

CASE STUDY



Lone Star Communications Manages Growth with Solutions360

Client Profile

Lone Star Communications, a leader in the life safety industry, opened its doors in 1991. For over a quarter century, the company has served the Texas healthcare and K-12 education markets. In 2016, Lone Star acquired Houston-based Halco Life Safety Systems, followed by Arkansas and Louisiana-based ArCom Systems in 2018.

It is no secret that the AV industry is ripe for consolidation. Ray Bailey, CEO at Lone Star Communications, recently shared his thoughts about how Solutions360 fits within his plans to expand into new geographies, and grow the company through acquisition.

"This is a great way for us to grow. ArCom already has a market, and we can take our expertise and apply it to their market, as opposed to starting from scratch in a new region. That's exactly what we'll do," says Bailey. *"You know, we doubled the office in Houston in just three years. I think we have some opportunities to do the same thing in other markets as well."*

"I expect Q360 will be the last system we ever use. It does everything for our business end-to-end, the way we really want it to work, and it's completely scalable."

Revenue numbers:

- 2016 \$26.7M
- 2017 \$28.8M
- 2018 (without ArCom, projected) \$37M
- 2019 (with ArCom, projected) \$50M

The Challenge

"Like a lot of companies in our industry, we had a home grown system, and things that we developed ourselves to fit our business," reports Bailey. *"Although we had a really good system here, it wasn't scalable, or something that we could take to a second office. When we got to the point that we knew we were going to take on another location, we decided Q360 would really fit our culture and our processes. This was a driving force for us to finally take on the Q360 project."*

“We have known Solutions360 for years, and see how much they have helped other contractors. But mostly, Q360 is a complete end-to-end solution, and there is no other product that can do that for integrators like ourselves.”

New Business Models

There has been a shift in mindset on the part of the customer in embracing the SaaS model, and accepting recurring monthly fees. *“Q360 is helping us switch to the SaaS model in a couple ways,”* according to Bailey.

“We have a SaaS model where we are internally financing products we sell, and billing them on a monthly basis,” says Bailey. *“As we add on services that we are reselling, say cloud services, Q360 gives us a good methodology to bring that cost into the company in the form of a monthly bill that we pay, as well as a way to easily bill that to our customers. So they get their recurring bill, just like we have our recurring bill. Plus, Q360 reminds you about these billings every month, so you can easily go through and do all the recurring billing at the same time.”*

The Results

“Q360 has really helped us a lot with billings,” reports Bailey. *“It makes it easier from a services standpoint. The invoices are basically cut every day that we do the service work, it is very straightforward. When it comes to contract billings, they are typically billed once a month and calculated on a percentage of completion basis. They are also billed using predetermined costs per category. Then on a monthly basis we can look at each one of those categories, and bill the amount of equipment on a per category basis. Q360 has really made that whole process a lot faster.”*

“From an accounting standpoint, it has really sped up our month end,” according to Bailey. *“Especially when you are dealing with multiple offices, Q360 makes it very easy to*

close each office individually within days of the end of the month, and roll them up into a single financial statement, literally within hours.”

Visibility into the data has improved as well. *“We get data pretty much in real time and access reports on a daily basis,”* says Bailey. *“We had a lot of KPIs, and monitored a lot of things in our old system, but Q360 has made it easier for us to do that. We don’t have to go out and build those KPIs, or calculate the numbers ourselves. We’re able to look at a dashboard on a daily basis, and monitor that information very readily in Q360.”*

Conclusion

“As we grow, it will be easy for us to implement Q360 in other offices and roll it out to them very quickly. Within 90 days of taking on a new office, we should have Q360 on desktops and people doing training and getting prepared to do the switchover from their current system to Q360. Once it’s in their office, it gives us visibility into the day-to-day operations of that business. We’re able to see very quickly how they are performing, whether they’re following workflows, and that type of thing.”

“The folks at Solutions360 are so competent at bringing a system this complex online within a company as large and diverse as ours. It was a real comfort to have someone like Brad Dempsey (Solutions360 President and CEO) and his team come in and assess our business, put the plan together, then execute that plan flawlessly throughout the company. One of my highest recommendations to people is, if you want it done right, you need Solutions360, because they just do such a good job.”

For more information about Solutions360 contact:

SOLUTIONS360
business.managed

John Graham | Executive Vice President
jgraham@solutions360.com
(905) 868-9901 x230
www.solutions360.com