

Commercial INTEGRATOR

THE BUSINESS HANDBOOK FOR TECHNOLOGY PROFESSIONALS

Inside an Executive's 'HUGE RISK'

Why and how Professional Products Inc. cast away 46 years of brand recognition to rename itself Human Circuit. PAGE 48

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REBIRTH OF AN INTEGRATOR

Inside the arduous process of rebranding,
and ensuring that the result helps rejuvenate business.

By Tom LeBlanc // Photography by Scott Braman



IT'S RARE THAT SOMETHING CAN BE simultaneously simple and complicated, but such was the case when a 46-year-old company rebranded itself.

It was simple, recalls marketing specialist Pamela Zacha. On Aug. 29, 2011, the entire staff of Professional Products, Inc. (PPI) had a meeting. When they got back to their desks their email signatures had changed, the company sign on the front of the building had been replaced, a new website was live, and each had received a letter explaining exactly how to answer questions about the rebranding. They all now worked for a company called Human Circuit.

Poof. Forty-six years of brand equity in Professional Products had been cast aside and a new brand was born. "The transformation happened in a matter of hours at a company level," Zacha says.

Then again, it was complicated, she recalls. "It was a huge strategic undertaking. I wish I had taken a photo of the whiteboard that our vice president and get-it-done operations guy Denny Bell had in his office for several weeks prior to this event. The number of things we had to address to make it successful was just phenomenal."

Before any of those critical steps were executed, though, something even more daunting took place: President and CEO

Bruce Kaufmann made the make-or-break call to rebrand — a decision that he admits to laboring over for nearly 15 years.




"Professional Products" doesn't encapsulate what a design-build integrator does.

It's easy to see that the company — which evolved out of the consumer Hi-Fi business in 1965 when Bruce's late father, Carter Kaufmann, saw potential demand for professionals to use audio and video tools in their work processes — outgrew its name. But why change the name in 2011, as opposed to five, 10 or 20 years ago, because it had long-since established itself as a systems integrator as opposed to a product seller?

Well, "if it ain't broke, don't fix it" and, Kaufmann acknowledges that until the economy broke there was little motivation to pull the trigger on a name-change. During the recession, things at PPI became "rough and tight," he says. "Revenue has fluctuated and at times has been flat." Indeed, it reports \$30 million in 2010 revenue while projecting the same for 2011. "We've had to operate more efficiently. Luckily, we have not had any layoffs or cuts in salary or benefits."

During that period the company noticed a diminish-



**“Sometimes you have
to reinvent yourself
to escape the past.”**
—Bruce Kaufmann,
Human Circuit

CI Snapshot

Human Circuit
(formerly Professional Products, Inc.)
www.humancircuit.com

PRIMARY LOCATION: Gaithersburg, Md.

PRINCIPALS: Bruce Kaufmann,
president/CEO; Jim Hatcher, CTO;
Jerry Goforth, VP finance; Denny Bell, VP

2010 REVENUE: \$30 million

2011 REVENUE: \$30 million (projected)

YEARS IN BUSINESS: 46

EMPLOYEES: 45

2010 COMMERCIAL INSTALLS: 80

TOP 3 VERTICAL MARKETS: Medical,
Judicial and Federal

TOP 5 BRANDS: Sony, Cisco, Extron,
Evertz, Harris

MISSION STATEMENT: Human Circuit
is a team of creative thinkers dedicated
to the use of innovative and intuitive
technology to connect people and
machines in a way that creates better
businesses.

*“Human Circuit does listening better
than any other company.”*

MISTAKE YOU AND YOUR PEERS CAN
LEARN FROM: Fighting the fight to keep
purpose-built hardware as a centerpiece
in your system designs.

ing return on its PPI brand equity, largely because the market was changing. The company's clients were diversifying. "We weren't selling to our traditional client base anymore," Kaufmann says. Those that knew the name PPI and appreciated its legacy "became a smaller percentage" of its potential client base.

But a name change in itself "would be short-sighted and hollow," Kaufmann notes. What compelled the company to act was a broader appetite to rebrand, an opportunity to restate what it uniquely offers clients. "We wanted and needed to separate ourselves. Sometimes you have to reinvent yourself to escape the past. With the economy in such bad shape and despite the expenditure, we knew that now was the time to create and to have a better story.

"We knew that now was the time to tell the world that we were more than a product provider selling discretionary items. It was time to establish ourselves as a serious and competent company to partner with. We knew it was time to communicate our commitment to being a contributing factor to the success of an enterprise's future — period."

