



PHOTOGRAPHY BY STEVE EXUM

# LAYING IT ONLINE

*How the top private companies in the state are opening up commerce on the Internet.*

*By Greg Lacour*

**J**essica Kirk emerges from SouthPark mall in Charlotte on a rainy Saturday in August with a plastic bag of loungewear from Belk in her hand. Kirk, 33, is expecting her first child. She still gets around OK, but seven months pregnant is seven months pregnant.

She has shopped at Belk since she was a teenager. She lives nearby and decided to pop in after picking up items from other stores in the mall. She can always find a bargain at Belk. Of course, she could have stayed home and clicked over to Belk.com, lynchpin of the Charlotte-based department-store chain's multimillion-dollar expansion into e-commerce. But she doesn't care for it. Fact is, she hasn't visited the site in awhile. "I don't shop for clothes on Belk's website. I don't know why — I just find it difficult to navigate for some reason. And I'm a huge online shopper. I shop Nordstrom all the time online. The design is really clean, it's easy to navigate, has lots of pictures. With Belk, I don't know — it just doesn't capture your attention." The company is working on it. From the dawn of e-commerce in the early 1990s until 2010, Belk Inc.

lagged in marketing itself and selling its wares online. Even after it launched a website that offered some of its collections in September 2008, they were minimal compared with national competitors' such as Cincinnati-based Macy's Inc. and Seattle-based Nordstrom Inc. (Before then, Belk.com had been for bridal registries.) Graphics were primitive, product information scant. The site was slow and crashed often. "When I came on board, we didn't even have a Facebook fan page," says Ivy Chin, the senior vice president Belk hired in late 2009 to oversee e-commerce and digital sales. "They realized they were behind and needed some help."

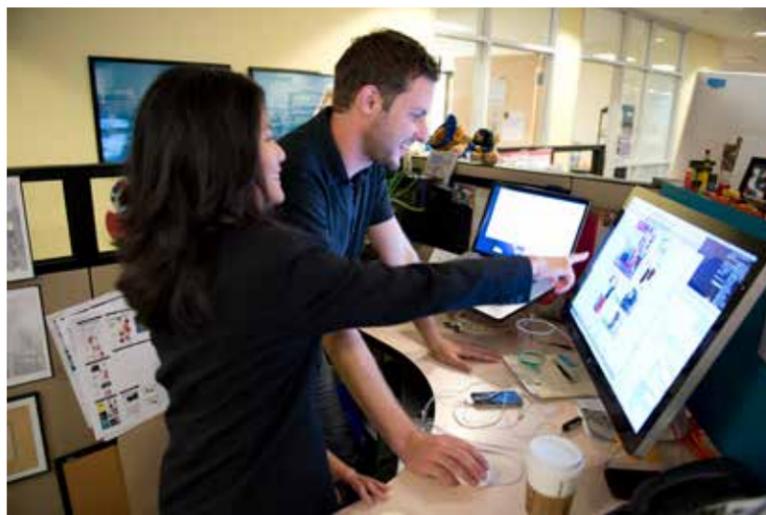
Since her arrival, the nation's largest privately owned department-store chain has beefed up and streamlined its website and created a social-media team to keep its name bouncing around Facebook, Twitter, Pinterest and other social networks. Online sales have skyrocketed from \$20 million in 2009 to \$133 million in 2012. They're projected to reach \$230 million this year, on their way to an ultimate goal of 10% of total sales, which were just short of \$4 billion in 2012.

So its online expansion has succeeded, helping Belk retain the title as the state's

*Ivy Chin has led Belk's e-commerce comeback, though the largest private company in our ranking still has work to do.*

largest private company, according to Grant Thornton LLP's North Carolina 100, an annual ranking of closely held Tar Heel companies based on previous-year revenue. (It's claimed the top spot every year since 2010, the first time it participated in the voluntary survey.) Company officials emphasize that e-commerce growth doesn't herald a cutback of traditional stores, many of which are centerpieces of small-town retail in the South.

