

Why Utah Is Poised to Be America's Next Tech and Creative Hub

College grads, beehive work ethic put Silicon Slopes on the map



By T.L. Stanley, July 11, 2016 issue of Adweek magazine.



Devin "SuperTramp" Graham and Jeffrey Harmon are two of Utah's digital stars. [Chad Kirkland](#)

It's one of the fastest-growing tech hubs in the country, with record amounts of venture capital flowing in, and is home to at least a half-dozen unicorns (companies valued at \$1 billion or more) and plenty more "sooncorns" expected to hit that mark. Universities there are churning out science, tech, math and engineering grads by the thousands, creating a highly skilled, digital native workforce. It's home to a thriving community of content creators, giving rise to YouTube stars like Devin Graham (better known by his alias, "[Devin SuperTramp](#)"), [The Piano Guys](#) and the [Shaytards](#), while the area has spawned chart-topping bands Neon Trees and Imagine Dragons, electronic dance music DJ Kaskadee, and Julianne and Derek Hough from ABC's *Dancing With the Stars*.

Are we talking about Silicon Valley, or maybe the geographic one-two punch of L.A.'s Silicon Beach and Hollywood? Nope. Rather, it's rugged and rustic Utah, which analysts say could become the next Silicon Valley inside a decade. It is well on its way, clearly. The mountainous corridor anchored by Salt Lake City, Provo and Ogden—which has been dubbed "Silicon Slopes" (so named for its picturesque ski resorts)—is attracting investment from the likes of PayPal co-founder Peter Thiel and futurist Ray Kurzweil, while homegrown inventors and entrepreneurs have become commonplace on the competition series [Shark Tank](#). Local digital advertising players like [Harmon Brothers](#) and [Shareability](#) have produced mega-viral videos for a variety of brands. Meanwhile, everyone from blogger [Single Dad Laughing](#) to American Idol alum David Archuleta and hairstylist/social media star [Mindy McKnight](#) lend the region a right-brain dimension to go along with its serious business cred.

"Being innovative and self-sufficient is just ingrained in our culture in Utah," says Cameron Manwaring, co-founder of Shareability, where he is now an adviser. "There's a fearlessness of trying new things, whether that's a different way to do business or a creative expression. The attitude is, figure it out, make it happen." That bootstrap mentality has long set Utah apart. With a population of 3 million that's 60 percent affiliated with the Church of Jesus Christ of Latter-Day Saints, or LDS for short, the state's conservative, roll-up-your-sleeves bent is evident even in its nickname, the Beehive State, a nod to the industriousness of honeybees.

Utah may be hard-charging, but unlike other emerging markets, it's definitely not hard-partying. No happy hours or keggers here, per state law, which carefully controls when, where and how much liquor can be sold. "I haven't seen a single hangover," Tony Pearce, CEO of Alpine, Utah-based [Purple](#), an ecommerce mattress company, says of his 300-person workforce.

And it's not just his own employees. The area has a reputation for a disciplined, work-oriented population that prefers family dinners and Sundays off to all-nighters and a 24/7 lifestyle. These qualities put Silicon Slopes in a class by itself, no matter how robust its digital scene becomes or how big its online video stars get. It will mature—locals say there's already plenty of noticeable change. But it will probably always be Silicon Valley's quirky, straight-laced cousin. "We aspire to be known for our uniqueness," says John Curtis, mayor of Provo, home to Brigham Young University, [whose Ad Lab](#) was the first ever student-run agency to win a professional advertising award, a Bronze Pencil, from the One Club. "The situation we have here isn't duplicated anywhere."

Of course, Utah isn't for everybody. Its low-key character won't appeal to those drawn to centers of technology, creativity and culture like New York, San Francisco and L.A.—creating a potential talent-recruitment challenge as

businesses continue to flock there. Some might also be turned off by the state's lack of racial and ethnic diversity, with a population that is overwhelmingly white (86 percent) and just 1 percent black, according to the latest Census figures. Its politics are also extremely conservative, with nearly 73 percent of votes in the last presidential election going to Republican Mitt Romney (who happens to be Mormon) and 62 percent in 2008 being cast for Sen. John McCain. (The last time Utah picked a Democrat for president was 1964.)

Still, Utah is mushrooming. A study by the U.S. [Chamber of Commerce Foundation](#) ranked it the best-performing state in terms of economic growth for two years running, while Forbes included Salt Lake City and Ogden on its list of the fastest-growing U.S. cities (Nos. 5 and 6, respectively, this year). It added more than 46,000 jobs last year, on top of already-low unemployment (around 3 percent, or half the national average). The cost of living and real estate prices are also low in Utah.

There are plenty of incentives for businesses to set up shop here, including generous tax breaks, moderate regulation, and a supportive climate for networking and startups. A mass-transit system connects the state's largest cities, while a concentration of five colleges and universities in Northern Utah produces some 22,000 graduates a year, many of whom have traveled internationally (for Mormon missions), speak a second language (often American Sign Language) and plan to stay in the state with their extended families.

Some 4,300 tech players have set up shop here—including software and hardware companies, research and information services firms, aerospace concerns and makers of medical devices. The state was identified by the [Brookings Metropolitan Policy Program](#) as a "super-sector" of advanced industries.