Before Kaufmann and his executive team could communicate that to the world, they first had to tell their 40-plus employees. "The idea of change is always uncomfortable to people, whether it's a computer system or the paint in their office — and this was a big change," Kaufmann says.

Again, before he could convince his employees that the rebranding was a smart, strategic move that would protect and

even aware of it." The reasons for failure that he studied were "pretty obvious" — either the company was on a downward spiral or the mistakes were such that "we knew we wouldn't repeat them."

Kaufmann's research went deep. "We checked things out at several levels because we just wanted to make sure we weren't doing something with low odds or that was too crazy." He then presented his findings and his vision to the staff. That, he says, "helped ease their anxiety around our decision to [re-name] a 46-year-old company."



For a very brief time, Kaufmann considered the name *Cyrcumcision*.

You can't pull a new name for a 46-year-old company out of a hat, so Kaufmann and his team enlisted Baltimore-based branding consultant Planit.

Led by creative director Trevor Villet, Planit put Professional Products' executive team through the ringer with exercises that seem like they're part-teambuilding, part-intervention and part-soul-searching. "It was an interesting set of experiences, sort of a psycho-pull with many unusual methods designed to get our team to divulge and share their thoughts, fears, hopes, dreams and preferences," Kaufmann recalls.

"We worked diligently, phase by phase, through very detailed sessions designed to uncover at a deep level who we thought we were, who we thought we wanted to become. We had to seriously boil down our essence in order to really nail down the new name as well as our new M.O.

"It was strenuous, frustrating and emotional at times."

Eventually, once the "essence" was uncovered, the Planit team placed 27 cards with potential names written on them upside-down on a table. The consultants were "smiling ear to ear," confident that there were some gems in the pile, Kaufmann recalls.

The then Professional Products group began flipping over the cards, whittling down the choices. Laughing, Kaufmann recounts some of the reasons:

"This one reminds me of another product."

"I have a negative association with this one."

"That reminds me of a girl I dated in high school."

"That sounds like a venereal disease."

Eventually, Kaufmann and team got it down to five potential names. As he drove away with Zacha and CTO Jim Hatcher, he says the three were feeling pretty good about the names, but they decided to take the weekend and think about it.

Kaufmann took the five cards home with him. "I spent a lot of time sitting with them on the front porch, smoking a cigar and maybe some alcohol was involved. I got it down to one."



"IT WAS STRENUOUS, FRUSTRATING AND EMOTIONAL AT TIMES."
—Bruce Kaufmann, on the unusual methods used to pick a new company name

not jeopardize their jobs, the young MBA needed to convince *himself*. He dove into research, studying rebranding success stories — Google, IBM, LG Electronics — along with failures, admitting that "the research was almost to convince myself that this was a doable thing." He determined that the concept of rebranding isn't quite as dramatic as it's perceived to be. "It's amazing in the technology industry how many companies have rebranded themselves as a refresh, and you're often not

However, when the executive team met on Monday, they collectively said, “You know what? We’re not loving it. None of these work,” according to Kaufmann.

In the past three years, Planit has helped “about 30” companies rebrand, Villet estimates. This experience stands out because “they really pushed us,” says the creative director. “We gave them a ton of options. It really was fun. The greatest challenge that I can have from a client is for them to say ‘push us even further’ and they really did that.”

For round two, Planit came up with 23 more names. This time they prefaced the cards with a brief presentation in which they focused on one possible name. “They talked about how we really emphasized that we always work 360 degrees around a problem, that we had expressed that we wanted to stress ‘precision’ with the name and that we wanted something that looks a little technical,” Kaufmann says.

Then a Planit team member flipped over a card which read: “Cyrccumcision.”

Everybody laughed and the levity must have broken down some creative barriers. “That day we did get it down to a few and the one that really stood out was ‘Human Circuit,’” Kaufmann says. “It matched the essence perfectly.”



Spam filters can be a bitch sometimes.

Learning that a company that you do business with is changing its name can cause a lot of different reactions, spanning from “what a smart move!” to “they must be going out of business.”

So, when PPI announced that it changed its name to Human Circuit, it was vital to Kaufmann and his team that they control the spin. On Aug. 29, the company sent out an email blast containing a press release and a link to an extremely well-done video of Kaufmann explaining the reasons for the rebranding

Q&A with Human Circuit CEO Bruce Kaufmann

CI talked to Kaufmann a lot about his company’s process of rebranding, but the conversation did turn to operational and general topics.

Tell us about your background.

I had no intent of going into this business. I was a communications major and I was interested in working in television production, sports broadcasting. When video production got stale for me, I was invited into this industry and figured I had nothing to lose.

