

## After the Sale: Part 2 of a 3 Part Series

AS FEATURED IN  
THE **CANNATA** REPORT  
September, 2019



Flo-Tech's headquarters in New Haven, CT

# Rolling with the New Flo-Tech

President John Byxbee talks about the benefits of being part of Flex Technology Group.

By Scott Cullen

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**N**ever underestimate the value of networking. Or, as the classic networking mantra goes, it's not who you know, it's who knows you.

Except that mantra actually worked both ways a few years ago when the management of Flo-Tech in Middletown, Connecticut, reached the conclusion that in order to grow at the rate they'd been growing, they needed to partner with an organization that could fund their aggressive growth initiatives.

The dealership was rolling, nearly doubling its office equipment business prior to President John Byxbee joining the company in 2015. His mission was to accelerate growth even more, and that growth continued after he signed on to the company and after Flo-Tech was acquired by Flex Technology Group (FTG) in November 2017.

"I had grown our aftermarket business quite a bit, but in order to keep growing at the pace we were, we needed a different capital structure," recalled Byxbee, who also had a knack of selling to the enterprise, a key target market for Flo-Tech.

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John Byxbee

"When you get deals of that size, a lot of capital is required," said Byxbee.

After exploring a few options, management determined the best option was Flex Technology Group. Flo-Tech owner Leo Bonetti and Byxbee already knew FTG President Tom Callinan. Bonetti had been a client of Callinan's when he was running his consulting company, Strategy Development, and Byxbee worked under Callinan when both were with IKON.

Byxbee speaks highly of Callinan and Frank Gaspari, CEO of Flex Technology Group.

"Frank is an incredibly energetic leader and brings a tremendous amount to the table," said Byxbee. "Tom brings an incred-



Flex Technology Group recognized Flo-Tech as its highest performing company with its first-ever Chairman's Award bestowed at FTG's kickoff meeting in February of this year. Left to right: Dave Sasher, Flo-Tech; Frank Gaspari, FTG; Tom Callinan, FTG; Peter Massaro, Anthony DelGrosso, John Byxbee, Don Foley and John Fraitzl, all of Flo-Tech.

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ible amount of industry knowledge and a lot of tremendous insights. Yet, they both feel comfortable with the leadership that we have in place to give us the autonomy to run the business.”

#### Minimal Change

Not much has changed since Flo-Tech joined the FTG family.

“Tom and Frank have both been through the ‘IKON-ization’ of companies, whereby destroying the local culture, they eventually destroyed the business,” observed Byxbee. “They’re very sensitive to allowing the local leaders and the entrepreneurs that ran the businesses before to retain the culture and retain that closeness to the customer.”

That’s a plus for enterprise customers who appreciate having access to the president or owner of the business.

“They don’t want to have to call through some management matrix to get problems solved,” noted Byxbee. “They want to interact with the decision-maker. Our model allows us to do that.”

That’s another thing that hasn’t changed. Everybody who interacts closely with customers has remained in Connecticut.

After consolidating certain back-office functions at FTG headquarters in Phoenix, the money previously spent on func-

tions such as accounting and IT at Flo-Tech has been reinvested in the segments of the business that provide more value to clients and are important for growing the business. For instance, client support staff has tripled and the sales team has more than doubled.

#### Raising the Bar

Flo-Tech has a history in software development and being part of a larger entity has raised the bar for those initiatives. Its internally developed Alert Management Software is a predictive service tool that allows Flo-Tech to not only receive alerts from whatever imaging device is in the customer environment, but also enables enhanced customer service by reducing human interaction using the business intelligence in the software. Recently, the company rolled out an enhanced version of its electronic interface that allows clients to place and track service calls. Being able to fund the development of enhancements such as these is a direct result of the funds available to Flo-Tech now that it’s part of FTG.

Flo-Tech is sharing this technology with other FTG companies, elevating service in those organizations as well.

“Every acquisition we make, there are certain things that get brought to the table by the [acquired] companies,” noted Byxbee. “Flo-Tech always had a strong technology presence, so they were able to

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leverage and improve some of the technology that Leo and team had put into place, taking us to that next level and sharing that with our sister companies. It’s pretty exciting.”

Flo-Tech has always been MPS oriented and had been manufacturing its own toner cartridges for nearly 25 years in Connecticut, providing clients with an alternative to traditional reman cartridges. Since the acquisition, Flo-Tech has shut down its cartridge manufacturing operation and moved to an all OEM scenario for its cartridges. That is another benefit of being part of a \$350 million entity.

“As a standalone \$35 million company, we did not have the clout with HP to make that happen,” explained Byxbee. “So now, you can imagine some client that signed up with us [for MPS], thinking they’re going to get reman, they’re now getting OEM and are pretty excited about that.”

Having the resources of FTG has always provided Flo-Tech with expanded buying clout with OEMs such as Canon. It has also provided them with the necessary resources to handle big roll outs to enterprise customers since FTG had experience in doing these rollouts for huge clients across the country.

Recently, it was able to roll out 5,000 printers to a client in less than three months, thanks in large part to being part of FTG.

“That would have been a real challenge for us,” stated Byxbee. “We’ve done multiple rollouts in the last year where we’ve leveraged FTP’s implementation team to provide unbelievable rollouts for our clients that we would have been incapable of providing before the acquisition.”

Even though the cartridge manufacturing facility was shut down, Flo-Tech was able to accommodate everyone in that segment of the business who wanted to remain with the company.

“It presented our employees with a lot more opportunities than before to move into higher-level, more meaningful jobs,” said Byxbee.

Another positive change that can be attributed to the acquisition, was moving out of its old headquarters in Middletown into a new building, as well as opening a location in New Haven that’s become an excellent showcase for client visits.

“It’s a huge upgrade for [employees] in terms of job environment,” added Byxbee.

The company recently conducted an employee survey and received phenomenal comments from employees in terms of job satisfaction since the acquisition. One literal benefit from the acquisition is that employees have better benefits.

“Being part of a \$350 million business, our benefits are on par with a Global or an IKON, or any of those larger entities I’ve worked for in the past,” said Byxbee.

#### Ain’t Nothing Like the Real Thing

“Are these guys for real?”

That’s the question Byxbee hears most often from other dealers about FTG.

“Since we’ve been acquired, they haven’t mandated we do anything,” said Byxbee. “They always give us the option to adopt best practices when they come up. That’s been a wonderful best practice sharing scenario for us. It gives us the option to take advantage of a lot of things that they can do centrally that makes sense for us. But what they say is very factual in terms of our ability to continue to operate on our own, provided that deliver the correct results.”

The results so far have been excellent with Flo-Tech enjoying tremendous bottom- and top-line growth.

“We are up significantly in both areas in a way we could never have been had we not been acquired,” concluded Byxbee.



#### Questions About This Story?

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