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2022 North Carolina
Mid-Market
FAST40
CELEBRATING SUSTAINED GROWTH

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 **Cherry Bekaert**
Your Guide Forward



SHOWCASING THRIVING MID-SIZED BUSINESSES

Business leaders from across the state shared thoughts on the Fast 40, their own businesses and the state's economic outlook in a recent roundtable discussion. The panel touched on the diversity of winners, the continuing labor shortage, the state's excellent community college system, rising interest rates and the demise of water-cooler bonding in the workplace.

PANELISTS



Bill Elkin
chief operating officer
Network Wireless Solutions



John Gonella
tax partner
Cherry Bekaert LLP



Lee Hodge
attorney
Ward & Smith P.A.



Lauren Jarman
vice president
Atlantic Forklift Services



John Martin
co-founder and partner
Fourth Elm Construction



Thad Walton
North Carolina commercial
banking executive
Regions Bank

The following round table discussion was moderated by Ben Kinney, publisher, *Business North Carolina*. It was edited for brevity and clarity.

WHAT DID YOU THINK OF THE COMPANIES IN THIS YEAR'S FAST 40?

GONELLA: The spread of successful companies across the state was really good. It wasn't one particular part of the state that has done well over the past year. We had good representation really across the board.

WALTON: Last year, we first saw pockets of (businesses) outside of the major metropolitan markets. This year, it was even more so. And the field was not as concentrated in tech or healthcare with furniture and construction, among other industries, represented. All are approaching conducting business in new and innovative ways.

HODGE: I just thought it was a very reflective economy. We've got a broad diverse economy.

HOW IS YOUR COMPANY PERFORMING THIS YEAR?

JARMAN: Record breaking. We're 9 years old, and we've seen year over year growth, last year up 40%, and we're up 60% this year, and just riding the wave of our customers. They need service because they've been unable to purchase new equipment due to industry challenges and supply chain issues.

MARTIN: Last year was hard for us, even though we did grow, because of the supply chain. We're commercial construction. So we had materials that were backlogged. Because of COVID, we had labor shortages that we had to deal with. It was actually pretty challenging. With that said, there was an enormous overall demand. And so that kind pushed this bottleneck. I called myself a professional bottleneck unclogger for a little bit there. I think we're kind of through that. Of course, now we've got this interest rate issue. We still had good volume, but some of the general flow of business was just very disrupted in the commercial structure.

ELKIN: I would echo what John (Martin) said. It was hard. We had tremendous growth, we could



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have grown probably 25% more if we could have had materials to sell. We had tons of supply chain issues and still do now. We sell the equipment that goes up and down a cellphone tower, except for the tower itself, and nearly everything's got to be replaced for 5G.

A lot of materials come from China. And you know, they're still shut down partially for COVID. We started sourcing out of Central America as well. With the infrastructure bill, now who knows how that's gonna play out with the economy but you know, we're leaving a lot on the table because (of supply issues).

WHAT ARE YOU HEARING FROM COMPANY LEADERS IN THE FAST 40?

GONELLA: A year ago when we sat down, supply chain and people, talent (employees), were two of the big concerns that people had. A year later, we're still hearing things, particularly if you're relying on China and Eastern Europe for supplies. And then from a people standpoint, it's across the board. It's not a particular industry, everybody you talk to is having trouble finding qualified people to work. The demand (for products and services) is there. It's having the capacity to be able to fulfill it.

WALTON: That they're experiencing a wage war to some degree. You're seeing the ability of some employees to secure a 20% raise, but that's not internal; it requires jumping companies. Another theme I heard involved playing defense just as much as playing offense in every industry right now. We also talked about the importance of (company) culture, especially now with a more remote or hybrid workforce. All of this is coming to a head. It's an interesting time, for sure.

HODGE: Internally, we're doing a bunch of work trying to manage the hybrid workplace because we're not saying everybody's got to be back. It seems to be sort of generational, with the younger generation wanting to be more remote. The older generation wants to be in the office five days a week. The middle of the pack wants three or two days. So trying to manage through that is difficult.

ELKIN: So, you've got Apple coming to (RTP and hiring 3,000 people over 10 years) and you've got the new (Wolfspeed) chip plant coming to Chatham County. So one of the conversations we're having right now is do we continue to expand in Greensboro and Durham, or do we go somewhere else like potentially out of state? It's great for the economy that these companies are coming. But when you already can't sign a worker, and (the labor shortage) drives wages up, that's a problem. So it does impact our decision of whether to invest more in North Carolina or go out of state.

HOW HAS THE WORKSPACE CHANGED COMING PUT OF THE PANDEMIC?

MARTIN: Construction works a little differently. You can't really do remote work, but you also have folks working in the office. If you're asking people in the field to come in and work even during the depth of COVID it's tricky not to do the same with people in the office. There's this push to bring everyone back. The companies are in this sort of limbo.

