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Kettelhut Transitions to Future



How a Business Started in a West Lafayette Basement Grew to the Top 10 Percent of Contractors in the Country



“Some of this work will be time-sensitive, so we need quality contractors we can count on to understand the documents and how critical it is to make the time commitments work.”

Brad Deno, Executive Vice President, Kettelhut Construction

1949, became President/Owner in 1975. In 1996, Olson sold the company to two Kettelhut contract managers, Mark Meyer and Ed’s son, Rick Olson. Meyer became President/CEO and Rick Olson served as Vice President, handling the accounting side.

In 2006, Meyer began the process of selling his company shares to Habben, who had already spent 20 years working for Kettelhut, starting as a Field Engineer and working his way up to Vice President. Habben became an equal partner with Rick Olson. Since then, Habben served as President/CEO, overseeing the company’s operations.

“When Rick decided to retire last year, we thought that was the right time to transition and reward two other employees, Brad Deno and Alex Gonzalez, who have served the company extremely well as project managers for many years,” Habben said.

Before choosing those two individuals, Habben and Olson considered a number of factors. “We thought back through how they managed their projects through the years, how they resolved issues, and their relationships with owners and subcontractors,” Habben said. “Brad and Alex have both done an outstanding job in all those activities. Over their many years of working at Kettel-

hut, they’ve also shown great leadership characteristics. They’re known entities to our subcontractor partners, community leaders, and many of our clients. As I step aside over the next few years, I’m extremely proud that the future of Kettelhut will be in great hands.”

Last year the parties finalized the ownership transition agreement. “It’s a simple contract where they’re buying out the shares of Rick and myself over a period of time,” Habben explained. “Once the shares have been purchased, with the profits of the company, then they become the pure owners of Kettelhut. We anticipate that being three to seven years from now. I’ll stay as President/CEO until that transition is complete, then I’ll retire and Alex and Brad will decide their roles beyond that.”

During the ownership transition, Deno and Gonzalez will serve as Executive Vice Presidents and continue to manage projects. “Just as I was afforded with Mark Meyer, the transition needs to take time so they can learn the role I’ve been doing,” Habben said. “It’s more than running a project; now they have to run a company. Their hard work and desire shows that they’ll be excellent owners as they move Kettelhut on for the next 15 to 20 years.”

“[Deno’s and Gonzalez’s] hard work and desire shows that they’ll be excellent owners as they move Kettelhut on for the next 15 to 20 years.”

Steve Habben, President/CEO, Kettelhut Construction

Cradle-to-Grave Project Management

Through each generation of leadership, the main characteristics of Kettelhut as a company remained the same. To sustain the firm’s standards for timeliness, cost reliability, and quality, “We’re very diligent about our procedures and our processes whenever we bid and construct a job,” Habben said. “That’s what makes our jobs successful. Those procedures are not anything I came up with; they’re original from when Karl Kettelhut started the company. Ed Olson tweaked them, Mark Meyer tweaked them, and I tweaked them a little bit – but it’s just been tweaks.”

In another effort to ensure successful projects, “Something we do that’s a little different from other companies is what we call a cradle-to-grave operation,” Habben said. “When we bid a project, whoever we assign as the project manager will unroll the drawings for the very first time, build it all the way, then roll up the drawings when we’re done.”

“There is no greater feeling than building a community that impacts people’s lives in such a profound way. We are fortunate to have found a true partner in Kettelhut Construction – a company that embraces our vision for area seniors. Kettelhut has collaborated with Westminster Village in West Lafayette on a continuous list of large and small projects during the past 25 years. From the construction of our beautiful, exclusive hybrid homes to roof replacements and bathroom additions, Kettelhut is always professional and extremely responsive. We are truly grateful for their partnership and their ongoing contributions to our community.”

Vicki Gregory, HFA, CSAP, Westminster Village



Preparing a Fifth Generation of Home-Grown Leaders

By Julie Devine

How often does a business begun in a basement survive 82 years, transitioning to a fifth generation of leaders?

