



THE DAVIS FAMILY: Tyler (Ty), May, Paul and Triston (Tad)

» RENT - T O - O W N «

# RENAISSANCE MAN

*When it comes to careers, the third time's a charm  
for diverse and daring Paul Davis*

**P**aul Davis. Judging by his name alone, he sounds like just your ordinary, garden-variety kinda fella, nothing too exotic here. But talk to Paul Davis—president and CEO of Nations Rent-to-Own ([www.nationsrto.com](http://www.nationsrto.com)) and president of Cal-APRO (the California Association of Progressive Rental Organizations)—about more than the Southern California heat or the new Lakers line-up and you'll discover a man who, while not exactly exotic, is definitely leading an extraordinary life. ♦ Examples? How about putting himself through college one night-school course at a time while working full-time until, 13 years later, he finally earned his bachelor's degree in business management and economics (with a minor in information technologies)? Or opening up his own rent-to-own business, financed mainly through credit cards after only having worked in the industry for less than a year? Or carving out and venturing into a new, highly successful niche of rental-purchase? ♦ No, Paul Davis is not someone who blends into a beige-colored background. His life is developing as a vibrant mural—a fascinating collage involving three distinct careers, the realization and subsequent destruction of a lifelong dream, a successful marriage/business partnership, politics and the latest Japanese card game called “Yu-Gi-Oh.”

A PROFILE *by* KRISTEN CARD



**B**orn in Phoenix, AZ, Davis moved as an adolescent with his family to the Golden State and has been a Southern Californian since 1980. He took classes at the University of Phoenix while working at various financial institutions, ultimately earning his way up from teller to senior assistant manager at California's Morris Plan Thrift & Loan.

The world of finance seemed to be working out fine, but at 21, Davis suddenly opted to abandon his budding banking career in order to follow his childhood dream of becoming a law enforcement officer.

"I was one of those kids who grew up watching *Adam-12* and stuff like that and said, 'I want to be a police officer when I grow up,'" says Davis. "Even when I was in elementary and middle school, I wrote papers about how I was going to be a police officer. And I did it. The proudest moment I ever had was when I graduated from the police academy."

Davis spent more than five years with the Riverside County sheriff's department and the Riverside Police Department. Then, during the Los Angeles riots of 1992, Davis' dream shattered when he suffered a severe back injury and was forced to accept retirement from the force. Ten years later, he's reticent to talk about it and when he does, it's with an unmistakable sense of regret.

"It was a great job," says Davis. "You've got everything in that particular job: the adrenaline rush, the sadness, the happiness and the comfort that you, on occasion, were able to help somebody. It's a job where you can get satisfaction all around."

Today, despite continuous discomfort from spinal trauma and a bulging disk, Davis rejects the option of surgery, as well as prescription medication. He manages his back pain mostly through stretching and strengthening exercises, as well as extreme care to avoid re-injury.

"It was really difficult to accept the injury and its consequences," says Davis. "But I guess it was a blessing in disguise." A blessing that led him to his wife, and—eventually—to rent-to-own.

Directly following his departure from his second career, Davis returned to the first. He was a district manager for Fidelity Financial Corp. when he met May, a collections manager for the company and his future bride-to-be.

"She didn't like me at first," says Davis. "But once she got to know me, she thought I was a nice guy and one thing led to another." They married in 1995.

Davis moved on to work as a vice president and regional manager for Nations Bank. But when Nations Bank underwent a merger, he was offered either a position in Buffalo, NY, or a separation package. Davis took the package and some time off.

A few weeks into his compulsory "vacation," Davis received a call and a job offer from the operating company of Rent-A-Center. Davis accepted, even though he "wasn't completely sure what the position was. I was assigned to one of their regional folks out in California. I toured with him to begin to understand the business and what exactly rent-to-own was," says Davis. "Prior to that, I really didn't have a clue."

Not surprisingly, it didn't take too long for Davis to understand the business and just in time for Rent-A-Center to be acquired by industry veteran Ernie Tally and his Vista Rent to Own. But rather than being discouraged by the turnover, Davis was stimulated by the industry overall.



"Once I grasped what the business was—a relationship business based upon economics—I persuaded the 'powers that be' to put me in a store," says Davis. "They put me in a store in Long Beach, CA, a really rough area. It was like a company joke: 'Hey, let's put

**SAFETY FIRST:** Davis educates the staff on proper safety techniques, as well as wrapping, moving, loading and unloading of merchandise to prevent damages to the staff or products.



the new guy out in Long Beach.' The store had all sorts of problems. Well, I kept the same people who were there and within two months we turned it around and made it a profitable store."

