

## DEFENDER DIRECT, INC.: A BUSINESS OF GROWING LEADERS

Defender Direct, Inc. (Defender), headquartered in Indianapolis, Indiana, was a privately held company that sold and installed ADT security systems and Dish Network Satellite TV to homeowners in the United States. President and CEO Dave Lindsey started the business out of his home in 1998, making the transition to entrepreneur from new-product development at Medeco Security Locks, Inc. He used \$30,000 of his and his wife's personal savings to fund the start-up, which he called Defender Security Co.

From its humble beginnings in the Lindseys' spare bedroom, Defender became one of the largest security and satellite dealers in the Midwest, experiencing an average annual growth rate of 60% over 10 years. In 2008, Defender generated \$150 million in revenues and ranked 387th on the *Inc.* 500 list of America's Fastest-Growing Companies. With 1,500 employees, the company had a national footprint of 120 offices in 40 states.

Defender's stellar growth was fueled by an aggressive direct-marketing focus and national expansion, but Lindsey, who was fond of saying that "businesses don't grow—people do," credited the Defender culture, which fostered continuous employee development. He elaborated:

Defender has grown faster than its peers not because we are better at selling and installing security systems but because our people have grown. Our sales have doubled because the capacity and talents of our leaders have doubled. A few years ago, we stopped trying to double our business and realized the way to grow was to double our team members' enthusiasm, optimism, and skills. Send people to seminars, leadership conferences, and self-help programs. Build a culture on purpose, not by accident.<sup>1</sup>

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<sup>1</sup> "Defender Security Co." *Indianapolis Business Journal*, September 15, 2003.

## **The Founder**

Lindsey was born in 1969 and grew up in the Midwest. He graduated with honors from Indiana University with a BS degree in Business Finance and an MBA in Marketing and Finance. After graduation, he worked for various companies in the lock and door hardware industry and became interested in security systems. A turning point for Lindsey came when he was passed over for a promotion while working for Medeco Security Locks, Inc., in Salem, Virginia. “We’re going to start a business,” he said to his wife, “because I don’t want to ever be in this spot again, where it’s office politics controlling my career.”

At Medeco, Lindsey had been involved in a program called Medeco Business Advantage—a 2X Strategy to Grow Your Business, a set of business processes inspired by Michael Gerber’s best-selling book *The E-Myth: Why Most Businesses Don’t Work and What to Do About It*. According to Lindsey, “It was a way for a mostly traditional type of locksmith to double their business, using the 2X process and then up-selling. We would teach it to our locksmith dealers, and I saw it work and decided, ‘I’ve always wanted to own my own business, why not buy a locksmith shop, double it, and create value?’”

## **Opportunity Knocks**

Lindsey and his wife started looking for a locksmith business to buy, but after finding none at a price they were willing to pay, they moved to Indianapolis. “That’s where my family was and my support structure, and where I really wanted to be permanently,” said Lindsey. He reflected on his days as a freelance locksmith:

I began changing locks and installing deadbolts, which was pretty horrible because every psychological test I’ve ever taken says that me and a power drill should stay as far apart as possible. I have some great stories about taking out my friends’ locks and not being able to put them back on ... So that’s how I began, pretty ugly, and my intention was to never do installation, because I’m not technical. But I had to get out and learn.

While his wife took over the role of a family breadwinner, Lindsey researched the security industry. “I was, like, if someone needs a lock, maybe they want an alarm system? And in the mid-90s the alarm industry really exploded.” Lindsey jumped at the opportunity when ADT Security Systems and other brands began offering \$99 start-up packages for homeowners, making home-security systems more affordable to a wide group of consumers. “We wrote a business plan, got ADT to take a chance on us, and began as an ADT Authorized Dealer. We never looked back. I never did another lock job once we signed our ADT contract.”

## **Learning the Ropes**

For his first three months as an ADT Authorized Dealer, Lindsey focused on meeting the sales quota. Failure to sell 15 systems per month not only could lead to problems for the business but also could result in a financial penalty, which would have swallowed much of the Lindseys' start-up capital. A devotee of the principles Gerber laid out in *The E-Myth*, Lindsey said he "was looking for that Gerber-type of repeatable system, something that could be 'McDonaldized.'"

