



Next Move Group

We Are Jobs Podcast

with Special Guest: Darren Hillman and Jeff Lange

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Hello and welcome to this episode of Next Move Group's We Are Jobs podcast. I'm Chad Chancellor, the co-founder of Next Move Group and today, I'm happy to have two guests with us. It really has content for everyone. Today, we're going to have content that I think is really going to interest our economic developers as we've got one of our former site selection clients.

He's going to talk about how they've grown from 50 jobs to over 200 jobs since 2011. We've also got something for our corporate listeners today. We've got people on the line who finance

equipment and can lease to you. They are building spec buildings, they can do real estate deals, they can inject capital into businesses and both these companies are related. Both are from Wichita, Kansas.

I really think today we've got something for both sets of our core listeners; our economic development listeners and our corporate listeners. Let's start with talking a little bit about RedGuard, which is a former site selection client of Next Move Group. They are a manufacturing company that makes blast-proof units for the oil and gas and petrochemical industry.

So, if God forbid another blast happens in the Gulf where one of the petrochemical plants, if you are in one of these units, you survive. It can be anything from living quarters to boardrooms and offices to tool rooms, really anything you can imagine. They are designed and tested to be blast proof for safety on certain plant locations.

So, I'm just living in New Orleans. You can just imagine how excited we have been to represent these guys in the past and to have them on here today talk about keeping workers safe when they're on those job sites.

We're also going to talk about the CrossGate District, which is an area in south Wichita being redeveloped by the same owner as owns RedGuard. Jeff Lange who's a serial entrepreneur in Wichita, he is redeveloping a part of town. They really haven't had much development lately, but it's close to all the air space and other infrastructure in Wichita.

They've already had two big announcements with a commercial announcement and an industrial announcement. These guys will do everything from inject capital into businesses, to build spec buildings to buy equipment and lease it to potential clients. I think that's really going to interest our corporate clients as well.

So, with that, why don't we jump right in it? We're going to start with understanding a little bit about RedGuard and let me introduce you to Darren Hillman to tell us about it. Darren, welcome and thank you for being here.

Darren Hillman: Thanks for having us here today, Chad. Yeah, we love to tell the RedGuard story. I guess we can kind of go back and talk a little bit about some of the success we've had in growth kind of backing up to-- in the early 2000s here starting off as a portable storage company

doing some work here with shipping containers, modifying of shipping containers for offices, mainly like the construction industry and some industrial.

Then as things progressed and we started doing more with those containers, a blast happened at a petrochemical facility in Texas City, Texas in 2005 which prompted us to work with some engineers to create a blast-resistant office, if you will. That was adding structural strength to shipping containers and making that at a-- kind of a lower pressure mitigation blast office; blast-resistant module in another word for those.

As that industry continued to grow and they made that into a requirement, we continued to follow the industry and started building those from scratch; building up a really nice size fleet that we have today for leasing for petrochemical and natural gas processing plants and creating a customized solution for those as well.

Chad Chancellor: Living where I do, most of our listeners know I live in New Orleans. I actually had a neighbor who lost his life in the BP explosion out in the Gulf I guess 2010 or so; I think that's when that was. Many of the folks down here work in the oil and gas industry. So, the product you guys make is really important to me.

I saw a blast-test video you had done. So for our listeners, these guys make blast-proof units that can basically be customized for what a business wants. So, you can have living quarters, you can have a kitchen, you can have a board room, you can have a tool shed and this thing is blast proof.

Darren, talk a little bit about the test I saw. I saw you guys blow one up and they had a crash test dummy in there that got beat up a little bit, but it survived. Talk a little bit about the testing you've done and really how this unit keeps people safe.

Darren Hillman: Yes, absolutely. Because we are in the safety business, not only do we have to engineer with redundancy built into the engineering and different levels of areas where we make sure that that engineering is correct and testing is a big piece of that.

What we did is we wanted to prove that our design worked and so we hired our engineer and they set us up in a testing facility out in a field in the south of San Antonio, Texas. We took our building and basically what the test was, was taking 1250 pounds of ANFO and setting that charge off at

about 100 feet away from the building creating a very massive pressure wave that would hit this building to basically emulate what would happen in a petrochemical facility.

So, this building was hit with far more of a pressure wave than what it was even designed for and structurally the building was completely fine. We did have all the testing and pressure equipment inside the building to see how that would react to the human body and the crash test dummy stayed in his seat. He was totally fine. The only real problem he had was spilling of soda.

We did prove that that design was correct and since then, we've been using that design and that test criteria to continue to improve that engineering from there.

Chad Chancellor: I met you guys I'm thinking in 2015 and there was talk back then that manufacturing in America was dead and you couldn't really do it anymore and so you guys, if I remember, have come from like 40 employees in 2011 to over 200 now. Talk a little bit about RedGuard's success and growth in that regard.

