

COMMERCIAL & SYSTEMS INTEGRATORS

TAC to 'transform the market'

New Americas president Drees has lofty goals for security, buildings integrator

By L. Samuel Pfeife, editor

DALLAS—TAC, an international security and building systems integrator owned by Schneider Electric, announced in late October the appointment of Jeff Drees as president of TAC in the Americas region and executive vice president of TAC worldwide. He will be responsible for the performance and growth of the company in North, Central and South America. He takes over for Dean Meyer, who has been named chief operations officer at new Schneider acquisition Pelco and will serve under David McDonald.

Drees, who joined TAC in 2001 and has served in the Partner, Energy Solutions and Systems Integration divisions, has been

an engineer and a salesman, an end-user and operations manager, and he said he knows about "buildings that don't work and accountability that isn't there, but we can approach clients in an innovative way that gives them that accountability." Drees feels TAC/Schneider's dual experience in the building automation and security markets differentiates the company in both markets.



Jeff Drees

"I feel we can literally transform the industry by converging not just the technologies, but the know-how," Drees said. "We can bring paths to our clients that they traditionally buy through a contracting chain that is very painful to them."

For example, in the burgeoning

DREES see page 15

When money changes hands

ASG recapitalizes

By Martha Entwistle, managing editor
BELTSVILLE, Md.—ASG has a new financial partner after

completing an Oct. 26 recapitalization, but the "recipe for growth remains the same," said chief executive officer Joe Nuccio.

And the customer mix of residential and small business alarm systems, along with integrated systems for larger commercial and government customers, stays as well. However, the infusion of new capital, coupled with current market conditions, has whetted this super-regional's appetite for growth outside of its core geographic and product areas, Nuccio said.

The new financial partner is Parthenon Capital, a private equity firm based in Boston and San Francisco. The transaction, terms of which were not released, involved the repurchase of shares held by Waud

Capital and Northwest Capital Appreciation. Nuccio and the "senior management team" will continue to be "significant shareholders" in the company.



Joe Nuccio

The super-regional reinvented itself in 2003, when the assets of the former Alarm Security Group were bought by Waud and Northwest, and Nuccio came on board.

At that time the company had roughly \$850,000 in RMR and 31,000 accounts, and a goal of tripling in size within five years. Now the company has about \$2.8 million in RMR and 75,000 customers.

"Our plan all along was to grow into one of the top 10 alarm companies," said ASG CFO Ralph Masino. "In the next five years, at a minimum, we will double the size of the company."

Proceeds from the deal will be

ASG see page 15

Tibs' green-minded employees

Building and security systems integrator challenges others to initiate GEEMP

By L. Samuel Pfeife, editor

ATLANTA—Tibs, a division of MC Dean and a systems integrator doing about a third of its revenues in electronic security systems, pitches itself as a green-minded company. MC Dean is a member of the U.S. Green Building Council, Tibs recently added a green-power expert to its management team, and, said Tibs president Mark Tibbets, "virtually every lighting package that MC Dean designs incorpo-

rates energy efficient features, either in response to a project requirement or as value engineering."

Now, with a new program announced in October, the company is actively encouraging its employees to go green as well. Tibs' Green Energy Employee Matching Program will match each of its 150 employees for every block of "green energy" they buy from Georgia Power, up to 200 kilowatt hours per month. At

a cost of \$4.50 per block, this represents a potential investment of \$10,000 in green energy per year, to be used by Tibs employees in their homes. Georgia Power generates this power through renewable means like solar, wind, hydro, biomass or geothermal.

Tibbets said Tibs challenges other companies, in all marketplaces, to support their employees in similar fashion.

TIBS see page 15

Further outside the box

MDI purchases construction management firm in Texas

By L. Samuel Pfeife, editor

SAN ANTONIO—MDI, traditionally an access control manufacturer, has over the past year launched a systems integration arm, Global Support Systems, and has now supplemented those abilities with the purchase of FAS Construction Management for five million MDI shares.

