

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

outsiders often find a way to tap into that success. A growing industry can need new suppliers, distributors or back-office service providers, or a booming field may need new competitors.

Dec. 30, 2013

One of the amazing things about business is that when one industry prospers, outsiders often find a way to tap into that success. A growing industry can need new suppliers, distributors or back-office service providers, or a booming field may need new competitors.

But how do you know which industries may be worth mining for new customers or for developing entirely new businesses? [Sageworks](#), a financial information company, conducted a financial statement analysis of privately held companies to identify the fastest-growing industries of the last 12 months. These are industries that have seen dramatically higher growth rates than the growth experienced over the last 12 months by all private companies in Sageworks' database.

"Some industries, such as computer systems design, have been consistent performers for the last couple of years, but others, such as real-estate related industries, can be more cyclical," said Sageworks analyst Mike Lubansky. "It is probably preferable as a business where possible to hitch your wagon to an industry that is thriving based on structural rather than cyclical changes."

Industries connected to computer systems design (programming, systems integration, facilities management) have grown at mid- to high-teens percentages since 2010, according to Sageworks data. This is consistent with government reports of [strong investment in software](#) since 2009 as companies apparently try to eke out efficiencies with software instead of additional hires. Similarly, employment services also made the Sageworks [list of fastest-growing industries last year](#) and is likely

benefiting from employers hiring temporary or contract workers as a hedge against

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

Lubansky said Sageworks' list of fastest-growing industries can provide a starting point for you to look closely at what's going on in these industries for signs that strong sales growth could continue in the coming year and beyond.

"There's a world of service-support activities for many of these industries," Lubansky said. "For service-oriented firms, they can certainly direct themselves to these industries and see where they could fit themselves in."

For example, he said, an accounting, marketing or law firm might approach companies in these fast-growing industries to help address newfound challenges related to growth. But explore trends carefully. Many of the manufacturing-related industries on the list last year aren't on this year's list. That's not surprising, considering Sageworks data show [manufacturing sales have slowed](#) after an outsized role in the economic recovery.

Some of the industries, such as [support activities for mining](#), are not only fast-growing, but strongly profitable – another argument for targeting the industry as you develop new services and prospect lists. If you need help figuring out what kinds of businesses are included in these industry categories to give you ideas for how your business may benefit, visit the [U.S. Census Bureau website](#), which has information on firms, occupational outlooks and recent trends.

Through its cooperative data model, Sageworks collects financial statements for private companies from accounting firms, banks and credit unions, and aggregates the data at an approximate rate of 1,000 statements a day.

---

*Mary Ellen Biery is a researcher for [Sageworks](#), a financial information company that collects and analyzes data on the performance of privately held companies and provides [accounting and audit solutions](#).*

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

© 2024 Firmworks, LLC. All rights reserved