



OFFICE SPACE COPIER'S

INSIDER'S GUIDE TO LEASING A COPIER

BY ANYA KREBS



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ABOUT THE AUTHOR

ANYA KREBS

Founder of Office Space Copier, Anya Krebs has been involved in the copier industry since 2007. After so many years of seeing businesses, non-profits, churches, start-up companies and other verticals being taken advantage of, she decided to create a place where people could go to get help. She has guided the customers stuck in leases to cross off all of the fine print that would put them in a bad financial position year after year and leave them stuck in contracts that were not favorable to them.

In addition to her full-time work, she is a huge non-profit advocate and has helped save non-profits over \$400,000 to date (as of 2018). Her goal is to reach one million dollars saved.

Watching businesses grow, start, change and make a difference in the community gives her joy. She wishes to be part of this process and guide others as best as she can.

Anya's familiarity navigating copier lease contracts can save you thousands of dollars on your current or future copier purchases. Please do not hesitate to reach out to her for a free consultation. If you're stuck in a leasing contract, she can analyze your current agreement and help find ways to minimize your annual increases and over-payments.



Please do not hesitate to contact!

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Currently stuck in an agreement?

Let us look it over so we can help you with ideas and strategies to help minimize annual increases and over-payments!

Book a free consultation to review your current contract !

NEED A COPIER, PRONTO.

Office copy machines and plotters are a necessary part of the workplace, but they are a confusing and often costly purchase. I have over a decade of experience in the copier industry and I'm tired of seeing businesses:



- 1. overpay for their equipment,**
- 2. get locked into contracts that don't fit their needs,**
- 3. and be forced to upgrade their equipment well before their contract is to expire.**

More often than not, it's because they were sold the wrong solution. This ebook will give you the insight you need to determine which path: lease, rent or purchase is right for you. If you still have time on your current agreement, there are strategies that can minimize annual increases and over-payments.

The company name was inspired by the 1999 classic "Office Space" movie starring Ron Livingston and Jennifer Aniston. The plot follows three company workers who hate their jobs and really hate their office equipment! This ebook has been peppered with a few quotes from the movie for added flavor!

Wondering what you should negotiate when entering into a new copier agreement?

Use this checklist:

- No annual increases
 - 30 Day renewal at the end of the lease (Cross out the Evergreen Clause)
 - Maintenance Agreement which is separate from your Lease Agreement
 - Add a Performance Guarantee to your paperwork and have both parties sign off on it
 - Install, setup, delivery, and training should be included
- No document processing fees

BUYER BEWARE

LETTER OF INTENT (LOI) A.K.A. EVERGREEN CLAUSE

SCENARIO 1

Your office manager was assigned to handle the leasing for a new copier and sign off on the paperwork after approval. The average term of a copier lease is 5 years and in today's economy, many employees don't stay in their job for a 5 year period. Three and a half years into the lease, the office manager is moving on to greener pastures and quits their job.

What is the Evergreen Clause?

The Evergreen Clause states that you are required to write a Letter of Intent (LOI) and send it to the leasing company between 90-120 days before your lease expires, which leaves you with a 30 day window to notify them you want out of your contract. Unfortunately, when your office manager quit, they were the only employee in the company aware of the leasing agreement expiration date.

RESULT:

The LOI is never sent in. Now you're locked in for another year because the contract states that it will renew for up to a full 12 months if they don't received your letter of intent.

The copier provider didn't alert you before your lease expires. They also didn't tell you that your LOI should be printed on your letterhead, signed, and faxed or emailed back to the leasing company before the deadline. In fact, they had no plans to. It is in their best interest to make sure that you don't even know what LOI stands for and that it never gets sent in.

SOLUTION

Option 1: You can try to find a new copier provider that is willing to pay the remaining payments of your current copier lease and sign a new lease with them.

Option 2: There's no way out of it. You will be forced through contractual obligation to pay for a copier that you may not want or need for the next twelve months.

Option 3: If you think you missed the date, you call Office Space Copier. They will walk you through the process prior to reaching out to the leasing company.

"Yeah.....I'm gonna need you to come in on Saturday."



EXPERT TIP:



If you are considering signing a new lease, make sure you suggest or demand changing the terms to 30 day renewals.

