

SDM

NEW DIRECTIONS FOR SECURITY SYSTEMS & INTEGRATION



Building UP

SDM
DEALER
OF THE YEAR
2018

The Bates family (Jeremy, Sonny, Pat and Bryan) has taken a thriving family business and transformed it into one with all the elements needed to build up to the next level of growth, in its home city of Lexington, Ky., as well as in two new locations in Kentucky and Florida.

All in the FAMILY

Bates Security/Sonitrol of Lexington recently chose to branch out through a combination acquisition and startup; as well as pilot a groundbreaking standardization program — all while never compromising the family atmosphere that started it all.

By Karyn Hodgson, *SDM* Managing Editor

Lexington, Ky., is known for a few things: horses, bluegrass, bourbon, a historic downtown area and — when it comes to security systems — Bates Security/Sonitrol. Started in 1969 as Sonitrol of Lexington, the Bates family moved from Dallas in the early 1980s after purchasing the franchise from Ann Miller.

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Sonny Bates, his wife Pat, and their two young sons made the move after Sonny, a retired Dallas police officer, decided to strike out on his own with a Sonitrol franchise. “I was a police

Bryan Bates (left) and Jeremy Bates (right) took over the day-to-day operations of the company from their parents, and have expanded to two different cities, in addition to continuing the company's dominance in its Lexington, Ky. market. The entire block of buildings behind them in the above picture are or will be secured by Bates Security/Sonitrol of Lexington.



officer for nine years and didn't know anything about alarm systems other than answering them," Sonny Bates recalls. "But we were catching burglars on the Sonitrol systems. I thought I would give it a shot and ended up joining the Sonitrol Dallas franchise. I figured I could do this, so I started looking into becoming a Sonitrol dealer on my own. We bought the Lexington Sonitrol and started out."

Starting a new venture is never easy, but Sonny's wife Pat had worked in accounting, so she took over that department in Lexington, while Sonny focused on being sales manager and head installer. "It was a great partnership to get started," he says.

They also found new opportunities they didn't initially expect. Sonitrol is primarily a commercial enterprise, but not wanting to turn any potential customers away, Sonny and Pat soon found that residential sales needed a different approach. "We were doing residential systems but the Sonitrol product wasn't an ideal fit for that," Sonny Bates says. So they chose another product line more tailored to residential security — Honeywell. "When you are trying to put lights on the board, anybody that is a potential customer you want to grab them."

Initially the second company was called ADR (Affordable Dependable Response); but when it became clear that the two Bates sons were interested in continuing the business, the name was officially changed to Bates Security in May 2011 to reflect the family name.

On the Sonitrol side, over time the Bates family has been able to turn the brand into a local staple. In the downtown Lexington area (pictured on the cover), Sonitrol of Lexington secures one of the most prominent buildings — the "Big Blue Building" as it is locally referred to — as well as the building in front of it, and, when complete, will also secure the newest project, City Center, all together the entire city block.

Bates and Sonitrol both enjoy an especially close relationship with local police. "The Sonitrol brand

is audio detection and verification," says Crystal Newton, marketing manager. "When the signal comes in the operator knows exactly what is going on. It helps police respond faster to Sonitrol alarms than traditional alarms; but we also install traditional alarms with the Bates brand." The police trust the Bates and Sonitrol names, she says, so much so that it recently became a marketing slogan for the company. (See "Police Trusted Security" on page 32.)

In 2010, Sonny and Pat were able to turn over the day-to-day control of the business to their sons. Jeremy Bates now serves as the company president based in Lexington and Bryan Bates is vice president, and general manager of the Jacksonville, Fla., branch, which — like his father before him —

he moved to in 2016 to start a new branch. In addition to this new venture, in late 2017 Bates Security made its largest acquisition ever, purchasing Prestonburg, Ky.-based ABCO Security and creating its third branch — and in late October 2018 added to that branch with the acquisition of a neighboring dealer that will be folded in to the ABCO brand.

But perhaps its most ambitious undertaking was stepping up to be one of two beta test sites for the Stanley Standard, developed by Stanley Black & Decker's security division. As Bates/Sonitrol of Lexington adapted The Standard to its own unique business model it not only led to what the company describes as a "paradigm shift," but also significantly improved several key metrics, created happier and more successful employees, reduced attrition and helped the company adjust more quickly from a single location to a company with branches. This, along with the company's 21 percent growth in annual revenue and 14 percent growth in RMR in 2017 and healthy estimated growth going forward, is why *SDM* selected Bates Security/Sonitrol of Lexington as its 2018 Dealer of the Year.

