

FEBRUARY 2017



February 2017

Entrepreneurs of Excellence: Energy & Natural Resources – Finalist Graham Radler, Baseline Energy Services LP – by Scott Nishimura

One tenet of the strategy at Baseline Energy Services, a Fort Worth power generation rental company serving energy and industrial customers, is play it to stick around.

“We were conservative early on, prudent, and weren’t going to take any risks that could put us out of business,” Graham Radler, president of the Fort Worth company, says. “In the energy industry, we see the big downs, but we also see the big ups. We want to stick around.”

Radler founded the company in 2012, after having written a business plan for an oilfield service company while earning his MBA at TCU. He’d been in the corporate world as a financial analyst and in commercial real estate.

“I didn’t want to go back to the corporate world,” Radler, 32, says. Radler had done an internship in investment banking, “but I was not called to investment banking.” Radler’s family has been in energy; his father Michael Radler is CEO of Tug Hill, a Fort Worth investment company whose largest holdings are in oil and gas operations.

Radler started Baseline with “friends and family capital,” identifying the natural gas generation business as a big opportunity and slowly building a fleet of equipment for rental. The company took on its first large investment partner, Donovan Ventures, in 2014.

In 2012, the marketing was roaring, Radler recalls. “It was just blowing and going,” he says. Crude oil prices crashed in mid-2014 from their peak at more than \$100 per barrel, but, Radler said, “the downturn has really helped us. We’ve been able to grow through it. We didn’t overbuy in the good times.”

The company’s response during the downturn: “We offer a mission-critical service, where they rely on us 24-7. Let’s show up every day, be faithful. Our identity is not in the price of oil. Our identity is we’re going to do a good job. Let’s just be faithful.”

The company today has a presence in multiple regions: the West Texas and New Mexico Permian Basin, Mid-Continent in Oklahoma and Kansas, and Eagle Ford Shale in South and East Texas. Baseline also has a very diversified, high-quality customer base, and is well-capitalized, Radler says. “We’re in fantastic condition.”

The company, which kicked off with about \$300,000 in startup capital and a \$1.5 million loan, has invested close to \$30 million since then, including investment, bank debt, and re-invested cash flow, Radler says.

As for the direction of oil prices, which have been on the rise to about \$55 per barrel in December, Radler says, “we’re going into January with a bit more optimism. I’m a simple-minded dude. I’m looking at global supply and global demand for oil. I think we’re definitely in the \$50 range for (2017), which makes a lot of American

supply fields competitive. We're always adding equipment to our fleet," and the company expects to continue additions in 2017.

FORT WORTH BUSINESS PRESS

February 3, 2017

Newsmakers: Education

Tom Sumner, a leading Houston business executive who serves on the Texas Christian University Board of Trustees, and his wife Marilyn, have made a \$5.5 million leadership gift to support the planned expansion of the TCU Neeley School of Business. Both are TCU alumni.

Tom Sumner has founded six companies since 1979. He is CEO and chairman of Allpoints Service Corp., which provides land surveying services to home builders. He earned his bachelor's degree from TCU in 1967 and MBA in 1968. Marilyn Sumner was a career education administrator before co-founding a consulting company to advise school districts in the Houston area. She serves on several nonprofit boards. She earned her education degree from TCU in 1968.

FORT WORTH BUSINESS PRESS

February 3, 2017

2017 Small Businesses of the Year Named

Four Tarrant County enterprises were named the 2017 Small Business of the Year Award by the Fort Worth Chamber of Commerce on Wednesday, Feb. 22. The annual awards were announced at Mayor Betsy Price's State of the City address at noon at the Fort Worth Convention Center.

The winners are:

Emerging Business – Alpha Industries LLC – industrial construction, fabrication and global logistics;

1-10 Employees – Z's Cafe – family-owned catering service with a non-profit partnership;

11-50 Employees – The Fulcrum Group, Inc. – IT services firm providing outsourcing to small and midsize businesses;

51-150 Employees – Southwest Office Systems, Inc. – second-generation family-owned / operated independent dealer of document technology.

"Small businesses may not make big headlines, but they are the foundation of a thriving economy," said Sherry Green, chairman of the Chamber's Small Business Council committee and president of Technology Team, a previous award winner. "These passionate and determined business owners reflect the pioneering spirit of our city and the diversity of Fort Worth's business base."

Recipients were categorized by either emerging business or number of employees, and judged on business growth and performance, sound business strategies and practices, customer service strategies, business challenges, unique and innovative approaches, and community involvement.

The winners were chosen from a record-breaking field of 147 nominees and a total of 12 finalists in four categories. Each finalist was judged on their written application and a site visit by business owners and professionals who are members of the Fort Worth Chamber of Commerce, most of them past SBOY award winners. **Top graduate students from TCU's Neeley School of Business were also among the judges.**

The 2017 Small Business of the Year awards program is presented by Northstar Bank. Additional sponsors include BB&T, Clifton Larson Allen (CLA), Briggs Freeman Sotheby's International Realty, **TCU's Neeley School of Business**, Tarleton State University-Fort Worth, Wells Fargo, Cendera Center and the Fort Worth Business Press.



February 23, 2017

Energy Service Companies Will Have Toughest Time in Recovery, Fort Worth Panelists Agree – by Scott Nishimura

Oil and gas' biggest challenge coming out of the current downturn will be in getting service companies re-established, **panelists at TCU Neeley School of Business forum agreed Tuesday.**

"The service companies are the most damaged," Ken Kirby, senior vice president, development, for XTO Energy, **said during the TCU Energy MBA Board Forum at the Fort Worth Club.** "We're going to have a lot of trouble coming out of this just because the service companies are so badly damaged. We'll certainly come out of it, but it's going to take a lot of time."

The U.S. remains strong in opportunity for firms, once a recovery takes hold, given what improved drilling technologies developed during the Barnett Shale's emergence did for the industry, Kirby said. "This country has become prospect-rich, and the economics are very good," he said. "You have to be efficient (but) we're in a great spot."

Bryan Wagner, president of the private Wagner Oil Co. and one of the panelists, put his company through a "makeover" 18 months ago.

"We measure everything, efficiency, costs," he said.

He jokingly reminisced about the industry's past. "Back in the old days, if somebody'd talk about shooting quail or drinking beer, we'd hire them," he said.

The panelists agreed the MBA candidates attending the forum will have strong opportunities in the industry, with the advancing median age of people in it. "There's a lot of opportunity for young people," Tom Bates, chairman of Vantage Drilling, an independent, said.