

ORANGE COUNTY'S

50

FASTEST GROWING COMPANIES

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The fifty companies chosen for listing in this issue of Business to Business, have been selected based on a combination of sales and employee growth trends from 1981 to 1984. The firms chosen have also been selected to provide a balance of companies which cut across SIC Code (Standard Industrial Classification) boundaries, giving a view of the diversity of business growth opportunities that exists in Orange County.

Choosing Candidates

The difficulties in compiling a definitive list of privately held companies are sizeable. The second listing draws upon a number of sources.

In addition to reviewing nomination forms returned to Business to Business, responses and recommendations have been elicited from regional banks, securities brokers, media, business consultants, and others concerned with business development in the county. Various company registers, economic reports, and company listings were also used to identify candidates for inclusion.

Our selection criteria was believed to be representative of the private company marketplace in the county. Only privately-held companies in existence on or before 1981 with minimum gross sales between \$100,000 and \$25 million were considered. Company selections are based on gross revenue growth rather than net income growth.

The five categories selected to distinguish the multitude of companies considered in the study are:

- High Technology Manufacturing — Electronics/Computers
- High Technology Manufacturing — Medical Instruments and Processes
- Manufacturing — Basic Industries
- Non-Manufacturing — Financial Services
- Non-Manufacturing — other Services (such as management consulting, distribution, R&D, etc).

The author has attempted to eliminate any errors or omissions in the listings and apologizes for any that occur. It is hoped that this second enumeration of companies will prove interesting and provide the impetus for the 1985 update of the listing.

As expected, growth rates of the firms on the list greatly outpaced their aver-

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ages. This was most pronounced for companies in the Manufacturing (Electronic/Computers) and non-Manufacturing (other services) categories such as Cataract, Inc. and Scientific Marketing Inc.

Continued Future Growth Seen

In the October issue of Business to Business, the prime characteristics of fast growth for private companies was discussed. These traits included 1) a focused leadership style, 2) creative financing approaches, 3) limited formal controls, and 4) business strategies emphasizing market "nichemanship."

However, the question remains as to whether the same characteristics which acted as catalysts to fast growth will prove equally successful at sustaining growth as these companies mature.

In discussing the challenges of sustaining this fast-paced growth with executives from these companies, several viewpoints continued to surface.

• Mel Purvais, President of Cataract, Inc. — a star performer company — believes that "one of the major challenges in sustaining growth is the maintenance of market responsiveness" while at the same time coping with the increasing needs for more formal structure and procedures within a rapidly growing organization. One of the ways that he has coped with this challenge is to "recruit, hire and train the best talent we can buy on the market."

John Trepl, President of Electra Power Industries suggested that it is critically important to recognize when to shift from a market strategy of "nichemanship" to a more aggressive market leadership position, coping with attacks from strong, more well financed competitors.

• Vern Johnson, President of Scientific Marketing, Inc., a software firm, spoke of the "need to modify the financial structure of the company as it grew through the various stages leading to a publicly held corporation." "Going Public" was a topic that all executives seemed to be concerned with, particularly "when and how" to go public.

• Bill Anthony, President of San Roque, Inc., a corporate Venture Capitalist firm, echoed the viewpoint we encountered most in our survey. We recommended that

company management make a "strong commitment toward high quality control of products and services" combined with a "service to the client" attitude that is expressed company-wide.

• Dave Detro, President of J & D Engineering expressed another viewpoint we came across frequently. We stressed the strong belief that "productivity is increased by giving your people more autonomy while providing clearly stated goals to work toward!" Some management analysts would call this style Management By Objectives (MBO).

It will be interesting to note how the companies studied here meet these and other challenges over the coming months in a recovering economy. One trend that was noted was the movement of companies out of Orange County to less densely populated and less expensive areas such as northern San Diego county (e.g. Compu Cable — last year's "fastest growing" coming company) and Riverside/San Bernardino counties

Another trend we noted was the continued rapid growth of financial service groups such as expanded international banking and investment banking/corporate finance operations. International export/import trade was also a fast growing sector of Orange County business.

We plan to monitor their progress through 1985, focusing upon companies which continue their impressive growth as well as new entrants to the list of "fastest growing."

We would like to extend our thanks to all those companies and sources who have assisted us in this study, particularly Steve Badolato of the World Trade Center Association, Valerie Anderson and Leonard Morgan of Bank of America, Hal Harley and Gary Hickok of Union Bank, Laurie Barrington and Vic Haus Maninger of Deloitte, Haskins and Sells and Bart Nedelman and Pete Peterson, investment bankers.

