

Johnson Controls Flying Higher

In the results of the second World's Top 50 Security Companies, Johnson Controls made the ranks of the Top 10 based on its fire-and-security revenues in 2003. How did the systems integrator reap such high revenues amid fierce competition? It shared its formula for success with A&S.

By JASON TAN

"We leverage our local presence with thousands of existing customer relationships to extend our position in the security market," said Steve Thompson, director of marketing, Johnson Controls Fire & Security Solutions.

This is one of the reasons why the company, a supplier of automotive interior systems and facility management and control, was able to achieve revenue growth of 41.8 percent for fire and security solutions and services in 2003.

To date, it has 330 sales and technical contracting offices around the world to deliver global solutions with local service. In addition, it has the ability to serve customers with a broad portfolio of facility-related technology and service offerings, from safety and security to comfort and operational efficiencies.

"Our measure of success is customer satisfaction and long-term relationships. We offer services to help our customers develop safety and security master plans that result in



Steve Thompson, director of marketing, Johnson Controls Fire & Security Solutions, said that the company expects to see continued growth in the technology offerings next year.

practical, defensible and affordable safety and security policies, practices and systems," said Thompson.

By assuming responsibility for all building systems and services, total cost of ownership can be reduced while overall facility performance is enhanced, he said.

Direct Factory Services

What differentiates the company from other security-solution providers, it said, is the ability to provide a full range of direct factory services to meet customer needs.

These services include site surveys, professional training, value-engineered designs, project management, maintenance contracts and onsite and in-factory service.

If and when periodic maintenance is required, customers know that they can rely on its expert service engineers to maintain security-system integrity.

Customers are also able to choose from a variety of flexible service plans, ranging from multiyear, onsite preventative maintenance to simple factory repair of user-maintained equipment.

To maintain growth, the U.S.-based company has long tapped into diverse market segments such as hospitality, airports, colleges and universities, financial services and general office buildings.

"With the size and history of our business, we do not limit our activities to specific segments. We follow customer demand wherever it happens to be. Next year, we expect to see broad-based growth in most segments, especially government, transportation, industrial and health care," said Thompson.

Overall integration service, he revealed, is the largest single segment of its security business.

"Next year, we expect to see continued growth in our

Johnson
Controls

2003 Sales Revenue:

US\$380 million
(Fire and Security)

Revenue Growth:

41.8 percent

Ranking

8th

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technology offerings with one highlight being our new video-surveillance offering: Johnson Controls Digital Vision Network (DVN)."

The DVN is a family of video-recording and analysis products, providing convenient archiving, search and playback of surveillance video with options for sophisticated video-content analysis. Software algorithms can watch all video for events that have been described by users.

The network will dramatically improve video surveillance from simple four-camera digital recording to network-based

systems that can search hours of video for violations and events.

"Our new DVN video-surveillance offering is currently being launched globally. It responds to strong market demand for a digital-video product family with high-end video-analysis features that are cost-effective and easy to use," said Thompson.

Growing Strong

With a slew of new offerings in the pipeline, Johnson Controls is confident about future growth.

Its recently-announced 2004 financial results revealed that sales hit US\$26.6 billion, 17 percent higher than the \$22.6 billion in the year ended Sept. 30, 2003.

And that's not all. Sales will increase 8 percent to 10 percent and net income will record double-digit growth in 2005, predicted John Barth, chairman and chief executive officer, in the company's latest release.

Controls Group sales alone are projected to achieve the same percentage growth next year with most of the increase associated with sales of technical services and facilities management to the non-residential buildings market. **AS**