

Q&A: Larry Weiss

A look at leasing, diversification & the industry itself

Compiled by: Brent Hoskins, Office Technology Magazine

Recently, Office Technology magazine interviewed Larry Weiss, president and CEO of Atlantic Tomorrow's Office (Atlantic), based in New York City. With 400-plus employees, Atlantic has three offices in New Jersey, four in New York, one in Philadelphia, Pennsylvania, and one in San Antonio, Texas.

Upon graduating from Hofstra University in 1973, Weiss began his career with Xerox. In 1982, he "rescued" Atlantic Photocopy from bankruptcy. The small, struggling operation with a staff of five ultimately grew to employ more than 500 people (pre-pandemic) with more than 20,000 customers. Today, Atlantic is an authorized dealer for HP, Konica Minolta, Kyocera, Ricoh and Toshiba. The dealership also offers managed IT services, managed print services (MPS), document management software and unified communications (UCaaS).

This interview was the result of a particular interest Weiss expressed in having the opportunity to share his thoughts regarding an article appearing in the August 2023 issue of Office Technology: "Leasing Reforms: They are long overdue in our industry." (The article can be viewed on the BTA website at www.bta.org/OTArchives.) While the first two questions below address this topic, Office Technology took the opportunity to also ask Weiss about product and services diversification, and his passion for the industry.

OT: What comments would you like to share regarding the "Leasing Reforms" article appearing in the August 2023 issue of Office Technology? (Editor's Note: The article, in part, focuses on what the author views as difficulties associated with buying out a competitive lease and returning an MFP to a leasing company when the remaining lease payments are made prior to the lease expiration date.)

Weiss: The issue I have with the article is that it totally



misses the point — there was no mention about portfolio protection in the article. Most independent dealers I know likely have some type of portfolio protection/contracts with their respective leasing companies that govern the respective terms and conditions between the two parties. One of the things that has evolved over time is that leasing companies used to think that the lessee was their customer. That is incorrect. The lessee is our customer and we are the customer of the leasing company.

Over the years, we have implemented contracts with leasing companies that outline our portfolio protection. This is the governing language that covers a lot of dealers' concerns. The leasing companies abide by these contracts. That's extremely important. When such a contract is in place, it guides the leasing company's actions. We have portfolio protection so that the leasing company provides Atlantic the opportunity to cure a problem if there is a problem. But, after a week, if the client wants the non-original vendor to receive the buy-out information, the leasing company will respond to that request. Why would I want to do business with a leasing company that is going to freely give out my information to anybody without me being given an opportunity to address any problems?

OT: What are your thoughts on these areas, cited as concerns by the author of the August 2023 article: (A) The difficulty in determining the remaining balance/payoff amount of a lease; (B) The rarity of notifications from leasing companies regarding impending lease expirations; and (C) Frustrations with having to store competitive equipment in a dealership's warehouse, awaiting the lease expiration date.

Weiss: In terms of a leasing company sharing information on the remaining payments due on a lease, it's not a

problem. The reality of the situation is that if the client is speaking to you and for whatever reason wants out of a lease, the client can tell you how many remaining payments are left. We have had no problems getting information on the remaining payments from leasing companies. If a client is unhappy, the leasing company will provide a non-original vendor buyout that totally releases the obligation of the client once the outstanding lease balance is satisfied. Let's be careful not to confuse remaining payments left on a lease with receiving the non-original vendor buyout.

In terms of lease-end notifications from the leasing companies, the leasing companies we do business with put the lease termination date on the last three invoices with the terms and conditions they must follow to terminate the lease. They've been doing this for quite a while.

Finally, in regard to the non-original vendor having to store the equipment: That is just a part of the game; it's the business we are in today. If you want to be in this business, you've got to have the ability to store the equipment and pay off the lease.

I would be remiss if I did not point out that we've all dealt with "bad operators" that have bought out leases by including the remaining payment in the new lease and never sending the money to the leasing company, therefore leaving the client — who in good faith thought the lease was being terminated — on the hook for not only the new lease, but also the old one. This is just another reason why I am against making it easy to terminate a lease.

OT: How has product and services diversification helped grow Atlantic? How has managed IT services led to the placement of additional imaging devices, by way of the "stickiness" that can be established through IT services?

Weiss: We began by saying: "We have a large customer base and we should be able to cross-sell." As it turns out, we do not have the penetration to cross-sell that we thought we would have in terms of selling IT to our current MFP clients. We realized that, based on our IT stack, 50% of our MFP clients are not going to be IT clients because they don't fit the stack. As far as the other 50%, we have been cross-selling IT services to probably 4% or 5% of those MFP clients.

However, if we switch the question to: "How many of our IT clients do we sell MPS and MFPs to?" the answer is: 90%. One of the things we look at is IT acquisitions. I don't want to say we're aggressive regarding acquisitions because we don't do that many. However, we completed an IT acquisition

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on Feb. 22. Through such acquisitions, we know we're going to get much better pull-through on cross-selling all the other products and services we offer. So, yes, you have the stickiness, but it's more like crazy glue when you buy an IT company.

OT: Many dealers remain nearly exclusively focused on transactional workgroup MFP sales, making little effort to diversify their portfolios. What is your message to those dealers in terms of the importance of diversifying?

Weiss: They need to diversify. Do they need to diversify into IT services? Not necessarily. But they need to diversify, and do so in areas that may be easier for them. For example, consider MPS. That's a business that is very similar to the traditional MFP business.

If dealers don't want to get into managed IT services, document management or UCaaS, they can still survive as long as they understand the different opportunities within print, such as MPS and production print. But if they are just focusing on MFP placements, it's going to be a tough road ahead, in my opinion.

OT: You have made a good living in this industry and clearly have a passion for what you do. What's the basis of that passion? What is it about this industry that keeps you involved, wanting to continually move forward?

Weiss: I think that this industry is one of the best-kept secrets. It's an industry where, if you want to succeed and provide your family with a good lifestyle, this is one where you can start from the ground up and make a very good living.

This is an industry that is comprised of like-minded people. Just recently, at The Cannata Report's Awards & Charities Gala in New Jersey, we saw how generous and wonderful the people in this industry are and how they look to make a difference. I've known most of these people for 30 years or longer. This is an industry of smart, generous, fun-loving people who just want to make the world a better place.

I think when you put all that together and you see where we've all come from and the opportunities that this industry can provide those hard-working individuals, like I said, I see this industry as a best-kept secret. I have always felt that way about it. ■

Brent Hoskins, executive director of the Business Technology Association, is editor of Office Technology magazine. He can be reached at brent@bta.org or (816) 303-4040.