

INTEGRATOR CCS PRESENTATION SYSTEMS

His one-of-a-kind structure serves as an expansion prototype, but no other integrator has been brave enough to try to duplicate John Godbout's model.

By D. Craig MacCormack # Photography by Scott Foust

HERE'S A BIT OF AN AIR of mystery around this year's Integrator of the Year. Its model is unique for the AV industry, but you can't argue with its success after more than 20 years and continued annual bottom-line growth.

But how the heck has CCS Presentation Systems done it? How did CEO and founder John Godbout go from moving around the country nine times in a 20-year career at IBM to selling software for Proxima to launching his own company and seeing it steadily grow and become, in many ways, a standout in the systems integration industry?

"We have a bunch of people who really care," says Godbout, clearly downplaying the myriad challenges that come with essentially blazing his own trail in an industry that too often sees more of a conservative monkey-see, monkey-do attitude and approach.

Jim Landrum, director of sales in the PPD division at Mitsubishi Digital Electronica America, thinks it goes a lot deeper than that.

"I think he enjoys watching his partners become successful," says Landrum, who's worked with CCS for more than 12 years and is one of the network's primary partners when it comes to projectors. "Other people want to see their companies expand so they can beat their chest and let everyone know about it. John is exactly the opposite of that. He's like a proud papa."

David Riberi, who launched the California branch of CCS 17 years ago with his wife Gina, agrees with Landrum's assessment of Godbout and credits him for the company's success.

"There's only one John Godbout," says Riberi. "He just wanted to help people live the American dream and it's turned out to be good business. You can't replicate the trust and cooperation we have, and that all comes down from John and [his wife] Beth."

CI Snapshot

CCS Presentation Systems

PRIMARY LOCATION: Scottsdale, Ariz.

ADDITIONAL LOCATIONS: 23 locations throughout the United States, including California, Florida, New England, Colorado and Maryland

PRINCIPALS OF COMPANY AND THEIR TITLES: John Godbout, CEO/founder; Jack Seaver, CFO; Laura Byrne, COO; Dale Crull, integration general manager; Rod Andrewson, engineering manager; Abe Assad, sales manager; Will Dunham, K-12 education sales manager; Julie Solomon, marketing and training manager; Mark Engbarth, service manager

