



Executive of the Month: Jared Kleinman, VP of marketing & business development for AFA Protective Systems

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Shown (from left) are: Jared Kleinman, Richard Kleinman, Robert Kleinman, David Kleinman and Mike Slattery

Jared Kleinman

New York, NY The New York Real Estate Journal (NYREJ) sat down with Jared Kleinman, vice president of marketing and business development for AFA Protective Systems, Inc. (AFA) and this

month's Executive of the Month. AFA is a 147-year-old Fire Alarm and Security Systems provider focused on delivering services like alarm monitoring, installations, inspections and maintenance to their loyal customer base on the east coast and nationally through retail accounts.

NYREJ: How did you end up in the Alarm Industry?

Kleinman: AFA is proudly my family's legacy. It was not so much a question of "how" I would end up in the alarm industry as much as it was "when." I graduated from the University of Florida in 2007 with undergraduate and masters degrees in business. I was interested in finance so I got a job with Bear Stearns, in 2008. Needless to say, my career in finance was pretty short lived. I decided to go to law school at Syracuse University, graduating in 2011. Although I passed the bar, I had determined law was never for me. Furthermore, my uncle Robert Kleinman and cousin David Kleinman are respectively general counsel and associate general counsel at AFA. Since no one in my family was directly involved with the sales side of AFA, I took a shot, selling inspection services door-to-door in New York City. As I walked building to building in Midtown Manhattan on my first week, I noticed that our sales collateral was dated and our website had no sales functionality. I quickly changed my focus to developing AFA's brand, digital presence and sales collateral. With guidance from our vice president of branch operations, Mike Slattery, I developed a sales driven marketing presence for AFA.

NYREJ: AFA Protective Systems has an unusually long history; can you tell us a little bit about it?

Kleinman: It's difficult to summarize 147 years in an article, but I'll do my best. AFA was founded in 1873 and is the oldest central station alarm company operating in the U.S. Our company's long and unique history started in response to the "Great Chicago Fire" in 1871 and the Boston fire in 1872, which made fire detection a national issue in the U.S. Nearly 100 years later, Philip Kleinman (my grandfather) purchased controlling interest in AFA in 1968 after an antitrust decree ordered the divestiture of AFA, American District Telegraph (now ADT) and Holmes Protection from its parent company, Grinnell. Until 1970, the company was known as the Automatic Fire Alarm Company but the name was changed at that time to reflect the company's expanded ability to provide additional services beyond just fire alarms while also paying homage to its century long heritage. AFA now offers installations of fire alarms, security systems, BDA (distributed antenna systems in buildings), access control and video surveillance systems as well as after installation services like inspections maintenance and monitoring services.

NYREJ: What has AFA been doing to deliver technological advancements to the customer?

Kleinman: In 2018 our vice president and CIO, Mark LaBua, started developing "AFA Vision," which is revolutionizing the way our customers interact with their alarm systems and our company. AFA's homegrown software is an internal and external platform that allows our operation to run through cloud based technology. For our customers, AFA Vision provides full access to their account and all pertinent information from any web-enabled device. Customers have the ability take their account in and out of test status, review event history, update their emergency contact list, pay bills, request service or arm and disarm their alarm from their phone. Internally, our technicians can now access AFA's database to review customer information and history while in the field, which also saves time and money for our customers. We are using Vision for nearly every function in the company including accounts payable, purchasing, sales, and marketing. This technology has allowed AFA to completely integrate our systems and operate with greater efficiencies.

NYREJ: What do you see as the biggest challenge for the alarm industry right now?

Kleinman: It's the fact that telecommunications carriers like Verizon and AT&T are abandoning their support of copper-based phone networks in favor of fiber optic lines. This means that alarm signals, which were traditionally transmitted over POTS (Plain Old Telephone Service) lines, are now being sent over VoIP (Voice over Internet Protocol), a phone line equivalent. POTS lines being switched to VoIP lines by phone providers presents an extremely common problem that has been affecting buildings for years. We have received calls from concerned customers who are notified that our central station stopped receiving signals from their fire alarm communicator. This is usually due to the phone company converting from POTS to VoIP lines or customers changing from POTS to VoIP to save some money. Customers don't receive notice of the conversion, which tends to cause a lot of stress and frustration for the property managers, who are all of a sudden facing a potential violation from the city.

Fortunately, IP (internet protocol) and Digital Cellular are available and are FDNY approved transmission technologies. Internet and cellular transmission will provide faster, safer and more reliable connectivity to send signals from your premises to our central station monitoring facilities. Additionally, Internet and cellular technologies can save you \$60-\$100 per month because you can eliminate the old phone lines. We have been encouraging all of our customers to make the switch to

IP/Digital Cellular now to avoid potential issues with connectivity in the future, thereby keeping their premises and tenants safe.

Kleinman with coworkers engineering a fire alarm system in AFA's Syosset, NY workshop

NYREJ: How has the COVID-19 pandemic impacted your business?

Kleinman: Fortunately for AFA, service, maintenance, testing and installation of fire and life safety systems has been recognized as essential throughout the COVID-19 Pandemic. AFA remained fully operational under enhanced safety protocols governed by CDC, OSHA, WHO and other regulatory authorities. In addition, to strict adherence to these guidelines, AFA implemented additional ongoing measures related to COVID-19 including having central station operators work in various shifts at our redundant monitoring centers to ensure adequate coverage; equipping all technicians with the recommended personal protective equipment; and providing administrative employees with work from home capabilities including phone systems and computers.

Regarding finances and operations, in anticipation of an extended "lock down" due to COVID, AFA's management team spent a lot of time analyzing our situation and made some minor salary cuts from April to September of 2020 to some employees. We also reduced our travel and entertainment budget as well as other non-essential expenses. These measures helped balance our P&L to counteract the resulting loss of sales, especially in April and May. To stimulate sales, AFA started a marketing campaign called the "6-month No Pay program" which allowed new customers to sign up for our inspection, maintenance and/or monitoring services and not pay until six months into the contract. During the first few months of the pandemic, we also had some difficulties performing certain work due to lack of access into our customer's buildings.

Despite these challenges, our operation never stopped. To date, the net result has been that our year-to-year earnings have remained relatively steady. While the year began with AFA continuing on the same potential record-setting pace regarding new sales we experienced in 2019, March punched us all with COVID-19. In an economy taking a severe negative spiral and joblessness claims skyrocketing, we believe AFA's biggest accomplishment in 2020 was being able to run its business, satisfy its customer base, and maintain its profitability without implementing any lay-offs or furloughs of any kind.

NYREJ: Who or what inspires at your job?

Kleinman: The easy and true answer is my father Richard Kleinman (AFA president) and my uncle Robert Kleinman (AFA chairman and CEO). There are two reasons why. First, alarm services are a

competitive industry. You see a lot of companies lose their sense of integrity just to make a buck. My father and uncle have been conservatively running our business with the credo, "Always do the right thing." I attribute their success in growing AFA while maintaining its consistent financial health to the fact that they always try to do right by both our customers and our employees. It's allowed us to weather some tough storms over the past 50 years. The second is because my cousin David Kleinman (AFA executive vice president) and I want to outperform our fathers. The Kleinman family is a very funny and competitive bunch. We take a lot of pride in our wins. David, my business partner and future boss, has consistently been on the same page as me regarding our expectations and our ambitions for AFA. Our fathers have done a wonderful job and set a high bar for success. But I believe David and I can and will, along with the rest of the management team, do better.

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