

SAN FERNANDO VALLEY BUSINESS JOURNAL

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FASTEST GROWING PRIVATE COMPANIES



PHOTO BY DAVID SPRAGUE

No. 1: Fulcrum Microsystems, which develops ethernet switch chips, tops the list.

Business to Business

REPORT: Area's big movers give companies things they need.

By **MARK R. MADLER** Staff Reporter

There are many things that businesses can get along without having.

But try to make it through the workday without a phone system, or a computer printer, or an Internet connection.

If you're moving goods you will need to schedule transportation; if you are operating an online store you will need the right software; and if you are working on a film set you will need gaffer tape.

In manufacturing there are certain services that are a necessity even in a struggling

economy.

Laritech, a Moopark company that makes prototypes, relies on a customer base that is always creating new parts or products and to make sure that the idea works needs to have an example built somewhere.

"That is the one thing that they cannot do without no matter what the economy is," said Terry Gonzales, vice president of operations at Laritech. "As a country we are trying to do something new and better and the prototyping and new ideas do not stop."

Laritech is representative of many of the companies making it to the Business

Journal's Fifth Annual Fastest Growing Private Companies list in that it is a business-to-business operation providing a needed and necessary service or product.

Gone from this year's list are the consumer-oriented companies that previously had been included within the list: home builders, car dealerships, travel agencies, restaurants and spas.

Those consumer and retail businesses that do remain are very specialized in what they do: Firms such as Filmtools, a Burbank supply store for film and television production;

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Fastest: Few Consumer-Oriented Companies on 2009 List

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Art Lewin & Co. Custom Clothiers, and Alexx Inc., the manufacturer and distributor of the patented Finders Key Purse key accessories.

The list is determined by three years worth of revenue growth. Because 2008, in which the economy began to tank in the fourth quarter, is included the lack of consumer businesses should come as no surprise. The 2010 list will likely look similar as any recovery brings more business spending than it does consumer spending.

Once again, information technology was the industry with the most representation on the list with seven. Staffing companies and firms providing online marketing services were also well represented.

Key Information Systems Inc. appeared on the list at No. 43 with a 35 percent growth over the three-year period.

President Lief Morin credited the growth on a strategy that resulted in more sales and clients in 2008 and a focus on new product areas and new talent.

A diverse client mix was also a factor and helped the Woodland Hills company weather the storm as the economy began to tank in the fourth quarter of 2008.

"That made a huge difference," Morin said. "If you were a technology provider to the auto industry you probably are not doing too well right now."

Filling out the list are small insurance companies, commercial and industrial builders, semiconductor developers, software companies and engineering services firms, all of which serve the business-to-business market.

ITS – Integrated Telemangement Services Inc. (No. 44 on the list) in Simi Valley is another of those companies whose offerings are essential to their clients. After all, how much business can be conducted without phone service?

ITS expanded beyond being a local and long distance carrier and offers complete packages taking in data and Internet connections

"That converges so much these days," said Sharon Woods, the president and chief executive.

In the fast moving tech industry, Woods needs to project where industry patterns and trends are going in order to not fall behind the

competition.

Staying ahead of the curve is what led ITS to begin offering a service where phone calls can be made over the Internet using a mobile device. This service will be of great use to those calling international cell phones the cost of which can be up to 50 cents a minute, Woods said.

"Using mobile IP (Internet protocol) will

tions then followed by the recession, corporate, independent and amateur filmmakers also shop Filmtools for supplies.

While sales are expected to be flat for 2009, McClain is expanding by several thousand square feet by taking over space formerly used by a tenant in his Burbank Boulevard store.

He is also opening a new market in active sports with camera mounts that can be attached



A leader: No. 4 Blackline Systems is a developer of proprietary software.

How the Industries Fared

Tech.....	15	Service	2
Engineering/Construction	6	Accounting.....	1
Advertising/Marketing.....	4	Creative	1
Manufacturing.....	3	Energy	1
Staffing	3	Entertainment.....	1
Communications.....	2	Environmental	1
Finance.....	2	Landscaping	1
Insurance.....	2	Moving.....	1
Printing	2	Transportation.....	1

open that up and reduce the cost," Woods added.

Finding new markets is also the goal of Stan McClain, the president of Filmtools.

McClain stands out in the list as one of two retailers, the other being Lewin & Co. with a showroom in Toluca Lake. Filmtools was No. 29 with 59 percent revenue growth over a three-year period.

While professional television and film production has been slowed the past few years first by the Writers Guild of America strike and extended Screen Actors Guild contract negotia-

to BMX bicycles, skateboards, and jet skis. Ads for the mounts have appeared in magazines aimed at sports enthusiasts.

With the cost of good quality video cameras having dropped, taking a chance and putting the camera in a precarious position at the front of a skateboard or bicycle doesn't seem like risk at all. If the camera breaks, McClain said, an inexpensive replacement is not hard to find.

"With the way they want instant gratification, they can take a video camera and play it back," McClain said. "For kids it is so easy to become a filmmaker and take it to any level."