2013 REVENUES (PROJECTED): \$103,500,000

YEARS IN BUSINESS: 22

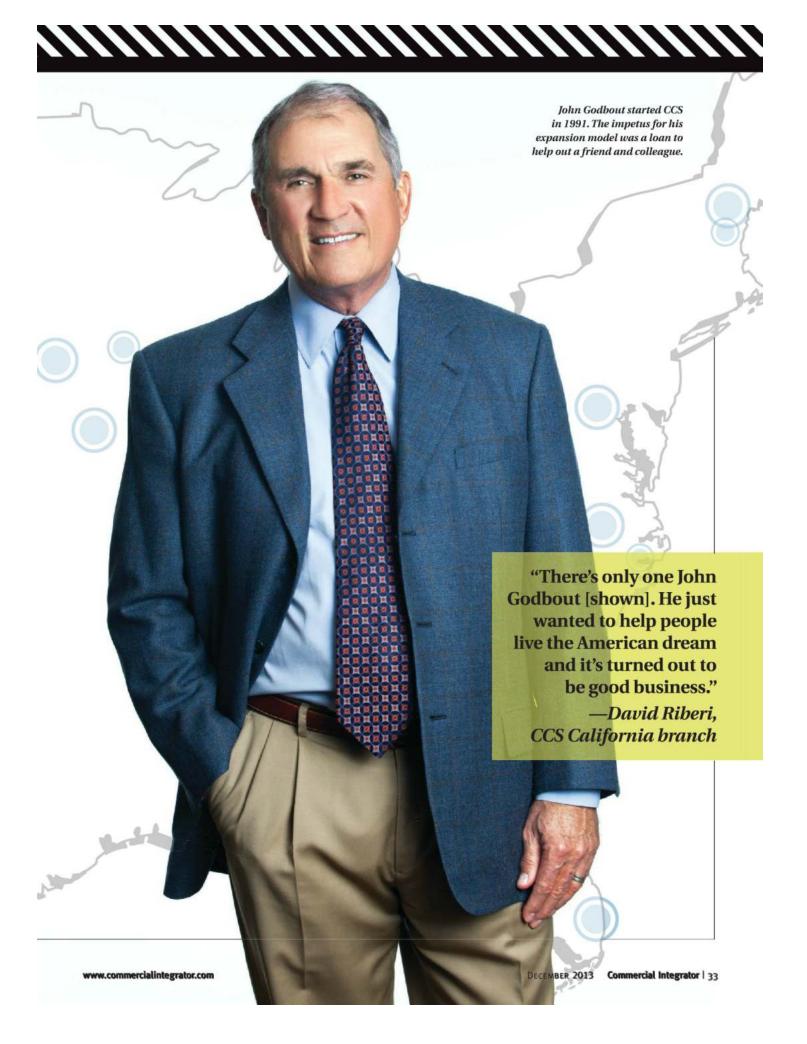
EMPLOYEES: 300

2012 COMMERCIAL INSTALLS: 5,039

TOP 3 VERTICAL MARKETS: Corporate, Government and Education

TOP 5 BRANDS: NEC, Epson, SMART Technologies, Crestron, AMX

"My company <u>creates remarkable</u> experiences for customers better than any other company."



The CCS Model

When Godbout left IBM before he was going to have to move for the 10th time in his career there, "I had no intention of being in the AV business," he says, but he joined Proxima for a few years before starting CCS in 1991. His brief time with Proxima would play a pivotal role in the evolution of CCS. As he expanded his company outside of Scottsdale and Tucson, Ariz., a former Proxima colleague, Mark Kalinsky, came to Godbout looking for advice — and money — to start his own business.

That led to a six-figure loan from Godbout to launch a nowshuttered CCS office in Texas and, unbeknownst to Godbout at the time, created the model CCS still follows today, with some modifications and tweaks.

"I thought if Mark could get it to work in Texas, we could do more of them," says Godbout, who was joined by Beth for the first several years of the startup in the 1990s. "If it didn't work, I told my wife I'd go get a job."

Riberi and Kalinsky are two of many CCS partners who have Proxima ties or have otherwise known Godbout for many years.

"We worked together, so we had a trust," says Riberi. CCS launched its California arm after Godbout and Riberi talked about teaming up over lunch at an InfoComm International event in Philadelphia.

"I always admired that the dealer channel were mom-andpop type of operations," says Riberi of the CCS partner network.

Each of the eight partners under the CCS umbrella is tied to the parent company through a licensing agreement, with Godbout emphasizing this is not a franchise setup. Each partner also owns his or her own business and can build and create his or her own equity through the relationship.

"A lot of the processes start here, but we're the company we are today because of the people in our affiliates," says Godbout. "They have equity and they owe me money, so they're out there with skin in the game and that means a lot to them."

If you had to use Twitter to describe what your company does (maximum 140 characters) what would you tweet?

@CCS Arizona provides design, installation, training & maintenance of AV equipment to corporate, education and gov't customers The equity piece "made all the difference," says Riberi. "You've got the ability to be part of something larger. Each of the partners define what their particular market needs but the customers get the best of both worlds: the buying power of a company with a quasinational footprint and locally owned customer service."

The partners have monthly video conference calls via the Blue Jeans Network, says Riberi, but there's "no tremendous hierarchy and no real bureaucracy. My partners are my board of advisors. We're all facing the same challenges with a little twist on it."

"There are no 'big wigs' at CCS," says Rod Andrewson, engi-



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— Jim Landrum, Mitsubishi
Digital Electronica America

neering manager. "When I think about how we're structured, that term always makes me laugh."