Still, it's a juggling act, and Belk is trying to find its way in a market that seems to change by the hour. It's a challenge each company on the list faces. "A private company's online strategy depends on where they



The retailer's e-commerce staff has quintupled to about 100 since Chin took control of the department in 2009.

see themselves in the supply chain," says Ray Greer, a managing director of Grant Thornton in Charlotte. For instance, a manufacturer might be more interested in electronic data interchange, which facilitates communications such as order tracking and bills of lading between it and retailers. Retailers can use the Internet to boost their brands without boosting their brick-and-mortar presence. "My wife watches *Project Runway*, and there's a fashion wall they have supported by a retailer," Greer says. "Guess who the retailer is: Belk. She asked, 'Why would Belk, a regional company, be on *Project Runway*?' Because Belk.com makes it a nationwide retailer.

"We're in our moment, and since we're authentically a Southern store, it's the new South of 2010 we're positioned as," says

Kathryn Bufano, Belk's president and chief merchandising officer. "As retail has changed, as the South has changed, so Belk has changed."

**B**elk's push into e-commerce coincided with a 2010 rebranding, which introduced a new logo and tagline — "Modern. Southern. Style." — and a plan to reach \$6 billion of sales by 2017. It announced it was investing \$270 million in store improvements and \$210 million in information technology atop a \$53 million commitment to e-commerce. "They're a traditional department store, but they've become very open-minded in terms of innovating, and it seems to be a pretty well-run company," says David Moin, a senior editor for *Women's Wear Daily* who has covered retail for three decades. "They know their market."

It took a few years after Tim Belk's ascendance to chairman and CEO in 2004 for Belk to decide where it needed to go. The company has been a family affair since William Henry Belk founded it in Monroe in 1888. His sons, Tom and John, succeeded him; Tim is one of Tom's kids. It became a retail giant — now with 301 stores in 16 Southern states, including 70 in North Carolina — but by the middle of the last decade, it was in danger of being left behind.

The rebranding was partly a response to research showing customers were rapidly increasing their online shopping and those who shopped both online and in-store spent three times as much as store-only shoppers. The chain also was feeling pressure from online-only retailers such as Seattle-based Amazon.com Inc. and department stores with extensive Internet offerings. It needed someone from outside the family to lead its e-commerce expansion.

Chin grew up in Taiwan and moved to the U.S. at 13. After graduating from Drexel University in Philadelphia in 1992 with a computer-science degree and working three years as a software developer, she took a job

with West Chester, Pa.-based QVC Inc., the giant cable-TV and Internet retailer. By 2009, when Belk's recruiting director, Jeff O'Hanlon, contacted her via LinkedIn.com, she had risen to vice president of strategic and multimedia operations, overseeing a digital operation that generated more than \$1 billion of sales every year. She had never worked for a department store, so she wondered why one was interested in her. Belk wanted someone different — someone competitive, progressive and steeped in e-commerce experience. "Ivy really fit that bill," Bufano says.

Chin, now 44, was intrigued by what Belk wanted to do. "As I was listening, I went, 'Wow, they really have no idea of what kind of potential they really have.'" It had a longstanding and well-respected brand, loyal customers and access to top-of-the-line products. But she wasn't entirely sold on the job. "One of the things I shared with the company was, 'Look, if you're looking for someone to just magically do everything and fix everything, I'm not your person. You need to go find somebody else. What I do know is how to build a team to deliver the business value and objective.'"

You can use the Wayback Machine, an online archive of websites past, to explore pre-Chin Belk.com. It's not pretty. Take, for example, a snapshot from April 28, 2009. It takes almost 10 seconds to load. You encounter a couple of basic menus — links to "Women," "Men," "Sales and Clearance" and other options along the top rail — plus some photos. There's no video, animation or social-media share buttons. It's bare-bones. Clearly, there were plenty of problems for Chin to tackle. But there was no sense in doing anything without increasing the website's capacity for content and upgrades. Belk was learning e-commerce's first lesson: Profound digital improvements are typically less a case of building on what's already there and more a matter of starting over.

