# Focus on Pro A/V

## How three dealerships are tapping into the market

by: Brent Hoskins, Office Technology Magazine

ight you want to tap into the burgeoning, multibillion-dollar professional audiovisual (pro A/V) industry? Following are profiles of three dealerships focused on their success with this diversification strategy. Perhaps the insight they share will provide you with some welcome guidance.

#### **The BOSS Company**

to video walls.'

While it is only in its third year, The BOSS Company, based in Birmingham, Alabama, already fully embraces the pro A/V opportunity. The reasons are simple — Founder and President Troy McCawley had experience working with A/V while employed by another dealership, he wanted to make his dealership a "one-stop shop" for office technology, and he sees the value of the exciting world of A/V. "We do full audiovisual," he says. "That's everything from digital signage to interactive boards to monitors

Exciting? Yes, McCawley says. "It is probably the most important part of my business," he says. "A lot of the things that we sell don't excite people. But A/V does. Think about how people like big TVs. For many it's: 'I see the latest and greatest 110-inch TV at Best Buy. I have an 86-inch TV. It's plenty big, but I want the bigger one.' So, A/V in the workplace kind of speaks to people. It is something that excites them."

Is pro A/V then the most significant product category at BOSS in terms of revenue? "My guess is that it is going to stay at around 10% to 15% of our business," McCawley says. "I sell way more MFPs than anything else ... A/V is not my source of residual income, but it is what I am running my business on because it's the sexiest part of my business."

As noted, BOSS, which stands for "Best of Sales and Services," is positioned as a one-stop shop, offering not only A/V from such vendors as Clear Touch, PixelFLEX and NoviSign, but imaging products from Canon, Kyocera and Ricoh, as well as managed IT services, VoIP, website services and the resell of internet services. "We do an 'optimization approach," McCawley says. "We go in and look at the way our



customer spends money on technology, and we offer them products in a package. Ninety percent of my clients are not in the market for A/V. What we say is: 'If I was able to get you a 200-inch video wall with no change to your budget, would that interest you?'"

Yes, BOSS often includes A/V in a lease package at no charge. "I get my aftermarket residual by leading with A/V and incorporating it into the puzzle," McCawley says. "So, while there is no residual from A/V, I get all of my residual

business because I offer interactive boards, video walls, etc. That is, I'm taking my competitors' imaging business because I'm offering the A/V products customers want."

Currently, BOSS is poised to begin a new campaign in order to open additional doors by way of A/V. "We're sending a marketing letter to some executive-level people we know," McCawley says. "We're gambling that if they will meet with us, we'll offer them a \$500 gift card or a 200-inch video wall at no cost that we bundle into their lease; they either pay the same price for services and we give them a video wall, or we reduce their price for services and they pay for a video wall, but with no net additional cost."

The best prospects for A/V are "companies that are bringing customers into their offices," McCawley says, citing a couple of recent examples. "We have a large real estate company in the process of building a new corporate office and we're going to give them a 200-inch video wall, bundled in with all of their MFP and IT infrastructure. We also have a coffee company where we put in a 140-inch LED video wall in their training center, bundled in with a workflow document management, copy and print deal."

Noting that A/V is an easier category to manage than other common diversification strategies, McCawley offers some key advice for other dealers to follow before moving forward with offering A/V. "Buy an interactive board, put it in your conference room and start getting comfortable with using it," he says, noting the lengths BOSS has gone to in order to showcase A/V to customers visiting the dealership.

"We've got a 200-inch video wall in our help desk, and a 110-inch video wall, 86-inch interactive board and 60-inch television with digital signage in our conference room. We have one MFP."

#### **ImageNet Consulting**

Headquartered in Oklahoma City, Oklahoma, Image-Net Consulting was founded in 1956 as Southwest Typewriter Company. Today, with

18 offices in six states and more than 500 employees, the dealership primarily sells Canon and HP imaging devices, but in recent years has made significant strides with managed IT services and pro A/V solutions as well.

It was around 2015 that ImageNet entered the A/V business when selling Samsung MFPs; the vendor required the dealership to expand its product offerings. So, Samsung TVs—sold as display screens—were added to the lineup, says Kyle Kempf, director of ImageNet's Commercial A/V Division. Soon, the dealership's leaders were "trying to figure out, 'What do we put on these screens? We can't just keep hanging these blank screens everywhere,'" he explains. "They began to look at all of the available digital signage software platforms, but didn't find anything that was as flexible or customizable as they were used to providing customers on the print side."

They "stumbled upon a development group in Hungary" that was working on a digital signage software product, but lacked funding to complete it, Kempf says. "ImageNet bought a majority stake in the company so the software, called Wallboard, could be completed," he says. "We still own that today. We pair hardware with the software. We have approximately 200 vendor and distribution partners [including 20 preferred] in the A/V space. By having an extremely diversified pool of equipment to choose from, we can hit any budgetary and overall project size."

ImageNet has hit its stride with pro A/V. In 2020, the dealership had four A/V employees. There are now 22, with plans to fill four more positions in the next six months, Kempf says. "In 2021, A/V was 2% of ImageNet's revenue," he says. "We've worked our way up to between 8% and 10% of revenues over the past four years. Some years we have had 50% to 60% growth year over year."