Lindsey took advantage of a sales-training program offered by ADT. "The Dealer Program I came into was 90% door-to-door sales," he said. "ADT was teaching us to knock on doors. They threw me in a van with a bunch of other guys and put me on the street, and I'd sell ADT systems door-to-door."

The day that Lindsey, who had never sold an ADT system before, made his first sale within a couple of hours, he "saw it work." He immediately called his wife to tell her he was going to buy a 15-passenger van. He recalled:

I had seen a repeatable process, which involved a van; when you go door-to-door you have to have that team environment—when you drive together in one car, you've got to pick the people up so they can't leave, until they get a sale. When everybody drives individually, they end up getting back in their cars and leaving.

During the first month of knocking on doors, Lindsey sold six security systems and fifteen during the second month, with the help of a friend. It was cause for celebration because they had met ADT's monthly quota. The third month was even better; with first hires onboard, Lindsey and his team sold 30 systems.

## **The ADT Sales Contest**

By September 1998, Lindsey had assembled a team of 10 salespeople. "I really wanted to start the team out with a bang," he said. "I needed a catalyst, a point of focus." ADT's sales contest with its \$15,000 prize was exactly what Lindsey needed to fire up his team. "Each dealer's quota was based on the previous three months' sales," he said. "I believed we had a great opportunity to win since our previous three months' quota would be only 17 units." The team launched a sales blitzkrieg. As Lindsey recalled:

My living room was converted into our Sales Meeting War Room. My artwork was covered up with a makeshift sales board, and my entertainment center became an employee mailbox system. Administrative paperwork was handled from my back bedroom, complete with a board stretched out on the bed to form a desk, a computer, and a borrowed fax machine. Side meetings and training sessions were held on the front lawn. We were entrepreneurs, making the rules up as we went. We had no fear and knew we had a great product and wanted to meet

as many people as possible. We went out together each day, feeding off each other's energy.<sup>2</sup>

One day in mid-September, while his sales team was gathered in his living-room, Lindsey went to the back bedroom to call ADT's headquarters to find out how his team ranked among other ADT Authorized Dealers. His surprise turned to shock when he learned that, as a new ADT Authorized Dealer, Defender had its sales quota increased from 17 to 45. Shaken, Lindsey weighed his options.

What happened next was what Lindsey referred to as "an inflection point in the company" and "the moment of truth" for him as a leader. He took a few minutes to compose himself and went back to the living room to face his sales team. He candidly related the news about the quota and then spent a few minutes rallying his troops. "We're going to blow through this," he said.

With 45 sales already under its belt and two more weeks to go, Defender still had a shot at winning the contest. "We took it up a notch or two during those last two weeks and worked long hard days," Lindsey said. Defender's installation crew tripled its capacity to make sure every system Defender sold got installed the next day. By the end of September, with 142 systems sold and installed, Lindsey's sales team was 316% above its quota and 835% above its three-month historical average.<sup>3</sup>

In snatching the top prize in the sales contest, the upstart company had defeated hundreds of other ADT Authorized Dealers from across the United States. "September was crazy," Lindsey said. "After four months of knocking on doors, we had a system, and we knew what we were doing. Soon after, we sold 200, 300 systems, and we ran pretty quickly to the 600-range a month. And it kind of skyrocketed from there."

## **The Entrepreneurial Mindset**

During its first few months of operation, Defender subcontracted all systems' installations. "You know the old adage, nothing happens until a sale happens," Lindsey said. "So we focused on creating demand." In September, when sales numbered 142 systems, however, Lindsey hired his first installation technician. At the beginning, Defender hired technicians with minimal industry experience, who were able to handle a wireless alarm system that was relatively easy to install.

At approximately the same time, Lindsey hired his first sales manager, who took over driving the van with the sales team, freeing up Lindsey to "get the paperwork done to support

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<sup>2</sup> Excerpted from Defender Direct Web site.

<sup>3</sup> Defender Direct Web site.

this,” as he put it. “I was able to stop and go back and put some processes in place.” He reflected on the early building of the business:

We kept in mind Gerber’s three roles in a business: the entrepreneur’s job is to create the process, the manager’s job is to assure the process is used, and the technician’s job is to follow the process and use it. And that has dominated my thoughts for the past 10 years. Every time we’re trying to grow something, we are very clear about who is playing these roles, and we make sure somebody’s doing each of these. In the beginning, I played all those different roles, but I was conscious that I was ultimately the entrepreneur, and for the first three or four years all I did was build processes.