So that's what Chin and her team did. When she started, the e-commerce department had about 20 people. It has swelled to more than 100 from diverse backgrounds: customer service, copywriting, technology, business analysis and code development. They spent

## HOW TOP PRIVATE COMPANIES ARE USING THE INTERNET TO INCREASE BUSINESS

### ACN Inc.

The Concord-based direct-marketing company created an online platform offering training, business materials, ordering and support. So many services available remotely have broadened its reach and bolstered its ability to assist its tens of thousands of independent sellers — who market phone, Internet, gas, electricity and other services — across 23 countries and helped it debut at No. 8 on this year's Grant Thornton's North Carolina 100.

### Arca.Tech Systems LLC

The Mebane-based provider of cash-handling equipment to banks, retailers and self-service kiosks switched to cloud-based servers seven years ago. It's no coincidence that it has made *Inc.* magazine's annual list of the fastest-growing U.S. companies six times since — and earned a spot on the ranking this year for the first time. Not only has the move reduced expenses related to information technology, it has streamlined its business process, President Aubrey Meador says, so technicians can review account history from the field, accessing data such as spare-part levels. The Internet also allows its machines to report back any issues so the company can predict when malfunctions might occur, often preventing them.

### Bandwidth.com Inc.

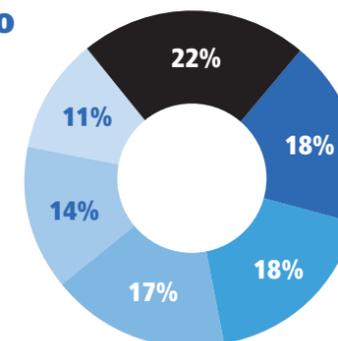
The Raleigh-based telecommunications company got its start by playing matchmaker between businesses and broadband providers, but last year it debuted Republic Wireless, the first cellphone company to offer calling over wireless-Internet networks, making service much cheaper (*"Calling Ahead," September*).

### Transportation Insight LLC

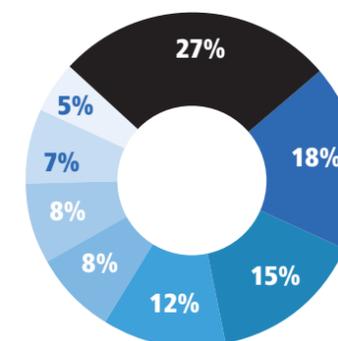
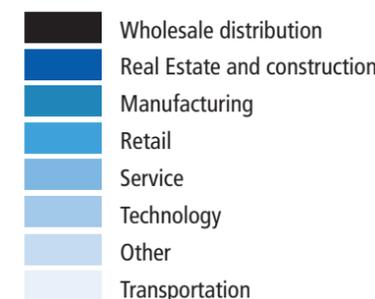
In June, the Hickory logistics consultancy unveiled Insight Fusion, a Web-based portal that allows manufacturers, distributors and retailers to access supply-chain data — such as current and historical analytics and industry-specific news — from any device with Internet access, such as computers, tablets and smartphones.

## THE NORTH CAROLINA 100

### By revenue



### By industry



much of her first year shoring up and adding capacity to Belk.com, the online equivalent of laying a new foundation to handle increased functionality such as images, information and internal links. That encouraged the “stickiness” — visitor retention — that makes sales more likely.

It’s tough to sell a purse or pair of shoes online because shoppers want to feel them, hold them, look inside. Each item now has detailed information and multiple images. Users can zoom in and peek at purses’ interiors. Each item has social-media share buttons so you can shoot your girlfriend a Facebook note or tweet about an Anne Klein leather tote that’s on sale. None of these functions are revolutionary. They’re just new for Belk. The advances have allowed it to add to its online offerings. Some top-of-the-line fashion brands such as Coach and Michael Kors that Belk had sold in its stores for years were reluctant to allow the chain to sell their goods on Belk.com because of its shaky performance. That’s changed. “That first year,” Chin says, “they couldn’t believe what we were able to do.” When it hired Chin, Belk was No. 359 on *Internet Retailer’s* Top 500 Guide, which ranks North American retailers based on Internet sales. In 2011, it was No. 221.

