

# HOUSTON BUSINESS JOURNAL

Strictly Houston. Strictly Business.

Vol. 35 No. 16 Week of August 27–September 2, 2004

houston.bizjournals.com

## Hired Help

### Consulting firm The Achilles Group provides overworked human resource departments with toe-to-heel coverage

BY CHRISTIE TAYLOR  
SPECIAL TO HOUSTON  
BUSINESS JOURNAL

The Achilles Group calls itself an outsourced human resource department, but the company diagnoses and eliminates personnel problems using tactics similar to those used in the movie “Ghostbusters,” even responding during the middle of the night.

The Achilles Group’s services, for example, include helping companies that need to let an employee go but don’t know the best way to go about doing so. Other situations involve consulting with firms that have outgrown their internal HR departments.

Through past experience with Fortune 500 companies, the company relieves small and medium-sized businesses of HR-related afflictions.

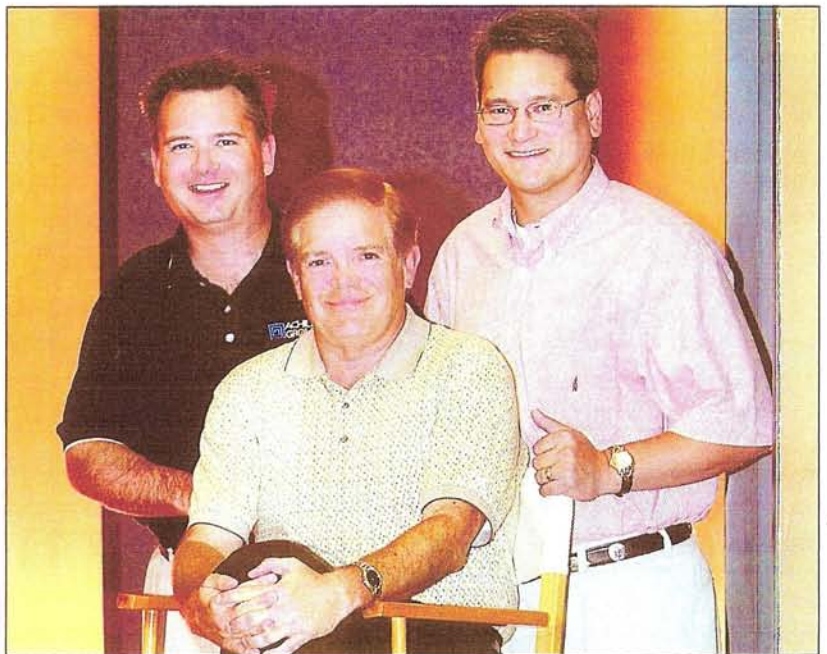
Founders Arch Payne, Bill Bradshaw and J.P. Magill say they realize that most human resource departments are understaffed and overworked. They also know emerging businesses can quickly grow

beyond the capacity of their own HR staffs.

That led them to conceptualize The Achilles Group in October 2001 after Payne and Magill had been laid off and Bradshaw had worked with each of them on a consulting basis.

Payne’s background in labor relations combined with Bradshaw’s recruiting experience and Magill’s technical expertise formed the backbone of The Achilles Group — an idea that was hatched over coffee at McDonald’s. Several meetings at Willie’s Ice House later, the three finally secured office space in northwest Houston, where their 10-person operation is headquartered today.

The founders are quick to point out that The Achilles Group is an outsourced human resource department, not a staffing agency. Although



From left: J.P. Magill, Arch Payne and Bill Bradshaw of The Achilles Group: Taking the pain out of HR issues.

the firm helps clients fill staffing needs — particularly unusual ones that crop up unexpectedly — its services are more comprehensive than simply filling empty positions.

The Achilles Group helps clients based on a 12-month subscription service. By paying a monthly fee (\$3,000 per

month, on average) clients receive the time and attention they would normally expect from an in-house HR department.