When Karl Kettelhut founded Kettelhut Construction, Inc., in June 1935, starting with an office in his home in West Lafayette, Indiana, he put in place the culture and procedures that remain today and led to the firm’s success in partnering with subcontractors to provide safe and timely projects that meet owners’ quality standards. The firm, now headquartered in Lafayette, Indiana, works as both a self-performing general contractor and as a construction manager, serving many repeat

and long-time customers. These days, the firm ranks as the largest general contractor/construction manager in the Lafayette area and among the top 10 percent of all contracting firms in the U.S.

President/CEO Steve Habben credits the company’s longevity to the people who have been part of it. “Over our 82-year history, there have easily been more than 1,000 individuals – the craftspeople who build the buildings we sell to owners, the office people who support it, our project managers, and past leaders – who got the job done and represented our firm with great character and professionalism. That doesn’t even count all the subcon-

tractor partners who helped us build successful projects. We have and have had an unbelievable group of men and women who made Kettelhut a vibrant company.”

Through the years, the company experienced very low employee turnover. “We get people who want to be here in Lafayette; it’s a very family-centered community,” said Brad Deno, Executive Vice President. “Our company is very family-centered, too. You can tell that with the way people are brought up through the ranks and given an opportunity, much like a family business.”

Company ownership has been transferred to long-time employees four times. Ed Olson, who joined the firm in

"We employed Kettelhut Construction in 2008 to build the original construction of the Kurz Purdue Technology Center and again in 2016 to add the expansion, which is currently being completed. We have had nothing but success with them on both occasions. As project manager, I rely on a construction manager who looks out for the interest of the institution, but also meets the project requirements and goals. Kettelhut has been handled some challenges and they've manage those expectations well and always delivered a quality job on time. They have also done a great job of performing heavy construction safely and within the time requirements set on the project. With this being adjacent to the original building, we have had minimal disturbance and maintained safety to current tenants and employees. The team at Kettelhut has done a great job of reviewing requirements with the project stakeholders and adhering to rules to assure that the safety of our staff is maintained at all times. We value our partnership with Kettelhut and would recommend them to other owners that are looking for strong project team they can rely on."

Gregory S. Napier, RIA,
Purdue Research Foundation



That system provides a single point of contact for communication, coordination, and every aspect of project management. For instance, "We don't have a separate estimating group here; our project managers do their own estimates," Habben said. "They're also responsible for securing bidders and subcontractors."

To leverage all of the company's resources, the lead project manager works with others in the firm in a team atmosphere, Habben said. For example, "The other project managers assist the lead project manager by using their subcontractor relationships to get the best pricing and the best quality."