'Our attrition is lower than ever and our WOW! program from customer comments has gotten so voluminous we can't read them all at the quarterly meeting.'
— Cindy Neuman Ponder

At a Glance



**BATES SECURITY LLC/
SONITROL OF LEXINGTON INC.,**
Lexington, Ky.

Ownership: Sonny, Pat, Jeremy and Bryan Bates

Websites: www.BatesSecurity.com, www.BatesSecurityJAX.com, www.ABCOsecurity.pro, www.SonitrolLexington.com and www.SonitrolNEFL.com

Employees: 96

Revenue: \$14.8 million (estimated)

RMR: \$630,000 (estimated)

Customers: 10,300

2018 SDM 100 Rank: 54

A TRUE FAMILY CULTURE

Many successful businesses will say they have a “family-like” culture, but in the case of Bates Security/Sonitrol of Lexington it is both literally and figuratively the case. It started from the very beginning.

“Pat and I were so involved in the business and when you are around your employees 10 to 12 hours a day you become friends,” Sonny Bates says. “You want to do right by them and care for them and their families.”

Jerry Coy, residential small commercial sales manager, came from a family-owned business after selling his own insurance agency and joining Kentucky Alarm, which was acquired by Bates in 2015. “Ken and Sandy Duff owned Kentucky Alarm, which we now own. I had my own business for 22 years. The thing about the Bates family is the family itself is phenomenal. They are unbelievable to their employees and we work extremely hard, but we are all treated like we are a member of the Bates family.”

There is a “work hard, play hard” mentality to much of what goes on at Bates/Sonitrol. Many employees

describe the work atmosphere as “fun” even though there is a lot of hard work. “When I interview potential employees we have videos on a monitor in the waiting area that show everything we do and inevitably they come in to the interview and say, ‘Wow, it looks like you do so many things,’” says Susan Humphrey, human resources manager. “For example, we did the ice bucket challenge a few years ago and set up a big round blow-up pool. We challenged other security companies to do it, too.”

The family atmosphere is reinforced by several events throughout the year, she says. From the annual Thanksgiving and Christmas luncheons, to the company sports teams and charity events, “family” bonding is an important factor at the Lexington office that is now being replicated both at ABCO and the Jacksonville branches. ABCO just had its first bowling and pizza party night last October, and Bryan Bates says he plans to roll out employee appreciation night and other family traditions to the Jacksonville office this year, now that the startup phase of the business is rolling along.

Russ Ackerman, director of residential and small commercial sales, who was hired in Jacksonville two years ago to boost the residential sales in the new

‘We have developed a very strong management team. It takes a family — a business family — to make it all happen.’
— Jeremy Bates

Police-Trusted Security

As a former Dallas police officer himself, Sonny Bates felt a special relationship with the police from the beginning. The Sonitrol franchise approach helped solidify that over the years and today Bates/Sonitrol and the local police and fire in Lexington, Ky., enjoy a particularly close relationship — one former officer is even a spokesperson for the company.

“One thing we picked up over the years is attending roll call for officers that have responded to our Sonitrol alarms and made an apprehension as a result,” says Crystal Newton. “We give them a certificate and present them with a police duty bag with our logo as a token of our appreciation. Those certificates are also viewed by their commanding officers when the officer is up for promotion.”

Bates/Sonitrol of Lexington is also the primary sponsor for the annual police awards banquet, which helps highlight their presence. And the company offers a police relations program, which offers discounts to law enforcement precincts if they use Bates/Sonitrol to secure their stations.

With all the mutual trust and respect between the security company and police, Bates/Sonitrol came up with a new tagline for all its promotion across its branches — Police-Trusted Security.

For the Lexington market particularly, Bates/Sonitrol even secured the help of a local police “celebrity,” Officer Don. A local radio personality, Officer Don started with the Lexington Police in 1990. As a licensed pilot, when he retired from the force, he started doing



PHOTO COURTESY BATES SECURITY

Commercial Sales Consultant Bobby Klaiber, and Jeremy Bates recognize officers for apprehending suspects as a result of a Sonitrol verified security dispatch.

traffic for a local radio station and eventually began doing his own radio show as a DJ.