**B**elk plunged into e-commerce just in time. Retailers can no longer concentrate on online at the expense of bricks and mortar or vice versa. So executives are focusing on improving “omni-channel” experiences. Shoppers want the same array of merchandise, level of customer service and payment options whether in a store, on a website, on social media or using a mobile app.

All of the CEOs who took part in a PricewaterhouseCoopers survey last year said such retailing was the industry’s dominant trend and would be for years. The report noted that “control [has] started to shift from the brands to the consumer, who now has the ability to research, browse, tweet, comparison shop and transact and pay online while in the store and are now in the always-connected paradigm, as opposed to when we want them to shop.” Tim Belk, in this year’s annual letter to shareholders, named as one of the company’s four key strategies “providing a compelling omni-channel experience to customers that will enable us to serve them seamlessly and efficiently however they choose to shop.” Efforts to date have yielded an iPad app in November 2012 and one for the iPhone in July.

Even with the apps and social media, a strong website is key. Chin says Belk.com’s capacity has to increase further for more video, animation and other features, as well as guarantee short loading times. A five-second delay can mean thousands of lost sales. “So many components go into the creation of that site. We have to widen the channels, speed up the process. As we improve our website, which is our No. 1 marketing mechanism to showcase who Belk is and what our brand stands for, we need to make sure whatever we do on the website is very much in line with our brand message.” That means being relevant and fashionable while retaining enough tradition to be recognizably Belk.

Fortunately, its website is getting better. After her rainy-day purchase, Kirk felt compelled to give Belk.com another try. “It has improved greatly!” she wrote in an email. “Much easier to navigate and much more visually appealing.” Maybe so, Chin says. But they’re still working on it. ■

### HOW THE LIST WAS DONE

Since 1984, the Grant Thornton North Carolina 100 has ranked the state’s largest private companies. Inclusion in the NC100 is voluntary, and rankings are based on revenue in the most recent fiscal year. To be considered, companies must be headquartered in North Carolina and cannot be a subsidiary of another company or have publicly traded stock. Companies owned by private equity are allowed. Nonprofit, financial-services and health-care companies are excluded from the ranking. Companies interested in participating in the program should contact Jennifer Swink at [gt-carolinas@us.gt.com](mailto:gt-carolinas@us.gt.com). For more on the awards, visit [www.gt.com/nc100](http://www.gt.com/nc100).

