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## Threat alert gives security firms a boost

BY ED DUGGAN

Fear in the air and heightened terrorist alerts are creating a boomlet in business for some technology and security companies.

Among the winners are Palm Beach Gardens-based American Detection, Miami-based Compuquip, Cooper City-based Guarded Networks, and the Fort Lauderdale-based Navarro Group. Each company is different in what it offers, but each seeks to solve threats of physical or cyber security.

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Former Broward Sheriff Nick Navarro, showing off an antique tommy gun, has seen business at his security firm jump \$3 million annually since Sept. 11.

MARK FREERKS

ECONOMIC JITTERS: WINNERS AND LOSERS

# Bomb-sniffing dog can pay back its cost in a month

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"Companies that our Miami and Tampa staffs talked with in the last few months have all told us the same thing at the same time - just do it - and we are running to keep up," said Tom Ewing, Compuquip's executive VP.

Network firewalls and intrusion detection services make up about a third of Compuquip's product line.

"Our security business alone is up 25 percent during the past three months," Ewing said.

## Wag the dog

Although many dot.com companies were barking up the wrong trees in their pursuit of a market niche, Ron Allen foresaw that a large segment of the security market would go to the dogs - his dogs.

The company, American Detection Technologies, or AmDeTech, has owned and trained dogs to sniff out drugs and bombs - and the demand is insatiable for their four-footed services.

"We lack the resources to take full advantage of the market," said Allen, president of AmDeTech, which has offices in East Woodstock, Conn., and Palm Beach Gardens. "We don't lack the money or credit - it's the dogs, especially the explosives detection dogs. We could use 500 in the next 90 days ... but it just can't be done."

In the 1970s, a trainer could go to the pound and pick up year-old dogs that were there because they dug holes and chewed furniture. Those dogs could be trained for drug or explosive detection duties, Allen said.

In the 1980s, a trainer could still pick up a truckload of potential detection dogs, he said. Today, American dogs are selected for their looks and their working abilities are being bred away.

In Europe, they still have working dogs, primarily German shepherds and Labrador retrievers.

"A 'green' dog, out of Europe in the late '80s, used to cost \$500 to \$600 each," Allen said. Prior to Sept. 11, those dogs commanded prices of \$1,000 to \$1,400. Now they are \$3,000 each, plus \$500 to \$600 to get them here.

## Explosive dogs

To secure and train explosives-sniffing dogs today costs a minimum of \$10,000 each for the year it takes, Allen estimated.

They are worth it. A good explosives dog can earn his money back in a month of work. A team consisting of a man and two alternating dogs can charge \$1,000 a day.

The company has 53 dogs.

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AmDeTech VP Ed Griffin works his explosives-sniffing dog around the Port of Palm Beach.

Ed Griffin is AmDeTech's VP and leader of the pack in Palm Beach Gardens with eight trained dogs. His beat centers around the Port of Palm Beach, and the cruise and cargo industries. The company has training and boarding agreements with the International K-9 College in Palm Beach Gardens, and Southern Hills Kennels in Daytona Beach.

Allen, meanwhile, is planning and executing a "roll-up" strategy, acquiring mom-n-pop dog operations across the United States. He also has plans to set up his own dog breeding and training programs here and overseas.

AmDeTech's revenue in 2002 was \$5 million. Revenue in 2003 could be \$20 million to \$25 million from internal growth and acquisitions, Allen said.

"We have a number of South Florida proposals out," Griffin said. "They total about \$6 million worth and all are at the request of the potential clients themselves."

"We do intend to become the big dog on the block," he said.

The security business has room for a lot of big dogs.

## Ex-sheriff's business grows

Nick Navarro, president and CEO of Navarro Group Ltd., has seen his business

jump \$3 million annually since Sept. 11 and more than \$1 million in the past three or four months alone. The former federal agent and Broward County sheriff from 1984-92, ascribed the latest jump to both a heightened sense of security and military call-ups.

"My business is growing very, very fast. I am sorry to say," Navarro said. "It is indicative of the troubled times."

The company offers business and celebrity clients physical and technical security products and services, ranging from system integration to bodyguards.

"When I left law enforcement and started this business in January 1993, I had very little money," Navarro said. "Today, we are 600 employees strong and still growing."

Large clients include the city of Fort Lauderdale and Fort Lauderdale Executive Airport, the Boca Raton Airport and a half-dozen South Florida water plants. Many are confidential and couldn't be disclosed.

## Cyber security

Network security continues to take center stage among business executives.

The federal Graham-Leach-Bliley Act requires financial institutions to secure their data networks. The act regulates and restricts sharing customer information.

It has helped propel Cooper City-based Guarded Networks from a four-person start-up to a 34-employee security technology and consulting firm in two-and-a-half years.

"Our business is absolutely up, a great success. It's got us dizzy," said Eric Lambert, CFO of Guarded Networks. "Our main product, Border Shield, protects information and is a complete compliance program with a cost-effective 24/7 monitoring and reporting package for financial and other institutions."

Managed security for banks and hospitals account for 40 percent to 45 percent of Guarded's business. Training is 15 percent to 20 percent, with consulting contributing the balance.

The company recently signed three agreements to offer its services: to New South Communications, an Internet service provider in Greenville, S.C., with 15,000 customers; InterCept, a bank data processing company; and Bankers Bank, a corresponding bank cooperative in Atlanta with about 1,000 community bank members.

"These channel partners are very material to our future success," Lambert said. "Their sales of our Border Shield software will help our managed security services become an even larger segment of our business."

## Personnel ships out

Military call-ups could be a factor going forward for some businesses.

"Many of our banking clients are already well protected with network security," Compuquip's Ewing said. "A number of those clients and other regulatory industry clients are coming to us for temporary or part-time network security personnel, because of military call-ups. It's a painfully acute need, but security personnel cannot be found and added overnight."

If a manpower shortage is a trend, it's an early trend. Compuquip may be in the early warning zone because of its close relationship with its long-term clients. High-tech headhunters are not getting calls for replacement network security personnel - yet.

"Our business is very good, up substantially, but our clients are not citing the possible war with Iraq for staff additions," said Alex Funkhouser, VP of marketing for North Miami Beach-based Computer Career Associates.

Ken Gross, president of 4-year-old Data Search Network, a high-tech placement and consulting firm in Boca Raton, said he sees his company's upsurge in business as more of a cycle upturn.

"There has been a noticeable surge in business during the past two months in the travel and retail industries," Gross said. "Our clients are citing project awards rather than military call-ups, or terrorist threats."

Whatever the reason, or thread of reasons, recruiting is on a roll.

"There is a 25 percent increase in job requirements - that is, in people wanted," Gross said. "It's a strong economic indicator and we hope it continues."

On Feb. 14, the White House released its long-awaited cyber security plan. It calls on government to work with private industry to create an emergency response system to counter and reduce vulnerability to cyber attacks.

It is still early and a lot of regulatory blanks need to be filled in, but industry executives are betting this will be the next big mover in the security field.

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