

SDM

NEW DIRECTIONS FOR SECURITY SYSTEMS & INTEGRATION



Good Fences Make Better Business



With a full-service electric fence offering that has a 97 percent success rate with customers; brand new owners with more capital to invest; and plans to double its staff, Electric Guard Dog is proving the grass is green on both sides of the fence.



PHOTO BY DEREK BOSTON FOR SDM

An Electrifying SUCCESS

Electric Guard Dog's unique RMR-generating electrified fence model has propelled the company to annual double-digit growth, resulting in both an acquisition by Snow Phipps last June and of its sole local direct competitor in July — just two of many reasons it earned *SDM's* 2016 Dealer of the Year Award.

Karyn Hodgson, *SDM* Senior Editor

ABOVE: *J Bury, Nathan Leaphart, Crystal Gurtisen, Jack DeMao, Jennifer Dorward and Josh Ott (from left to right) are part of the EGD management team.*

They say necessity is the mother of invention. Columbia, S.C.-based Electric Guard Dog (EGD) started existence as an actual guard dog service. When Bill Mullis founded the company in 1973, he never expected that it would end up as an electric fence service provider; but almost 20 years later EGD was reborn in its current form after a series of break-ins at his facility led the inventive Mullis to come up with his own solution, which very quickly became more



popular than the live dogs.

To combat his problems with crime, Mullis designed, built, and tested the company's patented flagship product: the first solar-powered electric security fence, featuring 7,000 volts of pulsed electricity to deter would-be thieves from trying to climb or cut the fence. "Bill had built his guard dog business into the largest of its kind on the East Coast," says Jack DeMao, CEO. "It was an RMR business from the beginning, which was unusual." In 1991 they were broken into



twice at their own headquarters and it was clear to him that property crime wasn't a priority for law enforcement because they were focused on life safety issues. So he developed the electric fence to deter criminals and the rest was history. (For more on this history, see *SDM's* exclusive interview with Bill Mullis on page 68.)

Since becoming Electric Guard Dog in 1991, the company has gone through three owners. Bill Mullis sold two-thirds of his business to the private equity firm Ulysses Management LLC in 2007, staying on as a member of the board until his retirement in 2016. Shortly after that DeMao was brought on as CEO, a challenge he says he jumped at. "I am a mechanical engineer with an MBA," he says. "I began in sales and marketing and was a general manager for 25 years. My career has progressed by taking the more challenging jobs. If there was a difficult division that needed to be fixed, I would take that as a way to advance more quickly. I like the excitement of big change.



EGD was such a huge opportunity because of the pace of change and the investments they were making to help it grow."

This philosophy not only helped DeMao in the process of taking over what was at the time a challenging situation of a company that had grown faster than its ability to efficiently serve its customers; but

also in continuing the legacy of a family-owned business. Two of Bill's children stayed on at the company — Robin (who retired just this year) and Randy — and Ulysses Management helped the company make the necessary investments in infrastructure to provide the customer service the company prides itself on today.

There has been a lot of change for the good," says Randy Mullis, director, field services, and Bill's son. "I feel extremely blessed I was able to work for my dad and watch our family business grow. Since it sold in '07 and Jack came in, I have been able to work closely with Jack as well as see how a private equity company runs a business."

Mullis was extremely pleased that Ulysses Management and DeMao bought into the customer service model his father had started with the dogs. "That is what we do. We build relationships with customers and they are really buying peace of mind so they can sleep at night. I was a little concerned when new people came in because the family business is all I ever knew; but they followed that same concept."

The concept itself is unusual: A strictly commercial client base with customers that primarily store valuable assets outdoors and want to deter crime rather than detect it. EGD provides all equipment (including the fence, gates, and other security elements) on a monthly RMR basis with 100 percent of the maintenance and service included. Its mission is to stop theft, and in an independent survey conducted this year, a whopping 97 percent of customers cited they had experienced no external theft since installation. Not surprisingly, EGD's attrition rate is also extremely low, ranging from 1.8 percent to 3.4 percent over the last three years.