WALTON: We are looking at the square footage we have and exploring how we use it most effectively. The office was built five years ago, and, we have sufficient space even to grow tremendously. But it's a new dynamic of how people interact in the workforce. Not everyone's at the watercooler every single day. So we need to offer reasons for people to connect at the watercooler more often.

JARMAN: The forklift industry isn't exactly known as bleeding edge when it comes to technology and remote working. You can't repair a forklift from home. During COVID we were dealing with customer protocols of entering warehouses and different spaces while we also had employees who were able to work remotely. It's a balance and you're never going to please everyone. So we had to focus on how you can build and maintain the team camaraderie... and keep our customers up and running.



DMA INDUSTRIES CONTINUES TO GROW EXPONENTIALLY DESPITE CHALLENGES

Despite numerous hurdles presented by the pandemic, including rising raw material prices and lengthy supply chain shortages and delays, DMA Industries has achieved yet another year of impressive double-digit growth. For the sixth consecutive year, DMA has ranked amongst the top 40 fastest growing private mid-cap companies in NC, ranked 9th in this year's results.

Founded in 2008 by John Treece, President and CEO, and business partner Steve Bertling, CFO, DMA is a leading product development, engineering, manufacturer, and trusted supplier to the Automotive, Heavy Duty, Recreational Vehicle, and industrial markets. With over 1.5M square feet of distribution

space across its 6 locations in NC and SC, DMA has continued to invest and build the necessary infrastructure required to meet its future planned growth. With no signs of slowing down any time soon, Mr. Treece credits their success to the company's culture as one Built on Passion.

"We have always Visioned Big, even from the very beginning as a small startup company. We continue to foster and build our company's culture based on the entrepreneurial spirit from which we were founded. Meaning, we are a performance driven company that has held on to its flexibility and sense of urgency in recognizing what it takes to exceed our customers' expectations. It's about providing an environment where everyone

is committed to achieving excellence," said Mr. Treece.

In dealing with the specific challenges over the last three years, the company has focused on four key approaches: Adapt, Innovate, Execute and Recalibrate. "DMA has built a company culture that embraces and actually thrives on change year over year. In times of uncertainty and unpredictability, we rely on our people's ability to quickly recalibrate based on the day-to-day developments," said Mr. Treece.

DMA is also a committed contributor to its industry and the communities in which it operates. Over the years, DMA has consistently given back to numerous events and charities.



INTEREST RATES ARE SPIKING AND A RECESSION APPEARS LIKELY. WHAT ARE YOU SEEING IN THE MARKETPLACE?

MARTIN: I've had a couple of projects that have been put on hold indefinitely or canceled because they say the cost of materials is too high.

JARMAN: Our customers have still not been able to get new equipment. And so we're in this sort of unique situation where our manufacturer, Doosan, had shorter lead times than a lot of our competitors and so we sort of rode that wave. So for us, as a service business, if (customers) can't buy something new, they've got to spend money, a lot of money, to keep old equipment up and running. So ... we have a lot of uncertainty. You better be buying now and planning ahead. And we have an enormous backlog just because, you know, folks are thinking it's not going to get any better.

HODGE: We're still sort of in the M&A world that's associated with relatively solid deal flow, but definitely the valuations have come down a little bit. They're not weighed down or anything, but then that's a factor of just the cost of capital. In doing transactions our client base is pretty broad and diverse from technology, construction, manufacturing and agribusiness. And we still have some clients with a number of clients with tons of demand. They're having some situations like John was mentioning where the demand was there, the order was there. And now, the financing is an issue. There's still plenty available. It's just you're paying a higher rate than you were 12 to 18 months ago.

WALTON: For some clients and business professionals, this is almost a 'generational' experience in that their entire careers up until this point have been during an ultra-low or near-zero rate environment. But talk to those who've been around for a while, and they have seen this before. We are still much lower in terms of today's rates than we were many years ago. That said,

there is still uncertainty about how much higher they will go during the current cycle. At the end of the day, borrowing costs six weeks from now will have more than doubled in seven months. And so it represents a new time in the banking industry for a lot of folks who have joined the workforce in the last 15 years and on the operating-a-company side as well. This is when having deep relationships with clients really helps – listening to their needs and positioning them not only for today but also the future. I think the buzzword I've heard is "just in case inventory" instead of "just in time." So a lot of people, maybe they prepared for a trade war with China. And so they ordered inventory as a result of that and ended up needing it for COVID reasons. We need to look at the next few years the same way. Have you put your head in the sand and kind of ignored what you think could happen? If so, that could be problematic. But the same folks who are agile – maybe interest rates are encouraging them to be more liquid.

ELKIN: The rates are impacting us as well, but we're going to build a new building somewhere. Now we're probably gonna lean toward leasing it because of interest rates, right? But we don't have to go out and borrow the money.

