



From guard dogs and fences to business intelligence

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By Alex Barker

Hiring investigators or security consultants was once a rare and potentially worrying decision taken at the very highest levels of a company. It was usually a sign of trouble.

These days such contracts are often signed-off by mid-level managers without a second thought. In many areas of business - from due diligence to litigation to background checks for prospective employees - it has almost become routine.

The change in attitude highlights how the industry has come of age. The mystique of espionage and dangerous escapades still lingers, but as a whole the corporate security world has become far less mysterious and decidedly more mundane. That said, those caught in a tight spot in Baghdad, or in desperate need of armed protection for an important meeting in Kinshasa, are not short of places to turn for help.

The following is a snapshot of the industry, gleaned from interviews with some of its leading executives. The groups - both big and small - provide services ranging from physical security and investigations to advice on ways to manage business risk. The selection is not exhaustive.

Marsh Kroll

Established some 35 years ago by Jules Kroll, the father of the corporate investigation industry, Kroll remains a considerable force. Its size and international reach have waxed and waned over the years as its focus and ownership have changed. But for its rivals - often led by former Kroll employees - it remains the company to beat.

Following an ill-fated merger and a spell in private ownership, Kroll was bought in 2004 by Marsh & McLennan, the listed US insurer. It offers a full spectrum of services to business, including corporate restructuring, security consulting, data recovery and background screening.

Managing the very different cultures from the military-led physical security division to the white-collar business risk division has been a persistent challenge. In a move last year that reset its strategic course, the company sold its Kroll Security International business, which provided contract security work in Iraq, to Garda of Canada.

Control Risks

After making its name in hostage and crisis negotiation through the 1970s, London-based Control Risks has branched out to offer something close to a full risk management service for its clients. It has roughly 700 staff and annual revenues of about Dollars 250m and is one of the sector's bigger players.

Security services in Iraq account for about a third of the company's turnover, but revenues have been falling of late. Anticipating the decline, Control Risks has been seeking to expand its consultancy and investigation businesses.

Garda

Stephan Cretier, a former professional baseball umpire, has built Garda into one of the largest international corporate security companies through a string of acquisitions.

The bulk of revenues are generated by its uniformed security guards and armoured car division, which moves cash.

With the acquisition of Kroll Security International last year, the company expanded its presence into war zones in Iraq and Afghanistan. The abduction of four of its British employees from the Iraqi Finance Ministry in Baghdad brought the company some unwelcome international attention.

The Risk Advisory Group

The company was given life by a dramatic mass defection that left Kroll's London office virtually unmanned. The renegade employees, led by Arish Turle, an ex-SAS officer, formed a group with "a name so boring it is utterly memorable", in the words of one industry observer. It has prospered and established a well-respected investigative business and employee screening division. Its Janusian division provides physical security.

Hackluyt & Company

Founded by former British MI6 officers, Hackluyt has cultivated a reputation for discreet and effective investigations. The company butler, a former Ghurka, politely greets visitors to Hackluyt's London headquarters, a town house off Park Lane. In winter, meetings can be taken beside the fire. Computers are rarely in sight.

The advisory board, called the Hackluyt Foundation, has become an exit chamber for captains of industry and former government officials. Members have included Sir Rod Eddington, former BA chief executive, and Sir Christopher Gent, former chief executive of Vodafone.

gpw

A recent arrival on the corporate investigations scene, gpw has quickly made its mark. Established by three former Kroll employees, including Patrick Grayson, a respected industry veteran. It is one of a handful of groups regularly used by the European Bank for Reconstruction and Development.

Aegis Defence Service

Aegis became one of the leading private military companies operating in Iraq after unexpectedly winning a big Pentagon contract to support reconstruction efforts.

The group was founded by Lt-Col Tim Spicer, who ran into controversy during the 1990s leading Sandline's private military operations in Sierra Leone and Papua New Guinea.

Its business intelligence and investigations arm is less well known, but growing fast.

ArmorGroup

The publicly-listed group focuses on physical security, offering its clients protection, training and security consulting services. ArmorGroup is active in Iraq. Its attempts to establish a presence in the business intelligence sector were largely unsuccessful.

Diligence

Run by Nick Day, a former MI5 officer, Diligence has grown rapidly in both size and prominence since its incorporation in the mid-1990s.

The group's advisory board includes heavyweight former politicians and government officials from both sides of the Atlantic, including Michael Howard, former head of the Conservative Party, and William Webster, a former director of the CIA and FBI.

More recently, it has been nagged by controversy after a company Diligence investigated filed a complaint about the techniques it used. Mr Day denies any wrongdoing.

Hill & Associates

A leading business intelligence company in Asia. The group's headquarters are in Hong Kong and it has 14 offices around the world. It is looking to expand its international presence.

Granite Intelligence

Based in New York, Granite is a lean operation run by David McDonough, a former Chase Manhattan capital markets banker turned investigator with Kroll, and Jeffrey Mueller, a former assistant district attorney in Brooklyn.

Arkin Group

Founded seven years ago by Stanley Arkin, a prominent New York lawyer and specialist in white collar crime, and Jack Devine, former chief of worldwide operations for the CIA.