



The Simple Home Automation Solution

Adagio turns heads and opens extensive possibilities for both dealers and customers

Crestron introduced its newest product family, Adagio™, turning the custom home installation industry on its ear. Adagio is a new concept for Crestron and the industry, taking a simple audio distribution system and embedding a 2-Series control processor, Web browser, and Microsoft Windows® operating system. Adagio looks like a stereo component, acts like a whole house audio distribution system, and provides the expandability to a complete Crestron home automation solution. “We’ve taken a full Crestron system — AM/FM and XM tuners, multi-room processors, amplifiers, LCD control, 2-Series processor, e-Control Web browser — and scaled it all down into a single box,” says Fred Bargetzi, VP of Technology. “We wanted to create a solution that we could offer under the \$3000 level.”

Over the past 15 years, Crestron continually has grown its business by 30 percent every year. The company’s expansion has occurred organically rather than through acquisition. Randy Klein, Executive Vice President, explains, “We succeed by giving our dealers more opportunities; as they grow we grow.”

Adagio is the latest effort by Crestron to expand opportunities for its dealers. “We are looking to create a much broader industry than there is today so more people can enjoy the benefits of technology in their homes,” states Klein.

Crestron is widely regarded as the holy grail of home automation — but not everyone can afford the best. One custom installer recalled a scenario in which he designed “a standard Crestron system with a PAD8, multichannel amp, and TPS-2000” and the customer balked because it was “more than he expected.”

“Adagio a brilliant step in the right direction,” says Harry Blanchard, AV Systems Designer for Hi Fi House in Broomall, PA. “This is where a lot of salespeople stumble, they say ‘if [a whole house solution] cost a little less, I could sell it.’”

Joe Lucania, President of Elite AV in Highland Park, IL agrees, “This opens the floodgates. We can increase our numbers by selling more systems to customers we

couldn’t sell anything to before.”

Cost, however, is certainly not the overriding factor for installers. Features and functionality are equally important. “If a client wants to control something a certain way, but doesn’t have the budget, I’d rather not do the job at all,” explains Blanchard. “They’ll be upset at me because they can’t do what they want and they’ve spent all their money.”

Lower cost systems usually only offer simple one-way communication, sacrificing the interface and the user experience. Integration, features, and functionality are severely limited. “If I can’t offer two-way communication and a full user experience, then what’s the point?” questions Blanchard. “I might as well just sell volume control and an IR receiver.”

Adagio offers two-way communication, out-of-the-box-functionality, plug-and-play connectivity, and seamless Crestron expandability. Adagio is the only audio distribution system that expands to include touchpanels, lighting and HVAC control, wireless solutions, and shade/drape/screen control. Several dealers understandably compare Adagio to Niles, ADA, and SpeakerCraft in the mid-level audio distribution alternatives. “Adagio is more than just a great entry level system,” states Blanchard. “It’s Crestron quality and the ability to expand. Using a consistent platform to work with all the established Crestron equipment, you can use APADs (Adagio LCD wall mount controllers) all over and TPS-15s in key areas — you can mix and match easily.”

Lucania also notes, “You can’t add a Crestron tuner to a SpeakerCraft system. Adagio gives you the ability to add all the peripherals. If you do it right, you tie into all the high-end products.”

Adagio also offers built-in tuners for XM and Sirius Satellite Radio, and plug-and-play integration with Crestron’s iPod® Connect™ and Adagio Audio Server. “What I didn’t want to give up [with a lower cost solution] is control of iPods, tuners, and audio servers,” says Blanchard. “With Adagio you can communicate with a music server as if you’re standing in front of it; and two sources that Crestron really nailed are the XM tuner and the iPod interface.” Blanchard believes that the iPod interface will actually drive many Adagio sales. Based on the popularity and the ubiquity of the iPod, he states that people will not accept a home audio system that does not accommodate the portable device. “The iPod interface will

sell a home audio system; and even though they have an iPod, they'll still want a music server, too. People already pay twice as much for accessories for their iPod than they spent on the iPod itself."

For ease of installation and simplicity of design, there is no better solution than Adagio. All the components for a multi-room audio distribution system are in one box, including the tuner modules, processors, and amplifier. "This saves space and is perfect for homes without a basement or an equipment rack," Blanchard says. "Lower cost, less space, the heart and soul of a Crestron system, and all the functionality that people want."

