

# Where Are They Now?

## CALUMET TESTING

By Nick Dmitrovich

To commemorate twenty years in business, the Regional Development Company (RDC) looks back at a few of the most successful borrowers and how the 504 Loan has helped their business evolve.

It's interesting to trace back the roots of a company's success – often you'll find that many success stories begin with a simple decision, a step forward, that put a business on the right path for growth and expansion. For Calumet Testing Services of Griffith, Indiana, one of the most important decisions the company made was to partner with the Regional Development Company (RDC) for the acquisition of a 504 Small Business Loan. This first step launched more than a decade of growth for the company and helped them expand into a new facility, adding several new services for their customers along the way.

Calumet Testing Services (CTS) provides a wide array of industrial component testing and inspections, involving

both nondestructive and mechanical testing methods. CTS's facility can examine materials using radiography, magnetic particle testing, ultrasonic testing, liquid penetrant testing, alloy verification/positive material identification, tensile testing (600,000 pound capacity), bending and breaking testing, and much more. Basically, if a contractor needs to learn something about their construction materials, CTS can tell them exactly what they want to know.

Additionally, CTS is an American Welding Society Accredited Testing Facility through its Calumet Welding Center site.

Business partners Larry Kondrat and John Korienek took out their first small business loan through the RDC back in 2001, when they purchased Calumet

Testing Services from its founder Robert J. Vidimos. In 2010, the company took out two additional loans with the help of the RDC, and used those funds to conduct a major expansion at their site – a second building was added to house the Calumet Welding Center, and new offices were added on to the existing building that essentially doubled Calumet Testing's available space.

"This loan really allowed us to accomplish a lot more than we had originally imagined in a very short time," said Renae Kondrat, Director of Business Development at the Calumet Welding Center. As a result of their small business loan, Calumet Testing Services was able to nearly double its revenue stream; changing from roughly a \$3 million company into a \$5

million one over the last four years.

Erica Dombey, Executive Director of the Regional Development Company, said, "Calumet Testing is the perfect example of a RDC success story. The owners first used the program to purchase their facility. When the time came to expand their business operations, they used the value of their existing property as their equity injection. Because of the 504 loan program, they were able to obtain 100% financing of the new expansion project and retain their cash as working capital for the new business line. Calumet Testing's investment into their facility has created jobs and well-trained workers throughout the region."

Renaé Kondrat said that most recently the RDC connected Calumet Testing with Elevate Venture's Economic Gardening Program, which provides Indiana businesses with free market research, leadership training, and other services designed to help companies grow their business.

First Merchants Bank partnered with the RDC for Calumet Testing's Loans.

Vice President John Freyek said, "By any measure, both times Calumet Testing has used the program have been rousing successes. Initially to buy the business, and then when they planned a major expansion, they wisely utilized the partnership between the bank and the 504 for financing and made their plans come to life."

***"Every time a company generates a product, or builds a building, or hires new employees, they are putting money back into the economy."***

Vice President, First Merchants Bank,  
John Freyek

He went on to comment a bit about how other small businesses should be considering 504 programs, and how loans of this type impact the community overall. "There are two main reasons that a company should consider the 504 loan program. First, the long term fixed rate on the SBA portion just can't be beat, and second, the 90% loan to value

reduces the need for a company to deplete cash that can be better put toward operations," Freyek said.

"Every time a company generates a product, or builds a building, or hires new employees, they are putting money back into the economy," he added.

Kondrat had some words for other companies considering a 504 loan. She said, "If there are other companies out there that are considering a small business loan, I'd recommend getting one. It helped us a great deal, and was low interest. You'd be foolish not to get a small business loan if you're eligible for one. It's easy, and smooth." ♦

The Regional Development Company is a Certified Development Company licensed to make loans under the SBA 504 with a focus on assisting small businesses prosper to their full potential. For more information on what RDC can do for your business, visit [www.rdc504.org](http://www.rdc504.org) or call 219-476-0504.

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