### **Thinking Big—With a Clear Focus**

In November 1998, Defender opened a second office and sold 125 systems the first month. Lindsey’s sales team pledged to open a new office every 90 days, and Defender ended its first year of operation with four offices. As Lindsey said, “We lived, and still do, by Gerber’s tenet—‘big business is just a small business that thought big.’ And we wanted to be much bigger. In those days we’d always remind ourselves that it’s not okay to put a mom-and-pop system in place, because that’s just going to keep us small forever.”

Looking for ways to grow his business, Lindsey considered expanding into the commercial security market, but after some thought, he decided that the residential market would be Defender’s staple. “We weren’t so much a security company as a home market and installation company,” Lindsey said. “We found another product that could be marketed in a mass way and be installed in homes.”<sup>4</sup> That product was satellite TV, which Defender added to its offerings in 2001 and with it quickly became one of the top Dish Network dealers.

Since making the decision to concentrate on the residential market, Lindsey stayed on course and steered his company away from potential distractions. “We have a saying posted all over our offices—Focus Equals Growth.” He elaborated:

Today we still only have 13 part numbers in our inventory room, the same 13 we had 10 years ago. We have not added things. We keep doing more of the same better, trying to McDonaldize it. We understood focus as the goal early on, constantly using an ABC format to prioritize. I coach all of our new leaders, “We don’t pay you to get everything done—we pay you to get the most important things done.”

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<sup>4</sup> Terri Greenwell, “IBJ’s Fastest Growing Companies,” *Indianapolis Business Journal*, September 17, 2007.

### **Defender's "hedgehog" statement**

For help in knowing what to focus on each day, Defender employees turned to what the company called its hedgehog statement—"We are best in the world at customer acquisition for top brand-name products and services that target homeowners."<sup>5</sup> The hedgehog concept was one of the principles of greatness outlined in Jim Collins's 2001 best seller *Good to Great*.<sup>6</sup> As Collins's research indicated, great companies refused to do anything that did not fit with their Hedgehog Concept, and they made as much use of stop-doing lists as to-do lists.

Lindsey cited Collins as one of his biggest influences and made his employees read his book; they even read whole chapters out loud in the office. Having spent five years discovering its hedgehog concept, Defender leadership used it as a frame of reference for all its decisions. As Lindsey said, "We really pride ourselves not on our to-do list but on our not-to-do list. And we have found that the more we say 'no' to things, the more we grow."

### **Defender's "circle of life"**

Another practical tool, which Lindsey and his leadership team used on a weekly basis, was the so-called circle of life (**Exhibit 1**). It was a visual representation of their understanding of how the business worked. "Imagine a clock face," Lindsey said. "Twelve o'clock is marketing, three o'clock is sales, six o'clock is installation, and nine o'clock is admin and finance. It used to be just sales, door-to-door, but it all starts with marketing. So I spent my energy on really ramping it up over the last five years."

Whenever Lindsey noticed a bottleneck in any of the four areas of the circle of life, he would focus his full attention on that particular spot to alleviate the bottleneck. He elaborated:

First, I'd work with marketing until we had enough leads. But we didn't have enough salespeople, so I'd jump over to sales, and make sure we close all the leads until we didn't have enough technicians. Then, I'd go down to installation and make sure we're getting all the systems installed, and it would flow back up, and then we'd have a paperwork backup, so I'd make sure ADT was paying us. And then as soon as that is all released, we say that the money flows around that. Marketing takes a dollar and starts at 12 o'clock, and you hope that two dollars come up when you spin around the circle. So then I'd go back to marketing and say, "Okay, we've got some more marketing programs: let's go. And I just kept running around that circle. The faster you spin the circle, the faster we grow."

I've had my direct reports say to me, "You're focusing on my part of the circle right now. You've been to my office every day this week," and I'm, "Yeah, I'm

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<sup>5</sup> Defender Direct Web site.

<sup>6</sup> Jim Collins, *Good to Great: Why Some Companies Make the Leap...and Others Don't* (New York: HarperBusiness, 2001).

going to be in your part of the circle until our install rate or our backlog is down.” Today, I’m backing up from that a little bit as I’m changing my role.

