

Columbus East's backup squad solid five, B1



THE REPUBLIC

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Goal: \$1 billion in revenue by 2015

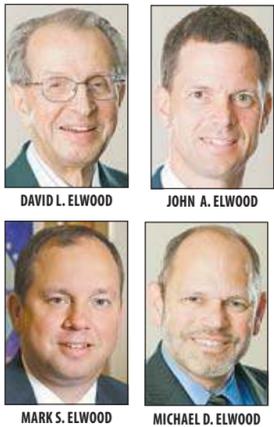
HIRING FIRM AIMS HIGHER



ANDREW LAKER | THE REPUBLIC

Area manager Cindy Rohm, right, goes over an application with Nikki DeLeon on Wednesday at the Elwood Staffing office on 25th Street.

Purchase doubles size of Elwood



By **BORIS LADWIG**
bladwig@therepublic.com

COLUMBUS-BASED Elwood Staffing will buy a Salt Lake City-based competitor and will join the ranks of the top 20 largest U.S. staffing companies. Elwood will purchase SOS Staffing Services, which will operate as an Elwood subsidiary, to expand to more than 230 locations in 33 states and Canada. Combined, the companies generate annual revenues of more than \$750 million. Elwood Staffing has set a goal of reaching \$1 billion in

More on the acquisition, A6

revenue by 2015. The acquisition will more than double the size of Elwood Staffing. President John A. Elwood said the acquisition allows Elwood Staffing to expand geographically and obtain an expertise in new industries. SOS operates 155 locations, he said, and in only two — El Paso, Texas, and Reno, Nev. — does Elwood also have an office. The greater spread of

SEE **HIRING** ON PAGE A6

Growth, revenue history

In 1980 Elwood Consulting, founded by David L. Elwood, was located at 2530 Sandcrest Blvd. The company started to provide pre-employment testing services. Between the years 1980 to 1993 revenue never exceeded \$125,000 in any year. Here is a look at the company's history and revenue from 1993 to present:

1993: Services expanded to include interviewing, skills testing, drug testing, making hiring recommendations, arranging for physicals and handling applicant phone calls and information. **Revenue:** \$125,000

1994: Temporary staffing services offered. **Revenue:** \$232,000
1995: Incorporated as Elwood Consulting Co. Inc. Satellite office opened in Martinsville. **Revenue:** \$264,000
1996 revenue: \$1 million

1997: Company name changed to Elwood Staffing Services Inc. **Revenue:** Not reported through 2006

2001: Elwood Staffing made first acquisition by purchasing Job Placement Services of Valparaiso.

2006: Acquired Alabama-based TRI Staffing, which also has offices in Nashville, Tenn. Elwood Staffing expanded into Georgia. Acquired Premier Staffing of Indianapolis. Expanded into Kentucky by opening an office in Louisville. **Revenue:** \$125 million

2003: Broke ground on new corporate headquarters, at 4111 Central Ave., Columbus. Headquarters opened later in the year.
2004: Acquired Hubbuch Staffing of New Albany.

2007: Expanded into Nevada by serving customers in Reno. Expanded into Texas by offering services in the Fort Worth area. **Revenue:** \$160 million
2008 revenue: \$140 million
2009: Acquired Time Staffing Solutions with offices in Indiana and Michigan. **Revenue:** \$95 million

2011 revenue: \$278 million
2010: Acquired Alpha Omega Resources with offices in Virginia. Acquired Multi-Staffing Services with offices in Tennessee, Alabama and Mississippi. **Revenue:** \$197 million

2012: Acquired Beacon Staffing in western Michigan. Opened office at 2506 25th St. in Columbus in spring; used as the staffing site. **Revenue:** \$366 million

2013: Elwood Staffing purchased SOS Employment Group, based in Salt Lake City. SOS became a wholly owned subsidiary but will operate as a sister company. **Revenue:** Projected \$825 million, with combined revenue between Elwood and SOS Employment group already at \$750 million.

2015 revenue: Projected to reach \$1 billion.

Cummins revises earnings

Court ruling costs company, stock dips

By **RANDY MCCLAIN**
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The stock of engine maker Cummins Inc. dipped 3 percent Wednesday after it restated earnings tied to what the company said was "a recent adverse court ruling" in an unspecified commercial contract squabble.

Columbus-based Cummins trimmed its previously announced fourth-quarter and full-year 2012 operating results by \$20 million, with net income reduced by 7 cents per share.

The moves made a dent in Cummins' stock price, which closed at \$114.83 per share on the New York Stock Exchange. That was down \$3.54 per share, or 2.99 percent.

