

Security Cameras for K-12 and Corporate America



Joseph Thomas- CEO

It started with his passion for electronics. In 1990, Joseph Thomas, a graduate of the University of South Carolina's engineering program, and our current Chief Executive Officer, turned his knowledge, experience, and love for technology into a viable business—A3 Communications. Upon founding the company "on a shoestring" from a room over his garage, Joe continued to build A3 into the substantial business operation that it is today.

Interview conducted by: Lynn Fosse, Senior Editor, CEOCFO Magazine

CEOCFO: Mr. Thomas, what was the concept when you started A3 Communications and where are you today?

Mr. Thomas: We started in 1990. I began moonlighting as a software developer while working as an engineer. I came across an opportunity when Hurricane Hugo hit South Carolina and the state needed a way to manage their interface between agency funding and FEMA. There was nothing in place at the time. Therefore, I wrote the software from scratch and it managed the huge payable system that FEMA and the state of South Carolina used to fund disaster relief for state-owned organizations. It turned out to be quite a long project. The recovery took a long time and the auditing process took a few more

years. Nearly a billion dollars paid to the state of South Carolina by FEMA and it needed to be managed carefully and tracked and audited. That was my first opportunity for a really large project. Today, we're a much different company. We have fifty-one employees, so we grew from one to fifty-one. Today, in 2014, we generate sales of almost \$20 million. We have four offices around the state and one in Atlanta. We are a systems integrator. We deal with various types of businesses and various types of markets and we're a technology leader in our space.

CEOCFO: What makes A3 a technology leader? What do you understand that perhaps others do not?

Mr. Thomas: We found that in the primary market that we serve, the K-12 market, demand arose for more secure schools using a new generation of security cameras and access control that was being discussed by some early adopters in 2008. The new cameras allowed integration with a school district's network and servers, referred to as IP cameras. We landed our first physical security project in a large school district near our office in Columbia, South Carolina and installed about 300 security cameras. From that beginning in 2008, we have installed thousands of cameras and secured buildings throughout the Southeast. The companies we represent see us as a leader in that market space.

CEOCFO: What are some of the challenges and what is the process? What have you figured out to make it work better, faster, cheaper, easier and most important, more effectively?

Mr. Thomas: I think our strategy, starting in 2010, has paid off. We decided that we needed to invest resources and time into building a sales team that was familiar with the markets that we served and familiar with new technology for markets that we wanted to pursue. That happens to be the K-12 market and enterprise, corporate America and larger customers. We felt like our future was in larger organizations that could appreciate what we did at the level of professionalism that we offered. So, we hired the right sales staff. We have three very distinguished and seasoned sales staff members now. We have hired two additional sales people and supporting their efforts is a group that provides the technical expertise and back-office they need to insure customers that we know what we are talking about and that we can deliver. We execute projects on time and on budget and we do things the way that we say we are going to do it. Our processes in the underlying project management arena are really what underlie our success.

CEOCFO: When you install a system are you then monitoring it? Is it ongoing? Is it a onetime installation? What is the model?

Mr. Thomas: We're in the business of installing systems that we maintain. We do not monitor our surveillance system cameras. However, we turn the keys to the servers over to the customer and the video monitoring actually occurs on the part of the customer. They might want to look at details in a specific scene of a monitored facility and only trigger events based on any number of variables that can get quite sophisticated. However, to clarify our business model a little further, surveillance is our fastest growing segment. We also offer services in network infrastructure where we install and provide switches, servers, desktops, and other endpoint devices, such as IP phones. We are a multifaceted company. We really work from the so-called layer 1, which is cabling, all the way up through managed services programs where we maintain servers, desktops, tablets, and other devices on the network.

CEOCFO: A3 has a wide reach!

Mr. Thomas: We are all over the place. Surveillance and access control happens to be about 35 percent of our business. Half of our revenue is in the networking infrastructure that I explained. The remainder includes telephone systems, audio visual, and the managed services piece.

CEOCFO: What is your geographic arena today?

Mr. Thomas: It is the southeastern US, primarily the states of South Carolina, North Carolina, and Georgia, currently. Our next office will be in central Florida. That is probably going to happen in the next few months.

CEOCFO: Are there districts left to work with? What is the competitive landscape for you?

Mr. Thomas: We have really moved up the chain in the competitive world. We are competing against national players, companies like Tyco, or companies that are subsidiaries of parent corporations and publicly traded companies. When you get into the area of surveillance, security, and the data center, it is an integral part of a company's proprietary infrastructure. Therefore, we have to be very trusted. For instance, in Atlanta we manage the cabling systems for the data center for Broadcom. Broadcom is a large company - 99 percent of the Internet traffic runs on their equipment and we provide services in their data center because they trust us. That's the kind of relationship we have and that is the kind of customer we like.

“We often take part in special promotions that our manufacturers and distributors offer to attend free training seminars or instructor lead training. Learning is fun, and it never ends for our people.” - Joseph Thomas

CEOCFO: What is the key to keeping abreast of all of the new technologies, knowing what to keep on the radar screen and what is likely to be a flash in the pan?

Mr. Thomas: We have had some opportunities to find those “flashes in the pan” and we've been able to rebound quickly from areas we thought might show potential. Our engineers keep an eye on opportunities. They're in the field every day, looking at new opportunities and talking to customers and just asking, “What else can we do for you. We offer these services. Is there anything that is in demand that you know of that we could possibly help you with?” Staying on top of new technology can make or break an organization like ours. All of us, including myself have to stay on top of technology through courses and through webinars. We host booths at trade shows each year. We learn a lot at those trade shows. We depend on our vendors for technical assistance. We often take part in special promotions that our manufacturers and distributors offer to attend free training seminars or instructor lead training. Learning is fun, and it never ends for our people.

CEOCFO: What is ahead for the next year?

Mr. Thomas: 2014 shows really good promise. The first few weeks of January are tracking much higher than last year. We expect to maintain a high growth rate. A 250 percent growth rate in three years is going to be hard to match, but we think we can do it by expanding our geography. It's really a process of replicating what we did in Atlanta. In that office, even though it's only been open a year, we generated almost \$2 million dollars in revenue, thanks in large part to my son Brian, our president. We have broken the code on branch office expansion – it's been twenty years of trial and error. A3 now has the right people in place and the right combination of internal software and technology that we use to scale our operation.

CEOCFO: Are there challenges? What are you on the lookout for?

Mr. Thomas: We are on the lookout right now for talented sales staff. We always hear the cliché that it's about customer service, and we're definitely a people-centric organization. We have a little bit of a different idea. We promote from within. We manage to find the right people to groom at an early age. We hire and train, and gradually move our team up the ladder so we can promote within. We believe we could take some of this talent that we have, that we have trained over a three- or four-year period, and transfer them to a new branch office and do that repeatedly.

CEOCFO: Why pay attention to A3 Communications?

Mr. Thomas: We take pride in our ability to sustain and manage projects and to earn repeat business. The fact that we maintain a large part of our customer base for over twenty years now says a lot about our sustainability and our scalability and our ability to deliver what we promise. We do like to under promise and over deliver and we've used that mantra over and over. It really comes down to execution.

BIO: F. Joseph Thomas is CEO of A3 Communications. He graduated from the University of South Carolina with a Master's degree in Electrical Engineering. Prior to forming A3, he worked for Lockheed Missiles and Space Co. on the Trident Missile program and for Bechtel Worldwide as a Project Manager.
