

NH's Top 100 Private Companies

Despite the downturn, NH companies continue to grow.

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Many companies are smarting from the beating the economy is taking, but here's some salve—most of the businesses on this year's list of NH's Top 100 Private Companies are actually growing. Each year, *Business NH Magazine* invites thousands of companies to participate in our annual survey of the Top 100 Private Companies in NH, which ranks businesses by their gross revenue in 2007.

This year, 14 companies made their debut on our annual compilation of the Top 100 Private Companies in NH, including Eastern Mountain Sports, the outdoor gear and clothing giant based in Peterborough, which opened three new stores this past spring in New Jersey, Virginia and NH. Atrium Medical Corporation in Hudson also joined this year's list. The medical technology manufacturer received FDA approval for six new products between 2006 and 2008. Vette Corp., the Portsmouth-based provider of thermal management solutions, also premiered. The youngest company on the list (launched a mere four years ago), Vette introduced a series of LiquiCool™ Coolant Distribution Units to its family of data center cooling products earlier this year.

Business cooperatives continue to make their presence known on the Private 100. CCA Global Partners in Manchester and Associated Grocers of New England claimed the number two and three slots on the Private 100, while the Hanover Consumer Cooperative Society broke onto the list this year at number 30.

The three fastest-growing companies on the Private 100 made their debut this year: Polaris Direct in Hooksett, Janco Electronics in Dover and TURBOCAM International in Barrington. (The Private 100 list also ranks companies by their three-year average sales growth rate. Turn to page 41 to read profiles about the five fastest-growing companies on the list.)

There's plenty of good news on this year's list. Eighty companies reported sales growth over a three-year period. That's not to say they haven't felt the effects of the economy. When looking solely at year-to-year sales growth be-

tween 2006 and 2007, 66 percent saw sales increase, 8 percent remained stagnant and 26 percent saw a decline.

So who's doing well? Of the 20 fastest-growing companies on the list, 10 are in high tech or manufacturing, three are in construction, five provide business services and two are technology resellers.

High tech companies saw their sales continue to climb. Of the 32 manufacturers on the list, 14 are high-tech companies and all reported sales growth during the past three years. All but one of the six insurance companies on the list reported growth, as did the four hospitality venues. Sales for all but three of the 17 construction companies also grew.

While many companies seem to be hunkering down to ride out the downturn, 40 percent of the Private 100 reported that they expect to expand in the next year and are projecting adding a total of 700 jobs. Whose fortunes are faltering? Of the 20 companies reporting a three-year average decline in sales, 10 are retailers (seven of which are car dealerships), four are construction companies and there are three manufacturers.

Who are the Private 100?

Here's a statistical look at the Private 100:

- 45 percent are family-owned businesses.
- 33 percent have been in business for 25 years or less, while 8 percent have been serving customers for more than 100 years. Monadnock Paper Mills continues to be the oldest company

20 Fastest Growing Companies		
Growth Rate Rank	Company Name	3-Year Average Sales Growth
1	Polaris Direct in Hooksett	44.87%
2	Janco Electronics Inc. in Dover	40.28%
3	TURBOCAM International in Barrington	35.68%
4	Cedar Point Communications Inc. in Derry	35.27%
5	Direct Capital Corp. in Portsmouth	32.46%
6	Eckman Construction Company in Bedford	31.25%
7	Horne Construction Company Inc. in Rochester	30.97%
8	Cellular Specialties Inc. in Manchester	28.38%
9	Core Medical Group in Salem	27.51%
10	Vette Corp. in Portsmouth	23.74%
11	Hypertherm in Hanover	23.27%
12	Favorite Foods in Somersworth	23.21%
13	Adaptive Communications, LLC in Portsmouth	23.20%
14	Conneston Construction Inc. in Gilford	22.70%
15	SIG Sauer Inc. in Exeter	21.12%
16	New England Wire Technologies Corporation in Lisbon	20.72%
17	Normandeau Associates Inc. in Bedford	20.68%
18	APC Paper Co. Inc. in Claremont	20.36%
19	Russound in Newmarket	18.90%
20	Red River Computer Co. Inc. in Lebanon	18.77%

on the list, celebrating its 189th anniversary.

- 21 percent have fewer than 50 employees.
- 31 percent are manufacturers, 30 percent are in retail or wholesale, 17 percent are in construction, 7 percent provide business services, 6 percent are insurance companies, 4 percent are in hospitality, 3 percent are staffing firms, one is in media and one is an agricultural business.
- The bulk of the Private 100 companies are located in the Merrimack Valley (48 percent), with 20 percent in the Seacoast, 12 percent in the Lakes Region, 8 percent each in the Monadnock Region and Dartmouth-Lake Sunapee Region, and 2 percent each in the White Mountains Region and Great North Woods. ■

Fifth Fastest: Direct Capital Corp.

If there's a recession, you wouldn't know it visiting Direct Capital Corporation. The firm expanded its facility 25 percent to 40,000 square feet six months ago, closed its largest-ever lease deal for \$3.5 million in June and grew sales 35 percent year-to-date.

Those successes are partly due to lessons learned during the recession in 2000. Direct Capital was a staple of the Fast Five in the late 90s, making the list in 1998, 1999 and 2000. The recession caught the company off guard, says CEO James Broom, forcing it "to improve, drive efficiency and be smarter." The company has additional offices at Pease International Tradeport as well as sales representatives in Atlanta, Chicago, New York and Colorado.

While the finance industry is facing challenges, Broom says there is always a need for small business capital. Among past lessons learned was the importance of diversification. During the past five years, the company increased its sales channels from one to five. "Businesses that in the past would turn to banks to purchase equipment are now looking at leasing," he says. "It shifts in this kind of market."

From forklifts to software, Direct Capital provides businesses with financing options. It primarily serves small- and medium-sized companies and is able to complete a deal

in a matter of minutes to a couple of days, Broom says. A typical lease is four to five years, with the minimum deal being \$2,000. Most leases run between \$40,000 and \$150,000.

Broom attributes Direct Capital's success to its ability to access information in real time to efficiently execute deals, a focus on clients, investing in its own people and striving to be a "learning organization." Broom and brother Chris, chairman of the company, carefully cultivated the leadership team, recruiting managers who worked for Monster and Fidelity who bring strong process backgrounds. "You can stifle innovation if you only look at the way people behave in your industry," Broom says, explaining those outside the industry bring a fresh perspective.

The company's strategy appears to be working. About 40 percent of its business is from repeat customers. "We want to be a billion dollar sales company in five years. I don't know if we'll get there, but the opportunity exists," Broom says. ■



GREGORY A. DUVAL

James Broom oversees the success of Direct Capital Corp.

Three-Year Avg. Growth Rate: 32.5%

Product/Service: Financing for equipment and technology for businesses, and commercial loans

President and CEO: James P. Broom
Founded: 1993

Headquarters: 155 Commerce Way, Portsmouth, NH 03801

Number of Employees: 317

Web Site: www.directcapital.com

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