



Systems clinic

# Managing custom install

Good project management software is able to handle the diverse tasks of a custom installation project, advises Sonu Kundi, commercial director of Cromwell Business Systems.

**M**ore than most industries, it seems, electrical retail needs to keep on reinventing itself to survive, and – thankfully – we have manufacturers that are renowned for their ability to innovate. In any market, there is only a very small percentage of early adopters that will kick-start a trend, so what retailers need is for a new technology to become mainstream. That's what appears to be occurring with custom installation (CI). Increasingly, consumers are becoming more informed about, and aspiring to own, 'smart homes.' Growth is also being driven by Cat 5e cabling in many new housing developments, and improvements in Wi-Fi technology. Apple's iPad, iPod Touch and iPhone have also had a huge impact as control interfaces for many home and office automation installations.

According to CEDIA, the Custom Electronic Design and Installation Association, the UK is firmly established as the largest European market for domestic custom installation. With home automation solutions gradually becoming more affordable, whether in multi-room audio and video, home cinema, lighting and heating control, or security/CCTV, there is now a welcome opportunity for you to diversify into home automation services. They will add potentially huge value to your product sales and reduce your vulnerability to shrinking margins on the products themselves.

However, this will inevitably present a number of challenges outside your normal business experience as you move into delivery of services and solutions. You will need to recruit staff with suitable expertise

in the technology and associated infrastructure and give them the best possible training and certification (such as that offered by CEDIA). Once you have assembled a team of qualified, professional technicians and designers, you will have to ensure you have the capabilities to manage every CI project from end-to-end, whether you are dealing with house builders, architects, interior designers or private clients. That means using really comprehensive project management software designed specifically for custom installation commissions, rather than generic project management packages.

At the very least, the CI project management software should give you the ability to see (by job, phase, project, contract and contractor) all work quoted, invoices, profitability, outstanding debt, real time spent on any part of the installation (and the time you actually invoice) and a full history of completed and outstanding actions, tasks and questions.

Building contractors are likely to have multiple sites with multiple plots, so your software should handle each of these as separate projects against which you can provide materials and labour. Your IT system should be able to handle multiple addresses for different purposes: sites, customers and billing.

Keeping on top of invoicing will be vital, and your IT system should enable you to invoice at any point in a project from first fix onwards. All your project financials should link seamlessly into your accounts package. VAT is an 'interesting' element in

this field, and you should be able to raise invoices with different VAT rates for individual products and services on different types of projects, whether they are new builds, conversions, overseas jobs and specialist areas such as NHS contracts. Reports on sales should be able to split sales by VAT code.

Good CI project management software should be an intrinsic part of your PoS system to ensure you are not re-typing data and you can manage inventory effectively. Whether you are offering a limited range of CI services or the full range from first fix to final commissioning, you should be able to handle all the project tasks from within a single IT system.

Thankfully, manufacturers are working hard to maintain a flow of products that consumers will aspire to. Internet TV and glasses-free 3DTVs are the current Holy Grails. Crack those and top-end CI will receive a welcome boost in the domestic market.

Of course, CI is not a magic bullet that will overcome all the challenges in our industry. Neither is it an easy option. However, it is an expanding added value sector and there are a substantial number of potential customers who are able to make considerable investments even in the recession. CI is also an opportunity for independents to differentiate themselves from the multiples and the supermarkets. It is certainly an alternative to the constant cost-cutting which has been the preferred survival strategy for many retailers over the last few years. ■