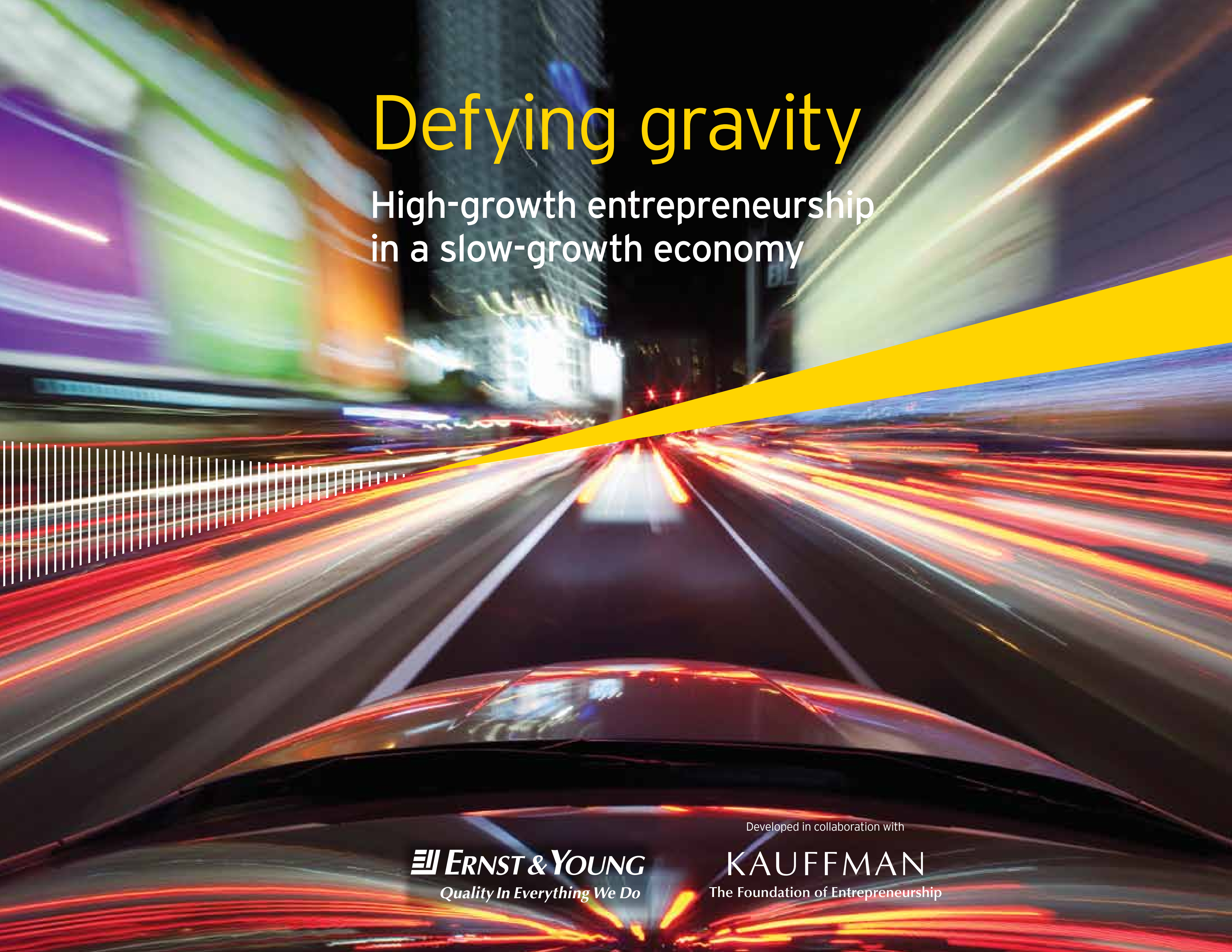


Defying gravity

High-growth entrepreneurship in a slow-growth economy

Developed in collaboration with

Ernst & Young
Quality In Everything We Do

KAUFFMAN
The Foundation of Entrepreneurship

"The high-growth companies that win our Entrepreneur Of The Year award have historically proved to be a bellwether for some of the most disruptive innovations of all time. These ambitious stars inspire their teams to address some of the world's most pressing issues and unmet needs, often creating completely new products or services. They are known for disrupting or creating entirely new industries and, as we have shown here, creating jobs throughout the country, no matter the state of the overall economy."

Herb Engert
Americas Strategic Growth Markets Leader
Ernst & Young LLP

Defying gravity

You would think if there were a group of US companies that collectively employ 700,000 workers and achieved 30% job growth and 48% revenue growth between 2009 and 2011, investors, economists and policymakers would want to know who they are. We do.

The 636 companies that are finalists of the Ernst & Young US Entrepreneur Of The Year® 2012 Awards are those companies. Spread across the US in industries as diverse as technology, manufacturing, consumer products and energy, these high-growth entrepreneurial companies are defying gravity. Not only have they collectively added more than 150,000 jobs in this challenging two-year period, but also, their annual rates of job growth have almost doubled — from 9.7% in 2010 to 18.9% in 2011.

These are not small companies — on average they employ 1,060 workers — nor do not represent the traditional notion of American small business. Rather, these Entrepreneur Of The Year finalists are the innovators, disruptors and category creators that bring us exciting new products and entirely new markets. They are the visionaries who see around corners and predict and produce what consumers will want before we do. They outperform because they build great teams, embrace innovation, seize opportunities and fail fast when they fail at all.

We have had the privilege of getting to know entrepreneurial high-growth companies like these during the 26 years we have been producing the Entrepreneur Of The Year Awards. Today, there are more than 8,000 Entrepreneur Of The Year alumni in the US alone, with thousands more representing growth and innovation in more than 50 countries throughout the world.

In the pages that follow, we invite you to get to know them like we do. You will be inspired!

To the persistent chagrin of economists and policymakers, growing an economy is not a smooth road. We wish for even growth with an absence of bumps. Reality, of course, is much different: economic growth — the process by which living standards improve — is frequently uneven and often contrary to expectations. Even during economic expansions, there will be companies and industries that struggle. Yet, as we have seen in the past few years of stagnant macroeconomic performance, there are companies, industries and areas of the US that manage to thrive.

Nowhere is this more apparent than with the more than 600 American companies named as finalists in the US Entrepreneur Of The Year 2012 program. While the US economy continues to wrestle with persistently high unemployment, slow growth and rising challenges from other developed and emerging economies, these high-growth companies have been creating jobs, expanding their businesses and building momentum amidst the macroeconomic gloom. Often it is precisely these "bumps" in the economy that serve as the impetus to generate the next great wave of innovation and growth.

