

SPECIAL ISSUE THE 20TH ANNUAL INC 500

Inc

The Inc 500

AMERICA'S FASTEST-GROWING PRIVATE COMPANIES



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\$4.95 US \$6.95 Canada



THE INC 500 ALMANAC

THE ECONOMY MAY BE on one long roller-coaster ride, but you would never know it by looking at the data on this year's *Inc* 500. Collectively, the class of 2001 coasted to a new record for sales: \$12.5 billion. Their average five-year growth rate of 1,933% is also higher than that of any other class in the past five years. At the close of their 2000 fiscal years, the companies on this year's list were still overwhelmingly profitable, still growing, and still hiring.

But as boom turns to bust, will these companies continue their upward climb? It's hard to predict. One thing in their favor: the CEOs of these companies aren't naive. For starters, they don't view the Web through rose-tinted Ray-Bans. And they know how to tighten their belts. The 2001 *Inc* 500 companies are carrying an average debt of \$3.5 million, down from the \$7.9-million average reported by the class of 1999.

The CEOs of this year's *Inc* 500 also believe in leaning on others for help. When launching their companies, they didn't hesitate to hit up friends, family, co-founders, and strategic partners for funding. And 62% of this year's companies were founded by two or more partners, compared with 55% of last year's list.

The 2001 CEOs also are realistic about what lies ahead. Only 38% are considering selling their business to another company in the foreseeable future. The majority, or 74% of this year's CEOs, say their plan is to stay at the helm of their company for the next five years. Only 29% are anticipating an initial public offering, down from 43% among last year's group.

Perhaps there's something about adversity that brings out the inner entrepreneur. For example, Mike Mendiburu, CEO of the #1 ranked company, High Point Solutions, says he never would have started his own business if his previous employers had treated him right. "I'm grateful for the hard times," he says. "I was pushed out of my comfort zone." If discomfort makes entrepreneurial impulses stronger, we expect to see a bumper crop of *Inc* 500 applications in the coming years.

BY SUSAN GRECO ILLUSTRATIONS BY STEPHEN SAVAGE



Percentage of 2001
Inc 500 com-
panies that allow
employees to
telecommute



ALWAYS ON HIS TOES

When his 15-year-old daughter beat out thousands of other ballerinas for a spot in the Juilliard School of American Ballet, in New York City, Barry Zungre and his wife agreed that it was a rare opportunity. But there was no chance that the tight-knit Pittsburgh family was going to ship its young Pavlova to a stark dorm room all alone. So Barry Zungre packed up his family and moved to New York, taking half of his software-consulting company, **CEI (#480)**, along. The resourceful CEO immediately began seeking out new accounts and building the company's consulting staff in the Big Apple. Zungre spends Monday through Wednesday in the Pittsburgh office, then jets back to New York for the end of the week. Meanwhile, CEI cofounder D. Raja manages the business on the home front. "We try to be there for events that are important to our kids," says Zungre.

