

BREAKING GROUND

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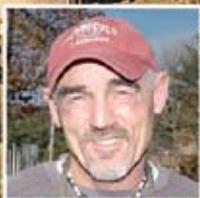
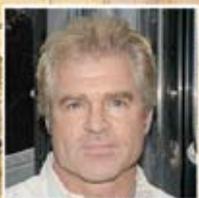


Featured in this issue:

AMERICAN EXCAVATING CORP.

A "band of brothers" leads this Derry, N.H., earthmoving contractor

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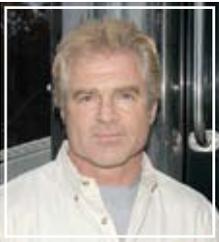
(L-R) Tom Lannan, Owner/President; David Lannan, Owner/Vice President; Stephen Lannan, Owner/Superintendent

KOMATSU

A SALUTE TO A CUSTOMER

AMERICAN EXCAVATING CORP.

A “band of brothers” leads this Derry, N.H., earthmoving contractor



Tom Lannan,
Owner/President

It wouldn't be a stretch to say there's a definite brotherhood associated with American Excavating Corp., and it begins with the men who own the company.

Three brothers, David, Tom and Stephen Lannan, founded the business 17 years ago and continue to run the operation today as co-owners. While some families can find it challenging to work together, all three Lannan brothers say their sibling connection is a source of unity and pride for American Excavating.



David Lannan,
Owner/Vice President

“Everybody thinks it's difficult to work with family, but I probably have the two greatest partners I could really ever want or care to have,” said David Lannan, the oldest of the brothers. “I can't say enough good things about both my brothers. They're both hardworking guys.”

“It's a band of brothers,” agreed Stephen Lannan, the youngest of the three, born 10 years after David. “We're a family that gets along. Any turmoil usually doesn't last long. We've always just been a really close bunch.”



Stephen Lannan,
Owner/Superintendent

“Working with my brothers has not been a struggle,” echoed Tom Lannan, 14 months younger than David. “In fact, that's probably been one thing that's united us and kept it all together. When we started, I don't believe we really ever set our expectations higher than to go out and work hard to provide a good living for our families. The next thing we know, the ‘family’ grew to 60 employees plus their families.”

Throughout the past 17 years, that growing family has helped to establish American Excavating as a topnotch earthmoving contractor. Located in Derry, N.H., about 10 miles southeast of Manchester, American Excavating specializes in dirt work for

commercial sites, parking lots, roads and underground utilities.

Tom serves as President and is in charge of estimating, scheduling and overseeing the projects. As Vice President, David runs the garage and oversees equipment maintenance while managing a couple of jobs in the field. Stephen spends all of his time in the field as a superintendent, managing some of American Excavating's larger projects, sometimes as many as four at a time.

Among some of the other vital employees are Job Superintendents Tom Billetter, Alan Hartley and Jon Millsaps and Truck Supervisor Kenny Booth. In addition, Dawn Kipperman serves as Office Manager and Diane Lefebvre handles the accounts payable/receivable and payroll department. Tom's wife, Diane Lannan, organizes American Excavating's MSHA and OSHA safety programs.

Going into business

The Lannan brothers' combined efforts have been instrumental in the growth of their company since they incorporated in November of 1990. All three had learned much of their trade while growing up, working for their father's construction company, Lannan Corporation. Eventually, they made the joint decision to venture into business on their own.

“We all had experience in the industry and our father always told us we were better off working together as a team,” Tom said. “I don't think I ever even considered going to work for anybody else and I'm willing to bet my brothers thought the same thing.”

Tom said he came up with the name of the company out of a combined sense of



American Excavating Operator Richard Currie uses a Komatsu PC400LC excavator to dig at a jobsite in Londonderry, N.H. "Our PC400s are very fast and they have a lot more reach than other brands of comparable size," Currie said.

patriotism (around the time of the first Gulf War) and a desire to be one of the first businesses listed in the phone book.

"I think that did help us get a couple of phone calls, especially early in the game when we needed the calls the most," Tom said. "Now we get most of our calls based on reputation, but back then I'm sure being at the top of the book didn't hurt us any."