And, while CCS has certainly grown bigger than probably anyone imagined when Godbout gave his friend and former colleague a loan about 15 years ago, that doesn't mean it's been without its problems and challenges.

"We made a mistake in Chicago and hired the wrong guy there," says Godbout. "We did the same thing in Denver, although we're open again there and thriving today."

Burned twice by partnering with "the wrong guy," Godbout and CCS management has made their screening and interview process much more stringent, as Godbout's newest partners, Brian and Mike MacGee in Kansas City, found out.

The six-month vetting process includes someone from the headquarters office as well as at least three other partners, says Godbout.

"We're much more diligent on helping our partners be successful," he says.

"You have to be dedicated to finding the right people to open up new offices," says Andrewson. "John spends a lot of time with these people. The most important thing you have is your brand name. When you don't spend the right amount of time putting together those partnerships, you'll degrade your brand."

Joining the Team

Most of the time, people looking to join the CCS team will contact Godbout or someone else asking about becoming its newest partner, but Strib Meares launched the Mid-Atlantic region for the company at Godbout's request — and after some negotiations. Godbout says CCS gets about two or three seri-

ous inquiries every year, with the most recent coming in St. Louis but those talks "went nowhere."

Godbout is always looking for the next region where CCS can plant its flag and he hopes to eventually return to Chicago and turn that memory around in the same way Scott Bestick and Claudia Prince have done in Denver. Godbout also has his eyes on Cleveland, among other locales, for expansion of the CCS family.

"We're always looking for quality people," says Godbout.

Riberi, who helped to bring in New England owners Chris and Cheryl Ganst through his relationship with Chris at Proxima, sees room for growth in the Pacific Northwest, Southeast U.S., Tri-State area of New York, New Jersey and Connecticut, and Philadelphia.

"To do this well, you have to be an entrepreneur and a sales guy and it helps to have a family structure where one is the sales person and one handles the operations side," says Riberi. "And, of course, you have to trust each other."

And, while the model has traditionally been that the new partner has started the operation from scratch, "it doesn't have to be a startup," says Godbout. Although CCS hasn't made any acquisitions over its history, that doesn't mean it'll never happen.

Godbout warns, though, it's not as simple as expressing an interest in becoming part of the group.

"We vet them hard," he says about the approach to potential partners, especially in new regions. "One of the biggest concerns is cash flow. Just because I'm loaning you money, you have to be comfortable with not having a paycheck, maybe for a while, depending on how quickly things get up and running."

And just because Godbout or one of the other owners knows a potential partner, that doesn't mean the vetting process is any less stringent.

"Everyone has to go through the process," says Riberi. "You really want to know these people. Anybody can start a business, but it's hard to run a business."

That vetting process isn't restricted to potential partners either. It took Landrum more than a year to convince Godbout and CCS to work with him after a previous sour experience between the two companies. To date, CCS and Mitsubishi have partnered on many large-scale installs, including for the Scottsdale school system and a massive project for Intel, among many others.

"I've always admired the way John runs his company and his partners," says Landrum, who had been working with Kalinsky before he joined the CCS team. "It's one of my most prized relationships. He represents my company and my products very well and has always been very honorable. But it wasn't easy and it wasn't given to me. That's what makes our relationship what it is now. He puts you through the paces.

"What's unique about CCS is their recognition of the marketplace; as the market has changed, John's changed with it. They do some very complex integration and use some highend products on those jobs," he says.

"They were at the forefront of selling whiteboards into classrooms and creating service agreements for their customers," says Landrum. "They're not just about doing the so-called hang-and-bang type of projects. They like to teach their customers how to get the most out of what they're buying."

Streamlining the Future

Arizona will remain the hub and the headquarters for CCS going forward, but that doesn't mean all ideas about how the partners should run their operations come from the Southwest. CCS is in the process of getting all offices on the same computer system in an effort to streamline the operation, says Godbout.