“We started working with him in the spring of 2016,” she says. “We had talked about it and everybody knew of him, but we decided to do some additional branding on the radio and the sales rep actually pitched Officer Don. He met with Bryan and Jeremy and Sonny and they talked for about an hour and a half and really hit it off. They had so much in common.” That meeting led to a series of radio spots that included Sonny and Officer Don together talking about the company and has been an effective marketing campaign for them, she adds.

office, is confident that family atmosphere is already there in Jacksonville. “I have always admired the Bates company and the culture is really creative. I felt like I signed adoption papers when I was hired,” he said. “Every office has a culture. If you don’t establish one, the office will find its own culture. The culture in Lexington and the other two locations is it is a fun place to work with great people. We all get along. We laugh a lot. We have a good time, and work our tails off. I could retire now if I wanted to. But I love this company. I love what I am doing and I think Bryan has done a nice job of surrounding himself with positive thinking, can-do people. We think every month is going to be a better month; every week a better week; and today is going to be incredible. Bryan brought that culture down here. I have never heard one person use foul language or slam a door or scream at anybody. You hear that at other places, but not here.”

Newton agrees. “When I came here eight years ago I could tell the owners had a lot of pride in what they were doing and were trying hard to live up to their father’s legacy. Everyone seemed like they were friends forever and it made me be very welcoming in turn when I would see new people come in the door. There is a lot of interaction, even after hours and weekends. We have our own kickball team, which is a really good way to meet people you would not normally have interaction with. I could tell right away people really enjoyed what they did.”

In addition to the standard benefit packages, Jeremy and Bryan Bates also implemented a company-wide bonus program several years ago. Every employee is awarded 5 percent of their base pay each time the company meets its six-month financial goals. “If you have been here for six months you can participate in that and so far we have paid it out every single six-month period,” Jeremy Bates says. They also reward employees in less tangible ways in the form of WOW!s. A fellow employee can nominate someone, or a customer can write in and recognize a specific employee. The letter is read and that employee is recognized with a lapel pin at one of the quarterly company-wide meetings.

Even the recent acquisitions were family-owned businesses that have been smoothly rolled into the Bates family. “The Bates team has been nothing but welcoming and it really felt like we were part of the Bates team from day one,” says Tim Welch, ABCO Security general manager and son of ABCO’s founder. “What struck me most was the culture. Everyone I talked to here has gone out of their way to do anything they could to help us and not make us feel like we were outsiders.”

Bates/Sonitrol Management Team



Sonny Bates, CEO
Pat Bates, Secretary/Treasurer
Jeremy Bates, President
Bryan Bates, Vice President/General Manager Florida
David Smith, CFO
Cindy Neuman Ponder, General Manager – Lexington
Kira Mingua, Controller
Mark Sturgill, IT Manager/Fire Systems Engineer
Jerry Coy, Residential Sales Manager
Olivia Duvall, Customer Service Center Manager
Kevin Cruse, Installation Manager
Susan Humphrey, HR Manager
Regina Hoover, Customer Care Manager
Crystal Newton, Marketing Manager
Lindsay McKinney, Service Manager
Russ Ackerman, Residential Sales Director – Florida
Tony Williams, Operations Manager – Florida
Tim Welch, General Manager – ABCO

Coy adds, “I am pretty high on my own company. So many people wake up on Monday and dread going to work. I wake up every day and can’t wait to get to work and I think my counterparts at Bates would say the same thing.”

A NEW STANDARD

Despite all the positive attributes of a family-owned and run business, complete with calculated risks and rewards, there was one area that needed addressing. While employees were happy with what they were doing, as the company grew and expanded, they started to feel overwhelmed, says Cindy Neuman Ponder, general manager.

“We were busting at the seams. We were doing very well business-wise but we were working ungodly hours. I have always told my managers to come to me with any problem or challenges and I take pride in helping them find a solution. But when they came

to me and said, 'I am tired; this is wearing me out,' I couldn't fix it and that was very eye-opening to me."

Around the same time, Jeremy Bates was at a franchise meeting in Indianapolis with Stanley where they were talking about the Stanley Standard. As a past president of the Sonitrol National Dealers Association (from 2014-2016) Jeremy was very involved in the franchise and he, along with another franchise owner, immediately recognized the potential of this new standard for their own businesses. "We were all looking across the table as they are describing this concept and what they are trying to do and we were thinking, 'Hey can we have this, too?'" Jeremy Bates recalls. "We were working very hard to have a very driven company and everyone was working at full throttle, and here is our franchisor describing this whole 'work smarter not harder' concept and we just raised our hands and asked if they would be willing to share it with us."

