



Techies IT a 'perfect fit,' Loffler says of purchase

- Fast-growing Bloomington company focuses on a "Blue Ocean" strategy for sales and service -- and watches for "the next big wave."

Loffler Cos., a fast-growing office technology sales-and-service provider, will announce Tuesday that it's buying Techies IT, a smaller business-to-business IT consultancy owned largely by the founder of the Geek Squad.

CEO Jim Loffler said his Bloomington-based company will pay something less than \$2 million for Techies, which has about \$2 million in revenue and boasts more than 100 customers on a "managed-service platform," handling total communications and technology needs on an out-sourced basis.



"IT has been our fastest-growing business at about 25 percent annually, and we've grown about 20 percent annually overall," said Loffler, who expects the company to hit \$50 million in sales this year. "We saw Techies as a perfect fit and a way to double our IT footprint. We have hired 10 of the 14 Techies people."

Jim Loffler, CEO of Bloomington-based Loffler Companies, started the firm in 1987 with his wife. With him are Adam Lurie, director of Integrated Solutions, left, and John Hastings, vice president of sales.

Robert Stephens, founder of Geek Squad, separated the business-oriented Techies from his consumer-driven Geek Squad several years ago when he peddled Geek Squad to Best Buy Co. Stephens, 40, remains "chief inspector" of the Geeks.

"Techies was a hedge against whether I might hate corporate life at Best Buy," Stephens quipped. "My marriage here has been fruitful, and my work here is not done."

"Geek Squad is a convergence of consumer technology. Techies is a convergence of office technology. The computer, once primarily a product, has now become primarily a service. We recognized Loffler's commitment to process and service."

Loffler, 53, a humble and patient entrepreneur who avoided venture capitalists and private equity guys, started the business in 1987 with one other employee, his wife. He expanded from dictaphones to copy machines, computers and other technologies with an eye toward long-term relationships. The company has more than tripled in sales to \$50 million and doubled the number of employees to 300 over the past seven years.

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"Earlier this decade, we started building an IT business around each of the product sets we handle," Loffler said. "Everything is more computer-based, whether phone systems or scanning. Our customers were saying ... 'Can you help us tie everything together.'"

Although it will sell you a Canon copier or a telephone system ala carte, Loffler focuses on a "Blue Ocean" strategy of buying, integrating and managing national-brand digital telephone systems, voice automation, printers, copiers and computers for several hundred clients, including Printing Industry of Minnesota and the Minnesota Twins.

Loffler has emerged as a regional leader in integrated-technology solutions and is one of the fastest-growing of its breed, according to Inc Magazine.

Jim Loffler once sold shoes nights at Southdale, took sales and marketing courses at community college and helped care for his ailing father in the late 1970s. He's been lauded for excellent listening and learning skills.

Loffler said his style is more like surfing: "You watch for the next big wave, then you start paddling like crazy."

In 1988 he expanded early from dictation machines to become one of the first local dealers to offer the then-new facsimile transmitter -- the soon got-to-have fax machine. That led to copiers, as Loffler concluded fax machines would be incorporated into copiers. He was right again.

Loffler has become a large Canon and Minolta copier dealer. Those copiers, plus the sophisticated digital printing equipment that has emerged, drove the business for several years. Meanwhile, Loffler was searching for strategies to keep the dictation-equipment business growing and settled on 911 systems as a logical and large market. Loffler also jumped on the digital technology wave of the past decade that allows voice recordings and videos to be downloaded to computers and transferred over a corporate network or the Internet.

Loffler also is associated with market-leading wages and benefits, ownership and rewards tied to long-term employee performance, tuition-reimbursement programs and a grassroots-community focus that engages most employees in hands-on volunteer work and philanthropy.

Loffler said Monday: "I just try to surround myself with good people who are smarter than me."

Neal St. Anthony • 612-673-7144 • nstanthony@startribune.com