MDI's focus over the past year

has been upon its LearnSafe initiative, which offers schools a "soup to nuts" security package, with everything from background checks to cameras. "One of the big items we knew we were short on," said MDI chief executive officer J. Collier Sparks, "was getting in on the very beginning of school projects when they're doing their site surveys and initial

planning. FAS has a web of consulting architects and engineers in all 48 [contiguous] states and Mexico."

While Sparks said MDI isn't trying to compete with risk management and assessment firms like Kroll, "if a client chooses one of the Safe Initiatives [there is also WorkSafe and PlaySafe], we can fill the void."

MDI see page 15

BRIEFS

Henry Bros. files 2006 earnings, looks to regain AMEX compliance

FAIR LAWN, N.J.—In mid-October, national integrator Henry Bros. Electronics filed its much-delayed annual report for the year ended Dec. 31, 2006, along with quarterly reports for the first two quarters of 2006. The company expects now to regain compliance with the American Stock Exchange, where the public company's stock is listed for trade.

"Our listing is very important to us," said president and chief operating officer Brian Reach, who came into his position earlier this year. "Without it, there would not be a market for our stock to trade. Being a public company gives us an edge from the standpoint of having an alternative currency from which to fund business and to attract talent."

In the earnings reports, Henry Bros. showed sales of more than \$42 million for 2006, roughly the same as 2005. However, the first two quarters of 2007 shows sales of \$10.9 million and \$13.5 million, which are 19 percent and 33 percent higher, respectively, than the same periods in 2006. Despite keeping sales flat, Henry Bros. reported losses of \$2.3 million in 2006, vs. \$1.1 million in 2005.

Reach explained: "Half of our 2006 net loss was caused by the write off of goodwill, which is a nonrecurring item," he said. "Excluding this \$1.1 million goodwill write-off, our decrease in profitability versus 2005 was the result of higher selling, general and administrative costs relating in part to continued investments in our infrastructure, sales mix changes between our regions resulting in lower labor utilization, and costs associated with the move to our new offices in Fair Lawn, N.J."

The company also reported a loss of \$8 million for 1Q 2007, but showed \$2 million of net income in 2Q.

Dakota Security opens Phoenix office

SIOUX FALLS, S.D.—Dakota Security Systems announced in early November it has opened a new regional office in Phoenix. The company, headquartered here, also has regional offices in Des Moines, Iowa; Chicago; and New York. Dakota is a privately held company, with more than 30 years of operations providing electronic and physical security solutions. The new office "continues to demonstrate our commitment to developing our national footprint and further accelerates our aggressive growth plans," said Eric Yunag, Dakota's president and chief executive officer.

MDI

Continued from page 14

pany reporting requirements, for example. "It's an existing operation with people in place to deal with some of those headaches," Wurzbach said.

Though the deal was announced as a \$10 million transaction, with MDI shares valued at \$2 each, MDI stock hasn't traded that high since May of 2007, and was trading around \$.70 in early November. Sparks said the numbers are immaterial to the deal: "It wouldn't matter what the price was ... The owners of FAS are very excited about the opportunity and they're not going to be passive shareholders." **SSN**

ASG

Continued from page 14

used to continue to build density in its three hubs in the Texas and Mid-Atlantic regions. Look for the company to move into contiguous markets in the near future, Nuccio said. In addition, expect ASG to move into new product areas.

This year, ASG will "really fill in our commercial suite of products and services by providing our customers a managed services platform to include access control administration and central station video monitoring," said Bob Ryan, vice president of marketing and sales.

David Ament, a partner with Parthenon, said the firm wanted to invest in the security space, but the challenge was finding a company with "the right combination of operating discipline, experienced management and dense markets." After looking at 30 companies, "ASG stood out as the best model we've seen in the mid market," he added.

Barnes & Associates consulted on the deal. **SSN**

Drees

Continued from page 14

energy-conservation market, TAC views the integration of card-holder information with a facility's energy management as more than a niche market. "Because we have more data from the IP technology," Drees said, "that means customers can now understand how many people are in the building and use the card holder database to make decisions on how much air to bring in or how many lights to turn on, and that comes down to the engineering know-how to make that system work."