# NORTH CAROLINA’S TOP 100 PRIVATE COMPANIES

COMPILED BY GRANT THORNTON LLP

'13 rank	'12 rank	Company	Headquarters	CEO	Employees	Business
<b>\$500 MILLION OR MORE IN REVENUE</b> (latest fiscal year)						
1	1	Belk Inc.	Charlotte	Tim Belk	23,000	Owner and operator of Belk department stores
2	2	General Parts International Inc.	Raleigh	O. Temple Sloan III	12,000	Distributor of automotive replacement parts
3	3	SAS Inc.	Cary	James Goodnight	13,000	Software developer
4	4	VPS Convenience Store Group LLC	Wilmington	Jeff Turpin	3,380	Convenience-store operator
5	5	New NGC Inc. <sup>1</sup>	Charlotte	Thomas C. Nelson	2,000	Manufacturer of wallboard products
6	6	Lord Corp.	Cary	Ed Auslander	2,959	Manufacturer of adhesives, coating and motion controls
7	22	Harvey Enterprises Inc.	Kinston	John McNairy	873	Distributor of farm equipment and petroleum products
8	—	ACN Inc.	Concord	Chip Barker	1,200	Provider of telecommunications, energy and other services for residential and business customers
9	11	S&D Coffee Inc.	Concord	Ron Hinson	1,005	Manufacturer of coffee and tea
10	13	Industrial Distribution Group Inc.	Belmont	Charles A. Lingenfelter	1,460	Distributor of industrial supplies and supply-chain consultant
11	10	Renfro Corp.	Mount Airy	Bud Kilby	5,000	Sock-maker
12	8	New Breed Logistics Inc.	High Point	Louis DeJoy	7,000	Distribution, logistics and supply-chain consultant
13	9	Sampson-Bladen Oil Co.	Clinton	Rogers H. Clark	637	Wholesaler, retailer and transporter of petroleum products
14	16	AmWINS Group Inc.	Charlotte	M. Steven DeCarlo	2,579	Wholesale insurance distributor
<b>\$250 MILLION TO \$499 MILLION</b>						
15	15	Golden Corral Corp.	Raleigh	Ted Fowler	7,000	Restaurant operator
16	12	Barnhill Contracting Co.	Tarboro	Robert E. Barnhill Jr.	1,050	General contractor
17	23	Transportation Insight LLC	Hickory	Chris Baltz	179	Logistics consultant
18	19	Concord Hospitality Enterprises Co.	Raleigh	Mark G. Laport	4,013	Hotel management and development
19	18	Southco Distributing Co.	Goldsboro	Sherwin Herring	192	Convenience-store supplier
20	25	Rodgers Builders Inc.	Charlotte	Patricia A. Rodgers	277	Construction manager
21	14	Pharr Yarns LLC	McAdenville	J.M. Carstarphen	1,550	Yarn manufacturer
22	29	Pate Dawson Co.	Goldsboro	Malcolm R. Sullivan Jr.	478	Restaurant supplier
23	21	Kimley-Horn and Associates Inc.	Cary	John Atz	1,567	Engineering and land-planning services
24	28	Gregory Poole Equipment Co.	Raleigh	J. Gregory Poole III	856	Dealer of construction and other equipment
25	33	Carolina Tractor & Equipment Co.	Charlotte	Ed Weisiger Jr.	1,037	Distributor of construction and industrial equipment
26	17	Warren Oil Co.	Dunn	W. I. Warren	405	Manufacturer of petroleum products
27	24	Atlantic Corporation of Wilmington Inc.	Wilmington	Russell M. Carter	649	Distributor of industrial packaging materials and equipment; paper converter
28	31	BHI Exchange Inc.	Charlotte	Randy Kibler	6,200	Operates Bojangles’ restaurants
29	27	SteelFab Inc.	Charlotte	Ronald G. Sherrill	780	Steel fabricator
30	26	Market America Worldwide Inc.	Greensboro	James Ridinger	748	Product brokerage and Internet marketer
31	20	Global Knowledge Training LLC	Cary	Brian Branson	1,320	Information-technology and business-skills trainer
32	34	Clancy & Theys Construction Co.	Raleigh	Tim Clancy	300	General contractor and construction manager
33	32	Snider Tire Inc.	Greensboro	John Snider	775	Tire manufacturer and service provider

<sup>1</sup> does business as National Gypsum Co.

