

One Year Later: A Story of Survival

Louisiana-based supplier to the chemical industry tells how his company triumphed over Katrina

In the year since Hurricanes Katrina and Rita unleashed their collective fury on the Gulf Coast region, thousands in New Orleans have struggled to rebuild their lives. About 250,000 homes were left uninhabitable, tens of thousands of families were displaced, and the city that was once a major hub of the nation's chemical industry was left in chaos. According to Dan Borne, president of the Louisiana Chemical Association, Katrina alone impacted a \$50 billion segment of the chemical industry. More than 50 chemical plants were severely damaged. In addition to damage from wind and water, some lost electrical and natural gas supplies for days or weeks. Many of the vendors, suppliers and contractors that did business with the industry were inoperable following the tragedy. Yet, a significant percentage of these businesses and their employees have pulled themselves up by their bootstraps and stayed on to rebuild their lives, businesses and communities. Many chemical firms and suppliers are beginning to recover. One case in point is MECO, a company that designs, engineers and manufactures water purification plants for the biopharmaceutical industry, desalination plants for offshore oil and gas companies and water purification systems for the military and emergency response agencies. Spearheaded by George Gsell, the company's president, and carried on by resilient employees, MECO's commitment to the area has helped it emerge from the storm better than before. In this month's Q&A, Gsell speaks frankly about the recovery.

By Joy LePree

Q: What effect did Katrina have on your company?

A: Katrina couldn't have hit at a worse time for us. We were exceptionally busy because the world is at war and the army needed our stuff, the population is aging and the biopharmaceutical companies are booming and oil is at \$70 a barrel, so the oil and gas companies were in full swing. I spent my entire career — this is a family-owned business and I was born and raised in it — chasing down business and, for the first time, it was no longer an issue. We were hiring people as fast as we could. Then Katrina hit, and the factory and our inventory were destroyed. We had 170 employees and they were hit hard — 36 percent had a total loss of home and contents — you know where the sofa is floating up at the first floor ceiling or the house is off the foundation. Fifty percent had substantial flooding with one or two feet of water in the house, and 15 percent went unscathed but these were field sales and service people who didn't live in the area. Our company gives you an extent of the devastation. Nothing and no one was spared, and that was the worst part. I'm talking about engineers, welders, draftsmen, accountants, office workers. Everyone suffered loss.

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Q: Were these the people who helped you rebuild?

A: The first thing I thought about was the employees and putting them back to work. They have wives and kids and needed employment. They rose to the occasion and despite their own personal tragedies, they came back to work. Originally, we retained 66 percent of our workforce. Many other area businesses retained just 25 percent in the early days and are still struggling to grow it. Since then we have had some turnover, but at the end of the day we're back at the pre-Katrina level with 166 employees. It is a real testament to the fortitude of these people that we are bigger and better than we were before the storm.

Q: What is the current state of the business?

A: Prior to Katrina, we had one facility. We now have a state-of-the-art machine and fabrication shop with an experienced workforce in Covington, LA, about 30 miles north of New Orleans. And we have a new 66,000-square-foot assembly plant in Houston that is able to tap into a more diverse workforce. Originally, we were going to open just one facility in Houston. We were forced out of New Orleans because there were no facilities in Louisiana to build a new factory and no housing for employees. The only option was to get away from the disaster area. So, we left for Houston where there was plenty of housing and an abundance of factory space. Subsequent to this decision, four metal buildings became available in Covington, LA, and since a lot of our employees wanted to stay in New Orleans and help rebuild and since we always tried to give back to the community, we closed the deal and moved our machine tools and our machinists and fabricators into that facility. I have 60 employees in Louisiana and those are veteran employees. However, hiring people in the area is still difficult because of the storms and competition from the oil and gas industry.

Q: Is business as busy as it was before the storm?

A: We are still trying to work off the backlog that existed before Katrina, which was completely wiped out by the storm. The factory was full and it was completely destroyed. So, we have not only the existing backlog and the inventory in the factory that had to be replaced, but we also have incoming business from customers. We are hiring as fast as we can and expect to be at 200 employees by the end of the year. We really are bigger and better than we were before the destruction.

Joy LePree is a contributing writer for CHEM.INFO. She has worked as a journalist for 13 years, covering a variety of issues and trends involving chemicals, processing, engineering and maintenance.

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