When he proposed the idea to Neuman Ponder, she jumped at the chance. "I said, 'Yes! I will do anything



PHOTO BY MARK MAHAN FOR SDM

Bryan Bates leads the virtual commercial sales meeting with all three offices every week.

to help my people who are about to burn out.' I was on board immediately."

The Standard itself is a set of operational procedures and practices with the goal of driving operational efficiencies, improving job satisfaction and providing better service to all of its customers. Stanley Security

The Key to 'R&D'

For any security company, technology research is very important. This is no less true for Bates/Sonitrol, but they also have a different definition of R&D that informs their decisions — "Rip off and duplicate." The company philosophy is that good ideas can come from anywhere and anyone.

"I would say we are one of the better companies at rip off and duplicate," Bryan Bates says. "And we stole that term from John Loud of Loud Security," he laughs.

For example, when Bates acquired ABCO, they were really impressed with how the ABCO team presented itself to customers, notes Tim Welch. "When they first came down and we were all in the same clean-cut uniform they were so impressed they took that back to their business," he says. Bates also borrowed the idea for the company-wide bonus program Jeremy Bates adds.

But the company also does its share of the "other" kind of R&D as well. As Sonitrol franchisees and an Authorized Honeywell Dealer, they are lucky to have a lot of guidance when it comes to technology.

They still put it all to the test, however.

"We haven't figured out a better way to do it than to talk to our peers at Sonitrol or Honeywell," Bryan Bates says. The next step is to install everything at their own offices first. "I don't know of another dealer that spends more time and money than we do putting cameras and access control systems in our offices. Every door in Lexington is access controlled. We are constantly evaluating and bringing it in."

Jeremy Bates adds, "It is easy to get excited about the shiny new object out there, but the cutting edge is sometimes the bleeding edge. We have learned over time and we are more cautious in how we approach new technology. We want to make sure it works and that others believe in it as well."

To that end, Bates recently went through a cyber security audit, an idea they not surprisingly got from another Sonitrol dealer. "We put ourselves through that audit and we came out with a good report," Jeremy Bates says. "They had a few recommendations, which we are in the process of implementing." They are budgeting another

audit for 2019, a process they expect to commit to annually going forward.

Despite their cautious approach to new technology, there is one new development on the Sonitrol side both Bates brothers are particularly excited about rolling out to their customers this year: Sonitrol's new TotalGuard, an affordable all-in-one monitoring, verified alarm. They are in the process of rolling this out to both of their Sonitrol branches and hope it will become a successful new service offering this year and next.

Whether it is the latest roll-out from the franchise, managed access control from 3xLOGIC's infinias, or the latest cyber security concerns, Bryan and Jeremy Bates stress the importance of always seeking ideas from others who have been there before you.

"If you are reading this article and you are not making sure you are part of another group of dealers to see what works and what doesn't, you are really missing out. Anything we have done has probably come from someone else that found out there is a better way to do it."

began training key Bates/Sonitrol staff on The Standard in February 2017 at a three-day long boot camp.

Because Stanley is a large multi-branch company, Bates decided to adapt The Standard to fit their needs — at the time they were primarily a one-location company based in Lexington.

In addition to charging Neuman Ponder with the responsibility of rolling it out at the Lexington headquarters, there were other changes Bates wanted to make to ensure The Standard would fit with their family culture. “We started integrating other departments and looked at how every task they do affects everybody else,” Neuman Ponder says. “We looked at customer service to see how they impact those metrics. We focused on how every single position, every chair someone sits in, whether it is in a vehicle or an office, has an impact.”

They also wanted to make sure they got buy-in from all the employees. The company invested in an initial rollout meeting with the entire company for about half a day that Neuman Ponder says was “one of the most expensive meetings we have ever had.” In an open discussion forum employees could ask any questions they had. They also kept up weekly management meetings to make sure the initial enthusiasm didn’t die out and to keep the momentum going until the process became automatic.

Under The Standard, each day begins with an 8 a.m. call by department (both service and installation), where they go over their daily agenda, jobs and goals for each day, and concludes with an end-of-day email from the technician to their manager and dispatchers with a summary of completions.

After a year of full implementation the results have been dramatic, including a 33 percent increase in completed service calls per day; a 91 percent same-day close average; a 10 percent decrease in time spent on-site to resolve a service ticket; and an average of 15 truck rolls saved per week. But the real value isn’t measured in percentages.

