

Landrum Human Resources, Inc: Britt Landrum, III and H. Britt Landrum, Jr. Growing Up PEO

Stephanie Oetjen

On September 16, 2004, Hurricane Ivan made landfall in Alabama and northwest Florida. A category 5 storm as big across as Texas and with winds up to 165 miles per hour at its strongest, it hit the coast as a category 3 with winds of 120 to 130 mph. But still...

AmStaff (now Landrum Human Resources, Inc.) was based in Pensacola, Florida, on the western edge of the Florida panhandle and less than an hour's drive from Mobile, Alabama, in one of the areas hardest hit by the hurricane.

It is in a PEO's nature to protect its clients, its employees, and its data during such times, and as the counties in the area of landfall were evacuated, Britt Landrum, Jr., president and CEO, and Britt Landrum, III, chief technology officer, headed into work.

"We had a big generator—the lights go out and it continues to run," said Britt Jr. "My wife and I got a blowup mattress and moved in. Britt and his wife and boys spent the night near the computer system. During the night, the wind was blowing. We had plywood over windows and had to put our backs to the door to keep it from blowing in. We didn't want any rain or wind to get in and damage our computers."

Growing Up With the Company

While nowhere near as exciting as that night in 2004, "sleepovers" at his dad's company were not unusual for Britt III as he was growing up. In high school, he became the janitor and worked overnight, as that best fit his schedule of school, band gigs, and football practices.

"I grew up hanging out with my



father on nights and weekends at the office," Britt III said. "Even at a young age, I was naturally attracted to just being there every chance I could. When he didn't ask, I would badger him about going. I would type on the typewriters, plan out kids events, play character-based Star Trek on the computers, etc."

Britt Jr. and his wife used their life savings to start an employment agency in 1970, the same year Britt III was born. The company was very small at first, with Britt Jr. and an assistant. Britt III has vague, early memories of his mother doing the books. Yet, the company grew and the Landrums began a temporary help service in 1973.

"In the early '80s, I read an article in *Inc.* magazine and found out about employee leasing, and I began to investigate that," Britt Jr. said. "At the time, our staffing service had grown pretty large for an independent. I determined that we

were doing the same things as staff leasing was doing, except payroll and benefits."

In 1983, Britt Jr. incorporated the company as American Staff Leasing Corporation, doing business as AmStaff, and the PEO was born. He was excited about getting into the business and had read about staff leasing companies in California tapping into the market of doctors' offices.

"I got a list of about 300 medical companies and sent out our first marketing appeal," said Britt, Jr. "And oddly enough, they weren't interested in my little deal. One doctor did call and he became my first client. His interest was for somebody else to do his payroll and benefits."

Britt III, 13 at the time, remembers that first marketing appeal, too.

"I was forced to sit at the dining room table and stuff envelopes to be mailed out to 'employee leasing' prospects," he said.

“At the time, I thought it was the dumbest thing I had ever done, as I had much more important things to do. Despite my incessant complaining, Dad kept saying, ‘You will remember this some day!’ Of course, now I will never forget that day and what it was the actual launch of!”

Milestones

AmStaff went through the same struggles as other early PEO adopters: how to get a group health policy; the question of whether workers’ comp exclusive remedy extended to both the PEO and the client; misunderstanding of the industry by potential clients, insurers, and regulators; and early company failures. The PEO, however, was launched from the staffing company’s platform and got tremendous traction from the stellar reputation the staffing company had built. As many of those new to a new industry do, Britt Jr. joined his national trade association, the National Staff Leasing Association, now NAPEO, to find out what he didn’t know, learn it, and network with other industry pioneers.

“Years ago, we only had one salesperson,” said Britt Jr. “At a NAPEO meeting, we had a contest, and I won. Carlos Saladrigas¹ was the prize. He would come to your company and give you advice on how to run it. He came and met with many of our department heads. He said, ‘You gotta get more feet on the street, Britt.’ We got more feet on the street and it’s been helpful.”

Britt Jr. didn’t have any grand visions when he started AmStaff, which he rebranded as Landrum Professional Employer Services in 2007. In the employment agency business, if you place someone you get a fee. If you don’t, you don’t get a fee. He found that the income stream in the temporary staffing business was more dependable, but it still had its ups and downs. His goal was to build a successful, sustainable business and feed his family, and the PEO provided that steady income stream.

Britt Jr. considers the company’s milestones in terms of the company’s goals: to be the best place for employees to work; to be known as a company that provides the very best service and is excep-

tionally good at what it does; and earn a reasonable profit. For him, each of these awards represents a company milestone:

- Pensacola Area Chamber of Commerce Business Leader of the Year, 1998;
- One of the top 100 of Florida’s privately owned companies since 2004;
- Combined Rotary Clubs of Pensacola and the University of West Florida College of Business 2005 recipient of the Ethics in Business Award;
- One of the top 50 Best Small and Medium-Size Companies to Work for in America for five consecutive years; and
- The Florida Governor’s Sterling Award for organizational excellence in 2007.

Growth and Transition

As the PEO grew and Britt III grew up, his role in the company grew as well. In addition to preferring to clean bathrooms and mop floors to stuffing envelopes, he spent his summers in high school doing clerical work and delivering payroll. He was also in a very successful local teenage band and even dreamed of being a professional musician.

“I was a music major in college,” Britt III said. “But it’s a dog’s business, and I knew that. I liked the predictability and stability of being in an office.”

After college, he worked on some special projects for the company in Atlanta, such as conducting surveys and reworking employee manuals, before coming back to Pensacola to do sales, often tag-teaming with his father and becoming a fairly good salesperson.

Britt III has been with the company for 22 years now, much of it in department management and on the senior leadership team. After starting in sales, a change came for him in the late 1990s, when PEO technology began emerging. The company’s current computer consultant wasn’t the right person to move the company’s technology forward.

“Since my father had watched me grow up programming and working on computer hardware, he took one look at me and said, ‘Well, it’s all up to you now,’” said Britt III. “Having lost out on several music opportunities, I took that one and ran with it! I built all of our own

machines, became a Microsoft Certified Systems Engineer (MCSE), and literally built our network from scratch. It was a great opportunity for me because the company was in a growth spurt, and my skills, network, and department were able to simultaneously grow alongside of the company.”

With the help of the phone provider and service technicians, systems were installed. He read and learned any way he could, even picking the brains of people who worked at the computer store.

“He worked and learned, and moved our company into the 20th century,” said Britt Jr. “He built our intranet, we didn’t have Internet, and we didn’t have email. He did a terrific job, and provided all those services for us—and we didn’t have down time like we did before.”

Britt III transitioned to executive vice president for the company last year, and to president this year. He saw the opportunity to become more involved in NAPEO and serves on NAPEO’s Membership and Operations/Technology Planning committees. He has also been named a member of the NAPEO Board of Directors, as his dad was from 2003 to 2005.

“The board is comprised of a very talented collection of business leaders,” he said. “I learn much from them every time we get together. I am also very grateful to have many of them as friends and mentors.”

NAPEO’s Board of Directors attended a retreat in March, and, among other things, began the process of developing NAPEO’s next strategic plan.

“I like the simplicity of it—it’s very focused,” Britt III said. “You’re going to see NAPEO making much stronger marketing efforts so the market penetration of PEOs will increase. They are taking it very seriously. It’s a matter of time. It’s on par, and if you think about the great minds that put that together, that’s a lot of collective wisdom!” ●

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1 Industry pioneer Carlos Saladrigas was NAPEO president in 1992.