The significance of their successes cannot be overstated. Between 2009 and 2011, these 600 Entrepreneur Of The Year finalist companies, which together employ nearly 700,000 people, achieved 30% job growth (more than 150,000 jobs) and 48% revenue growth, dwarfing US figures at approximately -1% and 6%, respectively. Perhaps most encouraging: their rate of growth actually improved in 2011 versus 2010. For these same 600 companies, on an overall basis, employment for 2011 grew at a rate of nearly 19% versus nearly 10% for 2010. Similarly, revenue grew at a rate of 26% in 2011 versus 18% in 2010.

Aggregate figures, however, can sometimes obscure important variations in how growth is distributed across different companies. Figures 1 through 4 display the distribution of employment and revenue and their respective growth rates.

We see in Figure 1 that while three-quarters of the finalist companies have fewer than 500 employees, thus officially meeting the U.S. Small Business Administration's definition of "small business," there is clearly a difference between the traditional notion

Figure 1. Distribution of Entrepreneur Of The Year finalists
By percentage share of number of employees in firm

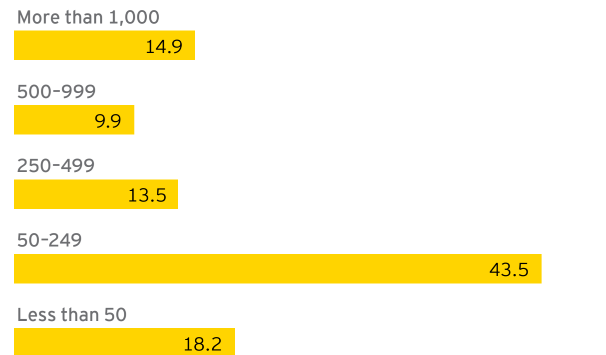
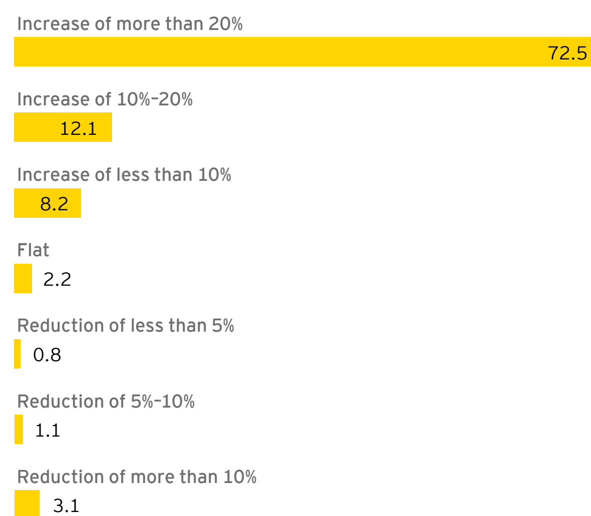


Figure 2. Distribution of employment growth rates for Entrepreneur Of The Year finalist firms, 2009–11
By percentage share of firm-level employment growth rate



of "small business" and what these high-growth, entrepreneurial companies represent. Ninety-five percent of firms in the US have fewer than 50 employees; the percentage here is 18.2%.[1] Entrepreneur Of The Year companies outpace their peers in terms of size. Overall, these 600 companies had a median of 167 employees. Another determinant of employment in high-growth companies is the industry sector(s) in which they operate. The largest Entrepreneur Of The Year finalists, based on median of number of employees, are in hospitality/leisure, automotive and health care services. The cleantech, power and utilities, and biotech/medtech Entrepreneur Of The Year finalists had the lowest median number of employees.

As Figure 2 shows, Entrepreneur Of The Year finalists have experienced rapid employment growth rates. It is reassuring that more than 70% of these companies have experienced employment growth of greater than 20% over the past two years. Remarkably, only 7.2% of them experienced flat or falling employment. While each industry category saw large employment growth, technology and services had the largest number of finalists reporting more than 20% employment growth.

In addition to creating substantial employment opportunities, these high-growth entrepreneurs, as evidenced by revenue metrics, are also expanding their businesses.

As Figure 3 shows, the two largest revenue ranges of Entrepreneur Of The Year companies are less than $25 million and $50 million to $249 million. Considering that an approximate average of company-level revenue across the entire economy is probably below $10 million and that other sources of high-growth company data indicate an average revenue level of around $40 million, the Entrepreneur Of The Year companies stand out in terms of their level of success as measured by revenues.[2] Overall, these 600 finalists had median revenue of $44 million. The group with less than $250 million in revenues is dominated by the technology, services and health care sectors. For the highest level, firms with more than $1 billion, distribution and manufacturing was the largest sector.

In Figure 4, we look at the distribution of companies by revenue growth rate. The distribution of revenue growth rates is even more skewed than employment growth, with only 5.5% of Entrepreneur Of The Year companies experiencing flat or falling revenues. In one sense, this is not entirely surprising: a growth rate of more than 25% is more readily achieved by firms with less than $25 million in revenue than by those with revenue over $1 billion. Nevertheless, this also means that two-thirds of the sample (more than 400 companies) have revenue of $25 million or more with rapid growth over the past few years. Here, too, there is some variation by sector: while nearly the entire sample enjoyed positive revenue growth, only three-quarters of the companies in real estate and biotech/medtech/pharma categories did. The former likely reflects the hangover from the real estate crisis. The two sectors with the highest percentage of Entrepreneur Of The Year finalists growing revenue at more than 25% were services and technology.

These employment and revenue growth statistics, and their distribution across the vast majority of Entrepreneur Of The Year finalists, are a testament to the vibrancy and vitality of these high-growth entrepreneurs.