With an average growth of 15 percent annually, EGD tripled its business in just eight years. But this year, the company felt it was time to find new owners with more to invest in moving the company to the next stage. Working closely with Ulysses Management, who was on board with the plan, and investment banker Raymond James, EGD identi-

At a Glance



PHOTO BY DEREK BOSTON FOR SDM

Electric Guard Dog LLC, Columbia, S.C.

Ownership: EGD was acquired in June 2016 by Snow Phipps, a private equity firm.

Website: www.electricguarddog.com

Employees: Full-time: 103; Part-time: 1

Revenue: \$32.3 million in 2016 (estimated)

RMR: \$2.9 million (estimated)

Customers: 3,500 commercial in 2016 (estimated)

SDM 100 2015 Rank: 22nd overall



fied Snow Phipps as the best fit, and the acquisition was completed in June 2016 for an undisclosed multiple, but that was so impressive that Raymond James entered the deal for M&A Advisor's "Deal of the Year" award, for which EGD was named a finalist.

In addition to this distinction, Jack DeMao was also named an Ernst & Young Entrepreneur of the

Year Southeastern finalist; EGD was listed for the fifth time on the Inc. List, as an "Honor Roll" designee, and has been ranked as one of South Carolina's best places to work. The company ranks No. 22 on the 2016 SDM 100 Report, up from No. 26 in 2015.

Following the acquisition by Snow Phipps, EGD immediately began planning for the future, turning around the next month and acquiring a local competitor, one of very few in the country with a similar approach. With plans to double its staff and accelerate growth even more, it is hardly shocking — unlike its fence — that Electric Guard Dog is this year's *SDM* Dealer of the Year.

Changing the Laws

The nature of the Electric Guard Dog fence solution often requires working closely with local, state and even national authorities to get permission for an electric fence. While many areas are fine with it, company CEO Jack DeMao says that in about 25 percent of cases, they have to work on getting the proper permits and sometimes even laws.

"Electric fencing is a disruptive technology, a new way to deter criminals from attacking the site," he says. "Many jurisdictions are not aware of this technology."

Part of the problem, he says, is there is no national standard for electric fences. An international standard, IEC 600335-2-76 exists, and EGD often refers to it in efforts to educate jurisdictions. In one case, one of these jurisdictions, the city of Los Angeles, worked directly with EGD to change state law to recognize the IEC standard and make it easier to get the fences approved.

EGD has a dedicated staff of seven people whose job it is to educate AHJs and others on fencing standards. This group includes Michael Pate, director of business development. "It is really more of a compliance-oriented job," he explains. "We engage with local jurisdictional authorities for permits and sometimes have to file for variances or even amend the code."

Pate says that in addition to safety concerns, the company often has to fight planners who think the fence lacks aesthetic appeal. "They want every city to look like Disney World and everything unsightly to be underground. When you are putting up a 10-foot electric security fence behind an existing fence, it isn't aesthetically pleasing, and they don't want it to look like they have crime."

Pate and his department have results on their side, however. The electric fence works, and saves customers a lot of money. "The electric fence does a perimeter check every 1.8 seconds for a fraction of the cost of lights, cameras and guards," he says.

DeMao also has spent the last four years working with the American Society for Testing and Materials to set a U.S. standard. He chairs the group that was tasked with writing that standard, which is due to be voted on in January. DeMao is optimistic about its passing. "Based on the way we built consensus around the standard we expect to have it passed early in 2017," he says.

Pate thinks the ASTM standard will have a positive benefit. "A lot of jurisdictions look at electric security fences and say, 'There isn't an American standard for that, so we are not going to allow them.' If you have a national standard, that blocks that argument. It doesn't resolve every concern, but it eliminates safety and standard arguments."

