Amazon is growing faster than any big company in the US these days—and maybe ever

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How can Amazon - or any company - fill a second headquarters with 50,000 people?

"Let me show you," said Thomas Paulson, a Minneapolis investment analyst who has followed Amazon for 17 years, as he pulled up a staffing chart on his iPad. "Their success has surprised even them."

Beneath the hype of Amazon's search for a second headquarters are numbers that defy gravity and a business strategy that investors wouldn't tolerate from most companies.

Seattle-based Amazon has expanded from a base as the world's largest online retailer to become a major competitor in several other industries. Its web services business is the largest provider of data warehouses for corporate America. Its logistics unit is building out airfreight, trucking and shipping lines. And its media business is now one of Hollywood's biggest producers.

All four businesses have reached a size that make Amazon the fastest-growing large company in the United States at the moment - and perhaps ever.

It's leaping from $100 billion to $200 billion in annual sales faster than all but one of the handful of U.S. companies that have accomplished that. Exxon crossed $200 billion instantly when it bought Mobil in 1998. Amazon is mostly growing organically and could hit $200 billion next year, just three years after reaching $100 billion. Apple did it in five years, Walmart six and Berkshire Hathaway seven. UnitedHealth Group is on the verge of doing it in six years.

In the process, Amazon is gobbling up people like a maw, adding a net 111,000 to its worldwide staff last year. That's nearly as many people as it employed in 2013. Amazon started this year with 341,000 people and was expected to add 136,000, not counting the 87,000 who joined in its acquisition of Whole Foods or the 120,000 holiday-season temps.

For Paulson, who started his own investment firm, Inflection Capital Management, this year after two decades working for Alliance Capital and Cornerstone Capital Management, Amazon's ability to keep hiring at a fast rate is so important that he checks on the company's top human relations executive, Beth Galetti, every time he visits the Seattle headquarters.

"I want to make sure she's liking her job and succeeding in her job," Paulson said. "These are really big (hiring) numbers when you go forward."

Last month, Amazon announced that it envisions spending $5 billion on a second corporate home that may someday employ 40,000 to 50,000 people. It gave political and development leaders in U.S. and Canadian cities six weeks, until Thursday, to prepare real estate and incentive proposals.

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Amazon turned from a fast-growing company to an ultrafast-growing one in 2011, a year when it accelerated the construction of giant distribution centers for its retail business, and its web services business also hit the gas. Its staffing grew 67 percent that year, the fastest since its earliest years when the base was small. From 2012 through last year, it averaged 44 percent annual growth to its head count - a staggering pace usually seen in much smaller or younger companies.

Amazon declined to comment for this story. In a letter to shareholders early last year, Chief Executive Jeff Bezos ascribed the rapid growth as the payoff from a "distinctive organizational culture" built around a few principles. "I'm talking about customer obsession rather than competitor obsession, eagerness to invent and pioneer, willingness to fail, the patience to think long-term, and the taking of professional pride in operational excellence," he wrote.

Bezos, a former hedge fund investor, started Amazon in 1995 as a way into the then-nascent world of internet retailing. He first offered books from a small warehouse near the Seattle Kingdome, added music and videos a few years later and rolled into other categories to become an "everything store."

Bezos encourages risk and tolerates failure at a level beyond what's seen in most large companies. "Outsized returns often come from betting against conventional wisdom, and conventional wisdom is usually right," he wrote to shareholders last year. "Given a 10 percent chance of a 100 times payoff, you should take that bet every time."

In 1998, Bezos took the critical step to make such risk-taking possible by telling shareholders that Amazon would focus on long-term growth more than short-term profits. He's repeated that idea every year since and investors have gone along, accepting small profits and occasional losses from Amazon even now, 20 years after the company went public. Its stock price, which started at $1.50 in 1997, closed above $1,000 Tuesday.

"Amazon's stock keeps getting bid up despite the fact they run at break-even," said Scott Galloway, a New York University marketing professor and author of the new book "The Four," which explores the high-level strategies of Amazon, Apple, Facebook and Google. "They have reshaped the compact between investors and companies."

Nearly all other U.S. companies are under pressure to hit quarterly profit targets or deliver dividends while Amazon reinvests nearly everything it makes into future businesses. "If you said to Best Buy or General Mills, we're going to give you access to the debt and equity markets so you can raise almost an infinite amount of capital, and their boards said all they needed to do with that capital is break even, those companies could be remarkably innovative," Galloway said. "They're not given that luxury."

Amazon is now spending heaviest to build its shipping infrastructure and to make shopping even less of a hassle for consumers. One example: Amazon's voice-activated Echo devices shorten ordering time and give the company deeper insight into buying patterns.

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As Amazon mushrooms from retail giant into a major player in enterprise data, transportation logistics and media, some analysts say its chief constraint is likely to emerge from government regulators. Earlier this month, the European Union told Luxembourg to force the company to pay nearly $300 million in back taxes, part of a crackdown on sweetheart tax deals in Europe.

Antitrust regulators always have an eye on the company; its growth fueled a debate in legal circles this year about whether U.S. competition laws can keep up. Other analysts note such challenges are unlikely because it has many competitors.

Amazon's No. 2 executive, Jeff Wilke, recently told the Wall Street Journal that Amazon has "incredible competition" in all its businesses and that its biggest, retailing, gets less than 1 percent of what people worldwide spend to shop. In China, the world's most populous country, Amazon is a bit player and a local company, Alibaba, is also using dominance in online retailing to expand into new businesses.

The other challenge Amazon faces is finding enough people to sustain its growth. The company's recruiters already swamp U.S. business schools looking for workers. Amazon's mammoth warehouses, which need about 1,300 people apiece, are constantly advertising. It offers starting hourly pay at $17 and benefits, including education for other vocations, that are unseen elsewhere.

Of the four tech giants Galloway profiles in his book, he said he thinks that Amazon has the best chance to reach $1 trillion in market capitalization first. That means more than doubling its present value of $478 billion and leaping past Apple, Google and Facebook, which investors now value more highly. Where the four overlap competitively -

in voice services, artificial intelligence, media - Amazon is currently winning, he said.

"If there's one that's pulling away from the other three, it's Amazon," he said. "If I wrote the book two years from now, I would predict the name of it would be 'The One.'"

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