To keep a close eye on his business’s financial performance, Lindsey used a scorecard, which he had introduced a year after starting Defender. “It’s a concise Excel spreadsheet,” said Lindsey, “with weeks’ and months’ worth of history and then this week’s numbers, like, what’s the close rate? We want to get that scorecard more automated, and we want that to be a live dashboard.” Lindsey held weekly Friday meetings with his direct reports, during which they thoroughly reviewed all metrics on the scorecard. The meetings started in the afternoon and lasted more than four hours.

## **Financing Growth**

All entrepreneurs know that funding growth is an expensive proposition and that access to capital is one of the biggest challenges facing start-ups. Defender had an advantage in that area because of its business model, which involved acquiring new customers and then “selling” them to ADT and Dish. “They cash us out upfront,” said Lindsey. “We sell the contract, which is a three-year agreement that has a value, just like a bank sells a loan. It has always kept us cash rich, and we’ve been able to fund all this growth without any debt.” In addition, Defender pulled in regular revenue from installation and monthly monitoring services.

But the company experienced its share of bumps in the road. About a year into his entrepreneurial journey, Lindsey struggled to make payroll. At a family dinner, he wanted to forget about work but could not stop thinking about it. “I remember my dad and I made eye contact,” Lindsey said. “I just broke down crying, telling him how stressed out I was. So that’s early on, just cash flow and understanding. You’ve got all these people believing in you, and you’re trying to have that initial confidence just to get the ball to roll.” Lindsey elaborated:

It got really ugly, and that led us to getting into Dish Network Satellite TV in addition to ADT. So, luckily, things righted there. But that was huge; we had one year of negative growth in 10 years, and that was that year. It was really just about holding things together. I remember I had everybody in the company on speakerphones, giving them a speech, “We’re going to get through this, and these are the three or four things we’re going to do.” That was probably the biggest time I felt like a general of an army.

## **The Evolution of the Business Model**

For the first three years, Defender’s sales force consisted of “full-commission door-knockers,” as Lindsey put it. “It was a great way to start, because there’s no marketing, and you’re only paying someone when the sale is made. Then we realized we could set appointments instead of knocking on doors, and we became 100% telemarketing-based.”

Around the time Defender was transitioning to telemarketing, an acquaintance of Lindsey's introduced him to Marcia Raab, owner of a small call center in Indiana. Defender soon became Raab's exclusive customer. "She did a great job, was such a servant to our business—she really did it at an exchange rate with us," said Lindsey. "Terrific marketing and sales person. She grew the 20-person call center to 200 people in two centers, and she owned that."

Defender eventually bought Raab's call centers, and Raab became Defender's vice president of sales and marketing. "She was an absolute dynamo," said Lindsey. "She started coming to our staff meetings, when she was our outsource partner with her own call centers, which she ran like a division of ours. And then we formalized it and put her in the VP spot."

The telemarketing operation had to be scrapped in 2001, with the introduction of the "no-call list hit," as Lindsey named it, allowed consumers to put a stop to unwanted telemarketing pitches. "So, we reinvented the business for the third time," Lindsey said. "Now it's 100% direct mail and the Internet, so our call centers handle only incoming calls."

Defender's call center kept growing, reaching more than 400 sales and customer-service agents in five contact centers located in Indiana and Ohio. The sales agents handled inbound calls from potential customers, who responded to Defender's newspaper ads, pitches on the Internet, or direct-mail offers, while customer-service agents handled the calls from existing customers seeking support. "The inbound agents who are taking calls from prospective customers are paid minimum wage plus heavy commission," said Lindsey. "And with those people we have a fairly high turnover. You have to hire four or five to get one who's good."

### **Lindsey's Biggest Challenges**

From the time Lindsey launched his own business, he had been challenged to continually evolve his relationship with the company, transforming himself from a door-to-door salesman to sales manager to controller to regional manager to president and CEO in 10 years. As he reflected on his changing role,

My biggest struggle has been constantly reinventing my relationship to the business. You go from a business that's in an extra bedroom to 200 employees nationwide, \$150 million in sales, and that is a huge challenge in itself, both in terms of process, skill, and psychologically. Every year I say to my wife that I have to reinvent my relationship to the business. It started with hiring the first sales manger to go take these guys to knock on doors for me, to then jumping to be an admin lead and putting someone else in my place. I feel like I kept filling a hole and then leaving somebody behind. Then taking it from being in Indianapolis to being a regional presence and all the skills it takes. And today I'm evolving even more into being—I think of it as a chairman, a shareholder, investor, as well as business strategy and new products.



