

Trooper Earle is determined to shake up the RTO universe, one owner-wannabe at a time

# *the* champion of entrepreneurs

Trooper Earle is the first to confess that he's a workaholic. Sure, he's a huge University of Virginia Cavaliers fan. Of course, he speaks of his wife and daughters with natural affection. But truth be told, Earle is essentially immersed in his vocation of growing a future rent-to-own powerhouse by helping longtime industry managers become successful store owners. "I enjoy what I do and have a passion for it," Earle says. "My primary income now comes from taking care of other people, which is really rewarding for me. It's great to wake up every day and know I'm helping people go from being employees to owning their own business, controlling their own lives. I feel really good about helping people get into a situation where they can call their own shots." Earle, a career RTO man, has been calling his own shots for several years as president and CEO of Premier Rental-Purchase ([www.premierrents.net](http://www.premierrents.net)). But, he says, he's never been more satisfied professionally than he has been during the past three years. He sold all his own stores and began to lead Premier down a new and different path—a road with a little less space for the industry big boys and a lot more room for the little guys of rent-to-own. Trooper Earle is a busy guy—and it seems he always has been. Earle was born a Virginian, the last of five children in a military family. Though they moved frequently during his younger years, his family returned to Virginia and settled in Charlottesville, where Trooper grew up, a boy forever on the go. He played a wide variety of sports, including football, basketball and tennis. At 12, he held a state swimming record.

*APROfile* by Kristen Card

Once he reached high school, Earle's entrepreneurial streak emerged. He ran a lawn service and developed a successful disc jockey business. He earned his bachelor of arts degree at the University of Virginia and, following graduation, spent time out in California working as a bartender and considering his next adventure.

### The RTO adventure begins

He returned home to Virginia, where his next adventure—RTO—was waiting. Earle's brother, Chip, knew a ColorTyme dealer who wanted to incorporate furniture independently into his rent-to-own offerings and needed someone to oversee operations. Chip volunteered his career-less kid brother, Trooper. Within weeks, ColorTyme announced it was going to begin offering furniture as well and Earle was assigned to a store in Harrisonburg, VA, that was grappling with about 50 percent past-due customers. Within a couple of months, Earle's store was No. 1 among the owner's three operations; eventually, Earle ran all three of the dealer's stores.

In 1985, a couple of his fellow ColorTyme-ers asked Earle whether he might consider going into a partnership with them to own their own stores. Earle agreed and became 22 percent owner of what eventually became five ColorTyme stores throughout Virginia and Maryland.

Yet, when the partnership began to dissolve several years later, Earle saw it as an opportunity.

"I went to the bank and told them, 'you may not know me, but I am the one who is putting the money in the bank, which enables my partners to write you the check each month.' I wanted to buy out my partners and even though I didn't have much net worth at the time, I was the guy who could best protect their investment and see to it that they got their money paid back. So they said, 'Sure, do it,' and gave me the funding," says Earle.

### Hitting the fast-track

"I became 100 percent owner of all five stores March 1, 1991, and we went on a tear. I went from being a junior partner with only 22 percent of five stores on February 28 to becoming ColorTyme's third-largest dealer nationwide with 100 percent of 16 stores by November. In seven months, I pulled together another four financial deals to acquire 11 more ColorTyme stores. It was during this period I realized borrowing money wasn't that difficult if I could show banks a solid financial and operational plan and how their investment would be safe and they would get paid back."

That skyrocketing success lasted a couple of years, but Earle began to get restless. He sold some stores back to the company, consolidated others and ended up leaving

ColorTyme owning and operating just five.

"What I really liked about ColorTyme was the support and the camaraderie, being involved with other dealers and sharing ideas," Earle says. "It wasn't really what ColorTyme was teaching me as much as it was what I was learning from other dealers."

Earle wasn't the only ColorTyme dealer who was eager to take the next step. Carlos Sardinia, the largest Col-

orTyme dealer at the time, had previously broken off from ColorTyme to launch his own licensing organization, Premier Rent-To-Own. When Earle got word of Premier, the concept energized him so much so that he left his stores for seven months to move to Boca Raton, FL, and help Sardinia get Premier off the ground. Shortly afterward, several other dealers left ColorTyme and joined Premier, quickly growing the organization to 48 stores in 11 states. Eventually, though, Earle returned

home to run his stores and when Sardinia opted to sell his stores to the growing public companies, the other dealers came to Earle and said, "Troop, you were instrumental in getting us to join and now Carlos is selling out. You can't just leave us high and dry," says Earle. "So I acquired the licensing organization, changed the name to Premier Rental-Purchase and did my best to support the dealers while still running my stores.

"Then we began to get calls from talented RTO professionals saying, 'Hey, can you help me start up my business?'" Earle says.