BUYER BEWARE

SEPARATE VS. EMBEDDED MAINTENANCE AGREEMENTS

SCENARIO 2

You've purchased a 35 page per minute color machine that copies, prints, scans, and has a staple finisher from "Copier Company A" and the maintenance agreement has been built into the lease. You're covered for 5000 Black and White (B&W) printed pages at \$0.01 per page and 1000 Color printed pages at \$0.08 per page. (There is an automatic meter read that is sent back to the maintenance provider.)

	Cost Per Page	Minimum Page Limit in Contract	Maintenance Cost Per Month
B&W Page	\$0.01	5000	\$50.00
Color Page	\$0.08	1000	\$80.00

Total Monthly Maintenance Cost \$130.00

The industry standard for Maintenance Agreements is to increase 10%-15% each year. In this case, your Maintenance Agreement was tied into the leasing agreement so you pay for the increase on the leasing cost and the maintenance cost.

Copier Company A

	Annual Increase	Monthly Leasing Payment	Monthly Maintenance Payment	Total Monthly Cost	Annual Cost
Year 1	0%	\$175.00	\$130.00	\$305.00	\$3,660.00
Year 2	10%	\$192.50	\$143.00	\$335.50	\$4,026.00
Year 3	10%	\$211.75	\$157.30	\$369.05	\$4,428.60
Year 4	10%	\$232.93	\$173.03	\$405.96	\$4,871.46
Year 5	10%	\$256.22	\$190.33	\$446.55	\$5,358.61

Total Cost of 5 Year Contract: \$22,344.67

RESULT:

After Year 1, you see your overall bill has ballooned and don't know why. You are using the same copier from day one so the hardware hasn't changed but you're paying more for it. Hopefully, you can reach your sales rep...

Now let's compare that to **Office Space Copier's Solution:**

	Annual Increase	Monthly Leasing Payment	Monthly Maintenance Payment	Total Monthly Cost	Annual Cost
Year 1	0%	\$150.00	\$130.00	\$280.00	\$3,360.00
Year 2	0%	\$150.00	\$130.00	\$280.00	\$3,360.00
Year 3	0%	\$150.00	\$130.00	\$280.00	\$3,360.00
Year 4	0%	\$150.00	\$130.00	\$280.00	\$3,360.00
Year 5	0%	\$150.00	\$130.00	\$280.00	\$3,360.00

Total Cost of 5 Year Contract: \$16,800.00

SOLUTION:

*Your Maintenance Agreement increase **CAN** and **SHOULD** be negotiated prior to signing the lease, so there are **NO** annual increases.*

Office Space Copier does not charge an annual increase in their leasing or maintenance agreements. In this scenario discussed, it would result in a:

Total Savings over 5 Years: \$22,344.67 - \$16,800.00 = \$5,544.67

That money could have been invested in marketing strategies, upgrading your IT, building brand awareness or any other activity that could have helped your business grow!

What else should Maintenance Agreements include?

Maintenance agreements should include toner, parts, service and labor. Paper, staples, and IT services are excluded after initial installation.

Tell me more about Maintenance Agreements.

Have your maintenance agreement separate from your lease. Most leases are for 60 months, but your business will change in this 5 year time period. You will either make more prints per month or less. If it is in your lease agreement, you cannot make any changes to the allotment of copies. If your volume increases, you will be charged an average rate for all copies over the included pages. This rate may be higher than what your included cost per page is. And if your maintenance is inside your lease, the entire payment will increase 10% every year.

What are the common hidden fees?

- 10 % annual increases
- Travel - They can charge you a trip fee per service call.
- Shipping fees - Toner is to be shipped to you when you need more.
- If you're in a maintenance agreement, you won't be able to change your service provider.

BUYER BEWARE

PRINT REDUCTIONS DUE TO BUSINESS CHANGES

SCENARIO 3

Let's review the same scenario with "Copier Company A". It's a five year lease at \$175.00 per month with an embedded maintenance agreement and the whole contract is set to increase 10% per year.

There is no question that your business is going to change within five years, which could mean less prints.

- You may decide to go paperless.
- Your employees prefer to work remotely. You no longer have 10 inside sales reps inside of your office.
- Your workflow changes.
- You move to electronic forms.
- Your client prefer PDFs to paper copies.
- You decide to become a more green or environmentally conscious company.

RESULT

Everyone's business changes in a five year period and any of these changes could result in you printing fewer pages. If your maintenance is built inside of your lease, you will still be charged for 5000 B&W images, 1000 color images regardless if you cut down to 2000 copies.