By working as outsiders, the founders say Achilles Group experts can diagnose issues more quickly and can often offer more creative, efficient solutions. In fact, the



company's name is based on the idea that HR issues are often the "Achilles' heel" of a business.

"We are objective, but we also solve the problem the way the client wants it solved," Magill says.

For example, if a business owner suspects an employee is practicing "creative" accounting, but that employee is a close family friend, even though The Achilles Group might recommend letting the employee go, they will come up with an alternative solution at the client's request.

Darcy Mingoia, president of the Cy-Fair Houston Chamber of Commerce, says she refers businesses in the area to The Achilles Group because the company's problem-solving techniques have helped in her own office.

"They really helped me improve my managerial skills by giving me concrete steps on how to provide employee feedback," Mingoia says.

After feeling stumped about how to handle a perplexing situation, the Achilles Group advised Mingoia on ways to turn it into a growth opportunity.

The company also offers free classes at the chamber on basic human resources issues to help give local business owners ideas to improve their own HR departments.

Since The Achilles Group accepted its first client in March 2002, revenue has increased steadily.

"In the very beginning, we were not sure whether to pay our electric bill or our rent," Payne jokes.

But revenue hit \$455,000 in 2003 and is expected to reach \$1 million in 2004.

## HELP ON THE WAY

Payne says the company's success hinged on finding a niche in the competitive HR market.

Clients range from start-up businesses that secure Achilles Group's services for \$1,000 per month to multinational corporations with as many as 1,800 employees.

Bradshaw says HR departments that use Achilles Group's services spend half of what they might if they hired a full-time employee to do the same job. And someone from The Achilles Group staff is available 24 hours a day through a cell phone hotline.

Magill says the biggest challenge he has faced since launching the Achilles Group has been transferring his large corporation mentality into a mindset that benefits small and midsize businesses. In his experience working for companies such as FMC, making copies and administering payroll happened seamlessly, but for businesses just starting out — or those experiencing a growth surge — such tasks can quickly become obstacles.

Payne, Magill and Bradshaw help companies with transactional issues such as payroll and insurance, but their specialty is shaping human resource departments, specifically in devising comprehensive plans.

As vice president of client development, Bradshaw's biggest challenge has been educating potential customers about the ins and outs of running a successful HR operation.

"Our biggest competition is apathy," he says.

For example, clients often don't understand that if some-



CRAIG HARTLEY/HBI

**From left: Bill Bradshaw, Arch Payne and J.P. Magill of The Achilles Group: Keeping strapped HR departments on their feet.**

one from a payroll department gets promoted into HR, that doesn't mean they will be able to solve complex HR issues, Bradshaw explains.

Indeed, The Achilles Group staff copes with commission structures, productivity reports, recruitment and anything else that relates to the personnel side of running a business. AchillesGroup consultants drop by clients' offices during workdays, staff meetings — even company picnics — in an effort to understand each office's corporate culture.

"Being in the trenches is the most fun part of the job," says Payne, the group's president and CEO. "I'd much rather be on the scene than sorting something out on the computer."

That enthusiasm carries over into the company's work space, which consists of an open floor plan, colorfully painted walls and a meeting room that resembles Willie's Ice House, which was one of the firm's first clients.

The Achilles Group staff works as a team, rolling their chairs across the hardwood floor to discuss an issue or answer a phone call.

Most clients come by referral, and the group has a 90 percent retention rate. Interestingly, the company's goal is to educate clients well enough that eventually they no longer need Achilles Group services.

## THE ACHILLES GROUP

CO-FOUNDERS: Arch Payne, Bill Bradshaw and J.P. Magill

BUSINESS: Outsourced human resource department for small and mid-sized businesses.

FOUNDED: October 2001

EMPLOYEES: 10

WEB SITE: [www.achillesgroup.com](http://www.achillesgroup.com)

Christie Taylor is a Houston-based freelance writer. ■