

CLEVELAND BUSINESS

Kinetico exec going global to increase growth flow

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After building a reputation for innovative engineering and building a base of loyal customers over 30-plus years, Kinetico Inc. of Newbury faced a dilemma: How does a business that has developed successful growth strategies at home sell itself globally?

Enter Shamus Hurley, a 46-year-old Canadian who has brought an outsider's perspective to the job of taking the manufacturer of water treatment systems "to the next level," as he puts it, in his new role as president and CEO of Kinetico.

Mr. Hurley came to Kinetico in August after serving as president of Bosch Security Systems Inc., a \$400 million division of the German manufacturer Robert Bosch GmbH. He succeeded Keith Tompkins, Kinetico's president since 1999 and a 30-year veteran of the company, which was bought in June 2006 by diversified manufacturer Axel Johnson Group of Sweden.

Mr. Hurley, a 20-year veteran of the security systems business, said he was enticed by the prospect of running the maker of water filtering and softening equipment for residential, commercial and municipal use after he learned of the position this summer when Axel was conducting a national search.

Though he has been on the job just a couple months, Mr. Hurley already has set as part of Kinetico's strategic plan a thorough assessment of target markets overseas. He said once the due diligence is done, Kinetico will determine the best means to drive growth, whether it's through acquisitions, joint ventures or direct marketing campaigns.

Mr. Hurley said opportunities to expand Kinetico's presence in

regions such as Latin America and the Asia Pacific region are bountiful because of water quality issues in those markets. While Kinetico does have customers in those areas, "We are not in those countries in a way I would call critical mass," he said.

Mr. Hurley praised the company's product lines as well as the technical and engineering knowhow that has made Kinetico an industry leader. However, he said he hopes to bolster Kinetico's "curb appeal" to prospective customers by making its name more recognized inside as well as outside North America.

An effective mechanism for spreading the Kinetico name closer to home is through the company's base of 260 dealers in North America, said Mr. Hurley, who holds a bachelor's degree in physics from Concordia University in Montreal. Indeed, he calls Kinetico's dealers the "lifeline" of the company.

Dealing with dealers

Making Kinetico's solid dealer network even stronger is one reason Mr. Hurley was hired, said Mike Milligan, president and CEO of Axel Johnson Inc., the North American operating arm of Axel Johnson Group.

"Shamus brings with him a great deal of direct experience in working with and building strong dealer organizations," Mr. Milligan said. "While at both Bosch and Honeywell, Shamus led the development of some of the best independent dealer businesses in the security industry." Mr. Milligan was referring in part to the 14 years Mr. Hurley spent with Honeywell International Inc., where his last job was heading up North American sales for its security and

fire division.

Mr. Hurley also wants to review how Kinetico can streamline its product offerings. He said the company has earned a reputation for custom-engineered water treatment and softening systems. He wants to explore making Kinetico's products less unique and more adaptable.

For example, Mr. Hurley said producing a water-filtration unit to fit on any typical water faucet is ultimately more marketable than a custom water filtering system that only can fit in a basement of a home. The company has the capability to do both. However, Mr. Hurley said he wants to explore how additional "plug and play" products can add to the company's profitability.

Privately owned Kinetico doesn't disclose its sales or profits. However, by maintaining the double-digit growth that the company has experienced in each of the last few years, Mr. Hurley predicts Kinetico will reach \$500 million in sales by 2013.

New boss, new teams

To learn more about Kinetico's clientele, Mr. Hurley has met with major customers "to make myself more visible."

He has made himself more visible at Kinetico's Newbury headquarters as well. Of Kinetico's 400 employees, 250 work in Newbury. The company also operates plants in Canada, Denmark, France and the UK.

While the company's work force



MARC GOLUB

President and CEO Shamus Hurley came to Kinetico Inc. in August after serving as president of Bosch Security Systems Inc.

remains "tight-knit," subtle changes have occurred since Mr. Hurley arrived in August, said G. Vincent Slusarz, who was named chief operating officer last December.

Mr. Slusarz, who has been with Kinetico since 1983, said while the culture at Kinetico has been largely unaffected, new teams drawn from different company segments — such as research and development, marketing and manufacturing — now meet routinely to discuss progress in their respective departments.

"One change has been instilling more discipline as we form and execute our plans," he said. But Kinetico's core competencies remain the same, which attracted Axel Johnson to Kinetico as the Swedish company looked to grow its water treatment portfolio, Mr. Milligan said.

"We believe that access to clean, safe water will become increasingly challenging in the coming years, both in developed and developing countries," Mr. Milligan said. ■