Davis had spent only nine months in the rental-purchase industry when May urged him to put together a business plan for his own store. Initially hesitant, Davis decided to go for it.

"I thought, 'I can do this thing better, on a smaller scale, renting properly to the right folks,'" says Davis. "I wrote a business plan, submitted it to a few banks and they said, 'You're going to go up against Rent-A-Center? You're crazy. There's no way you're going to compete with them.' And I said, 'OK, fine.' With my financial industry background, I mustered up a couple of hundred-thousand dollars, principally on credit cards, and opened up my company."

Nations Rent-to-Own in Riverside opened in

sofa and loveseat with all the swatches and all the frames to select from. We'll have it custom-made to coordinate with their wall treatment, flooring style, the whole thing."

"Our return ratio is very, very low," says Davis. "More than 50 percent of our clients are homeowners; we have a high volume of 90-day payoffs. The people who come to us trying to get these things have a strong desire to keep them. These folks want nice stuff, not the cookie-cutter 'what's on the floor is what you get.'"

"What we're doing is creating an opportunity to change the traditional rent-to-own business model. We're not reinventing the wheel; we're just adding a few new spokes to it."

It's this personalized attention and commitment to the utmost in quality, along with the Davis' hands-on approach to the business, that put Nations into a league of its own. Davis and his wife, May—who serves

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March 1999. A second store in Moreno Valley launched in August 2002 and the company is currently preparing for a third store in Corona, potentially opening in late 2005.

"All that debt is paid off," says Davis. "We own our company free and clear."

### *The Nations niche*

**D**espite his rapid, rhythmic speech, Davis is no fast-talking used-goods hawker. And despite his natural ambition, he has no interest in erecting a colossal rent-to-own empire or in vanquishing Rent-A-Center or other big-time competitors. Rather, Davis has crafted a new and different path for his RTO business and it's getting him exactly where he wants to go.

"Our stores are customized," he says. "We custom-order sofas or just about anything else. Our clientele can come through our stores and, just like a regular retail furniture store, sit down with us and design a

as the company's executive vice president and secretary/treasurer—spend time in their stores daily, as well as in the company's aptly named "home office," an addition attached to the side of their house. Both have taken a series of interior-design courses, so they can assist customers in making smart decorative selections. May produces all of Nations' advertising, from concept through publication, while Paul designs the stores and showrooms, ensuring the foot-traffic flow, product display and absolute lack of clutter he demands.

Davis believes the store environment plays an essential role in winning over the right customers. Nations Rent-to-Own stores have a deliberately "homey" atmosphere, warm and inviting: soft music plays, aromatic candles burn, everything is sparkling clean and all products are fully installed, so that customers can get a real feel of what it will be like to have them in their homes.

"If the product is represented and displayed properly, then it will sell itself," says Davis. "People know what they want; they've just got questions about



design, warranties, what-have-you.”

The Davis’ work alongside their employees every day, helping answer questions, write contracts and otherwise “fill in the gaps,” says Davis. “It’s great for our working environment. Everyone sees I’m not just a shirt and tie sitting behind a desk giving directions and

care of them due to their distance from our stores, then we’re going to tell them so and refer them to someone else. We don’t want to stretch ourselves thin, because we want to make sure we always have the resources to take care of the clientele we already have.

“Likewise, we want to give people what they want, but we rent what’s right for them,” says Davis. “In this industry, stores often will rent too-pricey merchandise to folks who clearly can’t afford it. I don’t agree with that philosophy. We just flat-out ask them, ‘Can you comfortably afford to make this payment?’ When you have these conversations and you develop these kind of relationships, then the customer believes you really care.”

And that, says Davis, is key to rental-purchase success: building trusting relationships. “This is a relationship business,” says Davis.

“Building strong relationships is just the basics of doing business—being approachable, being respectful and paying attention to detail. One person can be worth up to a half-million dollars to you in repeat and referral business. When you take care of that one

person, then they appreciate it and they will talk about it with other people.”

### The California connection

Connecting with people is clearly one of Paul Davis’ fortes and definitely part of why, with only six years in the rent-to-own industry, he’s personally responsible for having revitalized California’s statewide trade association for rental dealers.

