

Seller, Servicer and Renter of Construction Equipment

Lavallee & Associates was hired by a \$7 million sales company specializing in the selling and renting of earth moving machinery and equipment to contractors, municipalities and state agencies. Founded in western Massachusetts, the company grew and expanded into several locations in Massachusetts and Connecticut. The Connecticut facility was dedicated to the assembly and installation of large truck bodies and snow removal equipment on large truck chassis.

When Lavallee & Associates was hired, the company had closed one Massachusetts location but was still experiencing significant losses. After detailed divisional analysis, Lavallee & Associates determined that a large portion of the previous year's losses was attributed to the Connecticut division. A strategic decision was made to close the truck sales division immediately. Orders already received were completed and final delivery dates were scheduled.

The company continued cost-cutting measures by reducing employees by almost 50% and reducing its overhead by moving all operations into one location.

The company filed for re-organization under Chapter 11 of the Federal Bankruptcy Code and received approval of its Plan of Reorganization 89 days later.

Lavallee & Associates continues to meet regularly with this client, who will be reporting profits for the first time in a number of years.