FAMILY CIRCLE

Electric Guard Dog began as a family business. Randy Mullis remembers working with the dogs as a teenager. As it morphed from a guard dog service to an electric fence provider and went through several changes along the way, one thing that never changed is that family feel. In fact, the circle has just gotten larger. It now encompasses employees and their families, customers, and past and current owners, as well.

"We have a concept here that we call the 'virtuous circle,'" DeMao says. "If we have happy customers it is easier to have happy employees. If we have happy employees it is easier to have happy customers. Once it gets going it just keeps going around. When I started out the customers were happy with the solution, but not that happy with the ability to provide the service along with it. So we started with employees and made sure they were treated well and made those continuous investments to get the customer satisfaction going. We take care of the employees and everything takes care of itself."

For DeMao, that principle comes down to one word: accommodation.

"It's a bland word, but it means that we try to make accommodations for the occasional problems that hit almost every employee in their lives. All sorts of things happen to people. We try to accommodate those strange occurrences because they don't last forever. We stretch ourselves as a company and it builds incredible relationships with our employees. We do the same with customers. They sometimes have crazy requirements. If a hurricane comes through and knocks down a fence we go and rebuild it and don't charge them anything. We have very long relationships with our customers. We do things that on a financial analysis

PHOTO COURTESY OF ELECTRIC GUARD DOG



Transportation was one of the first vertical markets that was attracted to the electric fence product.

don't make sense, but we build relationships you couldn't drive a truck through."

Carol Bausinger, EGD compliance manager, found out first-hand how accommodation works in October 2015 when her home was severely damaged by flooding. She had been with the company just over two years at that point. "That day was extremely surreal," she recalls. "We were rescued by boat and didn't know what we would come back to. That evening I called Nathan [Leaphart, CFO, and told him what had happened]. He said, 'Do whatever you need to do.'"

By the next day Leaphart informed her that the company wanted to give her the choice of three weeks paid vacation to deal with the situation, or the money up front to help get them started with recovering. "I was speechless and overwhelmed," she says. Not only that, but by the time she came into work three days after the flood, there were

cards, checks, gift cards and an anonymous gift bag full of donations from all of the employees. "They were so supportive; I was humbled. Even the members of our board at the time expressed their concern and I received money from them. It really was amazing."

Like many successful companies, EGD believes that "charity begins at home;" but they also participate in local and national charities. For the first time this year they put together a company team for a 150-mile bike ride for MS. In part because vendors and customers pitched in as well, the company finished second in fundraising behind Bank of America, DeMao proudly reports.

Hiring good employees is another way EGD keeps the "family" going. Promotion from within is a very strong principle at EGD, and these promotions are on ability, rather than age. In fact, of the management team, five members have been recent promotions in the past few years and most are under 40. The company philosophy is that it is easier to teach a new hire the security industry and train a talented executive into a leadership role, than to teach motivation.

"It is a young [management] staff," Leaphart describes. While he has been there just a bit longer than DeMao, many others are recent promotions and hires. "I have been CFO for nine years and I am 36. I think it brings energy and new ideas, and it brings people who are going to grow with the business."

EGD prides itself on being an environment where quick upward mobility is not only possible, it is likely.

"I have been promoted twice in my three years here," says customer service manager, Jennifer Dorward. "I have had a lot of opportunities to develop and build on what I originally brought to the table. At EGD you are not only part of a departmental team but an overall team. Innovative ideas are not only heard but developed and implemented. It's exciting to feel a part of that and have a voice."

Promotion maintains culture, DeMao says. "Because we are a pretty unique technology, so a lot of our jobs are hard to recruit for because they require different sets of skills. You have to be great with people but also good with technology. It can be hard to find people like that."