"In today's economy, you have to increase your revenue and reduce your expenses," he says.

Although Godbout doesn't travel as much as he used to, several members of the management team go to every office in the CCS network for three or four days every year or so, he says. They bring best practices from office to office.

In the Kansas office, the MacGees were talking about creating a centralized network operations center (NOC), says Godbout."He took that idea and ran with it," he says.

Now, the NOC is managing about 50 or 60 installations and the model will be rolled out and implemented across the company, says Godbout.

In the last several years, CCS has done a lot more multi-office installs, says Riberi, including for customers such as Northrup and Lockheed Martin. The partners are "starting to leverage



our power where it makes sense and becoming more efficient," including by centralizing marketing and accounting operations.

CCS has tried to remain as diverse as possible in terms of the markets in which it works, says Godbout. They haven't focused on a particular niche at this point.

"It does cross my mind that it's something we should think about, but we have a talent pool we think can handle just about any job," he says. Landrum isn't surprised to hear about the collaboration among CCS offices.

"It's a close-knit group of partners," he says. "They move as a team, grow as a team, and rely on each other as a team. Everyone talks about John's operation, so I'm surprised others haven't tried it."

CCS has yet to dive full force into the IT space, but staffers wrote the code for

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the NOC and they've got some fingers in cloud operations through videoconferencing installations, he says, so it's not a completely foreign concept or one they're afraid to approach.

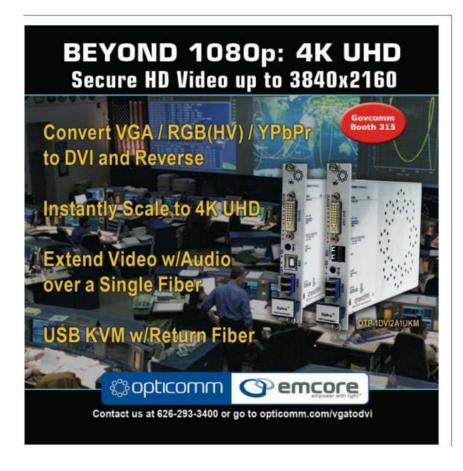
The K-12 market has been soft since the recession, says Godbout, but the service and training department will end the year in the black for the second straight year in 2013.

"We've made significant progress in recurring revenues," he says.

Still, Godbout is nervous about the future of the economy, saying, "We're playing a shell game right now. What we

have to always think about and remind ourselves is if the technician is doing his job correctly, and the salesman is doing his job correctly, it ultimately affects everyone else. We're not on an island. You're helping everyone else do their job."

Godbout always carries a simple reminder with him to help guide his decisions. "Whether we sell, install or build anything, the rent is still due," he says. CI



The Franchise on Customer Service

CCS' model isn't the only way it sets itself apart from the competition. Through what the company calls the CCS Experience, employees are asked to take their customer service to levels not typically seen in the systems integration business — or any other, for that matter.

In the first year, CCS employees used a deck of cards — tying the 52 cards per deck to the 52 weeks per year — and came up with ideas of new ways for them to reach out to and stay in contact with customers. No matter what department the employees are in, they called customers and thanked them for their business.

This year, they're using a bingo card and employees must complete all the items on their cards to earn cash prizes at the end of each month, with each person's progress tracked by CFO Jack Seaver. Banners around the offices remind employees, "It's all about the customer."

"It's a nice ongoing way of reminding yourself why you're doing what you're doing, even if it's not necessarily part of your job description," says Julie Solomon, marketing and training manager.

It's not unusual for Godbout and other CCS officials to get calls and handwritten notes from customers thanking them for the unique outreach program.

Adding some fun to working hard is just one way CCS tries to keep its employees engaged and involved in the overall success of the company, says Godbout.

Employees fill out surveys every year that help to give management an idea about their overall satisfaction.

"You have a right to be happy in your life," he says. "If you can't come here and escape from whatever else you've got going on, shame on us."

