
Consultant Helps Clients Lease on Their Own Terms

By David Twiddy, Staff Writer, *Kansas City Business Journal*, September 8, 2003

You wouldn't think a law firm would need help reading contracts.

But when Doug Doerfler, chief financial officer of **Stinson Morrison Hecker LLP**, was looking for help in combining several office equipment leases signed before the merger of Stinson Mag & Fizzell PC and Morrison & Hecker LLP, he called Independent Lease Review Inc. to come take a look.

The Overland Park-based company's president, **Mary Redmond**, helped the firm negotiate better end terms to several of the leases and gave Doerfler tips on what to watch out for in future leases.

"Mary has a background with technology leases, and I don't think all law firms have experience with those types of leases," he said. "She's kind of the expert eye before we finalize anything." Redmond's expertise comes from 21 years spent selling and revising the very leases she now scrutinizes.

She said that leases have become a staple in capital expenditure budgets but that few people truly understand them. Redmond said she uses a 26-point checklist to find and disarm some of the most common traps laid in such agreements.

"My saying is I take the 'gotchas' out of the lease agreements before they get you," Redmond said. "I save my clients money."

For example, she said one client, a commercial printer with eight employees, thought he could buy his equipment at the end of the lease for 10 percent of the original equipment price. In fact, the lease said he would have to return the equipment.

Redmond and the printer were able to negotiate with the leasing company before he signed the contract, and the company added language allowing the buyout.

Even when they read the contracts, however, Redmond said the terminology confuses many business owners.

FearLess Negotiator

Mary A. Redmond
Speaker, Author, Consultant

Some leases, for instance, allow a customer to buy the equipment for “in place fair market value,” which is not what it sounds like. The “in place” means the customer also must pay any ancillary charges, such as extra wiring, uploading software or construction used to install the equipment.

Shook Hardy & Bacon presented a challenge to Redmond’s skills when the law firm asked her to review 62 proposed leases for its new building at Crown Center. She said she turned around the job in a month and recommended which leases Shook should sign.

“I was amazed by how different (the leases) were,” she said. “I found some ‘gotchas’ I had never seen before.”

Despite the popularity of leasing -- \$204 billion nationwide in 2002, according to the Equipment Leasing Association -- consultants like Redmond are rare outside of California and built-up areas along the East Coast.

Dave Mathewson, vice president for leasing at Bank of America in Kansas City, said many companies still rely on the advice of leasing companies brought in by longtime finance partners and trust their judgment.

Mathewson, who sat across the table from Redmond on some of her negotiations for Shook, said corporate regulations calling for greater scrutiny of contracts could steer business her way. “Companies like Mary’s provide a one-stop shop to businesses who don’t want to also bring in an attorney,” he said.

Redmond worked for several big leasing firms, such as GE Capital, Mellon Bank and Wells-Fargo, before growing tired of the corporate culture. After trying several other businesses, including baking scones for coffee shops, she returned to leasing -- but on her terms.

She said she focuses on law firms because of their intensive use of leasing and makes presentations to business groups, where members often express surprise that they can change their leases. “My view is, everything in life is negotiable,” Redmond said.

Mary A. Redmond

Mary A. Redmond, The FearLess Negotiator, works with business professionals who want to become stronger negotiators. After attending one of her workshops or coaching sessions, clients feel more confident in stressful business situation whether they need to close bigger and more complex sales, secure the perfect new job, ask for that well-deserved raise or improve communication with their colleagues, bosses or families.