I very quickly found the challenges of finding solutions to technology problems very exciting and satisfying. Technology was evolving at the speed of light, and I realized that I had a platform and a healthy environment for some serious innovation.

Does Human Circuit have a niche?

We have a sophisticated but basic technology that we have trademarked as MediaCache, which is a digital acquisition and distribution streaming model that we use primarily in the medical field — both in simulation and for practical medicine. We also use it in the judicial arena, and for almost any training mandate.

We realized that the digital capture of



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media and the distribution of that media were at the core of many workflow scenarios, and that many of those workflows were extremely inefficient. We realized we could really make technology effective with our innovation.

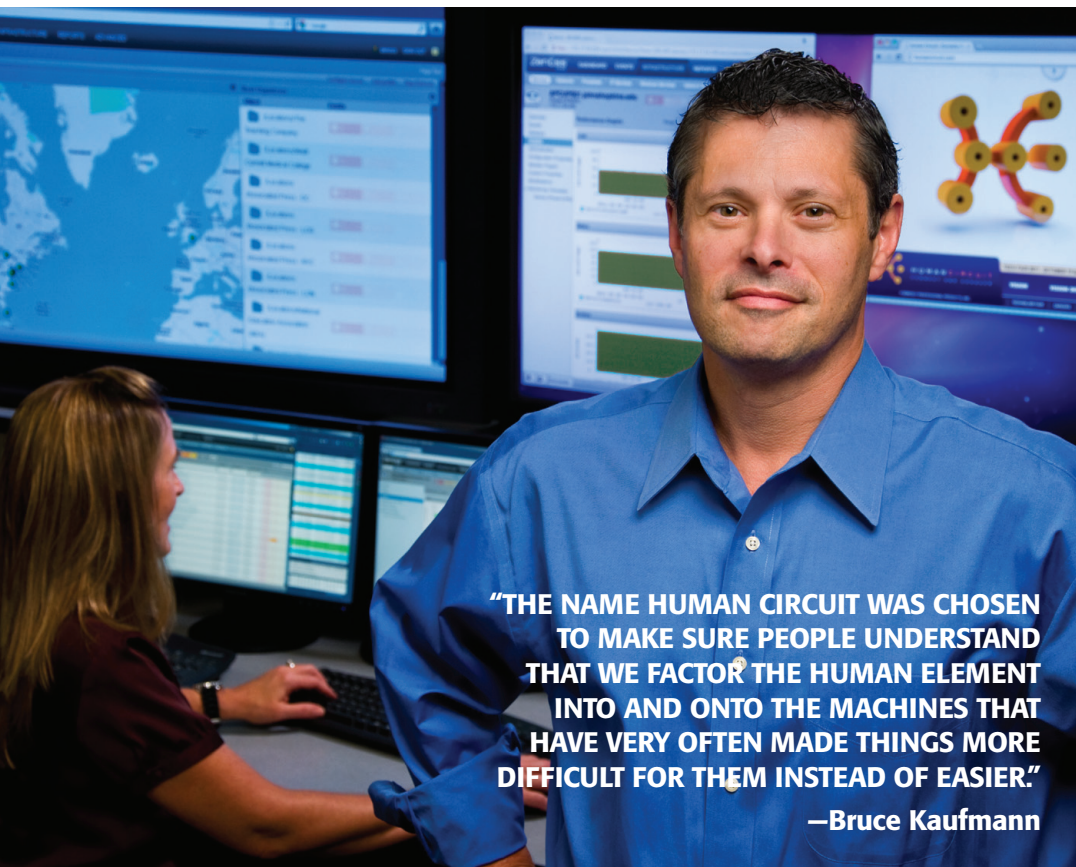
Is recurring revenue a priority?

Our support contracts are extremely important to us and to our customers. The level of support that we have been able to provide to our clients not only provides us with recurring revenues, but the preemptive and proactive nature of our support has lowered the total cost of ownership and produced real returns in this trying economic climate.

How important is it to have trained and certified technicians?

There are specific certifications and broad discipline certifications that we believe in. Some are less desirable from our standpoint because they are very often proprietary to a single manufacturer.

The number of companies asking us to train to very proprietary and specific methods is crazy and almost out of control these days. The man days that this kind of certification costs us — without any real or apparent upside — is just painful to the bottom line. We would like more manufacturers to adhere to standard protocols so that the only learning to be done on their products is the basic interface and setup.



“THE NAME HUMAN CIRCUIT WAS CHOSEN TO MAKE SURE PEOPLE UNDERSTAND THAT WE FACTOR THE HUMAN ELEMENT INTO AND ONTO THE MACHINES THAT HAVE VERY OFTEN MADE THINGS MORE DIFFICULT FOR THEM INSTEAD OF EASIER.”

