

Gateway Security new CEO plans geographic expansion; public offering too lucrative to think about, owner says

Kurus Elavia, the new CEO of New Jersey-based Gateway Security, plans to expand the company into adjoining states, he said. Elavia, who started as a security guard with Gateway 19 years ago, recently took over day-to-day responsibilities from founder Louis Dell'Ermo, who remains chairman of the security and personnel company. Elavia, 42, helped grow the company as COO from around USD 15m in revenue to its current size of around USD 70m, after he presented a strategic plan to Jim Dell'Ermo, Louis' son. "I just wanted to double the size of the company," Elavia said.

The Mumbai-born executive came to the US in 1987 from Bombay University with a background in business, but a passion for martial arts, which he taught in Ohio. Elavia said he wants to expand the business into adjoining urban markets like Philadelphia, Detroit, Chicago, and Boston, partly by acquiring smaller security concerns. Elavia said he is interested in disaster management and emergency response companies, as well as ground service support for airports and IT security. "We're always invited to bid [on acquisitions] but have declined," he said, though this is likely to change in the future. However, Elavia and Dell'Ermo said the company has avoided going to either private equity investors or the public markets to finance growth.

"We've stayed away from private equity because we want to control our destiny," Dell'Ermo said. "I've been staying away from an IPO," despite receiving approaches, he added. "We don't even think about it. Once we do it might be too lucrative." Dell'Ermo said that Gateway has carved a niche out of personal attention to clients that large and public companies usually cannot provide. Dell'Ermo still returns calls at two in the morning, he said, and maintains relationships with customers despite ceding operational control to Elavia. The company has been active in supporting juvenile diabetes charities and the Boy Scouts of America.