



Mike Kemper describes how a small Minnesota gas line company grew into the industry leader by never losing touch with its core values. Michael Sharkey reports.

NPL Construction Company

Digging Deep

At NPL Construction, the term “ditch digger” is used with affection. The company never lost track of its principles in becoming the largest gas distribution contractor in the US, and in the organization’s core values it asks employees to “Remember...we dig ditches.”

“A popular saying within NPL is to avoid the ‘do bigger’ mentality,” CEO Mike Kemper said. “We recognize that over-complication drives cost, time, and efficiency—none of which is desired by our customers. And so, we conduct business in a pragmatic, simple way.”

By adhering to those values, NPL has grown from a \$34 million regional contractor in 1987 to a 2,400 employee, nationwide organization with over \$200 million in revenue. Building on its base as the largest gas distribution contractor in the country, NPL is now focused on becoming the full-service energy distribution contractor of choice nationwide.

Empowered trust

NPL was founded as Northern Gas Line Constructors in a small Minnesota town in 1967, and at first the company focused on building local farm lines. As the organization grew over the years, it increased service offerings and expanded its reach.

Today, NPL offers a wide array of turnkey services to its clients, including job design, trenchless technology, lawn and hard surface restoration, and traffic control. The company is recognized for its cost-effective solutions and customer

satisfaction and installs or replaces more than 10 million feet of pipe and wire annually.

Kemper said the company’s focus is two-fold: meeting customer needs and doing so safely. “To succeed within NPL is to demonstrate a track record of anticipating and meeting customer need, and doing so with a safety first attitude.”

To facilitate that environment, NPL has created a decentralized framework for decisionmaking. General managers at NPL operations are provided with the tools and resources to do the job and are trusted to complete tasks efficiently. Kemper said central management’s role is mainly oversight, setting tone and expectations.

“This facilitates speed and puts the task into the hands of those nearest the voice of the customer,” he said. “Each general manager understands his personal accountability and is comfortable in knowing they have our blessing on incurring reasonable doses of risk in accomplishing their task.”

Going trenchless

Critical to NPL’s success has been its ability to integrate the latest in technology with its services. In 2004, the company entered into a license agreement with Underground Solutions, makers of Duraliner and Fusible PVC. Duraliner allows NPL to replace deteriorated water lines and other pressure pipes with minimal excavation. The pipe renewal system allows municipalities to completely rehabilitate deteriorated underground water lines with minimal excavation resulting in substantial cost



savings over conventional dig and replace methods.

The company has also made significant investments in information systems in recent years, including an extensive enterprise resource planning application from industry leader SAP. Kemper said the system allows for better reporting and tracking of company information. Further, the ERP system has made operations more efficient by allowing easier interface with customers' technologies, creating more efficient management reports and improving data security. Said Kemper, "We've used technology to reduce costs and manage company growth with minimal growth in our information systems staff."

We dig ditches

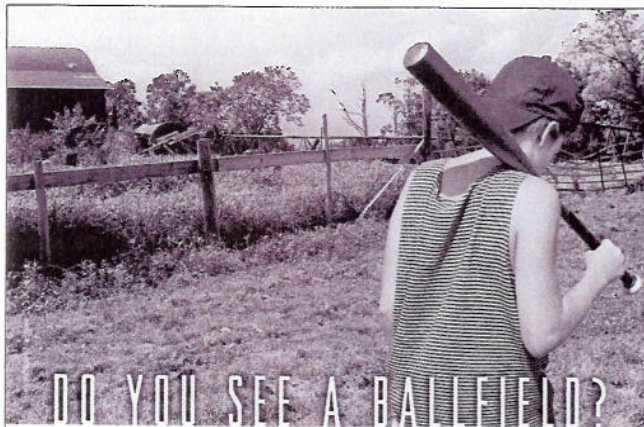
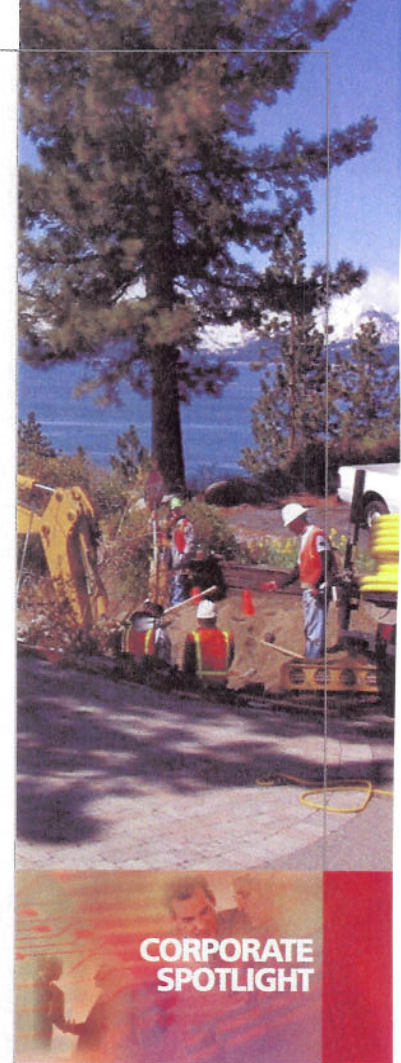
Although information and product technology has helped differentiate NPL from the competition, Kemper said the company culture is what sets the organization apart. The company is dedicated to customer service and safety, and continual training focuses on those principles.

The company recently adopted a mentor program to identify and coach key talent. Kemper

said the intent is to develop skills and foster an environment of long-term relationships within NPL. The organization recently began refocusing on leadership as a skill set for supervisors in an attempt to further evolve from a control-and-command style culture.

The overall training and retention goal is to create a culture dedicated to customer service, Kemper said—a focus NPL has long held. Throughout the merger and acquisition rush that affected the industry throughout the 1990s, NPL stayed true to its customers. "Our focus is not on Wall Street, but on Main Street and what we do best—serving our customers."

Despite the fact the company has grown to become the largest gas distribution contractor in the US, Kemper said the company would not lose sight of the core principles that led to that success. "Leadership as a principle has been with NPL for years," he concluded. "NPL practices several aspects of leadership, one of which is to know that pride is often the precursor of failure. That's the meaning of the last, but clearly not least, of our core values—Remember, we dig ditches."



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