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CEO's tough cost-cutting had Edoc poised to grow

Firm makes Courier's list of fastest-growing companies

Premium content from Business Courier by James Ritchie, Staff Reporter

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When the recession hit, [Jim Mullaney](#) wasn't sure his company, Edoc Service, would survive.

He cut both his own salary and that of his operations manager by 30 percent. He renegotiated contracts with suppliers. Still, in 2009 the firm, which offers virtual business services, barely broke even. The company provides medical transcription, sales consulting and office management services.

Hunkering down paid off. Over the following two years, Mullaney saw revenue climb 147 percent, and he expects another 15 percent increase to more than \$1.6 million this year.

Why? Mullaney credits federal regulatory changes, a revamped set of services and an improving economy.

Edoc Service, which is a 2012 Business Courier Fast 55 finalist, has a unique structure. Mullaney has nine full-time employees and 53 contractors spread throughout the United States. Everyone works from home, including Mullaney, whose Fairfield house is jammed with \$100,000 of computer servers for the business. He's moving them next month to a data center, though all employees will continue as telecommuters.

The rough economy "forced us to not focus on getting sales, because we knew the market was down and anything we did on the marketing side was not going to be effective," Mullaney said. "We focused instead on our infrastructure so that when the economy did come back, we were able to come back that much stronger."

Accidental tech firm

Recent growth has come largely through Edoc Scribe, the firm's medical transcription business, which serves 850 doctors across the country. Demand rose in 2009 as Medicare started requiring doctors to dictate more information. In 2010, Mullaney made improvements, including a module allowing physicians to approve and edit manuscripts online.

"We had never envisioned ourselves as a technology company," he said. "But we seem to be stepping more and more into that."

In office management, Mullaney serves firms like his own, in the \$500,000 to \$5 million annual revenue range. Most are in technical, industrial service or nonprofit fields.

"We're best able to help organizations where a CEO has been doing most of a company's work and wants help, or companies that are transitioning office managers," Mullaney said.

That was the case for [Ronald Rothhaas](#), president of Cincinnati-based tree care service Arbor Doctor. The 8-year-old company consists only of Rothhaas, a full-timer in the field and a couple of part-time employees, but extensive records for customers and the Ohio, Kentucky and Indiana departments of agriculture make for heavy administrative work.

"We had hired people to do it in-house, but that was inefficient because we didn't need someone full time," Rothhaas said. "And finding someone good and experienced part time, even in this economy, was almost impossible."

Everyone works from home

The transition to working with a virtual company was easier for Rothhaas because Edoc is local and he can occasionally have face-to-face meetings with its management. Since starting with Edoc in the fall, he said, Arbor Doctor is running more smoothly than it has in years.

The virtual model will likely become increasingly popular for small businesses, especially because younger generations are more comfortable with electronic communications, said [Sid Barton](#), faculty executive for the **University of Cincinnati's** Goering Center for Family and Private Business.

"People will be constantly looking for ways to reduce costs in every business," he said, "and as technology allows that to happen, it will happen."

In 2009, with the economy still weak, Mullaney also found that Edoc's lead generation service was "not working for anybody." The firm reconfigured the service, Edoc Sell!, to be a sales consulting business.

Edoc had help from Cincinnati-based business consulting firm SkillSource and SCORE-Cincinnati, the volunteer arm of the U.S. Small Business Administration.

The company is now profitable and debt-free, and Mullaney believes it can reach annual revenue of \$3 million within the next three years. Best of all, Mullaney and his team are no longer working on reduced salaries.

Ritchie covers health care and technology