Neuman Ponder likes to tell the story of her installation manager who came to her just before The Standard was rolled out, concerned that he couldn’t continue to do his job much longer. “I told him to give The Standard a chance and he said, ‘If you think I am going to drink some sort of Kool-Aid you have another thing coming,’” she recalls. “About six months later the smiles were back, for him and the other employees. It totally changed our culture and made it a happy place again. There was a big difference with morale and job satisfaction.

“One of the things The Standard does that we really

grabbed hold of is empower your employees to do their job,” she says. “If the service dispatcher creates a ticket without the right information she isn’t helping the tech do his job; but when she does it correctly she is empowering someone else.”

While The Standard is an internal metric, customers too have noticed. “Our attrition is lower than ever and our WOW program from customer comments has gotten so voluminous we can’t read them all at the quarterly meeting,” Neuman Ponder says. “I think it



PHOTO BY MARK MAHAN FOR SDM

Jeremy Bates visits with the Lexington service technicians at the company’s annual office Thanksgiving luncheon.

has created a contagious culture that makes this the best place to work because you know exactly what is expected of you and you can see your accomplishments and have a lot of job satisfaction every day.”

Neuman Ponder is also frequently asked by Stanley to talk with other Sonitrol franchises about The Standard, to give advice and sometimes assist in the boot camps, as well. To date Stanley has now trained 22 Sonitrol franchises, in large part based on the experiences of Bates/Sonitrol of Lexington and the other beta franchisee, Sonitrol of Southwest Ohio.

BRANCHING OUT

With a solid culture and The Standard propping up the back end, Jeremy and Bryan Bates both felt the time was right for some new ventures.

First, Bryan had decided to open a new Sonitrol franchise as a branch office in Jacksonville, an idea that was met with enthusiasm but a bit of trepidation from Sonny, who had done this himself once. As it turned out, the Sonitrol franchise location part of the move was a bit delayed, so Bryan Bates began with a Bates branch in Jacksonville, starting up a commercial



ALL IN THE FAMILY

'We think every month is going to be a better month; every week a better week; and today is going to be incredible.'

— Russ Ackerman

security business from scratch in a new city with none of the family name recognition enjoyed in Lexington.

"I have always been involved and around the business and Sonitrol as a franchise is a close-knit family," Bryan Bates says. "I had heard stories of people striking out on their own and the challenges and rewards. We got to the point in Lexington where our success allowed me to look around the country and see what my options were." He had family in Jacksonville, so when that became available he decided to go for it. Right away, two things pleasantly surprised him and reinforced how much of a family the Bates business had become.

"One of our more experienced sales guys asked to go with me and I thought, 'Wow, that's great.' Then a day later a tech walked in my office and said he had always wanted to live there and could he come too, and I was blown away by that," Bryan Bates recalls.

Nevertheless, a city the size of Jacksonville would

not be easy to approach. "In Lexington we are a big fish in a small pond; in Jacksonville it is like, 'Who are you?'" Jeremy Bates says. One of their first steps was bringing Russ Ackerman, a well-known 33-year veteran of the security industry, on board. "What attracted me to Bates was the whole concept of 'What's next?' instead of sitting back and waiting for what comes," Ackerman says. "Both Jeremy and Bryan are very proactive and very mature about any changes they make [and chances they take]."

"We probably have close to 100 licensed alarm companies in the Jacksonville area. It is a big pie and we are getting our fair share of it." Ackerman credits that share in part to a clever series of radio ads. They created a bumbling character that is always doing his own installations of home security and smart home products — badly. In one ad, told from the perspective of his neighbors, he has installed his own security lights. But they are so bright the neighbors can't look out of their windows.

Do What's Right for the Customer

Bates Security/Sonitrol of Lexington's approach to its customers is summed up in its mission statement: "Do what's right for the customer." In practice this leads to a customized selling approach that is never cookie-cutter.

Bates/Sonitrol doesn't even call its salespeople "sales" — they are consultants, says Jerry Coy. "We are not like the typical 800 company. We actually go in and have a process we do each and every time and a custom design for every residential and small commercial system based on the needs and wants of the individual."

Russ Ackerman adds, "We are more than sales people. When we go into a home or business we try to be consultants and analyze what the problem is. We try to figure out why we are there. We dig in and find out why they think they need a security system."