Figure 3. Distribution of revenue levels for Entrepreneur Of The Year finalists
By percentage share of revenue level

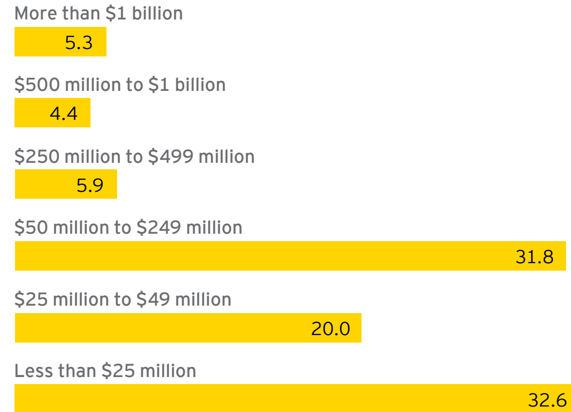
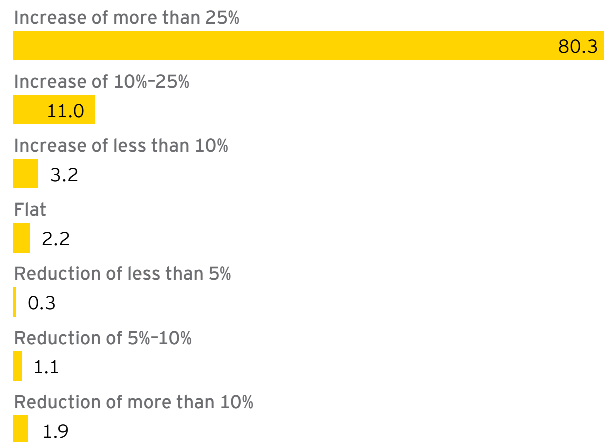


Figure 4. Distribution of revenue growth rates for Entrepreneur Of The Year finalists
By share of companies' revenue growth rates




pacesetters

Geographic and industry variances

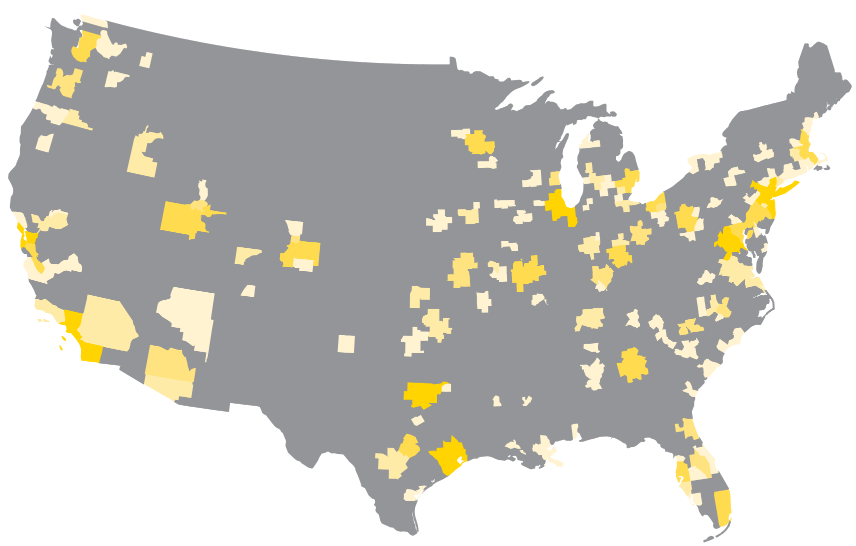
Over the period 2009 to 2011, Entrepreneur Of The Year finalist companies in all six geographic regions defined by Ernst & Young experienced double-digit revenue and employment growth. Finalist companies located in the Southeast led with 71% employment growth, while companies in the East Central region led with 63% revenue growth.

The two maps below plot the metropolitan-level location of the nearly 1,900 total Entrepreneur Of The Year 2012 nominees (rather than the 600 finalists) with darker shades indicating a higher number of nominees. The first displays an absolute number, while the second is scaled to population, showing Entrepreneur Of The Year nominees per 100,000 people. By sheer volume, Map 1 is not at all surprising: we see Los Angeles, New York City, the San Francisco Bay Area, San Diego and Chicago as dark yellow locations, with Houston, Dallas and Washington, DC, also hosting a high number of nominees.

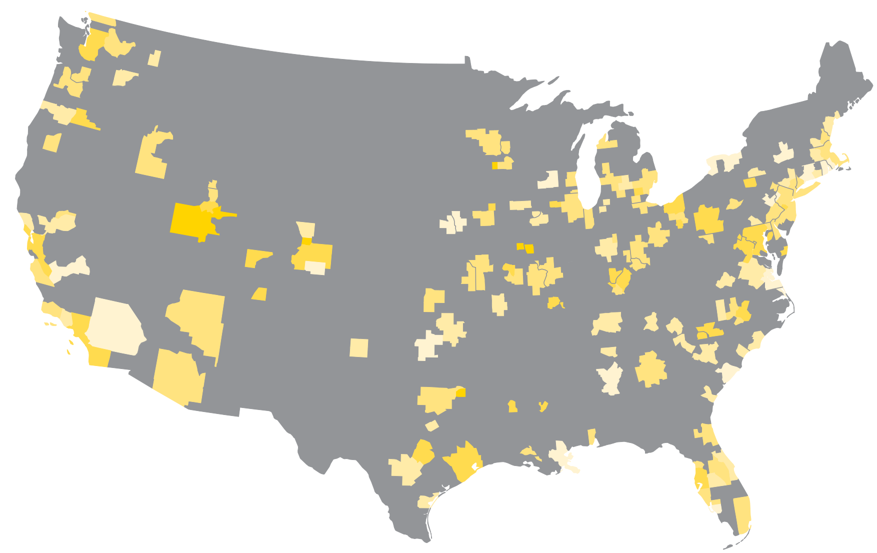
Map 2 plots the number of Entrepreneur Of The Year nominees per 100,000 in population. (Because of this, smaller-sized areas show up more frequently compared to large cities.) Map 2 provides additional insight into the geography of entrepreneurship — Boulder, CO, shows up as a highly dense county, which confirms the recognition of Boulder as an emerging entrepreneurial hub. Likewise, Provo-Orem, UT, has done well in other studies of high-growth firms.[3] Impressively, one larger metro area, Salt Lake City, ranks in the top 10 by density, demonstrating this city doesn't just have a high number of high-growth companies because of a larger population but because it is also home to a vibrant entrepreneurial community.

Geographic location is only one dimension of high-growth entrepreneurial activity. As mentioned with regard to employment and revenue and shown on the next page, the industry sector in which a company operates also has an impact on the analysis by industry of the distribution of Entrepreneur Of The Year finalists.

Map 1. Number of Ernst & Young Entrepreneur Of The Year nominees
By metropolitan statistical areas



Map 2. Number of Entrepreneur Of The Year nominees per 100,000 people
By metropolitan statistical area; population data based on 2011 estimates



The technology and services sectors account for 4 out of every 10 companies among the Entrepreneur Of The Year finalists. This makes sense: technology is a sector conducive to entrepreneurial entry and growth, and services now dominate the American economy overall.

