

DSI acquires Florida-based competitor

BY JOANNE PAULSON, THE STARPHOENIX JULY 7, 2009



Witney Lemke of Display Systems International Inc. (DSI) compares the company's television listings Monday to a newly acquired listing (right), after DSI purchased TeleGuide's products and customer base

Photograph by: Gord Waldner, The StarPhoenix, The StarPhoenix

Display Systems International Inc. (DSI) has acquired the products and customer base of a Florida-based competitor, TeleGuide (MaxCo).

DSI creates television listings for cable and private cable customers, a growing market for the Saskatoon company, under the LineUp brand. It also produces the ELITE character generator, used for setting up TV community listings or real estate guides, for example.

TeleGuide, with Minneapolis owners, had very similar TV listing products. The acquisition increases DSI's customer base by approximately 20 per cent.

President Dale Lemke said DSI has closed the TeleGuide office in the U.S., but will retain a contractor there. The rest of the work will be taken on by Saskatoon staff, and DSI expects to hire two more employees, said Lemke.

"It will still be a separate product, but it will be run under one company. It will be seamless, in that it will be our product, but the product will continue on."

Lemke had talked to TeleGuide's owner Jeff Maxwell about buying the company for two years. Maxwell finally agreed, and after some due diligence, the deal took effect in May. Lemke declined to reveal the purchase price.

"We wanted his customers. We took over his product, took over his customers, took him out of the market because he was a direct competitor.

"We should be the third-largest supplier of TV listing channels to the cable and private cable industry in North America (with the acquisition)," said Lemke.

The two largest such suppliers are TV Guide and Tribune media.

The economic downturn has actually been good to an already good business.

"Business is great. The nice thing about the cable TV industry is that it's kind of recession-proof. When people are tight with money, then they have a tendency to stay home.

"Over the last three years our sales have been up about 25 per cent per year, and this year will be up about 40 per cent because of the acquisition.

"Next year I'm expecting to be up 50 per cent, because the acquisition was just done very near our year-end (July 31).

"We only had a couple of months of this acquisition to raise our sales 40 per cent."

DSI is also expanding into the TV listings data market. The company collects listings and sells the data for interactive program guides for set top boxes.

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