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HEARTLAND MIDWEST

Rapid growth for Olathe, Kan., underground telecommunications and pipe-work specialist

Lee Chapman says the beginning of his company, Heartland Midwest, was the same as that of thousands of other construction companies across the country.

“For many people in construction, owning your own company and being your own boss is the American Dream,” he said. “I’d worked for another contractor all my life, traveled a lot, and in 2001, just decided I wanted to try it on my own. I had a beat-up pickup truck, bought some old, cheap equipment, hired one guy to help me, and went to work.”

What was different about Heartland Midwest is that, after the first year, Chapman drew up a 10-year business plan that he admits was fairly aggressive. “Amazingly, we’re not only meeting the plan, we’re actually a little ahead of it,” he noted.

Owner Lee Chapman started Heartland Midwest in 2001 with one employee. Today, the company employs 120 people, installing underground telecommunications, as well as doing sewer and water work.

Headquartered in Olathe, Kan., Heartland Midwest started as an underground telecommunications installation firm, which makes sense because that was Chapman’s background. In a little more than six years, the company has grown from two people to 120. Dollar volume has increased substantially each year. And today, Heartland Midwest does sewer and water work in addition to its telecommunications jobs.

“Telecommunications is still our bread and butter, but the water and sewer work, which we do primarily for municipalities in and around Kansas City, is growing each year,” reported Chapman. “This year, it will probably be about 25 percent of our total.”

Tough jobs/talented employees

Heartland Midwest’s specialty is taking on difficult jobs that many other firms are happy to pass on.

“That’s become a niche of ours, particularly in our telecommunications work,” noted Chapman. “For example, many companies don’t like to do the utility relocations that are frequently required with road work. They’d rather be out in the open doing new installations. But we don’t mind doing the relocation work. In fact, we like the challenge.”

One of the reasons Heartland Midwest is able to take on the more challenging jobs is because of a talented and dedicated work force.

“We have people who know what they’re doing,” confirmed Chapman. “Number one, we have more managers per employee than most companies because of the type of jobs we do. Number two, the managers we have are among the best in the business. They’re highly



skilled and knowledgeable and most have been with me a long time.

“The same holds true for our operators,” he added. “We hire the best and we do our best to keep them happy. As a result, we don’t have much turnover. I’m always on the lookout for quality people. If a good person applies or is recommended to me, I’ll hire him, even if I don’t need somebody right at that particular time. I know eventually I’m going to need more people, and good ones are so hard to find, I feel as though I’d better take them whenever I can get them.”

Organization a key to success

Having established an excellent reputation in a relatively short time, Heartland Midwest is able to work almost exclusively in the immediate greater Kansas City area. The company rarely travels more than a couple of hundred miles for a job.

“We prefer to stay close to home and we’re fortunate to be able to do that,” said Chapman. “We have 21 telecommunications crews and two pipe crews for the sewer and water. All the guys appreciate being able to go home at night.”

Chapman says the company’s telecommunications work consists primarily of small projects. “I think one of our strengths, and one of the reasons we’ve been successful, is that we’re very well-organized. We transport quickly and can get up to speed on a job in a hurry. With our utility relocations, we have to be careful and precise. Another issue is that we’re often dealing with homeowners and working on their lawns. We pride ourselves on being able to deal with any problems that arise and work with residents, so when we leave, they have a favorable impression of us and are pleased with the work we did.”

Cost-effective equipment

For its excavators, as well as rental equipment, Heartland Midwest relies largely on Komatsu equipment from RoadBuilders Machinery & Supply.

“We’ve tried other excavators, and to our way of thinking, Komatsus are the best,” confirmed Chapman. “They’re reliable and we get excellent productivity out of them, but I’d say the No. 1 factor for me is resale value.



Mark McIntyre uses Heartland Midwest’s PC200LC-7 to dig a water line at The Bellagio, a commercial development in Leawood, Kan.



Heartland Midwest owns six Komatsu PC35 compact excavators, primarily for the company’s telecommunications work. “We’ve tried other excavators, and to our way of thinking, Komatsus are the best,” said Heartland Owner Lee Chapman. “In my equipment purchases, I want high productivity and high resale value and I get both from Komatsu excavators.”

We try to keep a late-model fleet. We’re not mechanics. We don’t want to see how long we can keep a machine running. We want performance, then we want to get a good price on a trade-in for the next piece. Our Komatsus have held their value very well.”

Heartland Midwest has six Komatsu compact excavators, five PC35s and a new PC78MR-6. The company also owns a Komatsu PC200LC-7 excavator and a Komatsu WA200-5 wheel loader for its larger sewer work.

“We track our equipment ownership and operating costs very closely,” Chapman related. “Both the PC200 and WA200, along

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Diversification a key for Heartland Midwest

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with the Komatsu compact excavators have been excellent. We basically haven't had any major problems, so repair costs are low and downtime is minimal."

The best support

In addition to the dependability and resale value of Komatsu equipment, Chapman says dealer support is the final deciding factor for him in choosing equipment, and he says RoadBuilders provides the best support in the region.



Owner Lee Chapman (center, standing on machine step), relies on Jason Miller of RoadBuilders (far right) for equipment purchases and rentals, and an experienced set of managers to handle jobs for Heartland Midwest. Managers include (L-R) Lucas Tickles, Scott Sparks, Doug Wittman, Ken Kearney, Mark McIntire, Travis Clark, Ben Jankowski and Don Guthrie.

This Heartland Midwest operator uses a Komatsu WA200-5 to move a rock box at The Bellagio job in Leawood, Kan.



"The supplier is very important. No matter how good the equipment is, at some point we're going to need support from the dealer, and the way he responds makes all the difference in the world to me. I don't have any extra equipment, so a machine down often idles an entire crew, and nothing hurts my heart more than seeing a crew that's not working. To avoid that scenario, I need a dealer who's going to take care of me, and RoadBuilders does.

"My salesman, Jason Miller, does a great job of getting me what I need when I need it, and service is prompt," Chapman added. "With RoadBuilders, when I call Jason or the service department, I know they're going to respond immediately, and I know within a few hours, they're going to have my machine up and running, or they're going to have a replacement unit on the job for us to use. RoadBuilders offers the total package — excellent equipment and responsive service. That's why I don't call around much when I need something. They've always treated me well and their prices are competitive."

Diversification helps

Chapman says Heartland Midwest's recent addition of water and sewer crews has helped diversify the company and makes him optimistic about the future.

"We've grown quickly, and right now, I wouldn't mind staying at our present level for a year or two. There are always ups and downs in specific markets in construction. I believe we're diversified enough now that we can go in either direction, wherever the hot market is. For example, next year and beyond, I expect our heavy side will carry more of the load for us. We're already seeing it in some of the communities around Kansas City where the water and sewer lines are old and need to be replaced.

"As we move forward, we'll continue to look for additional opportunities, but I don't think you can get too far away from what you know and what you do best," he added. "We're good at telecommunications and pipe work and that will remain our focus for the foreseeable future." ■