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FASTEST-GROWING COMPANIES

The 25% club expands

32 make this year's list of staffing's hottest private companies

One makes sure its employees are healthy and know how to get to a job on time. Another conducts drug tests three times a year. And another paid contractors even though they couldn't work during last year's hurricanes.

Those are among 2006's best and brightest private staffing firms that made *Staffing Industry Report's* second-annual Fastest-Growing Staffing Companies list.

The companies on this year's list all had growth of 25% or more, averaged annually over the past five years. The 32 companies that made the cut this year mark an increase from last year, when the list was 26 names long (*SI Report*, Sept. 16, 2005, p.1.) Ten are returning from the year before.

The companies averaged 57% growth over the years 2001 through 2005. Median growth was 42.1%.

We asked companies to submit revenue data starting in 2001 – when, as one executive told us, “the phones stopped ringing” – to the end of 2005, by most measures a great year for the industry.

In fact, three of the companies in the top 10 started in 2001 – **Platinum Select**, **Insight Global**, and **FirstTeam Staffing**.

The list is a cross section of the industry, and its members range in size from \$4 million in sales to more than \$100 million. The largest, **Apex Systems Inc.** had 2005 revenue of \$183 million. The average company size was \$45 million.

All companies are private and individually owned and operated, although one, **S & Gualda**, is a franchise. Two are owned by the same entrepreneur, Mark Elwood, but are different companies in different states.

In terms of specialties, temporary commercial staffing was prevalent. Many, however, place professionals in accounting, information technology and healthcare jobs. Geographically, Texas claims the most headquarters with five, but Atlanta has four. Illinois is also home to four, Massachusetts has three, and California, two.

No one magic formula emerges from the tales the top 10 on the list told us. But one theme that did resonate with several of the CEOs was that they paid strict attention to their

business – and measured quality and production. “We’re intellectually honest with ourselves and constantly try to improve,” said Jim Humrichhouse, president of Pinnacle Technical Resources, which grew from \$2.7 million in 2001 to \$41 million last year.

Personal service was also a priority with many of the firms. For example, CEO Glenn Johnson at Insight Global Inc. also oversees sales.

Our methodology

Staffing’s fastest-growing were selected from a list of more than 70 companies that submitted responses to our questionnaire. To be eligible, a company must be privately held, U.S. headquartered and independently owned, and must have had sales of at least \$1 million in 2001.

The ranking is based on an average of the company’s percentage of revenue increase each year from 2001 through 2005.

We averaged the annual growth percentage for each year to come up with an average annual growth rate. To keep things as fair as possible and get a sense of who is growing fastest organically, we adjusted revenue to exclude the effect of acquisitions.

America’s Fastest-Growing Private Staffing Companies (with average revenue growth above 25%)

7 Addison Professional Financial Search

Chicago

2004 revenue: \$15.1 million

2005 revenue: \$21.5 million

Five-year growth: 62.2%

Founded: 1999

Employees (internal): 75

The recession turned out to be a good thing for **Addison Professional Financial Search**, said Joel Katz, despite the fact that the company launched its information technology business on Sept. 4, 2001. “I think that was the worst week in the history of the world for IT staffing,” said the 38-year-old CEO. “After September 11 was a very scary time, and we were wondering if any of our clients would ever hire again.”

But while the economy suffered for the next two years, Katz and his employees persevered, going out and trying to find new accounts to replace those that went away. The Chicago firm did win new business, and when old accounts started needing temporary help again, it was on sound footing and revenue had risen by more than 60% by the end of 2002. “I ended up giving bonuses in 2001 and we were profitable,” Katz said.

Katz started out in public accounting with PricewaterhouseCoopers, but got into staffing with **AccountPros**, now part of Vedior. He opened offices in Los Angeles and Orange counties for AccountPros, as well as in Chicago, where he went out on his own in 1999.

Today, the firm does about 46% accounting and finance staffing, about the same in IT and the remainder in clerical – mostly on a temporary basis. In addition to the Chicago headquarters, Addison has offices in Houston and Boston.

The sweet spot is placing senior accountants through controllers on the F&A side, both temp and perm. In IT, most of the placements are contractors for a diverse group of client industries including manufacturing, real estate, and oil and gas. “We like the middle market – like divisions of Fortune 500,” Katz said. Over the past five years, he estimates, the company’s had more than 700 clients. “We’re very

good at cross-selling our services. Our people are very good about ferreting out what clients need," he said.