WALTON: It took three years for the Fed to increase rates by 200 basis points. So just think about the last 18 weeks. And think about six weeks from now. But you know it's achieving the objective.

ELKIN: You know, there are all sorts of small, rapidly growing middle market companies, right. And so, they are probably not as disciplined as big fortune 500 companies, right? I think what we're getting ready to go through is going cause all of us to sharpen our pencils a little bit and be a little less loosey goosey. We're gonna start looking a little more inwardly about how we're spending money, how we're allocating capital.



Macro Integration Services, Inc (Macro) is a value-added reseller serving multi-located, customer facing businesses. Our primary focus segments are Grocery Stores, Quick Service Restaurants, ABC Stores, Convenience Stores, General Retail, and Hospitality Establishments. Macro operates with a family of professionals who value and serve our customers, like they are part of our family for life.

Macro was founded 21 years ago by Wayne Williams, Bart Collins, and the late Tommy Gardner. Our commitment to doing whatever it takes to serve our customers has created wonderful and long-lasting relationships. We believe in making our customers' professionals internal heroes, so it is common when one of those professionals leaves one company to go to another, they invite Macro

to serve the new company. All of this happens because we take great care of our own professionals who take pride and care in serving the ultimate customer.

Macro is a value-added reseller and service provider for such leading brands as HP, Toshiba, NCR, Diebold Nixdorf, Zebra, Elo, Verifone, and Ingenico. We not only sell hardware and software, but our distinguishing expertise is in performing services for our customers. We cable; install technology, including POS and networks; provide maintenance services, including depot and on-site; perform technology assessments and recommendations; deinstall equipment; perform adds, moves, and changes projects; manage and wipe sensitive data; economically dispose of unwanted technology; warehouse and maintain inventory; and provide

integration/staging services.

Additionally, we have distinguished ourselves with our Integration services and engineering unique solutions directed at our customers' most challenging needs. We are well plugged into the segments we serve thereby bringing leading ideas and solutions to the table. Our customers love the fact that we can develop creative solutions and then deliver them to drive results.

Our founders and leaders are experienced and highly ethical professionals. We are based in Greensboro, NC near PTI airport and a Fedex hub, but we have staff located in many locations across the US. Macro provides services coast to coast in the United States along with Hawaii and Alaska using a mix of Macro project managers and our network of trusted partners and can-do professionals.



NORTH CAROLINA HAS RECORDED A SERIES OF BIG ECONOMIC DEVELOPMENT WINS AND CNBC NAMED IT THE NO. 1 STATE FOR BUSINESS. WHAT ARE THE KEY SUCCESS FACTORS?

ELKIN: The capital markets are plentiful with Charlotte. Your geography is great. You've got the mountains, you've got the coast, you still have, kind of, four seasons. All in one week, sometimes. It's a really good place to live. Great colleges and universities. A lot of people are coming for that.

WALTON: Ironically, I think COVID illustrates your point. People have more freedom to live where they want to live. And I think Charlotte has been one of the beneficiaries of that probably longer term. People have left the congested northeast, the congested west coast. You also see some of the southeastern or southwestern states benefiting from that as well. And we're in the states that are expanding.

HODGE: You put together the strong business climate and relatively low tax environment, we've got in the state, plenty of access to financing and liquidity for whatever you need to do. A great quality of life. If you're in Raleigh in three hours, you can be at the beach: in three hours, you can be in the mountains. There aren't many places in the United States where you can say that. So it's just a good place to be.

MARTIN: I think the one other thing that hasn't been mentioned yet is infrastructure, power. These mammoth projects in the Carolina core, ... they're enormous power users. There's been a lot of preparation. Maybe we take it for granted, maybe not. But, it's pretty unique. Duke Power is pretty aggressive I think in the economic development world.

ELKIN: If you're coming from the northeast, or California, which is where we're getting a lot of people, the cost of living is a bargain. So you get all that (others have listed) for half the price. Most of my new neighbors are from either California or the Northeast.

GONELLA: And as much as we've grown, there's still room for growth. There's a lot of opportunity with the low tax rate, comparatively to other fast growing states.

WHAT DO YOU ALL SEE MOVING INTO 2023?

MARTIN: I think it'll be stable. I do believe that it will, they're enough tailwinds for the demand to stay stable.

GONELLA: We got a good track record in this state even when there are downturns from a nationwide perspective.

ELKIN: It is leveling down a little bit. Like you said, I think we feel like it's going to be kind of level for 2023, maybe some growth. We're more concerned about earnings because we're gonna have higher capital costs, we're gonna have higher labor costs for sure. And as soon as we can mitigate that, or control that it will be alright, I think.

JARMAN: We're not planning on going backwards. For us, (the main challenge) is going to be the labor shortage. We had a talent shortage before the last two years, from a mechanic and technical standpoint. We're spending time with our community colleges and other folks really trying to build up the technical schools and resources that we need, not for 2023, but well beyond.

