



Kelly Scanlon:

Welcome to Banking on KC. I'm your host, Kelly Scanlon. Thank you for joining us. On this episode of Banking on KC we welcome Gina Stuelke, the CEO of Kenton Brothers Systems for Security. Welcome Gina.

Gina Stuelke:

Thank you.

Kelly Scanlon:

You've recently been in the news for your new partnership with Cobalt Robotics. How did that deal come about and how is it shaping the future of safety and security in Kansas and Missouri?

Gina Stuelke:

Well, the security industry is constantly evolving and changing and after all, the majority of security today is really considered a technology industry. We're always looking for innovative new solutions to solve our customer's pains, what they're trying to overcome, and really their challenges. In 19 we had a list of goals that we wanted to accomplish and one of them was around artificial intelligence. I'm always looking for those new hot trends and trying to stay on the forefront of that, so not knowing exactly what that would look like. Or B, we just wanted to incorporate some product or service or offering that included artificial intelligence to KB's menu.

Gina Stuelke:

So in May of 19 our Vice President of Operations, David Strickland, was at the International Security Conference in Vegas, which is a huge trade show with over a thousand booths from all over the world. He then came upon Cobalt Robotics for the first time, their booth, and he was just really blown away. Cobalt was really a startup from about three years ago and they had leadership that had worked at SpaceX and Google, and very smart group of guys and gals, and they were seeking a security integrator to help them break into the market.

Gina Stuelke:

So Cobalt really loved our breadth of offerings, our forward thinking mindset as well as our history as a long established security company in the middle of the country. We began negotiations to be that first security integrator to bring robotic technology to the Midwest and signed an exclusive deal with Cobalt.

And we're so proud that they chose for the launch to not only be in the middle part of the country, but also for choosing a relationship with Kenton Brothers exclusively.

Kelly Scanlon:

Yeah, so that exclusive deal, they were out of here I think in November debuting it. You had quite a production. The media was out there. It was a big deal.

Gina Stuelke:

Absolutely. We had a great launch and Mayor Q joined us. It was a historic also because here it is a technology company and we're on the East Side of Kansas City now where the growth is happening so that was very exciting. We had a great day.

Kelly Scanlon:

Well, you just teed me up perfectly for the next question is what does this relationship and AI security as well, what does it mean for Kenton Brothers, for Kansas City and for security for businesses in general?

Gina Stuelke:

One thing that's happening is that security is such an imperative movement for every business; protecting people and property and assets. And so we know that businesses are really demanding automation and in a lot of forms to increase productivity, whether it be in IT, whether it be in physical security, but reducing costs to improve quality and speed of services, things move quickly in our industry and the traditional security tools like camera systems and guards in businesses aren't always enough. Enterprise security is really expected to have total situational awareness these days to really be proactive, resolve security events immediately and effectively and robots are a perfect way to do that. So they've emerged as a real proven way to improve security performance and minimize expense.

Kelly Scanlon:

Break it down for us. How do robots actually work in a company? If I were to come in to your facility and you were to do the demonstration, for example, what would you show me?

Gina Stuelke:

Well, robots are a fabulous supplement to patrol your facility to ensure that your building is secure. It can work with other systems that you may already have in place. The building layout is mapped and programmed into the robot. Sensors can detect spills, gases. Thermal or traditional type cameras can be used to detect anomalies in the facility, like the heat that we were referring to earlier. They can work in the dark. They can work in the cold. They're dependable. They're on time and overall they make lives a lot easier by doing things that humans can't do or don't do well.

Kelly Scanlon:

So can you give us just an example of how robots could function in a business in regard to security?

Gina Stuelke:

Absolutely. The big differentiator of Cobalt Robotics is the powerful combination of both artificial intelligence and human logic. The robots are covered with specific types of cameras and sensors that detect and report findings and activities back to a human, a human specialist at a monitoring center can

then take action in emergency situations. For example, in one manufacturing and distribution warehouse of lawn mowing equipment, the robot's thermal heat detection camera sensed a battery that was about to combust, and the human specialist was automatically alerted and they were able to verify what the robot saw and called for emergency backup to prevent the fire before it happened. And it kept that manufacturing plant up and running.