Darren Hillman: Yes, manufacturing is a really big key to what we do and we have had a lot of growth in manufacturing even to the point of today having some pressures there. So not only have we set up different capabilities here in Wichita, Kansas, but we are developing property in Texas. We have also purchased another property in New Iberia, Louisiana to do additional manufacturing.

Today, we are still looking for more employees for manufacturing. We have had some luck with diversity in the different markets and in the goals with the different cycles that we are able to find labor in the Gulf and here in Wichita. That diversity is made of nice and the growth has been good for the company so we can not only build the products that we need for ourselves to rent and lease but also to do these custom projects you were describing.

Chad Chancellor: So, we've talked about the blast-proof units, but I know you also make storage units for construction sites. I'll be driving down the road and see one of your SiteBox units. We got some construction people who listen to our podcast, so talk a little bit also about that business with your SiteBox business.

Darren Hillman: Sure. SiteBox is where we got started. That is a portable storage business for commercial and industrial mainly and construction. We have shipping containers of different sizes; 40 foot and 20-foot containers that we rent to the industry. We also convert those into job site

offices; maybe your previous job site offices were either trailers or semi-trailer offices. We make them out of shipping containers.

Since the start of the business, we decided to grow that as well. So, we're up around-- right around 4,000 units in our fleet in a market starting in the Kansas City area, Wichita, Oklahoma City, Dallas, and Houston. We've grown those markets out of the Wichita market and really set that footprint here in the Midwest building a really strong-- one of the stronger site box and almost-- towards businesses in the area.

Chad Chancellor: Well, thank you, Darren. As we transition to Jeff and sort of change topics, I will tell people we've got a RedGuard link on our website. It's redguard.com and you can also-- I want you to check out how these things look. There're just incredible.

The first time I visited RedGuard, I was sitting in one of their units and they were describing to me how they customized it. I just didn't-- I said well, I can't picture what you're saying and I was actually sitting in one. It was this beautiful boardroom with AV equipment and they said, "Well, it's just like this." So, I want people to go to our website check that out.

Now, we're going to transition to Jeff Lange and Jeff owns RedGuard, but additionally, he has interest in many other businesses. So, he's sort of a serial entrepreneur and I've learned a lot just from watching him as we've grown our business.

One of the things he's involved with now is something called the CrossGate District, which is really redeveloping a whole area of southern Wichita that hadn't had a whole lot of investment lately.

I want you to hear how these guys are going about this from the private perspective. They have received some tax abatements and what not so the public sector is involved, but they are really redeveloping a part of town and doing everything from investments and real estate.

They own an equipment financing and leasing company. They just can do anything to really help a manufacturer or commercial developer get started. So, Jeff, talk to us a little bit about what you're doing with the CrossGate District and really why you wanted to spend your energy and efforts to redevelop in that part of Wichita.

Jeff Lange: Absolutely. Chad, thank you for having us here today. We appreciate being part of your show. The CrossGate District is 13mi² of Wichita, Kansas. We do believe that manufacturing is alive and well in the United States and in the Midwest we have a lot of fantastic talent that is just awesome in all skill sets around manufacturing. So, we want to help that grow.

We feel like we are in central-- a part of America, so the opportunity to build here and ship in all directions is certainly alive and well. We have multiple businesses in these 13mi² including RedGuard's headquarters; some of the manufacturing that we do.

We felt like the opportunity to not just stay up front of our businesses but to do something beyond ourselves was an opportunity for us. It was using the talents that we have. RedGuard does have over 200 employees. As a total company, we're over 300. In that, we just have tremendous skill sets and so we kind of felt like we have an obligation to society to use those talents in a bigger way.

We see a lot of open land here that we can develop into today's manufacturing facilities which are in short supply. So, we've been building spec buildings for the industrial sector, but we are also attracting other things to Wichita that haven't been here before.

We are working with Marcus Lemonis in Camping World, Gander Outdoors, just about to complete their facility. They will be opening their doors in late June here and having their flag raising when that happens. So, we're excited about making that come together.

We also have some limited retail opportunities that are going on, some offices, medical, several different factors are going on here, but rather than waiting on the government to come in and make a difference, we just feel like we can be a catalyst.

We're working hard to connect with those that have different businesses, have opportunities to partner with us in all kinds of different ways. Being that driver, being that catalyst is really created a whole lot of activity. This has just been going on for the last three years and we have four full-scale projects that are just really going to town here already. It's exciting.

Chad Chancellor: I know when I met you guys in 2015, this was an idea, but you really hadn't landed anything yet. I know you've landed an industry in your spec building. I think you call it

Hyper Pet if I remember and you've landed the deal with Marcus Lemonis. Talk about the successes you've had and how that is really going to catapult you into other successes.

