

SPECIAL!

SHOW ME THE MONEY!
Be A Million-Dollar Cyber Success

181 HOT NEW FRANCHISES

Entrepreneur®

THE SMALL BUSINESS AUTHORITY www.entrepreneurmag.com JUNE 1997

EXCLUSIVE!

Dun & Bradstreet
and *Entrepreneur's*

Fastest-
Growing
New
Small
Businesses
In America



PLUS!

* **PRICE IT RIGHT!**
How To Make Profits Soar p.80

* **TRICKS OF THE TRADE!**
Negotiating Secrets From A Pro

* **BONUS REPORT:**
Smart & Affordable Ways To Protect Your Business

FAST TRACK

Entrepreneur and Dun & Bradstreet pick the 100 hottest new small businesses in America.

WHEN YOU START a business, it's natural to hope for phenomenal growth. For a select few, this hope doesn't dwindle into a mere echo of ambition but swells into something greater: reality. For those rising stars chosen in *Entrepreneur's* third annual ranking of the nation's 100 fastest-growing small businesses, the American dream is anything but an illusion.

This year's ranking has been our most challenging, not only because there are more new businesses to choose from, but also because the quality of today's business start-ups is so high. "Small-business entrepreneurs are a lot more professional and educated than they were years ago," says Larry Winters of Dun & Bradstreet, the world's leading provider of commercial credit, business marketing information, and receivable management services. "These people aren't starting businesses out of economic need because they can't get a job somewhere else—they're start-

ing businesses because they want to be [business owners]."

To assist us in our difficult task, Dun & Bradstreet combed its staggering database of business information. We narrowed the list using the following criteria:

- The founder must be actively involved in daily operations and must control at least 51 percent of the business.
- The business must have been founded no earlier than 1994.
- Annual sales must exceed \$1 million.
- Companies must meet the Small Business Administration's definition of a small business, based on number of employees and sales figures (which vary by industry).

From the large initial pool of companies, we calculated the annualized growth rate of each. The top 100 are listed in order of annualized sales growth. Companies that tied in ranking are listed alphabetically. Each listing contains the founders' names, a description of their businesses, year founded, number of employees (initially and currently), start-up investment, first-year sales and 1996 sales.

But numbers, while fascinating, aren't the whole story. We've included five profiles to give you a behind-the-scenes look at the personalities who drive the company names. These entrepreneurs discuss their diverse strategies and experiences, as well as the challenges and rewards of plunging into entrepreneurial success so quickly.

Many of these and the other companies that made the cut have carved a niche in some of the hottest industries for small business. According to Winters, up-and-coming businesses can be found in fields ranging from medical, environmental, personal, and financial services to specialty gift

About Dun & Bradstreet

Dun & Bradstreet (D&B), with the world's largest business information database, tracks 44 million companies worldwide, 10.7 million in the United States alone. Businesses use D&B's services to find new customers and evaluate their creditworthiness, identify potential suppliers and collect overdue receivables.

Through face-to-face and telephone interviews and public records searches, more than 200 million financial transactions are added to D&B's files annually, and that's just in the United States. D&B updates its information base continually—more than 750,000 times each business day.

When businesses are entered into the D&B database, they are issued D-U-N-S numbers (similar to Social Security numbers for companies). Required by the U.S. government for all businesses in its Central Contractor Registration database and used by the United Nations and the European Union, the D&B D-U-N-S number is quickly becoming the universal standard for identifying businesses on the World Wide Web as well.

For more information, call (800) 234-3867.

Research by Alison Steiner Miller

stores. Even small manufacturers share the unlikely label of "hot." "A lot of people think [manufacturing's] a sleepy industry," says Winters, "but we're seeing a resurgence in light, small manufacturing of specialty products."

Of course, no list of hot industries would be complete without a mention of technology. "There are so many different gradations of technology," says Winters. "Manufacturers of peripherals and chips, value-added resellers, consultants, software developers, Web site developers—it goes on and on."