Kelly Scanlon:

To the people who say that robots are taking jobs, you mentioned that there is still a human specialist in some cases, maybe more than one behind it, so it's just a different type of job.

Gina Stuelke:

It's definitely a support mechanism for sure. And there are advantages. It's nice that the robot is able to do things that humans don't do well and the humans can step in and supplement.

Kelly Scanlon:

Exactly. And sometimes do things that are too dangerous maybe for humans.

Gina Stuelke:

Absolutely.

Kelly Scanlon:

As far as your work on the East Side, you brought up that you're now on the East Side, talk to us about why this is so important for the East Side? Why are you as a company investing in the East Side?

Gina Stuelke:

It's a combination of things. That area is ripe for development. There's a lot of opportunity there. There's a lot of need for security there. There's a lot of growth going on as far as the ability to have great access to the highways and so forth and a lot of buildings that are available to be able to expand businesses and do like what was done in the Crossroads. So we've really changed a lot more in the last 10 years than in 50 years prior. And really being open to innovation and diversification is in my DNA.

Kelly Scanlon:

Oh, it definitely is because you're fourth generation. I think I mentioned that a little bit earlier. Fourth generation companies started out as locks and keys and here you are on the cutting edge of security technology and systems. It's amazing.

Gina Stuelke:

Absolutely. I really love change and that's been an advantage, especially in an industry that has morphed so much as the security industry. We're not afraid to try new things. Not everything is always successful, but we adapt to new technologies and ways of doing things just like we have for 120 years.

Kelly Scanlon:

Yeah, and it's interesting because you probably being in the industry that you are, you have to have your own internal systems and as well as those that you market to, so in some ways you're a little bit of a test for your products, I guess.

Gina Stuelke:

Absolutely. Absolutely. We have a saying at Kenton Brothers, "old ways don't open new doors." And so one of our core values is about innovation and innovate or die. And when you're an old company, that's an important message. That's an important model to live by. So if we hadn't adapted to so many of these changes over the years and IP technology in the early 2000s for example, we wouldn't be where we are today.

Kelly Scanlon:

Yeah, I'm really curious. There are so many things that come out and they're flash in the pans. They turn out to be a fad or some new technology comes in right over their backs that makes that technology obsolete before it really even gets any traction. So as a company that's on the forefront, how do you vet all of these ideas? Obviously innovate or die, as you said, but how do you make sure that you are focusing on the right areas and following the right path to innovation as opposed to jumping on the bandwagon of something that you're going to invest a lot of resources and time into, but then it's gone and you've wasted all that?

Gina Stuelke:

Well, it's about timing. We've had many examples of products and services that we introduced too soon and the market wasn't ready.

Kelly Scanlon:

A lot of education that was necessarily?

Gina Stuelke:

Absolutely. And sometimes as great of an idea we may think it is, if the customer base doesn't get it or doesn't have that same sense or feel the need it, it goes away. Education is a huge part of course, but it's really about timing. And so many of these things, the market is primed and ready for technology now. Apple and all of the icons that have come before us, not necessarily in the security business, but have educated all of us and we expect that now. And when I'm video moved to the IT and internet protocol platforms in 08, it was early and there was a sense or feeling of big brother and too many cameras. Now there's a camera everywhere and people expect those cameras to be everywhere. And if they're not, they wonder what's wrong, what's up.

Kelly Scanlon:

Right. It actually makes them feel safer.

Gina Stuelke:

Absolutely. Yeah, absolutely.

Kelly Scanlon:

We alluded to it a little bit, but you don't just provide technology solutions, that a big part of your business is customer education. Why do you consider customer education such a central part of what Kenton Brothers does? Obviously if they don't understand that they're not going to use it, but there's other reasons too besides creating awareness for why education is necessary. Talk about those.

