

## Could convergence be the alternative route to growing business and profits in a more manageable way?

Is your average working day characterised by being chased for answers to project bid proposal requests, many of which are late; insufficient time to properly prepare bids; finding yourself constantly in react mode, therefore back logged and stressed?



Or do you find there is insufficient time to prepare for projects already secured to properly complete and document them? You're dragged back to a supposed finished project because something is not working or the client believes it has not delivered as they expected.

**Just how much work on creating bids never generates expected business?** The anticipated profits from a project rarely realised because of lack of time for problem avoidance planning, project deployment preparation, revisits to supposedly completed projects to either address items not properly completed or the end client believes not properly delivered because the original bid specification and bid response documents failed to capture the detail.

**So is it time to consider a different approach? "The Convergence Approach".** But first a warning: this takes executive strategic time, evaluation planning and preparation!

In my earlier business training days one of the first things I was taught was that it was more efficient and therefore profitable to grow business in the existing client base. Why?

It is imagined that a good working relationship is already established with the end client, a relationship where they will value your ideas to address problems you believe could be solved in their business. This means you are much more likely to be aware of both upcoming repeat business as well as being in control of new business opportunities. Because you are a well performing incumbent supplier, bid proposals are much more likely to turn into hard orders and your competitors are in a much weaker position - unless you are missing opportunities you should not.

Further as you identify additional new business opportunities in an existing end client, not only are you in control of the timetable but the effective profit of this additional business is much greater than the same business from a new end client. All this achieved without overly stressing existing resources means happier more successful people who stay longer.

**So what is an example of this in the world of Niagara AX Systems Integrators?** Well, of course most of the Tridium ecosystem SI's are essentially defined or described as HVAC Mechanical Contractors or SI's. These very people consistently tell me how hard it is to make a decent profitable business these days and there is more and more competition, despite how busy they are (see above).

Tridium's Niagara AX Framework<sup>®</sup> is the perfect platform on which to apply this business convergence, supplying more products and services to a given end client, thus creating more profitable sales from existing clients.

Today you can directly connect networks of open standard DALI<sup>®</sup> light fixtures to these platforms. Using existing Niagara AX experience, knowledge and tools these networks of addressable, dimmable DALI light fixtures can be addressed, discovered, commissioned, controlled, maintained and managed. So the opportunity is simple. Niagara AX is already installed along with alarming, scheduling, GUIs, dashboards and analytics which can all be further used with the networks of connected DALI light fixtures.

Also today some of those Niagara AX communities who have taken a strategic business decision that to grow their business profitably is better served by securing more business from their existing client base, have the flexibility not to just do more commissioning and supply more Niagara AX parts but can and have supplied the DALI ballasts, lighting fixtures and lighting installation.

In one recent case this meant that an initial BMS order worth \$750,000 became an order from the same client worth more than \$2,000,000. So this was the equivalent of potentially a minimum of three traditional BMS projects requiring three bids, three sets of chasing, three sets of management, three times the resource etc. Of course the increased value is not just limited to the delivery stage. Now there is a larger value opportunity for future operations and management business building a very nice annuity. Also there is the opportunity to continue to up sell new and additional products and services to leverage better return for the end client on their original system investment. And finally, ever greater lock out despite the openness of the solution of the competition.

So for those Niagara AX community members who are really looking to grow profitably and in a managed way, "the convergence" strategy has excellent possibilities.

#### **Just as a footnote:**

Today, according to recent research publication (see "elitedali for Niagara AX" LinkedIn Group), the lighting controls business is worth \$1.5 billion globally, so which bit of this wouldn't you want? Today probably 99% of it is delivered by the traditional lighting controls industry not the Niagara AX community. As a growing number of informed Niagara AX community members are discovering the traditional lighting controls industry rarely delivers "cheap" lighting controls solutions.

So the market exists. It is large, it is growing and there is hardly likely to be a building in which a Niagara AX HVAC solution is installed that does have lighting. Further, there are increasing numbers of the Niagara AX community who promote Energy Management solutions. Yet it is surprising how many of these solutions only address HVAC systems, missing the other 25% - 60% electrical load in the building!