## **Managing people**

As Lindsey's relationship to his business evolved, so did his management philosophy. At first, he found it hard to delegate. "It was hard to release control," he admitted. "At one time I thought I could do it better than anybody else. All it took was to hire a couple of people and understand they could do it better than me."

After six months of driving a van with his door-to-door sales team, Lindsey found a sales manager he trusted who eventually became the number one ADT sales rep in the country and rose through the ranks to become vice president of sales. Similarly, the first installation technician Lindsey hired grew to become Defender's vice president of installation. When Defender was generating \$20 million in revenue, he was in charge of installation for the whole company. "When the job started to outstrip him, he was put into a regional role, which was still almost a \$10 million region," said Lindsey. "I always say to people whose jobs outstrip them, 'You still have the same level of responsibility or more.'"

As a manager who never had much tolerance for mistakes, Lindsey described himself as a proponent of tough love. "I kind of manage with a Bobby Knight-type<sup>7</sup> of mentality with my direct reports," Lindsey said. "I've always said I need people with thick skin who themselves do not tolerate mistakes."

By 2008, Lindsey had four direct reports: chief operations officer (COO), chief marketing officer (CMO), chief information officer (CIO), and chief financial officer (CFO).

COO John Corliss, whom Lindsey had met at Medeco, came onboard in January 2006 as Defender's CFO, a position he held for a year. As the COO, Corliss was responsible for the company's customer service, human resources, and installations departments. Installations included all field installation technicians, who were full-time Defender employees working in 120 installation locations around the country. In 2008, Lindsey made him partner in the business.

Marcia Raab, a Defender employee since 2001, was promoted from vice president of sales and marketing to CMO and in 2008 became a partner. She was responsible for managing the planning and purchasing of all Defender marketing programs as well as overseeing the operations of Defender call centers. Lindsey said, "Marcia is the drumbeat of the organization, and as fast as she beats that drum, the rest of us dance."

Bart Shroyer, the CFO, came onboard in 2007. He was responsible for all accounting, funding, and financial management for Defender. Shroyer, who had a breakout year in 2008, was made partner in 2009.

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<sup>7</sup> Bobby Knight, the coach with the most career wins in men's collegiate basketball history, led the Indiana University men's basketball team to three NCAA championships between 1971 and 2000.

Gregg Albacete, the CIO, joined Defender in 2007. He was responsible for building and maintaining systems, databases, and the IT infrastructure that supported and extended Defender's business model.

### **Finding the right CFO**

Among the many challenges Lindsey faced while growing his business, one of the toughest was filling the CFO position. At first, Lindsey "gave a box of receipts to an accountant," as he described it, but nine months into his contract with ADT, Lindsey's wife took over the accounting function of the business. A few months later, with the help of QuickBooks accounting software, Lindsey said, "She came on full-blown," and continued in the CFO role for five years, until the arrival of the Lindseys' third child when she became a full-time stay-at-home mom. Then, her assistant, who "grew up in the business," took over.

Lindsey admitted that he has had "four to five people" in the CFO position since he started Defender. "It was the hardest job to fill," he said. He elaborated:

Our average growth rate was 60% a year for the last 10 years. So you hire a bookkeeper, then you need an accountant, and then you need a controller. I didn't shoot far enough ahead. The problem was, when I tried to shoot ahead, I got real schmoheads. CFOs are all by nature pretty conservative people. They are sharp guys, not looking for a \$10 million business to work in. The only person who wants to be CFO in a \$10 million business says, "Well, I'll just start my own business. I'm not going to work for this guy, take on his risk." So I got a couple of screwballs, who didn't seem that way when I interviewed them. Once we got to \$50 million plus, it was a lot easier to attract people.

### **Defender's Culture**

Lindsey attributed Defender's success to its culture, which he built around each employee's personal growth. Describing it further, he said, "Another word is 'terrific.' We talk about being terrific every day, and we choose to be that way."

