

# At the Core Of Business

People-Centric Model Spells Industry Success for Michael Weinholtz

*By Sherri Alms*

**“P**utting people first” is such a natural slogan for a health care staffing company that many might dismiss it as a meaningless cliché—but not Michael Weinholtz. He’s dedicated a lifetime to putting muscle behind those words. And throughout his more than 25 years in the industry, those words have served as a core business value that has guided his leadership and inspired loyalty among his clients and employees.

“Attract great people, develop them, give them growth opportunities, and allow them to succeed,” says Weinholtz, chief executive officer of CHG Healthcare, based in Salt Lake City. And CHG employees have dozens of examples that tell the story—that Weinholtz actually lives by these words, rather than just paying them lip service.

Scott Beck, chief operating officer at CHG Healthcare, points to one example involving a recent company retreat. “Whenever we neared times to make decisions, he would always ask, ‘How does this decision put our people first?’ ➤



In 1986, a friend asked Weinholtz to work for a start-up staffing company providing traveling nurses. “For the first year or so, it was just the two of us working out of his basement,” he says. “It was a great experience because it enabled me to learn every aspect of the staffing business.”

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If it doesn’t, we’re not making the right decision.”

It’s a strategy that has created and maintained a profitable company and enhanced employees’ work lives. Weinholtz, who also serves on the ASA board of directors, explains: “When I joined the company in 1998, we had about 200 employees and \$90 million in revenue. Today, we have more than 1,300 employees and over \$600 million in revenue.”

Here’s an up-close look at how “putting people first” has fueled a successful staffing company.

### **Staffing Succession**

When Weinholtz says he started at “the bottom” in staffing, he’s also referring to the location of his first corporate office.

“I was working as a sales manager for an industrial supply company in 1986 when a friend asked me to work for

a staffing company he was starting to provide traveling nurses. For the first year or so, it was just the two of us working out of his basement. It was a great experience because it enabled me to learn every aspect of the staffing business.”

Since that start-up, Weinholtz co-founded Therapists Unlimited Inc., where he served as president and chief executive officer. In 1994, he took that company public as CareerStaff Unlimited. In 1996, a larger company acquired CareerStaff. The following year, Weinholtz left CareerStaff, and in 1998 he joined CHG Healthcare, which was a locum tenens and rehabilitation therapy staffing company that had a reputation he admired. Soon after joining the company, he acquired it along with some private equity investors.

## **Trying Times Bring Innovative Ideas**

When the recession hit, Michael Weinholtz, chief executive officer of CHG Healthcare, asked all of the company’s employees to put their heads together.

Dividing the staff into teams, Weinholtz asked employees to come up with ideas for cutting costs and managing the bottom line. Mary Biljanic, CHG’s director of public relations, recalls, “We purposely used the term ‘expense management’ when communicating to employees because we wanted them to feel ownership in strengthening our bottom line during difficult times.”

Biljanic adds that Weinholtz and his executive team were determined “not to act on any idea that would negatively affect our people-first culture. There wasn’t any across-the-board reduction in people, salaries, benefits, or resources.”

In the end, Weinholtz was extremely pleased with the results. “Our people came up with 1,100 unique and different ideas,” he says. “If it had been just the executive team and me sitting in the boardroom, there is no way we would have come up with that number of ideas or with as many quality ideas. But the even bigger win was that by having everyone feel they were part of the solution, we eliminated a lot of fear about the recession. Then everyone could focus on how to win in that difficult environment.”

Here are just a few of the creative cost-cutting ideas drawn up by CHG Healthcare employees:

- In an effort to lower FedEx charges, every CHG division received a list of FedEx packages that they sent and the total cost. The divisions

first dug in to determine what they were sending via FedEx, then developed action plans to lower the usage by finding different ways to send information, such as e-mail attachments. Many divisions held contests to see how much they could lower FedEx costs while still maintaining quality and speed. Overall, the company reduced FedEx costs by almost half.

