

# GULF COAST Business Review

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## Corner Control - 12/21/2007

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COMPANY STRATEGY by Mark Gordon | Managing Editor

George Bushong has come a long way in six years, from sheer survival to systematically fortifying his company.

George Bushong had every right to be frustrated when the workers' compensation market in Florida began collapsing in 2001, the result of insurance writers exiting the state in droves. Administrative Concepts Corp., the Bradenton-based professional employer services firm Bushong founded in 1995, was one of the stronger companies in the state at the time — it had doubled its annual revenues and had just earned \$4 million in profits the past year.

Still, things were so bleak in the industry that Bushong was offered a measly \$1.5 million to sell the entire company, what's known as a professional employer organization, or a PEO. He didn't sell. Instead, Bushong invested both his money and his time, with the former reaching into the millions of dollars.

Through industry contacts, Bushong hooked up with a firm in Miami that began providing worker's comp insurance. And the statewide crisis eventually subsided when more insurance underwriters began re-entering the market.

A few other companies in the Sarasota-Bradenton PEO market took big risks during the crisis that resulted in big pay-offs, too. One of the most notable firms that also invested instead of shutting down or selling out was Bradenton-based Progressive Employer Services. Progressive founder Steve Herrig was the Review's 2007 Entrepreneur of the Year for the Sarasota-Manatee region.

Bushong, though, has now taken his initial company-saving investment even further. After the 2001 crisis, he vowed to do whatever he could to avoid a situation like that happening again in the future. The vow was essentially a commitment to keep the company's future in his control, not in what other businesses choose to do or not do.

"That's when we made the decision to own our insurance company," Bushong says. "We wanted to build a fence around ACC."

The first picket was indeed an insurance company, when Bushong opened Southern Eagle in 2005. The firm currently writes workers comp insurance, in addition to health and general liability insurance. Bushong, along with an enhanced leadership team at Administrative Concepts, is now adding to that fence by instituting a new business model dubbed the Four Corners of Excellence. The corners are made up of Administrative Concepts, the mother ship and main employee leasing firm; Southern Eagle, the insurance arm; Payroll & More, a paycheck and accounting business that opened earlier this year; and Employment Concepts, a temporary staffing firm that will be fully functional by next year.

"There is nothing unique about any of these four businesses," says Bushong, who now serves as the company chairman, having passed on daily responsibilities for the company to Teresa Dick, who he recently hired as chief executive. "What is unique is being able to offer them all under one roof."

### A new strategy

Bushong considers the company's new business strategy a slap-in-the-forehead moment, as well as a surprise that no one else has either thought of it or had the financial wherewithal execute it. He knows of no other PEO in the state that owns its own workers' comp insurance provider, much less

three other employee service companies.

"If it that had been a strategy early on in the employee leasing industry," Bushong says, "the profit would be twice what it is now."

As it is, Administrative Concepts has been consistently growing, albeit at a slower pace recently, following the construction and housing industry slowdown. It's projecting \$35 million in net revenues in 2007, slightly more than the \$34.5 million in net revenues it had last year. From 2004 to 2006, though, the company grew its annual net revenues, on average, 18% a year.

The company's growth rate in grossed lease billings, a standard industry figure encompassing a PEO's total clients, has grown at a slower rate of late, too. The company, which has about 199 employees, passed the \$300 million mark in gross leased billings in 2005 and the \$325 million mark in 2006. Bushong, 67, grew up on a chicken farm in Kentucky, but his career path ultimately led him to sales. One of his first jobs was working for Earl Nightingale, a radio show host, author and all-around entrepreneur who initially became known for being one of a dozen U.S. Marines to survive the Pearl Harbor attack. Bushong was the sales director for Nightingale's insurance and sales training company in the mid 1960s.

By the mid 1980s, Bushong was living in Bradenton and playing golf with his close friend Jim Roberts, who it turned out was one of four local co-founders of the PEO that's now Gevity, the Lakewood Ranch-based publicly traded human resources firm.

Roberts ultimately talked Bushong into working for the company, then Staff Leasing Inc., as its sales director — even though the firm wasn't much past its garage startup days.

Bushong helped grow the fledgling company, in what was then a fledgling industry. And in 1991, Bushong left to start his own firm, Leasing Consultant Corp., a company that still exists today. That firm gave Bushong the knowledge and experience to open his own PEO, which he did in 1995 with his wife, Sarah Peel.

"A little bit of knowledge," Bushong says about those early days of the industry and his company, "went a long way."

### **Delegating control**

Even before introducing the four corners business plan, Bushong's concept behind Administrative Concepts was to go a long way for small businesses, including those in the construction and related building industries. The company's PEO services included assisting business owners with risk management, payroll and employee benefits and government compliance issues.

One constant throughout the rise of the business has been Bushong's attitude that the best way to succeed is to completely focus on internal challenges. Even the current market, in which many construction workers are leaving the state due to lack of jobs, doesn't worry Bushong. Other outside forces, such as the national economy and oil prices, don't worry him, either.

"We focus on what we can influence and control ourselves," Bushong says, "and ignore everything we can't."

That internal control philosophy is the genesis of the company's new business model. "The great thing about the four corners is that each can stand alone as an individual entity," says Dick, Administrative Concepts' recently hired CEO.

This way, if one business is faltering or slumping, it can be carried for a time by another business. Also, says Dick, if one business isn't a right fit for a particular client, another entity might work. What's more, the company plans on eventually taking its four corners model north, to Florida-based clients with employees and offices in Alabama, Georgia and Mississippi. Currently, Administrative Concepts has nine offices throughout Florida.

One other factor completely in Bushong's control is delegation. As he becomes less involved in the daily to-do list of the company, he's been delegating more to others. The delegation culminated with the hiring of Dick as CEO; she previously served as chief operating officer of Progressive Employer Services.

Unlike some other entrepreneurs that dread giving up control, Bushong says he's had a good time watching others in his company grow. He even called it fun.

Says Bushong: "I just love to see people take on more than they can chew and then watch them chew it up."

### Executive control

Control has been a staple of the professional employer services company George Bushong founded in 1995. A key to success, he says, is to have intense focus on controlling what you can, while ignoring all outside forces.

Bushong picked up the philosophy from his business mentor, Earl Nightingale, an entrepreneur in the 1950s and 1960s who initially became known for being one of a dozen U.S. Marines to survive the Pearl Harbor attack. Bushong was the sales director for Nightingale's insurance and sales training company in the mid 1960s.

Nightingale, says Bushong, was an Anthony Robbins like self-help guru — long before there even was an Anthony Robbins, much less the booming self-help industry that exists today. Bushong hands out Nightingale's book, *The Strangest Secret*, to all new employees at his company, Bradenton-based Administrative Concepts Corp. Even though Nightingale's been dead for 40 years, the book still resonates with Bushong.

"I feel like it's a way of passing down something that's been invaluable to me," Bushong says. "The philosophy is that you have control of your own destiny because you control what's in your own mind."

— Mark Gordon

### AT A GLANCE

#### Year Revenues Growth

(Net revenues)

2004 \$24.9 million

2005 \$30.6 million 23%

2006 \$34.5 million 13%

2007 \$35 million (projected)

#### Year Revenues Growth

(Grossed lease billings)

2004 \$276 million

2005 \$310 million 12%

2006 \$325 million .05%

2007 \$323 million (projected)

Source: Administrative Concepts Corp.

### REVIEW SUMMARY

Business: Administrative Concepts Corp., Bradenton

Industry: Professional Employer Organization (PEO).

Key: Company is integrating a new business model focusing on all aspects of the employee services industry.