



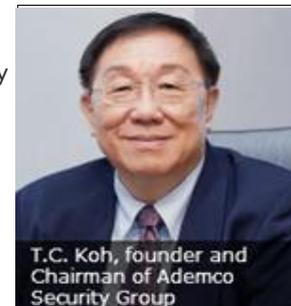
Bigger Ain't Always Better

Hayden Hsu2012/11/13

Being part of a multinational conglomerate can be a double-edged sword; it provides the resources and global reach needed for business development, but also dwarfs the agility needed for timely market response. Ademco Security Group in Singapore had been part of Ademco/Honeywell Security in the 1970s and 80s, and later on Rentokil Initial in the late 2000s, but decided to bring the company back into private ownership with two decisive management buyouts. Today, the group is stronger than ever, with a web of committed security professionals and ever-expanding joint ventures throughout the thriving region of Southeast Asia and in China. asmag looks into the dynamic duo that keeps propelling this successful regional security enterprise forward.

For more than three decades, Ademco Security Group has been delivering comprehensive and integrated electronic security, fire detection, monitoring and business intelligence systems to more than 5,000 institutional, commercial and government clients across Asia. With a strong base in Singapore and an expanding regional footprint in Malaysia, Indonesia, the Philippines, China, Thailand and Vietnam, the group and its success would not be possible without the two Koh's.

Founder T.C. Koh came from a modest family, and has always been a driven pioneer and salesperson. In his long and decorated security career, he held many directorship and advisory positions at several security technology start-ups in the U.S., some of which became established names in the industry. When Ademco (now Honeywell) wanted to set up shop in Asia in 1977, it headhunted T.C. and appointed him Regional MD. "The electronic security and safety industry was virtually nonexistent in Asia back in the 1970s, so we had to conduct needs analyses and create the business from scratch," T.C. recalled. "We went to guarding companies and electrical engineering companies to train and convert them into electronic security and safety. New sales channels also had to be created and fostered."



Competition was limited at that time, as most companies were not even aware of the technology available to them. Within a short time, the business flourished as T.C. expanded the regional headquarters and established offices in Singapore, Malaysia and Hong Kong.

Several turns of events in the 80s led to an eventual management buyout from the original Ademco, in which T.C. quickly turned the APAC division into an independent total security solutions provider, with an emphasis on alarm-monitoring services. With T.C.'s know-how, experience and credibility, Ademco became a founding member of the Security Systems Association of Singapore, and maintains membership status with the Association of Certified Security Agencies in Singapore, Security Association of Singapore, US Security Industry Association and US Central Station Alarm Association.

Koh Junior

Then entered Toby Koh, T.C.'s son. Toby joined Ademco in 1995 as Business Development Manager and



became Executive Director in 2002, which led to his current group MD appointment. His career in the security industry also saw him hold the positions of Executive Director at Shepherd Systems, a technology company in remote digital video surveillance solutions based in Sacramento, California, and Executive Director at Visual Alarm Verification, a technology company in remote video transmission systems based in Miami, Florida.

"When I took over, we moved on to a full-service systems integrator model with central monitoring capability because the distribution model was badly affected by the free but oftentimes confusing flow of information on the Internet," Toby said. "We saw an opportunity in providing mid- to high-end solutions to the market, and distanced ourselves from being labeled 'box movers.' We started to look more at the risk profile of our client and customize a system that solves their security problems and enhances their business operations." Toby also played a key role in helping update the local Fire Standards and Legislation in using wireless transmission for fire alarm-monitoring purposes. Under Toby's directions, Ademco has established itself as an innovative solutions and services provider, with a growing regional presence.

"Risk profile was vastly different back in the day. Loss prevention in terms of goods and valuables was almost always the main security objective," T.C. echoed. "In present-day risk management, we are concerned not just about loss of goods and valuables, but also intellectual propriety, confidential information, business data, staff safety and so on. Risk profile is evolving constantly and sometimes rapidly, and a holistic security and risk management approach is required."

For Toby, it is of paramount importance that systems integrators (SIs) stay informed of the latest technology that matters to their target market, but at the same time not over-specify a solution that may not be the best fit for their client. "SIs must refrain from deploying the latest technology just for the sake of it. Make use of technology to improve your service delivery — that is one key differentiator between you and your competitors. Make use of technology to increase the turnaround time to solve your client's security and business problems." Ademco maintains a knowledge database, which its technical staff can access on the move from their wireless-enabled tablets. "No one can remember everything, so having knowledge available on demand is vital," Toby stressed.