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COMPANY NAME	LOCATION	PRODUCT OR SERVICE	CURRENT NUMBER OF EMPLOYEES	PRESIDENT/OWNER	ESTIMATED % INCREASE IN SALES FROM 1981 TO 1984
HIGH TECHNOLOGY MANUFACTURING — ELECTRONIC/COMPUTERS					
*Highest % Increase					
Filter Concepts	Santa Ana	Electronic Filters	60	Stanley Jones	3910
Macrolink, Inc.	Anaheim	Mini-Computer Controllers	36	David Vednor	752
Media Systems Technology	Irvine	Diskette Systems	102	Al Cosentino	364
Elektra Power	Irvine	Wave Motion Electrical Generation	21	John Trepil	315
American Telecom	Anaheim	Digital Equipment	451	Jose Reines	301
Able Computer	Costa Mesa	Electronic Backpanels	195	Kenneth O'Mohundro	196
Connector Technology Inc.	Anaheim	Business Computers	72	George Dobelis	129
HIGH TECHNOLOGY MANUFACTURING — MEDICAL INSTRUMENTS AND PROCESSES					
Nelson Research	Irvine	Medical Research Devices	35	Dr. Eric Nelson	183
ICL Scientific	Fountain Valley	Medical Diagnostic Products	168	Dr. Richard Hammill	172
Gish Biomedical	Santa Ana	Open Heart Surgery Disposable Products	38	Jack Brown	152
Kingsley Mfg. Co.	Costa Mesa	Artificial Limbs	40	Jim Truesdell	104
Hancock Laboratories	Anaheim	Medical Research Devices	530	W.D. Hancock	92
Croan Engineering Co.	Huntington Beach	Biomedical Products	70	Ken Croan	71
MANUFACTURING — BASIC INDUSTRIES					
Megatool, Inc.	Buena Park	Drill Bits and Routers	135	Dave Hemmings	618
Son Farrell, Inc.	Anaheim	Plastics/Rubber Products	184	Joe Kerley	581
Carefree Irrigation	San Juan Capistrano	Irrigation Supplies	43	Bob Anthis	460
PBS Building Systems	Anaheim	Modular Buildings	278	John Harty	284
Sechrist Industries	Anaheim	Instruments	86	Jim Sechrist	221
Creative Computer Plastics	Anaheim	Plastics	49	Charles Brickell	182
Talbert Splicing, Inc.	Anaheim	Wood Products	24	Gary Talbert	143
Cambro Mfg. Corp.	Huntington Beach	Fiberglass Products	250	William Cambell	80
Cimco, Inc.	Costa Mesa	Plastics	331	R.T. Gilbert	64
NON-MANUFACTURING — FINANCIAL SERVICES					
San Roque, Inc.	Huntington Beach	Corporate Venture Capitalist	12	Bill Anthony	422
Halstead Associates, Inc.	Santa Ana	Insurance Broker	21	Jim Halstead	360
Titan Financial Corporation	Tustin	Securities Dealer	38	Frank King	340
Marine National Bank	Irvine	International Banking	44	Don Miller	278
McCombs Corporation	Irvine	Real Estate Syndication	204	Donald McCombs	221
Monarch Bank	Laguna Niguel	Banking	64	Michael Pollack	210
El Camino Bank	Anaheim	Banking	216	Bill Medermott	142
WestPac Financial Corporation	Newport Beach	Real Estate Investment Trust	29	Neil Elsay	117
Orange City Bank	Orange	Banking	313	David Blankenhorn	103
NON-MANUFACTURING — OTHER SERVICES					
Scientific Marketing, Inc.	Costa Mesa	Marketing Software Development	16	Vern Johnson	1181
Cataract, Inc.	Newport Beach	Utility Design	496	Melvin Purais	1132
Premier Source Distributing	Irvine	Microcomputer Distributor	24	Tom Dodge	522
EMS Sandberg Industries	Irvine	Electronic Testing and Assembly	125	John Sandberg	501
Selectronics Corporation	Anaheim Hills	Communications Equipment Distributor	80	Ned Nader	480
FKM Business Equipment	Irvine	Copier Sales/Service	45	Frank Moore	471
Tradex International/ Bob Slater	Newport Beach	International Mgt. Services	12	Bob Slater	222
Quaker Supply Company	Anaheim	Plumbing Supplies Distributor	42	Norman Rosen	198
Manufacturing Consulting Service	Irvine	Develop Software for CAD/CAM	72	Patrick Hanratty	192
J&D Engineering	Santa Ana	Design Printed Circuit Boards	58	Dave Detro	191
Helsley, Mulcahy & Fesler	Santa Ana	International CPAs	25	Marvin Helsley	184
Acacia Sales, Inc.	Irvine	Electronics Distributors	36	Wilbur Lager	172
MCM Industries	Anaheim	Test Laboratory	354	Bill Coker	144
Lewis Properties	Tustin	Industrial Real Estate Developer	8	Richard Lewis	104
Orange County Chemical Co.	Santa Ana	Chemical Distributor	47	A.E. Gallade	101
Comarco	Anaheim	Computer Engineering Services	640	Glen Buell	91
Applied Consulting Technological Service	Anaheim	Employment Service	16	Larry McLennan	89
Hycorn, Inc.	Irvine	Research and Development	35	Takaski Mitsutomi	85
Computer Payroll Company	Santa Ana	Payroll Service	20	William Brunskill	82