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'13 rank	'12 rank	Company	Headquarters	CEO	Employees	Business
<b>\$250 MILLION TO \$499 MILLION</b>						
34	40	Epes Carriers Inc.	Greensboro	Al Bodford	1,376	Freight hauler
35	—	Europa Sports Products Inc.	Charlotte	Eric Hillman	441	Distributor of nutritional supplements, sports drinks and other sports and health-food accessories
36	39	Captive-Aire Systems Inc.	Raleigh	Robert L. Luddy	730	Manufacturer of kitchen-ventilation equipment
<b>\$150 MILLION TO \$249 MILLION</b>						
37	38	Crowder Construction Co.	Charlotte	Otis Crowder	1,007	General contractor
38	37	BJT Inc. <sup>2</sup>	Raleigh	William Kennedy	652	Wine and beer distributor
39	47	New Apple Inc. <sup>3</sup>	Raleigh	Michael D. Olander	6,100	Restaurant franchisee
40	42	Cummins Atlantic LLC	Pineville	Michael Grace	453	Distributor of diesel engines and generators
41	64	JF Acquisiton LLC <sup>4</sup>	Raleigh	Sterling R. Baker II	400	Energy infrastructure installer, service provider and distributor
42	41	Carolina Wholesale Group Inc.	Charlotte	Larry Huneycutt	192	Distributor of office supplies
43	52	Salem Holding Co.	Winston-Salem	Thomas L. Teague	1,012	Provider of transportation and truck-leasing services
44	48	Tencarva Machinery Co.	Greensboro	Rodney M. Lee	339	Distributor of liquid- and air-handling equipment
45	44	Colony Tire Corp.	Edenton	Charles A. Creighton	400	Tire retailer, servicer and distributor
46	45	Campbell Oil Co.	Elizabethtown	Brian D. Campbell	235	Distributor of petroleum products and operator of convenience stores
47	—	Strata Solar LLC	Chapel Hill	Markus Wilhelm	50	Integrated solar energy
48	46	T.A. Loving Co.	Goldsboro	Samuel P. Hunter	280	General contractor
49	63	Baker Roofing Co.	Raleigh	Mark Lee <sup>5</sup>	874	Roofing contractor
50	49	Sports Endeavors Inc.	Hillsborough	Mike Moylan	420	Catalog and Internet retailer of sporting goods
51	50	Eden Oil Co.	Reidsville	Reid Teague	19	Distributor of petroleum products
52	53	ECMD Inc.	North Wilkesboro	J. Allen Dyer	510	Maker of building products
53	57	CMH Space Flooring Products Inc.	Wadesboro	Hoy Lanning	373	Wholesale distributor of flooring products
<b>\$100 MILLION TO \$149 MILLION</b>						
54	43	Samet Corp.	Greensboro	Arthur Samet	118	General contractor and developer
55	58	Carolina Handling LLC	Charlotte	David Reder	425	Distributor of material-handling equipment
56	—	Quality Equipment LLC	Fuquay-Varina	Greg Morgan	205	Distributor of farm equipment and lawn and garden products
57	56	Blythe Development Co.	Charlotte	L. Jack Blythe	500	General contractor
58	68	Peak 10 Inc.	Charlotte	David Jones	319	Data-center operator
59	—	Driven Brands Inc.	Charlotte	Jonathan Fitzpatrick	158	Diversified automotive franchise
60	—	Eastwood Construction LLC	Charlotte	Joe Stewart	162	Residential homebuilder
61	54	Oliver Oil Co.	Lumberton	Christopher L. Oliver	75	Distributor of petroleum products and operator of convenience stores
62	67	Electrical Equipment Co.	Raleigh	T. Jackson Lawson	250	Distributor of electrical equipment
63	71	Bandwidth.com Inc.	Raleigh	David Morken	321	Provider of Internet, phone and data services
64	65	Camco Manufacturing Inc.	Greensboro	Donald R. Caine	285	Manufacturer of automotive accessories and hardware
65	59	S&ME Inc.	Raleigh	Randall Neuhaus	890	Engineering consulting
66	55	Acme-McCrary Corp.	Asheboro	Neal A. Anderson	1,220	Apparel manufacturer

<sup>2</sup> does business as Mutual Distributing Co. <sup>3</sup> does business as Applebee's Neighborhood Grill & Bar <sup>4</sup> does business as Jones & Frank <sup>5</sup> president of Baker Roofing

