

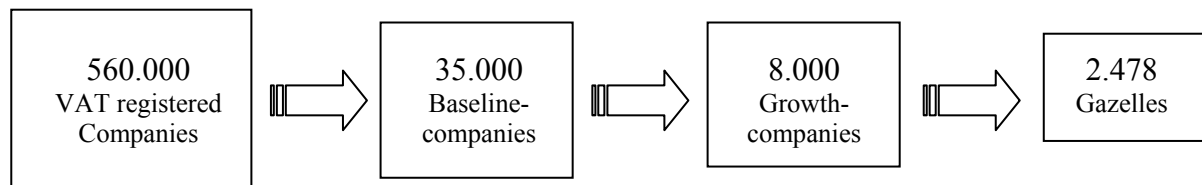
# The Gazelles

Since 1995 the daily Børsen has each year identified Denmark's growth elite, and over time the gazelle has become part of the Danish language as a synonym for growth businesses. The selection is made by Greens Institute of Market Research, and the criteria are objective and based on data from the Danish Commerce and Companies Agency. In short the definition of a gazelle is: a business which has achieved a continuous growth in revenue or gross profit for the last four financial years, and which has, in total, more than doubled the revenue or the gross profit in the period.

## The criteria for being a gazelle are:

- Corporate form: Public limited company or private limited company
- Lines of business: particular lines of business are eliminated (e.g. holding companies)
- Activity: revenue of DKK 1 million/DKK ½ million in gross profit
- Profitability: the sum of operating profit > 0
- Growth in 4 years: > 100 per cent

The selection starts with the over 560,000 VAT registered companies in Denmark. The demands on corporate form, line of business and activity reduce the number of companies to about 35,000 (baseline-companies). The demands on profitability and continuous growth in the period in question reduce the group by a further 27,000, leaving about 8,000 growth-companies. In 2008 2,478 companies had achieved more than 100 per cent growth and could thus call themselves gazelles.



## Inspiration from USA

The inspiration for the survey comes from the USA, where the economist David Birch of Cognetics Inc. described the business development in the USA in the following way:

**The elephants:** In the 1950s the very big businesses such as US Steel Corp., General Motors Corp. and General Electric Co. dominated the world.

**The mice:** In the 1980s the small businesses with a maximum of 20 employees took over and contributed to the net employment growth of 20 million new jobs in the private sector while at the same time the elephants dismissed 4 million persons.

**The gazelles:** In the 1990s the gazelles took the lead, and these businesses are big enough to possess the necessary technology to be able to compete and also small enough to respond rapidly to changes.

David Birch's figures showed that the gazelles in the USA only account for 3 per cent of the American private sector's labour force but, at the same time accounted for 70 per cent of the newly created jobs in the USA.