Gina Stuelke:

Well, we really focus on both types of customers from an educational perspective, so our internal customers and our external customers, and it's really always imperative that we're growing and improving and changing the systems that we offer those external customers. Without both of those types of customers, we don't have a business, so that's our job. And teaching them how to leverage their system investments and do more for them and provide more return, all of that is what I feel we're responsible for as a security company. They're busy running their own businesses and they rely on us and have that collaborative relationship with companies that can provide expertise and be specialists specifically in the security world because it is changing so quickly.

Kelly Scanlon:

You mentioned that you provide security both for IT and for physical security. In this day and age there are so many threats, not to sound too negative, but it's a reality. There are so many threats from cyber security, data protection that's necessary, but then also from the physical standpoint. An obvious one among others being entry into schools, into businesses, active shootings situations, protection against things like that. Talk to us about some of the different things that you provide and maybe even some of the upcoming technologies in those areas that businesses might not even have on their radar right now but should be thinking about already.

Gina Stuelke:

Right. Absolutely. Well protecting the schools is imperative, our kids and it's such an important application for security. It's really a layered approach. And it can be multilayered from the time that a visitor comes to visit the school or pick up a child, all the way through specifically analytics that can tell when items are left in certain areas or cars are parked in certain areas over a certain amount of time. Really utilizing the technology to do more than what humans can do and to supplement again. So it's that same methodology around supplementing humans.

Kelly Scanlon:

So there's some preventative in there?

Gina Stuelke:

Absolutely.

Kelly Scanlon:

So often you hear about trying to figure out how to keep someone from entering the building, but what you just described is being aware of things that are maybe not right before they had even happened; maybe there's something left somewhere, or as you say, a car not parked somewhere, some clues that something's about to happen.

Gina Stuelke:

Yeah, it's a proactive as opposed to reactive like it used to be. And part of that movement has really come because of the convergence to the networks. Cameras are computers anymore and they live on servers and those servers live on IT platforms, and that whole convergence model that happened in 08 really shook the industry on its ear in a good way. It was painful at first because there was a lot of education and transition that had to occur.

Gina Stuelke:

For example, we had a relationship with a university here in Missouri and they had put out an RFP to provide an IT IP based, network based access control system and it was being run by their IT department. At that time IT departments were not as prevalent and especially in businesses in the early 2000s. And so at that time the RFP only included what was necessary to provide the solution on their network. It did not include any of the commercial locking hardware that was necessary to physically lock the doors.

Kelly Scanlon:

Oh my.

Gina Stuelke:

So locking hardware, the security directors, the maintenance folks and all that who had always been responsible for commercial locking of buildings were not even included in this RFP. What began to happen was the ability for us to recognize that we needed specialists on both sides, folks who obviously understood the IT side of things, but also where we've grown up in the physical security side of things and the locking hardware component. Those two teams did not necessarily talk to each other at that time. They didn't understand what the other departments did. So by bridging that gap and bringing in folks that could understand both sides of that coin, we were able to help them provide a solution that was complete.

Kelly Scanlon:

You talk about 2008, you talk about convergence, which is something that hadn't really been recognized before. What is the next big revolution that you see coming down the pike?

Gina Stuelke:

Well, I think that we're gearing up for that disruptive technology as we speak in the way of robots. It's very similar. It's foreign. It's unknown. And education and exposure again to the benefits of that technology is imperative to its understanding and to the acceptance in the marketplace.

Kelly Scanlon:

It's just amazing to think that it's 123 year old company that's a part of that, and the contrast between how you got started and what you're doing now.

