

EMPIRE MACHINERY

NEWS

Hustle and ingenuity mean fast growth for Tempe contractor

Chris Rowley and Jerry Hubbell tell a great story about how their company, North Star Pipeline's Inc., came to be. It started back in 1991 when the Phoenix area economy was still reeling from overbuilding and from the Savings and Loan crashes of the late 80s. Construction companies of all sizes were struggling to stay alive, and many were forced to let employees go.

One of those workers who suddenly found himself on the street was Chris. It didn't take him long to discover that nobody was hiring, so he decided to try a different approach. He went to a local rental yard and asked if he could rent a backhoe by the day and pay the rental yard when he got paid.

The yard said okay. Chris says he then, "...drove around looking for piles of dirt. When I found one, I'd go up and knock on the door and ask if they needed any tractor work done." Before long, Chris had all the work he could handle — never mind that the Phoenix area supposedly had no work to be done.

Chris didn't just have a talent for knocking on doors and coming up with backhoe jobs. He did such good work that his customers started calling him back with more work. "I always tried to give a little bit extra," he says. "Within a couple of weeks, I generated more work than I could handle by myself."

At that point, Chris's old friend, Jerry, returned to town. Jerry had just started a new job with an offshore drilling operation in Louisiana, and his schedule called for him to work four weeks, then take four weeks off. Jerry hit town planning to enjoy his four weeks off, and Chris put him to work.



Jerry Hubbell, left, and Chris Rowley have seen their company, North Star Pipeline's Inc., grow from a 2-man operation in 1991 to the point where they average about 20 people and a small fleet of machines.

It took only a few days for the two men to decide they were on to something good. They had talked before about starting their own company, and they decided the time was right. Jerry quit his job on the oil rig.

"As soon as Jerry quit his job, we ran out of work," Chris recalls. "Things looked pretty bleak, but just when we were ready to give up, work picked up again."

For the first few months, the new company continued to take all kinds of backhoe jobs, but Chris and Jerry decided they would rather specialize in pipeline work. Today, they dig water and sewer lines, primarily subcontracting on commercial sites, but still taking the occasional residential job. They go wherever the work is and just finished a big

job in Albuquerque in June.

These days, though, it's not just Jerry and Chris. Their company has grown to the point where they averaged about twenty people on the payroll over the past year.

They've also grown well beyond the point where day-to-day rentals make sense. Early in 1992, they determined it was time they bought a machine of their own. They ended up with a brand new Case backhoe. As the company grew, they added a second Case — and then a third.

By 1994, Northstar had grown large enough to require a fourth backhoe. Jerry and Chris were happy with their Case machines, but they felt it was time to take a closer look at the other backhoes on the market.

"We were pretty staunch Case

guys," says Chris. "But, I spent enough time in business to know you don't just call people up and place an order. You have to shop around."

For the first time, they took a good look at a CAT backhoe, the 416B. "I always assumed the CAT's would be too expensive," Jerry says. "We finally gave Don (Goeglein) a chance to bid on our fourth one. His price turned out to be lower than the others."

Since *On Your Own* magazine is published by Caterpillar and EMPIRE MACHINERY, you might assume the CAT backhoe immediately won the hearts of everyone at North Star, and they lived happily ever after, buying nothing but Caterpillar.

But, it didn't work that way. Jerry and Chris and their crews all liked the CAT backhoe well enough. At first, they thought of it as the equal of their Case units — equal, not superior. They didn't see any compelling reason to switch from their policy of buying whichever brand came in with the lowest price. In fact, they went out in 1995 and bought a fifth backhoe, a brand new Case 580L.

As the months went by, they

noticed something unusual. Their 2-year old CAT 416B felt more like a new backhoe than their nearly new

Case. "I don't expect a machine to feel brand new when it's been around for awhile,"

Chris says, "but when I got on the CAT awhile

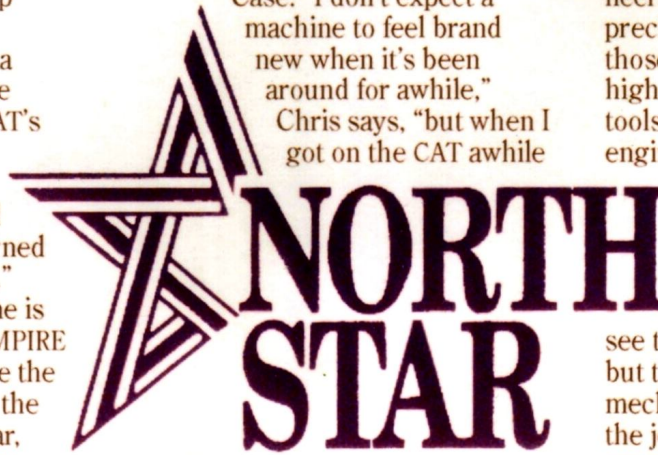
how they're built, there's really no comparison," he states. "CAT starts from the very beginning and engineers each little piece of iron to be precisely correct, and they make those parts in a modern factory with high-precision automated machining tools. It looks like there's way more engineering that goes into a CAT product."

Neither Jerry nor Chris has any desire to keep a backhoe that requires a lot of attention. They both want to see the company continue to grow, but they don't want to have to hire a mechanic to keep their machines on the job. They want backhoes that can work reliably for several years and still be worth something when the time comes to sell them.

That's where they figure the CAT backhoe has an edge. Based on what they've seen so far, they expect the 416B to work stronger and longer as the years go by.

That expectation played an important role when Jerry and Chris bought their sixth backhoe in June.

They wanted another machine that felt like it would never wear out. They bought another CAT.

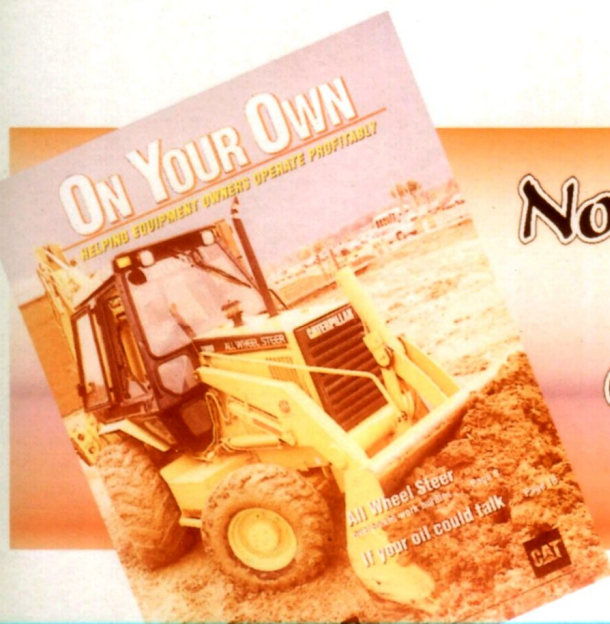


PIPELINE'S INC.

back, it was still tight. No rattles, no wobble — it still has that great feeling of a brand new unit."

"Everything's holding up better," adds Jerry. "We expect to get a lot of use out of that CAT for a long time."

Chris, who has visited Case's factory, says his recent trip to the CAT plant in Clayton, North Carolina gave him some insight into why the CAT backhoe seems so much tighter and more durable. "When you see



North Star Pipeline's Inc.

featured in

On Your Own Magazine

August 1996