Not surprisingly, Entrepreneur Of The Year finalist companies in certain industry sectors experienced higher overall growth rates than others. Companies in energy, cleantech and natural resources led in employment growth, at 49% over the period 2009 to 2011, closely followed by technology (42%) and services (33%). From a revenue growth perspective, energy, cleantech and natural resources also led with two-year growth of 87%, followed by technology (73%), retail and consumer products (49%), and distribution and manufacturing (49%).

What's special about these industries? For one, they are currently "hot" fields, with demand for energy (including "clean" energy), raw materials and innovative technologies continuing to surge. Also, they are not easily automated or outsourced but rather tend to involve hands-on operations that require large workforces.

An analysis of the data by industry category using median employee, revenue and revenue per employee also provides some interesting insights. The automotive sector Entrepreneur Of The Year finalists, which have the largest median revenue and second-largest median number of employees, reflect a "revenue per employee" — a measure of productivity and skill requirements — of $368,000, above the median of $264,000. Similarly, while the median number of employees in the hospitality and leisure sector for Entrepreneur Of The Year finalists is the largest at 900, the median revenue per employee is the lowest at $54,000. So what sectors generate the highest revenue per employee, reflecting the highest productivity and skill requirements? The Entrepreneur Of The Year finalist data suggests they are oil and gas, real estate and construction, power and utilities, and mining and metals. Clearly, however, significant growth cannot be considered automatic. To succeed even in high-demand industries, companies must still capitalize on opportunities, solve problems, overcome competition and manage their businesses effectively. Many of these high-growth entrepreneurs can be found in what would not be considered "hot" sectors — geography and industry are not the whole story.

Figure 5. Percentage share of total companies by industry sector

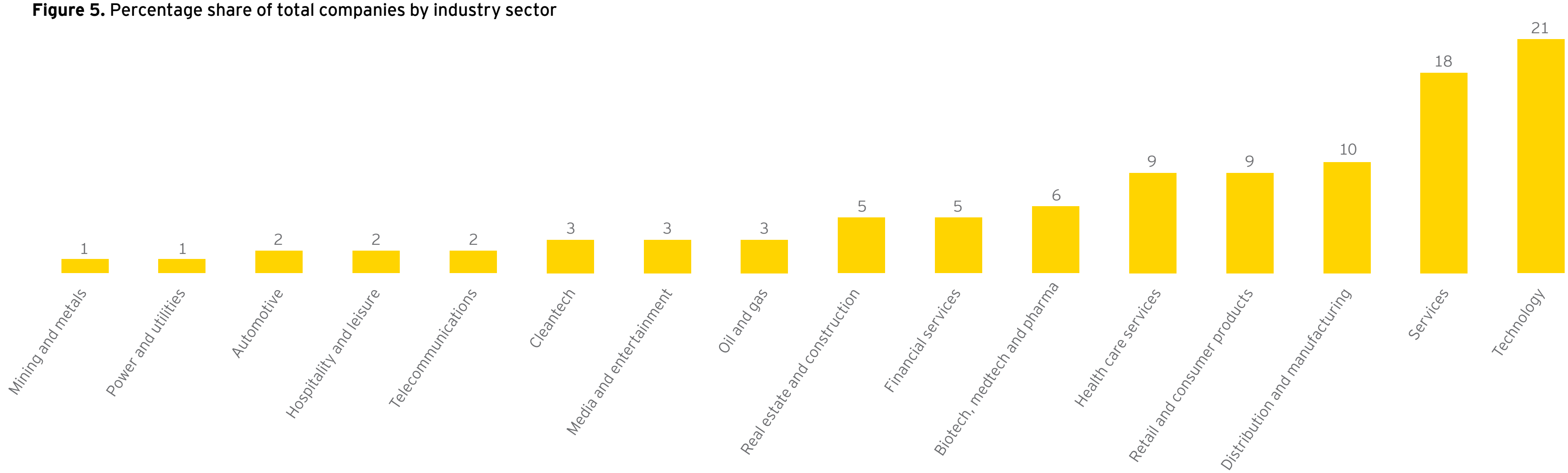


Figure 6. Median employment, revenue and productivity by industry

Category	Median employees	Median revenue	Median revenue/median employee (a measure of productivity)
Automotive	832	$ 306,372,028	$ 368,236
Biotech, medtech and pharma	97	27,821,951	286,824
Cleantech	64	10,737,000	167,766
Distribution and manufacturing	167	46,681,429	279,530
Financial services	179	88,558,366	494,723
Health care services	381	59,300,000	155,643
Hospitality and leisure	900	48,253,558	53,615
Media and entertainment	344	39,725,000	115,480
Mining and metals	257	148,138,431	576,414
Oil and gas	186	215,184,000	1,156,903
Power and utilities	76	53,316,000	701,526
Real estate and construction	110	94,800,000	861,818
Retail and consumer products	104	40,582,350	390,215
Services	254	39,756,124	156,520
Technology	135	26,771,009	198,304
Telecom	143	75,032,500	524,703
Overall median	**167**	**$ 44,008,828**	**$ 263,526**

"Our Entrepreneur Of The Year finalists and winners have 'cracked the code' for achieving extraordinary growth in challenging economic times. Their ability to see around corners, instill passion in great teams, embed innovation as standard practice and secure the right kinds of capital at the right time are key elements of their success. Their exemplary way of doing business creates jobs and enriches communities while demonstrating how it is possible to defy the gravitational undertow of economic stagnation."

Bryan Pearce
Americas Director,
Entrepreneur Of The Year and
Venture Capital Advisory Group
Ernst & Young LLP

How it's done

8 KEY FINDINGS

So how do these entrepreneurs defy the macroeconomic factors other companies find so challenging?

Eight key findings on how these companies defy gravity

1

Have a unique perspective on risk

A majority of those surveyed, especially those who were founders, indicated they believed entrepreneurs were born, not made. Perhaps this explains their passion to identify an unmet need in the marketplace and then set out to solve it. This entrepreneurial DNA sets them apart from their more cautious counterparts who either miss the need altogether or see a need and conclude someone else could or should solve it. It helps to explain how entrepreneurs move forward in spite of real or perceived risks. "It's funny – looking back, I never thought any of it was risky," remarked Eric Lofquist, Founder of Magnus International Group. "Feeling so strongly about something: I didn't consider it a risk."

