

Alan Kruglak

Never Just a Number

As a small business owner with over thirty years of experience in the security systems integration industry, Alan Kruglak has an interesting perspective to contribute to the age old debate on whether size matters. For him, his partners, his employees, and his clients, it most certainly does. "In general, small businesses see things differently from the way big corporations do. They understand that, if you take care of your customers and employees, they'll take care of you," he observes. "Bigger corporations don't seem to realize that there's so much more to business and to life than profit, and they often act accordingly." As the cofounder of Genesis Security Systems, LLC he has dedicated his career to offering an alternative.

Indeed, working at large corporations certainly has its perks, but Alan sees the small business route as the best path for him because it affords control over one's own world. "The joy isn't about making money. Of course it's important to make money, but the value really stems from your ability to create livelihoods for your employees," he describes. "Most large companies have rules and stock prices and can't have the same amount of compassion for their customers and employees. For Genesis, however, if the company does well, the employees do well. If the company doesn't do well, it's the management that takes that bullet, not the employees."

Alan launched Genesis in 2002 along with three cofounders, one of which was his older brother, Glen. Since that day, Genesis has made a name for itself as a premier security systems integration company specializing in design, installation, maintenance, and monitoring for commercial clients. With clients like AARP, World Bank, and the Howard Hughes Medical Institute, they also do a lot of work with government contractors. "For me, a great success in any

business is partnership, and I'm especially grateful and beholden for the relationships between by my partners and me," he says. "I look at them as an extended family of sorts. I just can't believe how lucky I am to be with partners that are both incredibly talented and great friends."

Prior to launching Genesis, Alan and his brother had started another company called GIC, which grew to 200 employees and was generating about \$20 million in revenue when they sold it in 1995 to Sensormatic, which was later bought by Siemens. Equipped with a wealth of knowledge from the whole experience, he took the following four months to try his hand at writing a book. *The Entrepreneur's Handbook* was met with widespread enthusiasm, and he was invited all around the country to lecture on the material. He then decided to write three more books, which allowed him to work from home and spend valuable time with his young children.

After his foray into writing, Alan was approached by two former employees that had previously worked for him at GIC. Their current employer, a large multinational company, lacked the personal attention to customer service that had made Alan's business so successful, and these individuals asked him if he might be interested in getting back into the industry again. "The timing was right—I was ready to get back into something meaningful," Alan reflects. "I talked to my brother, and that's when we decided to put Genesis together. We applied all the lessons we had learned from the other company we built, and it's worked wonderfully. Today, we've got great employees, great customers, and I love what I do. It's a match made in Heaven."

Alan grew up in Washington, DC, with three older brothers. The four boys worked in their parents' 1,200 square foot music store, and



Alan credits this as the experience that first taught him the art of excellent customer service. "I know it's cliché, but the customer really is always right because they're the ones who are signing your paycheck," he points out. "Those early days in the retail business taught me what I know today, and in the intervening years I've really noticed that most companies really aren't delivering the highest level of service that they could be. Most businesses are looking at it from the perspective that they're important to the customer, but it should be the other way around. They should be thinking in terms of how important the customer is to them."

Alan studied environmental management and public policy in college at the University of Wisconsin and Duke, and although he doesn't use those skills directly today, his course of study did hone sharp analytical and writing skills that always come in handy. "When you're an 18 year old kid, you go to college and you find that every year yields a different dream," he laughs. "But you learn." Upon graduation, he accepted a position at Booz Allen, and this experience taught him exactly what he didn't want to do with his life. "It was a great company, but I knew after a year that I didn't want to work for a large entity," he says. "It confirmed for me that I wanted to get involved in a small family business—one in which I had more control and felt as though I had a more meaningful impact."

With this concept as his motivation, Alan left Booz Allen in 1980 and joined the fledgling company his father had recently launched. The family's music business had morphed over the years into a security electronics business, which was a very infant industry at the time. The entire enterprise consisted of Alan, two of his brothers, his father, and one receptionist. At 25, he had little experience in that line of work, but his older brother gave him a quick and dirty lesson on sales. One, know your product. Two, never lie or misrepresent your product. And three, always put your feet in the other guy's shoes. Equipped with these concepts, Alan sat down with the phonebook and began looking for business, making cold calls to economic development associations for different counties. Within that first week, he actually picked up two major accounts worth around \$200 thousand, which was big money for the small five-man company.