Second Coming

In 2007, U.K.-based multinational property management specialist Rentokil Initial acquired Ademco, and T.C. became an advisor behind the scene. The financial crises in the U.S. and U.K. later on led T.C. to another management buyout, bringing Ademco and a group of security business entities in Asia back to private ownership. T.C. is now Chairman of Ademco Security Group.

In infrastructure and technical support, Toby's team revamped their back-end system to be a fully cloud-based platform. "We were an early adopter, having launched our cloud platform about three years ago. Our engineers carry laptops or tablets with them for service calls. We have gone virtually paperless," Toby said. On top of saving 20 40-foot trees per year, this upgrade has enhanced project and service efficiency several fold. "In the past, we would write on a carbonized service report form. Copies were required for the client, accounts department, customer service and technical support. Deployments are now even more precise and cost-effective." Across the various regional offices and mobile workforces, remote access to client/contract details,

technical information and field assignments is possible through any Internet browser, easing internal IT service maintenance and workload significantly and saving travel costs.

Ademco has and continues to execute projects across most Asian countries, following its clients as they open new or retrofit existing facilities. "We intend to increase our geographical footprint across the region to 10 countries within the next few years. We are priming ourselves for a public listing either in Singapore or Hong Kong within two to three years. In fact, we could go public at this time if we want to, but our team would like to grow our business to a size which makes it even more compelling for investors," Toby shared.

Ademco Security Group now has offices in Singapore, Kuala Lumpur, Jakarta, Manila, Cebu City, Shanghai, Shenzhen and Chongqing, with staff of more than 400 and a vision to reach 500 by the end of 2013. One of the group's strengths is to provide consistent quality of service across the region, and it has won (over the likes of Honeywell, Johnson Controls, Siemens and Tyco) and implemented prominent projects such as Resorts World Sentosa, Resorts World Manila, Exxon, Chevron, Hewlett Packard and many other MNCs.

For today's SIs, being able to remain nimble and adapt to current market conditions is a must. "There is growing demand for clients to outsource their security function to us, including remote monitoring or putting our staff on their premises. That's why we are offering a full managed-service portfolio to our clients who choose to focus on their key competencies and leave security matters to us. We also help our clients who do not wish to increase capital expenditure by renting equipment as part of our offering. It is a holistic service with hardware, software, people, and, most importantly, process and protocol control to ensure that service levels remain at an agreed level, if not better." Ademco has also been using its security platform to assist its clients to better manage their businesses through integration with their operations, whether it is warehousing, logistics, human resources and so on.

The challenge is always to get the best possible talent to execute, while still meeting budget. "The next challenge is to train and mold them into a cohesive working team, and substantial effort has to be placed on staff development and retention strategy. Currently, we have a very international team at work, and managing human capital takes up a full one-third of my time," Toby said. "Outside of Singapore, most of our expansion efforts are joint ventures with a local partner. I am a firm believer that local know-how is incorporated into every business decision. Getting a partner that shares the same goals and managing expectations are the key to a long-term, mutually beneficial relationship. I always talk it out with potential partners, hashing over all business possibilities and scenarios, just to make sure we are clear about each other's thought process and concerns."

More than three decades of dedication, vision, thought leadership and precise execution have turned Ademco into a self-made, trend-setting, ever-expanding multinational systems integrator and services provider. It will be interesting to see where the dynamic duo is taking the company and Asian security industry for the years to come. Stay tuned!

About T.C. Koh

The concept of standardization in security and safety was also brought into the region by T.C. He was instrumental in helping draft the Singaporean Fire Standards and Legislation in the 1970s and 80s. When elevator robberies were common back then, he spearheaded the national campaign to put panic alarms in elevators. In the late 80s, T.C. rallied for schools to beef up their security and safety measures. In the 90s,

the visionary proposed the adaptation of a reliable wireless packet data network for fire alarm signal transmission, putting Ademco almost a decade ahead of the competition in alarm monitoring.

About Toby Koh

Toby graduated from the University of San Francisco, majoring in Finance with a minor in Economics. He had been a corporate banker for three years, focusing on IPOs and syndicated loans in the property and construction industry. Toby has consulted for various ministries and statutory boards of the Singapore government, especially in Class A high-security requirements, which include proposals in times of national emergency. He has also provided consultancy for a number of mostly American and European MNCs in the region. His expertise revolves around crisis management, loss prevention, and physical security audit and design.