



# Lapping the competition

*ColorTyme franchisee Scott Brown and his team have a goal, a plan and a process for unsinkable success*

Scott Brown spent the bulk of his Wichita, Kansas, childhood in two places: the grill and the pool. Both locales were manifestations of family legacies. Brown's Grill was opened by Scott's grandfather, Richard Brown, in 1946 and, by the time Scott came along, there were three locations run by Scott's dad, Charlie (yes, Charlie Brown), and uncle, R.J. Prior to joining the family restaurant business, Charlie had lettered nine times in three different sports and been an All-American as a high school football player, then went on to a full football scholarship at Kansas State University. Meanwhile, Scott's mother, Priscilla, had held a dozen or so national swimming records as a youth.

So it's no mystery how Scott not only inherited extraordinary athletic ability, but also absorbed a die-hard work ethic, entrepreneurial spirit and exceptional discipline and drive during his formative years—qualities that have served him well beyond his days of hosting duties at the grill or record-breaking competition at the pool. They've served him, in fact, all the way to owning a ColorTyme franchise that generated enough revenue to rank his four-store operation fifth nationwide in the system.

An APROfile by Kristen Card  
Photographs by Maureen Porto

**T**o call Scott Brown “hard working” is an understatement. Brown was a tender 10 when he began helping his grandfather at the restaurant, working three hours every Sunday for \$10. A competitive swimmer since the age of 8, Brown was driving himself to 5:15 a.m. practices by the time he was 14 and completing every weekday with another two-and-a-half-hour swim session. He kept up both “jobs” through his high school graduation, when his championship swimming—two-time Kansas state champ, All-American as a senior and still the holder of several statewide records—earned Brown an athletic scholarship to the University of Arkansas, where he became a four-year letterman.

“When you’re on an athletic scholarship, it’s like having a job,” Brown says. “If you don’t perform, then they cut you and you lose your college funding; you’re done.”

Despite the performance pressure—or maybe in addition to it—Brown learned many lessons about the real world while looking at life through swim goggles for up to 50 miles a week.

“Swimming absolutely taught me a lot,” confirms Brown. “We had only a few big swim meets a year, so I learned how to work hard every day toward an end goal. My AAU swim coach taught me how to use visualization, so I got to where I could visualize very, very clearly what the next meet would be like and what winning would feel like, and I was able to prepare myself mentally as well as physically. I had to develop solid time-management skills in order to juggle my swim-

ming and my academics—just like I juggle my responsibilities as a business owner today.”

When Brown was ready to graduate as a Razorback with a real estate finance degree, his idea was to go into commercial real estate—but it was late-1980s bust-time, so opportunities weren’t exactly knocking down Brown’s door. The family business was still going strong, but Brown wasn’t hot to go back into the kitchen.

“I didn’t go into the family business because, well, I wanted to try something different,” Brown says. “I love the restaurant business, but the hours are brutal. My dad used to get up at 4:30 a.m. and work until one o’clock, come home and sleep, then go back to work at 5:00 for the supper rush and work until after I was asleep. He was super-supportive and always there for me, for swim meets and other activities, but the job was so time-consuming. I just wanted to do something else.”

*“People will often say to me, ‘Gosh, you’re so lucky—you’ve got these successful stores and everything just seems to be going your way.’ And I say, ‘Lucky? Luck is where preparation meets opportunity, and we don’t just happen to be at that intersection by accident. We had a plan—and we’re making it work.’”*

Brown’s father, Charlie, did happen to know two rent-to-own trailblazers—Rent-A-Center’s co-founder Tom Devlin and then-CEO Bud Gates—and suggested Scott interview with the company. Scott had no idea what rent-to-own was all about, but agreed to interview with Gates in June 1987.

“I wanted to get into the real estate department,” remembers Brown. “But Bud insisted that operations was a better career path, so I started as an account manager at Wichita 5 on Waco Street. The first three months I spent questioning what I was really doing there. Here I had a finance degree from a four-year college and I’m out on the truck in a tie delivering and picking up furniture, running a route, learning the basics of the business. It just wasn’t what I had envisioned for my career path. But I got some good advice from my dad; he said ‘Give it two years of your life and if you’re not where you want to be in two years, then go out and find something different.’ A year later, I was the assistant manager of the biggest store in town. Six months after that, I was the store manager back at Wichita 5 and man, I was in charge and in tall cotton.”

