

"I'm always amused when I see big companies making excuses about the economy. I really think success and failure is in the hands of the individual."

Killick Datta, Global Brand Marketing CEO

The Big Picture

Each company on the list can make its owners rich, create a slew of jobs, and perhaps transform an industry. As a group, they're even more impressive

A LONG-STANDING PREMISE OF THE INC. 500 IS THAT AMERICA's fastest-growing companies have a profound impact on the economy. Years like 2002 affirm that notion. While the gross domestic product expanded at what the government called a "moderate" 2.45% rate, companies on this list were capping off growth spurts that, in most cases, saw revenue increase tenfold. The Inc. 500 booked \$14.4 billion in total revenue in 2002. And while the U.S. shed 1.5 million jobs, these ventures—half of which were launched with less than the sticker price of a Jeep Wrangler—provided employment for 67,973 people. The company owners benefited most of all: In contrast to the many Americans who only got ahead if their homes appreciated in value, these risk takers were handsomely rewarded. The 445 men and 57 women who run the Inc. 500 paid themselves very well—40% took home more than \$500,000 annually—and one in five report that they are worth more than \$7.5 million. Having thrived in a lackluster economy, what are these entrepreneurs predicting for the remainder of 2003 and beyond? Such key survey data, from hiring plans to start-up stats, is compiled on the following foldout almanac.

MIKE HOFMAN

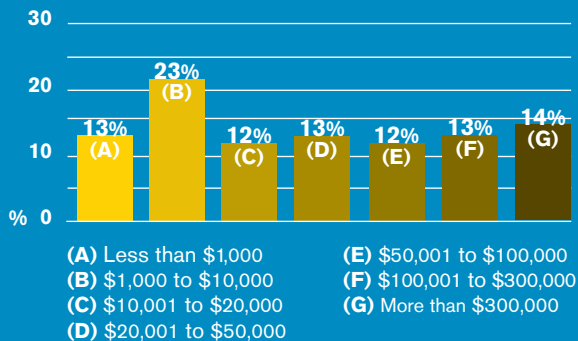
Turn the page for the Inc. 500 Key Stats ➡

WHERE THEY CAME FROM

56% started their company with partners or other co-founders.

How Much Money They Had

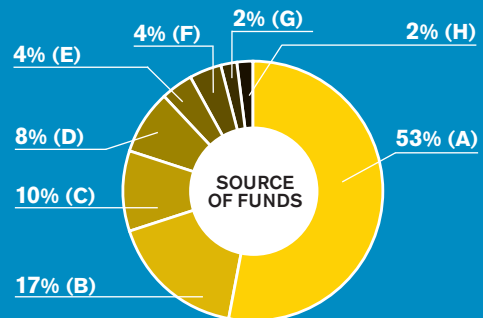
In terms of start-up capital, including personal assets, Inc. 500 companies started with little.*



*"Start-up capital" refers to funds raised before any product or service was delivered. "Personal assets" includes savings, mortgage or other personal loans, credit cards, 401(k), etc.

Where the Money Came From

The following sources of funds provided Inc. 500 start-up capital.



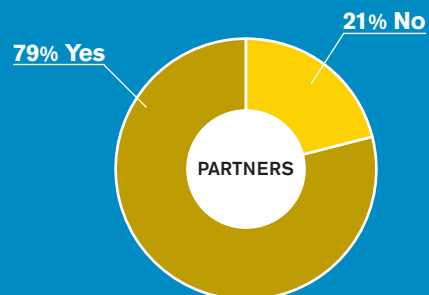
- (A) Personal assets
- (B) Other founders' personal assets
- (C) Assets of family or friends (other than co-founders)
- (D) Commercial bank loan or line of credit
- (E) Private equity investment
- (F) Financing from a supplier, customer, or other business entity
- (G) SBA loan or funds from other government program
- (H) Formal venture capital