Adds Richard McVey, CEO and Chairman of the Board of MarketAxess Holdings, Inc.: "I look at a number of inflection points in my career where I was willing to take risks when I felt the odds of success justified them. Those risks served me well over time, including the one I took to start MarketAxess."

> "In contrast to the most popular notions about innovative high-growth companies, the Ernst & Young Entrepreneur Of The Year finalists show that the potential for growth, innovation and job creation are present across the country and in all types of industries."
>
> **Dane Stangler**
> Director of Research & Policy
> Ewing Marion Kauffman Foundation

Q: How would you describe yourself?
By percentage of respondents

vision

Communicate vision and instill passion in great teams

Regardless of their position in the marketplace, Entrepreneur Of The Year finalists overwhelmingly cite people as their leading priority. Successful entrepreneurs have the ability to build a strong team at all levels in their organization — more than 25% of the entrepreneurs surveyed indicated that their ability to identify and develop talent was their biggest strength, while more than 40% indicated that their greatest source of success was assembling the right management team. But perhaps where the Entrepreneur Of The Year finalists really differentiate themselves is in their ability to communicate their vision and instill their passion — this was cited as their biggest strength by more than 40%. This vision is often characterized as an ability to "see around corners," an important trait identified by 18% of those surveyed.

> "The whole company philosophy is to hire the best people."
>
> **Tonya Mallory**
> President, CEO and Co-founder
> Health Diagnostics Laboratory, Inc.

So it should not be surprising that more than half of these entrepreneurs indicated that people are their number one priority, and many surveyed plan to upgrade talent during 2013 to keep pace with growth. This stands in sharp contrast to well-established global companies, many of which have been more interested recently in implementing efficiency and productivity increases that translate into headcount reductions.

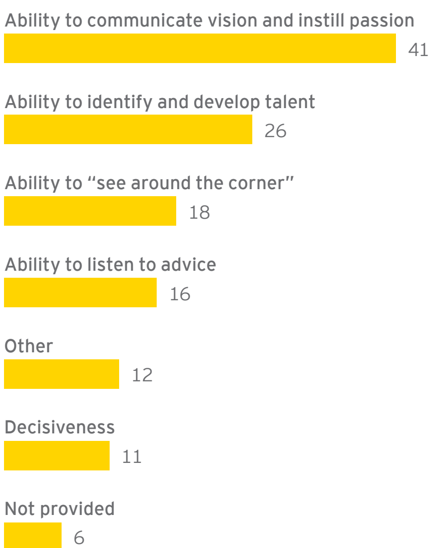
As Tonya Mallory, President, CEO and Co-founder of Health Diagnostics Laboratory, Inc., puts it, "The whole company philosophy is to hire the best people."

That so many entrepreneurial companies are in a hiring mode is all the more impressive because many younger companies choose to outsource certain business functions and focus on hiring workers who have exceptional skills that directly apply to their strategic missions and markets.

However, growing companies face an ironic dilemma: even at a time of domestic unemployment hovering around 8%, many have difficulty finding sufficient employees with the required skills. Among the reasons they cite is a decline in science, technology, engineering and mathematics (STEM) education in American schools. Another is the continued stalemate over the kind of immigration reform that could bring additional skilled workers into the US and allow foreign students who receive higher education in the US to stay, work and create businesses here.

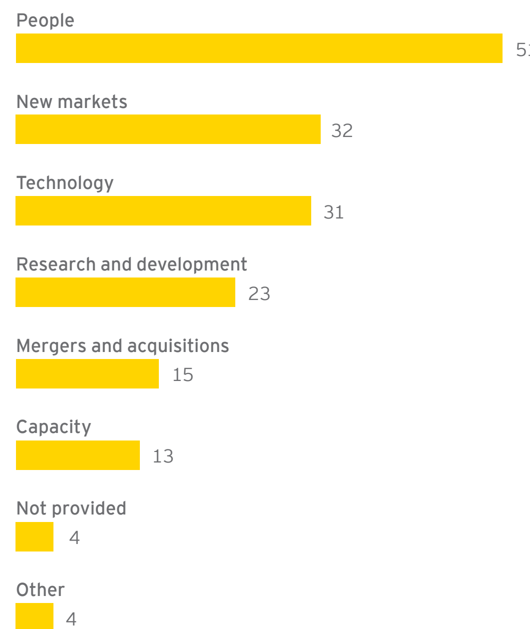
This is not simply a generalized focus on the workforce. Our findings revealed a strong concern for the individual employee among entrepreneurial companies. This, along with a growing preference among many of today's younger and better educated workers to join — or start — entrepreneurial businesses means that Entrepreneur Of The Year finalists are also drawing attention to more fundamental issues facing the US economy — namely, how we prepare people for participation in an entrepreneurial economy.

Q: What is your biggest strength?
By percentage of respondents
(multiple responses possible)



Q: What is the greatest source driving your success?
By percentage of respondents
(multiple responses possible)

Q: What are your future priorities?
By percentage of respondents
(multiple responses possible)



Demonstrate resilience and rapid recovery

Despite their success, entrepreneurs are not immune to business challenges. More than 30% of those surveyed acknowledge having made one or more bad decisions or encountering significant difficulty in execution. Both more-established and younger companies cited these as challenges, while older companies also identified assessing risk as a challenge.

So while all businesses make bad decisions from time to time, the best entrepreneurs and their teams seem to be more resilient. Encountering obstacles, they are able to set a new course and rapidly recover — perhaps being able to react much more nimbly than their large corporate counterparts and to learn from mistakes to avoid making them again.

Not long after Mike Fries became President of UnitedGlobalCom in 1998, the internet bubble burst. He was not immune to the fallout. "We had to go through a number of transactions that ultimately restructured that business and brought in new capital and a new shareholder," Fries says. In 2005, UnitedGlobalCom merged with Liberty Media International to create Liberty Global, Inc. Even through the lean years, Fries says, he did not lose any of his team. "Everybody stuck together, and we ultimately put a company together with a $40 billion enterprise value. … I don't think you can really be successful without staring into the abyss at least for a little bit. Every entrepreneur has that moment, and your goal in life is to not have it a second time."

As Navi Radjou, leading innovation expert and co-author of *Jugaad Innovation*, notes: "The best way to experiment is to fail fast, fail cheap and fail often. If you fail fast and online in real time, you can get quick feedback and improve."

