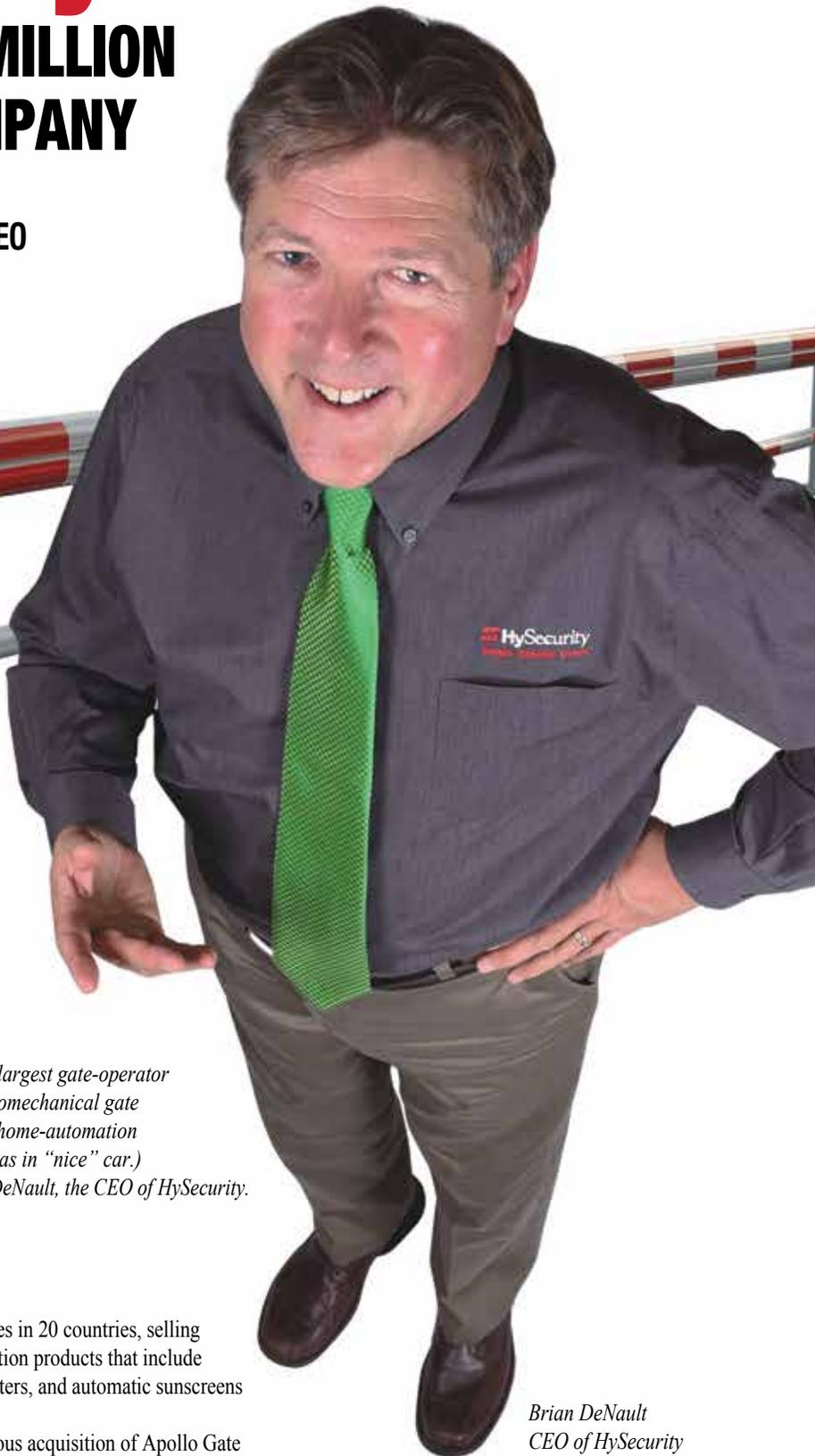
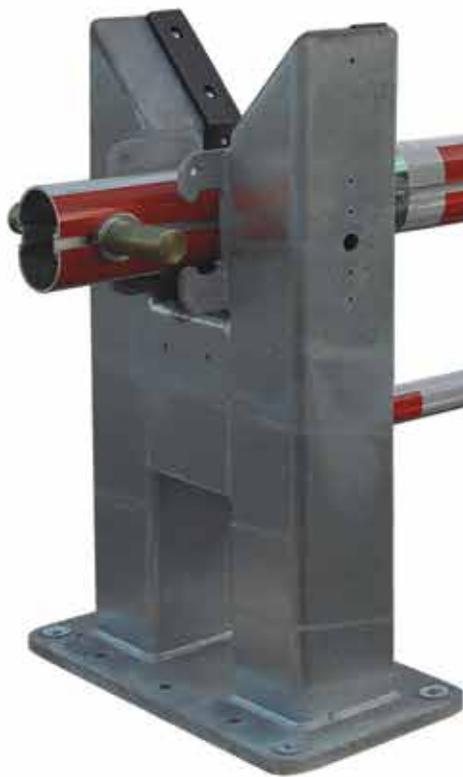


# HySecurity

## ACQUIRED BY \$300 MILLION INTERNATIONAL COMPANY

Exclusive interview with HySecurity's CEO



*Editor's note: HySecurity is one of America's best-known and largest gate-operator manufacturing companies, specializing in hydraulic and electromechanical gate operators. In July, HySecurity was acquired by Nice, a global home-automation company based in Italy. (Nice is pronounced in the usual way, as in "nice" car.)*

*To learn more about this acquisition, we talked with Brian DeNault, the CEO of HySecurity.*

### What should the industry know about Nice?

Nice is a \$300+ million company with branches and subsidiaries in 20 countries, selling into 130 countries worldwide. Nice is known for home automation products that include automated gate systems, garage door operators, motorized shutters, and automatic sunscreens for residential and commercial buildings.