A cornerstone of the customer approach is the company's Customer Service Center (CSC), which operates a little differently than other service centers, says Olivia Duvall, Customer Service Center manager. "My department takes all incoming calls from customers and techs, and works with them on different issues. We also program new systems." The CSC is the heartbeat of the company, she says. "Sales sells it; installers install it; but we keep the customers going. We are the conduit between the customer and everyone else."

This includes many times that a central station would ordinarily take the call, which helps to prevent false

alarms. "Our customers are so used to calling us directly they will call our local phone number and say, 'I just set off my alarm accidentally,' to try and prevent the police from being sent. We will then call local dispatch and cancel that alarm for the customer."

Customer service is so important to Bates that it recently created a new department focused solely on outbound (field) customer service, which includes on-site training, transfers and any other assistance a customer may need in person. "Everyone remembers when service was better than today and that's what we strive for every day," explains Regina Hoover, customer care manager. "We would like to take the opportunity to provide the "Great Customer Service" that has been lost in most businesses."

Sonitrol customers are monitored by Sonitrol of Southwest Ohio and Bates customers are currently monitored by C.O.P.S. Monitoring.

Bates offers a Performance Warranty Guarantee, which states they will detect and dispatch on any break-in (whether it is a Sonitrol or a Bates system) and back that up with warranties that vary from \$2,500 to \$15,000 in damages, which is above and beyond the limitation of liability language most security companies offer.

"That really helps separate us from the competition," Ackerman says.

“Burt is a made-up character that was created to resonate with radio listeners,” Newton says. “When we moved to Jacksonville we were essentially creating something out of nothing. There was already a very big local security presence there; but every one of those companies is ‘sell, sell, sell.’ We wanted to be ‘service, service, service.’ We wanted to brand as quickly as possible. So we made up a character and scenarios where he is doing all the wrong things when the easy answer is to call Bates Security.”

But at the heart of the success in Jacksonville

is the Sonitrol and Bates promise that carries over from Lexington. “We have really ridden on the Bates reputation,” Ackerman says. “People can Google us and see what others are saying and our reputation is spreading.” It also helps that they are a Honeywell Authorized Dealer, he adds. They also participate in lead-generation groups and business networks.

After the Jacksonville venture, another opportunity came along that took the company from two branches to three. At the end of 2017 Bates Security acquired ABCO Security — another family-owned business in

Family Circle

The family-owned and -operated culture at Bates and Sonitrol of Lexington has informed much of what the company has done over the years. *SDM* spoke with Sonny, Bryan and Jeremy Bates about how that strong family culture came about, what it means to them and how they have continued it as they expand.

SDM: Jeremy and Bryan, how did you come to be in the family business?

Jeremy: For me, I grew up around the business, but I didn’t necessarily look at it as something I would go into long-term. At one point I wanted to be a lawyer. But I worked in and around the business through college and before leaving to work as a national consultant for my college fraternity. Eventually I came back to work for the business and saw a lot of potential and success out there. Slowly but surely it became a career choice.

Bryan: Growing up I was always around it. In high school as soon as I could drive I was a technical assistant, and I so enjoyed working in the summer with the guys pulling cable. I went to college, and about three years in I started talking more to Jeremy and my dad about what they were doing. After college I joined the company on the technical side.

SDM: Sonny, how did you approach bringing your sons into the family business without having hard feelings from the employees?

Sonny: They were both involved for quite a while and they both started at the bottom.

We didn’t give them anything. If they were going to work, they had to be productive. That has a lot to do with where they are today.

SDM: Jeremy and Bryan, how do you continue the family culture with your employees?

Bryan: We have an open-door policy. My dad’s cellphone is also on the employee directory. We try, and I think we maintain what he started.

Jeremy: Mom and dad accomplished what they did because of the people. All we can do is provide the culture and the tools to succeed. We have some really great salespeople and technicians. The ones who have done really well, Bryan has provided them training but it is they who have made themselves succeed. I get a lot of satisfaction in seeing our employees succeed and become managers. If you have a job here it is because we need you. We will do Thanksgiving and Christmas lunches, family appreciation nights. We try and have incentives in place to make it feel like a family business.

SDM: Jeremy, what is the biggest thing you have changed from the way your parents did things?