Lindsey was continuously learning and growing, and he encouraged his employees to do the same, sending them to various self-improvement seminars, such as Dale Carnegie Training and Ed Foreman's Successful Life Course. "We coined a saying, 'Businesses don't grow—people do,'" said Lindsey. "I don't want this to become a cliché around Defender because it's been our secret sauce. All of us had to grow. We've accomplished this reinvention through good books and good tapes and networking with good people" (**Exhibit 2**).

Over the course of 10 years, Lindsey reinvented Defender's business model three times, reinvented himself and his role, but, most important, he redefined the purpose of his business, which had evolved from making money to growing people. "Our growth plan is that you have to

reinvent yourself this year,” Lindsey told 1,500 Defender employees at its annual Self-Improvement Day, held in April in Indianapolis. This companywide commitment to personal growth and continuous reinvention was the linchpin of Defender’s corporate culture, and Self-Improvement Day provided an opportunity for reaffirmation every year.

Lindsey was particularly proud of Defender Advantage, the company’s four-year initiation program into the Defender culture, during which employees received leadership training, participated in the company’s book club, and traveled with their families on mission trips abroad to work as volunteers.<sup>8</sup> In addition, newly hired installation technicians attended Defender University, a complete training program that prepared them to be successful in the field. Part of the Defender University’s curriculum was Corporate Culture Day, during which all new hires listened to Defender’s senior managers, including Lindsey, via satellite. The main purpose of Culture Day was to drive the following message: “We are asking you to work harder on yourself than on your job.” On Culture Day all new hires were also given the Defender Leadership Advantage Board, which charted the path of their growth (**Exhibit 3**).

Besides focus and drive, Lindsey listed forgiveness as one of his greatest strengths as a leader. As he told his staff, he believed that their “ability to forgive each other really built a culture around here. It’s the glue that allows us to stay at this breakneck speed.” Lindsey, who described himself as a “student of leadership,” stressed that his “basic belief in forgiveness comes from [his] Faith and having learned from Jesus, who was a servant leader.” Still, when reflecting on his entrepreneurial journey, Lindsey always emphasized the lesson of continuous employee development:

It’s been a humbling learning [experience] for me as a business owner. It’s not about having a better plan or a widget. It’s about helping your employees, because every time they grow, I grow. And that’s what keeps me going, that’s my calling in life—to build and develop leaders ... We don’t want to be in the business of buying and selling businesses. We want to be in the business of growing and developing leaders. We have a platform to do that. So that’s what my goal is.

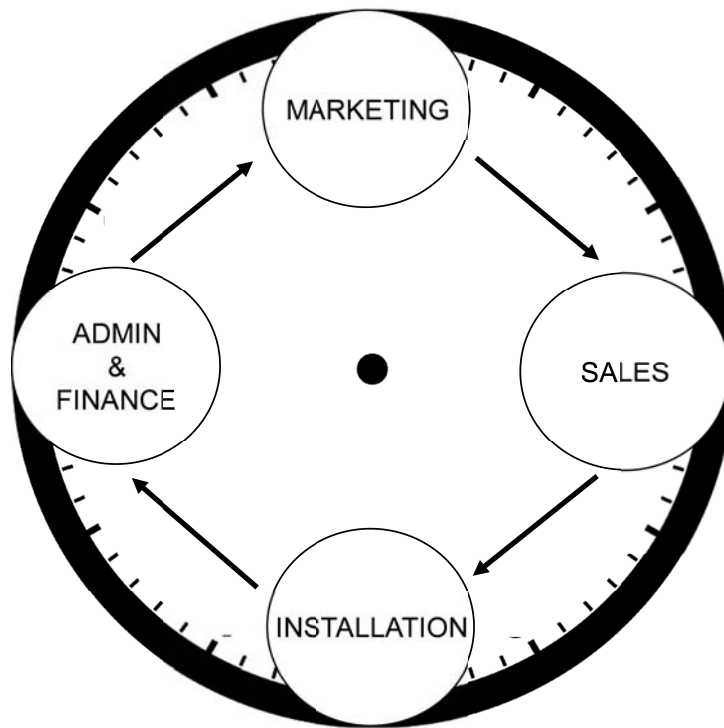
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<sup>8</sup> Inc. 500/5000 Fastest-Growing Private Companies in America, 2008, Defender Direct, Inc.