And so does our search for fast-growing new businesses. We've provided insights to the businesses, the mind-sets and the industries that rose to the challenge this year. The next challenge is yours: Do you have what it takes to make the cut in 1998? As this year's honorees will tell you, it's natural to hope. —*Janean Chun*

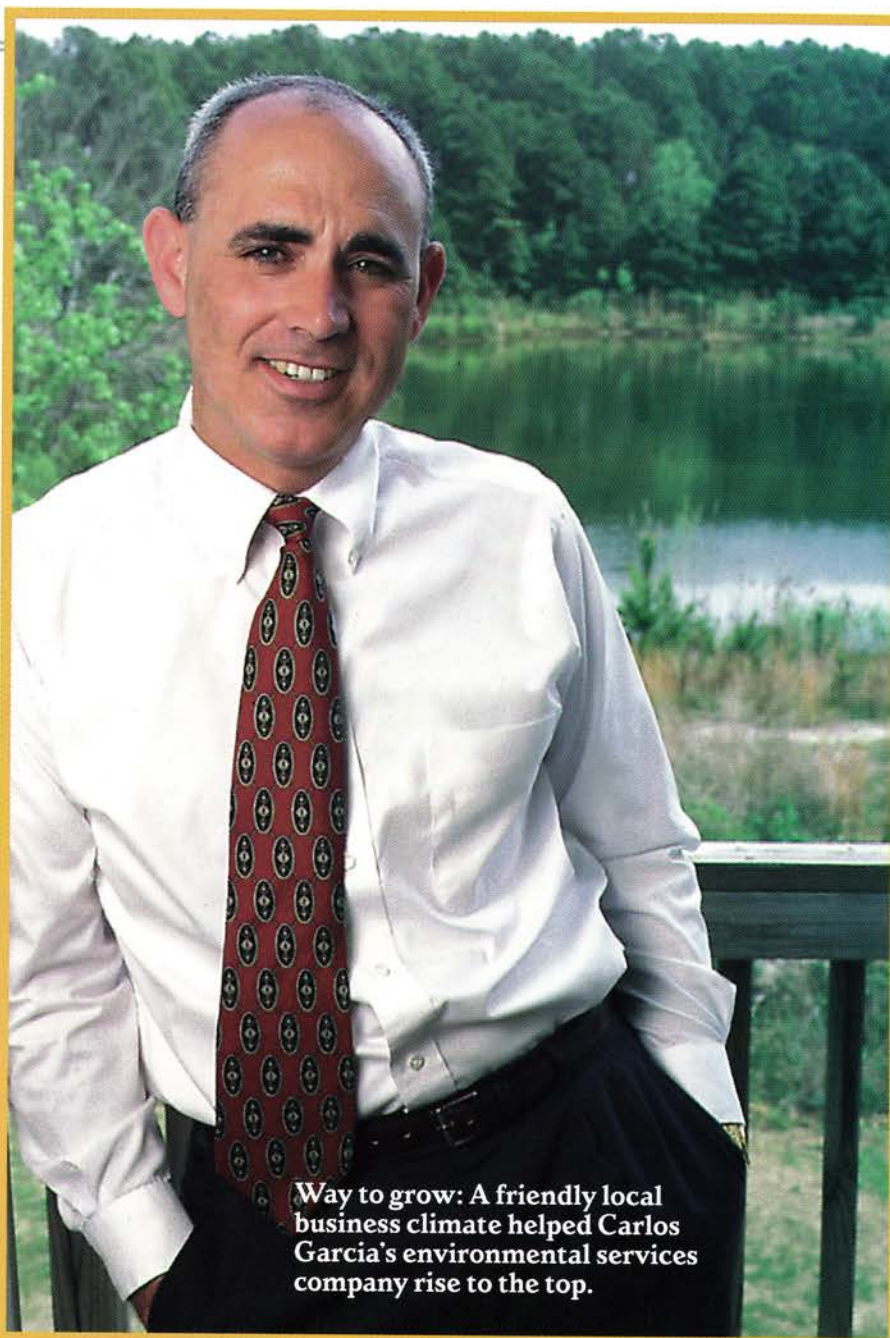
Green Light

RCS CORP. hasn't gotten where it is—namely No. 1 in our ranking of the 100 hottest new small businesses—without the help of others. An engineering and environmental services company in Aiken, South Carolina, a small town of 35,000 on the western side of the state, RCS Corp.

gives a lot of credit to local and national government, nearby environmental organizations and the area's business-friendly climate.

