

Geographical expansion expected to bolster ISCO's growth

BY BEN ADKINS | STAFF WRITER
badkins@bizjournals.com

For ISCO Industries Inc., a Louisville-based distributor of high-density polyethylene (HDPE) pipe and fittings, 2007 was a year to bulk up its assets.

The 45-year-old company grew its geographical footprint by nearly 40 percent last year — more than in any previous year of operation — to 26 locations from 19.

One location was added through an acquisition and the remainder were startups, said ISCO vice president Mark Kirchdorfer.

ISCO now has U.S. operations in more than 20 states. Locally, the company operates a manufacturing plant at Jefferson Riverport International and its Baxter Avenue headquarters.

The company also made substantial additions to its work force last year by adding about 75 employees, bringing the company-wide total to about 300.

"We really shored up our infrastructure to support continued fast growth," Kirchdorfer said.

Natural gas, mining markets help drive growth

A major force behind the company's expansion is in natural gas and mining, Kirchdorfer said. Those industries account for nearly a third of the company's annual revenue.

Kirchdorfer estimated that the same sectors made up only 10 percent of the company's business as recently as five years ago.

Copper mining, phosphate mining and aggregate mining are particularly strong areas for the company, Kirchdorfer said. ISCO piping is used largely to transport water for mining applications.

Dan Mashburn, a senior buyer coordinator for Freeport-McMoRan Copper & Gold Inc.'s Sierrita Mine and processing facilities, near Green Valley, Ariz., said the operation began buying HDPE pipe and fittings from ISCO about two years ago.

The facility, which mines copper and molybdenum, uses ISCO pipe to transport water, sulfuric acid and other solutions.

Quicker delivery times and lower costs gave ISCO an edge over competitors, Mash-



Tim Jenkins runs a test on a pipe-connection machine at ISCO Industries Inc.'s facility at Jefferson Riverport International.

FILE PHOTO | BUSINESS FIRST

burn said, adding that the Louisville-based company's reputation is growing and "raising a few eyebrows."

"If you can pay less for it and get it faster, that's the way you should be doing business," Mashburn said.

Operation growing outside United States

International sales also are pushing the company's growth, Kirchdorfer said.

ISCO opened a Canadian plant in Crossfield, Alberta, in 2006. Another international plant followed in 2007, in Brendale, Queensland, Australia.

Although international sales are somewhat sporadic, Kirchdorfer said they tend to be for large-scale projects, such as power plants or desalination plants.

Many overseas industrial complexes are designed by U.S. engineering firms, he said, and they often lean toward using American products.

Kirchdorfer estimated that ISCO's international sales doubled in 2007.

Those sales account for about 5 percent to 10 percent of the company's revenue, Kirchdorfer said, though that percentage is expected to double in 2008.

Company finds niche in 'green' building

The company's products also have found a place in the "green" building boom.

ISCO sells complete piping systems for residential and commercial geothermal

ISCO INDUSTRIES INC.

Description: Distributes and makes products out of high-density polyethylene (HDPE) pipe

Address: 926 Baxter Ave.

Number of employees: About 300 companywide; 100 locally

Web site: www.isco-pipe.com

Key officials: Jimmy Kirchdorfer, president; Mark Kirchdorfer, vice president |

heating and cooling applications. The company recently increased its sales staff for the market to three salespeople from one.

ISCO's sales for the market doubled in 2007, and company leaders expect that figure to double again in 2008.

Kirchdorfer declined to disclose specific financial information about the company, though he acknowledged that revenue increased by a narrower margin in 2007 than in 2006.

But with last year's expansions, company leaders believe ISCO is poised for a strong year.

"Our theme this year is 'the bases are loaded,'" Kirchdorfer said. "We've really set the stage for a great 2008." |