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## Long on background

9-11 spiked demand for data services, but Data Facts competes with customer service

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Marketing director Sara Kellum, left, talks with Data Facts president Daphne Large.

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When Doug Young, vice president of resource and development for **Data Facts, Inc.**, goes up against his larger, more national competitors, he likes to remember one of his key principles.

“It’s OK to be a small fish in a big pond,” Young says. “To really grow your business over time, you have to retain your client and we know that.”

The information services provider just hit its 20-year mark in December and has seen business swell thanks to growing demand from businesses that need to know more about their employees before making new hires.

Data Facts president and CEO Daphne Large founded the company in 1988 to provide financial information services to banks.

Starting in 1995, businesses began using information companies to provide more than just credit reports, but background information on current and future employees.

That interest grew dramatically after the Sept. 11 terrorist attacks in 2001.

“Post 9-11, everything went haywire,” Young says. “Us being such a litigious society, businesses started to see they could spend \$15 to \$100 per applicant if it might save them

millions due to a potential lawsuit down the road with sexual harassment or potential worker compensation fraud.”

According to the **National Association of Background Screeners**, the U.S. has more than 3,000 information services providers in the U.S., generating more than \$4 billion in revenue.

The increase in interested customers also created a boom in companies looking to distribute the technology.

As more companies began to be acquired by larger, more national type businesses, Data Facts just kept it simple — a policy the company still follows today.

“We are very old school; we don’t have voicemail here,” Young says. “It is mainly for the client’s benefit. We feel like it really differentiates us from all of the big black holes that are out there.”

A simple, customer service-orientated approach has helped Data Facts to grow to another branch office in Little Rock and to around \$7 million in annual revenue.

A key to growing that revenue over the years has been a focus by Data Facts to pursue clients of all sizes.

Young says other data service providers will only go after anchor accounts like large retailers or Fortune 500 companies.

“Everyone is trying to compete for **FedEx** or **Home Depot**’s business,” Young says. “We’ve found that we can do a really great job with companies like that, but we also do a really great job for customers that spend \$10,000 a year because we offer them the same type of services as we do companies who would spend \$1 million a year.”

Although the data service business is technology driven — software is continually updated with new services — the key for Data Facts to retain customers has been to rely on its sales team.

The company constantly trains employees on the ins and outs of the new technology to make it easier on the end customer.

“We have been able to assemble a team of trained, high skilled associates giving us the opportunity to work with and service some of the best companies across the nation,” Large says. “We love this business, and we are passionate about what we do.”

Along with qualified employees, retention of clients has been a cornerstone of Data Facts’ success the last two decades.

Young says it is not rare for local competitors and national companies to compete with long standing clients.

But even with larger companies like **Baptist Memorial Health Care Corp.** — a client of Data Facts for six years — offering quality customer service pays off.

“We could not be more satisfied with the individual and personal service we receive from Data Facts,” says Kristen Lilly, director of employment for Baptist Memorial Health Care. “Not only does Data Facts respond to our needs and exceed our expectations for customer service, they remain on the cutting edge of the latest technology and industry standards.”

Keeping long-time clients happy also allows Data Facts to avoid pit falls provided by the current economic climate. Even if new customer leads dry up, Data Facts can remain profitable thanks to its loyal customer base.

“We focus on reoccurring revenue,” Young says. “We want to grow at a pace that has been successful for us the last 20 years.”

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