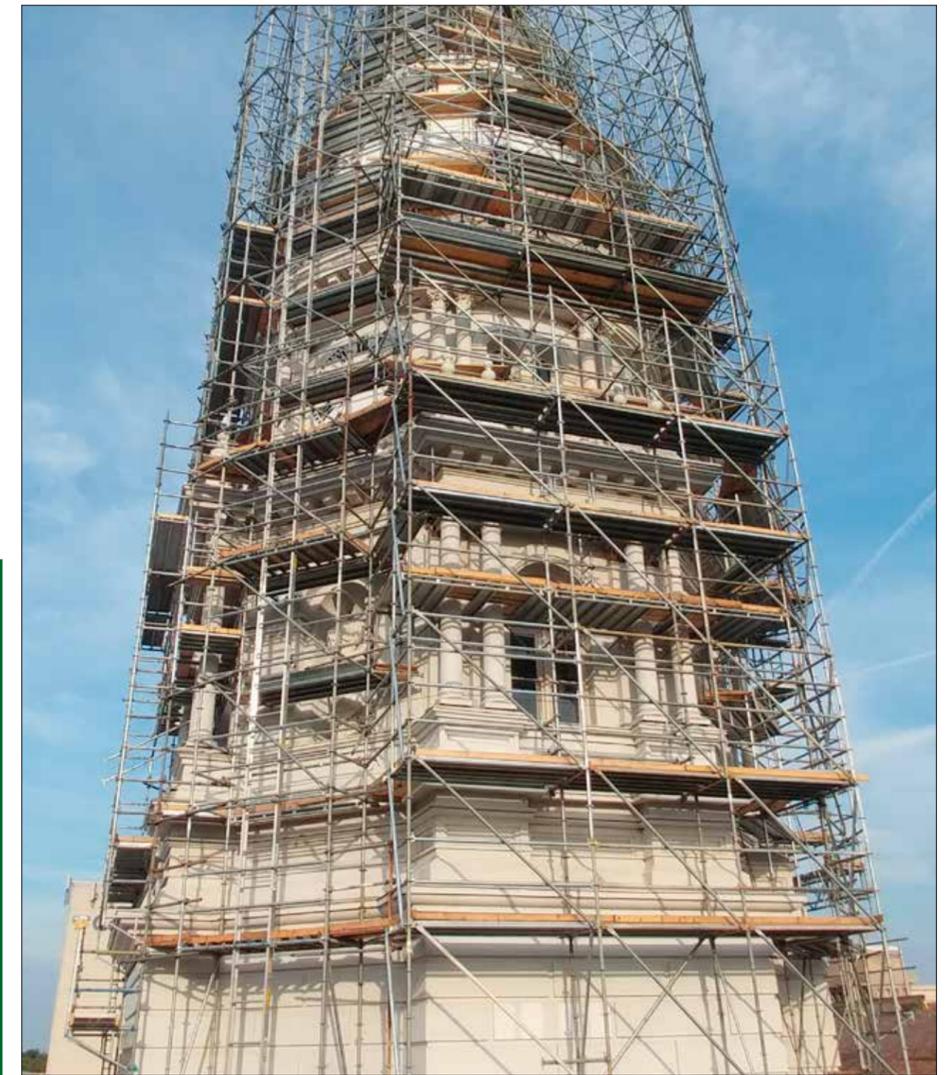
As a result, "Our success rate at Kettelhut is about 60 percent of what we bid – much higher than the national average," Habben said. "If you have the success rates and the policies and procedures so your jobs come in like you bid them, then you can be successful for a long time."

Community Contractor

"I've always said that we're a community contractor," Habben stated. "All of our project managers are associated with boards, activities, and community events. They go to the local churches and schools. Over the long history of Kettelhut, we've continued to support the community, and the Greater Lafayette community supported our firm. We have many owners whose relationships reach back for decades; we're the Construction Manager for the City of Lafayette, Tippecanoe County, Westminster Village retirement community, Lafayette School Corporation, and many others who make the Lafayette-area community one of the most-desired places in Indiana to live."

"Kettelhut Construction has proven to be a valued partner for IU Health to deliver quality healthcare to our patients in West Central Indiana. Whether responding to a late night/early morning call for an emergency situation or delivering a complex project on time and within budget, we know we can count on Kettelhut to deliver. The services they have provided range from consulting to water intrusion repair to simple construction remodeling to complex imaging and oncology projects. We will look to continue this partnership with Kettelhut as we improve our services to our patients through better facilities for the patients and staff."

L. Ben Stauffer, PE, MBA, CHC, IU Health



"Since its founding Kettelhut has been a tremendous community partner, playing a significant role in economic development, helping Greater Lafayette to grow and prosper. Kettelhut has been involved with numerous construction projects that brought new business and industry to our community, helped Purdue University expand, and impacted the lives of countless community members. Kettelhut has always been a tremendous community partner, giving back to the community through volunteerism, charitable giving, and sponsorships, along with creating good jobs which for decades have supported many families."

Tony Roswarski, Mayor, City of Lafayette

We Are Proud to be a Long Standing Partner of Kettelhut and Wish Them the Very Best in These Exciting Times.



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55 Monument Circle, Suite 500
Indianapolis, IN 46204
Phone: 317-639-5679 Fax: 317-639-6910
www.MJSIS.com

> BUILDING EXCELLENCE MEDIA

Publisher
Gary Price
GPrice@BuildingEX.com

Editorial Director
Britt Davis
BDavis@BuildingEX.com

Contact Us
1028 Shelby Street
Indianapolis, IN 46203
317.500.2427

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President
John White
JWhite@BuildingEX.com

Operations Director
Peggy Cunningham
PCunningham@BuildingEX.com

Circulation
Jill White JPaskoff@
BuildingEX.com

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"As a general contractor, one of the first things you learn is that no matter how efficient your inner workings are or how dedicated your people are to a project, a large portion of your success hinges on the successes of your project partners."