Jeremy: Our customer care manager, Regina, told us this great story years ago about this lady who was cooking a roast and her process always involved cutting off a quarter of it and throwing it away. One day she called her mom to ask why and her mom said, “That’s the way grandma

did it.” So she called her grandma and asked her why. Grandma answered, “Well, because it won’t fit in my pan!” The point of that story is what may have worked for us when mom and dad were running it or even five years ago may not work today, especially with three offices. We are constantly re-evaluating. A big part of The Standard is “measure twice, cut once.” I can’t tell you how many times we used to just cut and never measure, but not anymore. We are constantly trying to be a better company. We are always striving to improve ourselves, but nothing can be achieved without good, solid teamwork and analysis.

SDM: Sonny, what do you think of what your sons have done with the business? Are you still involved with it at all?

Sonny: I am behind the scenes now. I still go around and work on the budget to keep everything headed in the right direction, but Jeremy and Bryan do such a good job. I am fortunate to have two sons that are wanting to be in the business and are good at it. They both really brought a lot more enthusiasm and expertise to the table. Bryan is a sales guru and an excellent teacher. Jeremy really enjoys the management side of the business. Early on we made the conscious decision to separate them into different areas and they work together extremely well. Part of the success in the last 10 years is those two working the way they do.

Eastern Kentucky — from its founder Robert Welch. This acquisition added more than 1,650 customers to the Bates customer base, along with several new employees, and constituted the most significant acquisition Bates had ever made by bringing in another office and 10 employees 2 ½ hours away.

“We had talked to the former owner off and on for many years about the possibility,” Jeremy Bates says. “Our two organizations had known and respected each

the ABCO branding, but give it a refresh. The ABCO design had gone through several redesigns and there were numerous versions around town, Newton says. “They had changed logos over the years and tried to dilute the old one by using more of the new ones. We considered just picking one, but in the end we decided it would make the most sense if we did something that brought the two brands closer together.” They stuck with ABCO red but pulled in Bates yellow and made the ABCO sign the same shape as the Bates logo.

Welch feels the rebrand has really helped with the overall success of the acquisition. “We were concerned when the community started hearing about the acquisition because if we didn’t make a change it would look like the new company bought it and were just going to milk it. The rebrand really showed how they were invested in the company and willing to put money into it. Before the acquisition all kinds of things were said and promises made. But the Bates family has truly done everything they said they would and stood by every promise they made to my dad and then some.”

The acquisition went so smoothly that just this past October Bates acquired another small family-owned company that they had been considering acquiring. Bates purchased HITEC security from owner Tommy Kidd of Pikesville, in part on the recommendation of ABCO’s former owner. “He talked to Robert Welch and got a good idea of who we were. Once we established our presence with the ABCO purchase it made sense to do HITEC,” Jeremy Bates explains.

With two recent acquisitions and a startup under its belt, a standardized approach to making it all work and a family culture that has their back, Jeremy and Bryan Bates are bullish on what comes next. “We have focused on continuing the strong start Bryan has achieved in Jacksonville and with ABCO we think there is a lot of potential there as we further the integration into our company, Jeremy Bates says. “But as far as other acquisitions go, if the right one comes along at the right time we would be open to it.”

Bryan Bates agrees, adding, “We have gotten a lot of traction here in Florida. It is my belief we will be able to do an acquisition here in 2019 and that is something I would like to get done. We are now officially launching TotalGuard and we are excited about the Sonitrol side and what they have brought to the table with their new TotalGuard solution (see sidebar on page 34).

“We have been blessed. My brother and I make these decisions together,” Jeremy Bates adds, “Mom and dad ran this business for many years and then Bryan and I took over. It takes a family — a business family — to make it all happen.” ■



PHOTO BY MARK MAHAN FOR SDM

Cindy Neuman Ponder was instrumental in implementing The Standard.

other and he made the final decision last fall that he wanted out so we organized quickly to get it done.”

The ABCO acquisition came with its own set of challenges — namely a ready-made branch office. “That was the first time where out of the gate we had a brand new separate office, and new employees,” Jeremy Bates says. “Luckily we had some good experience in understanding how the branch concept works having done Jacksonville. The ABCO team was looking for some good structure and programs and we were able to bring that to the table, especially with The Standard.”

That was something Tim Welch was particularly excited to see. “My dad founded ABCO and he was a great businessman, but he kind of always ran it like someone in his garage.... The standard made such a huge impact because it was what we at ABCO were lacking, that day-to-day playbook. It has had a profound effect on the way we do our jobs every day.”

Because ABCO already had a strong presence in its market, Bryan and Jeremy Bates decided to keep