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December 2005

100 Fastest Growing Companies

Common Threads of Uncommon Growth

by Jenie Skoy

Marketing genius. A vision to help people. The dedication to build something. A passion to be the first to discover new technology. These and other common threads of success distinguish this year's group of Utah's 100 Fastest Growing Companies. Compiled by MountainWest Capital Network, the 100 Fastest Growing companies are selected from a pool of thousands of Utah-based companies that are at least five years old and reported a minimum of \$50,000 in revenue in 2000—the base year.

Manufacturer and marketer of comfortable and changeable furniture the LoveSac Corporation topped the list as the fastest growing Utah company. Owner Shawn Nelson started the company in 1998, working out of his mother's basement and using her sewing machine to create the first un-bean bags. The first LoveSac retail outlet opened in 2001, and today the company has more than 70 stores internationally.

Innovative Staffing, Inc., a provider of human resource experts and group health programs, and Internet software tools and services creator Bright Builders came in second and third on the list.

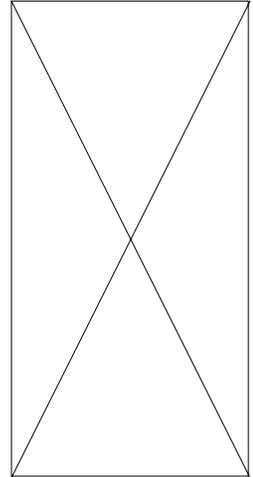
In addition to the 100 Fastest Growing category, 15 businesses are celebrated each year as Top Revenue Growth companies—growth measured in dollars rather than as a percentage. The 15 Emerging Elite companies, an unranked category, showed tremendous potential but did not qualify for consideration in the 100 Fastest Growing category. As an illustration of the diversity represented on the Fastest Growing Company list, Utah Business selected the following four companies to profile.

SnapLock Industries, Inc.

Husband and wife team, Jorgen and Kerry Moller, didn't look far to find their golden business opportunity; it was right under their feet. They have made millions by selling flooring. SnapLock has become the largest provider of modular flooring in the world.

The Moller's business plan was simple: make one product—a floor—and revamp it for use in different industries. All SnapLock floors are portable and easy to install—as the name implies, the pieces simply snap together—and come in myriad styles, colors and materials. The business' complexity comes from an emphasis on marketing to a diverse list of industries. "One product, numerous industries," is Jorgen's mantra. "If a business is dependent on just one customer or one industry, there's a possibility of business going down. We have spread our product over 20 different markets and it's kept us even-keeled over the years," says CEO Jorgen Moller, Jr.

The couple got their start in 1990 making dance floors for special events and has become the number one provider of portable dance floors. With some mentoring





from Kerry's father, a veteran in the flooring business, the company has grown in 15 years from a staff of two to 127 employees and 400 Snaplock dealers around the world. Snaplock earned \$10.8 million in revenue last year and is on track to reach the \$15 million mark this year.

SnapLock's customers include Costco, Marriott hotels, TrueValue and Whirlpool, and its flooring products have been spread in Olympic pavilions. Recently, Snaplock floors have been used to revamp a house on the hit TV show, "Extreme Makeover: Home Edition."

The company has developed several flooring materials such as DuraGrid, a vinyl raised flooring that prevents slipping, remains mold-free and has become especially popular for use in locker rooms, around swimming pools and on back porches.

Ranchers buy the DuraGrid line to use in their dairies (its anti-microbial and non-porous nature works great in pasteurization rooms), and owners of kennel runs buy it to keep their animals high and dry.

But the company's most profitable line is called RaceDeck, a sleek polypropylene checkerboard flooring over which car collectors showcase their sparkling cloth diaper-buffed automobiles. This line is one of Jorgen's favorites, not only because it is used in more than 70 million garages in the United States, but because he's a car lover himself.

If you happen to meet the Mollers and their eyes are downcast, don't be fooled. They are probably scrutinizing the local groundcover to come up with new product concepts. Jorgen explains, "We've gotten in the habit of looking at floors. Everywhere we go we look at the ground and say, 'How can I improve that?'"

Ence Homes

Ence Homes opened shop in St. George back when the population of the town and the surrounding areas was a mere 15,000. Who could have predicted then that real estate development in the area would burgeon because of folks from up north fleeing the cold, retirees looking for a place to hit the green in the winter, and Californians chased out of their state by overcrowding and traffic.