"I was struggling, honestly, to figure out how to help the dealers and help myself, because running stores takes a lot of energy and helping others takes a lot of energy, too. So, in 2001, I finally sold my stores and started to focus solely on licensing."

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### Filling the void

Earle saw a void caused by over-consolidation within the RTO industry and recognized the potential opportunity to help seasoned rental-purchase veterans open up their own stores.

"Since Premier was formed by a group of seasoned



RTO operators coming together, the founding principles of Premier weren't designed around what's best for the licensor, they were designed around how best to serve us—the licensees," says Earle. "The basic principles were: One—the fee we agreed to pay was going to be only the amount required to keep the basic overhead and provide the support we wanted from the licensing company and; Two—the licensor shouldn't go spend a lot of money or hire a bunch of VPs to tell us how to run our business. We knew how to rent and collect; we just wanted the licensing company to provide support in areas where it would be cheaper and smarter if we all worked together."

Support—the ultimate, comprehensive, 24/7 kind—is exactly what Trooper Earle works to provide to Premier's licensees. From complete confidentiality during their first inquiring call to the development of their 10-year business strategy, Earle makes sure he can meet any and all new-dealer needs. And where Premier applicants commonly need the most help is where Earle provides the greatest support: financing.

### A unique financial arrangement

"Banks don't typically want to loan money to our industry," Earle says, "because we use money the banks loan us to buy merchandise to put on rental agreements with customers who, much of the time, the bank wouldn't give a checking account to. So, for the bank it doesn't make sense to give us hundreds and hundreds of thousands of dollars so we can do business with consumers the bank doesn't feel are credit-worthy."

Over the past few years, Earle has developed a unique and amazingly effective system for securing financing for folks who want to open up their own Premier stores. It

begins with an exclusive projection model originally designed by his brother, Chip.

"He helped me develop the beginnings of a projection model where you plug in real numbers and it can project in tangible numbers what you'll do for the next three years," says Earle. "Premier's projection model is simple to use and makes it easy for RTO professionals to convert their operational knowledge into accounting spreadsheets the banks need to see. It starts with about 240 questions and within about an hour and a half, it will produce the beginning of a projection custom-tailored to new dealers and to them specifically. Not only a cash flow and profit analysis, but everything needed to go to the bank including BOR and revenue projections, expenses, balance sheets, debt service schedules and more."

"With Premier's help, we have been successful in getting most applicants 80 percent of their necessary funding from a local bank and the shareholders must come up with the other 20 percent on their own," he says. Once the projections are done, Earle sends them to Premier's financial consultant, CPA Dan Whitsell ([www.whitsellandcompany.com](http://www.whitsellandcompany.com)), a renowned rent-to-own industry specialist, for his review and consultation. Whitsell interviews applicants extensively, validating their projections based on their experience and track record, challenging financial vulnerabilities and examining their personal finances and credit.

Once applicants have cleared Whitsell's fiscal analysis, Premier develops a full-fledged plan for applicants to present to their financing source, which is usually a bank. Premier frequently pursues Small Business Administration guaranteed loans for prospective dealers.

"SBA loans are notoriously difficult to get," Earle says.



CARL KERRIDGE

"It took us a year-and-a-half of research and now we can successfully bridge the gap between the person who wants the SBA loan and all the reasons why he can't get one. We can get SBA loans for people who probably never thought they could own a business. One guy came to us with no money—none. And today, he's in business with two store locations. If someone is short on his 20 percent, we won't turn them away. We work with him on a variety of options from helping him get backing from family and friends he may know to turning him to financial supporters we know. If someone is good at renting and collecting and has the personal drive to own their own RTO company, we can help him.

Mike Lewis of Mishawaka, IN, a former Rent-A-Center regional director, came to Premier wanting to start his own RTO company. When he tried to secure an SBA guaranteed loan, he was informed that rent-to-own businesses weren't eligible for such loans; apparently, the SBA in Indiana had categorized RTOs as financing businesses, which are automatically ineligible. Earle was determined to resolve the situation. He flew to Indianapolis and sat down with the director of the state's SBA office, explaining Premier and the rental-purchase industry to him. Following two months of back-and-forth between the SBA and Premier, the Indiana office overturned its decade-old position on rent-to-own businesses and Lewis' store became the first rent-to-own business backed by Indiana's SBA in at least 10 years.

It's that sort of dogged determination and dedication to dealers that is helping spread the word about Earle and Premier. Today, Premier has 18 locations open in 10 states, reaching from California to Connecticut. Twelve of those have opened up within the past two years. Additionally, at publication, two more stores were preparing to open and nine more are slated to open in the first half of 2005. Earle's not shy about sharing his plans for the future of the company; he intends to keep on growing.

"I see no reason why we can't continue to help 10 new dealers a year," he says. "If we can do that for just four or five years, then our dealer size will rival our franchise competitors.