During this period, Rent-A-Center was bought by the British company Thorn EMI. The new owners decided to launch a new concept division within their retail/rentals area, as a competing brand to Rent-A-Center. They wanted to open up the first Thorn International Rentals (TIR) store in Baltimore and the first manager they chose for the job was Scott Brown.

“I moved to Baltimore to run the first TIR store,” Brown recounts. “And that’s when my career really began to take off. I doubled the size of the store within



Scott Brown, Dave McNichol and Louis Garcia



*Pryia, Supereena, Scott and Nathan Brown*

six months and was promoted to district manager. We opened up seven stores in seven months and secured 5,700 agreements within the division's first year-and-a-half. I got promoted again to market manager and I transferred to San Antonio, where I took the south Texas region from four to seven stores. In 1992, I was named TIR's market manager of the year. The whole thing was a huge learning experience for me."

The tremendous wave Brown had been riding gradually turned into a series of smaller swells to ride out, as Thorn EMI purchased Remco, converted all of its stores to the TIR brand, acquired Choice TV and transitioned those stores into Remco, then chose to fold all Remco stores back into the Rent-A-Center brand. Brown stayed in south Texas until late 1995, when he returned to Baltimore with his wife and their firstborn to oversee the Choice TV acquisition. Managing 16 stores at 30, he was among the youngest multi-unit managers within the TIR system. But when all stores were reverted to Rent-A-Center in 1997, Brown decided it was time for a change.

"I really enjoyed working in the Remco environment," Brown says. "We had a much different operating philosophy, a solid value structure, empowered supervisors and the whole system gave you a lot more latitude to run your business. Rent-A-Center was so big, it had to be really structured and that just wasn't a good fit for me. And if I wanted to get promoted, then I'd probably have to relocate. I was ready—with my family—to settle down for a while."

**B**ut for Brown, settling down meant first shaking things up. After a highly successful decade in the industry, Brown left rent-to-own and joined Merrill Lynch in Annapolis, Maryland, as a financial advisor managing high-net-worth individuals' investment portfolios. It's an almost-eight-year era Brown summarizes succinctly.

"It meant a big pay cut and building from the ground up again," he says. "I was quite successful at it, but after about seven years, I got the itch to do something different and I realized the clients I had with true wealth were the ones who owned their own businesses."

At the beginning of 2004, Brown rang up a former Rent-A-Center associate, Steve Arendt, who was at that time the CEO of ColorTyme, to see whether an opportunity existed for Brown to re-enter rent-to-own in the Washington, D.C., area through ColorTyme.

"[Arendt] said, 'Let's roll,' and by spring I was fairly committed to becoming a franchi-



see,” Brown says. “The ColorTyme model seemed like the right fit for me and the people felt like family.”

Still serving clients at Merrill Lynch, Brown began to consider candidates for a business partner—someone who could launch the franchise while Brown eased out of his investment-house responsibilities. Louis Garcia, a colleague from Brown’s TIR days, came to mind immediately.

“Louis was a regional director for RentWay in Texas at the time,” Brown says. “I called him up and asked him whether he wanted to be in business with me. He was ready to go.” The pair lined up their first lease by autumn and opened up the doors of Epic Venture’s first ColorTyme store in November 2004.

“The plan was for me to continue working at Merrill Lynch while we got going,” explains Brown. Their strategy was: “Let’s start with one store and once it’s cash-flow-positive and can support itself—under our model, about six or seven months—we’ll go search for our next site. Louis will have a team in place to run the first store and he’ll go open up the next one. And so on, up to five stores in the northeast part of the D.C. metro area—which is our development agreement with ColorTyme. Once the third store was cash-flow-positive, I was going to leave Merrill Lynch and get more involved in management.”

The first three months went like clockwork, securing more than 300 agreements. But then opportunity knocked—loudly—and Brown and Garcia’s best-laid plans turned topsy-turvy.

“We had an opportunity to buy three more stores from another ColorTyme franchisee who was, unfortunately, going out of business,” Brown says. “It was a huge financial commitment, but the real estate was great, the leases were favorable and all the stores needed was some inventory and some leadership. So we went from one store to four stores overnight—and we had been in business only three months. It was a lot to bite off. I stayed with Merrill Lynch another three months, but Louis was doing everything and he was about to snap. He did an amazing job for us, but it was just too much work, so I left Merrill Lynch and came on full-time with Epic Ventures.”

