



Lanyard Hits Pay Dirt with Hitachi

Tob Lee's original business plan did not include operating an excavating division. But when his real estate company, Lanyard Development, Inc. of Savannah, Georgia, bought a site containing fill material, fate took over. One thing led to another and before Lee knew it, he was the proud owner of a new fill-dirt division. Unfortunately, he didn't know tons about the dirt business.

Getting into the fill-dirt business may have been happenstance, but staying in it has been anything but.

LEARNING THE ROPES

"My background is real estate," states Lee. "I find land, buy it, develop the lots, and sell them to builders. Because we kind of backdoored into fill, we sought advice from well-respected grading contractors and other people in the industry. They advised me not to cut prices to get market share, but said we should earn the business by providing good service and doing what we say we will do."

Lee also realized the ability to move fill was not as important as having the

available inventory. That led him to acquire additional tracts of land, with an overall capacity of nine million yards of fill material. All these locations are high-volume, high-production operations with a variety of material, making it possible to provide the right type of soil for every application.

"The beauty of this type of operation is that we can load material for our jobs, plus supply material to anyone else who needs it," says Lee. "We often provide material to some of the larger, out-of-town contractors who don't have the raw goods here."

COLOR ME ORANGE.

Earthmoving

PIT ACTION

Lanyard's pits average a combined capacity of 2,000 to 4,000 truckloads per week. Loading all that material are six Hitachi ZX350LC-3s and one ZX450LC-3. But Orange wasn't always the predominant color.

"We used to run Kobelco," says Equipment Manager Bryan Bowen. "We started to demo other brands because we had a number of breakdowns and could not get service or repairs. We cannot have customer trucks backing up because our machine is down, especially when some of the trucks are hauling dirt to one of our jobs. It gets expensive quickly at \$50 per hour. If productivity is off, we cannot service our customers.

"We did a lot of side-by-side comparisons and kept detailed records. Hitachi was faster, smoother, and more fuel efficient — a lot more fuel efficient."

AVOIDING THE MONEY PIT BY LEASING

Working with their local Hitachi dealer, Lanyard Development chose to lease their Hitachi units with an extended warranty package for three years/6,000 hours. This helped contain costs except for basic maintenance, which they perform themselves. Their dealer also handled the sale of the Kobelco units the Hitachis replaced.

"From my real estate background, I thought I could buy the equipment, get it paid off in three years, and still have equity," states Lee. "My dealer pointed out that I don't really have the time or ability to sell used equipment. Plus there really wasn't much equity left at the end anyway.

"We're in the dirt business, not the equipment business, so we decided to lease. A lower payment over 36 months was an added benefit. We even sold our own haul trucks in favor of using independent truck drivers to handle our company projects."

"Service is critical to us," adds Bowen. "We replaced every one of our excavators with Hitachi because our dealer takes care of us when there is a problem. They handle it, and we don't lose any operating time."

"Attitude is everything," concludes Lee. "We strive to serve our customers, and our Hitachi dealer helps us accomplish that. If that balance isn't there, we cannot grow or be efficient."

Lanyard Development, Inc. is serviced by Industrial Tractor, Savannah, Georgia.



Bryan Bowen, Equipment Manager; Rob Lee, President; and Chris Waters, Vice President of Operations.

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