Now, Ence Homes employs 97 full-timers and builds some 500 homes a year with revenues around \$130 million per year (which has grown 30 percent annually). Since 1957, Ence Homes has built more than 8,500 homes and scores of neighborhoods throughout southern Utah and eastern Nevada, with offices both in St. George and Mesquite. The company was named one of the top 400 homebuilders in the nation and has been awarded EPA Builder of the Year.

Brothers Jay and Quince Ence founded the business but sold the company to three of Quince's sons in 1996. The oldest son, Kim, is the financial brains of the company, having spent more than a dozen years as a senior manager in the banking industry. Tracy is the brawn of the company, the on-site guy who oversees construction, combining his practical knowledge of how to build a sound home with his extensive construction experience. Troy was fresh out of college when the company opened business, but has become the savvy operational guy.

"Together they are an incredible complement to each other. None of them tries to get into each others' worlds," says Vince Clayton, VP of sales. "They've been in the housing industry for 35 years, [and have] surrounded themselves with good people and listened to them."

Clayton says that providing quality is one of the main drivers of the company's growth. The company boasts that its homes are 30 to 50 percent more energy efficient since adopting EPA Energy Star standards about five years ago. The standards produce a high-quality final product with better insulation (blown fiberglass rather than the batting that is typically used), high-performance windows

and sealing ducts.



Ence Homes also builds some of the smartest homes as well, employing Leviton systems to provide structure wiring in the walls, raising home IQ's significantly. Structure wiring allows dwellers to access home-wide video, stereo and home monitoring. Ence Homes also offers a 2-10 year warranty plan, a 10-year warranty of the home's structural integrity and a two-year warranty of the home's mechanical and electrical systems.

The SCO Group

Litigation is not all that the Lindon-based software company SCO Group is about, despite the gale-wind fervor in the media regarding its announcement a few years ago that it would sue IBM for illegally placing SCO UNIX code into free operating system Linux. Realizing there was no quelling the negative PR storm over the legal battle, the company hunkered down and focused less on managing perceptions created by the lawsuit and more on turning out sexy new technologies. "Technology is this company's first love," says Blake Stowell, SCO's public relations director.

SCO Group provides software to businesses: OpenServer for small to medium-sized business and UnixWare for enterprise applications and digital network services. With those products, the company has built a global network of thousands of resellers and developers.

Last year, the company produced revenues of \$42 million by selling software packages and providing professional services. Stowell calls selling these packages a "one-time sale," but SCO has turned out a technology called Me Inc. that will bring the company a different revenue stream: SCO will be paid a monthly subscription rate (like cell-phone users pay) for offering its users technologies that beef up hand-held devices. The company has also created new features for smart phones like TReO, Blackberry and Windows mobile. "It has the potential to generate a lot of revenue," Stowell says. Me Inc. makes possible the sharing of text or voice messages with individuals or groups from wherever the sender is located. The technology also allows customers to plan projects, track work and display real-time research and opinion polls. SCO expects to begin selling Me Inc. soon through resellers and the company Web site.

Director of marketing Craig Bushman and new VP of marketing Tim Negris (a former executive of IBM who has also worked for Oracle and Sybase) are focusing on these new technologies in an effort to soften SCO's image as a litigation-happy company. "I'll be using 'technology, not torts' as my mantra," Negris said in interview with tech magazine eWeek a few months ago.

Chapman Innovations

Entrepreneur Mike Chapman remembers the race that propelled him to develop a life-saving fire resistant material for racecar drivers. It was a local stock race in Charlotte, North Carolina. He was standing in the pit of the speedway beside the wife and daughter of a driver watching a race when the driver's car slid up against the wall, the fuel cell split open and the car ignited, burning the racer to death. "That was the final deal," he said. "To see what that wife and daughter went through, that was unbelievable."

After the Charlotte speedway tragedy, Chapman began pouring his efforts into developing and commercializing a state-of-the-art super material called CarbonX, which is now one of the most fire-resistant materials—if not the most resistant—on the market. Chapman had discovered the right blend of material through enlisted engineering prowess in Taiwan. It took over seven years to develop CarbonX and \$1 million, which almost bankrupted Chapman's mainstay, a automobile cylinder head manufacturer called Chapman Racing Heads. Now CarbonX has proven to do what Chapman intended it to do—save lives.