Exhibit 1

**DEFENDER DIRECT, INC.: A BUSINESS OF GROWING LEADERS**

Defender's Circle of Life



Source: Courtesy of Defender Direct.

Exhibit 2

**DEFENDER DIRECT, INC.: A BUSINESS OF GROWING LEADERS**

Defender's Culture

**At Defender Direct, we are about being the best!** We have founded ourselves on the principle that we can be the best in the world at customer acquisition for top brand-name products and services that target homeowners. It doesn't stop there. It has infiltrated throughout our entire company.

**We have the best employees!** We have the kind of employees that are constantly working on themselves and building themselves into leaders. At Defender Direct, you will find people that are always striving to set and meet new goals. That is why we are always promoting people from within. Our four passions act as a roadmap for making our people the best they can be, and they really take it to heart.

**We work with the best products!** As a Dish Network dealer, we are one of the top-five dealers in the country. For ADT, we are also a top dealer. How do we do that? By working with the best products in the industry and products we believe in. Our employees are some of our best customers! At Defender Direct, customers will find that we do our best so we can be the best! We strive for excellence and that is what customers get each time.

**Defender Direct** is the best in the world at customer acquisition for top brand-name products and services that target homeowners

**Rewards and Recognition**

- **Annual Superstar Celebration.** Every year we celebrate our employees' accomplishments by taking them on an annual trip. For 2008, we took 278 employees and their guests to Cancun, Mexico. Past trips have included trips to Jamaica and the Bahamas. Our superstars are what make us what we are, and we want to celebrate that with a trip that lets them know how much we appreciate their dedication and commitment to achieving their goals.
- **Defender Family Day.** Each Labor Day, we invite our employees and their families to spend time with us for some fun and sun, our treat! Past events have taken us to Indiana Beach and Six Flags Kentucky Kingdom. It's a great way to celebrate the last hurra of summer.
- **Sales Contests.** We understand that our sales team is a key driver for our success. We have weekly contests and awards for our sales team to keep them working on hitting and breaking new records. This year we even gave away a car!

Exhibit 2 (continued)

- This is just a small list of the many things we do to reward and recognize our employees' dedication and hard work. We are always coming up with new ways to reward them for all they contribute. We put this as a high priority on our to-do list.

### **Training**

- Every technician we hire attends Defender University, a complete training program that gets them ready to be successful in the field. We have had some of the top techs in the industry come out of Defender University, and we continue to expand the size of our classes every month.
- We are always looking for opportunities to send our employees to training and seminars, so that they are continuously developing and working on themselves. Programs include the Dale Carnegie Training Program, Ed Foreman's Successful Life Course and much more. We believe in self-improvement, and we are always looking for ways to help employees do just that.

### **Additional Perks**










- Extensive library with books from great authors such as John Maxwell, Jim Collins and Jack Welch.
- Corporate-sponsored Weight Watchers program to help employees achieve personal weight-loss goals.
- Corporate chaplains
- Much More!

Source: Adapted by Case writer from the company Web site.

Exhibit 3

**DEFENDER DIRECT, INC.: A BUSINESS OF GROWING LEADERS**

Defender Leadership Advantage Board

CONGRATULATIONS YOU COMPLETED YOUR 2ND YEAR! 	Date Carnegie	Successful Life Seminar		Truth @ Work Academy	Read Good to Great	CONGRATULATIONS YOU COMPLETED YOUR 3RD YEAR! 
Read Now Discover Your Strengths	<div style="text-align: center;">  <p><b>The DEFENDER DIRECT</b> Leadership Advantage <i>Cost per Employee =</i></p> </div>					Leadership Day
Superstar Trip						Homes of Hope
						
Read Seven Habits Time Management						Read E-Myth
Book Club						
CONGRATULATIONS YOU COMPLETED YOUR 1ST YEAR! 	JA Volunteer	Family Day		Annual Convention	Corporate Culture Day	<b>Referrals</b> <small>(We like to hire through referrals)</small> <b>Defender University</b> <small>(Initial Job Training)</small> 

Source: Courtesy of Defender Direct.