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Making Its Mark

ADEMCO (FAR EAST) PTE LTD IS SET TO CONQUER ASIA PACIFIC, HAVING FINALIZED A RECENT MANAGEMENT BUY-OUT.

TEXT ANUSHA K

A corporate history full of significant milestones is an apt description for leader in security, Ademco (Far East) Ptd Ltd. In operation for over three decades and a recent Management Buy-Out just finalized, the firm is set to make its mark on the Asia Pacific region. "We have shareholders with 'financial muscle', and now that the deal is done and the company is owned, we are ready to enlarge our geographical footprint in the region," says Managing Director Toby Koh.

Ademco has its sights set on markets in Singapore, Malaysia, Philippines, Indonesia, Thailand, China and Vietnam. The firm has come a long way since its incorporation in Singapore in the 1970s. It started off on ambitious grounds, with Senior Vice President of Ademco USA, Ted Waibel, approaching Toby's father, T C Koh, with plans to set up Ademco in Singapore. The offer materialized after Ted was impressed with

the elder Mr. Koh's help with another project that he had enlisted his help with. The partnership took off with Ademco being set up in Singapore as a regional headquarters. Mr T C Koh then set forth conquering the local security market, especially after a management buy-out in 1985 led by himself. Currently, the firm boasts an annual turnover of S\$15.5 million and staff strength of more than 300 personnel in Singapore, and it has been delivering integrated innovative and comprehensive electronic security, fire detection and monitoring systems to more than 5000 institutional, commercial and government clients across Asia since its inception.

KEY TO SUCCESS

The key to their success thus far has been in coming up with intelligent, one-stop solutions that leverage on the possibilities of using a security

platform for other business functions. "We educate our customers," states Mr Toby Koh. He cites several important projects as examples which include notable contributions such as assisting Singapore Civil Defence Force in privatising fire alarm monitoring services; developing the telephone line based remote video transmission technology deployed by the Singapore Traffic Police; introducing intrusion detection systems into Singapore schools; establishing Singapore's first and only wireless mesh network dedicated to fire, security and critical alarms transmissions; and implementing Singapore's first Internet Protocol alarm transmission system.

"For example, back then with CISCO, they only had manpower in the form of armed guards," explains Mr Koh. "Ademco convinced them to set up an electric security arm in their business, by educating them on the usefulness of having such a system in place."

The privatization of fire alarm monitoring services by the SCDF resulting in the DECAM (decentralized central alarm monitoring) initiative is another illustration of how the firm went ahead and spearheaded new initiatives in the field of security, winning over important clients, which led to further expansion. "We helped out with restructuring the fire code in Singapore," says Mr Koh. "Back then, the fire regulation was such that every building exceeding a certain size must be monitored for fire, and a fire alarm on those buildings must be connected to the fire brigade. The issue here was that the fire brigade was spending too much time and resources on answering calls and manning this system while they should be out fighting fires instead. We went to the Fire Chief, Arthur Lim, with the suggestion to change the system."

The elder Mr Koh assisted with redrafting plans, and discussions between Ademco and the SCDF finally culminated in a new legislation being passed in parliament. The fire code was restructured, and the DECAM initiative was officially legalized. Only four licenses have been given out in Singapore - the owners of these licenses being Ademco, Chubb, CISCO and another company, which is now defunct. Ademco has worked on the most fire alarm monitoring systems, being responsible for up to 2,400 buildings. "The end-users of the systems have a choice to go to anyone with a license," says Mr Koh, "but even as we were preparing for

the legislation to be finalized, we were already preparing to convince these end-users to work with us." Thus, the firm realized the importance of continuously coming up with new ways of solving existing problems, or creative solutions with existing services that they are able to provide for their clients. At the same time, the company firmly believes in maintaining high service standards. In 2004, Ademco attained recognition from SCDF as the alarm provider with the lowest rate of false alarms for DECAMs, a position that it continues to hold.