Alex Gonzalez, Executive Vice President, Kettelhut Construction



In fact, the company places a priority on local projects. "We prefer to work in a 60-mile radius of Lafayette; if that can be shortened to Tippecanoe County and the surrounding communities, that's even better," Habben said. "We're much more productive if we can put eyes on our jobs every couple of days."

For owners, the firm's local presence brings other advantages, too. "We don't need to mobilize," Habben said. "We already have knowledge of the permitting process, the local subcontractors, the local vendors, and the process to efficiently and effectively build here. With our history, owners know we're going to be here and stand behind the product we build. If something happens five years down the road, we'll be back at the table."

Although Kettelhut reaches out to subcontractors from Indianapolis and other areas to maintain the skilled workforce needed for all their projects, working in the local area remains a priority for the firm's new ownership. "I think it's very important for us to continue to be a community contractor and be involved heavily in Tippecanoe

Kettelhut Company Leadership

- Steve Habben, President/CEO
- Brad Deno, Executive Vice President
- Alex Gonzalez, Executive Vice President
- Greg Helms, Senior Project Manager
- Todd Said, Project Manager
- Nate Secret, Project Manager
- Kris Weigle, Project Manager
- Andrew Rowley, Project Manager

County," Deno said. "It's obviously where home is for us all so we're all vested in these school corporations and businesses and seeing them grow."

The Importance of Subcontractors

"We self-perform about 20 percent of our projects, which means that 80 percent is constructed by good subcontractors," Habben said. "We recognize the importance of our subcontractors to the success of our projects."

"We have the versatility to perform both roles [GC and CM] and we want to continue to have that versatility. It allows us to do a lot of different things and be flexible with good owners."

Steve Habben, President/CEO, Kettelhut Construction

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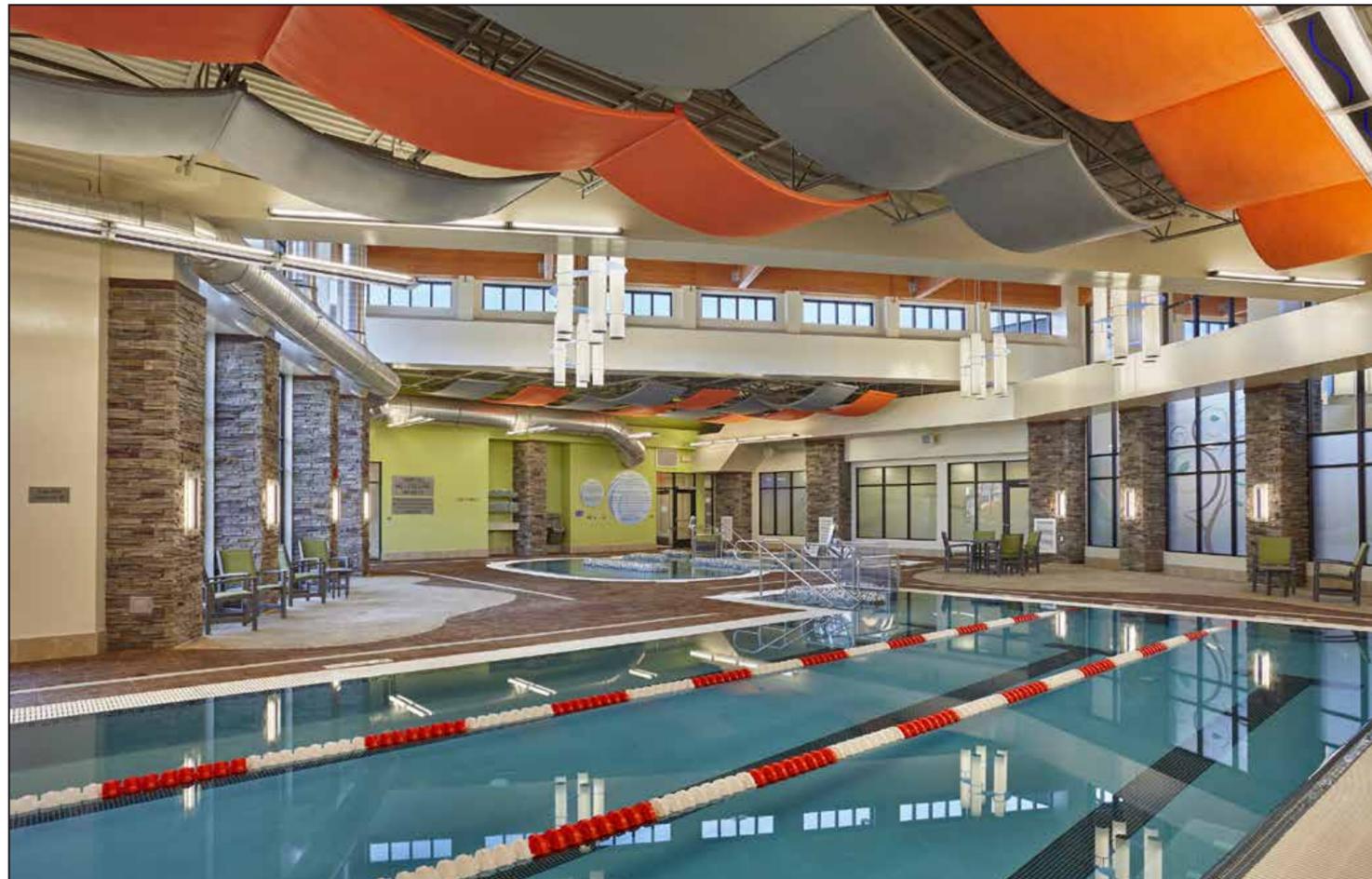
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Steve Habben, President/CEO, Kettelhut Construction

