

Organic growth enables Lonesource to finish near the top

Lonesource Inc.

114 Mackenan Dr. #3001 Cary

By Lee Weisbecker

CARY— Staying focused on key southeast markets, Cary-based Lonesource has been supplementing organic growth with key acquisitions to expand the company's bottom line.

The 10-year-old firm began 2010 still consolidating its acquisition of Nashville-based NOI Supply, a move that opened up a large slice of the Tennessee market, including Memphis and Chattanooga, to the North Carolina office supply company.

The deal, whose financial details were not disclosed, increased the number of Lonesource locations to seven scattered over three states.

Nowadays, the firm employs 45 in its Triangle headquarters and has an additional 135 employees in offices in Greensboro, Atlanta, Charlotte, Nashville and Memphis.

Lonesource's presence in Atlanta and Greensboro stems from a pair of 2008 acquisitions. In quick order, the firm absorbed Sunbelt Office in Georgia and, in Greensboro, it combined with Better Business Forms, a custom print and promotional products supplier.

In picking up NOI in December 2009, a company with 44 employees and 33,000 square feet of Tennessee office and warehouse space, Lonesource was following what CFO David Ryan calls an "aggressive growth strategy," one carried out, in fact, despite what he also described as very challenging economic environment.

Compared to the results from recent acquirers, organic growth came at a slower pace in 2010. The firm added 6 employees to meet staffing needs at all its locations.



STEVE WILSON

CEO Bradley King admires Steve Jobs for staying "young, innovative and relevant".

Revenue, meanwhile, jumped from an estimated \$53 million in 2009 to \$63 million in 2010. The phrase "office supply" doesn't really describe what Lonesource is all about. It's about much more than pens, paper, and office desks.

All told, the company sells and delivers more than 200,000 business consumables, from the usual office fare all the way to complex IT ordering, tracking, billing, sales tax systems and more.

The latter items fall in the category of "business process optimization," and is the field, Ryan says, in which the company works to distinguish itself in the market.

The notion of offering as many products as possible, acquired from as few suppliers as possible, thereby controlling costs, was the idea of company founder and CEO Bradley King, a native North Carolinian who learned the business while working as a sales executive with US Office Products.

BUSINESS DESCRIPTION:

Lonesource sells and delivers more than 200,000 consumables to corporations of all sizes at competitive prices.

NUMBER OF FULL-TIME EMPLOYEES

IN THE TRIANGLE: 45 in the Triangle with an addi-

tional 135 in Greensboro, Atlanta, Nashville, Memphis, Charlotte and Chattanooga
TOP TRIANGLE EXECUTIVE AND TITLE:
Bradley King - CEO

What is fueling your company's growth?

A combination of organic and acquisitive growth.

Given the current conditions, what is your growth strategy?

Our growth strategy remains the same, combine organic with acquisitive growth and stay focused on major markets in the South East.

What is your biggest success in the past 12 months?

Our biggest success has been our ability to grow organically despite a very challenging economic environment.

What steps did you take to combat the economic downturn?

We continued to act offensively by focusing the organization on acquiring new customers and servicing existing customers.

What are your company's chief goals for the next year?

The goals for the next year are to continue to penetrate major markets throughout the South East and stay on the Fast 50 list.

How many employees did you hire in the past 12 months, and how many do you plan to hire in the next 12 months?

We added approximately 6 new hires in 2010 excluding those that came to us through acquisitions. Our objective for 2011 is to add 30-40 sales personnel disbursed over our 7 locations.

What executive/CEO do you most admire in the business world?

Steve Jobs for staying young, innovative and relevant.

What keeps you up at night?

Funding growth and making sure to maintain balance in life.