As the company grows it is continually adding both management staff and whole departments, which can add to the complexity. Leaphart recently hired a controller to manage the staff he had previously managed, for example. "As I went through

The Electric Guard Dog Senior Management Team

Name	Title	Years with firm
Jack DeMao	CEO	9 years
Nathan Leaphart	CFO	9 years
Randy Mullis	Director, Field Operations	20+ years
J Bury	Director, Technology	8 years
James Fischer	National Sales Manager	5 years
Josh Ott	Inside Sales Manager	4 years
Jason Reed	National Accounts Manager	3 years
Jennifer Dorward	Customer Service Manager	3 years
Crystal Gurtisen	Installation Manager	4 years

Many on the management team have been recently promoted, or even head newly created departments. The company is currently recruiting for a vice president of sales and marketing, a new position in the company.



PHOTO COURTESY OF ELECTRIC GUARD DOG

EGD recently applied for a Guinness World Record for the most people touching an electric fence at one time. With a device that simulates the same voltage, all the employees gathered around the office.

and talked to the candidates I wanted to know, ‘How is this person going to fit in? Am I going to like talking to them?’ Life is too short to come to work and not enjoy the people you are working with. As we hire more new executives and mid-level managers, that is one thing we will be looking for.”

Keeping the family atmosphere is helped by hiring for social skills, Randy Mullis says. In fact, the company administers a personality assessment test. “That helps us focus on the personality traits we might not see and try to get the right person. Trying to shove someone into the position that is not correct is awful for them and for you.” That approach goes across the entire company, from field techs to the accounting department. “We have the most personable accounting staff I have seen anywhere,” Mullis jokes. “They are funny and they joke around.”

Still, EGD, like many more traditional security dealers, has found the need to increase the level of technical skills it hires and trains for. “They do need to be more technologically savvy today,” Mullis says. Then they go through extensive training, depending on their job description. A manager might be paired with a mentor and given choices of courses and methods to learn about management skills and team building, while service techs get six full weeks of training that starts with two weeks in an unfamiliar area. “Travel is a part of their job so we want to make sure it will work for them and for their family because every job you take is a family decision,” Mullis says. Then each tech is paired with a lead tech in their area, as well as a customer

service representative, because in the end it is all about teamwork.

“Sometimes companies tolerate good performers that don’t work well as a team,” DeMao says. “That doesn’t work here. It doesn’t matter how great you are. If you can’t work as a team you can’t work for us. We try hard to maintain the culture. We celebrate weddings and new babies and other events; and any excuse we can find for a party, we do it, because those things are important to us”

EGD’s Glassdoor (a job recruiting site) ratings are 5-star for employee benefits, a 4.7 overall and a 95 percent approval rating. The company attributes this and other social media outlets with attracting talent as well.

“We are a close-knit group,” Leaphart says. “I can look at the awards and the Glassdoor rating, but to me the most telling thing is the lack of voluntary turnover. By and large everybody stays and loves coming back. That to me is really the proof behind it all. It is not just about survey results. They are voting with their attendance. They show up because they like working here.”

‘We have very long relationships with our customers. We do things that on a financial analysis don’t make sense, but we build relationships you couldn’t drive a truck through.’

— Jack DeMao

EXPANSION MODE

As anyone can attest, in any family relationships take a lot of work — and that is no less true in business. The recent acquisition by Snow Phipps was a prime example of that mantra.

“This business requires so much investment to make it grow because we don’t charge anything for installation or service, which is unlimited,” DeMao explains. By the time 2015 rolled around, he realized the growth had gotten so large it was beyond the capacity of their investor, Ulysses Management. “Snow Phipps had what was required to support the demand for this unique service; they ‘got it’ the best, and understood the opportunity.”

Ulysses Management was instrumental in helping choose Snow Phipps, Leaphart says. “They felt we were growing beyond their risk tolerance and that there was a bigger piece of this market available to us. They were excited because they felt like they were putting the business into very good hands.”

Sean Epps, investment partner with Snow Phipps, New York, agrees. “Electric Guard Dog has demonstrated an exceptional track record of growth. We believe they provide a very valuable solution



in their marketplace and ... these growth patterns they have demonstrated in the past will persist in the future. We felt that we as a firm have the unique characteristics to aid them in expanding their business and growing at a very high rate in the future.”