- During an office supply roundup, employees dropped off extra office supplies, such as paper clips, pens, and binders, in bins that were set up at each office location. By recycling the gently used office supplies, CHG could delay ordering new supplies for several months.
- The company put out a call to action to renegotiate any and all supplier agreements. Anyone who managed a supplier relationship was asked to review significant spending and discuss options for renegotiation or price concessions. This led to many successful renegotiations related to marketing, information technology, financial institutions, and hotel and travel contracts.
- The company implemented training programs for employees on the more efficient use of printer and copier paper, resulting in a significant reduction of paper consumption.
- To reduce travel between office locations, the IT department researched and implemented video conferencing capabilities. Today, the company has state-of-the-art multimedia conference rooms, which, says Biljanic, may “seem extravagant but actually cost us less than having to pay for back-and-forth office visits.”

Don DeCamp, who retired as CHG's chief operating officer about a year ago, has known Weinholtz for more than 15 years and worked with him at both CHG Healthcare and CareerStaff Unlimited. Unlike many executives, DeCamp says, Weinholtz's drive to succeed is solidly planted in a desire to build a great company, not just to be the best CEO.

Today, CHG Healthcare has expanded to placing permanent and temporary health care professionals of all types. "One of the big changes in health care staffing has been the emergence of locum tenens and allied health staffing," Weinholtz notes. "For many years, when you thought of health care staffing, you thought only about nurses." But the biggest share of CHG's business today is in locum tenens, he says.

Weinholtz has effectively led his company and employees through demand and service changes, and helped keep deliverables on track with the health care industry's changing needs.

### Leadership Amid Change

True to his core business value, when the recent recession hit, Weinholtz turned to employees in "one of the hardest set of circumstances many of us have ever seen in the staffing industry." The company put every employee on a team, and those teams got together to brainstorm ways to help navigate through the recession and control costs. (See the sidebar to read more about the home-grown strategies that resulted.)

Weinholtz enthusiastically explains the company's newest initiative, called "Getting Back to Growth," which makes the operational and mental switch from a recession mentality to a growth mentality. "We've seen incremental improvement in demand in all segments, and we want to be the first to capture the opportunity for growth that exists," says Weinholtz. "We hired about 150 people in the past couple of quarters and we are investing more in

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training and development," which speaks to a corporate culture that also values how people work with each other.

Teamwork isn't second nature, it's first nature, says Weinholtz.

When asked to what he credits his success, his answer is immediate, "Perseverance and respect for all people. I'm never the smartest person in the room but by collaborating with people I trust and respect, we usually get to the right answer."

CHG marketing director Jennifer Mayhew, who joined the company in 1997, says Weinholtz listens to every idea, "no matter how wild it is."

"If it's good, you can run with it," Mayhew continues. For example, "we just got back from a conference where we heard a representative from Zappo's [an Internet shoe and clothing retailer] talk about the company's 'Happiness Bus,' which employees drove across the country to promote the CEO's new book."

Fired up by the idea, Mayhew suggested a "Putting People First" bus for Weinholtz's annual state of the company road tour, which he does with Beck, the chief operating officer. Mayhew could easily imagine another CEO laughing and then dismissing the idea, but Weinholtz listened and gave her the OK to explore further.

"Now we have to see how workable it is," explains Mayhew, who says she appreciates that Weinholtz takes her ideas and those of others at the company seriously. "I value his trust level in my

working ability. That trust makes me believe I can have a long-lasting working relationship with him and a long-term career at CHG."

### Professional Partnerships

Beck agrees with the notion that working for Weinholtz is less like the traditional boss-employee relationship than a relationship between business partners.

"It's open, transparent, and collaborative. We're on the same team and working from the same level," says Beck, and he says that kind of corporate culture goes a long way toward keeping CHG's turnover rate low.

"For a lot of staffing companies, a turnover rate of more than 50% is not unusual," says DeCamp. "Last time I looked, CHG's was 20% and headed downward," adding that it's no stroke of luck that CHG recently ranked No. 27 on the *Fortune* list of America's "100 Best Companies to Work For," a list it's been on for two years in a row.

It's too early to say whether the "Putting People First" tour will be coming to your town any time soon, but the words that would be emblazoned on the side of the bus continue to drive Weinholtz and the success of his company. ■

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