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SERVING SOUTHWEST MISSOURI

Chrome for the Home

SCS Home Entertainment owner

Larry Batson builds a business that offers all the bells and whistles

by Jennifer Muzinic · jmuzinic@sbj.net

Larry Batson says he was never very good at working for somebody else. Luckily, he hasn't had to do that in 18 years.

Batson started Springfield Central Systems in 1990, focusing on selling central vacuums, a business he knew because his father had owned a vacuum distributorship. For two years, he worked two jobs – getting SCS up and running, and a variety of roles at Mid-America Dairymen Inc.

Batson quickly found that he needed more than central vacuum systems to make a living, and he added intercom systems to the product list. That grew into audio equipment, which grew into video, which led to home theater systems, he says.

“Now, you're getting to enough business where you need to build a store,” Batson says.

The store was built at 4235 S. Charleston Ave. in 1994, the same year the company's name changed to SCS Home Entertainment and his wife, Melynda, quit her Boatmen's Bank job to work full time in his office.

Today, Larry Batson says about 40 percent of SCS Home Entertainment's business is in automation, including lighting controls and audio and video equipment.

“The coolest thing I have in my house is what we call a goodnight button,” he says. “It turns off the lights, television, everything.”

The next largest sellers are video components, which make up about 30 percent of the business, with 20 percent of business in audio. Remaining sales cover security systems and central vacuums, he says.

Revenues have taken a hit because of the recession, Batson says, noting 2009 sales of \$1.6 million were down about 30 percent compared to 2008.

With about 95 percent of its sales in custom jobs and only 5 percent in retail, SCS' business is tied to a construction industry that also is seeing less business.

“Our clients are taking out more of the bells and whistles and spending more on energy efficiencies,” says Scott Kisling, owner of Up-Tyte Construction Inc., who builds custom homes in the \$300,000 range and has worked with SCS.

The purchase of Cape Girardeau-based Stereo One Inc.'s Springfield store for an undisclosed price in January should double SCS' business, Batson says, largely on the retail side.

“That's my goal, and I think it's very achievable,” he says. “With me being local and able to manage the store myself, I've been able to trim about 35 percent to 40 percent of the overhead.”

SCS has renegotiated a three-year lease for the 8,100-square foot former Stereo One showroom, 2868 S. Glenstone Ave. in Brentwood South, and is in the process of moving from the Charleston Street location. Batson expects to lease the Charleston building, available by June, at a rate of \$12 per square foot.

Six Stereo One employees have stayed to work at SCS, bringing the company's staff count to 18. Stereo One owner John Selby says all 12 Springfield employees were given the option to relocate to one of its two stores, in Cape Girardeau and Carbondale, Ill. One staffer took him up on the offer.

“The door was open,” Selby says, “but understandably, that's a pretty tough thing to do. I would have like to have kidnapped a couple, though.”

The decision to sell the Springfield store did not come easy, Selby says, noting he put a year of his life into designing the store.

“But you find that business is not



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Melynda and Larry Batson own SCS Entertainment, which is moving from its original store on Charleston Avenue to the Brentwood South retail center, 2868 S. Glenstone Ave. That spot formerly held Stereo One, which the Batsons acquired in January.

like family. You don't take it to the grave with you,” he says. “I had a lease come due, and I looked at the complexities and challenges moving forward and decided it was time to concentrate on the home market.”

Batson says his decision to purchase Stereo One's Springfield business was a market-share no-brainer.

“Another thing that we've been able to do is take everything SCS did well and everything Stereo One did right and mesh it together,” Batson says. “We're a much better company now.”

SCS Home Entertainment

Owner: Larry and Melynda Batson

Founded: 1990

Address: 2868 S. Glenstone Ave., Springfield, MO 65804

Phone: (417) 887-9558

Fax: (417) 887-5697

Web: www.scshomeentertainment.com

E-mail: larry@scshomeentertainment.com

Services/Products: Audio/video components, music systems, entertainment furniture, security and surveillance, and custom home entertainment and automation systems

2009 Revenues: \$1.6 million

Employees: 18