But financial capital is only one side of the equation. The other part is the human capital it takes to run the business and keep the “virtuous circle” going. This is something DeMao and his team kept top of mind as they went through the acquisition process.

“We didn’t just announce the acquisition,” DeMao says. “We took the pretty unusual step of telling all the employees that we were seeking another investor to help us grow to the next level and asked them to keep it within the family. We kept them informed as it went through the various

stages, and when we made the final announcement of the choice, everyone was well informed already.”

DeMao also “sweetened” the deal by giving all the employees an extra bonus related to the sale transaction. And it helped that employees began almost immediately to see the positive effects, including new departments, more hires, and more promotions. In fact, the whole way EGD handled the transaction with its 100-plus employees helped with this process after the deal was done.

Because senior management staff knew that a lot of their time would be taken up with this process, they relied on the employees to step up and make decisions that would ordinarily be the responsibility of the manager. “One of the things I am most proud of this year is that the people at

The Right Approach

The business model that Electric Guard Dog happened on from the start has informed everything it has done since. With live dogs, the time and investment was so great to get the right result that founder Bill Mullis just automatically continued the policies he had started when the company switched to electric fences: EGD owns all the equipment, from the fence itself to any other security peripherals, and thus takes full responsibility for everything from maintenance and repair to full replacement — no matter the reason. While this makes customers very happy, it makes for an expensive-to-run business at times.

EGD charges no up-front fees, other than for permits, and if a customer does want to cancel when their contract is up, all equipment returns back to EGD.

“We tell them, this is what we are going to charge you and we will take care of everything to make sure your site is secure,” Leaphart explains. “We will stop theft before it happens, and we can’t keep that promise if we are trying to negotiate whether something is covered or not.

“We never want to put a barrier between us and the customer — other than the fence. We want to be a security partner for them and provide excellent service and never give them a reason to

be unhappy.”

It seems to be working. With extremely low attrition and very high satisfaction scores, customers like what they get.

“I chose the EGD system because it is more reliable than the guards and doesn’t take a nap!” says long-time customer Geoff Stephany, director of claims and security for Old Dominion Freight Line, Thomasville, N.C. “We have been a customer since 1998. They keep would-be thieves off of our property that cameras, guards and other electronic security solutions do not. EGD is easy to work with and they deliver the solution when they say they will.” Old Dominion Freight Lines has been recognized multiple times by the American Trucking Association as a leader in security and is recognized in the industry as one of the most profitable trucking companies.

At EGD customer service is top priority, says Jennifer Dorward, customer service manager. This service starts with installation, making sure that the site is cleaned up and as good or better than before and that customers are fully trained on how to use the fence, and continues with ongoing maintenance, right down to the weeds.

“We are big proponents of making sure they have their system set, the

fence line is clear of anything that can cause a short,” she says. “We provide free weed killer. If we see they haven’t been arming in a while we reach out and ask if they need further training.”

Another expense comes from not cutting any corners in any materials, says J. Bury, director, technology. “With unlimited free service, when we start out we are not going to cut corners because we know we will be servicing this site for the next five to 15 years. We want to do it right the first time so when a technician goes out we can have them do preventive maintenance, not emergency services.”

This is the same reason the fence has been solar since its inception, says Randy Mullis, field service director. “One of the main concepts was there is a problem with any type of alarm system; if you lose power you only have 24 hours. After that your battery backup dies. Our customers need to be secure all the time. Solar panels have a great shelf life and we have had really good success with them.”

In recent years they have even become a selling point. “The green symbol is more well-known now,” Mullis says. “We were green before green was cool. We just did it out of necessity — and for the customer.”



PHOTO COURTESY OF ELECTRIC GUARD DOG

Electric Guard Dog fences have been solar-powered since 1991. Solar power helps ensure a customer is never left unprotected.

the company performed so well,” Leaphart says. “There were long meetings where nobody could interrupt and reach us and a lot of people had to step up and make decisions when they weren’t typically in that role. People were able to show a lot of skill and development and a lot of things happened because we built up to that level.

