

## Creating opportunity in a down cycle

by Staff Writer • Published: June 19,2010 • Time posted: 7:23 am



### **Anticipating growth: Kevin Kvols, president of Versi-Panel Enclosures in Colorado Springs.**

**By Monica Mendoza**

Kevin Kvols is determined not to be boxed in by the current economy.

Just nine months ago, he laid off a round of employees — a first for his 23-year-old Companion Habitats company, and it hurt. But a new spin-off venture in reusable, collapsible crates and disaster-relief shelters promises to vault Kvol's company into next year with more revenues than at the height of his best business year. In the next six months, Kvols plans to hire back those 20 employees, and then some.

"We have more things on the horizon than we have had in 10 years," said Kvols, president of Companion Habitats and Versi-Panel Enclosures in Colorado Springs. "Even with this down economy, there is an opportunity. We just have to think differently than ever before."

Kvols began to work on a shipping container that could be reused

three years ago. The idea, he said, is to save companies money and reduce waste.

The company's V-Crate is a plywood shipping container, made in a variety of sizes, which uses snap-in brackets instead of nails. Engineers spray the crates with polyurea, a coating used on truck bed liners and tunnels, to keep out moisture. In December, the crates were tested and approved by the U.S. Army's Logistic Support Agency in Pennsylvania.

Kvols is selling the crates for \$300, about \$100 more than his competition. But V-Crates can be reused as many as 30 to 50 times compared to just the one-time use of a typical crate that gets discarded, he said.

"So, the 27 times they reused it, is found money," Kvols said. "We have some companies we can help drop \$100,000 in their shipping costs, which is huge."

The crate design got Kvols' engineers thinking they could make a disaster shelter using the same collapsible, reusable design with the same type of stainless-steel fasteners that snap into corners.

The 8 x 8 x 12-foot shelters can be assembled in 20 minutes without tools. They sleep up to six in built-in beds and two on the floor, or can be clustered for use as an office, medical center or orphanage with electrical capability. Three units ship in one crate, and the crate can then be used as a restroom facility with two separate rooms.

The Defense Logistics Agency bought two units in May for use and evaluation in Afghanistan, said Dave Richeson, president of R Concepts Inc., which is a government consultant that helped Versi-Panel introduce itself to the military. The agency likes the shelters because they can be easily moved, Richeson said. The shelters are also being looked at by the American Red Cross and Morning Star Development, another disaster-relief group.

Meanwhile, disaster-relief organizations learned after Hurricane Katrina that pets need safe havens, too, Kvols said, so he designed temporary animal cages that can be installed in the shelters. The pet safe shelters were featured last month at the General Services Administration Training and Expo in Orlando, Fla.

“This is a brand-new design for the pet industry,” Kvols said. “The way it collapses and the way it assembles, that is what you need in a disaster shelter.”

This isn't the first time Kvols has reinvented his business. In the 1980s he was doing fine manufacturing countertops. Then, house sales dropped dramatically and in 1986, he found himself cold-calling pet companies to see if they needed shelves or storage spaces. Those calls led to the launch of Companion Habitats Inc., specialty animal enclosures for the pet industry. His customers are pet stores, zoos and any business that displays animals, like the Mandalay Bay Hotel and Casino in Las Vegas, which features a huge shark aquarium that bought some of its glass cases from Companion.

Kvols grew the business into a healthy specialty with annual revenues of \$12 million five years ago. But the past two years have seen a sizeable drop in pet habitat orders.

“The pet business is a good niche,” he said. “But we're excited about what the future holds.”