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City helps firm stay in Milwaukee

Capital Returns' growth spurs need for new space

BY PHILL TREWYN

ptrewyn@bizjournalis.com

Capital Returns Inc., a Milwaukee pharmaceutical inventory logistics firm, is planning to move to a new location in Milwaukee to accommodate the company's growth.

The firm now operates out of two separate buildings, totaling 90,000 square feet, that are located next to each other at 4066 and 4050 N. Port Washington Road.

The new location will offer 150,000 square feet under one roof, said Robert Ryan, president and chief executive officer of Capital Returns.

Ryan declined to reveal the new location as of Sept. 28 because final lease negotiations were still under way. A letter of intent was signed with the landlord and a move scheduled for Dec. 1, he said.

"We're winning accounts from our competitors and we've had excellent retention of existing clients," Ryan said of Capital Returns' growth.

The company has 370 employees, up from 240 in 2003. Ryan expects to have 400 employees by the end of 2004.

Capital Returns offers inventory services to retail pharmacies and pharmaceutical manufacturers on a national scale.

Ryan also attributed the company's growth in part to the implementation of a Web-based application in January 2000 that streamlines the inventory process.

"We were the first company to use that type of technology, which has led to a competitive edge," Ryan said.

The privately held company does not release annual revenue, but Ryan said he projects a 50 percent increase in revenue

in 2004 compared to 2003.

Milwaukee Mayor Tom Barrett referenced Capital Returns during his budget address Sept. 23 as an example of how the city is working to retain growing businesses.

Barrett said he met with company officials while he was still a member of Congress, and that they contacted him shortly after he was elected mayor in April. He said it is important for city officials to work with existing Milwaukee companies that are looking to expand.

"About 70 percent of new job growth comes from existing companies," Barrett said. "This is a company that is bursting at the seams and was looking to expand in Milwaukee. We needed to do whatever we could to help them do that and stay in city."

GRANT, LOANS HELP

The business received a \$100,000 grant from the city's community development block grant program, said Roseanne St. Aubin, a spokeswoman for the Milwaukee Department of City Development.

Capital Returns also has access to up to \$250,000 in loans from the Milwaukee Economic Development Corp. as well as access to the federal new markets tax credit program, she said.

Ryan said he considered relocating to two other municipalities in southeastern Wisconsin in addition to the Milwaukee site. He decided on the Milwaukee site because of Barrett's willingness to offer economic assistance and because of the work force available in Milwaukee, Ryan said.

The grants will help Capital Returns remain competitive in an industry where the competition typically has lower labor costs, Ryan said.

Capital Returns was founded in 1991 in Milwaukee by pharmacist Charlotte Smith and businessmen Randi Lehmann and Bert Olin, all of Milwaukee.