

Press release
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'Inventory-Balancing Agency' Moves Freon 22 Equipment

By B. Checket-Hanks
Of The NEWS Staff

The elimination of R-22 HVAC systems for new installations, the changing of lines in general, gives rise to the question of what to do with older systems that have suddenly become obsolete — or not too far from it.

In this market, change creates opportunities for those who can see them. This is the case for companies like Lazco Corp., a national redistributor of air conditioning equipment. The company helps manufacturers and distributors buy, sell, and rent new and used equipment of all sizes. "We go from window units to chillers," said company president Steve Lazar.

He has been in the industry 30 years, initially working for his father's HVAC company. "I had friends in the surplus business, and I applied it to the heating and air business," Lazar said. He used the inspiration to form a company called Speedway Supply. Lazco was formed in September 2007 as "an inventory-balancing agency for the heating and air-conditioning industry," Lazar said.

Market changes, like the phaseout of R-22 equipment, result in surplus inventory. "We sell primarily to wholesalers, so we can move products from one distributor to another, as well as selling overseas, without affecting the industry," he said. This helps free up warehouse space, allowing distributors to focus on selling their current inventory. They're also not loading up their contractors with older obsolete inventory. They are able to convert older inventory into working capital that can be reinvested in current selling inventory.

Lazco Corp's Website www.lazcocorp.com helps wholesalers download inventory lists, allowing interested parties to see what's out there and available. The site lists all product information by manufacturer. Wholesalers are able to save 30% to 50% below distributor cost.

"It's a win-win situation," Lazar said. "The wholesaler in California moves inventory, and the wholesaler in Tennessee gets a deal. We provide a service to those people looking to save money."

Who is selling? "Everyone is sitting there with surplus inventory to some degree," he said. "Many of the manufacturers and distributors are really focused on getting their contractors selling 410A systems. Everyone is sitting out there with inventory." For distributors with line changes, this type of service helps them move their old line. It also helps contractors who have had delivery problems. "Say you have an application for a job for a 50-ton rooftop unit and the manufacturer has a 30-day delivery time. We could rent out a unit until their new unit arrives." It's a fairly common problem, especially during seasonal rush times. Lazco also sells large surplus chillers, rooftops, cooling towers, and computer room units for immediate delivery, when they cannot wait and need it now.

"The whole concept is to serve the industry, to assist companies in moving out assets that they're no longer interested in selling," said Lazar. "Old equipment is not like fine wine. It doesn't get better with age. We get lists of equipment, find buyers, then ship it from A to B. I buy it at one price and sell it at another. Once I have the list, I put it out to our potential buyers."

The changing refrigerant situation is the biggest thing going on now, he said. "We bought up a lot of product from contractors as well. Today there is an opportunity for contractors to go for higher efficiency equipment. A lot of the new construction markets today will not allow you to sell R-22 into them, or it must be matched equipment. When we get the equipment, the contractors and distributors can reinvest" in equipment that is more relevant to their customers' needs.

"In today's economy, you have to focus on what you do best."

For more information, call 619-840-0004 or visit www.lazcocorp.com.

Quote:

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