



Business's HOLY GRAIL

Growing Your Business with the TEXAS ENERGY INDUSTRY

By Alan Lamme

If you're in business in Texas, you've made a smart decision. But if you're in business in Houston, commonly known as the Energy Capital of North America, you're in even better shape. Why? Because, with some good old-fashioned hard work and determination, there's a good chance your business is already thriving—or soon will be, thanks to the upbeat local economy. In fact, businesses that are finding ways to serve the local energy industry consider it the “holy grail” of industry-alignment options. After all, certain segments of the energy industry have mountains of cash and a plethora of needs to be met. Let's take a look at how businesses are either directly or indirectly prospering from it all, and how yours can too.

Talk about opportunity! The Houston oil and gas industry has more than 5,000 energy firms doing business in the region. Historically, Houston has experienced several growth spurts, as well as some devastating economic recessions, related to the oil industry; presently, it's seeing prodigious growth.

A PROSPEROUS HISTORY

The discovery of oil near Houston around 1900 led to the city's first expansion. By the 1920s, Houston's population had grown to almost 140,000 people. Fast forward to 2013: the Houston vicinity is now home to nearly 6 million residents and has become a leading domestic and international center for virtually every segment of the oil and gas industry—exploration, production, transmission, marketing, service, supply, offshore drilling, and technology. Houston dominates U.S. oil and gas exploration and production, and its part in the industry continues to grow at an astounding rate.

In fact, Houston is the headquarters for 17 energy-related Fortune 500 companies and has 13 of the nation's 20 largest natural gas transmission companies, 600 exploration and production firms, and more than 170 pipeline operators.

Plus, Houston hosts some of the world's largest energy conferences. One of them is the yearly Offshore Technology Conference (OTC), which presents the latest exploration and development technology in the energy industry to more than 80,000 attendees from 110 different countries. This year, the OTC will take place from May 6 through May 9. Restaurants, hotels, bars, printing companies, and distributors of practically every conceivable kind benefit economically from Houston's frequent energy conferences.

RIDING THE WAVE OF ENERGY-INDUSTRY FORTUNE

Liquid Assets, a Houston-area business that provides frozen-drink cocktail mixes to the restaurant and hospitality industry, credits the expansion in the Houston energy industry for the majority of its growth in recent years.

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the U.S. move here in droves," said Darren Whitaker, a sales manager with Liquid Assets. "It's swelling the amount of new customers. Brand new clubs, bars, restaurants, and hotels are being constructed in some key areas of the region. So we're concentrating on marketing to where the biggest growth appears to be occurring."

Whitaker noted that energy-industry-related angel investors are also pouring big money into new restaurant developments and concepts in Houston's vicinity, creating a key source of employment and commerce. He also said that aggressive growth in the local petrochemical industry is nearly directly responsible for his businesses' success in the region's more industrial areas.

In fact, Houston is one of the world's largest manufacturing centers for petrochemicals, and the \$15 billion petrochemical complex at the Houston Ship Channel is the largest in the country. In addition, Houston has more than 400 chemical manufacturing establishments with many tens of thousands of employees, a number that grows every day.

SERVING THE ENERGY INDUSTRY WHERE OPPORTUNITIES EXIST

Houston also has two of the four largest refineries in the United States. Randy Newman, the owner of a two-year-old hotdog-stand business called HotDogZilla.com, has found a way to tap into the refinery

business without putting on a hardhat. He serves top-quality hot dogs in all sorts of varieties to refinery workers performing seasonal maintenance and cleaning—what's referred to at the refineries as a seasonal "turn-around." "We will be setting up our hot-dog stand in April to accommodate the refinery workers, and we fully expect to net about \$500 to \$750 a day in profits," Newman said.

Because of Houston's rapid growth in shale-energy extraction, other sectors of business have been thriving as well, such as engineering services, health services, and manufacturing—not to mention the huge need for mechanics and construction workers. Members of the oil and gas industries are also highly involved with Houston's art culture, supporting theaters and museums.

The energy sector is driving job growth in all manner of area business activities and opportunities. Notable demand for office space is occurring on the west side of Harris County, where the bulk of oil and gas companies are located, as well as in the medical center just south of the central business district and in the Woodlands, a master-planned community 27 miles north of downtown.

But it's not just the Houston area that's seeing major growth. The Texas oil and gas industry estimates that roughly 54,000 new jobs will be created for the South Texas Eagle Ford shale-production area by 2021. Many of these positions will require

a college degree, and a little more than 10 percent will require direct experience in the energy business. As such, community colleges and business groups in the Houston area are organizing training programs to ensure that industry talent can flourish in areas outside of the Houston vicinity in years to come. Furthermore, a \$15 million program called ShaleNet is planned to train new pipeline operators and oil-field technicians nationwide, who are expected to follow work to new places as new fields open.

The boom in the oil and gas shale industry is causing expansion in all sorts of niches, from law firms to banks, but it's also creating enormous growth in blue-collar jobs. Because employees generally move close to work rather than make long commutes in the city's heavy traffic, apartments and single-family housing growth around major employers is also being seen, which will eventually attract retailers

to service those growing populations. Exxon Mobil is presently building a new campus on 385 acres near the Woodlands. Beginning in 2014, the company is expected to move about 10,000 jobs to that new facility, which will create a gigantic influx of new business opportunities to the North Houston area.

RESOURCES FOR MAKING DIRECT CONTACT WITH ENERGY-INDUSTRY MANAGEMENT

Businesses of practically any kind have several options for making contact with the oil and gas industry directly, if they have ideas that serve them. The Greater Houston Partnership is an amazing resource of direct-contact information to key players in the energy industry. But there are also published directory resources, known as "Who's Who" directories, for oil, natural gas, power, and so on. These directories list direct contact information for managers and company

directors of many thousands of different companies. While these directories can be a bit pricey, usually costing a few hundred dollars per directory, they can be well worth the investment for any business seeking to connect with decision makers in the energy industry.

Overall, impressive growth in nearly any form of business appears very doable, as long as entrepreneurs focus on serving the developing trends in the Texas oil and gas industry and find ways to meet its needs. It just takes hard work, good strategy, and fortitude to prosper from the energy industry. **N**

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