"I had one advantage that a lot of people

in our industry didn't have, and that was my ability to write—to structure my thoughts into a cohesive argument," Alan explains. "So we grew the company." The family business hazarded close to bankruptcy several times, but Alan credits these mistakes for the savvy he has accumulated now. In 1987, with \$3 million in debt, the Kruglaks called on a financial guru to implement a massive restructuring of the company, and after three years of zero-base budgeting, that debt was reduced to nothing. This may seem like a Herculean feat to some, but for Alan, it was a no-brainer. "When you've got your family and employees counting on you, you do absolutely whatever it takes to make that company survive," he says resolutely.

Alan then hired someone with a background in the software industry to run the sales aspect, and that individual introduced the industry's standard compensation plan to the company. Consequently, during the time between 1992 and 1994, their sales doubled from \$10 to \$20 million. That's when they decided to retire and sell, but as history indicates, Alan quickly discovered that every ending holds new beginnings in its wake.

Today, Alan and his team of around 45 employees at Genesis focus on several key systems products that cover access control, closed circuit television, intrusion detection and alarms, intercom and emergency communications, and command and control consoles. "We remain highly specialized in what we do because I never want to be a jack of all trades and a master of none," Alan points out. "I want to stick to offerings that will attract those customers who want to create that partnership relationship. Our customers are never numbers to us, and we don't want to be just a number to them either."

Though this specialization has been key in setting Genesis apart today, Alan would not have been able to accomplish it without first building a diverse base of knowledge and skills. In fact, in advising young entrepreneurs as they enter the business world now, Alan emphasizes the importance of acquiring a breadth of experience before committing to a niche. "Settling on a professional path is a lot like dating," he points out. "If you marry the first girl you meet, you're not going to really understand the terrain. As you go out there, pursue your hopes and dreams, but be open to learning and seeing as well. You may find they're actually not what you want after all, so

you need options to really learn and grow.” Beyond this, Alan stresses the pragmatic importance of knowing your numbers if you’re going to run a business. “Know what the market will bear, and price your product accordingly,” he advises.

Having made a mini career out of giving entrepreneurial advice, Alan certainly has a thing or two to say about business ownership. What it all ultimately comes down to, however, is the individual attention, customized expertise, and compassionate service that Genesis’s clients have come to expect—expectations that simply aren’t often met today through the more standardized and impersonal approaches of larger companies. “We look at *customers*, not margin,” Alan stresses. “And we look at customers not at one point in time, but over the life cycle of their revenue stream. Even if we’re looking at a small project, we know that securing that project for our customers also secures the lifetime of revenue associated with it. We really take a holistic, forward-thinking approach.”

The consideration with which Alan and his team treat their clients is laced with a compelling optimism and commitment that stems directly from the influence of Alan’s father, who always saw the glass half-full and implored his sons to never give up. “Because of him, I always remember that happiness is a state of mind,” Alan points out now. “If I have a bad day, I just remind myself that I’m not living on the streets of Afghanistan, and I’m not worried about where my

next meal is coming from. Keeping things in perspective and maintaining this positive outlook allows us to keep our focus away from negativity and oriented solely around our clientele.”

Thus, size does matter. It matters because building a business is not just about building a machine, but about building a solution. “I find time and again that business owners are most proud of what they can create, not of how many big houses they can build for themselves,” Alan affirms. “It’s about what they can build for their employees and about how that contributes to the larger community.”

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President and founder of Bernhardt Wealth Management and author of Profiles in Success: Inspiration from Executive Leaders in the Washington D.C. Area, Gordon provides financial planning and wealth management services to affluent individuals, families and business-owners throughout the Washington, DC area. Since establishing his firm in 1994, he and his team have been focused on providing high-quality service and independent financial advice to help clients make informed decisions about their money. For more information, visit www.BernhardtWealth.com and [Gordon's Blog](#).