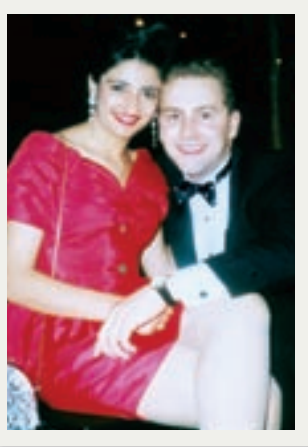
Three years later, Brown and Garcia are still running the same four stores, but the size of the stores has tripled. Along the way, they’ve garnered several ColorTyme awards, including 2005 New Franchisee of the Year and the Top New Store Growth, 2006 Top Ten Franchisee of the Year and 2007 Big Five Award for being among the top five revenue-producing franchisees. The next step? More stores, of course.

“We’re planning to open up our second store in the D.C. market—our fifth overall—in May, another by next spring,” forecasts Brown. “Then, we expect to revert to our original pattern, so that by the end of 2010, we should have eight stores—five in D.C. and three in Baltimore.

“Right now, I can visualize as clear as day what this company is going to look like and feel like when we get the eight stores built,” Brown says. “We’ve already got the right sites selected; we’re just on the waiting list with the landlords. I know how much revenue we’re going to be doing. I have the vision, I know where we’re going. Every quarter, we talk about whether our vision is aligned. Are we working toward the same thing down the road? It keeps us focused on it and working hard. Goals are good to have, but they don’t mean a thing until you put them on paper and tell somebody about them.”



Top: Brown mountain biking on the Porcupine Rim Trail in in Moab, Utah. Above: Brown (fourth from left) as a member of the University of Arkansas swim team in 1987. Right: Supereena and Scott in 1991, a year before they married.



**A**t the core of Epic Ventures' success is the complementary partnership between Brown and Garcia. Brown, the company's CEO, handles all things financial, as well as site selection and marketing. Garcia, the firm's president, takes care of everything else—with the help of recently added minority partner and vice president of operations Dave McNichol.

"Dave is one of the best—maybe the best—operators in rent-to-own," Brown says. "He and I are sort of cut from the same cloth—we're hard-charging overachievers; we want to be number one at everything we do. Louis is the best balance for that—has more than 25 years of experience and more business maturity. I get all amped up and he calms me down. He's much more passive with his management approach; he's got the patience of a saint. I'm a lot more direct; I'll hit you between the eyes. He's like an older brother to me, the perfect partner for me. I'm the face of our company, I've got the vision going, I'm the passion—Louis is the heart and soul."

But it's not all about the perfect pairing. Brown and company also have an arsenal of not-so-secret—yet rather unique—'weaponry' that they are convinced make their continued success just about foolproof.

First: a generator program—a giant database Epic Ventures' stores use as a client contact system. According to Brown, the program is his company's biggest competitive advantage.

"No one else in the industry has this, that I'm aware of," he notes. "Others might have sales lead programs, but most of what I've seen consists of a three-ring binder with a bunch of names scribbled inside and the only time they get worked is whenever the boss starts poking around, 'What are you doing to generate new business?' They dust it off and leaf through it, begin calling numbers only to find half are disconnected, don't work or whatever."

"With our client contact system, we can track all of our future customers," Brown says. "Someone who comes into our store, but doesn't open up an account with us right off, we capture the person's name, address, telephone, all the details and we put it into the system through a computer at the store. That communicates with a master hub at my office and we can track and work those people until they become active customers."

Of Epic Ventures' current customers, about three-quarters of them are active because of the client contact system, with 1,800 "future customers" and about 1,600 inactive customers also plugged into the system.

"We market to these three groups—futures, currents and inactives—constantly," Brown says. "We can even track 'futures' by product desired, so if we're about to hold a big sale on, say, living room

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Scott Brown and ColorTyme salesperson Deanna Benitez

sets, then I can simply pull up all the customers interested in living room furniture, gather their information, parcel it by location and send it off to our stores, with directions for our co-workers to contact these folks and let them know about the upcoming sales event. Tap the pipeline and eventually, once you've marketed to them enough, they will be your customers."

