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## ISR goes the way of Stanley

By Chelsie Woods, editor

NEW BRITAIN, Conn.—Stanley Works continued to grow its systems integration business in December, buying one of the largest independent systems integrators to service the government market in a deal valued at \$34 million.

ISR Solutions, which boasts 50 percent of its business as coming from the government market, is the latest to join Stanley

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### ISR joins Stanley

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Works. Other recent acquisitions include Frisco Bay Industries in early 2004, Best Access, Blick and, most recently, Sargent & Greenleaf and The SafeMasters Co. (See related story on Page 1.)

The acquisitions are all part of

Stanley Works' plan to build a \$2-billion to \$3-billion business. With Chantilly, Va.-based ISR Solutions onboard, Stanley Security Solutions, the company's security business, inched a little closer to that mark with \$750 million in business.

"We're very strong in the retail sector and pretty strong in

the university and college sector. But we were not strong in the government sector or as strong as we'd like to be in financial institutions," said Gerry Gould, vice president of investor relations for Stanley Works.

The deal comes after several months of industry speculation that ISR Solutions was up for sale.

The Carlyle Group owned the largest interest in the systems integrator. Other investors included Fairfax Partners, Claneil Enterprise and ISR Solution's founders.

Since then, capital infusion from The Carlyle Group helped it average 35 percent growth each year. In its fiscal year 2004, which ended in June, it reported

\$40 million in revenues.

For ISR Solutions, becoming part of Stanley provides it with brand recognition. "Everybody in the United States has heard of Stanley," said Joe Costa, chief executive officer, president and founder of eight-year-old ISR Solutions. "In the Security Solutions space, they have a much larger footprint than ISR. And it will benefit our clients with a national presence with better service."

Costa and co-founder Tony Padilla, chief technology officer, will both remain onboard.

The decision to sell ISR Solutions came sooner than expected, according to Mark Frantz, principal of The Carlyle Group.

"We got one out of the blue in the summer," said Frantz, about an earlier offer, which did not come from Stanley Works.

When the company received that offer, it was prompted to hire USBX Advisory Services.

"They had a pretty strong overture from another, strong strategic player," said John Mack, chief executive officer of USBX. "We helped them to essentially run that process to do a market check of how much interest there was in the business." **SSN**

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