

Special Issue

**500 Profiles of
Business Success**

Inc.

500

America's Fastest-Growing Private Companies

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Wireless Retail ●

Scottsdale, Ariz.

2002 Revenue: \$293.7 million

Growth (1998-2002): 2003% No. 65

Founded: 1994 Employees: 1,856

Wireless Retail provides outsourced sales of wireless service for cable, cell phones, and the Internet nationwide. Because it offers service from multiple providers, it gives its customers more options than are normally available at one location. **How It Started:** In a meeting set up by the Houston Chamber of Commerce in 1994, CEO Dan McMahan and a then partner pitched and won a deal to sell service-based wireless products from kiosks in the Randall's and Kroger supermarket chains—before Wireless Retail had opened for business. **Direct Marketing:** McMahan says he's added direct-marketing campaigns to the services offered to distributors such as Radio Shack and AT&T: "We do the creative, mail it out, and the members call back in to our call center and we complete the sale."

Automated License Systems ▶▶ ● ●

Nashville

2002 Revenue: \$17.1 million

Growth (1998-2002): 1,816% No. 77

Founded: 1997 Employees: 119

Senate Majority Leader Bill Frist has his eye on ALS, which sells systems that allow fishermen and hunters to obtain or renew licenses on the spot. Frist is interested in a future ALS initiative—systems that perform background checks of gun buyers under the Brady bill. Customers include state wildlife agencies, which give the license systems to authorized agents ranging from bait-and-tackle shops to Wal-Mart. **Bigger Quarry:** Co-CEOs Jimmy and Sarah Wilson are also looking into providing snowmobile permits, fire permits, park reservations, and—as part of a joint venture—systems that screen job applicants at fast-food restaurants.

Hat World ▶▶ ● ● ●

Indianapolis

2002 Revenue: \$155 million

Growth (1998-2002): 1,312% No. 118

Founded: 1995 Employees: 2,300

CEO Bob Dennis arrived at the specialty cap retailer in 2001, when the company was acquiring Boston-based Lids, a bigger competitor that, postacquisition, accounted for two-thirds of Hat World's annual cap sales. After the merger, Dennis offered the Lids employees tenure-based bonuses to stay on. Initially, he stocked the Lids stores at 80% capacity—to allow for experimenting that helped Hat World phase Lids into its data systems and infrastructure. **Smart Buying:** The company emphasizes sports team caps, but instead of stocking stores with only local and state teams, Dennis says, his buyers try to stay on top of sports trends. **Next:** Dennis is opening a store in South Korea: "They are crazy for American hip-hop fashion."

Wood Flooring International ▶▶ ● *

Deiran, N.J.

2002 Revenue: \$11.8 million

Growth (1998-2002): 1,167% No. 136

Founded: 1998 Employees: 28

WFI buys exotic woods overseas, has them milled into floorboards, imports the boards, and sells them to distributors for installation. The company's growth reflects that of its niche. In recent years designers have championed exotic woods, increasing their share of the flooring market from around 1% to 4%. "It used to be everyone took oak and stained it 40 different colors," says CEO William Jopling. "Now designers have figured out that you can actually get colors by choosing different species of tree." **Around the World:** Jopling spends about

They Work on Many Levels

As they have in past years, direct selling and multilevel marketing have a presence on the Inc. 500. Tastefully Simple (page 60) in Alexandria, Minn., sells gourmet foods through house parties, and 4Life Research of Sandy, Utah (page 64), sells health supplements through 250,000 independent reps—or "consultants," as they are known in MLM circles. Such booming ventures are not uncommon in the industry, which has doubled in size to \$28 billion in a decade. According to the Direct Selling Association in Washington, D.C., that growth has been driven by women, who make up 74% of all MLM consultants, and the expanding population of the southeastern states, where MLM is particularly popular.



• While the statistics make direct-selling seem attractive, the essential paradox of the strategy is that it can help you grow real big real quick—but people will always wonder if your success is legitimate. Indeed, a 2000 report on MLM from the Federal Trade Commission declared that "most people end up with nothing to show for their money except the expensive products or marketing materials they're pressured to buy." Around the

same time the report was released, the FTC and six states had sued 1997's No. 1 Inc. 500 company, Las Vegas-based Equinox International, a maker of environmentally friendly cleansers and shampoo. Ultimately, the company agreed to shut down. Then there's Herbalife, the weight-loss supplement business whose dance along the line of infamy and respectability seems to have subsided following founder Mark Hughes's death from a drug overdose in March 2000. • "I know that there is a stigma," says Tastefully Simple CEO Jill Blashack. But she asserts that the basic structure is sound. "It is not a scheme, and it's not quick. It's about perseverance. It's a business."

MIKE HOPMAN

25% of his time overseas, scouring wood in Central and South America and Asia. Foreign laborers work for less, and by cutting the wood before shipping it, WFI doesn't spend money importing material that will end up as waste.

ActiveLight ▶▶ ● ●

Poulsbo, Wash.

2002 Revenue: \$67 million

Growth (1998-2002): 1,046% No. 159

Founded: 1998 Employees: 33

President and COO Brad Gleeson was once VP of marketing for a five-time Inc. 500 company called BoxLight, which sells projectors. It was BoxLight CEO Herb Myers who gave Gleeson \$300,000 in seed capital to pursue his interest in plasma screens. Today, ActiveLight distributes high-end audiovisual products, including the high-resolution screens that are replacing billboards in malls, movie theaters, and Times Square. **Pricing:**

Gleeson says ActiveLight's prices are not the lowest—but says it emphasizes service. **Office Perks:** The office is located on the coast of Liberty Bay with views of the Olympic Mountains.

FurnitureFind ▶▶ ● ●

Buchanan, Mich.

2002 Revenue: \$12.1 million

Growth (1998-2002): 1,003% No. 166

Founded: 1996 Employees: 60

In 1996, founder Stephen Antisdal and two partners bought his family's furniture business and moved it online. How'd they survive when the bubble burst? "The one edge we had was 25 years of experience in our industry," he says. "We figured out that for the customer, the pain of normal furniture shopping is that they have to go to three or four or five stores." **Almost Fatal:** In March 2000, FurnitureFind merged its online component with another business. The two companies differed in market



FurnitureFind's stuff

ILLUSTRATION: NICK DEWAR