says. "We just allowed it to exist, and did not go out and sell it. We went through one and a half years of down economy without the recurring revenue that support and service contracts would have provided."

The key decision in the mid-1990s to move into systems integration was a critical one, and ahead of its time relative to the rest of the industry. "Up until then we were really a box house, just selling equipment," Rogina says.

Reflecting the company's new orientation, Rogina and founding partner and Chairman Jeff Irvin also implemented a name change in June 2000 from Presentation Products. "Everybody has presentation products," Rogina says. "We had no branding. Our reputation was that we sold products."

Rogina says he felt reputation alone wasn't enough; therefore, he decided to change the company's name to Spinitar because it was "a simple name that people could recognize and that would stick with them."

Today, he says the company is widely recognized in California.

In pursuing its growth, Spinitar originally looked beyond the Golden State and developed a presence in Texas, Alaska, Arizona, Nevada, and Hawaii through organic employee moves. Today, although sales teams service these areas, for other business units Spinitar remains focused on system integration within California.

The company has also made an effort to partner with consultants in the early stages of design for clients – achieving such a role in about 20 percent of its current projects.

Spinitar also launched a diversification strategy that slightly shifted its focus from the AV integration business by becoming a partner/distributor for Varitronics Poster Printers, which are widely used in schools. Rogina says the Varitronics venture was established as a separate business unit, but quickly began to pay dividends for the mainstream AV business, providing a way into the education market. "The markets are very similar, so there has been a lot of sharing of leads and opportunities," he says.

Spinitar

Santa Fe Springs, CA

www.spinitar.com

Founded: 1986

Employees: 82

Revenue: \$20 million-plus

Locations: 4 (Santa Fe Springs, San Francisco, Sacramento, and San Diego, CA)

Associations:

NSCA, ICIA, USAV

Best Decisions:

Transitioning from a box seller to a systems integrator, implementing company name change, diversifying into ancillary markets

Worst Decision:

Not aggressively pursuing the service business earlier



A boardroom installation at Pacific Sunwear corporate headquarters in Anaheim, CA.

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