Having already proven their potential, some employees were quickly promoted to roles that were either created by the expansion or became available due to retirement.

One of these was Crystal Gurtisen, manager, installation department, who has been with EGD for about four years. “I started out as a project manager and worked up to senior project manager,” she says. “When all the key management were in meetings I had the duty of overseeing the department.” When the manager retired shortly after, Crystal was promoted to that position. “I believe that being able to do that helped me get the position. I proved I could handle being the leader of the department. If you

give 100 percent it does pay off and it is definitely a very rewarding feeling being able to move up.”

Gurtisen and others who have moved up the ranks quickly believe that it sends a message to others that there really is a lot of opportunity at EGD.

“When I go out and talk to folks and they ask, ‘What is my career path?’ it is interesting because I can’t say, ‘This is the exact path,’” says J. Bury, director of technology. “Not because there isn’t one but because we are growing and expanding so fast that there are so many paths they can take.”

Bury himself was just named head of the brand new technology department, which was created to foster more of the burgeoning integration that is being demanded by customers, including security technologies such as access control, video and intrusion detection. “We needed people who could just focus on the integration and new technology we are starting to offer our customers,” Bury says.

This is one step in a plan to increase both infrastructure and sales, Epps of Snow Phipps says. “We see ourselves as strategically guiding the business, prioritizing initiatives and allowing them the resources to conduct those initiatives. We really think highly of Jack and Nathan and believe in investing in businesses with very strong management teams that we can get behind and aid through our resources. We want the entire organization to have greater capacity. We would look to continue to expand the executive management and sales and operational leadership.”

Snow Phipps uses an operating partner structure. They put in a chairman, John Kenny, who had experience with a similar subscription-based RMR business. “[That business] grew from \$30 million to \$3 billion, so he has been through this before,” DeMao says.

“Snow Phipps main concept is to give us investments required to support the business plan. That includes increasing staff by about 50 percent,” he says.

The first order of business on the plan was to turn around and acquire Perimeter Security Systems (PSS), a local and regional competitor, buying all its contracts. “They were relatively modest compared to our size, but we need to compete in a vast, perimeter security market dominated by guards, security cameras, and alarm companies,” DeMao says. “Acquiring another company that provides a similar product to ours was a real opportunity for us to boost our profile in that market. Within 30 days of the acquisition the business was fully integrated

‘We never want to put a barrier between us and the customer — other than the fence.’

— Nathan Leaphart



PHOTO BY DEREK BOSTON FOR SDM

The management team at EGD makes it a point to be open and accessible to all employees to share ideas and input.



PHOTO BY DEREK BOSTON FOR SDM

In recent years EGD has seen an increasing demand for integration with other security technologies for an additional layer of protection (the “detection” portion).

‘Traditional’ or Not?

On the face of it, Electric Guard Dog may not seem to have much in common with traditional security dealers. But the challenges it faces and the model it operates on are actually more similar than not — they are just two sides of the same coin.

EGD operates as a deterrent, more than a detection offering, says Joshua Ott, inside sales manager. Ott is one of few on the management staff that had previous experience with a large traditional security dealer. “What we have in common with other dealers is we are trying to protect people, property and assets through different means,” he says. “While our goals really are a little different, the overall message is the same. But our primary mission is deterring.”

EGD’s CEO Jack DeMao adds, “The key common factor is we all require big change and a certain amount of risk,” he says. “I love the security industry because it has such strong tailwinds of growth. I fell in love with EGD because it is such a strong deterrent business. Detection [solutions] all rely on law enforcement response and those resources are terribly strained.”

Financially EGD has the most in common with more traditional security dealers, says company CFO Nathan Leaphart. “We are all RMR businesses; it is just that our average RMR is a lot higher, but a lot of the metrics are similar. Our attrition rates are also a lot lower than more traditional security dealers.”