Drees sees TAC's greatest growth potential in the Americas coming through selling security systems to its existing building automation base. He'll be working on that with Meyer at Pelco, with whom he worked for the past six years, "so, obviously, there will be a lot of collaboration going on," Drees said. **SSN**

Tibs backs green with cash

Continued from page 14

"Having some green practices, even if it's just recycling office paper, is almost a requirement for any firm that wants to claim to be ethical and a good corporate citizen," he said. "If this sort of momentum continues, what was once extraordinary will become a standard way of doing business."

He said energy-efficient lighting is a prime example: Because the federal government saw the logic in this way back in the 1970s, it's now expected that lighting design consider energy consumption.

As of yet, customers like Emory University, the Cobb County Water Authority and Gwinnett University haven't asked Tibs to

fully incorporate their energy and security systems, Tibbets said, but law-enforcement and corrections customers have: "In detention and correctional facilities, building systems, including security, are typically controlled via interfaces to a central command location," he said, but "the purpose of integrating these systems is really security

rather than energy efficiency."

Tibbets hopes to make progress in this area, though. "Our commitment to green practices is really related to our position as an industry advocate," he said. "We are an advocate for green practices in the green engineering and construction services we deliver to our clients, in supporting green programs, and in encouraging the business world to follow our lead." **SSN**

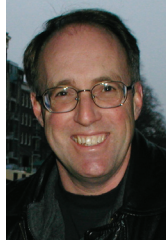
Mace

Alion hires Massey for port work

Integrator will look to establish best practices for maritime security market

By L. Samuel Pfeifle, editor

MCLEAN, Va.—Alion, a systems integrator and technology developer doing roughly 90 percent of its business with the federal government, has hired Charles



Charles Massey

Massey as director of ports and maritime security in an attempt to grow its business with the private sector and round out

its homeland security knowledge base.

Massey served at the international borders and maritime security program manager at Sandia National Laboratories, where he supported the Department of Energy and National Nuclear Security Administration's Megaports initiative, and worked on security efforts at ports in 30 countries. He also ran Operation Safe Commerce at the ports of Los Angeles and Long Beach. Now, with Alion, he will look to develop a turnkey-style security solution for ports that are underfunded and understaffed for screening 100 percent of the cargo that comes through their operations.

"The one thing I see missing a lot of the time in maritime security approaches is an assessment of the overall system," Massey

said of his challenge. "I try to break it down when I go into a particular port to make sure they understand what it is they're trying to protect, and what they're protecting themselves from."

"A lot of people," he continued, "come in pushing a tech-

nology solution ... They'll say, 'You need to put in biometrics.' Maybe for identifying, that makes sense, but I've seen that proposed for a port that doesn't even have a good fence line or guards at the gate. Biometrics might work great, but that's not

the need there."

Ports are concerned primarily with keeping their flow of goods unimpeded and keeping costs low, Massey said, and integrators can show them how security systems can help in both areas. A high-quality security

system will give government regulators confidence to restart a port after a homeland-security event, Massey said, and "from another perspective, from a business case, they've seen it's good for business. It's a service that shippers are looking for, if it's not too much of a unit cost. That can be passed on to the shipper, and he might see it as a small price to pay for the value added." **SSN**

Securitas Systems

Continued from page 1

and cash flows, but we have no inspiration and development without organic growth."

PEI head Ray Dean could not be reached by press time, but Larsson said Securitas Systems intended to honor PEI's commitment to independent integrator consortium SecurityNet, to "benefit the customers."

Larsson also said PEI, founded in 1974, exhibited a sophistication of installation that made it attractive. "For example, they work with a leading financial firm that has been so-called enterprise connected with multiple servers running their security through their enterprise," she said. "With another firm that's expanding a global network of security, they're connecting multiple facilities worldwide. It's a good, interesting company." **SSN**

Elk