

BREAKING THE MOLD:

From Searching for Capital to Selling Concrete to Business Success



How one Virginia-based business built and financed a ground-breaking innovation through a partnership with Concrete Equipment Financial Services Corporation

Every invention is born from an idea. However, Victor Morrisette knows ideas require significant work, time and resources to have value, especially in the concrete business.

“You can have a great idea, and if nobody acts on it, it’s kind of nothing,” he says.

Morrisette, who is vice president of Palatine, Virginia-based AAA Concrete LLC and Pointe Masonry Inc., filed his first patent in 2018. Over the past five years, Morrisette and his sons, Lee and Patrick Morrisette, invented a new pored-wall foundation and basement system.

They received their patent within 18 months but faced a major obstacle to bringing it to market: They needed trucks.

After seeing several volumetric concrete trucks at World of Concrete in January 2022, Morrisette began crunching the numbers. As new volumetric trucks are worth \$300,000-400,000, it was clear he had a question to answer. Which comes first: attracting the business or buying the equipment?

“You really can’t sell concrete unless you can make concrete. You can’t make the concrete unless you can get equipment, and you can’t get the equipment without financing,” says Morrisette. “You can’t afford to buy the equipment and have it sit around on a field of dreams.”



Beginning with a business plan

Morrisette dedicated the next three months to determining whether his business venture was worth the risk of buying equipment.

In constructing a business plan, Morrisette accounted for each type of necessary materials, equipment and labor, as well as time factors. He also sought to gain an understanding of volumetric trucks, including the equipment’s downsides.

Morrisette evaluated concrete use in 18 surrounding counties, as well as the competition – their prices, locations and how they conducted business.

“You need to find a hole – where there is an underserved portion of the market that’s easy to pick off, where sales are easy to get,” says Morrisette. “If you can find that, you’re justified in taking the risk of buying the equipment.”

Victor Morrisette
President

AAA Concrete LLC & Pointe Masonry Inc.



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After finding their key market, Morrissette determined the location for his loading yard and plans for loading trucks, two decisions he stressed as vital for cutting costs.

With six volumetric trucks, he determined they could make nearly \$3 million every year, before taxes and after expenses — and that was if they achieved just 58 percent of his estimated production level. He says being conservative is key.

How to find financing

With numbers as good as Morrissette's, one would think acquiring the loan for equipment would be easy.

"That's why we had a problem," says Morrissette. Traditional financiers thought his plan was too good to be true because they did not understand what set his concrete business apart.

That changed when he found Concrete Equipment Financial Services Corp. (Concrete Financing), a subsidiary of Travelers Financial Group, and began working with Alex deRosenroll, the company's assistant vice president of asset-based lending.

"Most lenders in our area don't even know what a volumetric truck is, and they make it too difficult to do business," says Morrissette. "Alex knew the different manufacturers, and he knew the numbers speak for themselves."

Concrete Financing, based in concrete equipment manufacturer hub Vancouver, British Columbia, provides financing in the United States and Canada for concrete and construction-related equipment such as truck-mounted concrete pumps, line pumps, volumetric trucks, and other equipment. Because of their 35-year history in the industry and knowledge of the equipment, they typically do not require large down payments other financiers may mandate, and instead will advance up to 100 percent of equipment costs over repayment terms of up to 84 months on new equipment. They also are often able to review transactions under \$500,000 with a one-page credit application, which helps limit unnecessary paperwork.

Concrete Financing provided Morrissette with the critical funding he needed to purchase his first two volumetric concrete trucks.



"The goal is to provide the capital that allows the business owner to get things up and running as quickly as possible." - Alex deRosenroll

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"We are champions of speed and convenience. At the end of the day, we understand that Victor needs to focus on running his business," de Rosenroll explains. "The goal is to provide the capital that allows the business owner to get things up and running as quickly as possible."

And Morrissette did. Today he's selling concrete all over Virginia. Over the next six months, he plans to buy at least four more trucks through his partnership with Concrete Financing.

"We would have easily spent another 12 months to get to this point because of the hurdle of getting financing," says Morrissette. "With Concrete Financing, it was much easier to accomplish what we wanted to accomplish."