

● How I Did It CEOs Share Their Secrets of Explosive Growth



# Inc.

The Handbook of the American Entrepreneur

**SPECIAL ISSUE**

**AMERICA'S  
FASTEST  
GROWING  
PRIVATE  
COMPANIES**

# 500

**MEET THE BEST**

**20,128.9% Growth**

MemberHealth

**5,326 Jobs Created**

Noble Investment Group

**\$1.6 Billion Annual Revenue**

MCZ Development

**AND 497 OTHER PROFILES OF SUCCESS**

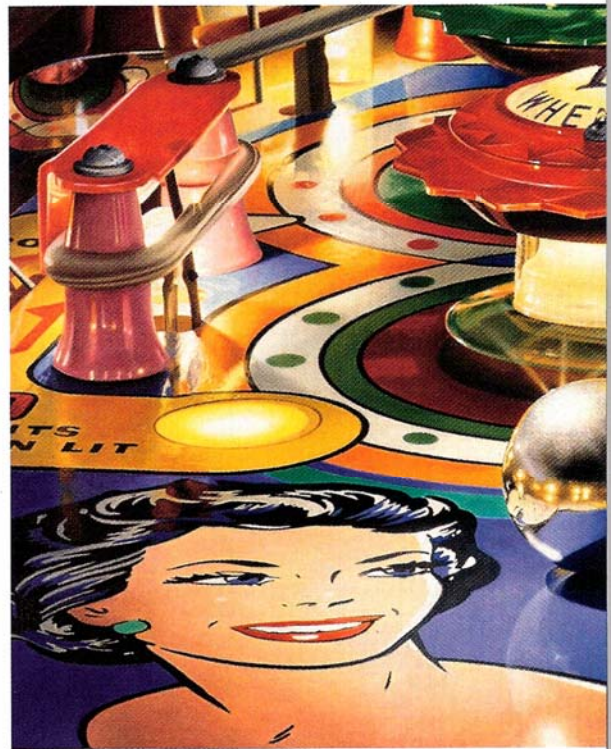
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The word *solutions* is probably overexposed: It appears in the names of 33 of this year's Inc. 500 companies. But what the heck; it elegantly encapsulates the secret to the success of most of these businesses. Customers come to the market with a problem. Our honorees send them home without one. Quantitatively, these companies are obviously exceptional, with 2006 aggregate revenue of \$16 billion, median revenue of \$10.5 million, and median three-year growth of 939 percent. Qualitatively, they tell us much about the way we live now.



Inc. 500

# Retail

Number of companies: 27  
 Total employment: 2,406  
 Total revenue: \$873.6 million  
 Median revenue: \$7.3 million  
 Median growth rate: 841.8 percent

**Smartphone Experts** NO. 37  
**2,655.4% Three-Year Growth**  
 REVENUE: \$16.1 million EMPLOYEES: 20  
 FOUNDED: 2002 Inverness, Fla.

*What it does:* Sells accessories for mobile phones and hand-held devices. *Why it's growing:* When CEO Marcus Adolfsson launched the company with a focus on the Palm Treo, there were fewer than 30,000 Treo users. Today there are 7.5 million, and he has multiple sites for Treo accessories. He has added stores for BlackBerry, Motorola, Bluetooth, and iPhone products and runs stores for technology sites, splitting revenues.

**Cableorganizer.com** NO. 127  
**1,413.3% Three-Year Growth**  
 REVENUE: \$8.3 million EMPLOYEES: 30  
 FOUNDED: 2002 Fort Lauderdale, Fla.

*What it does:* Sells everything related to cable and wire management, including jacks, tools, and organizers. *Why it's growing:* Look beneath your desk. Look behind your television. CEO Valerie Holstein started the business with three products. Since then, any time someone has asked for something, she's found it and added it to her site. She now has more than 9,000 products and supplies cables to large companies like Boeing and Microsoft.

**Planet Shoes** NO. 133  
**1,395.2% Three-Year Growth**  
 REVENUE: \$3.5 million EMPLOYEES: 18  
 FOUNDED: 1999 Waltham, Mass.

*What it does:* Sells shoes online. *Why it's growing:* Repeat customers (at least 50 percent of buyers) and a focus on niche brands, like ecofriendly manufacturers that use vegan and recycled materials. A popular brand is Earth, featuring negative-heel technology. The heels are lower than the toes, which is meant to be better for body alignment. *Shopping for change:* Planet Shoes offers a \$1,000 credit to any employee who purchases a hybrid, and the two best parking spots are for alternative energy vehicles.

**CSN Stores** NO. 147  
**1,327.1% Three-Year Growth**  
 REVENUE: \$109.4 million EMPLOYEES: 255  
 FOUNDED: 2002 Boston

*What it does:* CSN operates 150 niche online stores like AllBarstools.com and EveryJuicer.com, specializing in home

goods. *Why it's growing:* Broad selection, customer service, and aggressive reach in new categories. By adding new verticals, says CEO Niraj Shah, CSN has grown faster than the e-commerce industry, which has grown 20 to 25 percent a year.