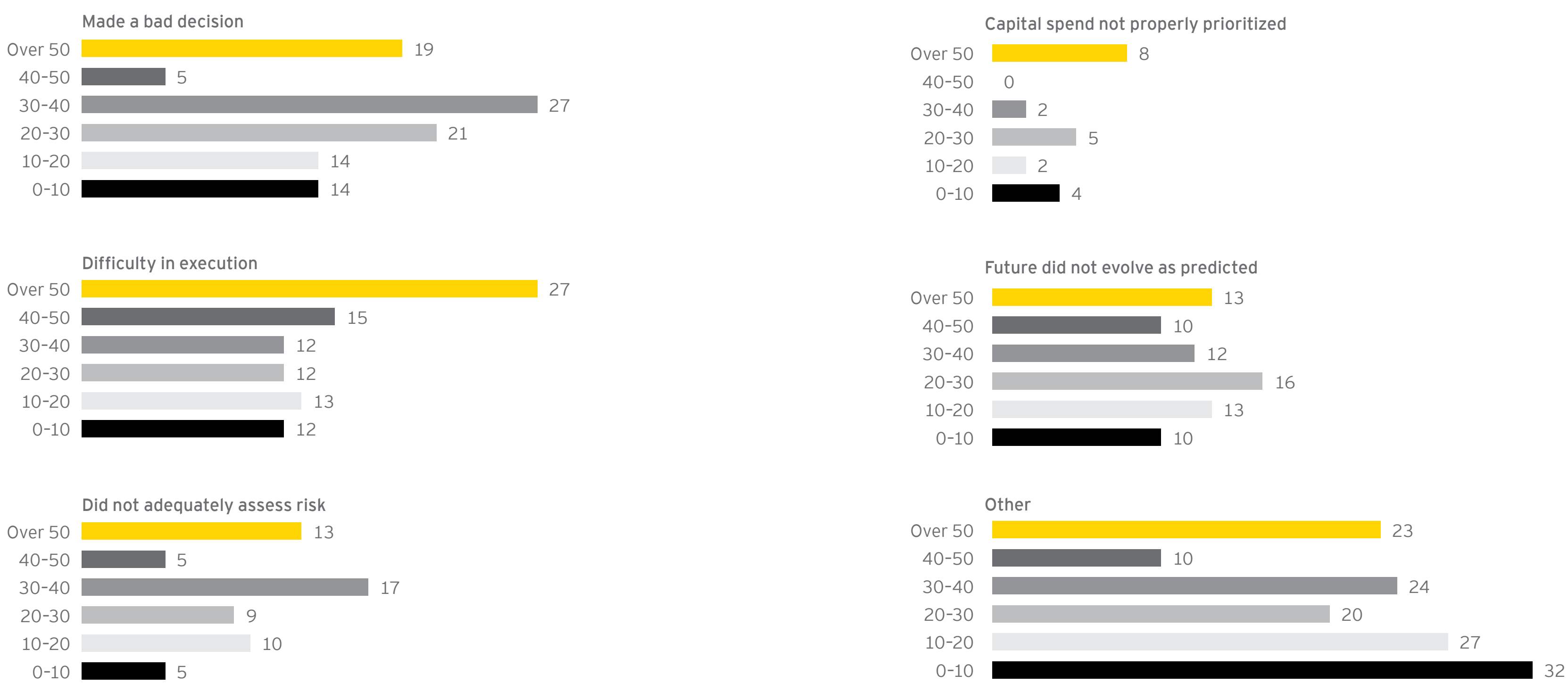
What's more, mistakes in many more well-established corporations tend to lead to the blame game, while mistakes in high-growth entrepreneurial businesses are considered the price of progress. Most entrepreneurs and investors understand that the actual end-game will seldom look like the original business plan. Entrepreneurs recognize that a young company is a living organism that must continually adapt to changing customer preferences, competitive threats and technology advances. This is especially true for businesses that are more virtual, requiring quick engagement and disengagement with partners and collaborators.

"I don't think you can really be successful without staring into the abyss at least for a little bit. Every entrepreneur has that moment, and your goal in life is to not have it a second time."

Mike Fries
President
Liberty Global, Inc.

Q: Have you made bad decisions or encountered significant difficulty in execution?

Percentage of respondents by age of business in years




innovation

4 Embrace innovation

From a macroeconomic perspective, innovation (which can take many forms) is the lifeblood of economic growth and company survival. Innovation can occur in products and services, business models, and in approaches to existing and new markets. Entrepreneurial companies, such as these Entrepreneur Of The Year finalists, have been found to be the predominant sources of radical innovations. While older and larger companies can also be sources of innovation — whether incremental or in response to the need for reinvention — all too often, more-established companies resist the radical innovation that, while beneficial from a long-term perspective, might displace their existing revenue streams in the short term.

Successful entrepreneurs know that their agility and propensity for innovation can make them attractive investment or acquisition targets to larger corporations, which increasingly recognize that a partnership and/or acquisition strategy involving high-growth entrepreneurial innovators can be an effective complement to internal research and development.

A case in point: while building a website for another company, Jon Oringer needed high-quality, affordable images to create the company's look and feel. Unable to find what he was looking for, Oringer built his own solution. He bought his first digital camera, taught himself how to shoot high-quality photos and spent every free hour taking pictures. Once he had 30,000 images, he uploaded them to a website, tagged them, made them available to the world, creating Shutterstock at the same time.

innovation is the lifeblood of economic growth and company survival

5

Pursue what you do best

High-growth entrepreneurs also excel at focusing on the things that they do best — instilling vision and passion, building great teams and innovating among them — and appropriately partnering with other, often larger corporations, to carry out certain infrastructure and technology needs, administrative functions, sales channels, manufacturing and distribution, and regulatory compliance, to name the most common areas. This not only enables the high-growth company to focus on doing what it does best but also enables more rapid, flexible and cost-effective scalability as its business grows.

Still, a willingness to invest in infrastructure needs that are strategic or unique to the particular company, often in the midst of an uncertain or higher-risk environment, is a differentiator for successful entrepreneurs. However, many cite the challenges of raising capital to fund such investments in the current banking environment and dealing with a volatile regulatory climate as significant impediments to making some of these investments.

In addition to infrastructure investments, leading entrepreneurial companies must also continually invest in creating and enhancing their brand awareness if they are to successfully progress from the rapid growth stage to market leadership.