Who Their Target Customers Were

Large corporations **37%**
 Small or midsize companies **30%**
 Consumers **18%**
 Government agencies **14%**
 Nonprofit institutions
 (universities, charities, etc.) **1%**

How Functional the Team Was

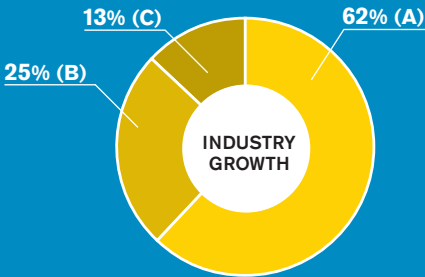
We asked the entrepreneurs who started companies with partners if they would still pair up if they had it to do over again.



WHERE THEY ARE TODAY

Recent Industry Conditions

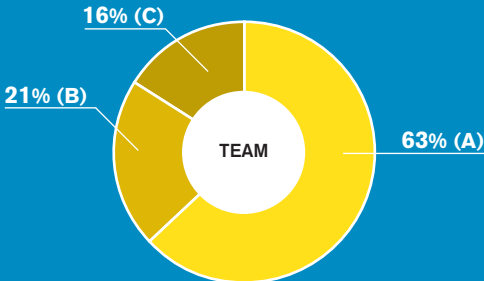
You don't need to be in a hot industry to make the list. Only a quarter of the Inc. 500 say that their industry is growing as fast as they are.



- (A) Our growth has outpaced the industry
- (B) Our industry is growing rapidly—just like us
- (C) We are an absolute exception in our industry

The Leadership

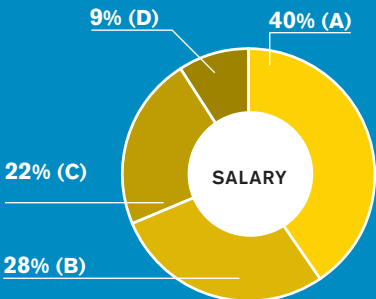
Most founders are still calling the shots. We asked the Inc. 500 how many of their original top execs are still in place.



- (A) All or most
- (B) Few or none
- (C) About half

Executive Compensation

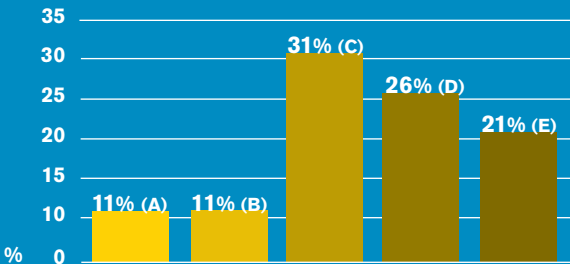
CEOs taking home only five figures are in the small minority. Here's a salary guide.



- (A) More than \$500,000
- (B) \$100,001 to \$250,000
- (C) \$250,001 to \$500,000
- (D) Less than \$100,000

Filthy Rich!

Four out of five CEOs are millionaires; nearly half fall into the "multi" category. Here's how they report their net worth.



- (A) Less than \$750,000
- (B) \$750,000 to \$1 million
- (C) \$1.1 million to \$2.5 million
- (D) \$2.6 million to \$7.5 million
- (E) More than \$7.5 million

Since Start-up

12% of companies have raised venture capital.

