

2012 ENTERPRISE CHAMPION

Trendsetter Engineering Inc.

Engineering company enjoys boost from Exxon Mobil contract

DEON DAUGHERTY | HOUSTON BUSINESS JOURNAL

Trendsetter Engineering, led by Mario Lugo, ranked No. 11 on HBJ's 2012 Fast 100 list.



CRAIG HARTLEY/HBJ



WHAT IT DOES: Provides specialized subsea solutions for the oil and gas industry

2011 REVENUE: \$63 million

TOP EXEC: Mario Lugo, CEO and president

EMPLOYEES: 70

FOUNDED: 1996

INDUSTRY: Energy services

WEB: trendsetterengineering.com

When Mario Lugo drafted a team of 10 consultants to assist Exxon Mobil Corp.'s subsea engineering work in 2006, he had no intention of growing Trendsetter Engineering Inc. into a million-dollar company.

Following the Deepwater Horizon disaster in 2010, Irving-based Exxon (NYSE: XOM) again called on Lugo. This time, he was challenged to design, manufacture and deliver an interim capping



“
We invest
in people.”

MARIO LUGO, CEO
TRENDSETTER ENGINEERING INC.

CRAIG HARTLEY/HBJ

305% growth

stack for the Marine Well Containment Co., a consortium that now includes 10 large companies involved in deepwater drilling in the Gulf of Mexico. Within eight weeks, Trendsetter delivered the equipment, which enabled Exxon to obtain one of the first deepwater permits to resume drilling in the Gulf.

As Lugo explained, the capping stack hadn't been used as part of the subsea drilling process prior to Macondo. The machinery was used for onshore drilling; the Trendsetter design was the first one used by a major oil company for deepwater drilling.

Once that first capping stack was in place, Trendsetter signed a master service agreement with Exxon, ConocoPhillips (NYSE: COP), Chevron (NYSE: CVX), and other major oil companies.

While it might take some developers more than a year to design and manufacture a manifold, Trendsetter completed six manifolds in six months, Lugo said.

“Those guys started seeing what we could do, and they started relying on us,” he said. “It went the same way for 24 independents, too. When they found out what we could do, they started calling us, and now the phone is ringing off the wall.”

In a sense, the high-tech and high-dollar machinery that goes into subsea drilling is no different from the air con-

ditioning system in a home, Lugo said.

“There are always issues,” he said. “It might work very well when it's new, but then there are problems and somebody needs to fix them.”

Lugo said the real need for subsea completion work generated the exponential growth Trendsetter has seen in recent years.

The company has 70 employees and plans to hire more this year. Because of their growth and innovation, it has been chosen as an Enterprise Champion among the *Houston Business Journal's* 2012 Fast 100 companies.

“Some companies invest in machinery and tools,” Lugo said. “We invest in people.”

Indeed, Lugo said Trendsetter's primary challenge is to maintain its unique company culture while growing at a rapid pace.

“Our personnel share a mutual respect, sense of pride and ownership that is reflected in the first-class work that we produce,” he said. “Everyone recognizes that they play an important role in the company's success.”

DEON DAUGHERTY covers energy and law for the Houston Business Journal. Reach her at deondaugherty@bizjournals.com, 713-395-9627 or twitter.com/HBJDaugherty. Follow her award-winning “Drilling Down” blog throughout the week at houstonbusinessjournal.com.

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Keystone pipeline chess game

Date: Friday, November 18, 2011



Deon Daugherty
Reporter - *Houston Business Journal*
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Just a day after I talked to University of Houston's... the impact of the Obama administration's postponing a decision on the Keystone pipeline, ConocoPhillips, Enbridge and Enterprise announced a deal should fulfill Arbogast's assertion that there's more than one way to get Canadian crude to the Gulf Coast.

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True confessions of an aspiring wine judge

Date: Friday, November 18, 2011



Greg Barr
Managing Editor - *Houston Business Journal*
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I'm staring at 10 partly filled wine glasses, lined up in a row in front of me like tequila shots on the bar at some spring break hangout in Cozumel. To my left, a plate with crackers, cheese and some thin slices of rare roast beef.

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