"The difference between Premier and our franchise competitors is they are stuck on qualifying people with money who want to invest in the rent-to-own business," says Earle. "We, on the other hand, see tremendous financial opportunity helping seasoned RTO operators who have a proven track record of success in the industry become business owners."

### Creating new ventures

Earle is also working to integrate new, optional product lines for Premier dealers. In addition to the company's electronics and appliances offerings, Earle recently launched Premier Home Furnishings ([www.premierfurnishings.us](http://www.premierfurnishings.us)) and Premier Wheels & Tires ([www.premierwheels.net](http://www.premierwheels.net)). In 2005, he plans to debut another new company division, Premier Cash Advance, and he is currently looking for financial backing to open a company-

owned store division. Meanwhile, he's pursuing franchise status for Premier, which should be complete this month. "By converting our legal status to a franchise organization, it will put us on a solid infrastructure for future growth and further simplify our review process with the SBA."

For Earle, building a big company has been a dream for a long time. But talk with him and a few of his colleagues, and it becomes clear money isn't his motivation—not right now, anyway. What drives Earle is the connections.

**"The founding principles of Premier aren't designed around what's best for the licensor, but what's best for the licensees. Premier licensees know what they're doing; they just need support."**

"I love the hustle and bustle of this business," Earle says. "When you work in rent-to-own, there's always something happening. It's just a constant interaction with customers and employees. It's service-oriented and if you don't love to serve, then you should choose another business."

Earle thrives on connecting with others who love RTO the way he does. So helping other seasoned industry veterans within the context of an organization is definitive work for him.

"Premier's competitive advantage is our dealers," says Earle. "The people at the stores are always the No. 1 reason why rent-to-owns succeed or fail. The people who are calling us are oftentimes the most recognizable RTO face within their community. So if they quit working for their company and if we help them open up a store down the street, their customers will flock to them because they've already got a reputation and a rapport with their

customers. Customers are why RTO stores are successful, not the sign above the door."

### Strength in APRO

Earle's strong belief in the power of connection is also the reason why he requires Premier dealers to be members of the Association of Progressive Rental Organizations. Earle has been an APRO member for about a decade now.

"I tell my people all the wonderful things APRO does and the host of things APRO can do for them. If you're a member with us, then you're a member with APRO. Under our licensing agreement, Premier dealers must remain APRO members in good standing.

"I think there's immense value in belonging to an organization that's sharing ideas," continues Earle. "The information APRO shares gets you out of your box, seeing what other people are doing. Without that type of information, you're just not as good as you could be."

Earle also appreciates the role APRO has played in improving the image of the rental-purchase industry.

"APRO's leadership has been instrumental in helping the industry evolve over the past 15 years or so," Earle says. "Rent-to-own is just considered a much more legitimate business. Our business practices, our collections, our appeal to the general consumer is 10 times better than it was 15 years ago and I think APRO gets the credit for all that."

It makes perfect sense that a man like Earle is concerned about the legitimacy of his industry; during conversations with he and his colleagues, the one word that consistently pops up time and time again is integrity.

"I've had my ups and downs, and the one thing that's guided me is integrity, honesty," reveals Earle. "I've always tried my best to do the right thing, which has at times

costs me a lot of money. But now, I look back and I'm so glad I paid the money. It was painful, I could have walked away, but I didn't. And now I can walk in holding my head up high and say, 'That was a bad situation. We lost money, you lost money, but I did what was right.' In this industry, you face a lot of tough situations, where if you do the right thing, then it's hard in the short-term, but it's going to be beneficial to you in the long run. In this industry, I think integrity is key."

"He's a man with great integrity in a world without it," says his longtime collaborator, Dan Whitsell. "He does

the right thing no matter what. [The author] Louis L'Amour has a phrase—'A man to ride the river with.' That's Trooper."

No doubt Earle's wife of 14 years, Shelley, agrees. Trooper Earle, is also a committed husband to her and father to their two daughters—Kaleigh, 12, and Marina, 19 months.

Trooper and Shelley, who is self-employed as an interior designer, weave their work and family lives together masterfully. In addition to Kaleigh's typical preteen activities—Girl Scouts, drama, cheerleading, swimming, volleyball—the family unfailingly attends UVA football games throughout the autumn and vacations among North Carolina's Outer Banks, in conjunction with



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Earle's annual business retreat.

Simply put, Earle has a passion for Premier—and for people. While he hopes his dealer-centered company continues to flourish—enough to give the industry's "big dogs" a run for their

money—what he concentrates on day-to-day is contributing whatever and however he can to the success of others.

"It's about the people who are calling me and they're managers or market managers for rent-to-own companies who want an opportunity to go to the next level," Earle says. "To help somebody get there is just a tremendous joy. We're changing people's lives, we're changing their kids' lives. That's important. It's important to me." ■

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