“A couple of years ago, [former Association of Progressive Rental Organizations president] Lyn Leach called me up,” says Davis. “I’d never met him, but he invited me up to Washington, D.C., to talk with my senators and congressmen about the industry’s legislative priorities. I went because no one from California was going. I began asking around about why California didn’t have an association and the answer I kept getting was, ‘Well, nobody wants to put it together, no one wants to run it.’”



**NATIONS’ TEAM:** Phillip Randolph, account manager trainee; Sherman Burns, store manager; Paul and May Davis; Carlos Robles, account manager; and Isidoro Calles, delivery/installation technician. Not pictured: Richard Martinez, delivery/installation technician; and Fred Albright, account manager.



not doing much. I need to know everything there is to know about my business and be willing to do what the lowest-level employee does, without hesitation.”

Davis says the hardest part of running Nations Rent-to-Own may be recruiting and retaining exceptional employees to serve as account managers or “concierges,” as Davis calls them.

“To do business the way we do it, you really need to have five stores or fewer,” he says. “Doing it on a large scale would be extremely difficult, especially finding the right people.”

Which is why, unlike most of his competitors, Davis isn’t terribly concerned about growing his business. With an ultimate goal of only three to five Southern California-based stores, Davis stresses quality over quantity and isn’t afraid to let customers know whenever their needs don’t seem to be a “fit” with the company.

“We are extremely honest with the customer,” says Davis. “If we haven’t got the resources to properly take



So in 2001, Davis decided to do it himself. Serving as the organization’s president, with May as executive director, Davis re-launched Cal-APRO, with a realistically limited objective: providing a vehicle through which California rental dealers could improve communication, both among themselves and with state policy-makers.

“There wasn’t a legislative cause for us to rally around and, honestly, it’s been difficult for us to get people involved,” says Davis. “California’s such a big state; we’re all so spread out. Also, we’ve got a lot of small mom-and-pop shops, so it’s hard for folks to get away from their businesses for meetings or events.

“But we’re all doing the same type of work,” says Davis, “and yes, we’re here to compete, but we can compete in an environment where everybody is communicating, we know what’s happening with each other and if someone has issues, then they’ve got

### Trade-offs and payoffs

When Davis isn’t doing company or association work, he enjoys spending time with May and their sons, Triston, 8, and Tyler, 6. Both boys help out in the Nations stores, polishing, greeting and helping entertain customers’ kids. When the stores are closed—Sundays and Wednesdays—the Davis family is off adventuring or haunting local amusement parks to challenge each other at video games (to stay competitive, Davis has even learned how to play the complex Japanese card-dueling game, Yu-Gi-Oh).

As for other pastimes, you name it, Davis is probably up for it. “I’ll do anything,” he says. Travel, water sports, snow sports—Davis is partial to adventure and activity and is currently working on complying with the weight requirements for solo skydiving.

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somewhere to go to talk about it. Sharing information helps us all be more successful.”

Cal-APRO does hold a couple of meetings annually, but the main means of communication come directly from Davis in the form of a quarterly newsletter and regular personal calls just to check in and see what’s going on with rent-to-own stores around the state.

Industry issues currently being monitored by Cal-APRO include establishing fair, consistent standards for assessing personal property taxes on rent-to-own stores, clarifying language contained in the state’s Rental-Purchase Act and curbing skyrocketing workers’ compensation costs for California businesses.

“An association as a group of individuals together, be it large or small, can be extremely important,” says Davis. “We all have the same common desires and hurdles and associations provide the forum for us to go as a group and address our issues with legislators. And when you come together as a group and you’re all going for the same goal, it really speaks to people; they tend to pay more attention.”

Additionally, he keeps up his shooting skills with regular target practice for what one assumes must be rather intense games of paintball with his friends still on the force.

While missing the intrinsic thrill of police work is an unresolvable reality of Davis’ life, he has discovered other avenues of self-fulfillment and other ways to make his life complete and meaningful.

“My other proudest moment was when we opened up our first store and we made our first dollar of profit,” says Davis. “I’ve still got that dollar to this day and will keep it forever. It means I’ve achieved the American Dream—owning my own business, doing my own thing. And my family is part of it, too. I mean, I’ve got an eight-year-old little boy who can accept payments on the computer; he does it and the customers love it. Y’know, it’s really a family business and that’s a great feeling. I don’t want to lose that.” ■

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