

# MINNESOTA BUSINESS

JUNE 2005

LEADERSHIP ▶ OPPORTUNITY ▶ GROWTH

FEATURES

emerging  
companies

emerging companies

[Predictive Profiles]

## Future Sight

Employment  
screening  
tool-maker  
Predictive  
Profiles  
envisions  
a bright  
future



A chance meeting on a business trip gave Carla Bainbridge the insight, inspiration — and technology — to launch Predictive Profiles.

### Leader Profile

**Carla Bainbridge** ▶ **Title:** President & CEO ■ **Age:** 41 ■ **Hometown:** Eden Prairie ■ **Education:** Bachelor's, Business Administration and Marketing, Mankato State University ■ **First professional job:** Sales person for New York-based manufacturing company ■ **Family:** Husband, Michael; son (Loren, 18); daughter (Taylor, 10) ■ **Best Advice You've Gotten:** "Don't let fear or other people's opinions cloud your decisions. Trust your judgment."

company's culture, and what kind of success rate could be expected.

Although just using that tool would have kept Predictive Profiles bopping along at a nice rate, in 2002 Bainbridge and her team were met with a challenge. Approached by Mendota Heights-based Buffets Inc., they were asked to screen front-line, minimum wage employees using the proprietary screening process. The first run-through was a miss, though, with not a single applicant passing the test in a pilot phase.

Bloomington-based Predictive Profiles in 2000, determined to see if she could tap into the pre-employment screening market.

The company took off immediately. Like Bainbridge, other companies were suffering from salespeople that hopped jobs frequently, and managers that went MIA within the first year of being hired. "It's very powerful, to know if someone will thrive at your company before you even hire them," she says. "The savings, in terms of productivity and low turnover, are incredible."

### Tool Time

The tool that Marshall created is an online assessment that takes a candidate about 30 to 40 minutes to complete, and results in a lengthy report about whether the candidate would fit within a certain

After some tweaking, it worked well enough for a wider rollout, but the changes also sparked some ideas at Predictive. If the process was suitable for the over 50,000 annual new hires for Buffets, Inc., why not for all the other hourly employees applying for jobs in the retail and hospitality industries?

"Suddenly, I just saw this huge, untapped market in front of me," she says. All other screening companies were focusing on managerial-level employees and above, testing for executive mettle. But if Predictive were to take on the challenges of the service companies, which have multiple locations and very high turnover, it could save those companies a great deal of money, and provide a river of revenue for Predictive.

The company hunkered down and created a more simplified screening process that brings together an online application component. So retailers and restaurants like Eden Prairie-based Select Comfort and Minneapolis-based Buca di Beppo can capture a wealth of information through the application process and pick out which employees will stick around if hired.

The result has been striking, Bainbridge notes. "At this point, our business has taken a completely different turn because of what we've developed for hourly employees," she says. "It's become a strong focus for us, and we're maximizing our offerings in that area. Today we only have one other competitor, and even they have a different approach, so they're not much of a threat," says Bainbridge.

Whether screening for a competitive sales position or for a front-line worker at Old Country Buffet, the benefits of pre-employment screening are the same, Bainbridge adds. "Turnover is expensive," she says. "In the restaurant and hospitality industry, there's 200 percent turnover. That's just incredible. But even if a company loses just a few key people every year, it can be hard for them."

Beyond just choosing the right people, the tools can also provide the kind of trend information that makes human resources managers swoon. The data can indicate where people heard about the company, why they apply and after they've worked for the company, what makes them leave. Hiring

managers, eager to whittle their interview candidate lists to a manageable size, have proven to be especially grateful for Predictive's trends analysis.

### Independent Spirit

As the business grows, Bainbridge plans to keep expanding in an untapped market, since the company knows that other competitors are due to crop up soon. Although the company doesn't disclose revenues, she says it's growing a very healthy rate, and there's quite a bit of optimism about how it can broaden its profiling products and client list.

What are also likely to show up in the future are potential investors, lured by the sweet smell of the company's success. Bainbridge says she plans to tell them what she's told every other venture capitalist that's approached her in the past four years: "No, thank you."

"I vowed when I started this business that it would be self-funded, that I wasn't going to go for outside money," she says. "That's a really hard thing to do." People frequently ask her why she doesn't take some of the very tempting offers that come her way, but she insists that it's not worth the extra ka-ching in the bank account.

"What happens when you take that money is you have people investing in the business who aren't working in the business, and yet they tend to think that they know what you should do," she says.

Right now, Bainbridge has built the company into a place where her 20 employees love coming to work, and also appreciate tapping into the company network from their lake homes on a sunny Friday afternoon. She fears that giving someone else a chunk of the business, even a crumb, might disrupt the kind of happy vibe that keeps her eager to get to her desk every morning.

"I think we can grow and do it on our own terms," she says. "It's difficult, because it would be so easy to just take some outside funding. But in the long run, we're going to make it work ourselves, and have fun doing it." ■

Elizabeth Millard is a Twin Cities-based freelance writer and frequent contributor to *MinnesotaBusiness Magazine*.

## Leadership & Governance

**Management Team** ▶ Carla Bainbridge, President & CEO ■ **Professional Advisers** ▶ Attorney: Soffer & Charbonnet Law Group

## Biz Briefing

**Predictive Profiles** ▶ **Headquarters:** Bloomington ■ **Inception:** 2000 ■ **Revenue:** ND ■ **Patents:** 0 ■ **Employees:** 20 ■ **Description:** Developer of pre-employment screening tools. ■ **Web site:** www.predictiveprofiles.com