While some of ImageNet's pro A/V projects — all of them custom designed — have been more than \$1-million deals, they average between \$60,000 to \$90,000, Kempf says. "We don't have any dedicated A/V salespeople," he says. "If a general

"We have approximately 200 vendor and distribution partners ... By having an extremely diversified pool of equipment to choose from, we can hit any budgetary and overall project size."



– Kyle KempfImageNet Consulting

ImageNet consultant is having conversations with a customer and the customer needs A/V, the consultant is aligned with one of our branch-specific A/V presales specialists/designers. We 'run the play' and then give it to them at the 'one-yard line' so that they can close the deal."

In terms of the need for A/V, "in this current environment, there is not a single industry that is not using

some sort of A/V solution," Kempf says. "Everybody needs some form of video conferencing [a majority of ImageNet A/V projects involve this] or a way to communicate their message. We focus on such markets as energy/utilities, state and local government, federal government, higher and lower education, and manufacturing."

Some of ImageNet's smaller A/V projects ultimately generate the most revenue for the dealership, Kempf says, noting that a \$500,000 "ultra-premium" conference room may only be used by a small number of people. However, a lowercost project in a community space, for example, may be seen by more people, leading them to "reach out to us to solve their problems or create similar spaces for them," he says. "Such projects have led to millions of dollars in other business. It is for this reason that we pursue every opportunity, regardless of size, with the same aggressive mentality, since our industry is very much a 'who-you-know' world."

AVIXA, the global governing body for the industry, projects commercial A/V to grow at around an 8.5% compound annual growth rate (CAGR); it's currently a \$104-billion industry in North America, Kempf says. "We are looking at \$50 million to \$70 million in the coming years for our A/V division," he says. "The goal at ImageNet is for the [declining] print business [now at about 77% of total revenues] and all other offerings [including A/V] to both contribute 50% to revenues."

### **RITE Technology**

A legacy copier dealership established in 1989, it was not until 2020 that RITE Technology, based in Sarasota, Florida, took steps to diversify its product and services portfolio beyond copy and print. That year, the Sharp dealership established its Integrations Division, encompassing both pro A/V and security. "At the time, we had roughly 23 to 24 employees," says CEO David Polimeni. "Today, we are closer to 30 employees."

While the head count provides an indication of the company's growth through diversification, the more substantial

indication is the revenue contribution. "Surprisingly, 20%of our total revenue came from this new division in its first year; it's rapidly growing," Polimeni says. "For 2024, it was about 45% of our revenue. The company grew 65% year over year in 2024 and, since our copier business is flat, all of that growth was from pro A/V and security. It is reshaping who we are as an organization."

"In our marketplace, we have found a need for what we're doing [with pro A/V] that is far greater than what we see on the print and copy side ... it also needs to be said ... pro A/V is far more complex ...



— David Polimeni RITE Technology

Looking at pro A/V in particular, Polimeni says he visited a dealer friend at his Charleston, South Carolina, dealership back in 2019. "I encountered what they were doing in the pro A/V space, and I became inspired," he says. "What drew my attention was the fact that print decision makers are, by and large, the same decision makers influencing A/V decisions."

Since moving forward with pro A/V, Polimeni has noticed an important distinction as compared to RITE's imaging business. "We have strong growth plans on our copy and print side, and we believe that the segue into the 'integrations' aspect of what we are doing is the catalyst for the growth of our copy and print business," he says. "However, in these last few years, we have garnered a significant amount of marketplace credibility that 30 years in the imaging business did not provide us. So, we see large-scale opportunities to expand RITE. It is possible that our Integrations Division, at some point, will dwarf our existing core business. That is not our goal; we endeavor to grow both sides of the business. But at this point, we've seen such demand on the A/V and security side that it does seem plausible that it could continue to scale faster."

Polimeni further emphasizes the distinction — along with a caveat — when comparing the imaging business to the A/V business. "In our marketplace, we have found a need for what we're doing [with pro A/V] that is far greater than what we see on the print and copy side," he says. "However, it also needs to be said — and this is not to minimize the complexity of the imaging industry — but pro A/V is far more complex and requires a level of knowledge that is not required in the imaging industry."

RITE's pro A/V field technicians, for example, must have a "depth of knowledge of electrical engineering," Polimeni says. In fact, the industry's complexities are reflected in the reality that "it's

a heavy certification line of business; it's nonstop," he says. "Before you can purchase some vendors' products, you're required to have a significant commitment to knowledge. I would say, don't even consider pro A/V unless you're interested in learning about this space, coaching and ultimately requiring your team members to become adapted to growth in a career-centric way."

Polimeni notes that there is a "level of risk" involved in the necessary certifications. "This is a trade — a trade with portable certifications," he says. "That is, you're training employees to do things that they can take and do elsewhere. These are true, portable, lifetime-level certifications."

Fortunately, there is plenty of support for dealerships seeking to optimize their levels of success with pro A/V and keep employees long term, Polimeni says. "The most meaningful support we've received has been through distribution partners like TD SYNNEX, Midwich and Exertis Almo, to name a few," he says. "They have robust knowledge bases and employees within their organizations to

support dealers. Our distribution partners have been an absolute staple in our success with pro A/V." ■

Brent Hoskins, executive director of the Business Technology Association, is editor of Office Technology magazine. He can be reached at (816) 303-4040 or brent@bta.org.

