

# FORTUNE

## SMALL BUSINESS

A large crowd of people on a blue background forming the letters 'THE FSB'. The people are small figures, some standing, some walking, creating a sense of a busy, diverse community. The background is a solid, bright blue.

# THE FSB

## America's one hundred hottest small-cap companies

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### Small and Global

A Bangalore startup brings e-governance to rural India.  
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### Hippies at War

Can an anticorporate Website survive commercial success?  
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# America's 100 Fastest Growing Small Public Companies

## 88. Digi International Inc.

**Rank:** 88 (Previous rank: N.A.)

**CEO:** Joseph Dunsmore

**Headquarters:** Minnetonka, MN

**Employees:** 663

**Industry:** [Technology](#)

**Revenue:** \$181.8 million

(four quarters to 12/31/08)

**Return to investors:** -8.22%

(three years to 12/81/08, annualized rate)

Digi International provides networking devices and technologies for consumer and Internet applications. The company is increasingly focusing on the wireless machine-to-machine connectivity (M2M) market and applications such as farm irrigation and wind energy. The company has shipped more than 20 million ports since 1985.

Source: Fortune.com



## How We Pick the FSB 100

**F**or our ninth annual list, we once again worked with financial research firm Zacks, which ranked public companies with revenues of less than \$200 million and a stock price of more than \$1.

All companies that meet these criteria are ranked, 1-100, by their three-year annualized rates of revenue growth and total return to investors. We calculated a log linear growth rate of the trailing four quarters' revenue over a three-year period, through the quarter ended on or before Dec. 31, 2008. In other words, we used a "best fit" regression line through the numbers; the steeper the slope of this line, the higher the growth rate. This method provides a better measure of average or normalized growth than a simple point-to-point calculation.

Total return to investors is calculated for the three-year period ended Dec. 31, 2008.

The overall rank is based on the sum of the two ranks. If there is a tie, we compute the average of both growth rates, and the company with the higher average receives the higher rank.

For the first time, we added a new requirement: Companies with losses in any of the four quarters ended on or before Dec. 31, 2008, were excluded from the list. Every company included this year has managed to stay profitable through the recession.

Banks and real-estate firms are excluded from the list (they would otherwise dominate it), as are adult entertainment companies (for ethical reasons).

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