"There's really no single success factor here," says Carlos F. Garcia, RCS' president and CEO. "It's been all about teamwork. We all work together here."

Of course, a cooperative atmosphere isn't the whole story. Far from it. In fact, there has been plenty of strife for Garcia, 41, particularly in the business's early years. After leaving his job as a regulatory compliance manager at a nearby engineering and construction company



Way to grow: A friendly local business climate helped Carlos Garcia's environmental services company rise to the top.

PHOTO © EMMETT MARTIN

because he felt he could provide the same services at a lower cost, Garcia started RCS out of his living room in April 1994. To finance it, he initially took out a home equity loan and then lived without a salary for one year, all while the company was pulling in just a few small contracts. All together, Garcia raised \$205,000 in start-up capital to get the business on solid ground.

"It was extremely difficult," Garcia says. "I had to mortgage all the property I owned, and, at some point, I even mortgaged my in-laws' [house] as collateral. I had to take out enough loans to keep us growing."

And grow it did. Garcia's original business concept called for helping clients comply with emerging federal and state regulations. Yet RCS quickly moved into systems engineering; health and safety areas, including accident investigation and emergency preparedness; and facility operations roles. The 71-employee company now pulls in multimillion-dollar contracts from government agencies, including the Department of Energy, and several commercial clients. All told, RCS grew by 114 percent last year—with annual sales projected at \$8.8 million this year.

Garcia believes a crucial chapter in his business' success story has been maintaining low overhead. For example, in May 1996, RCS moved into what some might see as a rather unlikely location: an inexpensive, 3,000-square-foot house built in the 1890s. Because many of RCS' employees work at job sites, there's simply no need for a larger facility, Garcia says. In fact, the RCS staff is quite lean, with only seven office employees to handle finance, payroll, human resources, marketing duties and more. "We wear many different hats," admits Garcia.

Keeping a sharp eye on quality

also ensures a steady stream of future revenue. "Basically, if you do a good job on your existing work, you're going to get a lot more work behind it," Garcia says. Last year, for example, RCS won a \$3 million project that grew to \$8 million after subsequent contracts.

To be sure, timing has also had a little to do with it. Historically, the majority of environmental services work has been dominated by larger companies. But with substantial government downsizing in the past five years, government projects are being outsourced to smaller companies that can do the job at the low-

est price, Garcia says. Government agencies have also been particularly aggressive about giving more work to small businesses.

As Garcia further expands his earth-friendly business into new Southeastern markets, his company, like all things in nature, has come full circle. As in the past, future success, he says, depends on everyone's ability to work together. "The key is to hire great people," Garcia says, "and we make an effort to invest in personnel and work as a team. They're our real asset."

—Heather Page

100 HOTTEST NEW SMALL BUSINESSES IN AMERICA

RCS Corporation

Engineering & Environmental Services

RCS Corporate Office
955 Colony Parkway
Aiken, SC 29803
Phone (803) 641-0100
Fax (803) 641-7037

RCS Washington DC Office
2252 Pimmet Drive, Suite 629
Falls Church, VA 22043
Phone (703) 827-7317
Fax (703) 827-9713

e-mail address: mail@rcscorporation.com
Home Page: <http://www.rcscorporation.com>

RCS CORPORATION, AIKEN, SC RANKED #1

Engineering & Environmental Services
Carlos F. Garcia
Began: 1996 w/2 employees; 71 employees
Initial investment: \$205K from bank loan/savings
Sales: 1994: \$22K, 1996: \$5.05M