

2007's  
**FASTEST-  
GROWING  
BUSINESSES**

# Entrepreneur®

AUGUST 2007

13th ANNUAL

# HOT 500

#### 44. Pentagroup Financial LLC

Ransom Lummis, Frank Russo,  
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Collections agency  
Houston, TX

[www.pentagroup.us](http://www.pentagroup.us)

**Began:** May 2002 with 1 employee; 245 employees in 2006

**Initial investment:** \$3.9M from private investors & savings/personal funds

**2002 sales:** \$393.3K    **2006 sales:** \$15M

**Turned a profit:** 2004

**Success Secret:** "We deliver results for our clients and never sacrifice our performance for company profitability."

**Pentagroup**  
FINANCIAL 

**America's top fast-growth businesses  
and the entrepreneurs who built them**

# Hot 500 at a Glance

**the people:** Who are the entrepreneurs behind the companies in our Hot 500 for 2007? Here's a look.

## GENDER

<b>Male</b>	<b>839 (88%)</b>	<b>Female</b>	<b>114 (12%)</b>
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<b>Average age</b>	<b>44</b>
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**the numbers:** A roundup of the basic figures . . .

<b>Total revenue for 2006</b>	<b>\$12.6 billion</b>
<b>Total employment on first day of business</b>	<b>2,807</b>
<b>Total employment projected by 2008</b>	<b>58,776</b>

**the funding:** Where'd they get the money to start?

<b>Savings and personal funds</b>	<b>387</b>
<b>Friends and family</b>	<b>117</b>
<b>Bank loan</b>	<b>71</b>
<b>Lines of credit</b>	<b>71</b>
<b>Private investors</b>	<b>70</b>
<b>Credit cards</b>	<b>57</b>
<b>Venture capital</b>	<b>19</b>

**the perks:** Here's how our Hot 500 entrepreneurs share their success with their employees.

<b>Health insurance</b>	<b>464</b>
<b>Retirement funds</b>	<b>372</b>
<b>Car allowance/company car</b>	<b>258</b>
<b>Flextime</b>	<b>201</b>
<b>Telecommuting</b>	<b>163</b>
<b>Tuition reimbursement</b>	<b>163</b>
<b>Stock options</b>	<b>90</b>

**the staying power:** By their second year in business . . .

<b>61% had turned a profit</b>
<b>56% had earned their first million</b>

SOURCE: *Entrepreneur's* Hot 500 for 2007

**A**merica was built on aspirations. Ever since the country was founded, the desire for a better life has propelled people to our shores. The same yearning to reach ever higher inspires today's entrepreneurs—and there's no better example of the power of aspirations than the success stories from our Hot 500 list.

For the past 15 years or so, politicians and economists have touted entrepreneurship as the engine driving our economy. While this was once news, today it's not—at least, not to us at *Entrepreneur*. We've long known that entrepreneurial companies are the primary generators of new job creation. To be included in our listing, companies had to show positive job growth.

Now, with a second wave of web entrepreneurs well underway, entrepreneurs are getting plenty of press. But today's entrepreneurial revolution is not all about technology. In fact, as our Hot 500 list took shape, what impressed us most was the sheer variety of businesses represented. "In contrast to conventional wisdom, the Hot 500 shows that America's fastest-growing companies are not concentrated in just a few industries," says Spencer Tracy Jr., president of Corporate Research Board in Washington, DC. "These businesses can be found in nearly every industry. They're a remarkable testament to the diversity of the U.S. economy."

Our Hot 500 companies' diversity extends to the faces and stories behind each of these businesses. But however they differ, successful entrepreneurs share one trait: the ability to look at the familiar in a new way and see opportunity. The stories you'll read are proof of the power of innovation, inspiration and aspiration—proof of the power of entrepreneurship. We hope they inspire you to seek your own new worlds of opportunity.

## MAKING THE CUT

This is how it all begins: The Hot 500 rankings are compiled with the help of Corporate Research Board, a research organization. Entrepreneur and CRB started with CRB's database of more than 19 million U.S. businesses and considered only those businesses that met the following criteria:

- Must have been founded no earlier than 1998 and no later than 2002
- Company sales in 2002 must be \$100,000 or greater; 2006 sales must not exceed \$1 billion
- Must have positive job growth between 2002 and 2006
- Must have a minimum level of sales growth or a sales growth quantifier of 1 or higher between 2002 and 2006; the growth quantifier is a measurement that combines percentage and absolute growth.

Only 95,000 businesses—or 0.5 percent of the 19 million businesses—met the above criteria. Entrepreneur then contacted the businesses with the greatest growth to confirm eligibility. To be eligible, the founder must be actively involved in the company, the company cannot be a spinoff or a division of a larger company, and company sales for 2006 must be at least \$1 million. From this list, the Hot 500 was selected.

For information on applying for the 2008 Hot 500, go to [entrepreneur.com/hot500](http://entrepreneur.com/hot500).

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## ABOUT CORPORATE RESEARCH BOARD

Corporate Research Board is a leading provider of economic and business data, research, and information. From its Washington, DC, headquarters, CRB serves businesses and governments worldwide, offering high-quality insights into the U.S. economy, the companies that comprise it and the forces that shape it.