

# Entrepreneur

SOLUTIONS FOR GROWING BUSINESSES

JUNE 2004

10TH ANNUAL ENTREPRENEUR AND D&B'S

**HOT**  
**100**  
AMERICA'S FASTEST-GROWING  
NEW BUSINESSES  
SHARE THEIR SECRETS

**90. Crestwood Technology Group**

TUCKAHOE, NY

[www.ctg123.com](http://www.ctg123.com)

Wholesale electronic components

Claire McGarvey, Denise Gilchrist, Katherine Saviano

Began: December 2000 w/3 employees; now 28 employees

2003 sales: \$4.3M

Success secret: Hire the right people, and create and maintain a family atmosphere





The companies on our annual Hot 100 list of America's fastest-growing new entrepreneurial companies are proof that nice guys do finish first. But more on that in a moment. Here's a closer look at what's new in our 10th Annual Hot 100 listing.

Overall, the companies in this year's listing are slightly more mature, with an average of 37 months in business compared to last year's 29 months. They're also making more money, with combined sales of \$1.1 billion—a substantial increase from last year's total of \$923.5 million. And they're getting bigger, with an average of 48.5 employees each, up from an average of 31.6 last year. What's more, they're doing it all with less: This year's average Hot 100 company launched with \$416,000 in startup capital, compared with an average of \$565,000 last year.

Although our Hot 100 companies are geographically diverse, with no one state or region dominating, certain industries did dominate. Business services that were not tech-related accounted for 19 of our companies; nine of those provide advertising and marketing services. Construction and home improvement accounted for another 19 companies. (Also profiting from the hot real estate market, five of the six financial services companies in our listing are mortgage brokers.) Tech companies showed a slight decline, down from 19 last year to 15 this year. Perhaps the most dramatic change was the growth of manufacturing, which surged from five companies last year to 12 this year.

At a time when each day's headlines seem to bring new corporate scandals to light, it's heartening to know that being "good guys" has paid off for our Hot 100 companies. We were impressed by the number of entrepreneurs in this year's listing who credited their success to their employees and spoke passionately about the importance of treating customers and staff

## MAKING THE CUT

This is how it all begins: Culling from its massive database, D&B provides *Entrepreneur* with an initial list of fast-growing companies. *Entrepreneur* mails each company a form, which the entrepreneurs must complete and submit along with their current financial statements. We then measure the company's sales growth from the date of inception, listing the businesses in growth order.

For a business to be considered for the list, it must meet the following criteria:

- The business must have been founded no earlier than 1999.
- The founder must be actively involved in daily operations and have a controlling interest in the business.
- Annual 2003 sales must have exceeded \$1 million.

well. Proving they not only talk the talk, but walk the walk, the number of companies offering employee benefits such as health insurance, 401(k) plans and stock options increased this year. (For details, see "Perk Avenue" at left.)

And while experts can come to no certain conclusion as to the state and direction of the economy, our Hot 100 are overwhelmingly optimistic: 92 percent believe the economy "is headed in the right direction." Their budgets are evidence of that confidence: They spent a total of \$17.4 million on technology this year and a total of \$28.4 million on overall marketing. In fact, this year's group tripled their average marketing spending to \$299,000.

As an added bonus this year, we've highlighted the best success secrets from our Hot 100 within the listings. Read them, learn from them, and perhaps you'll find yourself part of next year's Hot 100.