Gina Stuelke:

It's crazy to think about. When we started we repaired real type lawnmowers and repaired umbrellas and there were obviously locking mechanisms in the early 1900s, mortis locks and skeleton keys and so forth, but to contrast that with providing robots as a service technology today. We have a robot at our office and we've named him Simon and that's after Simon Kenton. He was an early relative of the Kenton family and he was a pioneer in the late 1800s. To think about how far we've come in that amount of time and to be representing technology and robots as a service and being technology pioneers today in 2020 and leading that path I'm incredibly proud of that and happy to be doing that. It's just ironic too that it happens to be on the East Side of Kansas City, which is great, through a woman owned business.

Kelly Scanlon:

Absolutely. East Side of Kansas City woman owned business playing a central role in bringing this not just to Kansas City but really test marketing it almost for the world, it's incredible. But that also begs the question with the kind of growth you've had that's been so phenomenal and the cutting edge that you have been on the forefront of so many times, you could have gone anywhere. You could have gone to bigger cities, to more major centers. Why have you kept the company in Kansas City all these years, all these decades?

Gina Stuelke:

I think it's important to recognize our roots. Our family has always had the location here in Kansas City. This is actually our fourth location, three of which were in the Crossroads, one of which had to move because I-70 was being built.

Kelly Scanlon:

Oh my goodness. Yeah, we forget about that. The I-70 wasn't always there.

Gina Stuelke:

Exactly. There's a lot of history here. I think in family owned businesses as well, there's some sense of obligation around maintaining what there's always been from that perspective. Maybe not in what we offer in our technology advancements and so forth, but we have a great customer base here and while we are regional and national in many cases, the Midwest is home and there are so many advantages around Kansas City that we wanted to continue to invest in.

Kelly Scanlon:

What are some of those?

Gina Stuelke:

We felt really comfortable in wanting to be a centralized location for all of our employees and associates around all parts of the city and the way people treat each other is really important in that human aspect, and the relationships that we've developed as far as with Country Club Bank, with other organizations that are part of our family. Our company really is a family oriented organization and we see that as an advantage and we want to continue to build that.

Kelly Scanlon:

What are your thoughts on the growing profile of Kansas City in the tech area? So often in previous years, Kansas City was considered fly over country or you raised obviously bio-science was big, has been big for a while. But overcoming that reputation and that stereotype of really just being in the center of country nothing's here, move along, what do you say to that?

Gina Stuelke:

I think we are doing a better job of communicating and educating the world and the country of what's going on here and all of the advantages that I mentioned before as far as being a great place to live. And the friendly people and the hometown atmosphere and all of that is a draw but it's also us communicating that we're smart, we've got a lot to offer. We are bringing incredible technology to the

forefront and it's imperative that we share that with everyone to be able to get some recognition on we know what's going on and what were successful at.

Kelly Scanlon:

And you're doing it very well. Thank you so much Gina, for being on our show today. Thank you for all you're doing to protect us, our families and the workers and just everything that you do.

Gina Stuelke:

Thank you Kelly. Appreciate you.

Joe Close:

I've known Gina for over 20 years and have had the pleasure to work with the Kenton Brothers team for most of that time. For the better part of its 120 plus year history, Kenton Brothers was all about hardware, the lock and key place, but in the mid 2000s just as Gina took over the reins from her mother, the industry changed. She wasn't dealing with locks and facility managers anymore; she was working with IT companies on security networks.

Joe Close:

Kenton Brothers recently outgrew their 5500 square foot Crossroads' headquarters and moved into a 55,000 square foot space on Truman Road, a testament to their growth.

Joe Close:

Gina's guidance into a new strategic direction proves Charles Darwin's adage that only the most adaptable survive.

Joe Close:

Kenton Brothers is the epitome of success because they adapted to a changing technological environment. They're 123 year old company that's embraced new technology in an ever changing industry. Kenton Brothers has not just survived those hundred years, but thrived. That's longterm success and a tip of the cap to Gina's ancestors. That's a legacy.

Joe Close:

Thanks for tuning in this week. We're banking on you KC. Country Club Bank, member FDIC.