Second: targeted marketing, every month without exception.

"Consumer research indicates you've got to touch somebody 18 times before they buy," Brown says. "So we've got five direct-mail avenues we use every single month—ADVO [now called Valassis, a direct-mail marketing company], marriage mail [flier-type pieces grouped together with other, often coupon-oriented mail], solo mail, postcards and paid-in-full mailers. We also run 15-second radio spots twice a day, six days a week, just for pure branding purposes."

Third: Superior personnel. "We hire great people and we pay them well," quips Brown—and he means it. The company typically pays about 20 percent to 30 percent more than the competition, across the board.

"You get what you pay for and we want quality people," Brown says. "We want to make sure our people are compensated well at all levels. It helps us attract good candidates, it keeps them from looking for greener grass and it holds them accountable. We pay for performance and performance only. We pay a lot and we expect a lot."

Such expectations comprise the fourth and final leg of Epic Ventures' solid seat of success. Brown and Garcia have dubbed them "Top Gun activities"—22 well-defined processes that they believe are vital to a store's success. They expect all co-workers to embrace and execute these processes with dogged consistency and just to make sure, McNichol performs monthly audits of all 22 activities.

"We inspect what we expect on a monthly basis," says Brown. "You've got to do 80 percent of the Top Gun activities month in, month out, or you won't be working with us for too long."

There are five categories of Top Gun activities, including a group of six activities related to the generator program. For example, follow-up actions—such as sending a coupon, giving a call or making an appointment—must be scheduled for all future customers. Daily, the general managers review all the 'futures' for their stores and flag ones without scheduled activities. As a co-worker, if one of the future customers you entered into the system during the past month doesn't have a follow-up action scheduled at the time of your audit, then you receive a zero for the month for that Top Gun activity. No excuses, no exceptions.

"This is purely about process; we're a process-driven company," Brown explains. "We know if we do these things, then the numbers will follow. We expect 20 appointments with future customers to be scheduled in every store every week by Thursday. Why? Because of that 20, half won't come in; 10 will, and about half of them will get something from you. So just that one activity is worth about three to five deliveries every week for every store—brand-new customers. We're not hoping for success; we've planned for it."

**S**cott Brown claims that despite his own workaholic heritage, he's not all that interested in how much time people clock at work. What he wants is quality time.

"When the day is done, I'm not about the quantity of hours at all," he says. "But if you're going to work, then make sure you're putting in really high-quality hours. Make your time impactful and create momentum whenever possible."

Brown also claims he himself is not a workaholic. Committed, energetic and passionate about his work, absolutely—but for Brown, balance is also part of the mix.



Sales manager Terry Shomari, left, and Brown, right, visit with a ColorTyme customer

"Too much work can make you dull, miserable and stale," he reasons. "I've got a wonderful wife of 16 years, Supereena, and two fantastic kids—Nathan is 13 and Pryia, 9—so I spend as much time with them as I can. And I'm an avid mountain biker; I go to Moab, Utah, a couple of times a year to indulge in that pastime. Extreme fun."

One can't help but wonder of the first Kansan ever to break a minute in the 100-yard breaststroke more than 25 years ago: does he still swim?

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"Hell, no," laughs Brown. "My last college swim meet was in April of 1987; I graduated in May and haven't done a lap since. My burnout on swimming was complete. I get into the water recreationally and splash around with my kids now and then, but no, I really don't swim anymore and don't want to."

And yet, Brown continues to do so much more than just keep his head above water. His natural ambition—coupled with a genuine affection for the industry he sort of stumbled into and can't seem to stay away from—keep Brown challenged, which is exactly where he likes to be.

"Rent-to-own is a really dynamic business," he says. "It changes all the time and there are a lot of balls you've got to juggle to succeed. My favorite thing about it is that I get to build things—teams, organizations, relationships. That really excites me. But you've got to know what it is you're building. People will often say to me, 'Gosh, you're so lucky—you've got these successful stores and everything just seems to be going your way.' And I say, 'Lucky? Luck is where preparation meets opportunity and we don't just happen to be at that intersection by accident. We had a plan—and we're making it work.'" ■

Kristen Card is an independent business writer in Austin, Texas.



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