Andrea Forker

COMPANY BUSINESS DESCRIPTION	SALES GROWTH '96-'00 (% INCREASE)	'00 SALES (\$000)	'96 SALES (\$000)	PROFIT RANGE* '00 '96	NO. OF EMPLOYEES '00 '96	2000 RANK	YEAR FOUNDED
461. Meridian Technology Group Lake Oswego, OR <i>www.meridiangroup.com</i> Provides IT consulting svcs.	641%	\$13,171	\$1,777	D D	133 29 208	1990	
462. Research Data Design Portland, OR <i>www.researchdatadesign.com</i> Collects telephone data for market-research companies	640	7,489	1,012	D D	40 16 262	1994	
463. BOWA Builders McLean, VA <i>www.bowa.com</i> Constructs & renovates homes	631	15,814	2,162	C D	70 20 —	1988	
464. Westover Scientific Mill Creek, WA <i>www.westoverfiber.com</i> Mfrs. biology & telecommunications microscopes	631	7,542	1,002	B C	40 5 200	1994	
465. Advanced Composites Technology Huntsville, AL <i>www.line-x.com</i> Distributes spray-on protective coatings	628	5,820	799	B C	8 3 286	1994	
466. PPM Consultants Monroe, LA <i>www.ppmco.com</i> Provides environmental-engineering svcs.	627	11,166	1,535	C B	125 28 —	1994	
467. Pierpont Communications Houston, TX <i>www.piercom.com</i> Provides PR & marketing svcs.	627	5,113	703	D D	38 10 —	1987	
468. BenchmarkQA Bloomington, MN <i>www.benchmarkqa.com</i> Provides software consulting, testing, & quality-assurance svcs.	627	4,905	675	D F	56 11 —	1987	
469. Chocoholics Divine Desserts Stockton, CA Web address N/A Mfrs. & sells gourmet food products	626	1,569	216	C F	8 3 —	1995	
470. Intelligent Information Systems Durham, NC <i>www.renewal-iis.com</i> Provides software consulting svcs.	623	12,660	1,750	B A	102 25 —	1992	
471. Synggy Conshohocken, PA <i>www.synggy.com</i> Develops incentive-compensation software & svcs.	623	21,601	2,986	D A	261 25 299	1991	
472. Power On Software New Albany, OH <i>www.poweronsoftware.com</i> Designs cross-platform utility & personal-information software	621	5,315	737	F F	47 13 —	1994	
473. ASAP Staffing Norcross, GA <i>www.asapstaffingllc.com</i> Provides IT staffing svcs.	619	29,751	4,137	C E	410 40 —	1989	
474. U.S. Medical Denver, CO <i>www.usmedical.com</i> Distributes medical equipment	618	7,114	991	F F	89 1 —	1996	
475. Elysium Power Solutions Gulf Breeze, FL <i>www.elysium-inc.com</i> Provides power-protection products & svcs.	617	3,699	516	D C	13 3 —	1993	
476. Mercedes Medical Sarasota, FL <i>www.mercedesmedical.com</i> Distributes medical supplies	616	12,830	1,791	E E	41 7 318	1992	
477. PB Systems Irvine, CA <i>www.pbssystems.com</i> Provides integration, design, & IT svcs.	614	7,064	989	C C	56 14 270	1993	
478. Swiss Watch International Hollywood, FL <i>www.swisswatchintl.com</i> Distributes brand-name watches	610	18,691	2,632	B F	30 6 —	1995	
479. Crown E.S.A. Portage, IN <i>www.crown-esa.com</i> Designs, builds, tests, & installs industrial automation systs.	610	13,041	1,838	B B	70 13 —	1992	
480. CEI Pittsburgh, PA <i>www.ceiamerica.com</i> Provides project mgmt. & software consulting svcs.	609	42,861	6,049	C B	389 112 221	1992	
481. Scott Pipitone Design Pittsburgh, PA <i>www.spdesign.net</i> Provides design svcs.	607	1,733	245	C E	16 1 —	1991	
482. Orbital Research Cleveland, OH <i>www.orbitalresearch.com</i> Develops mechanical-control & sensor devices	600	1,792	256	D F	15 3 —	1990	
483. Tele-Servicing Innovations Englewood, CO <i>www.t-s-i.com</i> Provides outsourced customer-interaction svcs.	600	5,436	777	B C	298 80 —	1996	
484. Kelmoore Investment Palo Alto, CA <i>www.kelmoore.com</i> Provides investment svcs.	599	12,415	1,775	F F	18 7 —	1992	
485. Presentation Group Orlando, FL <i>www.presentationgroup.com</i> Provides legal exhibits & other litigation support to lawyers	599	4,245	607	F E	93 15 346	1994	

*A. 16% or more; B. 11% to 15%; C. 6% to 10%; D. 1% to 5%; E. Breakeven; F. Loss