

APROfile by Kristen Card



partners in the Best Way

Teamwork is the fuel that allows common people to attain uncommon results. Nobody knows who first said it, but chances are, he had a partner. • Partnership was the element that proved to be a career catalyst for Richard Rose and Jeff Loeb. Each was traveling a moderately successful professional path on his own—Rose as an appliance, electronics and furniture retailer and Loeb as a corporate controller. They didn't hit their strides until a mutual colleague and friend brought them together and directed them toward the rental-purchase industry.

The link between the two of us was Ed Jaffee," Rose begins the story of his long-time partnership with Loeb. "Ed grew up down the street from me. Then, as adults, we played golf together. Eventually I joined him in his appliance and electronics business. About a year later, he was presented with a new rent-to-own opportunity and wanted me to go with him. Jeff was at Circuit City at the time and Ed asked him in, too. He thought the two of us would be a good combination to develop and manage a business like this."

Jaffee, who has since passed away, was right on target. Rose and Loeb teamed up to create Best-Way Rent-to-Own (www.rtobestway.com), as CEO/president and CFO/treasurer-secretary, respectively. Next spring, they'll celebrate the Virginia-based company's 20th anniversary.

"We put the business together in Jeff's backyard, at a picnic table with a piece of paper and a pencil," says Rose.

"A pencil with an eraser," says Loeb, chuckling.

"Right. With an eraser," says Rose.

Mistakes are an unavoidable part of building a business, but it doesn't seem Loeb and Rose have made too many of them. They opened their first store (then called Rent-to-Own Home Center) in Norfolk, VA, in 1984. Today, the pair has 50/50 ownership of 17 thriving locations and a plan to almost double that number of stores within the next five years. Clearly, their partnership of complements is working.

"Even though we, of course, started with one, we always had the mentality we'd have a lot of stores," says Rose. "Ed's big-company background was instrumental in how we set things up and Jeff had enormous experience in the financial side of the business. Because of my background in retailing and merchandising, my forte is operations—advertising, merchandising and sales."

Richard Rose is the twosome's convivial, mannerly Virginian. Reared in Richmond and a graduate of the University of Richmond, Rose's first post-college position was in the trust department of Wachovia Bank. He left banking for furniture retailing, originally as a store manager and then as owner of a three-store Richmond-based operation. When his friend Ed Jaffee

retired from Circuit City to open up his own electronics and appliance company in the state's southeast, or Tidewater, region, he persuaded Rose to open and manage a similar operation in Richmond. That's where Rose was when Jaffee introduced him to Loeb and the rental-purchase industry.

An un-stereotypically reserved native New Yorker, Jeff Loeb was born and raised on Long Island. Following his graduation from Penn State University, Loeb spent 10 years working for Ernst & Young (then Ernst & Ernst) before becoming a corporate controller—first for a New York client, then for Circuit City in Richmond, VA. It was there that he worked with and got to know Ed Jaffee, his eventual connection to Rose.

Partway through our conversation, Rose pauses. "Jeff's not saying much."

Loeb instantly protests. "No, you just talk. That's fine. That's the way it's always been."

"I do the talking and he makes the corrections," says Rose. "I'm a sales guy; he's a detail guy. Counts every