—Bruce Kaufmann



Human Circuit is just a name, but it reflects greater change.

New name, new logo, new URL — these are just characteristics of what Human Circuit is really trying to do, which is to re-define the successful integration business model for 2012 and beyond.

“Part of the strategy behind this name change is to specifically use the new name as the turbo for our business engine,” Kaufmann says. “The name Human Circuit was chosen to make sure people understand that we factor the human element into and onto the machines that have very often made things more difficult for them instead of easier.”

The company is fine-tuning a business model that addresses some challenges faced by many integrators. The biggest challenge, Kaufmann says, has been

to all of its vendors and client contacts — tens of thousands of names were on the distribution list.

PPI employees had known about the impending name-change, but were under “a mental NDA,” Kaufmann says. “We sort of threatened each other and said, ‘So help me if the information gets out prior to August 29!’ If it got out early, it would ruin everything.”

In addition to the email blast there was a far-more-personal layer of outreach in which account managers called vendors, reps and clients to personally explain — and in some cases talk them down in regards to the paperwork nightmare of changing the names on their contracts or POs.

“Our account managers started with their best clients, worked their way down and used it as a best opportunity to make sure that their clients not only got this information but understood that it doesn’t change anything with the way we work with each other,” Kaufmann says. “It’s still the same brilliant people and the reasons to do business with us.”

It mostly went well, Kaufmann says. “The one curveball was the lack of delivery success due to spam filters.”

Despite the organization’s best efforts to control the message, sophisticated spam filters, in some cases, got the best of them. Many intended recipients wound up hearing the news through another party, while Kaufmann’s email sat in their spam folders.

around since 2008: “diminished customer budgets.”

In order for a design-heavy integration firm like Human Circuit to be successful in this economy, Kaufmann says you have to be willing to walk away from a potential project. “[It] sounds simple, but it isn’t typically done in our industry.

“We seriously probe and investigate infrastructure and networks to determine true customer fit. We ask ourselves if we’re really right for the job. We have the courage to say no sometimes, and not try to be all things to all clients.

“There’s a tremendous amount of freedom in this. It allows us to do what we do, only better.”

What does all that have to do with diminished customer budgets? Well, a diminished customer budget is a valid reason to walk away, Kaufmann says. “We know our rates are relatively high. If during a conversation with a client we ask them about their priorities when making purchasing decisions and they say ‘it’s always about price,’ even if we make a compelling case for why it’s worth investing in something more, we’ll tell them we appreciate their time and don’t want to waste it.”

By walking away, Human Circuit saves the potentially three weeks of labor developing a proposal and allows them to refocus that effort. “Sales people thought it was crazy to turn away clients, but they now get it,” Kaufmann says. “They save themselves from putting out aggressive proposals only to be rejected.”



Among the clients learning about the rebranding were the Associated Press (above) and Major League Baseball's Washington Nationals.



Still Kaufmann knows that the rebranding is a “huge risk.”

As good at Kaufmann is at laying out the reasons for this rebranding, he's equally good at detailing the potential downside. “Any failure on our part to reach the right people — the true decision-makers who have the largest stake in their organization's success — means that this whole effort has been for naught.”

He again alludes to what he sees as the biggest challenge facing integrators in 2012: clients' diminished budgets. “The fact that fewer dollars are being spent means that we have to be really diligent, reach the right people in the right places and drive our value message home. This isn't easy. It's taking a lot of energy, effort and resources to support the marketing and public relations efforts needed to sustain the mission.

“And because our model and culture has changed along with our name, our sales team is having to completely change their thinking and approach”

But how confident or nervous is Kaufmann about whether

or not the risk will lead to sustained company growth? “I would have no nervousness whatsoever if the economy had its [stuff] together,” he begins. “My worry is you can do all the right things. I'm 100 percent confident about what we've done, why we've done it. “My only hesitation at all is I think there are circumstances beyond our control that may keep us from getting to those [critical decision-makers], perhaps because a lot of people don't want to talk when they have [less in the budget].”

That, however, is precisely the time when enterprise clients should be talking to an integrator, according to Kaufmann. The name Human Circuit, he hopes, will help convey that this company isn't in the business of grabbing companies' discretionary budgets, but in helping the people that make decisions create solutions to help them run their businesses better and leaner.

“If we can get people to hear that we have a really good story to tell, that we can be extremely helpful, that we ourselves are looking to determine if we can even help them in almost an altruistic type of way, then I'm not worried about it,” Kaufmann says.

So there it is: simple, yet complicated. **CI**