Thus far, few big business enterprises out of Utah have become household names—Adobe and Ancestry.com are exceptions. But well-known firms are looking for space there, with Goldman Sachs stationing 2,000 employees in downtown Salt Lake City. The clean energy firm SolarCity (whose chairman is Elon Musk) plans to put down roots soon, too, joining billion-dollar corporations like Domo, Qualtrics and Vivint, naming-rights sponsor of Vivint Smart Home Arena, where the Utah Jazz play.

And this is just the tip of the Utah boom. Once-rural areas are now dotted with incubators and new construction, with VC funding in the state more than doubling to \$800 million between 2013 and 2014, according to PwC/NVCA MoneyTree. A group of wealthy tastemakers and hosts of the salon-like Summit Series, some flush with Silicon Valley money, has bought Powder Mountain about an hour outside Salt Lake, intending to build a ski resort and upscale live-work community there. Meanwhile, American Express, Netflix, eBay and other large companies have opened customer support and sales offices in Utah. (The state has 14 times more telephone operators than any other, according to the Bureau of Labor Statistics, with those call centers often staffed by stay-at-home moms working part time.)



Viral video king Jeffrey Harmon, flanked by brothers and partners Neal (l.) and Daniel. *Chad Kirkland*

In the midst of the migratory wave, born-and-bred businesses are also flourishing, including in the advertising and branding world. Jeffrey Harmon launched his first company when he was 11, becoming an entrepreneur before he probably fully grasped what that word meant. With no business license, help from his brother and a used Econoline van he bought for \$900, he imported potatoes from a family farm in Idaho and sold them door-to-door across Utah. He funded his education (he's a BYU grad) and that early experience, along with his Mormon missionary work, laid the foundation for an ad career, he says. "We learn how to go to countries around the world and talk to strangers persuasively about religion—a really difficult subject—under incredibly harsh conditions," Harmon relates. "That's why there's such a strong sales culture here."

Today, Harmon is a viral video kingpin, having created Squatty Potty's "Pooping Unicorn" short (with more than 100 million views), "Girls Don't Poop" for Poo-Pourri and "Diary of a Dirty Tongue" for Orabrush. Each of those digital campaigns is credited with driving multimillion-dollar sales.

Harmon's friend and client, Utah native Bobby Edwards, got varied business experience, including a marketing stint at Fox in Los Angeles, but knew he wanted to return home and create a family enterprise. He and his mother, Judy, launched Squatty Potty from their St. George garage in 2011. "It was a big risk," says Edwards, who got financial backing after his Shark Tank appearance in 2014. "But the can-do spirit is really alive and encouraging here."

Squatty Potty, a simple plastic step known as "the stool for better stools," broke company records last year, on the heels of "Pooping Unicorn," with more than \$18 million in sales.

Pearce's company, Purple, established itself by developing cushion technology that it licensed to Nike, Dr. Scholl's, Serta and others. The privately owned firm—co-founded by Pearce and his brother, Terry, who can trace their Utah roots back more than 150 years—is a new disrupter in a disruptive category: mail-order mattresses.

Purple, which snagged 30 million views for its recent digital ad, is fairly bursting at the seams of its 90,000-square-foot office and production headquarters near Provo, and Tony Pearce had considered outsourcing some of its digital, brand and content work. Instead, he hired locally, including the Harmon Brothers. "We needed a lot of different disciplines, and we didn't have any trouble finding amazing team members," he says.

Utah's creative side has also boomed, with many of those interviewed linking the artsy community to Mormon traditions of public speaking and performing. "The arts are huge in the Mormon church," notes Anson Sowby, a former Mormon who is CEO of [L.A. agency Battery](#). "At every family reunion, every church gathering, there are shows and performances. If you don't have a talent, you're the odd man out."

Two of Pearce's 11 children make their living on social media with their music, painting and writing. Edwards says he and his six siblings grew up taking clogging lessons. "My mom insisted we were going to be the next Osmonds," he says with a laugh.

Utah is also home to an ever-expanding community of YouTubers. It is a tight-knit group. On a recent afternoon, Devin Graham had just finished a collaboration with fellow YouTube star Grant Thompson, aka "King of Random," who together boast some 10 million YouTube subscribers. This particular video involved homemade slingshots and exploding bottles, per Thompson's penchant for life hacks. "The creative community here is very service based, and people are willing to help each other," says Graham, a stunt filmmaker who produced most of crossover violinist Lindsey Stirling's early YouTube hits. (The America's Got Talent alum's channel has 8 million subscribers and more than 1 billion views.) "Everyone thinks you need to be in L.A. to succeed, but that's not the case."

Graham, whose brand partners include Pepsi, Ford Motor Co., Ubisoft and Papa John's Pizza and who has amassed more than 1 billion YouTube views, thinks marketers are attracted to Utah's talent base because of the high quality and wholesomeness of their videos. "A lot of people try to push the envelope on social media," he says, "but you have the potential to work with brands and have a much bigger audience if you're family friendly."

Major musical acts have emerged from the area, too, including members of the Provo-based alternative rock band Neon Trees, who say the town's sober backdrop helped them develop their sound and performances. Drummer Elaine Bradley told NPR their home "creates a culture of music appreciation. There's no clanking bottles and loud, drunk shouting. It's all very much about the band, and it's a really great kind of litmus test."

As Utah continues to heat up, change is inevitable for the region known as the Wasatch Front. Provo's mayor gets the sense that "every basement could have the next hidden gem, the next Vivint, the next Domo." But he hopes there are at least a few constants. "Growth is good, but I'd like to think we can find a way to grow that retains the charm," Curtis says. "I hope we never lose that small-town culture and ambiance."