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SOLUTIONS FOR GROWING BUSINESSES

Entrepreneur®

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11TH ANNUAL

ENTREPRENEUR & PRICEWATERHOUSECOOPERS'

America's Fastest-Growing
New Businesses
Share Their Secrets

Ranking: 50 – WebXites LP

HOUSTON

www.webxites.com

Website design, hosting, e-mail & online marketing

Gene McCubbin

Began: September 2001 w/1 employee; now 300+ employees

2004 sales: \$8.4M

Success secret: Familiarity breeds contempt. Leaders must always maintain the proper example in all their actions and show bravery, honesty and integrity in every effort they undertake.



Are America's businesses finally loosening their purse strings after several years of cautious spending? If our 11th Annual Hot 100 listing is any indication, the answer is yes: Companies that provide services to businesses were by far the biggest category in our annual listing of America's fastest-growing new entrepreneurial companies.

What are our Hot 100 businesses' customers spending their money on? Within nontech services to businesses, advertising and marketing was an especially strong category, accounting for 11 companies (three of which provide internet marketing services). Business consulting was a surprisingly prevalent category as well, accounting for eight companies. More predictably, six companies came from the security sector, covering areas from facility security to biosecurity to tech security.

The technology category, which has been fairly strong for the past few years, continued in the same vein, growing from 15 companies last year to 20 this year. But the home-improvement industry, which has been sizzling hot in our listing for the past few years, declined from 19 companies last year to 13 this year.

This year's Hot 100 companies boast \$1.5 billion in total sales, a substantial increase from the \$795.3 million for last year's companies. They also raised over 10 times as much startup capital as last year's group, making the leap from \$62.1 million to an astounding \$631.1 million.

Our 2005 companies were more likely to have obtained that startup financing from family, friends and private investors than from sources such as credit cards. Continuing a trend from last year, this year's Hot 100 companies have increased

MAKING THE CUT

This is how it all begins: Drawing on multiple data sources, including the proprietary "MoneyTree Survey" of VC investing by PricewaterhouseCoopers, Thomson Venture Economics and the National Venture Capital Association, PricewaterhouseCoopers provides Entrepreneur with an initial list of fast-growing companies. Entrepreneur mails each company a questionnaire, which the entrepreneurs must complete and submit along with their current financial statements. We then measure each 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 2000.
- The founder must be actively involved in daily operations and have a controlling interest in the business.
- Annual 2004 sales must have exceeded \$1 million.
- The company must have fewer than 1,000 employees.

To apply for the 2006 Hot 100 list, fill out an online application at www.entrepreneur.com/hot100/2006.

Entrepreneur research conducted by Maggie Iskander and Tracy Stapp

many of the benefits they provide to their employees. (For more details, see "The Big Picture," left.)

These benefits plans prove that our Hot 100 entrepreneurs really put their money where their mouths are when it comes to treating employees well. Rewarding your staff is a success secret many of our Hot 100 entrepreneurs swear by. (We've highlighted more of their advice within the listings.) Learn from the wisdom of these fast-growth entrepreneurs, and maybe you, too, will make our Hot 100 list one day.