Jeff Lange: Well, what we're doing is linking with those business owners where we've landed those that you've heard and we want to keep connecting with those that are growing their business. We want to keep businesses in south-central Kansas, so those owners that are looking at how do they grow? Where do they grow? we want to connect with them and get involved with where their challenges are.

We feel like it's a private business whether it's a capital side, maybe we can bring our leasing company to the table. Maybe there are some real estate challenges, we have a sophisticated real estate company in Equaset that can get involved in helping them.

We work with you about the site selection and the connectivity and a lot of different factors. There's opportunity when you collaborate with people and you listen to where their challenges are. We just love to solve those problems.

Chad Chancellor: We've had companies look at this area and I can tell you Jeff's team they are highly connected, so they can help you in a variety of ways. One of our companies they introduced to potential customers. They might even help you on the revenue side.

We've got a lot of manufactures listening to this. We've got quite a few Canadians, kind of small to midsized manufacturing companies; 100,000 square feet, 100-job type companies. I know that's really right in your wheelhouse.

One thing you also can do is finance equipment and lease it to companies. So, particularly for our Canadian clients, we find they like to do that and keep it off their balance sheets. These guys can really be a resource for you in a number of ways. So, if you've got any interest in the middle part of the country in doing manufacturing, then I can assure you the Lange team can help out.

If I remember, you are also developing is it a waterpark or something like that? This isn't just commercial and manufacturing. This is also quality of life for that part of town.

Jeff Lange: Absolutely yes. We found a gentleman here that he and his wife are both national ski champions and they are exciting people. They had this water park that they created and were involved with in Australia for the last four years.

So, we connected with him to make that happen here in the CrossGate District. We are expecting that to open here in two weeks. It's amazing how much excitement there's been in Wichita to have this happen. There's nothing like it here at all and everybody we see is just totally pumped up about that.

We've got another project called Bright Water Bay where we've kind of created Wichita's resort if you will. You feel like you've left the city when you go out to this lake property and it's exclusive, behind gates. It's an opportunity for those folks that come to Wichita to do something that they would never dream that they could do in Middle America.

So, creating novel ideas and making it fun along the way for us and for our clients is what it's all about. Back to your Canadian comment, we're working with four different folks right now that have very impressive businesses and Belt Lease is digging in to create capital for their needs.

Chad Chancellor: Awesome. I know Hyper Pet took the building, the spec building you built. Do you have another one under construction right now?

Jeff Lange: We do. We actually signed a letter of intent to double the space now with Hyper Pet which is incidentally just changed their name to Cosmic Pet and the fact that they've purchased three more companies out there, they are now the third largest in the pet industry in the nation and their headquarters are in Wichita, Kansas all because of what we are doing.

Then we have another 100,000 square-foot building and that is pure spec. Right now we don't have a client for that, so if you're working with Chad or if you're hearing this podcast, then reach out to us and let us show you how you can make your home or a part of your business land here in Wichita, Kansas.

Chad Chancellor: Last question I got for you, when people think of Wichita, they always think about the aerospace. So, talk about how close you are to some of that aerospace and infrastructure. If I remember, some of those air space plants are kind of close to your part of town.

Jeff Lange: Absolutely. We're right in between Textron, Bombardier, Spirit, so this is the perfect place to land in their supply chain. Textron and Spirit right now are really digging in to making a much more efficient supply chain happen. So, being at their door like we are just two or three or four miles away is ideal.

We are right in between the two, so you can land here and be very close to both. Of course, there are a lot of economic influences here in this agricultural state. So, if you are in that world, give us a call because there are a lot of creative things we can do for you.

Chad Chancellor: Jeff, if you will tell these folks how to contact you if they have any interest. We'll also put your website on our podcast page as well.

Jeff Lange: Absolutely. Go to lange.us.com

Chad Chancellor: All right. Jeff and Darren, thank you so much for being with us today. We really appreciate having you and as a guy raised on a farm in Mississippi, I just can't thank you enough for what you're doing both on the manufacturing side and in keeping our folks in oil and gas safe and also what you're doing for that part of Wichita.

Jeff Lange: Absolutely. Thanks for having us today, Chad.

Chad Chancellor: Thank you.

Jeff Lange: We're driving America here, Chad. We appreciate what you do. Thank you, sir.

Chad Chancellor: Thank you. I want to thank the University of Southern Mississippi's Masters of Economic Development program for sponsoring today's podcast. We work with Southern Miss a lot and they do tremendous research for us whether we're working with a site selection project and we need Southern Miss's help to understand labor and the market around that area, transportation they do a lot of research in or whether we need talent from the University of Southern Mississippi.

We have hired-- their students actually work for us as both interns and full-time employees. So, you can get a Master's degree in Economic Development from the university. They have two options to do that. One is mostly an online option where you go in a few weekends and one is the more traditional classroom option.

So, whether you run an organization and need talent or whether you run an organization and need research, you should really consider the University of Southern Mississippi's Masters of Economic Development program.

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