So why doesn’t EGD have more direct competitors? DeMao chalks it up to the all-inclusive service model that has been the EGD way from the start. “It is hard to understate the level of investment required and the risk you take with providing unlimited free service to customers.”

within EGD.” It didn’t hurt that PSS used the same monitoring company, Security Central, so they just had to move accounts over. They also used the same back office and sales software packages, making integration very smooth.

Even though they are now owned by Snow Phipps, Leaphart stresses that Ulysses Management continues to be a part of the family, and in fact, the former partner at Ulysses Management was one of Leaphart’s first calls after the PSS deal. “It was nice to be able to just call and say we finally did it. They were excited for us.”

CHANGES & CHALLENGES

With all of the changes and opportunities happening lately, EGD began the process this year and will continue in its quest to keep expanding, moving forward and, most importantly, getting the word out to more and new customers.

While transportation has and continues to be the largest market for the EGD fence solution, new markets are starting to become aware, including warehouses, data centers and marijuana growers. “One of the biggest challenges we have is being the only provider of this kind of service; many prospects are unaware of us,” DeMao says.

“Our competitors in the greater security space are all selling products people know about,” Leaphart adds. “We are one of very few places you can go for an electric security fence.”

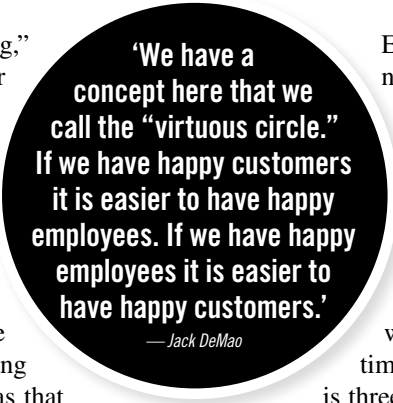
At press time EGD was in the process of recruiting for a vice president of sales and marketing, a role DeMao has traditionally filled, with support from Mayfield Consulting, led by Kathleen Hannon.

“2016 was the year to make a more cohesive content marketing strategy,” Hannon says. These efforts included direct marketing and dedicated content marketing, as well as a big push on social media that resulted in visits to the website being up 176 percent from the previous year. One of the reasons for this was a blog series with CargoNet called “Lifting LaTour” that interviewed a security analyst about a high-profile theft at a champagne warehouse in London and talked about how an electric fence could have helped.

“A 2.5 million pound champagne theft from the queen tends to gain attention,” Hannon says. “They even had the panache to stop and drink some of it before they left!” Hannon not only posted the blog, but also made sure it was on Facebook, Twitter, LinkedIn and a link on Reddit, which “massively

increases the shelf life of a blog,” she says. Even eight months after posting, Hannon was still getting hits off the Reddit link, she reports.

Hannon also runs a theft alert for key verticals that EGD services. “I try to look for where there are threats in different regions that are relevant,” she says. “For instance, there is a gang of wheel and tire thieves in Texas that has been operating for about 18 months and I have been following them. These guys can clean out a dealership in a matter of 30 minutes. Now they are moving into Louisiana. I keep posting on social media.”



EGD will introduce a new offering next year, a patent-pending mobile fence suited for short-term projects, construction sites and other temporary locations. This was facilitated by the acquisition of PSS, which was already developing the product. “We normally look for customers that will be in their location for a long time,” DeMao says. “Our contract is three years long and most customers are with us for 10 plus years. It is hard to get a reasonable return on a construction site that might only be operational for nine months. But crime is a big problem for them.”

As technology continues to move forward,

In His Own Words

Bill Mullis, founder of EGD, started out in the guard dog business in the early 1970s. *SDM* spoke with Mullis about how he came to found Electric Guard Dog and what he thinks of how the company has grown.

