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A Soilmec SR-45 piling rig at work during new bridge construction near Sudbury, Ont.



Foundation Deal

Equipment Sales & Service expands its product depth and market coverage with the purchase of Selix Equipment

By Mark Halsall

Founded in 1946 and now in its third generation as a thriving family-owned business, Equipment Sales & Service Limited (ESS) is one of the country's most long-standing and established heavy equipment companies. Its extensive presence in Canada's construction market has grown even larger with the recent purchase of Selix Equipment Inc.

"ESS is extremely excited about this acquisition. It is a perfect fit for our growth strategy and will expand our footprint in Ontario, Quebec and across Canada," said Morgan Cronin, president of ESS.

From its nine locations across Canada, ESS helps keep Canada's heavy equipment up and running by providing customer solutions for heavy equipment, parts and service in the construction, mining and forestry industries. In addition to its OEM product lines, the company is one of Canada's largest suppliers of aftermarket and wear parts and also specializes in undercarriage service.

Based in Ottawa, Selix is a successful distributor of drilling and deep foundation equipment, representing a number of product lines including Sandvik, GEAX and International

Construction Equipment and, through its relationship with ESS, Soilmec.

Selix has grown rapidly since its start in 2012, establishing a strong market presence in Ontario and Quebec. The scope of its business includes hydraulic piling rigs as well as various sizes of drills used for ground consolidation, environmental sampling, tiebacks, micropiles, jet grouting and geothermal applications.

ESS is an authorized distributor for Soilmec and, according to Cronin, Selix's experience selling piling rigs and other foundation construction gear manufactured by Soilmec was a key consideration in pursuing and completing the deal.

"The core skills of Selix personnel will greatly enhance our ability to sell and support the Soilmec line of equipment that we represent," said Cronin.

"With Soilmec, we have state-of-the-art technology," said Mario Roussel, general manager of Selix Equipment. "They are certainly the leader of the pack in piling and drilling equipment lineups."

As Cronin says, the acquisition of Selix Equipment in the fall of 2017 was also part of a larger strategic



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decision to expand ESS's presence in the drilling and deep foundation market.

"This was where we wanted to take the company," he said. "The foundation industry requires a very specialized knowledge base and skill set, and you need those attributes to be taken seriously. Selix has an excellent reputation and traction in that market."

Cronin adds that because there's no overlapping of knowledge bases and skill sets between the two companies, the entire Selix organization has been left intact.

"This really is true growth for us," he said. "We have added excellent people to our team, great products and have immediately established ourselves in a new market."

Cronin notes that key goals for ESS are to offer high value-added products and to expand into growth areas. The purchase of Selix, he says, achieves both objectives.

As Cronin said, "We want to be where the growth is in terms of the product we sell and the markets and territories we cover."

"Selix is ready to move to the next level and become a major player in the foundation and drilling industry. Our relationship with ESS will be a major asset in accomplishing that objective."

- Mario Roussel, Selix Equipment

Win-win for both companies

Roussel considers the deal a win-win for both ESS and Selix.

"Selix is ready to move to the next level and become a major player in the foundation and drilling industry. Our relationship with ESS will be a major asset in accomplishing that objective," he said, adding that the move will enable Selix to better service its customers by carrying more equipment inventory and accessing the resources ESS can provide.

Also important, Roussel said, "The Selix team will continue to be available to service its customer base and capitalize on the relationships it has built."

Roussel and Cronin agree that because Selix is a Canada-based distributorship, it has an intimate understanding of the Canadian market and can respond quickly to customer needs.

"Service is what really sets us apart. We are all about drilling; that's what we do and that's what we know," said Roussel. "When drilling customers call, we know what they're after because we talk their language."

Cronin believes that in this age of complex, computer assisted machinery, it's particularly important to have highly



Selix Equipment general manager, Mario Roussel

trained and skilled service technicians at the distributorship level, like the kind you'll find at ESS and Selix.

As heavy equipment becomes more sophisticated, Cronin maintains that there is greater emphasis placed on highly specialized knowledge and computer analysis that can only be provided by distributorships who invest in their service capabilities.

"This kind of shift is happening everywhere," said Cronin, "and we want to be there to provide the service those businesses will need."

Cronin says that being a private, family-run business is a big reason why ESS has achieved long-term success.

"A primary source of our financing is through our owners," he said. "This reduces our dependency on, and is less restrictive than, traditional financing sources. We are not driven by a focus on short-term goals and gains...We have patient and knowledgeable lenders looking at our business from a personal and long-term perspective and our strategy reflects that."

"How we run our business has resulted in the development of solid relationships with our business partners, which is also a key to long-term success."

ESS's achievements have been recognized by the business community. It is a Gold Standard Member of the Canada's Best Managed Companies (BMC) award program, which recognizes excellence in Canadian-owned and managed companies with revenues over \$10 million. Last year marked the sixth straight year that ESS has been awarded the BMC designation.

ESS's head office is located in Toronto. It also has branches in Ottawa, London, Sudbury, Montreal, Quebec City, Sparwood, Vancouver and Edmonton. In addition

to its Ottawa location, Selix is opening a second branch in Montreal. ☺



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