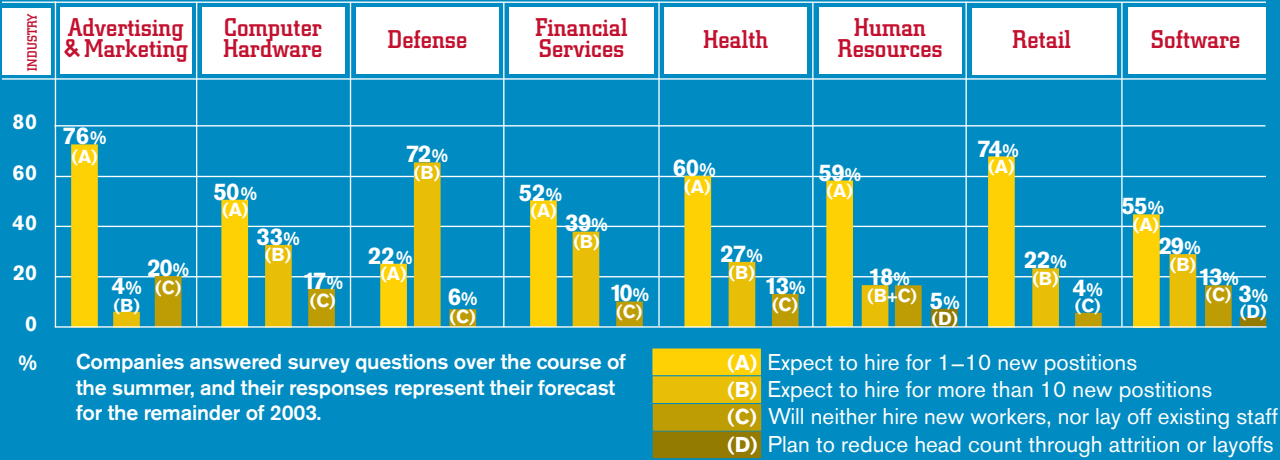
Since Start-up

17% of companies have raised private equity.

THEIR HIRING PLANS

Hiring plans for selected industries

Defense contractors have numerous open positions, while computer hardware firms lag behind.



How many jobs the Inc. 500 have created so far:

67,973 total employment of Inc. 500 companies as of Dec. 31, 2002.

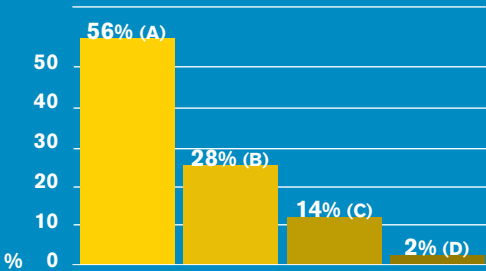
54 employees is the median head count per company.

11 companies employ more than 1,000 workers.

164 companies employ more than 100 workers.

Hiring Plans for 2003*

The Inc. 500 will continue to be great job generators.



- (A) Hire 1–10 new people
- (B) Hire 10 people or more
- (C) Expect no new hiring, but no layoff either
- (D) Plan to reduce head count through attrition or layoffs

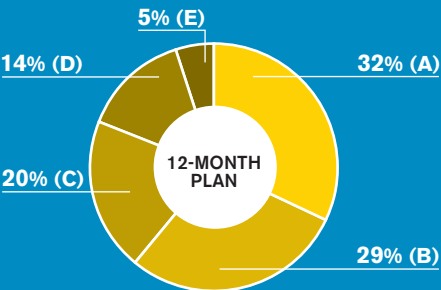
* Aggregate survey numbers

THEIR SALES AND STRATEGIC POSITION

The Inc. 500 companies add to the gross domestic product.
\$14.4 billion is the aggregate revenue of the 2003 Inc. 500.
\$10.8 million is the median company revenue.
1,312% is the average growth rate.

80% of the Inc. 500 are profitable.

