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David Kalt
of Reverb

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JOHN R. BOEHM

FAST 50 2019

To the swift go the spoils! Here's our annual ranking of the fastest-growing companies in the Chicago area, with a deep dive into the 10 fastest. This list, which we've been publishing every year since 2007, was produced with accounting firm Plante Moran.

Stories by Judith Crown. Research by Kasey Hariman.



1. Reverb

What it does: Online marketplace for music gear | **2018 revenue:** \$36.1 million | **5-year growth:** 29,510.9% | **Employees:** 164 local, 180 total | **Profitable:** No | **Location:** Lakeview

Entrepreneurs find inspiration in “pain points”—irritations with things the way they are, that could be better.

David Kalt, who had been drawn to rock as a teenager, continually was irritated buying and selling musical gear on eBay and Craigslist. “The process, discovery and educational experience was limited,” he says. Buyers paid full price while sellers had to accept steep discounts.

That frustration led Kalt to launch Reverb, a specialized site geared to musicians and collectors with detailed prod-

uct descriptions, educational content, a price guide and a sorting mechanism. “By getting as much liquidity as possible, we reduced the bid/ask spread dramatically,” Kalt says.

Since its start in 2013, Reverb's revenue has grown to \$36.1 million, with a staff of 180 that includes team members in the United Kingdom, the Netherlands, France, Germany, Japan and Australia. The company has raised \$47 million in several rounds of funding, including investments from Cheap Trick's Rick Nielsen and country star Brad Paisley.

It's the second time around for Kalt, who had a hit with online brokerage OptionsXpress, launched from an earlier pain point—annoyance with the limitations of online trading platforms.

This time Kalt had a track record, which made it easier to attract capital. Repeat investors include Summit Partners; Rod Levy, executive director at Code Platoon; and Lou Friedmann, executive vice president of marketing at M1 Finance.

“He scaled one business, and that experience lit the path at Reverb,” says independent board member Adam De-

Witt, chief financial officer at Grubhub, who worked with Kalt at OptionsXpress as vice president of finance and CFO.

Some aspects are proving more difficult—such as recruiting tech talent in a tight labor market. And Reverb won't enjoy the fat margins of OptionsXpress, which reached 60 percent pretax, Kalt says. Margins in the online music business are in the 20 to 30 percent range.

“There's still a big opportunity,” DeWitt says. “Kalt's passion for music, his skill at developing products and an unmet market need all come together.”



2. TravelZap

What it does: Group travel and destination weddings | **2018 revenue:** \$22.6 million
5-year growth: 20,669.7% | **Employees:** 49 local, 49 total | **Profitable:** Yes | **Location:** Loop

Alex Zatvor was working at a marketing company generating leads for a travel agent when he noticed groups asking about bachelor party, alumni reunion and corporate trips. In 2012 he launched online travel agency TravelZap to meet that demand.

"It's hard to book more than seven rooms through an established online travel agent" such as Expedia or Travelocity, he says.

Zatvor soon found the biggest demand in this space was for destination weddings, which have grown to more than half of TravelZap's 2018 revenue of \$22.6 million. In 2016 he created a separate brand and web presence, Destify, to handle the travel logistics of a wedding in Hawaii, Mexico, the Caribbean or Central America. Like other online travel agencies, TravelZap earns its fees from hotels and resorts—typically in the range of 10 percent.

The company uses technology to streamline the wedding planning process. Guests book their air and hotel reservations through Destify, and an online dashboard shows the status of every invitation. Events can run up to 400 guests. Some of the largest are Indian weddings, which typically involve a three-day ceremony. For one, "we were prepared to bring in an elephant," Zatvor says, "but the family members changed their minds."

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3. Origami Risk

What it does: Cloud-based software provider for risk management | **2018 revenue:** \$51.2 million
5-year growth: 9,066.1% | **Employees:** 96 local, 235 total | **Profitable:** Yes | **Location:** Loop

Robert Petrie and his co-founders named their risk-management software company after the Japanese art of paper folding. "The idea was that the product would be elegant, simple and functional," says CEO Petrie.

It wasn't an elegant start in 2009. "It was hard to persuade customers to be the first," Petrie says. It took 18 months to hook the first—a manufacturer in Texas—and another six months to line up No. 10. "We overserved them like crazy—answered every phone call on the first ring," he recalls. "Those customers became our references."

A veteran of insurance giant Marsh,

Petrie saw an opportunity to use the cloud and the software-as-a-service distribution model to sell the proprietary product to cities, airports and companies—any organization subject to hazard risk. He and his partners bootstrapped the company and lived off savings. "It was a little scary at some points along the way," he says.

It's scary no longer. A decade later, the company has revenue of \$51.2 million, and it operates in the United States, the United Kingdom and Australia. "We don't have to grow by taking market share from somebody else," Petrie says. "You just have to persuade people you have a useful product."

