

Staffing Industry

HEALTHCARE NEWS

The 25% club: Six healthcare staffing firms make the cut

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Amongst a sea of competitors, six healthcare staffing firms made the second annual "Fastest-Growing Private Staffing Companies" list, making a strong statement for growth in this sector.

The staffing companies on this year's list, as announced in our sister publication *Staffing Industry Report* (September 29, 2006 p. 1.), 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 had only 26 names (*SI Report*, Sept. 16, 2005, p. 1.) Ten names are returning from last year's list.

The companies overall averaged 57% growth over the years 2001 through 2005, while the healthcare staffing firms on the list averaged 64% growth. Staffing Industry Analysts asked companies to submit revenue data starting in 2001, a challenging year for most, to the end of 2005, by most measures a much better year for the industry as a whole.

In fact, three of the companies in the top 10 started in 2001 - First Team Staffing, which does light industrial and clerical staffing, healthcare staffing firm Platinum Select and IT staffing firm Insight Global.

HEALTHY GROWTH

The healthcare staffing firms that made this year's list, in order of their overall ranking, are:

- (#3) Platinum Select LP
- (#5) Hire Dynamics LLC
- (#8) Supplemental Health Care Services Inc.
- (#15) CoreMedical Group
- (#17) The Delta Companies
- (#26) Temps Inc.

Four healthcare firms were also on last year's list: CoreMedical Group, Hire Dynamics (parent company of Hire Dynamics Rx), Supplemental Health Care Services, and The Delta Companies. New to the list are Platinum Select and Temps Inc. Missing from this year's list is The MHA Group, which was acquired by AMN Healthcare Services Inc. in Oct. 2005 and on last year's list.

All six of the healthcare staffing firms on our list provide allied health professionals in some form. Some also provide nurses, several offer permanent placement services, and one specializes in physicians, or locum tenens.

The common theme for the firms that provide healthcare staffing seems to be simple: hire great people. All six of the firms profiled list their internal staff – recruiters, managers, and support staff – as key to their success.

Many also touted low turnover - or great retention – of both internal employees and clients as important growth factors.

THE METHODOLOGY

Staffing's fastest-growing companies 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 for acquisitions, counting only growth achieved after any purchases were made.

The following are profiles of the fastest growing firms on the list that provide healthcare staffing. For five of the six firms, healthcare staffing (including some permanent placement) is their sole focus. One of the firms, Hire Dynamics, also does commercial and other professional staffing.

AT A GLANCE: HEALTHCARE STAFFING'S FASTEST GROWING FIRMS

No. 3 Platinum Select LP (Highest-ranking healthcare staffing firm)

Dallas

2004 revenue: \$21.5 million

2005 revenue: \$33.9 million

Five-year growth: 138.8%

Founded: 2001

Employees: 50 internal, 420 in field

Platinum Select LP started just two months before the Sept. 11, 2001, attacks, when the economy changed overnight.

Chief Marketing Officer Stephanie Houston said some of the medical professionals the company places had some hesitation about traveling at the time, and some wanted to remain closer to home after the events of that month. However, the company still grew quickly, Houston said.

"Our thing when we first started, we just tried to be as aggressive as possible," Houston said.

The healthcare staffing company said customer service and flexibility helped fuel its growth. "Our biggest area we try to focus on is personal service," Houston said. Flexibility also is important, understanding that each worker has different needs. The company tries to cater to them, she said.

In addition, Platinum Select has an all-inclusive model where one person manages the account, including recruiting. "Here, one person does all aspects of the job," said President and CEO Patrick Aunkst. Management also kept reinvesting in the company rather than taking out a large part of the income it was making, Aunkst said.

Aunkst and Houston started Platinum Select with three other business partners: Bob Quigley, VP and COO; Kristi Bomar, CFO; and Lyle Seedig, chief administrative officer.

Today, Platinum is No. 3 on Staffing Industry Report's "Fastest-Growing Private Staffing Companies" list. It had average annual growth of 138.8% from 2001 through 2005, with sales of \$33.9 million last year. Projected sales for 2006 are \$49.5 million.

