ADT expected to join South Florida's headquarters group

By Marcia Heroux Pounds, Sun Sentinel

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A new corporate headquarters is about to emerge in Boca Raton: the ADT security business is slated to spin off next week from parent Tyco International and create a $3.1 billion company.

If approved by shareholders Friday, ADT will leave the nest with the expectation it can fly on its own, potentially creating new jobs, boosting the local economy and making the region more attractive to new employers. As a separate public company, ADT also will have its own board of directors, some of whom could be drawn from the region.

A public company headquarters like ADT "puts us on the map," said Greta von Unruh, executive director of Palm Beach County Counts, which provides local data to encourage community involvement. ADT's continued presence in Boca Raton "says you can find the talent needed to headquarter a public company here," she said.

South Florida has just a handful of big, publicly held corporate headquarters including Florida Power & Light's parent NextEra Energy, AutoNation and Office Depot.

Recruiting corporate headquarters is a key strategy for job creation by Palm Beach County's Business Development Board because they create high-paying jobs.

One example is Garda World Security Corp., a Canadian security company that last year moved its U.S. headquarters to Boca Raton. Garda already has 125 employees in finance, accounting, sales, legal, marketing and human resources, and has plans to hire another 50 professionals, said spokeswoman Nathalie de Champlain.

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A corporate headquarters also is desirable because it usually invests in its community, supporting local non-profit and charitable organizations.

AutoNation, the nation's largest auto retailer, supports local education, sponsoring an arts academy and IMAX theater in Fort Lauderdale as well as numerous charities. Chief executive Mike Jackson serves on the board of Nova Southeastern University's Huizenga School of Business.

United Way of Palm Beach County CEO Chuck Anderson said local headquarters companies are top contributors to its charitable campaigns. Florida Power & Light Co. and its parent NextEra
Energy gave $1.4 million last year. Top executives from those big companies also volunteer their expertise.

Headquarter companies "bring you the kind of leadership that elevates the discussion at all levels, is active with the schools and with community development," Anderson said.

But when a company is publicly traded, it also brings attention to the business, top management and the community.

Tyco once made headlines for the shenanigans of former CEO L. Dennis Kozlowski, now serving a prison term for looting the company. Kozlowski's excesses included a $2 million birthday party for his wife on the island of Sardinia and an $18 million Manhattan apartment. In early August, Tyco reached a tentative settlement with Kozlowski over $506 million in compensation and benefits.

With Tyco now under CEO Edward Breen, the company has tried to put that dark period behind it. In 2007, Breen dismantled Kozlowski's empire, splitting the conglomerate into related businesses.

If approved on Friday, Tyco shareholders will end up with shares in three companies: Tyco, ADT and Flow Control.

William Stronge, an economics professor emeritus at Florida Atlantic University and a Tyco shareholder, said thinks the company may grow by acquiring smaller security firms.

"If the plan works out and they're able to expand, that should benefit Boca Raton," Stronge said.