4. OppLoans

What it does: Online installment loans | **2018 revenue:** \$134.2 million | **5-year growth:** 9,041.9%
Employees: 306 local, 307 total | **Profitable:** Yes | **Location:** Loop

The grim reality of the widening wealth gap is that an estimated half of Americans live paycheck to paycheck. The Federal Reserve says 40 percent of adults couldn't meet a \$400 unexpected expense such as a car repair without borrowing or selling an asset. Seven-year-old OppLoans aims to fill a gap between banks and payday lenders for borrowers with poor credit scores.

"We're the best option when the other guys decline you, and we're much cheaper than the worst option," says CEO Jared Kaplan.

OppLoans was founded by Todd Schwartz, partner in Chicago-based Schwartz Capital Group, whose father, Ted Schwartz, founded call service busi-

ness APAC, which sold for \$470 million in 2011. In the years after the 2008 recession, "capital dried up for folks with imperfect credit," Kaplan says.

The company differentiates itself by offering a higher-value loan—typically \$1,500 for 12 months at an annual percentage rate of 100 percent. Payday lenders typically lend \$500 in a 30-day window at a 400 percent APR and are notorious for rolling over loans and racking up big interest charges when borrowers are unable to pay.

With a model that includes efficient online marketing and customer service, OppLoans is able to offer lower rates, Kaplan says. Revenue is expected to nearly double to \$250 million this year.



5. Screenshot

What it does: Insurance claims technology | **2018 revenue:** \$37.3 million | **5-year growth:** 5,444.0% | **Employees:** 255 local, 497 total | **Profitable:** No | **Location:** Loop

Screenshot is moving the world of car damage claims onto the smartphone, one insurance carrier at a time. No more adjusters coming to look at a car wreck. Insurance companies using Screenshot software enlist the car owner to snap and submit photos of the damage. The technology manages the rest of the process through settlement and payment.

"We're behind the scenes," says founder and CEO Brad Weisberg. "The insured cus-

tomers think he or she is working with the insurance company."

Screenshot recently raised \$29 million in Series E funding led by Tola Capital that will enable it to expand into property and bodily injury insurance. It has raised an overall total of \$71 million.

Weisberg started the company in 2010 after experiencing the cumbersome process of collecting three estimates from body shops for a fender bender. The hard-

est part of the launch was convincing insurance carriers to try the software. "We went to networking events and talked to anyone who would listen," he says. "We were able to build relationships with a few small regional carriers that took a chance on us, and it paid off."

Screenshot now works with more than 75 clients, including insurance companies and third-party administrators, and has a staff of nearly 500.



Brad Weisberg



6. Fooda

What it does: Lunchtime meal service | **2018 revenue:** \$123.1 million | **5-year growth:** 3,956.7% | **Employees:** 115 local, 217 total | **Profitable:** No | **Location:** Loop

With few restaurants in walking distance, workers at the Chicago River headquarters of Groupon and other startups were starved for lunch options. So when Orazio Buzza launched a service to bring restaurant pop-ups to office buildings, the companies signed up.

"We learned that this could be done easily at a handful of locations," Buzza says. "But it was difficult to scale." It took three years for the company to open its second market—New York.

Fooda offers a two-sided business-to-

business marketplace—for companies and building managers that want to offer lunch on-site and for the restaurants that supply it. It took a while to hone the business model and build software that, among other functions, forecasts the volumes that enable restaurants to maximize sales and makes sure they are paid accurately and on time.

The scheduling of several thousand restaurants and 1,500 corporate locations is handled by an algorithm. "It's more than a human could do at this point," Buzza says. The locations receive

a monthly schedule—office workers typically see 20 different restaurants in a month. The suppliers offer three to five entrees that are cooked at the restaurant and assembled on-site.

Fooda operates in 22 markets and is opening in new cities every two months. Buzza envisions the company expanding to the largest 50 to 60 U.S. metro areas. It's also adding large employers and multitenant commercial buildings. In Chicago, it supplies Rush University Medical Center, Hyatt and Northern Trust.

7. Hireology

What it does: Software for hiring | **2018 revenue:** \$21.4 million | **5-year growth:** 3,333.4% | **Employees:** 135 local, 182 total | **Profitable:** No | **Location:** Near East Side

When Adam Robinson launched his human resources software business in 2010, small businesses were inundated by a flood of candidates. It was in the wake of the recession, and there were 10 times the applicants for every opening. Nine years later, the pendulum has swung, and employers are scrambling to recruit in a tight job market.

"Today you have to retail your jobs directly to the consumer," Robinson says. That involves configuring postings so they show prominently on Google searches. Hireology scours the internet and builds prospect pools for its 6,500 clients that are mostly part of large-network and franchise systems such as car dealerships, home health care systems, gyms and spas.

An alumnus of early dot-com Click Commerce, Robinson launched Hireology by supplying interview guides and selection tools for hiring salespeople. He then designed a system for running the hiring process. "Companies were managing it with email, and it wasn't effective," he says. In 2014 Hireology began to host customer career sites and more recently added onboarding and payroll tracking as well as recruitment.

The company recently closed on \$27 million in a Series D round led by Blue Cloud Ventures, bringing its equity financing to \$45 million. And it's eyeing new markets in hotels and hospitality, financial services, real estate, property management and heavy equipment.

