

Meet the Bay Area's fastest-growing private companies of 2016

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The Bay Area's Fastest-Growing Private Companies 2016

29 OF 101 THUMBNAILS



TERRENCE MCCARTHY

#73: LANDIS COMMUNICATIONS INC.

3-year growth: 84.4%

Top Bay Area executive: David Landis, President/CEO (pictured)

Headquarters: San Francisco

2015 employees: 20

Business: Public relations, marketing and communications firm

What do you wish you would have known from day 1 of the business?

“You learn the most from your mistakes, not your successes.” - David Landis

This year's group of Fast 100 winners run the gamut from marketing and staffing firms to fintech innovators to specialty food retailers. The variety of industries represented on the list signals the diversity and health of the larger Bay Area business community.

What these companies do have in common, regardless of whether they are a wholesaler of used consumer electronics like Fremont-based DigiCircle, an online payment service provider like Redwood City-based We Pay or even a wildly successful craft brewer like Livermore's Altamont Beer Works, is exceptionally quick growth.

According to David Mitroff, CEO and founder of Piedmont Avenue Consulting, a common characteristic that drives growth is flexibility. It's the ability to steer a business towards consumer sentiment and market need.

“Just like anything in life, just what you start out thinking you’ll be doing is not what you end up doing,” Mitroff said.

One illustration of that principle is San Francisco-based Green Hearts Foods. The company was founded as a personal chef service and morphed into an organic foods catering company for large technology offices like Uber and Airbnb.

Another prime example is Hayward-based Corefact, which dropped its business building real estate websites and focused on analytics-based marketing for real estate, seeing a corresponding huge boost in revenue.

Along with success and expansion, fast growth also comes along with a host of unique challenges for companies, driven by issues with hiring and management as well as changing investor sentiments.

Vivek Agrawal, a business coach with Focal Point Coaching, pointed to holding onto a strong company culture in the face of rapid expansion as one particular growing pain.

“It’s like putting the cart before the horse,” Agrawal said. “Even after you’ve made the decision to hire, when you have to integrate quickly, there’s very little time to ramp up with the company and it becomes hard to make sure the culture is instilled in an organized and personal fashion.”

Additionally, especially among technology firms that rely on venture capital funding, the focus from some investors has changed.

“For years, in products like mobile apps, it was all about growing your user base,” Mitroff said. “Now it’s about how many paying customers you have, if a lot of people are using the product, but you’re not making money, investors are less inclined to make a bet on you.”

The No. 1 company on the Fast 100 list, Info Scout, had this pivot towards profitability baked into its business model. The San Francisco-based mobile market research company started by collecting consumer data through its mobile applications, allowing its technology to slice and dice the data for conclusions about customer shopping habits.

It then launched a paid subscription model geared towards big companies looking for greater insights into consumers, which were only possible due to the initial groundwork and user acquisition done by the company. The strategy has paid off so far, with the company seeing nearly 2,786.5 percent revenue growth over the past three years.

But while the rapid growth rate of a company can be seen a positive, it can also prove disorienting to founders who have started the business from the ground up.

Mitroff said that in many cases, the success of high-growth companies are dependent on founders making the transition from hard-scrabble entrepreneurs to big-picture managers.

“When you grow bigger you have to hire on people, mentor and train those people, know what they need,” Mitroff said. “Successful entrepreneurs also have to know when to step back and let those people do what they do best.”

Sustaining growth, according to Agrawal, is about entrepreneurs and executives taking advantage of high-growth periods and continuing to push to introduce new products and innovations.

“Growing is good, but especially in a rapidly growing environment you have to keep an eye on the changes in the industry,” Agrawal said. “The best time to start planning for what’s next is at the peak of your growth phase.”

http://www.bizjournals.com/sanfrancisco/blog/2016/10/bay-area-fast-growing-private-companies-fast-100.html?ana=e_sfbt_bn_breakingnews&u=iGz6nFj5grkLYoLuODIXjw091fc8eb&t=1476412017&j=76122

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