Gonzalez reiterated the critical role subcontractors play. “As a general contractor, one of the first things you learn is that no matter how efficient your inner workings are or how dedicated your people are to a project, a large portion of your success hinges on the successes of your project partners. Some general contractors make the unfortunate choice of treating their subs as a dispensable means to an end. Kettelhut has been successful in building a network of subs who we trust and who trust us. We believe that building these relationships has improved our reputation and increased the quality of our work.”

In order to achieve successful relationships, Kettelhut puts effort into every phase of a project. To start, “We do our

best during a bid to have a detailed and fair scope of work ready for each subcontract package,” Gonzalez said. “That helps avoid any misunderstandings throughout the project.”

As work progresses, “Two-way communication is one of the most important things that reinforces these relationships,” Gonzalez continued. “Maintaining open, honest, and transparent conversations with our subcontractors helps smooth over any bumps that arise during a project.”

According to Deno, “We see our subcontractors as more than business partners. We try to get to know these folks on a personal level.”

That approach helps Kettelhut attract the best companies. “We’ve shown subcontractors over the years that when you come and be part of our team – and that’s how we look at it – you’ll be successful,” Habben said. “If you’re on the Kettelhut team, the project will be run efficiently, it will keep the schedule, and we’ll assist you when problems occur.”

Kettelhut works with many Lafayette-area subcontractors. However, “The amount of work going on in Tippecanoe County is tremendous; there’s not enough workforce here to get all the work done the way it’s scheduled,” said Eric Rody, Chief Financial Officer for Lafayette School Corporation, owner of one of Kettelhut’s largest projects.

In addition, “Sometimes the size of the projects are bigger than Lafayette contractors can handle or bigger than they want to tackle, so we cultivate relationships with Indianapolis subcontractors, too,” Habben said.

Deno added, “We have that cross-connect up and down the I-65 corridor that we continually work on and strengthen. We touch a lot of lives in the Indianapolis area from our subcontractors who come here.”

