

Well-positioned

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By Dan Gearino

Dateline: Mount Vernon, Ohio

For decades, **Ariel Corp.** had a long-distance relationship with the natural-gas industry, shipping heavy-duty compressors to Texas, Canada and beyond.

Lately, though, the development of Ohio shale gas means the company is seeing rapid growth close to home.

Ariel is the largest employer in Knox County, with about 1,200 workers, but it is not well-known outside its hometown. Since 2001, the face of the company has been CEO Karen Buchwald **Wright**, daughter of the founder and one of the few female top executives in manufacturing.

At the time of her promotion, **Wright** had spent more time as a stay-at-home mother than in any full-time job. The experience proved to be an asset, she said, giving her the diplomatic skills and patience to help shepherd the company through two recessions.

"I know people were worried I would drive it into the ground," she said.

Instead, the company broadened its product mix and expanded its international sales.

Ariel makes reciprocating compressors that energy companies use to extract, transport and store natural gas.

The term reciprocating refers to a design that looks like an internal-combustion engine, with pistons and a crankshaft.

"It's kind of like building a Ferrari," **Wright** said, walking across the factory floor.

"They're built with two-man teams, and every one is different."

On the floor, workers quietly examine the machines-in-progress, with almost none of the clanks, hisses and voices often heard in a factory.

Above the floor, cranes stand ready to move the finished products.

The machines range in size, with some small enough to fit in the back of a pickup truck and others as large as a living room. Prices start at \$30,000 and go as high as \$1 million.

When workers leave the floor, they pass a wall of photos of every employee, listed in order of seniority. At the top left are the founder, Jim Buchwald, and his wife, Maureen, who are retired but still live in town.

The company has grown while Ohio's manufacturing sector has struggled to stand its ground.

Ariel is "combining research-and-development talent with process innovation to produce some of the highest quality in their industry," said Ryan Augsburger, managing director of public policy for the Ohio Manufacturers' Association. "That's how you get to be a world leader."

The company serves a slice of a giant sector. Businesses that make equipment for mining and oil and gas production have annual sales of \$25.5 billion and 55,000 employees, according to 2011 figures from the Census Bureau.

Within that total, manufacturers of gas compressors have sales of less than \$2 billion, according to **Ariel** .

The privately held company doesn't disclose sales details, but **Wright** said the figure is between \$500 million and \$1 billion. Its competitors include General Electric and Dresser-Rand.

Basement-born

In the 1960s, Jim Buchwald was an engineer who came up with a design for a natural-gas compressor that was much more powerful than others available at the time.

He had worked for equipment-makers in Mount Vernon, Springfield and Oakland, Calif. In those jobs, he began to see a potential market for a new kind of compressor.

First, though, he had to build it.

Buchwald joined with two partners, Jim Doane and George Woodman, to form a business and make a prototype.

The initial work took place in Buchwald's basement in Mount Vernon. The company name came from the brand of his favorite motorcycle: **Ariel** was a British manufacturer no longer in business.

"When they started in the '60s, they were creating a new standard," said Rick Dearing, president and co-owner of Dearing Compressor and Pump Co. in Youngstown, a distributor of equipment to the oil-and-gas industry. His company has been selling **Ariel** products since 1979.

" **Ariel** came along with a high-speed machine and has done very, very well."

Wright , 58, was born before **Ariel** 's founding and grew up watching the early, tenuous stages of the company's development. She is the oldest of three children, with two younger brothers, and she had no intention of going into the family business. She wanted to study wildlife biology.

She graduated from local public schools and went to St. Olaf College in Minnesota, a small liberal-arts school.

"I couldn't wait to leave Mount Vernon -- Dullsville, USA," she said.

But she did return, eight years after she had left. She planned to open a small business in town but ended up working at **Ariel** as a management trainee. She married an accountant she met at the company and, in 1983, the first of their four children was born.

For the next dozen years or so, **Wright** raised her children full time while working part time on **Ariel** 's marketing.

Meanwhile, her husband rose to become president of the company and her youngest brother was on track to become a top executive.

In 2001, everything changed. She and her husband divorced, and he left the company.

Her brother also left, and her parents had retired.

"I was the last 'man' standing," she said.

By then, she had been back at the company full time for five years but hadn't been the top leader. She was dealing with the trauma of her marriage ending at the same time that the company faced the late-2001 recession.

Ariel had grown to employ about 400 people but was still run like a small company, with dozens of employees reporting directly to the CEO.

Wright changed the structure, giving top managers more responsibility and replacing a chaotic communication system with a weekly meeting for department heads.

Ariel 's work force has more than tripled since 2001. Much of its growth has been in sales to customers outside the United States, including in Russia and China.

Shale play

More recently, **Ariel** 's greatest gains have taken place much closer to home.

Energy firms have found ways to extract oil and gas from the Marcellus and Utica shale, rock formations that run beneath parts of Ohio, Pennsylvania and West Virginia. To get to the resources, drillers use a technique called hydraulic fracturing, or "fracking."

The process yields much more oil and gas than a conventional well.

"A well today may flow 1,000 times what a traditional Ohio well might have flowed," Dearing said.

That means more demand for compressors and a need for larger ones, he said.

For **Ariel** , the shift is striking.

The company got its start by selling to customers in the Southwest and Canada and grew by going overseas. Now, the expansion is playing out in Ohio, or just over the state line in Pennsylvania or West Virginia.

"All of a sudden, we're right there in the middle," **Wright** said.

Energy companies have locked up leases throughout the Marcellus and Utica territory and are applying for permits to drill. The main obstacle is the low price of natural gas, which has made companies pull back and delay their plans.

Ariel is positioned to grow along with the development of shale gas, a process that might last decades.

Outside her work at **Ariel**, **Wright** has become a sought-after donor to Republican political candidates. In October, presidential candidate Mitt **Romney** held an event at the Mount Vernon factory.

Although she has no plans to retire, she said, she does know who **Ariel**'s next leaders will be.

She had been gradually transferring shares of the company to her sons. Oldest son Alex, the company director of aftermarket operations, is poised to become the next president. Her three other children are co-owners.

Careful about succession planning, she has worked to prepare Alex because she remembers what it was like to be thrown into the top job.

"We're planning an orderly transition," she said.

"My plan is to step back, one step at a time. I don't plan to fully retire until they kick me out."

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About the writer

Reporter Dan Gearino covers the manufacturing industry for The Dispatch. Made Here runs monthly in Business.

Ariel Corp.

- * Year opened: 1966
- * Employees: about 1,200 (plus 300 temporary workers)
- * Products: manufactures reciprocating gas compressors for the oil and gas industry
- * President and CEO: Karen Buchwald **Wright**
- * Annual sales: Between \$500 million and \$1 billion
- * Website: www.arielcorp.com

Caption: Photo and Map THOMAS LEVINSON /DISPATCH (1) **Ariel Corp.** CEO Karen Buchwald **Wright** is "the last 'man' standing" to run the company that her father founded. (2) Randy King has worked for 38 years at **Ariel** , the top maker of separable reciprocating gas compressors.

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