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DIGITS – Gambits & Gadgets in the World of Technology

Security Complex

Dustin Hoffman, in an oft-quoted scene from “The Graduate,” is earnestly advised to consider plastics as the field for a young man to make his fortune. David Peterschmidt, a 56-year-old technology veteran who built the Internet-search company Inktomi Inc. and sold it to Yahoo Inc., is not exactly young, and he has made good money already. But he knows a hot business – like computer security.

Mr. Peterschmidt today will be named chief executive of Securify In., a Silicon Valley start-up that sells technology to help companies and government agencies safeguard computer networks. The company, founded by data-encryption pioneer Taher Elgamal, sells software that it packages with a computer server into a kind of security appliance.

Today, Mr. Peterschmidt says, such products are mainly used to prevent hackers from penetrating networks and to respond to virus attacks. But his ultimate goal is to turn Securify’s technology into a central command center that companies could also use to monitor such internal issues as whether employees are creating bogus entries in order-entry systems, or otherwise violating the newly tightened restrictions on corporate behavior.

Mr. Peterschmidt says he evaluated 30 or 40 companies and also was courted to join venture-capital and leveraged-buyout firms. But he wanted to stick to operations. “I have one more start-up left in me,” he says. “A handful of new companies in the security space are going to become major companies in the next three to five years.”