With just one additional employee on the payroll, the young entrepreneurs got started by doing a number of water and sewer hookups. The economy was slow in the early 1990s, and work wasn't plentiful.

"We were fortunate because a big sewer expansion was underway around Beaver Lake (in Derry) the first year we were in business and we went out and aggressively priced the work," Tom recalled. "I bet we did 50 percent to 60 percent of the hookups on the lake. While my brothers were doing the work there, I was looking for the next job."

By the mid-1990s, the economy had picked up and American Excavating started doing work in some larger subdivisions. "We were fortunate that we hooked up with some good clients and we seemed to be expanding almost daily," Tom said.



American Excavating Operator Tim Nerden uses a Komatsu WA450 wheel loader to move rock at a jobsite in Hooksett, N.H.

Today, Tom estimates American Excavating does about \$10 million to \$12 million in annual business, generally within a 25-mile radius of its Derry headquarters.

Equipment needs

As the size of the company has grown, so has its need for productive equipment. To meet those demands, Tom says his fleet of equipment includes about 15 to 20 pieces

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**RELIABLE
EQUIPMENT**

**RESPONSIVE
SERVICE**

Powerful machines work well on challenging jobsites

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Jon Millsaps,
Job Superintendent



Alan Hartley,
Job Superintendent

of Komatsu machinery from R.C. Hazelton, purchased through President Dan Hazelton and Territory Manager Chuck Smyrl. That equipment includes excavators, ranging in size from a PC78US to PC400s, to wheel loaders as small as a WA80 and as large as a WA450. In addition, American Excavating can crush the rock it produces at its jobsites using its Komatsu BR550JG-1 crusher and then use that aggregate material at other jobsites nearby.



American Excavating had to move about 110,000 yards of rock to build an access road to this water tower at a condominium development project in Hooksett, N.H.



Operator Chris Miller said he's comfortable in this Komatsu PC400LC excavator, backfilling some buildings at a jobsite in Derry, N.H.



"Dan Hazelton was persistent," said David, recalling American Excavating's early Komatsu purchases about a decade ago. "We demo'd five or six different machines before we chose Komatsu. Then one piece turned into two and two turned into six and it just grew from there, as did the relationship between our companies. As soon as we saw what kind of standup people are at R.C. Hazelton, we bought more and have stuck with them because of their good company ethics and the way they do business."

American Excavating used its Komatsu PC400LC excavator and WA450 wheel loader at a recently completed job in Hooksett, N.H. An access road was needed to a new, 1.1 million gallon water tank as part of a condominium development project. The job required cutting through ledge and removing roughly 110,000 yards of rock, much of which the company immediately crushed with its Komatsu BR550JG-1 crusher.

"We had to basically make a canal through the hill and it was quite a challenge," said Job Superintendent Jon Millsaps. "We used the WA450 mainly for mixing and loading our select materials. The PC400 was on site for loading during almost the entire job. Both machines worked well for us."

American Excavating Operators Richard Currie and Chris Miller each spend a lot of time on the Komatsu PC400LC excavator and say they're pleased with how it's performed.

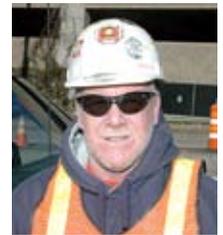
"I like that machine. It has a lot of power," Currie confirmed. "Our PC400s are very fast and they have a lot of reach — much more than other brands of comparable size."

"It's got a lot of reach and it's well-balanced," Miller agreed. "I've been working with the PC400 since 2003, and I've been really happy with it."

A high-profile project in downtown Manchester that began in July of 2007 prompted American Excavating to purchase a couple of smaller pieces of Komatsu equipment — a PC78US excavator and a WA80 wheel loader. The widening of Granite Street leading to the Verizon Center is scheduled for completion in November of 2008 and includes new curbing,



American Excavating purchased a Komatsu PC78US excavator and a WA80 wheel loader for the tight confines faced when widening Granite Street in Manchester. "This is the first time we've owned some small machines and we're very happy with them," said Job Superintendent Tom Billetter.