Kettelhut’s dedication to all their subcontractor relationships has led to numerous awards. “Just being nominated as one of the top 15 General Contractors in the State of Indiana is a huge honor, and then when we win an award at the Indiana Subcontractors Association (ISA) event, it validates the great effort all Kettelhut employees put forth toward subcontractor relationships,” Habben said. “Over the last 10 years, Kettelhut won the Subcontractor Choice Award four different times, which is a testimony that we have great support from the subcontracting community and they enjoy working as a partner on our projects. When the ISA recognizes our firm and our subcontractor partners with an award, it confirms to the owners we do business with that we are a true team and that they’re working with the best quality of contractors.”

Future Forecast

Going forward, Habben, Deno, and Gonzalez see four main pieces in Kettelhut’s business forecast. First, “In the next 10 years, I anticipate a lot of K-12 schools happening because our community is growing,” Habben said.

In addition to the firm’s recent \$98 million Construction Management contract with the Lafayette School Corporation (see section below), Kettelhut serves as a General Contractor for the West Lafayette Community School Corporation and the Tippecanoe School Corporation. “We have the versatility to perform both roles and we want to continue to have that versatility,” Habben said. “It allows us to do a lot of different things and be flexible with good owners.”

For the second piece, “One of the biggest clients we’ve had over the last 10 years is Purdue University,” Habben said. Kettelhut recently completed an addition to the Purdue Research Foundation headquarters and the firm’s leadership foresees opportunities to continue working with Purdue University and the Purdue Research Foundation.

Habben also expects to maintain the industrial and manufacturing work that has served as a major market since the company’s founding.

Finally, “The fourth piece of the puzzle is healthcare work,” he said. “We’ve been a healthcare contractor for 60 years. We built Home Hospital, which has since been torn down. We assisted Wilhelm on the construction of IU Health Arnett Hospital. They continue to be a client where we go in and renovate that facility, plus the other 20 facilities they own in the area.”

Habben expects local opportunities to continue multiplying. “Whenever you’re in a community with a major university, it doesn’t just help construction; it helps the whole economy of that area grow. In addition, we have unbelievable mayors in Lafayette and West Lafayette with excellent new development programs. The foresight of our mayors and our development committees will make this a very strong and vibrant area for some time.”

Lafayette Schools: Subcontractors Needed

Kettelhut recently contracted with the Lafayette School Corporation for a \$98 million, four-year project. “This big project is broken down into a bunch of different slices of the pie, all in various stages,” said Deno, who serves as the Lead Project Manager. “We’ve got some projects already in construction, some recently awarded, some in design, and some just in the thought process. There are a lot of different types of work; a lot of parts and pieces to this puzzle and they’re all moving.”

The project builds on a long-term relationship. “Kettelhut has been our Construction Manager for many, many years,” Rody said. “Their plaque is on just about every

building we have and they know just about every square inch of those buildings.”

With the district’s enrollment growing, the current project includes a new career center, renovations to the high school, and additions to the intermediate and junior high schools. Kettelhut will also oversee construction of a new elementary school to replace an old, outdated building and site remodeling to address safety concerns. Rody appreciated Kettelhut’s contributions at the start of the project. “They’re able to take initial ideas, apply some costs, and talk through the size and how much over or under budget we’re getting. Because their other division does general contracting work, we know they’re providing current pricing.”

As plans progressed, “I’ve been very impressed with how they can look at things from an architectural standpoint and ask questions,” he added. “Do we need this type of lighting in this area? Or will a different, less-expensive type of lighting, or a higher-efficiency type of lighting, serve the same purpose? Kettelhut is well in-tune with what we’re looking for so they can review the drawings and make suggestions based on their experience with our other buildings.”

In addition, “Kettelhut has taken on a positive role in getting the teachers to talk about what they need in their classrooms,” Rody said. “They’ve been very mindful of the budget while helping the teachers feel direct ownership in what’s built.”

To complete all the work, Deno will cast a wide net for qualified subcontractors in the Lafayette area, India-

“We see our subcontractors as more than business partners. We try to get to know these folks on a personal level.”

