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ENTREPRENEUR



CLEANING UP

JANET ADAMS ■ BUSINESS FIRST

From left, Steve Niswonger, Chip Niswonger, Thomas Kruse and David Anderson pose inside an office building on Polaris Parkway, one of the many commercial buildings their company, Scioto Corp., cleans around the state of Ohio.

With focus on adding business, company has grown and expanded in Ohio

BY BRENT WILDER ■ FOR BUSINESS FIRST

The principals of a Marysville-based commercial cleaning business spent more than 10 years growing their business through its reputation and word-of-mouth.

Now, they say, they're convinced the operation can provide the same high level of service not just to the local business community, but to organizations throughout Central and southwest Ohio through careful marketing and efficiency management.

Scioto Services LLC, which does business as Scioto Corp. with offices in Marysville, Columbus and Cincinnati, has grown from its origins as a feed-the-family, self-sustaining operation to employing 450 workers cleaning 15 million square feet of space and generating \$14 million in annual revenue in 2004 and 2005, says Tom Kruse, company president and son of the founder, who bears the same name.

Scioto Corp. has never served for its second-generation principals, who entered the company working alongside its hourly-wage cleaning staff, as "a place for somebody that was going to rely on somebody else to give them the answers ... or to look to be led," says Kruse, who joined the company with Ohio State University classmate and now company CEO Chip Niswonger in 1989.

Paying his way through OSU while working as a Scioto employee, Kruse says he and Niswonger agreed the company had long-term potential to offer more than cleaning-crew employment.

"There wasn't any room for management at that time. If there was going to be ... anything of substance to support a 'made-up' title, we were going to have to create that growth to support it," Kruse says.

Born out of necessity

Kruse says his father founded the privately held company in 1975 after the cabinet transition of Gov. James A. Rhodes' return to a third term in office. Kruse Sr. lost his cabinet position and started cleaning small offices as a one-man operation, Kruse says.

"I have brothers and sisters, so we helped out. I remember as a kid going over to (Upper Arling-

ton development the Landings) and cleaning Jack Nicklaus' office as Muirfield was being developed," he says.

Scioto Corp. grew to about 14 employees as it evolved servicing Honda of America Manufacturing Inc. after the Japanese automaker's arrival in Marysville in the early 1980s and working with the Nestle research and development center. The elder Kruse was content with the company's size.

Kruse describes working as a janitor as a humbling experience and credits the experience as the motivation behind his ability to retain employees who like their jobs and therefore, provide top performance.

Niswonger says starting as a janitor was a great way to learn about an organization.

"No one can ever take that away from you; your knowledge of how things work," he says.

Niswonger and Kruse said getting Honda as a client in the early 1980s was instrumental to Scioto's growth, providing increasing responsibility and new business lines, most notably in industrial cleaning and non-hazardous waste management.

Scioto also grew to manage the facility's protective plastic application process readying Honda Accords for transport, dramatically increasing its service menu beyond just commercial cleaning.

Niswonger says the heavy reliance on Honda and referrals through Honda may not have been the best long-term strategy, but that's how the company grew.

"We know how to run an organization, we know how to operate, we know how to treat our associates, we know how to take care of our clients (but) ... we decided we had to make sales a competency," he says.

Adding a partner, adding business

Niswonger and Kruse turned to Niswonger's brother, Steve, a sales professional with experience representing large chemical companies, in 2003 to help further expand Scioto beyond its niche.

Since adding Steve Niswonger as vice president of business development, the company has grown by 20 percent each year and opened its Columbus office in June 2003 and its Cincinnati office in January 2004, Kruse says.

Steve Niswonger says he has been able to sell Scioto Corp. against its lower-paying competitors based on the quality of its employees.

The company can offer a competitive price providing a level of service with far fewer



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Scioto Corp. employee Tyrone Reggins gets his tools inside of 570 Polaris Parkway in Columbus.

SCIOTO SERVICES LLC DBA SCIOTO CORP.

Business: Commercial, industrial and institutional cleaning provider, production support service provider and cleaning supply distributor.

Based: Marysville, Ohio

President: Tom Kruse

Employees: 450

Reach: Greater Columbus and Greater Cincinnati

2005 revenue: \$14 million

Founded: 1975

Web site: www.sciotocorp.com



employees than most organizations that would approach job sites with part-time rather than full-time workers.

"We've had clients that have had 42 part-time people cleaning a 500,000-square-foot facility, and we'll do it with 16 full-time people," Chip Niswonger says.

Kruse says Scioto Corp. has grown to service the Franklin County office tower, NAI Ohio Equities LLC and more than a 1.5 million square feet of space at OSU. Cincinnati-area customers include Hamilton County government, he says.

Tracy Willcoxon, assistant director of facilities management and engineering for the Wexner Center, was apprehensive about the university's building services suggestion to switch to a contract cleaning provider.

"What a change (we've) seen in the cleanliness of the facility since we went from in-house to Scioto," Willcoxon says.