Platinum Select's staffing business specializes in allied health – placing pharmacists, rehabilitation therapists and diagnostic imaging techs in mostly temporary assignments. Based out of Dallas, the company provides personnel to hospitals across the United States.

The company recently started a nursing division. "We're really expecting to grow in that area," Houston said. Hospitals are looking for a "one-stop" place to shop, and Platinum Select hopes to supply an entire range of staffing, she said.

"We really believe in this industry," Houston said. "It's definitely a rewarding career for anybody to have."

No. 5 Hire Dynamics LLC (HC No.2)

Atlanta GA

2004 revenue: \$17.4 million

2005 revenue: \$31.0 million

Five-year growth: 69.1%
Founded: 2000
Employees: 83

Hire Dynamics LLC is two for two in placing in the top 10 on the "Fastest-Growing Private Staffing Companies" list. This year, it moved up a notch to the No. 5 spot, from No. 6 last year.

About 65% of Hire Dynamics is commercial staffing – industrial and office-clerical, and call centers. On the professional side, The Hire Direct division does permanent placement and search; Hire Accountability provides accountants and finance personnel; and Hire Dynamics Rx supplies pharmacists.

Hire Dynamics Rx, LLC, a wholly owned subsidiary of Hire Dynamics, provides staffing for all pharmacy settings, including local or travel contract staffing, contract-to-hire, direct hire placement, and pharmacy scheduling services of registered pharmacists and pharmacy technicians.

CEO Dan Campbell said the reason behind the steady revenue growth – done without any acquisitions – hasn't changed. Campbell attributes a great internal team. "We make sure we overhire for key positions," he said. "We retain our in-house people." He adds, "We don't have turnover in people or clients."

In last year's article describing this company's place on the fastest-growing list, Campbell predicted sales of \$30 million in 2005; in actuality, sales came in about \$1 million higher. For 2006, he predicts sales of \$44 million and is sticking to his goal of becoming a \$100 million staffing company by 2010.

No. 8 Supplemental Health Care Services Inc. (HC No.3)

Park City UT
2004 revenue: \$107.1 million
2005 revenue: \$151.5 million (FY ended June 30)
Five-year growth: 60.8%
Founded: 1984
Employees (internal): 320

Supplemental Health's management believes in doing the right thing. So much so that the company's motto is "Integrity, Candor, Accountability, Respect and Excellence," which spells out I CARE, fitting for a healthcare staffing company.

So, when Hurricane Rita hit the Houston area in September last year, the Park City UT-based company sent paychecks to all its nurses and allied professionals, even though many of their offices and hospitals were closed and they couldn't work. "We do the right thing by our people," said CEO Mike Jacoutot. "I asked our internal employees if they would still want to get paid if our office was closed temporarily. Why should we treat our flexible staff differently?"

That attitude has propelled Supplemental to a position in the top 10 of the "Fastest-Growing Private Staffing Companies" list for the second year in a row. This year, it's No. 8. With more than \$150 million in revenue, the company is one of the largest on the list.

He attributes growth to a solid team of both internal and contract employees and a mix of nurse and allied health staffing. The nurse business is both travel and local, meaning assignments of two to 13 weeks. Many of the allied professionals are employed in skilled nursing facilities. "We cross-sell the power of our team. We leverage our acute care by bringing allied in," Jacoutot said, "and our skilled business brings in nursing."

But Supplemental is picky about who it hires. "Any nurse we place is only as good as the last placement we made. We absolutely train them in the Supplemental way and that creates advantage," Jacoutot said. He explained that the company invests about \$8,000 on average for hiring a travel nurse, "so we want to retain them."

Supplemental has about 2,500 field employees in 32 offices. The company made two acquisitions in 2002 and is a prime candidate for M&A brokers. But right now, Jacoutot said he's just as focused on finding the right merger

candidate as he is on keeping clients and workers. "Talent acquisition and retention are two core processes."

No. 15 CoreMedical Group (HC No.4)

Windham NH

2004 revenue: \$18.9 million

2005 revenue: \$29.1 million

Five-year growth: 44.1%

Founded: 1989

Employees: 74 internal, 325 contract

"We have good, well-trained, aggressive recruiters," said CoreMedical's President and CEO Armand Circharo. "They are motivated, driven, and want to succeed."