Brad Deno, Executive Vice President, Kettelhut Construction

napolis, and beyond. “This area is definitely challenged for manpower right now because of the explosiveness in Tippecanoe County with the growth and construction projects,” he said. “Some of this work will be time-sensitive, so we need quality contractors we can count on to understand the documents and how critical it is to make the time commitments work.”



“Kettelhut Construction has been a wonderful partner to Food Finders Food Bank. The food bank contracted with Kettelhut for a design-build project to turn two dilapidated buildings into a Food Resource and Education Center and a modern warehouse. From the initial meetings to explain the design-build process to the grand opening of the Center, Kettelhut was a true community partner. Throughout what turned out to be a very complicated renovation, I trusted that they only wanted what was best for our organization. Kettelhut went above and beyond our contract by donating many hours of labor and arranging to have materials donated by their suppliers to improve our parking lot and help with landscaping. They also volunteered to manage an additional landscaping project funded by a government grant. Without their help, I am certain the project would not have turned out to be the great success that it turned out to be. Kettelhut has an outstanding reputation in our community and I know firsthand that is well deserved.”

Katy O’Malley Bunder, Food Finders Food Bank



Subcontractor Statements



"Bill Lawrence Company, Inc. has worked with Kettelhut for many years on numerous projects. Their professionalism in the office extends into the field. It has been a pleasure to work with Kettelhut and we look forward to working with them in the future."

Angie Kinney, Bill Lawrence Company, Inc.

"D.A. Dodd, LLC has been established in the Lafayette area for 15 years. In these years, we have completed several large and small projects with Kettelhut. It gives us confidence working with Kettelhut because we know the project is being directed by one of their many competent project managers and field superintendents. Kettelhut has a reputation for working hard to create a team environment. D.A. Dodd, LLC is hopeful to continue work with Kettelhut and share in their success."

Stephen LeBegue, D.A. Dodd, LLC

"There are two distinct types of general contractors we work with. First, there are contractors we do one job a year with, that we do not know well, and who we are shopping for a low number for their bid. In the second category are contractors that have several important attributes that lead to successful projects. These attributes are an established history of project success, financial stability, a well-trained field staff, and a strong and capable front office of project managers, which is essential. Kettelhut Construction is absolutely the latter and we appreciate the team work and effort that goes into making their projects successful."best outcome for all parties involved."

Doug Mulhaupt, Mulhaupt's Inc.

"Milestone has had a long-standing relationship with Kettelhut, this is deeper than contractor-subcontractor. Kettelhut has always provided a partnering type relationship that fosters teamwork from the start of the project until the end. This teamwork has led to all of our success on multiple projects for decades."

James Gross, P.E., Milestones Contractors, L.P.

"Working relationships that are based on trust are the first goal for our company. We find our opportunities with Kettelhut begin there, which allows us to move forward in a positive way. They maintain a collaborative approach to solving challenges in the field that works for the best outcome for all parties involved."

Bruce Osborne, DECO Associates, Inc.

"In our experience we have found Kettelhut to be first class in every way, from preconstruction through initial building of the job. Kettelhut's ability to schedule and run the job is one of the things that keeps us coming back. We look forward to every opportunity to work with an exceptional company."

DJ Fritz, Gaylor Electric, Inc.

"We sincerely enjoy working with Kettelhut Construction and have had the pleasure of working with them for over 50 years. Their core values and commitment to the customer are there major strengths, as well as attention to detail in all they do. Our company has grown and strengthened in part because of the leadership and dedication of the professionals at Kettelhut."

Jon Huston, Huston Electric, Inc.

"I have worked with Kettelhut Construction on numerous projects over the past 41 years. They are true professionals from their experienced field superintendents, clerical personnel, project managers, all the way up to ownership. Their attention to deal from bid time to project completion makes for a smooth project. They take pride in their projects and respect their subs that perform for them. I look forward to working with them in the years to come."

Randal L. Horton, Central Indiana Glass & Glazing, Inc.

Quality Safety Diversity



Kettelhut Construction, Inc. is proud to serve as Lafayette School Corporation's Construction Manager for its' \$98 million investment into Tecumseh Jr. High School, Glen Acres Elementary School and Jefferson High School. All potential partners interested in these projects, please contact Brad Deno.