Tom Billetter,
Job Superintendent

lighting, sewer, water and sidewalk along one of the gateways into the city.

"This is the first time we've owned some small machines and we're very happy with them," reported Billetter, who is overseeing the project. "We're working around very tight quarters on this project. We're not disturbing as much traffic and we're able to get close to buildings in many places. We've had no downtime and the operators love the smaller machines. Plus, the attachments — cleanup bucket, broom, and forks — are good. We've been very pleased."

In September 2007, American Excavating completed another highly visible project — the construction of two softball fields at Pinkerton Academy in Derry, where the Lannan brothers went to high school. To do that job, American Excavating had to convert a sloping pasture into a level athletic surface in an ambitious 90-day schedule.

"Every bit of material on site we were able to use back on the same site," said Stephen, who oversaw the project. "The job called for a large amount of gravel underneath the fields, so we crushed the rock onsite with our crusher. Plus, we put in an underground stormwater system that called for a lot of three-fourths-inch stone, which we made on site too."



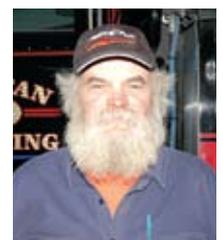
American Excavating produces aggregate from its own jobsites with the help of its Komatsu BR550JG-1 crusher.

"With our crusher, we actually look for jobs with surplus materials — preferably rock," said David. "Many contractors don't like dealing with it, but we like rock, or ledge, because we can crush it up and use the aggregate at a number of other jobs we might be working on in the area."

Product support

When maintenance issues arise, American Excavating has its own mechanics on staff

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Shop Mechanic Carl Lampro was American Excavating's first employee in 1990.

High standards signature for American Excavating

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Kenny Booth,
Truck Supervisor

to address any problems. For more serious matters, Tom said R.C. Hazelton has been extremely responsive.

“When there has been a problem, Dan Hazelton has stepped up and helped resolve it,” Tom said. “I have all of Dan’s phone numbers. If I have a machine that’s broken down on a job and I let Dan know it’s a really key job and I need to meet my schedule, Dan

will make sure we are back up quickly. If we’re going to have a day or two downtime, he’ll provide a machine equal in size to replace it at no cost. Hazelton’s Service Manager, Dan Gervais, does a great job and he keeps my brothers happy — and my brothers are pretty hard Irishmen.”

“Dan is always stepping to the plate for us,” David added. “I think he’s got the right approach on business and keeping customers happy. Of course, we all need to make a little money, but at the same time, if you treat customers right, they will stay with you and you’ll have a long-term relationship with them.”

It’s certainly been a long-term, mutually beneficial relationship between the Lannan brothers and their local community. All three derive a great deal of satisfaction in playing a role in the infrastructure improvements that help to make their hometown — and the surrounding area — a better place to live.

“We do a lot of work locally, both private and municipal,” Tom said. “At the end of the day, we have to drive by that site for the next 20 years, so we work extremely hard at trying to be the low bid.”

“We like it when people tell us, ‘You really did a nice job on that project,’” David said. “I often joke that these jobs are my masterpieces.”

After nearly two decades in business, it’s not hard to find plenty of masterpieces around Derry, N.H., associated with American Excavating. But these three hardworking brothers, united by both their jobs and family, are not resting on their past accomplishments. Instead, they continue every day to push each other — and their larger family of employees — to achieve the high standards that have become the signature of their company.

“I just consider us to be three hardworking guys who relate to our employees,” Tom said. “We don’t need to be the biggest company in New Hampshire or New England. I don’t believe any of us has those aspirations. What we have is a comfortable place for everybody to work and at the end of the day that’s a nice thing.” ■



(L-R) American Excavating Corp. Owners Tom Lannan, David Lannan and Stephen Lannan can count on Territory Manager Chuck Smyrl and others at R.C. Hazelton for support with their equipment needs.

An American Excavating operator moves material with a Komatsu PC200LC excavator at a jobsite in Derry, N.H.