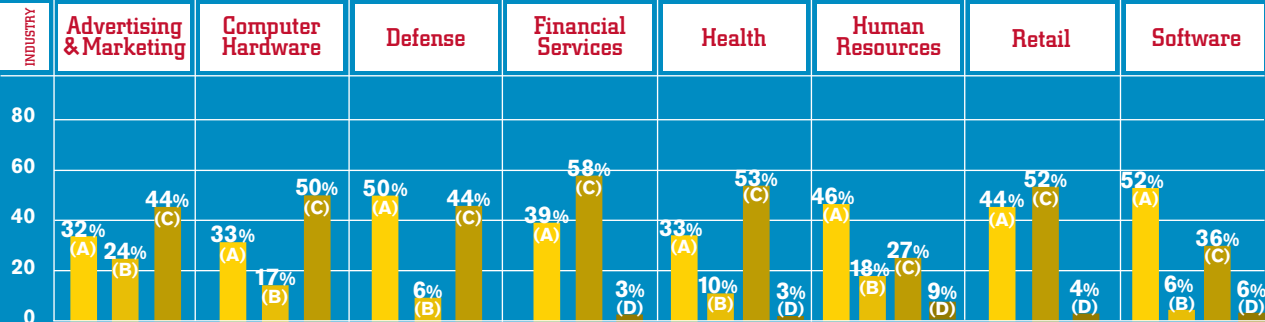
Next Steps:
We asked Inc. 500 CEOs to name the top strategic move they plan to make in the next year.



- (A) Branching out into significant new markets
- (B) Introducing significant new products or services
- (C) Taking the company public
- (D) Making one or more significant acquisitions
- (E) Selling the company

Sales projections for selected industries

Financial services and health companies expect the most substantial increases in revenue.



% Companies answered survey questions over the course of the summer, and their responses represent their forecast for the remainder of 2003.

- (A) Expect modest growth in sales
- (B) Expect sales about the same as 2002
- (C) Expect substantial growth in sales
- (D) Expect modest decline in sales
- (E) Expect substantial decline in sales

The Top 25 Companies by Size

These champs added a lot of revenue to already impressive top lines.

INDUSTRY	COMPANY/LOCATION	2002 REVENUE
TELECOMMUNICATIONS	1 Brightstar Miami	\$ 848,671,003
COMPUTER HARDWARE	2 Linksys Irvine, Calif.	\$ 430,376,215
HUMAN RESOURCES	3 The Outsource Group Walnut Creek, Calif.	\$ 358,538,425
CONSUMER PRODUCTS	4 Orange Glo International Greenwood Village, Colo.	\$ 352,173,113
FINANCIAL SERVICES	5 Vesta Portland, Oreg.	\$ 323,739,742
RETAIL	6 Wireless Retail Scottsdale, Ariz.	\$ 293,737,322
FINANCIAL SERVICES	7 Heartland Payment Systems Princeton, N.J.	\$ 279,993,142
MATERIALS & CONSTRUCTION	8 Parksit Batavia, Ill.	\$ 267,161,685
HEALTH	9 The Scooter Store New Braunfels, Texas	\$ 254,232,175
MATERIALS & CONSTRUCTION	10 Kraft Construction Naples, Fla.	\$ 231,951,382
HUMAN RESOURCES	11 Co-Advantage Resources Orlando	\$ 231,941,260
DEFENSE	12 QSS Group Lanham, Md.	\$ 224,656,228
TRANSPORTATION	13 Caliber Collision Centers Irvine, Calif.	\$ 199,676,000
HUMAN RESOURCES	14 C&A Industries Omaha	\$ 184,002,482
INSURANCE	15 Coventry First Fort Washington, Pa.	\$ 164,371,008
SOFTWARE	16 ASG Naples, Fla.	\$ 156,729,591
RETAIL	17 Hat World Indianapolis	\$ 155,014,461
IT SERVICES	18 Berbee Information Networks Madison, Wis.	\$ 148,947,735
COMPUTER HARDWARE	19 Prosys Information Systems Norcross, Ga.	\$ 138,542,233
CONSUMER PRODUCTS	20 Global Brand Marketing Santa Barbara, Calif.	\$ 123,769,398
HEALTH	21 Diamond Drugs Indiana, Pa.	\$ 121,663,238
HEALTH	22 Schaller Anderson Phoenix	\$ 117,046,319
FINANCIAL SERVICES	23 Amerisource Funding Houston	\$ 115,617,222
SECURITY	24 Monitronics International Dallas	\$ 111,881,458
FINANCIAL SERVICES	25 Arrow Financial Services Niles, Ill.	\$ 105,601,278