

OC'S BUSINESS PERSON OF THE YEAR--PROFILE

SERVICES: BUILT SECURITY FIRM WORTH \$8.4B

Steve Jones: CEO of a 230,000-Employee Company

By [Peter J. Brennan](#)

Monday, January 6, 2020

When Steve Jones started working in 1996 at a Santa Ana security firm that had \$12 million in annual sales, he had a goal that he was reluctant to share.

“I originally told my partners we would be a billion in sales,” he recalled. “They thought I was crazy. You couldn’t use those words.”

Now some 23 years later, he’s reached that goal and then some as chief executive of Allied Universal, which has an annual run rate of \$8.4 billion. The company now has a valuation around \$8.4 billion and has another \$4 billion in debt.

In 2019, he convinced Canada’s second-largest pension fund, Caisse de dépôt et placement du Québec, to invest in his firm. Allied made eight acquisitions last year, including four during one month long stretch.

It now employs more than 230,000, which is larger than the Saudi Arabian army. It provides security for about a quarter of the Fortune 500 companies, CEOs and their families.

It’s also positioning itself as more than merely a provider of security guards by introducing technology such as the HELIAUS platform it unveiled last summer. HELIAUS combines artificial intelligence and human eyes on the ground to foresee potential trouble spots in security.

For all these reasons, Jones was selected as a Business Person of the Year, in the services category.

“I appreciate the acknowledgement,” Jones told the Business Journal. The company’s growth “has exceeded all my expectations.”

Roll Up

Jones, who has never worked as a security guard, earned an MBA at night school from the University of Redlands after obtaining a political science degree from Cal Poly San Luis Obispo.

After joining Universal Protection Services, he eventually became co-CEO in 2000, then CEO in 2007. He believed the security industry, which is highly fragmented, could be rolled up in a manner similar to what Waste Management did in the trash industry.

When Jones began to embark on a similar strategy, he would announce a goal of \$50 million in annual sales, raise it to \$100 million, then \$250 million and \$500 million before finally reaching a billion, at which point he brought in private equity investors.

“I had a vision and a goal of a billion. There was no question we’d get there,” he said.

“I wanted to build a billion-dollar business and when we got to a billion, my lens got bigger.”

In fact, one of its investors, Partners Group, was so pleased with tripling its investment returns that its website cited Jones’ company as a case study. During a two-year stretch, the company made 22 acquisitions.

The biggest deal came in 2016 when Universal merged with Allied Barton, creating a company with \$4.5 billion in annual sales and 140,000 employees.

Wendel SE, the French private equity owner of Allied Barton, cashed out late last year, saying it sold 79% of its total investment for net \$721 million and that it had made 2.5 times its original investment in four years.

It’s also hedging its bets by retaining 6% of Allied Universal.

“We are extremely proud of the business that Steve Jones and the entire Allied Universal team have built during our partnership and look forward to supporting the company’s continued success,” Adam Reinmann, managing director and chief executive of Wendel North America, said in a statement.

More Acquisitions

The company has been hiring new personnel such as Morgan Price, former human resource operations manager at UPS, as senior vice president of recruitment and talent acquisition, and Jim Haugslund, a former top executive at Kone elevator company, as executive vice president of sales and marketing.

About 15 months ago, Jones convinced Andrew Vollero, who was chief financial officer of hot tech company Snap Inc. when it went public in 2017, to join Allied as CFO.

The big acquisition last year was SOS Security, which provides global security services and counts 15,000 employees working in 100 countries.

“Right now, we’re in Canada, the United Kingdom and Mexico City,” Jones said. “SOS expands our footprint globally. It has a significant presence in U.S. embassies.”

Jones said the company doesn’t plan on an initial public offering in the coming year.

In the meantime, he’s made a new goal, which could entail getting Allied up to 250,000 employees. That’s roughly the size of the world’s No. 18 military by personnel: Japan.

“The 2025 plan is to reach \$10 billion both organically and through acquisitions,” said Jones.