Plug-and-play functionality makes installation faster and easier. Default settings are pre-programmed into the keypads, Adagio LCD controllers, audio expanders, audio server, and iPod® Connect™ for out-of-box functionality with the Adagio Audio Distribution System or the Entertainment System. "I can hand my guy a box and it works; there's instant gratification and then we can tweak it later," says Lucania. "We plant the seed and grow it. We can customize the system later and get paid."

A founding CAIP member (Crestron Authorized Independent Programmer), who has been programming Crestron systems for more than a dozen years, agrees with this long-range view. "Adagio will make the quick and easy sale, which will give us a base that a year from now will quadruple our business — business we never would have had," the CAIP explains. "We don't program Niles or Elan. I embrace Adagio; I think it's awesome."

Amid concerns from dealers about the industry trend toward simple PC-controlled equipment, Crestron takes great effort to protect its brand and its programmers. "The industry has taken a scary turn, marketing products that 'anyone can set-up; no programming required.'" Blanchard says, "Crestron stops well short of crossing that line; we are still needed." Crestron still positions its business firmly in the custom home integration market. According to Klein and Director of Channel Development Bill Schafer, Crestron is not planning to create new sales channels for Adagio and will not sell through retail channels. "We rely on our dealers to add value to our systems," explains Klein. "We

are in the custom business and our hope is that an Adagio system brings Crestron into more homes than ever before. We'll need our dealer's expertise to install, expand, and customize these systems." There is a fine line between giving dealers the tools to make integration and installation easy for the dealer, and making it possible for savvy customers to install themselves. "Adagio needs to be as simple and as complex as the competition," states Blanchard. "And it is."

Adagio represents an easy "foot in the door" according to Lucania, and an opportunity to establish an extensive customer base. "If you make customer service a priority, you can get a tremendous repeat and referral business, constantly upgrading," Lucania explains. "Unfortunately, many dealers have the philosophy 'do it; get paid; move on.'" Expandability is a powerful advantage over other audio systems, even if the dealer is not diligent about "call backs" or if clients never upgrade their systems. Blanchard claims, "The fact that customers think that they can expand will sell the system — even if they never do." Clients don't want to feel boxed in; other audio systems do not offer expansion beyond additional zones of audio. "They'll talk about the product and all the things that it could do; they'll talk about the people who installed it to all their friends."

Another market segment identified by some dealers, including Lucania, as a key target for the Adagio product line is the builder market. Historically, builders have not been viewed by the industry as end users. "For mid-level homes in the \$300,000 to \$400,000 range, an Adagio system becomes the high-end solution," says Blanchard. Lucania plans to concentrate on the "ultra high-end track home

builder — homes starting at \$700,000." His rationale is that, "an entry level [home automation system] at \$50,000 kills the budget, but if it's under \$20,000 to mark-up a new house as a value-add is an attractive proposition."

Builders want to add value and differentiate their properties from the competition. These systems are widely desired by new home buyers and often viewed as practical luxuries rather than extravagances. Lucania believes that this market has great potential; he expects to double his business by 2007. "Adagio will be included standard in every home they build."

To accommodate the new business Lucania plans to create a new division. "Elite AV has always been an extreme high-end dealer," claims Lucania. "This needs to be more cookie cutter; there's a lot of infrastructure required to make it simple," he says. "But the ultimate goal is to upgrade and expand the system over time."

Scaling down products that are regarded throughout the industry as the premier solution for home automation can be a risky endeavor. "The biggest danger is competing with existing products," Blanchard observes. "But Crestron has left enough difference in power and control; Adagio doesn't step on the higher end solutions."

Many custom home installers are accustomed to big budgets and large-scale projects. But there remains an untapped market comprised of people with disposable incomes that either are anxious about spending money on AV, or simply cannot afford a full-blown system that includes touchpanels. Blanchard states, "Now, with Adagio, you've solved the problem for them rather than saying, 'You don't have a million dollars; I don't have time for you.'" Lucania agrees, "If all you do are six figure jobs you get spoiled. Someone wants to spend \$50,000 and you say, 'Oh, that's it?'

But Adagio can grow — you have a reason to call back."

Adagio accomplishes the goal for which it was originally designed — to open new markets and create new opportunities for Crestron's dealers and programmers. The question that still remains unanswered is whether the dealers will embrace Adagio. Lucania is certainly excited and has some advice for his colleagues. "If you're a dealer and you don't take advantage of Adagio you shouldn't be in business." ■