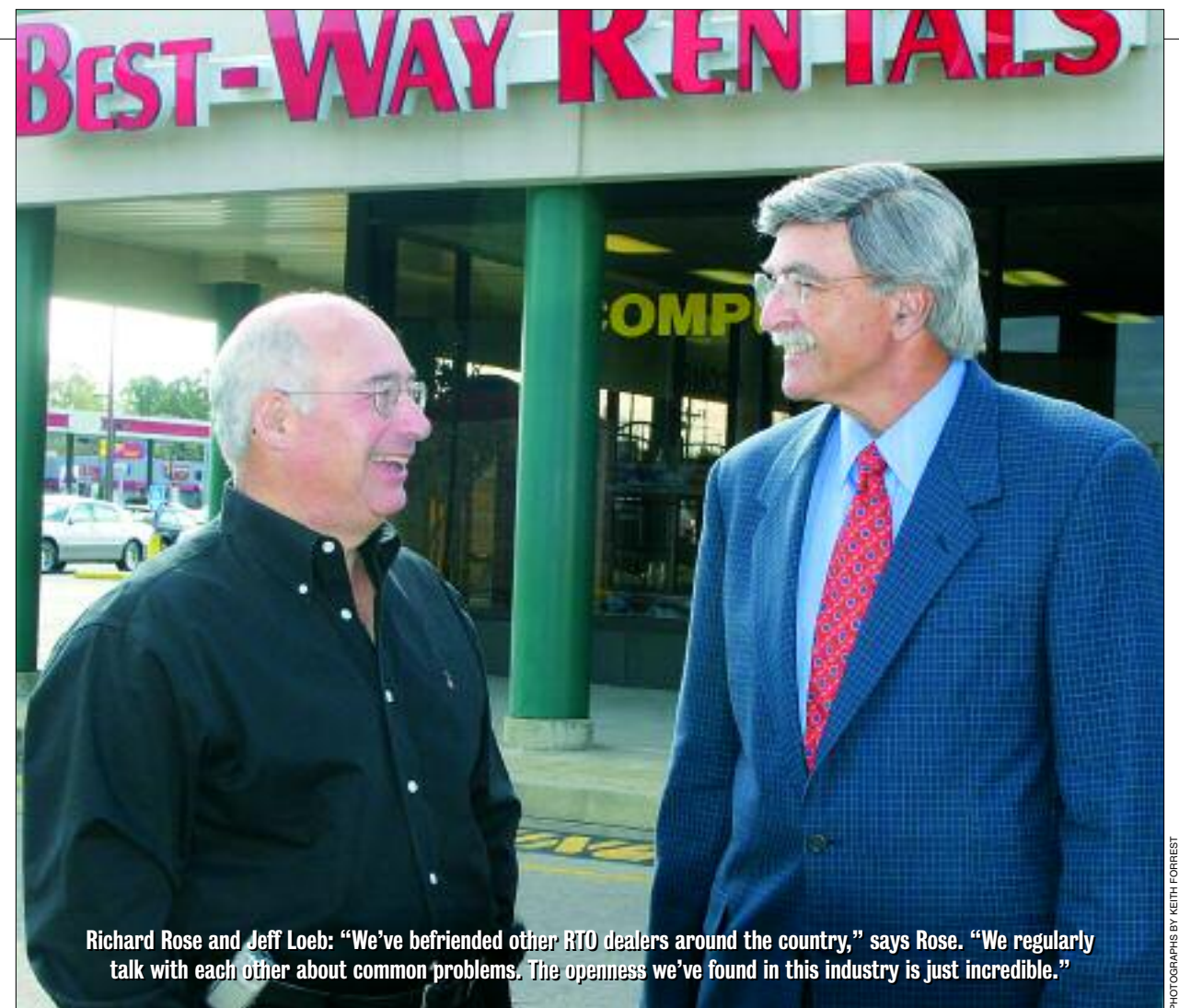
Jeff Loeb, center, and Richard Rose, right, meet with store manager Ron Russell.

bean. And if they're not all the same size, then he wants to know why."

The long-term success of Best-Way Rent-to-Own is largely attributable to the right combinations. Rose and Loeb's partnership was the right one to begin and run the company and through the right blend of internal financing and careful acquisition, they've grown it into 14 Virginia stores and three North Carolina locations. According to the duo, they've also developed the right recipe of business philosophies for ultimately producing profits.

"First and foremost, we've always preached and

It is probably not love that makes the world go around, but rather those mutually supportive alliances through which partners recognize their dependence upon each other for the achievement of shared and private goals.—Fred Allen



Richard Rose and Jeff Loeb: "We've befriended other RTO dealers around the country," says Rose. "We regularly talk with each other about common problems. The openness we've found in this industry is just incredible."

PHOTOGRAPHS BY KEITH FORREST

practiced customer friendliness," says Rose. "It's a written policy for us. You make sure the customer is taken care of properly, even if it costs us—I don't care. Businesses are built by customer relationships."

"Secondly, we take care of our people," says Rose. "We've been extremely fortunate to have a lot of wonderful people working with us, for us. Many of our employees have been with us for 15 or 20 years—practically our whole existence. They've chosen to cast their fortunes with us. I think they're happy they have."

"For example, all our stores had to close for a couple of days during Hurricane Isabel this past September, but our employees got paid anyway. We treat our employees well and they treat our customers well."

Rose also credits strong vendor relations, strategic locations and relentless advertising with Best-Way's longevity.