'13 rank	'12 rank	Company	Headquarters	CEO	Employees	Business
67	72	BestCo Inc.	Mooresville	Richard Zulman	305	Manufacturer of candy, cough drops and dietary supplements
68	61	Precision Walls Inc.	Cary	Brian Allen	826	Building contractor
69	70	DuBose Steel Inc. of North Carolina	Roseboro	Thomas L. Harrington	190	Steel distributor
70	82	Edifice Inc.	Charlotte	Eric Laster	54	General contractor
71	79	STI Holdings Inc. <sup>5</sup>	Charlotte	Wayne B. Smith Jr.	230	Distributor of landscaping equipment
<b>\$60 MILLION TO \$99 MILLION</b>						
72	66	Radiator Specialty Co.	Indian Trail	John Huber	177	Manufacturer of automotive chemicals and parts
73	78	Parata Systems LLC	Durham	Tom Rhoads	379	Technology company specializing in the pharmacy sector
74	77	Morrisette Paper Co.	Browns Summit	Bill Morrisette Jr.	195	Distributor of paper and other products
75	—	Mid-State Petroleum Holding Inc.	High Point	Anthony L. Perez	50	Distributor of petroleum products and convenience-store chain operator
76	86	Broad River Furniture Inc. <sup>6</sup>	Charlotte	Jonathan Ishee	340	Licensee of Ashley Furniture
77	81	Measurement Inc.	Durham	Henry H. Scherich	383	Education-testing contractor
78	60	Geneva LLC	Greensboro	Philip D. Fowler III	192	Distributor of engines and generators
79	90	Epes Logistics Services Inc.	Greensboro	Jason Bodford	97	Logistics consultant
80	85	Carotek Inc.	Matthews	Addison Bell	150	Distributor of industrial equipment
81	30	Epic Games Inc.	Cary	Tim Sweeney	304	Video-game developer
82	83	DuBose Strapping Inc.	Clinton	Charles H. DuBose Jr.	195	Manufacturer and distributor of steel-banding material
83	84	Myers & Chapman Inc.	Charlotte	Bob Webb	49	General contractor
84	—	Livingston & Haven LLC	Charlotte	Clif Vann III	170	Industrial-technology provider
85	93	MegaCorp Logistics LLC	Wilmington	Denise Legg	94	Logistics consultant
86	89	Pine Hall Brick Co.	Winston-Salem	W. Fletcher Steele	239	Brick manufacturer
87	—	Raleigh Recycling NC Scrap Metal LLC	Raleigh	Greg Brown	41	Scrap-metal recycler
88	88	Alliance of Professionals & Consultants Inc.	Raleigh	Roy Roberts	686	Professional and staffing services
89	91	McGee Brothers Co.	Monroe	Sam McGee	450	Masonry subcontractor
90	94	Systel Business Equipment Co.	Fayetteville	Keith Allison	230	Independent electronics dealer and service
<b>\$30 MILLION TO \$59 MILLION</b>						
91	97	Medallion Transport & Logistics LLC	Mooresville	Gary Weilheimer	35	Transportation and logistics
92	—	Resolute Building Co.	Chapel Hill	Joe Hatcher Jr.	40	General contractor
93	98	Apex Analytix Holding Corp.	Greensboro	Steve Yurko	na	Technology company
94	100	Allen Industries Inc.	Greensboro	Thomas Allen	245	Sign manufacturer
95	99	DuBose National Energy Services Inc.	Clinton	Carl M. Rogers	106	Supplier of metals to the nuclear power industry
96	96	Hickory Construction Co.	Hickory	C. Mark Baucom	62	General contractor
97	95	The Systems Depot Inc.	Hickory	Wade Moose	77	Distributor of electronic devices
98	—	Arca.Tech Systems LLC <sup>7</sup>	Mebane	Mort O'Sullivan	68	Electronic-payment systems provider
99	—	Cenduit LLC	Durham	Jogin Desai	296	Provider of pharmaceutical and biotech solutions
100	—	Technology Partners Inc. <sup>8</sup>	Charlotte	Sam Khashman	59	Provider of software for health care and life sciences

<sup>5</sup> does business as Smith Turf & Irrigation and STI Turf Care Equipment <sup>6</sup> does business as Ashley Furniture HomeStore <sup>7</sup> does business as ARCA <sup>8</sup> does business as IMAGINE Software na = not available