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Stratacache acquires super-majority control of Scala.

What does Scala have that Stratacache wants? "Stratacache has great admiration for the Scala platform, the Scala team, the Scala Reseller Channel and the great history of the company," says Chris Riegel, CEO of Stratacache.

"With the Stratacache acquisition of Scala, we believe that we can help Scala and its partner channel realize the runaway success that Stratacache has experienced in the digital signage industry, while significantly improving the depth and breadth of products and services for Scala customers and channel partners worldwide."

Stratacache goes on to say in their press release: "Combining the largest U.S. digital signage company with the largest international digital signage company will provide significant operational synergies and allow both firms to deliver enhanced solutions and services to customers across the globe. Stratacache's strong balance sheet and large-scale operations will enhance Scala's competitive edge-- and Scala's global channels and significant reseller and partner network will fuel Stratacache's growing business outside of the United States."

So the main driver in the deal is that Scala has the international footprint and channel partners that Stratacache feels it needs to grow the business internationally. Scala has over 25 years' experience across wide-ranging industries (like retail, finance, education, healthcare and more) with a world-wide network of partners and developers spanning more than 100 countries.

The acquisition could bring operational scale and cost advantages to Scala and should benefit the Scala dealer channel (as Stratacache is publicly making a commitment to additional channel investment, resources and solutions to broaden the scope of offerings for the reseller channel.

"Our offices will continue to remain separate. However, we will be growing our European footprint," the company told us today. "Stratacache will maintain both brands. For example, Toyota + Lexus=Toyota is a good way of looking at it. Multiple versions with different features, costs and capabilities are common in many industries."

The acquisition accelerates Stratacache's goal to reach $1 billion in annual sales by 2020. Their last acquisition (less than one month ago) was the Vertigo QSR Outdoor Digital Menu product line from Civiq Smartscapes (with patented “DACS – Direct Air Cooling System.")

A $500 million company with 270 employees (160 employees in Dayton OH headquarters), Stratacache works with major retailers, banks, stadiums and fast food restaurants. Among its biggest customers is McDonald's which implements Stratacache products in thousands of its restaurants.

"The changing nature of marketing is driving its growth as companies like McDonalds look at ways to automate some processes to cut costs. If a digital advertising product cuts other costs 3% or 5%, it quickly pays for itself," Riegel recently told Dayton Business Journal. He also told them Stratacache is "seeing its first $700 million project now."

"Our industry is changing greatly thanks to consolidations, and we're a leader in that," Riegel said to Dayton Business Journal. "We're going to continue to grow and accelerate our pace." Riegel said he's eyeing a third of the market share-- in an industry he thinks could grow to $3 billion to $4 billion.

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