



**With a little paternal push,
Mike Martin is helping
lead a new generation of
rent-to-own dealers**

AN APROFILE BY KRISTEN CARD

IT WAS DECEMBER 31, 2002, and Mike Martin was spending the final hours of the year with his dad, Tom, and their attorney, Dave Crockett. The Martins needed to mail the paperwork for their Aaron's Sales and Lease Ownership franchise by midnight; the company's franchising terms were set to change January 1, 2003.

"So we spent New Year's Eve, the three of us, hammering through the details of the deal," says Mike. "We wanted to get that 2002 postmark."

While he didn't spend the evening with Guy Lombardo and Dom Perignon, it was likely one of Mike's—and his dad's—most memorable New Year's. The trio got the deal done, that postmark secured. And the Martin men—one a semi-retired industrial tool supply mogul, the other a former record-label-exec-turned-IT-consultant—were en route to not only a new year, but also a new joint adventure in rent-to-own.

Mike Martin *and* next





the
generation

Mike Martin, born and brought up in Kansas, was a high-energy, high-maintenance kid. Gregarious, precocious and rambunctious, Mike recalls his growing-up years as full of “wanting to be an athlete, chasing girls and more calls from the principal’s office than anyone really wanted.” So it’s difficult to discern whether the almost puritanical work ethic Tom and Nancy Martin instilled in their elder son stemmed from their Midwestern roots or their desire for a productive diversion. Whichever, it took. By the time he was 10, Mike was spending his summers throwing and mowing—two paper routes and 18 yards every week.

“I was raised with an incredible work ethic,” says Mike. “You finish what you start and you believe in the American Dream, which is if you work hard, then you’ll have the opportunity for success. If you’re willing to combine your God-given gifts and natural talents with a superior work ethic, then from my perspective, it’s pretty tough not to succeed. I understand that not everybody starts out on an equal footing and opportunity isn’t the same for everybody. But there is opportunity for everyone in this country, and if you’re willing to work hard and do the right thing, it’s almost impossible not to find yourself successful at the end of the road.”

Mike’s road led him westward, to college at the University of Colorado at Boulder, where—true to his busy boyhood—he earned a dual bachelor’s degree in English and history while minoring in business and philosophy and working at a record store. It was at the record store where Mike unwittingly met his first business partner, a classically conservatory trained fellow music enthusiast and kindred entrepreneurial spirit named Martin Wachter. Together, the two Martins, along with a couple of willing local bands, decided to launch their own record label and in 1991, Schmo Records was born.

But unlike thousands of startup labels before and after, Schmo made it beyond infancy. Two years and a few dozen signed bands later, Mike and Wachter realized their success was triggering a recurring problem: several thousand dollars a month in legal fees. Mike’s so-called ‘simple’ solution? To become a lawyer himself (“I’ve always just thrown myself completely into whatever happens to be in front of me at the time,” he confesses).

So Mike began classes at the University of Colorado School of Law with the intention of eventually better managing his and Wachter’s business. But about two-thirds of the way through to Mike’s J.D., Wachter tossed a wrench into the works.

“Martin is of Hungarian descent,” says Mike. “So at one point, we went to Hungary to explore some family business opportunities and they worked out better for him than for me. They offered him more money than he could possibly consider turning down, so he moved back to Hungary.”

Left without a partner to run the business while he finished his law degree, Mike negotiated a deal with Epitaph Records, one of the world’s largest independent labels, to buy Schmo—which by 1995 boasted a stable of almost 100 bands. Mike finalized the sale and returned to his legal studies only to join Epitaph as an employee after receiving his degree, but not for long.

“During law school, I got involved in some Internet technology stuff and made some good contacts,” says Mike. After deciding that his long-term future was not in either the music business or in Los Angeles, he had an opportunity to help out a friend back in Denver with some legal and business advice who was launching a Web site design and hosting company, Brat Pack Ltd. In the course of helping several friends and acquaintances

“I understand that not everybody starts out equally and opportunity isn’t the same for everybody. But there is opportunity for everyone in this country—and if you’re willing to work hard and do the right thing, it’s almost impossible not to find yourself successful.”

with the launch of some *dot.com* ventures—always looking more for a piece of the pie [ownership and options] rather than a regular job or security—Mike became involved in a New York start up called Cyberaction that looked very promising as the company was well funded.

“At Cyberaction, I was involved in the negotiation of exclusive contracts with Major League Baseball, the PGA and Xena, Warrior Princess, at Universal to create digital Internet trading cards to be bought, sold and traded online. These were really formative experiences for me as it allowed me to see firsthand differing management styles, to deal directly with venture capital groups and solicit funding, as well as begin to find my creative vision,” says Mike. This was also an exciting time in business with all the capital running amok with anything that had a “.com” attached to the name.

