

# Bates Security Manages Quick Growth With a Little Help From Its Friends

**W**hen a security dealer manages to grow its recurring monthly revenue (RMR) by 63 percent in three years, its competitors want to know how. When that three-year period takes place in the middle of a recession, the whole industry should take notice. Bates Security has made a steady climb on the *SDM* 100 starting as No. 99 in 2009, and landing at No. 80 in 2012, reporting more than \$280,000 in RMR and nearly 5,000 commercial and residential subscriber accounts. The company won 2012 Installer of the Year SAMMY and is the top selling dealership on the Sonitrol side of the business.

The company's path to growth began to take shape during a routine quarterly status meeting that took place just as the recession was beginning to hit. Jeremy Bates, general manager and co-owner at Bates Security, set out to make an impact. "I made the point that *somebody* has to succeed in our business over the next several years and it's going to be us," Bates related.

Bates Security's growth in this recession is a good example of what a marked change companies can see when its employees are properly and enduringly motivated. However, getting staff to hit new performance goals isn't the end of the road. Fast growth must be managed and managed well to be sustainable, Bates said.



>> **JEREMY BATES, CO-OWNER,  
BATES SECURITY**

A rapidly growing company requires flexibility and efficiency that can be difficult to achieve. Efficiency is an area where Bates Security's financial software partner, SedonaOffice has helped. "Sedona provides one platform pulling all aspects of our business together rather than having multiple platforms with databases that do not communicate with each other," Bates said. "For example, the whole company utilizing the same software has made our overall communication better. Anyone in the company can look up a customer and get all the information they need as to what we have done with that customer from billing, install, service, etc. It's a great organizational tool."

That organizational advantage can make a big difference to in the company's market. The company relies heavily on referrals, working in an area of 500,000 MSA where the word spreads quickly. Using SedonaDocs to access client histories as well as notes made on every interaction with them lets customers know the company is on top of things.

But the flexibility of that partnership to change along with the company is key as well. "What worked for us five years ago doesn't necessarily work for us today," Bates said. "As we grow, we're starting to realize that while we may have been really efficient in one area, those procedures and policies that we had in place to take care of things may not be the most efficient way to handle things today with the number of new employees, new customers going up, and the number of new jobs, new service tickets coming through, etc.

"In Sedona you have ways to set up how you do different things, like the job-queue process, the job task process," Bates continued.

Along with moving from being a stable business to seeking quick, organic growth comes the need to pay closer attention to business data. "We always strive to do a good job and the customer staying with us is a good indicator," Bates said. "But we know there's a lot more to it. So we're learning to become a lot more metrics-driven, getting the information from

Sedona to help us with that."

For a company just starting to closely measure performance, the critical first step is looking at financial data, Bates said. That is closely followed by monitoring attrition and service department performance. "The Sedona team is a pleasure to work with," Bates commented. "They are always willing to help and are very knowledgeable about their service and our industry."

"I attribute [the company's growth] to our people," Bates stressed. "Sure, we have good products and services to offer but people are buying from us because of who we are, what we say we will do and then delivering on it year after year. Now, if I didn't have a tool like SedonaOffice to manage all the different aspects of our business and the growth, then there would be no way to deliver like we do on our promises."

Bates highlighted the importance of finding solid partnerships and opportunities for networking. For example, he found a community of like-minded security business owners through the SedonaOffice Users Conference, with whom he keeps in touch to share ideas and experiences.

"We can't do this all on our own," Bates added. "You have to have great partners such as Sedona, Honeywell, ADI, etc. to help us deliver. Without a doubt our partners have been instrumental in our growth." ■