The entrepreneur began selling the super fire and heat-resistant material about five years ago to be used in racing wear and industrial safety clothing. A few years later, Chapman sought investment and management assistance to run the company since his hands were full with Chapman Racing Heads. Tyler Thatcher, a founder of Salt Lake-based VC, Banyon Ventures and his fellow VCs took on the managerial role. Banyon Ventures are more "hands-on" investors than most VCs, says Thatcher. Rather than simply running the money, they like to help run companies. In 2003, the group acquired 38 percent of Chapman's company for less than \$500,000, according to a story in Fortune magazine, and Thatcher became the CEO, sharing ownership with Chapman.

Thatcher began showing up at drag races and other motor sports events to spread the gospel of CarbonX and sometimes lit his gloves or socks on fire to prove its potential. The word spread quickly, with companies like Simpson and Oakley that market race wear. Now fire crews, industrial workers, military and even chefs use clothes made from CarbonX to keep the fire away. Thatcher's grassroots marketing approach has paid off: Chapman Innovations made almost \$500,000 in revenue in the first year but will make upward of \$3 million by this year's end.

100 Fastest Growing Companies

The LoveSac Corporation
Innovative Staffing, Inc.
Bright Builders
Edge Products, LLC
Eliot Management Group LLC
CaseData Corporation
Chapman Innovations
3Form
Backcountry.com
iboats.com
ARKONA Inc.
MaxStream, Inc.
Headwaters Incorporated
Overstock.com
Raumland Systems Inc.
USA Lending Group
TheraDoc, Inc.
DirectPointe, Inc.
Altiris, Inc.
Die Cuts with a View
MediConnect.net Inc.
iBAHN
Fatpipe Networks
Ok3 AIR
Wolf Peak International, Inc.
TrueNorthLogic
White Dot Solutions, Inc.
FCS Community Management
The SCO Group
Q Comm International, Inc.
Supplemental Health Care
UCN, Inc.

Back to Basics Products, Inc.
Opticare of Utah
Linux Networx
RimRock Construction, LLC
Body Firm Aerobics, Inc.
Re-Bath of Utah
SnapLock Industries, Inc.
Sportsman's Warehouse
IKANO Communications, Inc.
EM-Assist, Inc.
KLAS Enterprises
Molina Healthcare of Utah, Inc.
Amedica Corporation
O'Currance Teleservices
Universal Accounting Center
ChartLogic, Inc.
Making Memories Wholesale, Inc.
Name Tag, Inc.
Infopia, Inc.
New Dawn Technologies, Inc.
Heritage West Title Insurance Agency, Inc.
Omniture, Inc.
Studeo, Inc.
Bullfrog Spas
Inovar, Inc
Career Step, LLC
Design Ink Corporation
Cardwell Distributing, Inc.
Strategic Staffing
TimeShareWare
Brent Brown Automotive Group
For Every Body, LLC
Echelon Biosciences an Aeterna Zantaris Company
iMergent, Inc.
CG Sparks
Cafe Rio, Inc.
Apex EDI Inc.
FutureVision Technologies
Arena Communications
Enterprise Accounting Solutions
The Local Pages, Inc.
Kitco, Inc.
Stake Center Locating, Inc.
Juniper Systems, Inc.
Ence Homes
JM Thomas Forest Products
Central Utah Clinic, P.C.
Questar Gas Management
Automated Business Products

American Name Services
Latitude Restaurant Group
Alpine Confections, Inc.
TruVision, Inc.
GoEngineer, Inc.
CompHealth Group
Riverwoods Mill, Inc.
BC Technical, Inc.
Real Property Management, Inc.
First Choice Solutions
Western Star Construction
Thorpe Capital Group, LLC
CEntry Constructors & Engineers
Ascend HR Solutions
CORDA Technologies, Inc.
VISTA Staffing Solutions, Inc.
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SkyWest Airlines
Zions Bancorporation
Headwaters Incorporated
Overstock.com
Associated Food Stores, Inc.
RxAmerica, LLC
Nu Skin Enterprises
Sportsman's Warehouse
CompHealth Group
R.C. Willey Home Furnishings
Altiris, Inc.
USANA Health Sciences, Inc.
A-Plus Benefits, Inc.
Brent Brown Automotive Group

Emerging Elite

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Agilix Labs, Inc.
Batteries & Bands Inc.
Cavanagh Services Group, Inc.
Costume Craze, LC

DOBA, LLC
Forum Systems, Inc.
Leanwerks, LLC
LogoWorks
Suspension Connection, Inc.
(Prudential) Utah County Real Estate, LLC
Veevix, Inc.
Venafi, Inc.
Vintela, Inc. (acquired by Quest in July)
XanGo, LLC

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