**NetShops** NO. 154  
**1,299.5% Three-Year Growth**  
 REVENUE: \$14.5 million EMPLOYEES: 369  
 FOUNDED: 2002

*What it does:* Resells products from stores specializing in home goods, such as CoatRacks.com and SleepBunkBeds.com. None accounts for more than 5 percent of sales. *Why it's growing:* CEO Doug Nielsen, a first wave dot-commer who started with Hammocks.com, has more than 150 sites (up from 55 in 2002) and regularly adds categories in new, underserved niches.

**Dynasty** NO. 155  
**1,299.5% Three-Year Growth**  
 REVENUE: \$11.5 million EMPLOYEES: 14  
 FOUNDED: 2002 Sterling, Va.

*What it does:* Resells portable electronics like PDAs and iPods, sourced primarily through overstock, customer returns, and outdated merchandise. *Why it's growing:* Adaptability. After reaching a saturation point on eBay, which has a 15-item limit per SKU, CEO Jennifer Canty started selling wholesale, then added her own retail site to supplement sales.

**SolidSignal.com** NO. 183  
**1,137.9% Three-Year Growth**  
 REVENUE: \$5.1 million EMPLOYEES: 12  
 FOUNDED: 2002 West Bloomfield, Mich.

*What it does:* Sells TV antennas and home theater products at prices up to \$40,000 to individuals and professional installers. *Why it's growing:* Setting up high-end home theaters and HD televisions can be confusing, so Solid Signal has people available 24-7 to solve problems. Forty percent of business is repeat customers.

**Smith Services** NO. 200  
**1,065.7% Three-Year Growth**  
 REVENUE: \$10.2 million EMPLOYEES: 105  
 FOUNDED: 1974 Vero Beach, Fla.

*What it does:* Sells, installs, and services air-conditioning units. *Why it's growing:* Since buying the stagnant business from

a former AC technician in 2003, CEO Chip Woody has spent \$20,000 a month on advertising and has been acquiring smaller firms on the cheap thanks to a downturn in construction. "Air conditioning in south Florida? There's no ceiling on how much you can grow it," he says.

**TigerGPS.com** NO. 218  
**1,024.3% Three-Year Growth**  
 REVENUE: \$15.8 million EMPLOYEES: 8  
 FOUNDED: 2001 New York City

*What it does:* Sells GPS navigation equipment and accessories online. *Why it's growing:* The GPS market has exploded in the past few years, going beyond marina and outdoor sports to everyday auto usage. TigerGPS.com has some 3,000 products ranging from \$100 to \$10,000. *Secret formula:* CEO Derek Kleinow says knowledge is the company's key strength. Employees test and understand the GPS products. *Joe College:* Kleinow started the company as a sophomore at Princeton for bumming-around money (hence, Tiger).

**Pump It Up** NO. 231  
**1,002.6% Three-Year Growth**  
 REVENUE: \$6.5 million EMPLOYEES: 25  
 FOUNDED: 2002 Pleasanton, Calif.

*What it does:* Provides "inflatable party zones" for children's parties through 154 franchises. Facilities have inflatable slides, obstacle courses, basketball bounces, and jousting rings. The guest of honor gets to sit on an inflatable throne. *Why it's growing:* Strong word-of-mouth referrals from customers and franchisees (who may spend between \$450,000 and \$750,000 to open a Pump It Up facility). Last October, the company introduced the Pump It Up Jr. concept. These are smaller operations, aimed at younger children, that can operate in urban areas or shopping centers.

**RideSafely.com** NO. 289  
**871.2% Three-Year Growth**  
 REVENUE: \$7.3 million EMPLOYEES: 18  
 FOUNDED: 2002 Bensalem, Pa.

*What it does:* Runs an online list of totaled cars and motorcycles that are being sold at insurance company auctions. Customers, who usually wouldn't have access to such auctions, can place bids, which RideSafely.com passes on to dealers. RideSafely.com founders Max Repik and Yury Kaganov separately own some of the dealers. *Why it's growing:* RideSafely.com lists about 15,000 vehicles a week and has few competitors so far, Repik says.

**Slowboy Racing** NO. 297  
**863.5% Three-Year Growth**  
 REVENUE: \$5.8 million EMPLOYEES: 20  
 FOUNDED: 2002 Indiana, Pa.

*What it does:* Manufactures and sells aftermarket motors, mainly for rally racing. One product is a \$10,000 four-cylinder turbocharged 800-hp engine for a Mitsubishi Lancer Evolution. It takes four to six weeks to build and the company sells about 150 a year. *Why it's growing:* Slowboy Racing is one of the few full-service shops that build engines and sell parts. *What's in a name?* Founder and CEO Michael Huml, who has been drag racing for 10 years, admits Slowboy is the nickname bestowed upon him by his gear-head buddies.