"We're always advertising all the time in various media. I've seen different competitors back off of advertising whenever times got tough and budgets got tight. We never have," says Rose.

"In fact, we tend to spend more money on advertising in tough times," says Loeb.

Rose sums up, "We want to be the first-est with the

most-est."

For Loeb and Rose, teamwork has been an essential, everyday part of their professional lives—not only their own collaboration, but also their interaction with other members of the rent-to-own industry.

"We've befriended other RTO dealers around the country," says Rose. "In Florida, Mississippi, Missouri, North Carolina, Ohio, Texas, Washington state. And we regularly talk with each other about common problems. The openness we've found in this industry is just incredible."

"Incredible!" says Loeb.

"Incredible," says Rose. "It's been important for us and has served us all very, very well. It makes business life easier, simple and more successful. At the national level, APRO and TRIB [The Rental Industry Buying] Group have helped us a great deal with all kinds of things. They're helping make our business bigger, better and more profitable."

Loeb and Rose have been APRO members as long as Best-Way's been around. Their involvement in the organization began when Loeb went to his first APRO convention in Orlando in 1984 and came home more than a little impressed.

“APRO meets the needs of its members—because the members are the organization. The rental dealers actively participate and, thanks to that, the organization enables our business to flourish in many ways via education, training and legislation.”

“I went to that convention not knowing what to expect,” says Loeb. “The level of cooperation between competitors from across the country just blew me away. They were wide open with each other. This year, I’ve just completed 20 years of APRO conventions and wouldn’t miss it for the world.”

The pair’s involvement in APRO activities has been steady, but subtle. Last spring, they went to Washington, D.C.—just a hop, skip and a jump from their headquar-



ters—for APRO’s annual legislative conference and talked with legislators for the first time. Now, they plan to participate in the program every spring.

“I’ve been in other business organizations,” says Rose. “APRO is very well-run, very well-organized and meets the needs of its members—because the members are the organization. The rental dealers actively participate and, thanks to that, the organization enables our business to flourish in many ways via education, training and legislation.”

Loeb agrees. “They’re just excellent people doing an excellent job.”

At the state level, Loeb serves as president of the Virginia Rental Dealers Association, a group that’s been basically dormant since it helped pass Virginia’s RTO statute—which became the model for state legislation nationwide—way back in 1987. Loeb says the Virginia law has proven satisfactory for all stakeholders, so there simply hasn’t been an active legislative issue for the group to rally around since its passage.

Beyond making sure their partnership continues to help Best-Way Rent-to-Own profit and progress, Rose and Loeb want their firm to be a dependable commu-

nity partner. They contribute to a broad spectrum of Tidewater-area charities and civic organizations, from churches to schools to police officers and firefighters.

“We do our share because it’s important to support the causes you think are good for our society, whether you have a business or not,” says Rose.

One of the twosome’s favorite charities is a locally based organization called “An Achievable Dream” (www.achievabledream.com), a character development-based education program intended especially for disadvantaged kids. Virginia women’s clothing retailer Walter Segaloff sold his stores to launch the program just over a decade ago.

“What’s important about what they do at the Achievable Dream school is teach the values so often missing in the society of impoverished children—kids who don’t have the mentors or even the parents to teach those things to them,” says Rose. “We’re contributing to that organization and have recommended to APRO to get involved in it, too.”

“And who knows?” says Loeb, “The children who may be helped by us today may be our employees down the road.”

If “down the road” looks anything like the road traveled since their paths crossed 20 years ago, then Loeb and Rose have little to worry about. Their split-down-the-middle, words-and-numbers partnership has built a booming business. They are also busily grooming the next generation of RTO industry success stories. While Loeb’s two sons have gone their own ways, Rose’s son Ron is the company’s buyer of appliances, electronics and furniture, while son Jonathan serves as COO and third-in-command of the firm.

As they consider which words of wisdom to pass along to up-and-comers, the duo reflects upon insightful gems given to them along their journey: Follow the Golden Rule. Always be ready for opportunity. Prepare for the worst and anything better will be O.K. for you. And one more piece of advice, perhaps the most important nugget of all:

“A long time ago, when I was trying to gather enough money to start up a business,” says Rose, “I was borrowing from an uncle of mine who was rather wealthy. He said, ‘Be careful who you choose as your partner.’” Rose and Loeb both break out into riotous laughter, a sure sign of counsel well-heeded. ■

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



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