U.S. installers may have heard of Nice because of its previous acquisition of Apollo Gate Operators in San Antonio, Texas, a maker of residential, light commercial, and solar-powered automated gate systems. Apollo/Nice was recently renamed Nice USA.

Brian DeNault  
CEO of HySecurity

## How did this acquisition come about? Did you approach Nice, or did they approach you?

I have never tried to sell HySecurity, but I have been frequently approached by European and U.S. manufacturers who found it very attractive and wanted to buy it. Nice first approached us some years ago, but I didn't believe that we had enough in common, and the discussions stopped.

I've always been a long-term strategic planner, and as I was turning 60, I began to think more seriously about the need for a succession plan for HySecurity. I have poured in significant personal effort to grow this company since it began in 1980, so it was important to me to find a platform that would preserve and continue its growth. HySecurity is like my own child, and I had a strong desire to see that the company and all its employees continue to thrive for many years beyond my tenure as its leader.

It was serendipitous early this year when Lauro Buoro, the chairman and founder of Nice, sent me a surprise message that he was traveling to Seattle to express his interest in having the two companies work together. Lauro and I are both former electrical engineers and self-made entrepreneurs. We also share a belief that a business must keep great employees and earn loyal customers by being much more than just a capitalistic enterprise.

After we discussed a shared vision, I was enthusiastic because I knew in both my head and heart that this marriage would create a nice future for HySecurity and all its employees.

**It's clear that Assa Abloy, FAAC, and other major European companies have significant intentions in the U.S. market. Does Nice consider Assa Abloy and FAAC its primary U.S. competitors?**

I've seen no indication that Nice's business planning is driven by the strategic moves of competitors. Lauro started Nice in 1992 from his parents' garage, with a vision to offer excellent products that were easy to install and had a more elegant design than competing products. So, Nice built the company upon the strength of its products.

Nice also has a vision to be an international company, and it has grown organically and through acquisitions. It now has operations in 20 countries, a remarkable feat in just a few years.

Nice wanted a stronger position in the U.S. market than it had attained through its acquisition of Apollo in 2008. The quality and diversity of HySecurity's products and markets were very appealing to Nice, and our two corporate cultures and strong customer service orientation were very compatible.

**Acquisitions by overseas companies don't always work out. What assurances do you have that this purchase will be good for HySecurity?**

I chose Nice very carefully. Nice is one of the top three gate-automation companies in the world. With their global reach and substantial size, our product lines and markets will only expand and flourish.

Their purchase of HySecurity stock also creates contractual continuity, ensuring that the corporation and all its contracts continue. I still lead HySecurity as its CEO, and our management team doesn't change.

Nice has acquired many companies since 2000. It has an excellent track record of acquiring successful companies and giving those companies the resources and support needed to expand that success.

In short, Nice doesn't "take over." They have a respected reputation for giving their subsidiaries autonomy, product development support, and other resources.

**So, you're optimistic about HySecurity's future?**

Absolutely. After I purchased HySecurity in 1998, we grew from being a small niche player to becoming the second-highest-selling commercial gate-operator company in the United States. Installers know how important HySecurity is to me. Many know how involved I have been since its beginning in 1980 and that I will continue to guide its evolution.

All along, we've been careful to avoid growing too fast, making sure that we have adequate inventory, labor, space, and IT systems, etc., in order to handle our growth. I have every confidence that this acquisition is a huge step forward at the right time to ensure HySecurity's future.

**What company or personnel changes can installers expect from this buyout?**

HySecurity's management remains unchanged, and I'm not going anywhere. This company will be here for the long run. In January 2017, my duties will actually expand as I become the CEO of HySecurity and Nice USA in San Antonio.

HySecurity is a "high touch" company. We're known for our products, our responsive customer service, and for providing the most hands-on technical training in the industry. Our installers and distributors can expect more of the same.

**Do you have an agreement to stay with the company for a specified time?**

I am contracted to run the combined HySecurity and Nice USA companies through 2018. But don't expect me to exit. I plan to grow and develop HySecurity along with my new international partners for some time to come.

**What about products? Do you expect to see any Nice products get additional distribution in the U.S.?**

We launch new products with a lot of careful forethought, market engagement, and product testing. We're paying that same attention as we integrate Nice USA and HySecurity. The combined 2017 company will pack a punch all the way from residential single-family products to commercial, industrial, and anti-terrorist products.

We're also asking distributors and installers for their input at [www.surveymonkey.com/r/hysecnice](http://www.surveymonkey.com/r/hysecnice). We're at an important crossroads that requires much distributor and installer input, and we are listening.

**This acquisition by Nice is one of several in the last six years. Can we expect to see Nice acquire another American company in this industry?**

Nice is a growing company, and that growth is partially driven by acquisitions. The Nice universe is a very large world market, so who knows where it may grow next? ■