

UTAH BUSINESS MAGAZINE

Cream of the Crop

Utah's 100 Fastest Growing Companies

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Like a blossoming garden, MountainWest Capital Network's annual list of 100 Fastest Growing Companies showcases the latest batch of Utah businesses sprouting from seedlings to prize-winning roses.

While some companies on the list are return winners with roots solidly planted, others are newcomers quickly thriving in Utah's rich entrepreneurial soil. The list spans the retail, technology, professional services and health care industries, proving that Utah is home to a diverse crop of talented, creative innovators.

Along with the complete list of the fastest growing companies, top revenue earners and emerging elite, take a look at a few of this year's highlights.

Bullfrog Spas

Marking its sixth year on the Fastest Growing Companies list, Bullfrog Spas continues to make waves with its patented JetPaks technology. The technology features modular massage packs that are snapped into the backrest of a spa to provide a variety of therapies. Packs are interchangeable to create a personalized spa experience.

Bullfrog Spas are the most energy-efficient and environmentally friendly spas on the market and have a 90 percent less chance of leaking than competing spas, company officials say. While the spa industry has been down by 20 percent in the last three years, Bullfrog has seen an average of 35 percent growth per year since 2001, says David Ludlow, president and CEO.

Though Bullfrog Spas is now a hallmark Utah business, it came very close to being just another failed start-up, Ludlow says. He started Bullfrog 12 years ago out of his garage in Holladay. At times, Ludlow would work from 7 a.m. to 4 a.m. seven days a week, sometimes sleeping on the office floor, so he wouldn't miss his deadlines. Even after his hard work, it took the company five years to turn a profit.

"I remember our board sitting down in the fifth year and saying, 'You know what? We have lost so much money each year that if we don't break even this year, we will have to go a different route.' I didn't know if that meant replacing me or shutting the business down," Ludlow says.

Luckily, he never had to find out. The business made \$13,000 that year and has grown exponentially ever since. The one-man shop has expanded to 140 employees at corporate headquarters in Bluffdale and has 250 dealers across North America. With annual profits in the tens of millions, Bullfrog has sold thousands of spas, and still sells more than 1,000 spas a year just between Ogden and Provo, Ludlow says.

The Bullfrog name is now finding its way across the world. The company has partnered with multi-billion-dollar European manufacturer Villeroy & Boch to sell private label spas and licensed the JetPaks technology to SCS Industries in Australia, which distributes Bullfrog products throughout Australia and Asia.

Ludlow plans to expand the JetPaks concept to function in jetted bathtubs, showers, ground spas and swimming pools.

“These other market channels will give us the ability to grow while still using the same technology,” Ludlow says. “Our goal is to get back within the top five Fastest Growing Companies in Utah.”

Cavanagh Services Group

Cavanagh Services Group, Inc. is a professional at taking out the trash. The company cleans up contaminated sites around the country, with 75 percent of revenue from government contracts at former Army, Navy or Air Force sites. The 11-person firm works in more than 30 states and is headquartered in Salt Lake City with regional offices in Tennessee and Massachusetts.

Sue Rice founded the company in 2002 and says it has sustained growth by adhering to a high standard of excellence that separates it from the competition.

“Oftentimes you have one shot to prove yourself as a small business,” Rice says. “You have to be that much better than the big businesses because you don’t have the resources or the track record. It forces you to be on top of your game every day.”

An avid athlete, Rice brings lessons from the softball field to lead the company. Like a coach drawing up a roster, she strategically places staff members in positions that develop their strengths. This team mentality has helped Cavanagh reach the five-year mark and has created a staff that Rice says are her best players ever.

Like any sports team, the company has experienced setbacks and losses. Working mainly with the federal government brings a constant measure of financial uncertainty in any project, Rice says. The War on Terror and natural disasters such as Hurricane Katrina can divert government funding away from cleanup projects at any moment to meet more immediate needs.

“We’ve actually had contracts in hand and they will get defunded because the priority has to go to other places,” Rice says.

Despite the obstacles, the company’s growth has been rapid, but Rice says she doesn’t plan to become the next corporate giant. Instead, she wants to expand with purpose and explore new niche markets such as environmental cleanup technology and transportation.