Carole Casto, a spokeswoman for Cummins, declined to elaborate on the legal issues involved.

"The case is still in active litigation, so I'm afraid I can't comment on the case details at this time," Casto said via email.

Cummins' revised fourth-quarter profit before interest and taxes was \$532 million, excluding \$52 million in restructuring costs. Net income was \$369 million, or \$1.95 per share, including 19 cents per share in restructuring costs and a one-time tax benefit of 21 cents per share, the company said.

Net income for the full year was \$1.65 billion, or \$8.67 per share, down from \$1.85 billion, or \$9.55 per share, in 2011.

"I don't see anything that really shifts the outlook for the company in this revision," said Cummins' analyst Craig Kessler, who is based in Columbus.

Other analysts who follow the company

SEE **CUMMINS** ON PAGE A4

Toyota lands tax break for expansion

Manufacturer hopes to add 50 jobs, part of \$20M project

By **JOHN CLARK**
jclark@therepublic.com

Toyota Industrial Equipment Manufacturing Inc. has received a 10-year break on its property taxes to help with a \$20 million expansion at its Inwood Drive plant.

The company is gearing up for an expansion into South America, which will involve the production of some parts and sub-assemblies for forklifts at the plant in the Woodside Industrial Park near Walesboro, company officials told the Columbus City Council. The company expects to eventually add up to 50 local employees for the expansion.

The company has 717 permanent employees and 180 temporary employees and pays salaries and wages of about \$44.6 million, according to its tax abatement request to the city.

Joe Kurdziel, account manager at TIEM, said 99 percent of what the company produces are forklifts and those are mostly for the North American market, where it is the industry leader, with just more than 20 percent of the market share.

"It is a pretty tough market," Kurdziel said. "As you can imagine, there is limited amount of expansion you can do in the United States."

SEE **TOYOTA** ON PAGE A3

EDUCATED IN THE ART OF MUSIC

Columbus man following ambitions, doing what he loves.

ZONE, C1



CORRECTION

Dr. Samantha Lucas spent the day before her Feb. 14 wedding at home recovering from an illness. Information provided to The Republic incorrectly indicated that Lucas was completing last-minute wedding preparations that day in a story published in the Feb. 15 edition.

OBITUARIES A9

Nancy C. Hogan Gilbert, 50, Columbus
Landon Noel Hendricks, 90, Mobile, Ala.
Paul L. Kerkhof, 89, Seymour
William Wayne "Bill" Tingle, 70, Deputy
Salvatore "Sam" Trianna, 84, Port Richey, Fla.

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OUTSIDE



HIGH: 36
LOW: 30

DAILY



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Elwood achieves dream to go national

By **BORIS LADWIG**
bladwig@therepublic.com

David L. Elwood, the Elwood family's patriarch and founder of the company that would become Elwood Staffing, for many years has pursued the goal of expanding his company across the nation.

This year, Elwood Staffing is taking a giant step toward that goal, with the acquisition of SOS Staffing in Salt Lake City, and an expansion into 33 states.

For David Elwood and his three sons — Mark, John and Michael — the experience of seeing the family name on offices throughout most states of the union is tinged with humility, pride and excitement.

Mark Elwood said that on Tuesday the family stood in the SOS office in Salt Lake City in front of 200 employees, with another 200 dialed in, for formal introductions.

"That might have been the most proud I've ever been," he said

Wednesday, sitting in an office of the company's corporate headquarters on Central Avenue.

"It's an awesome feeling," John Elwood agreed.

And though he sometimes still feels like he needs to be pinched, and despite the realization that they will be faced with lots of hard work in the months ahead, John Elwood said he looks forward to that work with great excitement.

For the Elwood company, the acquisition of SOS marks the latest stride in a series of steps toward a national footprint. But the steps did not come without the occasional stumble.

"Not too many years ago we were kind of wondering if the phone would ring," Mark Elwood said.

In 1996, the company first reached \$1 million in sales. And now the executives hope to reach \$1 billion in sales by 2015.

"It's kind of mind-boggling," Mark Elwood said.

The growth the company has seen also validates the work of the leaders and the employees, he said.

"Customers don't have to buy your stuff. For companies to keep buying services from Elwood Staffing, that tells us that in the marketplace we're still doing a pretty good job," Mark Elwood said. "That's very rewarding."

Both Elwood Staffing and SOS have recorded significant growth in the past few years. Elwood Staffing's revenues, on average, have nearly doubled in each of the past three years, spiking from \$95 million in 2009 to \$366 million last year. During the same period, SOS Staffing's revenues climbed from \$214 million to \$383 million, for an average annual growth of 26 percent.