Growth has come entirely organically, and while Katz said he'd like to add more offices, "it's more important to be profitable than large." He wants to keep the hands-on approach and possibly add additional lines of business, such as legal.

As for the name Addison, it's a family name, in a certain way. It's not something Katz publicizes, but Addison is his 10-year-old chocolate Labrador, which is named after Addison Street in Chicago, near Wrigley Field.

| Rank | Company | Headquarters | 2005 Revenue (\$000s) (1) | Average Annual Growth Rate 2001-2005 (1) | Staffing Specialty |
|------|--|---------------------|---------------------------|--|------------------------|
| 1 | First Team Staffing Group Inc. | Norwalk CA | 24,515 | 196.5% | li, off, fa |
| 2 | Insight Global Inc | Atlanta GA | 46,300 | 173.5% | it, ct |
| 3 | Platinum Select LP | Dallas TX | 33,850 | 138.8% | hc, p |
| 4 | Pinnacle Technical Resources Inc. * | Dallas TX | 41,000 | 109.4% | off, it |
| 5 | Hire Dynamics LLC * | Atlanta GA | 31,023 | 69.1% | off, li, hc, fa, p |
| 6 | Paramount Staffing | Northbrook IL | 77,000 | 66.9% | li |
| 7 | Addison Professional Financial Search, LLC | Chicago IL | 21,547 | 62.2% | fa, it |
| 8 | Supplemental Healthcare Services Inc. * | Park City UT | 151,514 | 60.8% | hc |
| 9 | Resource Options Inc. | Needham MA | 7,881 | 60.0% | ct, it |
| 10 | ITAC Solutions LLC | Birmingham AL | 10,600 | 58.5% | it, fa, s |
| 11 | Employment Plus Inc. | Bloomington IN | 36,151 | 57.8% | off, li, it, ct, p, s |
| 12 | Resulte Universal * | Dallas TX | 16,902 | 51.6% | ct, it, fa, p |
| 13 | Employee Solutions LP | Richardson TX | 27,000 | 47.6% | off, li, p |
| 14 | InSource Inc. | King of Prussia PA | 10,742 | 47.2% | it, p |
| 15 | CoreMedical Group * | Windham NH | 29,143 | 44.1% | hc |
| 16 | Synergis | Atlanta GA | 11,343 | 42.2% | it, p |
| 17 | The Delta Companies * | Irving TX | 14,500 | 42.0% | hc, p |
| 18 | Apex Systems Inc. * | Glen Allen VA | 183,000 | 41.8% | it, l, p |
| 19 | ZeroChaos * | Orlando FL | 174,256 | 40.4% | it, l, ct, p, fa |
| 20 | S & Gualda Inc. (Link Staffing Franchise) | San Antonio TX | 4,300 | 38.3% | li, fa, s |
| 21 | Dynamic Staffing Inc. * | Roseville CA | 21,289 | 37.9% | off, it, p |
| 22 | Elwood Staffing Services Inc. * | Columbus IN | 51,665 | 37.5% | off, li, fa, it, p, op |
| 23 | TRI Staffing | Anniston AL | 53,947 | 36.9% | off, li, it, fa, p |
| 24 | MAKE Corporation | Oakbrook Terrace IL | 6,354 | 35.6% | it |
| 25 | R&L Associates Inc. | Beverly MA | 13,000 | 35.2% | off, li, ct, fa, it |
| 26 | Temps Inc. | St. Louis MO | 11,765 | 31.1% | hc |
| 27 | Debbie's Staffing Services, Inc. | Winston-Salem NC | 50,871 | 28.0% | off, li |
| 28 | XL Staffing Inc. | San Diego CA | 6,071 | 27.8% | off, li |
| 29 | Chase Staffing Services | Atlanta GA | 125,000 | 27.1% | off, li |
| 30 | Staffing Now Inc. | West Des Moines IA | 103,000 | 26.7% | off, it, l, fa, p, s |
| 31 | Softworld Inc. | Waltham MA | 19,900 | 26.2% | it |
| 32 | Staff Force Inc. | Schaumburg IL | 26,002 | 25.7% | li |

Source: Staffing Industry Analysts, company reports, survey of staffing firms

* On list last year

1. Revenue and growth rate adjusted for acquisitions

Key to specialties:

ct = contract technical
fa = finance & accounting
hc = healthcare

it = information technology
l = legal
li = light industrial
off = office/clerical

op = outplacement
p = permanent placement
s = search
vs = vendor service