

RV Market Drives Growth at Blue Ox

For nearly six decades Automatic Equipment Manufacturing in Pender, Nebraska, was known for its line of agricultural products, from a machine for cleaning lice and grubs off cattle to farm implements, tractor guidance systems, and in-cab computer monitor mounting kits. Over that period, the company received dozens of patents for its innovative technology and problem-solving designs.

Despite fluctuations in the agricultural economy, the company managed steady growth until the deep recession of the early 1980s brought the farm sector to a standstill. "Our agricultural business was suffering," recalled company President Jay Hesse. "The livestock market was in the dumps. We decided there was an opportunity to diversify our product line to include towing systems and accessories for the recreational vehicle (RV) aftermarket."

The company's initial rollout for the RV market was a Tow Dolly system

used to pull cars behind motor homes and rental trucks.

Today, the product line includes weight distributing and gooseneck hitches, a variety of tow bars, supplementary brakes, chassis enhancements and carriers for cars and motorcycles. In terms of revenue, the company's agricultural business is now eclipsed by its RV product line.

An avid RV owner, Hesse steered the company's RV business through a rapid expansion in the early 1990s with acquisition of the Blue Ox® product line. "At the time we purchased Blue Ox it was a \$1 million product line that grew tremendously by 2008," Hesse observed. "Today, we conduct our business as Blue Ox and few people know us as Automatic Equipment Manufacturing."

Since the acquisition, Blue Ox has solidified its position as a leader in the RV and towing industries, both domestically and overseas in Australia and New Zealand. "We have also expanded into commercial towing products and are gaining a presence in the defense industry," according to Blue Ox Vice President Ellen Kietzmann. "Our line of tow bars goes all the way up to 120,000 pounds of commercial or industrial grade capacity."

Both Kietzmann and Hesse credit the success of Blue Ox to a tradition of customer service spanning three generations. Examples of the company's commitment to its



The company's Engineering department was relocated to Lincoln in 2011 and Logistics in 2012 at a separate 40,000 square foot facility, freeing up space in the manufacturing facility for more welding stations, lasers and assembly lines.

customers include participation in industry associations, RV shows and rallies, and sponsorship of continuing education programs and seminars.

Customers are also welcome to stay free of charge at the Blue Ox RV Park in Pender, where they can enjoy full use of amenities such as Wi-Fi service, water and electricity hookups.

Blue Ox rode out the latest recession and decline in RV sales by streamlining its management and manufacturing operations. During that economic downturn, the company turned to First National Bank for specialized commercial services,

including international wire transfers.

With financing from First National and a grant from the State of Nebraska, they are currently upgrading their paint facility and material handling capabilities, which will result in a significant increase in production.

"We've never had a bank that took such a personal interest in our business and helped us with finding solutions," Hesse observed. "It's just a pleasure doing business with First National. John Grose and the First National team truly makes us feel that we are partners in this business together."



Ellen Kietzmann and Jay Hesse are flanked by a Mazak X510 Mark II plate laser machine.

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