In 2010, Brian Sharples, Co-founder and CEO of Austin-based HomeAway, Inc., made a huge gamble on running an ad during Super Bowl XLIV to raise awareness for the company and the entire industry. The commercial was worth the investment, as it garnered significant media attention and gained recognition as one of the year's top ads.

Since opening his first restaurant in Beverly Hills, David Overton, Chairman and CEO of The Cheesecake Factory, has displayed a sixth sense for knowing when a business decision is going to work. Consider Overton's decision to avoid the lunch-hour rush for other restaurants by opening the doors at 2:00 p.m. Within 10 minutes, every table was filled. As he likes to say, the lines haven't stopped since for The Cheesecake Factory, which has grown into a chain of 170 restaurants and two spin-off restaurant franchises.


passion

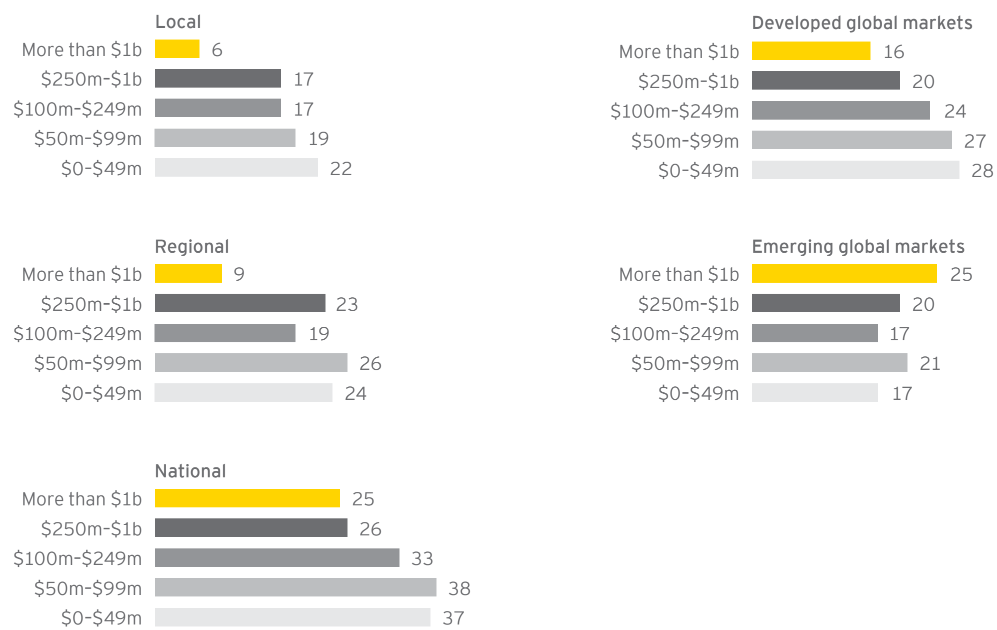
continue to invest, innovate and grow regardless of external conditions

6 Pursue geographic expansion

The majority of entrepreneurs surveyed also included geographic expansion as part of their growth strategies. Overall, the majority indicated they are continuing to expand their businesses in domestic (US) markets, while more than 20% of all but the smallest companies indicated they were expanding in developed global markets. Many, especially those with revenues greater than $1 billion, indicated they were expanding into emerging global markets.

These ambitions highlight a key point about these entrepreneurial companies. High-growth companies, in general, are vital for economic growth, often accounting for disproportionate shares of job creation in any economy. They represent a "meso" layer of the economy: between small businesses on one hand, which are mostly static on the whole, and very large corporations on the other hand, which experience considerable churn but little net job growth overall. There are, moreover, two types of high-growth firms: those that mostly serve local and regional markets and those that grow to serve wider markets. The Entrepreneur Of The Year finalists highlight the importance of both groups.

Q: Where are you expanding your business?
By revenue group



Secure the right capital at the right time

There is much debate over what types of financing matter most to high-growth entrepreneurs. The Entrepreneur Of The Year finalists have accessed a wide range of funding sources as they have grown their businesses. Nearly half reported raising venture capital, angel investment or private equity. Roughly a third cited the use of personal funds, while another quarter had accessed bank loans. The proverbial friends and family round was used by another 16%. Few indicated they had accessed government grants — perhaps due to the risk and reward involved in paperwork and compliance, continued volatility in rules, concerns about government disclosure requirements or simply the length of time it takes for such grants to be completed. These results are consistent with the classic entrepreneurial model, which relies heavily on various types of equity in the early stages and transitions to a greater use of debt in the capital structure as the business grows.

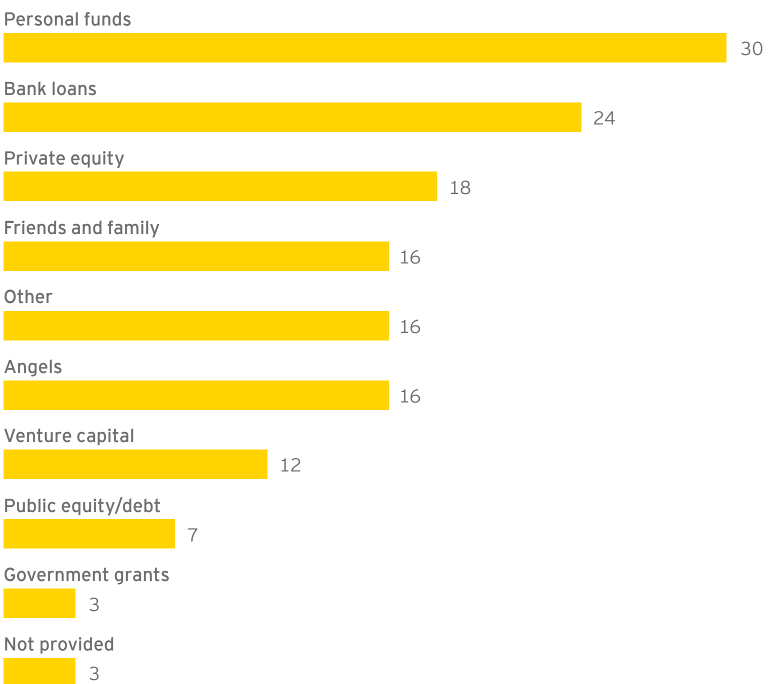
The preferred sources of finance differed by companies' level of revenue. Angels, friends and family, venture capital and personal funds are more prevalent for lower-revenue companies (less than $100 million). Bank loans, somewhat uniquely, were a consistent source of financing across all revenue groups, from below $50 million to over $1 billion. Private equity was important for mid-sized companies (between $50 million and $250 million), while public equity/debt is used mostly by larger companies (over $250 million).