Another important milestone came about in 1998, when the firm attained approval and licenses to build and operate Singapore's first and only high performance wireless Mesh network dedicated to fire, security and critical alarms transmission. "There needs to be two communication lines according to fire alarm regulations," explains Mr Koh. "One is a regular phone line, and the other is a leased line from SingTel." The company sought a wireless network when it realized that it was a better solution for various reasons, one of them being the "true" nature of the wireless signal. Unlike a phone line, it simply could not be cut. The wireless network also allowed it to be free from additional costs, such as the possibility of having to re-wire phone lines and so on.

LIMITLESS POSSIBILITIES

More recently, the company worked on a project with Resorts World at Sentosa, providing security solutions with regard to access control and intrusion detection. "We have smartcard readers at about 1,000 doors throughout the premises," reveals Mr Koh. These include the hotel, casinos, conventions, Universal Studios - in short, at access points throughout the entire site. Once again, the company integrated its security solutions with other management functions, coming up with an all-rounded, value-added package for Resorts World.

"It is not just security. There is close integration with as many resource management tools as possible," shares Mr Koh. For instance, Human Resource functions such as payroll and attendance are dealt with as well. Every employee is given a smartcard, which is commonly used for security purposes such as allowing access to certain areas on the premises - through doors at the hotels, for instance. These smartcards are then integrated with Human Resource

functions, so that attendance can also be monitored. At the same time, in the event that an employee leaves the firm, his resignation will be captured with the cessation of his access privileges. Thus, on the payroll side, common Human Resource problems such as failing to omit the employee's name from the payroll are also eliminated. The smartcard also has various capabilities in addition to that. For example, employees have a laundry system whereby they send their uniforms for dry cleaning. With the smartcard, uniforms are tagged accordingly and the entire process is automated, drastically increasing efficiency. The smartcard is thus a one card to fit all; a one-stop solution for various business needs.

Ademco also works with Watson's departmental store, value-adding their services to encompass more than just security solutions. Ademco currently allows its clients to obtain real-time information via its internet portal. For the case of Watson's, this is especially handy. Once a store is open and its security system simultaneously set up, information is relayed to Ademco's Central Monitoring System, and simultaneously made accessible on the Internet portal. Watson's store managers are thus able to monitor whether stores are open and closed on time. Thus, sales is not lost at any point due to late opening or early closing of the stores when management is not present. Another common problem faced by retail stores is internal theft; Mr Koh estimated that up to 50 percent of theft is carried out by stores' own staff. Ademco is able to assist with this as well. When the store is accessed outside opening hours, a signal is sent to the Central Monitoring System at Ademco, and this information is relayed to management. Thus, at the cost of a single security solution, retail stores such as Watson's are able to manage their businesses more effectively. "We let our customers know what they can do with our solutions," states Mr Koh, once again emphasizing on the importance of educating their customers. "We help them get more bang for their buck."

NEW TERRITORY

Ademco's success has not gone unnoticed. They were approached by several large MNCs in 2006, when the economy was doing well, for a buy-out. The company held out, however, for a deal with suitable agreement terms. In 2007, Rentokil Initial PLC acquired Ademco

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ABOVE :
"2009 Resorts
World at Sentosa

as the Asian springboard to the security market in Asia, with Mr T C Koh as the advisor. "We were agreeable with Rentokil for various factors," says Mr Toby Koh, "they were listed on the FTSE 100 and the London Stock Exchange, had established themselves in Europe and the US, and wanted to develop the business in the Asia Pacific region as they believed the UK and US markets were too matured." However, due to a subsequent change in the company's Asia Pacific strategy, the status quo did not last long.

The outlook for Ademco still remained bullish, with the focus on expansion as management realized the immense and untapped potential of the business. In 2009, Mr Koh rallied friends in the business, including several CEOs of large listed companies, in an effort to seek the finances the company required for a buy-out. As of January 2, 2010, the management buy-out was finalized under the Ademco Security Group led by Ademco's founder Mr T C Koh. "Deal done," says Mr Toby Koh. Ademco is poised for making its mark in the region with new set ups, acquisitions and joint ventures. As the company faces new challenges, Mr Koh is confident that Ademco is set to become a recognized market leader in Asia. **SI**