WALTON: We'll likely see margin compression and I think valuation multiples are already coming down a little bit. That will keep happening to some degree. But I don't think we're falling off a cliff, I think we're reaching a plateau. The Fed is doing what it's doing because it feels necessary and what is probably an appropriate reaction. We talked about the pockets, and the geographic breadth of the award winners this year. We have the benefit of having two very large cities, and then a lot of midsize cities around them. That diversifies us and offers us a competitive geographic advantage. ■



SUCCESS THROUGH SERVICE

Atlantic Forklift Services, LLC has found success in a crowded material handling market by providing 'noticeably best' customer service.

Headquartered in Charlotte, North Carolina with branches in Greenville and Columbia, South Carolina, Atlantic Forklift Services has positioned itself as an industry leader, alongside manufacturing partner Doosan, that has seen double digit revenue and profitability growth since opening its doors in 2013.

Atlantic Forklift Services has grown its equipment, service, parts and rental business

by branding itself as a 'full warehouse solution partner'. Their experienced sales and service teams work together to diagnose, repair and maintain forklifts, scissor lifts, conveyors, sweepers, scrubbers, dock doors, racking and mezzanines, and other warehouse items used by customers. The goal is to increase efficiency and productivity to maximize uptime for customers, thus deepening the partnership in a market that has many other well-known service and equipment providers.

Despite the challenges of a global pandemic in 2020, and ongoing supply

chain issues even today, Atlantic Forklift Services not only kept its doors open, but experienced 30% growth in 2019, and 42% growth in 2020. They have also doubled their work force and continue to hire additional sales and service team members, while also adding full-time administrative resources to support the growing dealership.

Atlantic Forklift Services has been recognized as one of Doosan's top dealers in equipment sales, service and parts for the last 6 years and is a proud two-time winner of the Mid-Market Fast 40.



WINNERS

RANK	COMPANY	CITY
1	Velocity Clinical Research	Durham
2	insightsoftware	Raleigh
3	Network Wireless Solutions	Durham
4	JSmith Civil	Goldsboro
5	Abound Health	Charlotte
6	Macro Integration Services	Greensboro
7	First Carolina Bank	Rocky Mount
8	QC Kinetix	Charlotte
9	DMA Industries	Tabor City
10	Dualboot Partners	Charlotte
11	Greenology Products	Raleigh
12	Furnitureland South	Jamestown
13	Limited Run Games	Apex
14	e-Emphasys Technologies	Cary
15	South Atlantic Packaging	Winston Salem
16	Simply Southern Holdings	Greensboro
17	Epes Logistics Services	Greensboro
18	PRESPRO Homes	Harrisburg
19	Commercial Credit Group	Charlotte
20	Lincoln Technology Solutions	Cary

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The Jim Allen Group is the general brokerage team market leader in the Triangle area, affiliated with Coldwell Banker Howard Perry and Walston. The Jim Allen Group was established in 1983 and has consistently proven to be the market leader in sales and marketing since its inception. Our passion, insight, and expertise mean we are a devoted team that can execute on an ever-changing landscape and also deliver stellar results. The Jim Allen team is a collective powerhouse of top-performing industry professionals, with over 80 agents with over 1,000 years of experience and knowledge in the Triangle area real estate market and over 25 full-time staff members. Our group is continually motivated by a desire for excellence, success, and generosity. The award-winning Jim Allen Group has listed and closed more than 8,000 homes and offers over 45 new home neighborhoods in the Triangle area.



COLDWELL BANKER
HOWARD PERRY
AND WALSTON

WINNERS

RANK	COMPANY	CITY
21	ServiceTrade	Durham
22	McAdams	Durham
23	Concrete Supply Co.	Charlotte
24	Atlantic Forklift Services	Charlotte
25	McFarland Construction	Charlotte
26	Smith Turf & Irrigation	Charlotte
27	WithersRavenel	Cary
28	Omega Construction	Winston-Salem
29	Rhino Tool House	Concord
30	Barnes Transportation Services	Wilson
31	Vadum	Raleigh
32	Fourth Elm Construction	Kernersville
33	Issuer Direct Corporation	Raleigh
34	The Jim Allen Group	Raleigh
35	Jackrabbit Technologies	Huntersville
36	Duncan-Parnell	Charlotte
37	Majestic Kitchen + Bath	Youngsville
38	Terra Dotta	Chapel Hill
39	Lytho	Holly Springs
40	Tencarva Machinery Company	Greensboro

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Mid-Market Fast 40

August 24, 2022

The companies that were ranked among the fastest growing mid-market companies in N.C. enjoyed a golf/spa outing and awards reception at Grandover Resort & Spa in Greensboro.

Photos by Tim Sayer





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