When asked about their plans for raising additional capital to fund future growth, many entrepreneurs (24%) understood the importance of good working capital management and indicated that this would be a major focus to "free up cash" over the next two years. Nineteen percent indicated they would seek to raise private equity or venture capital, while bank debt (18%) was also a favored option. About 9% of the entrepreneurs surveyed are considering an IPO.

After several years perfecting the business model before opening a second facility, Frank Alderman, CEO of MedExpress Urgent Care, raised venture capital funds to help achieve the company's long-term goals. As a result, today MedExpress has 90 centers in eight states with more than 2,300 employees.

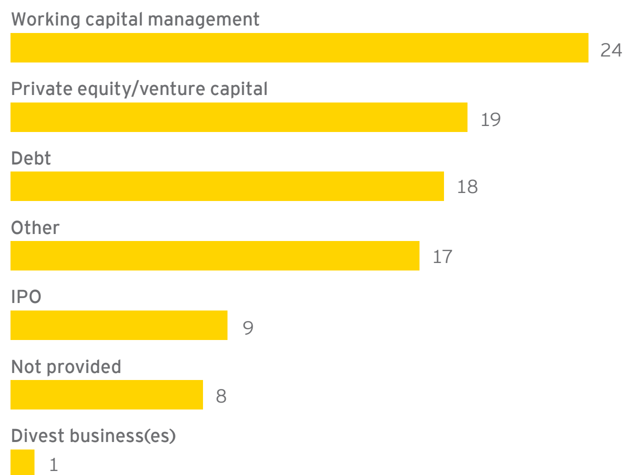
Q: What is your funding source?

By percentage of respondents
(multiple responses possible)



Q: What are your plans for raising additional capital?

By percentage of respondents
(multiple responses possible)



8 Preserve what you've built

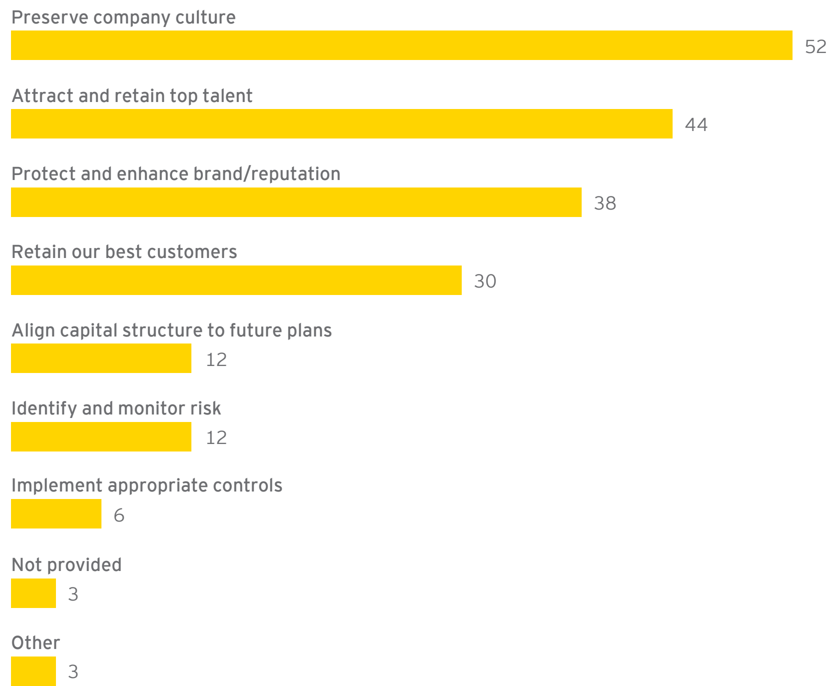
Entrepreneurs are rightfully proud of what they create, and they have a natural desire to preserve what they have built. Along the path from emerging enterprise through rapid growth and ultimately to market leader, entrepreneurs frequently need to make important decisions regarding their personal long-term goals. Do they stay on for the long haul and continue to lead and build the company or apply their particular skill sets to the "art of the start" by selling or stepping down to allow others to take the reins? Regardless of whether they stay to lead or leave to start their next venture, successful entrepreneurs look to preserve those company qualities that allowed them to attract their high-performance teams, develop loyal customers, establish their brand and reputation, and buoy enterprise shareholder value.

When Entrepreneur Of The Year finalists were asked what they were most concerned about preserving as their companies grow and mature, their top four answers were:

1. Preserve company culture (52%)
2. Attract and retain top talent (44%)
3. Protect and enhance brand and reputation (38%)
4. Retain our best customers (30%)

These are common challenges for growing companies.

Q: What do you focus on to preserve what you've built?
By percentage of respondents
(multiple responses possible)



Summary

Role models

The financial crisis and severe recession of 2008 to 2009 were followed by a desultory and disappointing recovery. Recently, however, the International Monetary Fund singled out the US as a relative bright spot in the global economy.[4]

It may not feel like it everywhere across the nation, but compared to elsewhere in the world, America has a very bright future. To the extent that the US has a solid foundation for growth and long-term strength, it is because of the companies like those in the Ernst & Young Entrepreneur Of The Year Program.

These entrepreneurs represent the very best of the nation's business heritage, those continuing to invest, innovate and grow regardless of external conditions. And while their stories are highly diverse, they collectively offer hope that the future of America's economy is in the best of hands.

Endnotes

1 See Business Dynamics Statistics, http://www.census.gov/ces/dataproducts/bds/data_firm.html.
2 See Business Dynamics Statistics, http://www.census.gov/ces/dataproducts/bds/data_firm.html.
3 Kauffman Foundation, *The Ascent of America's High-Growth Companies*, http://www.kauffman.org/research-and-policy/the-ascent-of-americas-high-growth-companies.aspx.
4 International Monetary Fund, *World Economic Outlook: Coping with High Debt and Sluggish Growth*, October 2012, http://www.imf.org/external/pubs/ft/weo/2012/02/index.htm.

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About the Kauffman Foundation
The Ewing Marion Kauffman Foundation is a private, nonpartisan foundation that works with partners to advance entrepreneurship in America and improve the education of children and youth. Founded by late entrepreneur and philanthropist Ewing Marion Kauffman, the Foundation is based in Kansas City, MO. For more information, visit www.kauffman.org and follow the Foundation on www.twitter.com/kauffmanfdn and www.facebook.com/kauffmanfdn.

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