

Keeping cool at Vette Corp.

Pease firm is becoming a global leader in thermal management



George P. Dannecker, president and CEO of Vette Corp., at his Pease Tradeport office in Manchester Square. Rich Beauchesne/rbeauchesne@seacoastonline.com



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PORTSMOUTH — Based at Pease International Tradeport, the international hi-tech company Vette Corp. offers a glimpse into the future of manufacturing in the country.

Founded by George Dannecker in February 2004, the thermal management solutions company — which specializes in keeping electronics components and data center systems cool — has grown from his home to an emerging international industry leader with more than 1,500 employees, large manufacturing sites in Asia and Rochester, N.Y., a growing client list and a major product development partnership with IBM.

Not coincidentally, it also has attracted sustained involvement from some of the top venture capital firms in the country.

And as Dannecker said, the Portsmouth world headquarters is staffed by eight employees, a template for the lean, decentralized and tech-connected global corporation. "It's not quite virtual," Dannecker said about his company, which has operations and sales offices across the globe.

The key to it all is a matter of keeping cool. As anyone with a personal computer, laptop or consumer electronics product will tell you, keeping components cool and energy efficient is crucial to sustainability and effectiveness.

"The inability to cool properly is the number one reason for electronic failures," said Dannecker, who serves as the company's president and CEO. "It's a vital part of the industry. If you do it efficiently it increases the life expectancy" of the component for larger data center systems.

This ability to expand its market into systems small and large has been the key to Vette's growth and potential long-term strength, he said.

Dannecker, a resident of Stratham who has lived in New Hampshire for more than three decades, has become accustomed to guiding successful companies from the start-up stage. Prior to founding Vette Corp., he was CEO and president of TeraConnect Inc., a venture funded spin-out from Lockheed Martin that focused on telecommunications and data communications products. He was also president and COO of Aavid Thermalloy, where he globalized manufacturing and expanded operations into England, Singapore, Taiwan and China. Aavid Thermalloy grew to a 2,500-employee manufacturing business with 13 global sales and manufacturing facilities and revenues of more than \$300 million.

Dannecker, whose expertise is sales and marketing, said that Vette has been able to grow and capture international market share because of two factors — highly experienced management and engineering teams and that it designs, develops and manufactures its own products. This has allowed it to cut a wider niche from components for OEM producers to much larger data center system operations through a development project with IBM.

The fundamentals of the industry, he said, are steady growth because of the continued spread of telecommunications and electronics segments in the consumer and business sectors and "component and data center thermals will always be a challenge" as the world becomes ever more digitized and speed and capacity continue to rise dramatically.

"The environmental aspects are becoming more compelling," Dannecker said. "Long-term thermal solutions are still at the early industry stage." He said more customers are becoming aware of the potential energy and space savings.

"We tell customers we can save them 50 percent of their data center energy," he said. "If you design your data center with our system, it grows to 80 percent (energy savings)."

Vette's component level customer base includes GE Medical, MKS (an international business that designs systems for processor manufacturing), Harris Systems and Rockwell International. At the data center level, Vette's clients include Purdue University, NASA, and Lawrence Berkeley National Laboratory.

This year Dannecker added some new members to his board of directors.

According to a press release from Bob Nephew, managing partner at David Brooke Associates, which places executives in leadership positions, Kevin Melia, Philip Koen and William Zeitler will serve on the board.

Melia was CEO of MSL Inc., which he grew to a \$1.2 billion publicly listed enterprise. Koen is the CEO and a director of SAVVIS, an \$800 million global leader in outsourced IT infrastructure for business applications.

And Zeitler was most recently senior vice president and group executive of IBM Systems Group where he held responsibility for IBM's total hardware, server and storage businesses, which generated revenues in excess of \$27 billion annually.

Dannecker said the recession has slowed down growth on the component sector of the business but it has remained steady on the data center side. He said one of Vette's top priorities during the downturn is to grow its market share so it can emerge even stronger when the economy picks up.

Dannecker's track record, strong management picks and innovative products have drawn sustained interest from the venture capital community. The company has raised more than \$45 million from in private funding from four leading investment firms — AllianceBernstein, General Catalyst Partners, Kodiak Venture Partners and 3i. Dannecker said the company is reinvesting its profits back into the company to expand its sales, engineering and operations.

The independent life cycle of companies like Vette are not long given the needs of major investors seeking the exit stage of return on investment either through sale to a larger company or an initial public offering.

For more information, visit www.vettecorp.com.