

MARKETPLACE

THE WALL STREET JOURNAL.

THURSDAY, MAY 23, 2002

Playing it Safe



Edgy Companies, Executives Boost Spending on Security To Fight Danger Here, Abroad

By Kris Maher

UP UNTIL RECENTLY, Gaffco Inc. was known for installing the fancy woodworking, often in cherry or mahogany, that adorns executive suites. But these days the Mount Vernon, N.Y., company has a new growth business — bulletproofing boardrooms.

During a weekend, Gaffco rips up office floors, walls and ceilings and installs layers of armored steel and bullet-resistant fiberglass beneath a surface of fine woodwork. On Monday, nobody is the wiser, except the executives footing the bills.

In the past three months, Gaffco has redone six boardrooms in Manhattan, mostly for financial institutions, with costs ranging from \$50,000 to

\$250,000. The reinforced rooms, resembling the "panic rooms" in the film of that name, typically are built to withstand an armed assault from outside for as long as 30 minutes, time enough for police or security to arrive. Gaffco says it also has paid orders or approvals for 28 more rooms, as many as it built in all of 2001.

Amid fresh warnings of more possible major terrorist attacks on the U.S. and recent Federal Bureau of Investigation warnings that financial institutions in the Northeast may be targeted, company managers are growing edgy. Small wonder: As the public face of a corporation, or a potential symbol of American capitalism, executives are ready targets, not just for terrorists and kidnappers, security experts say, but also for angry shareholders or pink-slipped employees.

Spending for corporate protection has been rising steadily for decades, but now security is taking on new urgency even for managers who were more casual about the issue before. R.L. Oatman & Associates' intense, seven-day course, which the Towson, Md., company has offered since 1994, had

a fair share of executives who aren't in security. The \$3,150 program, including lodging, meals, and training materials, including ammunition, offers lessons on everything from how to avoid being kidnapped to bomb detection.

"Based on the present alerts and what is going on in the middle east, executives have become much more aware of their exposure to world events," says Robert Oatman, company president.

Experts say the current security boom initially was a reaction to Sept. 11. Right after the attacks, Thomas Gaffney, Gaffco's chief executive, says he got a flurry of frantic phone calls. Now, he says, "You're getting more of an educated consumer. It's consistent growth."

For Gaffco, that includes rising demand for bullet-resistant podiums. The company has built 12 such podiums this year, up from four in 2001. Costing anywhere from \$4,000 to \$12,000, they are designed to offer protection against a high-powered rifle, and can be taken apart and assembled easily, wherever an executive plans to speak.