After learning a bit more about technology and the disparate technical skills and creative ideas that were flourishing at this time, it became more apparent to him that it



The Paducah crew: Ashley Hardin, Kent Turner, Drew Hasty, Aaron Asbell and Mike Martin. Not pictured are Todd Blume, Brian Smith, John Meredith and Zach Lowe.

was a lack of operational skill and fundamental business knowledge that so many of these young companies were missing. This was then the inspiration for launching Helion Consulting Group with two partners in 1998. Mike brought the big picture vision and the intestinal fortitude to move things forward with legal and business experience, his partners brought the people skills, industry contacts and technical expertise.

This venture, though totally different from his prior business, was also successful, and helped Mike realize a common thread.

“There’s something about knowing you’re the person who’s providing jobs for people,” says Mike. “It’s the small business aspect of what makes America tick and what

makes America great and I love being a part of that. My mother raised us to give back: with time, money, energy, creative vision--wherever your natural talents might lay. There’s a reward and a sense of duty in being a small-business owner that this is something I can do and contribute to the community—provide opportunities for people to explore for themselves what is good about them.”



Meanwhile, Mike’s father, Tom Martin, had sold the industrial tool supply company he had spent almost 40 years building from scratch into a multi-million-dollar business and was hunting around for other investment opportunities.

“Dad came across the Aaron’s deal and kept telling me he wanted me to look at it,” says Mike. “I put some money behind the Aaron’s deal, but I was busy readying Helion for sale the next year [2003]. Dad kept pushing me to look at it. Finally, I went to my mother and said, essentially, ‘I’ve put my money behind this and I can’t really afford to do much else.’ And she said, ‘He’s not interested in your money, he doesn’t need money, Mike. He wants to be in business with you before he seriously retires.’ And a little light bulb went on above my head.”

The father and son formed Tame LLC in 2002 with the expectation of franchising with Aaron's. Once the franchising deal was done, the pair's territory covered southeastern Missouri, southern Illinois and western Kentucky. Helion Consulting sold as expected and, in 2003, the Martins got down to business in rent-to-own.

"We opened up our first store in February 2004 in Cape Girardeau, Missouri," Mike says. "We opened in Paducah, Kentucky, in 2005, and stores in Madisonville, Kentucky, and Sikeston, Missouri, both in 2006. We purposely didn't open a store last year, due to the slumping real estate market. But now, we're moving forward and are hoping to open three new stores this year: Hopkinsville and Mayfield, Kentucky, and Marion, Illinois."

Once all seven stores are up and running, the Martins' area development agreement with Aaron's will be maxed out. Mike's not sure where they'll go from there.

"There's not a great opportunity for geographically contiguous growth for us within the Aaron's system," he says. "We're pretty much hemmed in on all sides. If we do choose to continue to pursue something within this industry and with Aaron's, then it will need to be somewhere else in the country—which is a definite possibility. We might do another tier of Aaron's stores in another part of the country or we might try something new and different."

But Mike's not too worried about the long haul; he's having too much fun with the shorter-term challenges and rewards of growing a new business.

"For me, the fun is building it from the ground up and watching it mature," he says. "There is so much excitement in opening new stores and hiring new people. We currently have 37 employees, having started with five, and taking this bigger and better and approaching close to 100 employees is still the most exciting thing for me. And, of course, having the opportunity to do something business-wise with your father, when you're both mature and successful in your own right... How many folks get a chance to do something like that?"

Though rent-to-own was originally Tom's brainchild, it's Mike who oversees the business' day-to-day operations—a complementary relationship that has proven to be ideal.

"I have an innate business sense, but he's the people person," says Mike. "I'm more the operational, visionary, big-picture type; he's all about the networking, the sit-down-and-take-care-of-folks type. He's been the best resource in the world from the managing people perspective. When I watch the patience, kindness and consideration he takes with each and every person he works with throughout the day, that's probably the greatest lesson I could learn from him."

"Because at the end of the day, we can talk about being a retail experience, but we're really a people business," he



Top: Mike with his father, Tom. Above: Jessica and Mike hiking on vacation. Left: Mike and Jessica taking a suggestion from sculptured art in Santa Fe, New Mexico.

says. "We're in the business of making dreams come true for people at the middle to lower end of the socioeconomic spectrum. If they're willing to work hard and fulfill their end of the bargain, then they deserve the opportunity to have a nice sofa rather than a hand-me-down or a new computer for their son or daughter. I feel terrifically honored to be able to create these opportunities for people."

Mike claims there's no real secret to their franchise success—they keep their stores clean, they merchandise their showrooms well, they stay positive with their associates and treat customers with the utmost respect. And they like what they do, too.

