

# Mining Success

## Vermillion's MASABA Goes From Side Project To Major Player

BY DEREK BARTOS

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VERMILLION — While MASABA Mining Equipment in Vermillion is currently an award-winning manufacturer, it wasn't long ago that the business was simply a side project, waiting for someone to take it to the next level.

The year was 1999, and Jerad Higman was at a crossroads.

Having graduated from college a few years earlier, Higman was unsatisfied with his work as an engineer, and he wanted to do something bigger.

"I got tired of working for somebody else," he said.

Higman, who was living in Chicago at the time, decided to return home to Akron, Iowa, and his family's business.

MASABA was only a side business at the time, as the family's main efforts were focused on Higman Sand and Gravel. But Higman knew it had the potential to grow into something much larger.

"I came back to get this thing off the ground and take it from a side business to a full-fledged business entity and grow it," he said.

Harold Higman Sr., Jerad's grandfather, founded Higman Sand and Gravel in 1939. Jerad's father, Harold Higman Jr., grew up in the business and in 1962 decided to start MASABA, using what he had learned to build and sell equipment that could withstand mining environments.

"It was really just a side job to keep his guys busy during the winter so he wouldn't have to lay them off," Jerad said. "They built small conveyers and stuff like that."

Growing up, Jerad followed in his father's footsteps, also learning the trade that was the family business.

"I grew up busting rocks basically," Jerad said.

Following high school, Jerad attended the University of Nebraska where he obtained a degree in mechanical engineering. He also played football for the Huskers, winning a national cham-



PHOTO: MASABA MINING EQUIPMENT

**MASABA designs and fabricates a complete line of aggregate processing and mining equipment, as well as specialized agricultural equipment. Along with its conveyor line, which includes this heavy duty mast stacking conveyor, it manufactures hoppers, surge bins, portable and stationary crushing, screening and wash plants.**

pionship in 1994.

Jerad worked for various companies as an engineer following college, but in 1999, he decided to see what he could do with the MASABA business.

"I moved back from Chicago, put together a business plan, took out a loan, and put up a new building in Akron," Jerad said. "2000 was kind of a transition year, and I've kind of been on my own since January 2001."

Beginning with 10 employees when Jerad took over, MASABA

quickly grew, and by 2004, the company had more than 30 employees and was looking to expand its operations even further.

Jerad said it was at this point that he had to decide whether to stay in Akron or move elsewhere. Looking for help, he contacted the states of Iowa and South Dakota, and he found what he needed with the latter.

"The State of South Dakota is just awesome. They're awesome to work with, and they get economic development. I can't say

enough. They really stepped up to the plate," Jerad said. "I wasn't looking for a handout. I was just looking for help, and that's what they gave us with their economic development tools, their ready funds and several other things."

With those tools in hand, MASABA relocated to a 100,000-square-foot facility in Vermillion in 2005. The company's growth didn't stop there, as it added another 60,000 square feet in 2008 and recently completed another 50,000-square-foot expansion. It

also started a sister company — MASABA Canada — in Brampton, Ontario, in 2009.

"We've been very blessed with business and customers," Jerad said. "We've worked hard with the right people in the right place at the right time."

Today the company employs approximately 200 people, including 18 engineers.

"Those jobs didn't exist before, so that's something we're really

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## Yankton

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ter, than other regions of the world," he stated. "Yankton is sometimes more attractive than other regions when comparing concerns for corruption, ethics, safety and regional political stability."

Vishay has locations in places such as Marshall and Duluth, Minn.; Dover, N.H.; Santo Domingo, Dominican Republic; Juarez, Mexico; Beer Sheva, Israel; and two locations in China.

Monte Gulick, the plant manager for Yankton's Baldwin Filters, said that, like

most Midwestern communities, Yankton and the surrounding area is filled with people who have a strong work ethic.

"In addition, this region provides many 'quality of life' enhancers," he stated. "The bike trail, camping facilities and Missouri River recreational opportunities are just a few."

The company's growth locally has benefited from South Dakota programs designed to support the creation of job opportunities — most recently the New or Expanded Business Facility Refund Program.

"Yankton Area Progressive Growth has also been very supportive in our last three expansion projects," Gulick added. "Programs such as these help make Yankton a better place for manufacturers to be."

For some, the answer is much simpler. That's the case with Brian Strahl, Ken Karolevitz, Jackie Smith and Lee Orth, who own Dakota Trailer Manufacturing.

"For the four of us, we're all from here," Strahl said. "I love this town. I love the fishing, the hunting. I like that my kids play sports at Yankton High where I graduated. These other guys have a lot of the same thoughts."

Strahl said he believes there must be advantages to having a manufacturing plant in Yankton, otherwise his peers wouldn't be located here. One such advantage is the presence of the Regional Technical Education Center (RTEC), he stated.

"For me, it's my hometown," Strahl admits. "I can't tell you the advantages of the other towns, because I've never looked. I've never wanted to. Maybe we're a little odd that way."

Of course, Yankton also poses challenges for manufacturers. Gulick and Husman both said it is sometimes difficult to find an adequate workforce.

"One of the biggest challenges that we face is the competition for human resources," Gulick said. "Yankton's manufacturing sector seems to be doing very well collectively. As a result, we end up competing with one another for employees with skills well-suited for manufacturing."

However, he added, "I believe that our state and local leaders have recognized the shortage of human resources with the skills required for manufacturing and are working to improve it."

Husman said it's a challenge to add staff for non-traditional hours such as nights and weekends.

"This causes our equipment utilization to be less in Yankton than in some of our related Vishay factories in other parts of the world," he said.

**"Quality-of-life features are important in attracting and keeping professional staff. Our team members have choices where they can reside, and many of our professionals could work remote to our Yankton location. It is important that we provide a community with competitive resources/features to enjoy life and raise their families."**

MIKE HUSMAN

conditions for manufacturers, Husman encouraged them to be more proactive in supporting the existing manufacturing base with ways to lower its total costs and to upgrade its workforce so Yankton remains competitive.

"Workforce training grants (from direct labor to professionals) to help us remain globally competitive in terms of our human resources, work tools and work practices may be a partial solution," he stated. "They should help us make certain our infrastructure is world class, such as communications lines, facilities infrastructure and logistics support."

"Quality-of-life features are important in attracting and keeping professional staff," Husman added. "Our team members have choices where they can reside, and many of our professionals could work remote to our Yankton location. It is important that we provide a community with competitive resources/features to enjoy life and raise their families. Continue to expand on programs that will encourage our young people to stay or return to our area, showing them they can have worldly experiences and still enjoy our quality of life."

Strahl echoed that sentiment. "I think the state has got to keep trying to attract the out-of-state people, and I think Yankton has to keep attracting as many of those people as it can," he said. "Yankton is battling every other community in South Dakota. I think RTEC is a big advantage for us."

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