

Project Outline: INC 5000 Companies—2019 Analysis

Background

The INC 5000 is an annual list compiled by *Inc. Magazine* that ranks the fastest-growing private companies in America. The list highlights companies from a wide range of industries, providing insights into trends and growth patterns across different sectors. The dataset for INC 5000 Companies (2019) includes various attributes such as company name, industry, revenue, growth percentage, number of employees, and company location. This rich data set serves as a valuable resource for analyzing the business performance, growth strategies, and sector-specific trends that can provide a better understanding of successful companies in different regions and industries.

Problem Statement

The goal of this project is to analyze the 2019 INC 5000 data to uncover insights that can inform business strategies, highlight industry-specific trends, and identify geographic patterns of growth. The key areas of focus are:

- Revenue trends: identifying which industries show the highest average revenues and where the largest growth is happening.
- Industry representation: understanding which sectors are the most and least represented within the list.
- Geographic trends: analyzing which regions and states have the highest concentration of high-growth companies and uncovering any notable patterns in these locations.
- Staffing trends: analyzing companies that had the largest increase or reduction in staff and determining if revenue increases correlate with staffing changes.
- Newly founded companies: Investigating whether any companies founded in the previous year managed to rank in the Top 100.
- Revenue vs Staff: Analyzing companies that managed to increase revenue while reducing staff, which could indicate a more efficient or strategic use of resources.

Data Overview

The Inc. 5000 2019 dataset provides insights into the top 5000 fastest-growing companies in the U.S. It includes key information such as company name, industry, revenue, growth percentage, number of workers, new hires, state, region, and founding year.

Key Columns:

- Revenue: Company earnings.
- Growth_%: Year-over-year growth.
- Industry: Sector classification.
- State/Region: Geographic location.
- Workers & New Staff: workforce size and new hires.
- Rank: The company's position on the Inc. 5000 list.

Methodology

Data Sources

- Obtain data from Kaggle (Dataset Link:

<https://www.kaggle.com/datasets/mysarahmadbhat/inc-5000->

Data Wrangling

1. Data Understanding

- Familiarize with the dataset structure and variables.

2. Data Cleaning

- Handle missing values.
- Correct inconsistencies and errors.

3. Data Manipulation

- Transform data for analysis

Data Analysis

1. Finding Trends and Patterns

- Use statistical techniques to identify significant trends and patterns.

2. Data Visualization

- Employ charts and graphs for better data representation and insights.

Technical Processes

- Use pivot tables for summarizing data.
- Calculate averages, variances, and growth rates.
- Create charts and graphs for visual representation.
- Apply filters and sorting for specific analyses.
- Use functions like Count and Sum IF for data aggregation.

Key Findings

1. Revenue by Industry: Industries like security, government services, and energy had the highest average revenues, while advertising & marketing, IT Services, and media had the lowest average revenues.
2. Growth Rates: The highest average growth rates were seen in industries like logistics & transportation, Consumer Products & Services, and food & beverage, highlighting these sectors as having significant expansion potential.
3. Geographic Distribution: The South region dominated in total revenue, with states like California, Texas, and Florida leading the rankings, suggesting a strong market presence in these areas.
4. Staffing and Revenue Trends: Some companies successfully increased revenue while reducing staff, indicating a trend towards operational efficiency and potential automation in certain industries.

5. Industry Representation: Business Products & Services, Advertising & Marketing, and Software were among the most represented industries, while sectors like Computer Hardware, Environmental Services, and IT Services had fewer companies on the list.
6. New Entrants: Companies founded in recent years, like Freestar and FreightWise, ranked highly, showcasing that newer businesses can still achieve rapid growth and enter the top ranks.
7. Top Performing States: California (710 companies), Texas (465 companies), and Florida (384 companies) had the highest number of companies on the Inc. 5000 list, reinforcing their importance as business hubs.

Recommended Analysis

1. Average Revenue Analysis: Calculate the average revenue by industry and region to understand financial performance across the Inc. 5000 list.
2. Industry Representation: Identify the most and least represented industries based on company count, revenue, and growth.
3. Regional Revenue Trends: Analyze revenue generation by region (South, West, Midwest, Northeast) to identify geographic performance patterns.
4. Top and Bottom Companies: Rank companies based on revenue and growth, highlighting the Top 5 and Bottom 5 performers.
5. Revenue vs. Staff Changes: Investigate the relationship between revenue growth and changes in staff size, focusing on companies with increased revenue despite reduced staff.
6. Industry Growth Rate: Calculate and compare average growth rates across industries to identify top performers.
7. New Entrants: Analyze recently founded companies that made it to the Top 100 of the list, focusing on their growth and success factors.
8. Regional Growth Comparison: Compare growth across regions and identify the best-performing states.
9. Low-Performing Companies: Study companies with low revenue and growth, identifying potential areas for improvement.
10. Data Visualization: Create interactive dashboards to effectively communicate key insights to stakeholders.

Conclusion

This project analyzed the 2019 Inc. 5000 list, revealing key insights into industry performance, geographic trends, and staffing strategies. High-revenue industries like security and government services contrasted with lower-performing sectors such as advertising & marketing. The South region led in revenue generation, with California and Texas as top performers. Notably, some companies increased revenue while reducing staff, showcasing efficiency improvements. Additionally, newer companies demonstrated strong growth, suggesting innovation is a key driver of success. These findings provide valuable insights for

businesses to identify growth opportunities, optimize staffing, and make informed strategic decisions.

Project Owner

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