You cannot change this plan, you cannot lower your allotment. You're paying for images that you're not using.

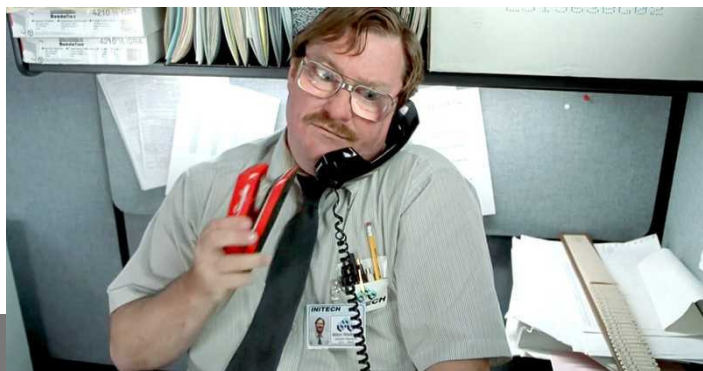
SOLUTION

Option 1: Things stay the same. You pay your monthly bill and eat the cost.

Option 2: Negotiate the terms of your page allotment before you sign the contract.

Option 3: Use Office Space Copier! They provide quarterly reviews so if you reduce your number of copies, you won't have to pay for what you don't use!

"Excuse me, I believe you have my stapler."

**EXPERT TIP:**

Ask your sales representative about adding a quarterly review to your contract before you sign on the dotted line.

BUYER BEWARE

PERFORMANCE AGREEMENT & EQUIPMENT BREAKDOWNS

SCENARIO 4

You sign a five year lease but you forgot to ask for a performance agreement. At the end of year 4, your copier keeps jamming and breaks down. The tech can't repair it. You assume that it would be covered under the maintenance agreement, however your sales rep informs you it isn't.

"Why does it say paper jam when there is no paper jam?!"

RESULT

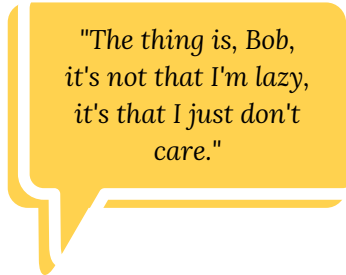
A copier leasing contract is similar to the contract used when leasing a car. If you turn it in a year early, you are still responsible for the 12 remaining payments. Your salesperson says the only option you have is to upgrade to a new lease on a new copier.

The Kicker: If you still have remaining months on your lease and your current vendor is suggesting to upgrade your equipment early, they will roll your remaining payments into the new lease. The lease payments do not go away from the previous contract, and they do not “payoff” your remaining payments. You will have to finance the debt of your old copier into your new copier lease. It isn't likely that your sales rep is going to tell you about the performance agreement at the signing of the original contract because selling you another copier is in their best interest to help them meet their sales quota.

SOLUTION

Negotiate a Performance Guarantee, and get it in writing.

Performance Guarantees force sales representatives to be ethical and for the technicians to do the right thing. If the equipment is not operating within the manufacturer's specifications, the copier or accessories should be replaced for the remaining term of the lease.



"The thing is, Bob, it's not that I'm lazy, it's that I just don't care."

Technicians have a monthly budget on how much they can spend on parts. They won't do it if it pushes them over budget because their bonuses are based on those budgets. The tech could be lazy and say that they can't replace a part or put off doing so until the next month.

If your copier is breaking down more than it should and your current vendor is trying to upgrade your equipment prior to the lease expiring, they should replace the copier for the term of the lease if the monthly average usage is in the specs of the machine, and there has been no poor treatment of the equipment.

Office Space copier values integrity and provides a Performance Guarantee with every leasing contract.

How can I be approved for a lease?

In order to be approved for a lease you need to have 3-5 years of bankable history to be considered. Anything short of 5 years in business will require a personal guarantee (PG). If you do sign a PG, ask them to run your credit every 12 months and remove your PG once you have made the required number of on time payments. You must negotiate this prior to entering into the agreement.

Office Space Copier Makes Deciding Easy.

Every business situation is unique.

That's why we're happy to help you determine the best copier option for your needs, whether buying, leasing or renting. We'll look at your office equipment needs and desires as well as your business growth plans to help you get the best bang for your buck.



Contact us to book your free consultation!

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