"If you get into rent-to-own and you're not having fun, then find something else to do," he says. "Because you're never going to be successful at something you don't have a passion or desire for."

But the real ingredient for success, according to Mike, is as plain as the marquee out in front: it reads Aaron's.

"We really believe passionately in the Aaron's system," he says. "We pursue retail sales because the Aaron's model is: 'We can beat any price, retail or total cost of ownership, and you can own anything in 12 months.' We're constantly trying to market ourselves to the customers who are trying to attain ownership in the shortest possible

timeframe at the lowest possible cost. Which is not to say other rental-purchase dealers don't work under a fantastic business model—it's just not the Aaron's model. From my perspective, Aaron's simply creates more opportunity and value than any other organization."



Quick-witted and fast-talking, Mike Martin—native Kansan or not—doesn't come across as the deliberate, methodical Midwestern type. In fact, if he's any "type" at all, then he's the type to buck types as much as possible. So, he's not surprised that some industry insiders consider him a leading member of rent-to-own's "next generation."

"Rent-to-own has been the quintessential success story," says Mike. "Your stereotypical dealer is the guy who started as a delivery driver and has worked his way up to store owner. But franchising has created opportunities for people with outside business interests to bring our knowledge and talents—and our outsider's perspective—to this industry. Today, you have folks who have achieved some success elsewhere coming into this industry for further economic opportunity. I'm not particularly a maverick, but in terms of the next generation, I am in my forties, I've been successful in other walks of life and I like to think there's nothing I can't do. There are limitless opportunities for me out there, but I've chosen to put my time, effort and energy into this one."

True to form, Mike has immersed himself in the rent-to-own industry, including membership with and staunch support for the Association of Progressive Rental Organizations. "We joined APRO right from the start, because we knew it

"Franchising has created opportunities for people with outside business interests to bring our knowledge and talents—and our outsider's perspective—into this industry."

was the right thing to do, especially with the political climate as it exists today," says Mike. "I think it's critical for each dealer out there to be an APRO member, to talk to local legislatures and see what they can do to help protect our industry and our interests. We're at a crossroads right now, and we can't afford to be lumped in with some of the sweeping legislation being proposed. You'd hope Congress wouldn't take away the ability of an entire industry to do business, but we've seen it happen time and time again. This is a fight we cannot afford to lose. And the legislative and political power that APRO wields is a crucial part of our success as an industry."

In January 2008, Mike enhanced his dedication to the industry by helping reestablish the Kentucky Rental Dealers Association and at their inaugural meeting he was elected vice president of KYRDA (see related story on page 10).

People will continue to be drawn to this industry again and again," says Mike, "because it is fun. It's one of those jobs that really is something different every day. That's the challenge that gets you up in the mornings, gets you to work and keeps you going." Still, Mike Martin insists he doesn't see his flourishing Aaron's Sales and Lease Ownership franchise as "the final or ultimate challenge" career-wise.

And yet, there are unmistakable signs that this dynamo may be settling down just a smidge. He wed just over a year ago to Jessica, who for the time being has also joined the family business as marketing coordinator ("in addition to helping me, guiding me and keeping me centered," says Mike). Together, they spend their downtime in the autumn traveling around to University of Colorado Buffaloes football games and their off-time in the spring watching St. Louis Cardinals—Jessica's hometown team—baseball games. Music still plays a big role for Mike, so in-between, they go hither and yon to catch concerts, which vary from opera to punk.

Travel, good food and fine wine are also continuing loves of Mike's. "We go overseas somewhere at least once a year to broaden our horizons," he says. "One of my favorite enduring inspirational or aspirational quotes is from Mark Twain: 'Travel is fatal to prejudice, bigotry and narrow-mindedness, all foes to true understanding. Likewise tolerance, or broad, wholesome charitable views of men and things cannot be acquired by vegetating in our little corner of the earth all one's lifetime.' And I choose to follow this advice."

But for a man whose favorite city is Vienna, Austria, and who once spent a month as a beach bum island-hopping around the South Pacific, it's a little unexpected that one of the accomplishments he's proudest of is having visited all 50 of the United States.

"I made it a goal of mine to see all there is to see in this country," says Mike. "I decided to go to all 50 states and I achieved it. I'm just such a fan of the American West—the geography, the terrain, the people and just the spirit, the unbridled enthusiasm of that part of our country. I really connect with it somehow."

For now, this Rocky Mountain man remains somewhat displaced, but still dedicated to the Aaron's business he views as a once-in-a-lifetime opportunity.

"My favorite thing about this business is getting to work with my father," says Mike. "He has put his trust in me to grow and run this for him and my mother. Some days maybe it's a little bit of a heavy burden to bear, but other days—when things are going just right—gosh, you hope your folks are really proud of you and you're proud of yourself for doing the right thing." ■

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