Circharo added that the company has an annual turnover rate of only 15.1%, and is in the running as one of the best companies to work for in New Hampshire.

"We pay people well who are proven entities," he said. "And everyone feels like they have a voice here." CoreMedical is on the Fastest-Growing Staffing Companies list for the second year in a row.

CoreMedical has been through many changes during its 17 years. Founded by John McLaughlin to supply occupational therapists, physical therapists and speech therapists, the company was purchased by TRS in 1996. Three years later, parent company Fluor Corp. sold the staffing unit to the original founder McLaughlin, who is now chairman, along with CEO Armand Circharo and VP Monique Ricker.

The company has three divisions: permanent placement of nurses, radiologists and pharmacists; contract nurses (LPNs and RNs); and rehab (both contract and permanent).

The fastest growing sectors, according to Circharo, are allied travel and permanent placement (which includes allied and nurses). "We have been doing perm placement for four years. It took us 15 years in IT staffing to get to this level of revenue in perm healthcare staffing," he said. Circharo added that travel nursing always does well.

CoreMedical's clients are wide-ranging: acute-care hospitals, rehab hospitals, outpatient hospitals, rehab centers, home-health assignments, a large number of school systems and even prisons.

"We have great things in the pipeline," said Circharo. "It's going to be another great year."

No. 17 The Delta Companies (HC No.5)

Irving TX

2004 revenue: \$9.4 million

2005 revenue: \$14.5 million

Five-year growth: 42.0%

Founded: 1997

Employees: 144

What do you do when you are tired of coaching college baseball? For Delta CEO Jeff Bowling, the answer was: Go into healthcare staffing.

That was in 1996. Since then, Bowling has purchased Delta, which now has four divisions: Delta Physician Placement, Delta Locum Tenens, Delta Allied Placement and Liquid Medical Recruiting. Over the next year The Delta Companies will begin two new firms, Delta Allied Contract and Fluid Allied Recruiting.

Bowling attributes Delta's success to "internal mechanisms": people, training, and self-discipline. "Everybody knows what to do and how to do it. Those that actually do it win," Bowling said.

Delta strives to "get the best, train the best, and make sure that they come back every day," according to Bowling. The company even has a CTO – a chief talent officer. "I'm convinced that the people here could be successful in any industry," Bowling said.

So what makes them stay? "We have a very concerted effort to make people as profitable as possible," Bowling said. "We are here to make money."

Perhaps that is one of the things that enabled Delta to move up to No. 17 on this year's list, from No. 21 last year.

"Our goal is to reduce the bureaucracy that can occur within a company – the paperwork, the gossip - and remove barriers so that everyone can be more productive."

No. 26 Temps Inc. (HC No.6)

St. Louis MO

2004 revenue: \$9 million

2005 revenue: \$11.8 million

Five-year growth: 31.1%

Founded: 1979

Employees: 60 internal, 1440 contract

In 2000, Temps Inc. had one office, in St. Louis MO. Since then, the company has expanded from one office providing radiation techs and other allied health professionals to 15 offices in 10 states, providing a full spectrum of healthcare practitioners.


"Every year since 2000 our revenue is up and margins have increased," said President and CEO Todd Kane.

Nursing, and more specifically, specialized nursing, has been the company's fastest growing sector over the past year, while allied runs a close second in terms of growth and profitability. And, according to Kane, per diem is doing just fine. "We have not seen the downturn in per diem staffing that a lot of the big companies are touting," Kane said.

Kane attributes the company's success to "very dedicated employees at the branch level providing excellent customer service." And he added that the company allows its managers to succeed by using the talents that each of them possess.

As far as company culture is concerned, "We are the Southwest Airlines of staffing," Kane said. "Young in spirit, highly dedicated, extremely focused, with a sense of humor. We do healthcare staffing with a smile."

Please click on the link below to view the full list of America's Fastest-Growing Private Staffing Companies.

 [061005_HCfastest.pdf](#)

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