

# AMERICA'S MOST PROMISING COMPANIES

SEO319.

We went hunting for small, dynamic companies with the growth potential to make venture capitalists salivate. Candidates had to have been launched within the last ten years and to have not passed \$25 million in annual sales. (Prerevenue companies were allowed.) We sharpened the search by teaming with the Venture Alliance, an advisor to early-stage entrepreneurs, which has devised a rating system for young companies. Prospects were scored on a host of characteristics, among them the size of the markets they serve, the strength of their intellectual property, the extent to which founders put their own capital at risk, the experience of their management and of their directors (or advisory boards), and their record in hitting product-development benchmarks promised to equity investors.

We collected the data via an exhaustive survey. Entrepreneurs who had raised outside capital gave business plans to the Venture Alliance for further vetting; the rest completed an even more detailed survey. Our partner also brought in software experts and engineers to evaluate product plans (all signed nondisclosure agreements), and FORBES reporters interviewed all the finalists. The 20 highest scorers, listed here, appear to have a better shot at raising capital. —Brett Nelson and Melanie Lindner

RANK	COMPANY HEADQUARTERS	FOUNDED	BUSINESS SUMMARY	2008 REVENUE <sup>1</sup>	FOUNDERS
1	<b>VEXTEC</b> Brentwood, Tenn.	2000	Its software predicts how products will break before they're built.	\$3 million	Engineering trio: Loren Nasser, 49; Robert Tryon, Ph.D., 50; Animesh Dey, Ph.D., 40.
2	<b>KEROSENE AND A MATCH</b> San Clemente, Calif.	2009	Makes software that mines the Web for as yet unsearchable files.	None	Cleve Adams, 53. Launched four tech companies in 27 years.
3	<b>IKNOWWARE</b> Georgetown, Tex.	2002	Its Web-based software accesses data anytime, from anywhere, even via smart phones.	950,000	Mark Spilotro, 45. Stints at Apple and Oracle. Developed online booking for hotels.
4	<b>FERRATE TREATMENT TECHNOLOGIES</b> Orlando, Fla.	2004	Makes a portable machine that can disinfect up to 20 million gallons of water per day.	57,000	Luke Daly, 49. Harvard M.B.A.; sold a casino in Cape Canaveral, Fla. to fund Ferrate.
5	<b>WEATHER TRENDS INTERNATIONAL</b> Bethlehem, Pa.	2006	Forecasts weather and advises companies on weather-related purchases.	2.5 million	William Kirk, 42. Former U.S. Air Force captain; this is his second forecasting startup.
6	<b>SUNDIA</b> Oakland, Calif.	2004	Packages and sells cut fruit in 8-ounce and 20-ounce containers.	7.5 million	Bradford Oberwager, 39. Wharton M.B.A.; launched Acumins, custom vitamin maker.
7	<b>OVERSIGHT SYSTEMS</b> Atlanta, Ga.	2003	Software acts as a virtual auditor to catch fraud and error at large companies.	N/A <sup>2</sup>	Patrick Taylor, 47. Harvard M.B.A.; career stops include Oracle and Symantec.
8	<b>AURI FOOTWEAR</b> Laguna Beach, Calif.	2008	Designs and manufactures men's shoes sold online and through 100 U.S. retailers.	169,000	Ori Rosenbaum, 46. Launched Spectre Performance, auto parts retailer.
9	<b>YURTOPIA<sup>3</sup></b> St. Louis, Mo.	2008	Makes earbuds for audio headphones. Size selection based on digital photos of ear canals.	None	Seth Burgett, 39. Helped start Stereotaxis, maker of cardio-surgical tools; IPO in 2004.
10	<b>PROLIFIQ SOFTWARE</b> Beaverton, Ore.	2005	Its software manages data (including audio and video files) in real time for salespeople.	3.2 million	Hemingway Huynh, 32. Developed the software as a senior at University of Portland.
11	<b>QUALITY ELECTRODYNAMICS</b> Mayfield Village, Ohio	2005	Manufactures detectors used in magnetic resonance imaging machines.	4.7 million	Hiroyuki Fujita, 43. Ph.D. in physics; former engineering director for GE Healthcare.
12	<b>PRIVATE ACCESS</b> Irvine, Calif.	2009	Its software compiles health records, speeding up research by institutions.	None	Marc Kirshbaum, 40, and Robert Shelton, 57; an Experian exec and a coder, respectively.
13	<b>GENEA ENERGY</b> Yorba Linda, Calif.	2006	Its software helps commercial landlords better calibrate their energy usage.	9.1 million	Keith Voysey, 46. Started at Landis and Gyr (now unit of Siemens Building Technology).
14	<b>CLEANBRANDS</b> East Providence, R.I.	2007	Makes antiallergen line of pillows, pillow covers and mattress covers.	5.6 million	Gary Goldberg, 39. Started Custom Tailored Manufacturing, maker of fireproof vests.
15	<b>EEDAR</b> Carlsbad, Calif.	2006	Tracks more than 9,000 videogames for developers, publishers, hedge funds and retailers.	310,000	Gregory Short, 33. Launched Casters Realm and Guildz.com, gaming information Web sites.
16	<b>SCALE COMPUTING</b> Greenwood, Ind.	2008	Makes data-storage systems expandable in increments of 1-, 2- and 4-terabyte nodes.	100,000	Jeff Ready, 35. Launched and sold two venture-capital-backed companies.
17	<b>SERVUSXCHANGE</b> Pompano Beach, Fla.	2005	Its software lets building contractors manage invoices, estimates and subcontractors.	7,000	Brian Javeline, 44. Launched Investment Café, maker of business-management software.
18	<b>BIG STAGE</b> Sherman Oaks, Calif.	2009	Its software creates personal avatars, used in videogames, based on digital photos.	175,000	Jon Kraft, 43, and Jonathan Strietzel, 29. Kraft cofounded Pandora, an online radio site; Strietzel started a mobile-advertising outfit.
19	<b>BIZ SOLUTIONS</b> Redwood City, Calif.	2001	Its software mines unstructured data (i.e., PDF files) to create custom business reports.	1.5 million	Thomas Groh, 44, and Greg Hatfield, 39. Groh's from Siemens, IBM; Hatfield, various tech jobs.
20	<b>1ST PRODUCTS</b> Bloomington, Minn.	2004	Makes microwaveable pastries with nine-month shelf life, sold at Wal-Mart and Target.	1 million	Donald Johnson, 56. Started a service to find nearest pizza joints by dialing one number.

<sup>1</sup>Some figures do not span a full calendar year. <sup>2</sup>The company says annual revenue is "in the eight figures."

<sup>3</sup>Formerly Verto Medical Solutions. Source: *Companies*.