SDM: *How did Electric Guard Dog get started?*

MULLIS: I came to Columbia, borrowed money and got started with a guard dog business, using an RMR model. The caliber of dogs we tried to deal in was so hard to come by that you couldn't afford to sell it at any price. Basically I was a dog scout. What we were buying was dangerous. We were doing the guard dogs, but we had guys coming and going at all sorts of strange hours so it wasn't practical for us to turn a guard dog loose [on our own property]. We had signs plastered everywhere and that kept everybody out, until one fateful weekend the gate was cut and some Rottweiler puppies were gone. Being in the trade, it hurt my feelings and made me real mad. I thought, 'This is what we do for a living and we are going to show someone a trick.' So we ran an ad in the paper and offered a \$1,000 reward. Sure enough someone turned his buddy in. A few months go by and it was almost

out of my mind until it happened again. I had been thinking about this electric fence stuff, so I put up one around my place. It was pretty crude by today's standards, but the problem went away.

SDM: *How did it go from a solution for your property to something you sold to others?*

MULLIS: We had it in for about six months when a county jail called me for some guard dogs. We had done that in the past but it is not really a realistic application for the dogs. I didn't want to do it, but they wouldn't take no for an answer. When I met with these people, in desperation I said, 'You guys ought to do some electric security fences.' I was just looking for the door. Next thing I know someone said, 'What would you do it for?' So I grabbed a number that sounded really high and thought they would say 'get out of here.' Next thing I know someone says, 'When can you start?'

Shortly after that, a salvage auction customer I had done dogs with for years until one bit a manager's thumb off called and said, '[Thieves] are killing me but I hate to go with the dogs.' So I told him about the fence. I said, 'Just like the dogs if you aren't happy I will

come and get it at any time.' I had to push him into it. A month later he calls and says, 'I think you hit on something.' And he invited me to the annual salvage convention. We came away from there overnight national. We had jobs to go.

SDM: *What did you do to grow the business from there?*

MULLIS: After we did that first convention I came back to the kennel and said, 'The plan has changed.' It was mostly fluke luck. From there it grew by word of mouth at an incredible rate. Whatever these guys bought, at that time every nickel we made went right back into 'blowing the bubble.' I thought that could go on forever. But a couple of things happened and I decided it was time to monetize it.

We were doing the best we could to tread water. I never liked to put customers off. The thing I hated most was that I wasn't able to be there the next day. It did consume more of my mental energy figuring out which fire to put out first. Ulysses [Management] were good guys, and I am impressed with the way they grew the business. I couldn't have done that by myself. These guys blew it up and they have guys now that want to take it to the next level.



PHOTO BY DEREK BOSTON FOR SDM

EGD CEO Jack DeMao led his company team in raising funds for a 150-mile charity bike ride, finishing second in fundraising behind Bank of America.

EGD plans to move with it. In addition to its increasing integration with common security technologies for an additional layer of protection (the “detection” portion), the company is also working on a more proactive approach to providing information on arms and disarms, voltage and more. Bury anticipates working with their central station to add a third level of options. “As we evolve with a lot of the new products we do see a silver/gold/platinum pricing for our customers. There are a lot of key accounts that want to know if sites are arming and disarming. That is another reason we set up the technology department. We plan to implement this structure by first quarter next year.”

has outgrown its current headquarters and plans to move into new offices sometime around February 2017, Bury says. The new location (they were down to two finalists at the time of this writing) will be downtown in Columbia, S.C., he says. “Both of the finalists have gyms for employees to use with showers, and restaurants located either in or nearby. We also feel that being in a more downtown location will open up the labor pool for us a bit.”

But a critical goal and potential challenge of EGD will be to do all this without changing the heart of the company. “As the company grows it is always necessary to build in some of the processes you have been informally doing,” Leaphart says. “But we don’t want to build in so much process that we can’t respond to the needs of employees and customers.”

Bury has been with EGD for more than eight years and he is optimistic about the future. “Whenever you are growing you worry you will lose the familiar feel. I can tell you the family feel from eight-and-a-half years ago to today, with triple the employees, is still there. Things will change because they always do, but I do believe we have a good group of people.” ■

EGD is also moving physically. The company

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