

# Securing the future

Security firm Ademco's enterprising spirit is evident in its colourful history and bold plans. **TIMOTHY SEOW** reports

**I**F WHAT Toby Koh says is right, even the likes of Danny Ocean and Rusty Ryan are going to have a challenge on their hands trying to break into the vault at the Resorts World Sentosa (RWS) casino.

"In the vault, you have light, sound and vibration detection, as well as a lot of other passive infra-red and microwave sensors," said Mr Koh, the managing director of security firm Ademco (Far East) Pte Ltd.

"It's literally impossible to really break in because you cannot not even make a sound!" Mr Koh, 39, said with a smile.

Ademco beat out "big boys" like Chubb, Tyco and Cisco to supply the security infrastructure for the whole of RWS – including the casino. For some SMEs, the \$4 million contract would have been their biggest milestone. But Ademco, which has an annual turnover of \$15.5 million and a headcount of 300 in Singapore, is an SME with a long and colourful history – one whose fortunes are largely the work of Mr Koh's father, T C Koh.

A true raconteur, the older Mr Koh is full of vivid stories about Ademco's role during the early years of Singapore's security industry. Importantly, his tales also reveal an enterprising "can-do" attitude that seems to be the basis for the company's success over the years.

T C Koh, having built up a name for himself making alarms and locks for banks, set up Ademco here in 1977 as the regional headquarters of Ademco USA and started out selling security components.

The security industry then, howev-

er, was in its infancy. As such, there was a lack of people to install these components. Without installers, any distribution business would fail. So the older Mr Koh did the only thing possible – train new installers.

"Every night I had training sessions in my office – what alarm systems were and how you install them. I started growing the business with all these dealers. They were the ones that went out to do the installations, and that's how I started selling components to them," recalled the older Mr Koh, chairman of the Ademco security group who is now in his 60s.

He was so industrious that his efforts even gave a leg up to Cisco, which was then "only in the guarding business".

"The biggest installer I created was Cisco – my competitors now. At that time, Chubb used Cisco to handle monitoring calls. So I talked to the GM and said, 'Look, why are you doing that? You can do installations.' And I did that only because I wanted to sell components to them, that's all!"

This enterprising quality constantly re-emerges in Ademco's story, with T C Koh eventually buying Ademco (Far East) in 1985 from its parent company in the US, in the process moving from distribution to security systems.

The older Mr Koh's enterprise is also at the heart of many other pioneering ideas in the Singapore security landscape. For instance, he came up with the idea of privatising fire alarm monitoring services – a change eventually approved by Parliament – which made Ademco only one of four licensed carriers.



ARTHUR LEE

**Pioneering ideas:** Chairman TC Koh (right) and managing director Toby Koh. Ademco beat out bigger players like Chubb, Tyco and Cisco to supply the entire security infrastructure for Resorts World Sentosa, including the casino

Ademco is also the first, and still the only, security company with a fully functional wireless mesh network in Singapore – a system originally conceived by the US military – meaning that its services are no longer dependent on telephone lines.

But while Ademco's history is well woven into the local security fabric, the enterprising spirit that served the 33-year-old company so well in the past still exists in the present.

"We hold the vision of becoming an Apec leader in the security industry. We have a presence now in Singapore, Malaysia, Philippines and China," said Mr Koh. "Basically the plan over the next three years is to really grow our footprint, and probably go for a public listing in two or three years' time."

Mr Toby Koh also said that the company "could probably do a Catalist next year", but is biding its time for a mainboard listing because then it would "get much better pricings".

These plans, however, are only possible because of a management buyout (MBO) in January this year, which brought the company back into private hands.

In 2007, Ademco was acquired by Rentokil – ironically to fulfill the same regional expansion plan. "There were always suitors. In 2006, though, the family decided that as an SME, we had limited resources. We had grown the business to as much as we could grow," explained Mr Koh. "So we thought, 'Why don't we explore selling out the business, if the buyer shares our vision?'"

Rentokil seemed to fit the bill as it wanted to enter the Asia-Pacific security industry, even selling its US\$500 million security business in Europe and the US.

But the global financial crisis of 2008 changed things. According to Mr Koh, the management team in London gave instructions to halt expansion.

"It ran on for months, and basically we decided that this isn't exactly what we had agreed on. In our thinking, the crisis was the best time to go out there, acquire more businesses and grow them," Mr Koh said.

Eventually, Rentokil allowed an MBO, which was led by T C Koh. "We didn't get it on the cheap," Mr Koh remarked, saying that they paid "an above market P/E" for it.

Nevertheless, with the freedom private ownership affords, Ademco is looking firmly to the future. And according to Mr Koh, part of this means constantly re-inventing the company.

"We spent about \$400,000 re-inventing our workflow process. We deployed a cloud computing system that basically allows us to respond very quickly and gives us a single platform for the entire region. That allows us to have consistency throughout."

According to Mr Koh, this is "one of the key reasons MNC customers have been using our systems". Avaya,

for example, has partnered the company for the last eight years.

Mr Koh also noted that having integrated security systems which not only protect but add value to management systems is an upcoming trend in the industry.

"A lot of end-users still do not see the potential of using their security platforms as a platform to assist in their business management tools."

One customer that has, however, is RWS. "Resorts World is very far-sighted in trying to get the most out of its investment in security," Mr Koh said.

In that project, Ademco integrated RWS' security system with "literally all the back-end solutions", said Mr Koh. For example, employees can use the same access card for time attendance, payroll, point-of-sales systems, and even to get food, he said.

Once this trend catches on, Mr Koh said, Ademco is "primed" to capture the business.

And given Ademco's enterprising history, one is inclined to believe him.