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**[Headline] Local spotlight: Rising economy buoys human resources firm**

**Capital H Group hopes to grow into major powerhouse**

**By Eric Pope /Special to The Detroit News**

[Text call-out box]

Capital H Group

Locations: Birmingham, Mich., Chicago and Milwaukee

Employees: 60 (7 in Michigan)

Estimated '04 revenues: \$7 million to \$10 million

Information: [www.capitalhgroup.com](http://www.capitalhgroup.com)

[Photo caption] Valerie Main handles business development at the Birmingham office of Capital H Group. Buck Baker, center, is a consultant and Dan Weinfurter is the company's CEO. Weinfurter plans to open offices in most major American markets now that Capital H has secured \$25 million in financing.

**BIRMINGHAM** — Chicago entrepreneur Dan Weinfurter is counting on the improving economy to help turn his fledgling human resources consulting firm into a national powerhouse, and a new office in Metro Detroit will provide the first big test.

Weinfurter is CEO of Capital H Group that provides consulting services on a wide range of human resource issues, including recruiting, employee retention, employee and executive training, executive compensation and sales management.

In May 2003, Weinfurter and Greg Silich, the former chief financial officer of Chicago-based Leo Burnett Worldwide Inc., acquired a 2-year-old human resources consulting firm in Milwaukee. They changed the name to Capital H Group and quickly opened a Chicago office.

Weinfurter is coming off a major success with Chicago-based Parson Consulting that grew to 500 employees and topped Inc. magazine's list of the fastest-growing private companies in 2000. He sold that company in 2002.

He plans to open offices in most major American markets now that Capital H has secured \$25 million in financing from Chicago-based PPM American Capital Partners.

That's enough money for some acquisitions, although he's counting on growth from new offices like the one in Birmingham.

He started the Metro Detroit operation by hiring two former employees at Parson — David Cassar and Valerie Main — to handle business development.

He expects the Birmingham office to grow to 20-25 people within a year and generate \$10 million in revenues within three years.

"We will create a market that wasn't there before in addition to taking business away from existing vendors," Weinfurter said.

Hewitt Associates, Mercer Human Resource Consulting and accounting giant Deloitte are competitors in the Detroit market, according to Weinfurter.

University of Michigan business professor David Brophy had Weinfurter speak at last year's U-M Growth Capital Symposium.

"Dan is one of the few people I know who has been able to create companies in a service business like this," Brophy said.

Brophy said the economic upturn makes this a good time to offer human resource consulting services.

"Human resources has come to the fore because it's finally being recognized as an investment rather than a service you provide to your employees," Brophy said.

"There's pretty good demand at this stage in the economy. As we come back, efficiency is a watchword and rational management of resources is on the minds of executives."

Buck Baker, a consultant at Capital H's Birmingham office, said consultants are often called in to address high turnover because management doesn't have time and needs "another set of eyes" to identify root causes.

Outside consultants also can improve recruiting procedures and provide recruiters.

Baker said companies should focus on recruiting and retention because the shortage of qualified employees that existed in the 1990s will reappear.

"Most people believe we're in the eye of the storm and that the war for talent is going to return," he said.

*Eric Pope is a Metro Detroit free-lance writer.*