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ESTA: An open-book association

The group caters to small- to medium-size security companies that share information

by: Martha Entwistle - Tuesday, January 24, 2012

PITTSBURGH—The similarities in the security association names ESTA and ESA cause some confusion, but there's very little overlap and no competition between the two groups, according to ESTA members and Karen Mackey, executive director of the group.

ESTA, which stands for the Electronic Security & Technology Association, is based here and has been around for about 20 years. Like the Electronic Security Association, it's a national group, but it's much smaller.

"We average around 23 to 25 members at the most," Mackey said. "We have limited membership. We don't have two members from the same geographical area. The purpose of ESTA is for small- to medium-size security dealers and integrators to have a joint sharing network without fear of competition."

Association members meet twice a year to share information. At the annual meeting, which takes place this year in San Diego, members do a financial benchmarking exercise.

"No other organization does this as far as I know," Mackey said. "Company owners open their books and share their financial information by [category and subcategory]."

The companies range in size from two-person operations to companies with 80 employees, and revenues run from \$1 million to \$10 million annually. Most members do a fairly even mix of commercial and residential work. The financial information is looked at in terms of percentage so that companies of

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different sizes can accurately compare their results.

Corey Boggs, operations manager for Richmond Alarm in Virginia, said the financial benchmarking exercise is "eye-opening and humbling."

Richmond Alarm is among the largest companies in the association, but "just because you're a big company doesn't mean you're doing everything right," Boggs said.

Boggs said he's learned some important lessons and received great information from the some of the smallest operations in ESTA.

The group will take a look at which company had the highest percentage of revenue growth, the lowest attrition, and who increased their commercial revenues or home-control technology sales the most, and everyone talks about how they achieved those results.

That kind of sharing simply doesn't happen at state or local association meetings, Boggs pointed out.

"We're all in the same line of work, but because we're in non-competitive territories, you're able to be wide open with folks," he said.

Also at the annual meeting, each member comes prepared to share something new that member did in categories such as sales, acquisitions and equipment.

"Because it's a national group, there's a natural network that members can call on for support, help with installations and help with partnering," Mackey said.

ESTA holds a second meeting in the fall each year specifically focused on sales or operations.

ESTA membership is \$500 per quarter. Members have access to a legal adviser and a buying cooperative. The group is currently looking for new members in certain parts of the country.

TAGS: ESTA, ELECTRONIC SECURITY & TECHNOLOGY ASSOCIATION, KAREN MACKEY, RICHMOND ALARM

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