“I see us at about 25 people doing about \$30 million to \$35 million a year,” she says. “That’s okay for me. One thing I’ve learned is not to be greedy; I want to be where my employees and I can still have a life and do what we want to do.”

C.G. Sparks

C.G. Sparks is most likely the only business on the Utah 100 list that regularly stocks 100-year-old carved Indian masks or hand-painted chests from Tibet. The company sells authentic Tibetan and Indian antiques gathered from the owners' semiannual forays into India.

For a concept so specialized, president Chrisanne Olsen and CEO Michael Hennessey seem to have filled a niche in Salt Lake City. This marks the company's third year on the list, with growth skyrocketing more than 500 percent last year.

"It just seemed like such a missing link in this town," Olsen says. "Everything in here has a story and I just got suckered in, much like our customers do."

C.G. Sparks sells to a diverse clientele of designers, homeowners and environmentally conscious consumers. Most of the 4,000 pieces of inventory in the 8,000-square-foot showroom are handmade from teak or reclaimed wood. Though the merchandise is far from traditional, Hennessey says that is exactly what has made C.G. Sparks grow in the area. The exotic appeal has garnered the company a loyal following in the Salt Lake and Park City areas.

"People can sense that you're offering them something special and everyone likes to be taken to that next step," Olsen says. "You can come in here and kind of feel that."

As an international buyer, C.G. Sparks deals with unique challenges acquiring inventory. Since the company was founded, officials have seen the dollar weaken by 50 percent while shipping costs rose by 350 percent, Hennessey says.

"To start a company like this, you really have to leave a lot of room for margins and adjustments," Olsen says. "There are huge fluctuations and margins get cut, but we're hopeful and happy still because our traffic and revenue are up. It's so great to be in here when there are 10 or 15 people here at once after going through those early months of only having 10 people come in."

The company counts its milestones as the mistakes it has overcome during its 10 years in business. Initially, the owners saw the company as "a large corporate something," Olsen says. Ordering setbacks, software problems and customs holdups made them rethink their model.

"We started out to take over the world and then decided, 'Let's just take over 5th South,'" Hennessey says.

The owners experimented with all types of business models before realizing that retail is what they do best, Hennessey says. The company sells directly from a showroom/warehouse facility and through its Website. Future plans include instituting growth measurements to ensure that, like their furniture, CG Sparks stays around for a long time.

TrueNorth Logic

Based in Sandy, TrueNorth Logic is an educator management software solution for the K-12 segment that tracks teachers' professional development and technology implementation. It's "the whole package for helping educators become better educators," says Jeanette Hammock, founder and CTO. Most of the company's clients are large school districts or state offices of education, she says.

Founded in 1997, TrueNorth Logic created an early teacher assessment program that managed teachers' technological competency in the classroom. Hammock came up with the idea while developing an assessment tool for the Utah Education Network. She became intrigued with possibilities of expanding the idea into an entire system for educators and, after realizing the concept could be applicable to schools nationwide, she partnered with coworker Dan Cookson.

"It was when interest was just starting to come into the classroom about what teachers understand about technology, so we started assessing teachers. One of our first clients was the California Department of Education," Hammock says.

Hammock and Cookson set up shop in their basements while word spread quickly among the educational community about the system. Hammock would do the coding work and write contracts while Cookson took over sales and marketing.

"It was a time when there wasn't a teacher assessment tool out there," Hammock says. "We had a perfect storm of people contacting us, but we didn't have the manpower or the means to respond to everyone."

Currently, the system is deployed in Utah through a partnership with the Utah State Office of Education. TrueNorth Logic boasts 30 employees with the workforce having grown by almost 50 percent last year, Hammock says. Growth has been organic, without any outside investment money, which has been made possible by a continuing flow of feedback from satisfied customers, Hammock says. Many of the company's new products were created through partnerships with clients.

"In a K-12 setting, all the superintendents know each other and talk. If they're happy, they'll talk about their success. It's a positive feedback loop," Hammock says.

In the future, the company plans to look at ways to think bigger, Hammock says.

"We're definitely looking at ways to be innovators in the market and introduce new concepts and think of ways to really help our teachers," Hammock says. "We're also thinking of how we can bring together more things in terms of evaluation."