While the greater geographical reach and expansion into new industries will make Elwood Staffing a more resilient company, founder David Elwood said growth has been a long-term goal.

From very early on, Elwood Staffing wanted to expand beyond the county's boundaries, and, one step at a time, eventually extend its presence nationwide, he said.

The motivation for expansion comes in part from a desire to improve, he said.

When a sports team wins 16 games in a row, its players are not going to say that they've had a good run and not give their best in the 17th game. No, he said, that team will want to keep on winning and eventually go undefeated.

"You want to keep on having success," David Elwood said.

And although the company is growing, Mark Elwood said, its roots will remain in Columbus.

David Elwood, who turned 83 on Valentine's Day, said he is pleased that his sons have achieved success at a relatively young age.

"I'm just very, very proud," he said.

SOS Employment

Based in: Salt Lake City
Employees: 575
Locations: 155
2012 revenues: \$383 million
Founded: 1973
Size: 32nd-largest staffing firm in the United States

Elwood Staffing

Based in: Columbus
Employees: 410
Locations: 75
Founded: 1980
Size: 44th-largest staffing firm in the United States
2012 sales: \$366 million

Elwood officers

- David L. Elwood, chairman of the board
- Mark S. Elwood, chief executive officer
- John A. Elwood, president
- Michael D. Elwood, president of Elwood Professional
- Steven J. Hunnicutt, chief financial officer
- Michael Stockard Jr., executive vice president
- Dave Meyercord, senior vice president
- Nick Seger, vice president of finance and operations

HIRING

Continued from Page A1

offices will allow the company to respond much better to large customers that may be looking for a staffing company to serve its needs across the nation, Elwood said.

At the same time, he said, the company will continue to provide staffing needs for companies of all sizes, including small businesses.

Chief Executive Officer Mark S. Elwood said the acquisition also gives the company inroads into energy, oil and gas, transportation and construction industries, in which SOS Staffing has a significant presence. Elwood Staffing has focused primarily on manufacturing, logistics and warehousing sectors.

Mark Elwood also said that the company's larger geographic spread and customer base — about 6,000 — will better insulate the company against a downturn in any geographic region or industry.

Combined, the companies generate just more than half their revenues in the manufacturing sector. Energy and logistics make up 33 percent. Western U.S. states generate the largest amount of revenues, with 33 percent, followed by the Midwest (28 percent) and the Southeast (24 percent). Both staffing companies are privately held and did not disclose the acquisition's financial details.

Over the next few months, the SOS offices will be rebranded to bear the Elwood name.

Mark Elwood said that the company plans to retain a regional headquarters in Salt Lake City, where the SOS corporate employees work. That move makes sense, he said, to provide information technology, accounting and



ANDREW LAKER | THE REPUBLIC

Staffing specialist Jeff Solomon, left, shakes hands with applicant Curtis Miller following an interview Wednesday at Elwood Staffing.

other support for the clients on the West Coast and beyond.

Nonetheless, Mark Elwood said that the acquisition bodes well for employment levels in Columbus.

Elwood employs 410 in Columbus, including corporate functions such as marketing, information technology and accounting at its headquarters at 411 Central Ave. Mark Elwood said the local level of employment probably will increase because of the acquisi-

tion, but how many more jobs will be added was not clear yet.

Combined, the company will employ nearly 1,000 and serve more than 6,000 businesses. After the acquisition, Elwood will manage about 27,000 temporary employees daily, including about 350 in Bartholomew County.

The staffing industry has seen significant consolidation over the past few years, according to Mountain View, Calif.-based Staffing Industry

Analysts, which provides advice and research to staffing companies.

SIA said on its website that the 15 largest U.S. staffing firms made up 35 percent of the market in 2008 and 44 percent in 2011. During the same span, the market share of the top five companies rose from 18 percent to 25 percent.

Elwood Staffing was founded in 1980 by David L. Elwood as Elwood Consulting. It began by providing pre-employment testing and significantly expanded its services in the 1990s. All three of his sons have joined the business.

Mark Elwood joined in 1987, John Elwood followed in 1996, and Michael Elwood in 2004.

In 1997, the company was recognized as among the 100 fastest-growing businesses in Indiana by Indiana University's Kelley School of Business. Key acquisitions in the past decade have included Hubbuch Staffing in 2004, TRI Staffing in 2006 and Premier Staffing in 2006.



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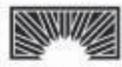
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