



STAYING POWER

FROM COVERED WAGON TO KATRINA RECOVERY,
80-YEAR-OLD BOB MCGREGOR JUST KEEPS GOING AND
GOING AND GOING BY KRISTEN CARD

ON AUGUST 29, 2005, WHILE MOST OF AMERICA WATCHED the devastation of Hurricane Katrina happen on their television screens, Bob McGregor and his family witnessed it through the windows at his daughter's home in Pascagoula, Mississippi. "When the storm hit, everything was fine as far as the wind, for a while," McGregor remembers. "Then, part of the roof blew off and the living room started leaking. Then, we noticed the water was coming up to the downstairs floor level, and within a few minutes, it was in the house. We started scrambling and putting up valuables and the next thing you know, we were wading in knee-deep water. "So about that time, we all went upstairs. We had all the family's cars parked out in their double driveway and from upstairs, we looked out through a big window and saw all those cars get submerged—all seven of them. A few hours later, the water started going down and it went down just as fast as it had come up—and [then] it was gone." Saltwater covered essentially the entire town and while it didn't stay for days or weeks like the flooding in New Orleans, it left an indelibly destructive mark.

PHOTOGRAPHS BY CYNTHIA BABER STRUNK



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t my house,” recalls McGregor, “it was 49 inches deep inside the house and our house is about 27 inches off the ground. The saltwater rusts everything it touches and on the bottom of it was about an inch of old, black, dirty, contaminated mud, muck. Ugly stuff. So all the sheetrock and all the carpet has had to be torn out. We lost every stick of furniture we had, and all the family pictures—hundreds and hundreds of family pictures, way back from when we were children. My son lost his house. He was right on the beach and it just wasn’t there at all anymore. Instead of his house, he had about five feet of sand.”

Nine inches of the ruinous waters flooded the store and warehouse of McGregor’s business, McGregor Rents.

“Almost all of our inventory got wet,” McGregor laments. “Everything that got wet, we treated with a mold killer solution, and it’s been pretty successful. And now, we’re selling everything that got wet at a 40-percent discount. About 75 percent of our bedding inventory—about 200 pieces of bedding—we’ve had to just throw it away. And we’ve counted just over 400 customers who we’ve just lost completely. Anything over a foot [of water] inside their house and we’ve just had them put it out on the street for the trucks to pick up. We just lost all that; we’re guessing at about a half-million dollars there.”

That’s a half-mill McGregor Rents will have to eat. Everything that got wet from the Katrina storm surge is classified as flood damage and McGregor—like most Pascagoulans not located right on the water—had no coverage for flooding.

“Heck, nobody ever dreamed we’d need flood insurance at these locations,” he says. “It’s never flooded there before, not in history. People didn’t think they needed flood insurance and even the banks didn’t think they needed it. So people are really hurting down here because of that. We took a lick on it, no doubt about that. I’m right back where I started from in 1946, with just one store.”

Yet for a man who’s suffered a monstrous professional hit, who’s seen his hometown practically decimated by a freakishly colossal natural disaster, whose beautiful harbor-side home has been stripped down to the studs while he and his wife live in a donated trailer in the back yard, 80-year-old Bob McGregor sounds, well, pretty perky.

“The trailer’s got a nice canopy coming out from under it,” notes the native Mississippian. “It’s not home, but it sure beats living on the screened porch.”

A strong streak of that mix of perseverance and opti-

mism must run genetically through the McGregor lineage. Bob’s father, also Robert, grew up on a Mississippi hog farm and went to school through only third grade. Later, he inherited the farm, and he and his wife, Maggie, were in hog heaven—with 500 head—when the herd was abruptly extinguished by a case of cholera. They left the farm and moved to Hattiesburg, where Robert taxied mostly World War I soldiers between downtown and Camp Shelby. Maggie saved up some money—“Mama was a frugal woman,” observes McGregor—and they purchased a pool hall, which went broke once the war was over. So Robert went to work for the railroad for \$65 a month and Maggie started saving once again. With that money, Robert began buying and selling used furniture. It was 1919, and the official beginning of the family furniture business.

“He had a covered wagon and a mule for delivery,” McGregor says. “He went house to house and he’d buy and sell off that covered wagon. Most of the furniture sold for 50 cents down and 50 cents a week. He was just a man who overcame his lack of education with hard work.”

Then called Pioneer Furniture Company, the business gradually grew and all five of the McGregor children eventually went to work for the family company. Bob, the youngest, graduated from high school in 1942, and despite his intention to go to work with his dad, he half-jokingly claims, “When I walked off the platform with my diploma, they were waiting to hand

Below and on the facing page: Hurricane Katrina’s destruction to McGregor’s store included both the sign outside and the showroom floors within.



me my draft notice.”

McGregor joined the Navy and attended boot camp in San Diego, followed by radar school in Honolulu and another 16 months in Hawaii as an instructor. He tested his way into college at Tulane, where he wanted to take business management courses, but was forced by the Navy into an electrical engineering major. When World War II ended, the Navy let McGregor go and he made plans to return to Tulane and study business management. But during the break before school started up again, the family business intervened.

“My daddy was opening up his second store in Hattiesburg,” remembers McGregor. “I went down to help with the grand opening and I just kept going.”

McGregor never returned to complete his college degree, but he did become the manager of that second Hattiesburg store and persuaded his dad to change the company name to McGregor’s. Bob had notions of launching a chain and, accordingly, McGregor’s opened its third retail furniture store in Pascagoula—where Bob subsequently moved with his wife and children—in 1959.

The trio of retail stores enjoyed significant success, with enough business to keep the McGregors busy. Then, in 1972, a man involved in the building industry walked into the Pascagoula store, not realizing he was about to single-handedly alter the way the 50-plus-year company conducted business, with one seemingly simple request.

“He had just completed an apartment complex and he said, ‘Bob, I want to rent some furniture,’” recalls McGregor. “I said, ‘You can’t rent furniture; let me sell you some furniture.’ And he said, ‘I need 34 apartments of furniture for my new complex,’ and I said, ‘Well, I’ve never heard of renting furniture.’ And he said, ‘Well, they do it in New Orleans, so why can’t you do it?’ and I said, ‘I don’t know—let me think about it.’”

“So I sat down with a pencil and paper and my little calculator and just figured out what I thought I ought to charge,” McGregor says. “I ordered the 34 apartments of furniture for the man and delivered it to him and that was the start of our business within the rental field.”

Word spread along the Gulf Coast about McGre-



“BEING SMART AND WORKING HARD IS HOW YOU SUCCEED, AND OF COURSE, IT PAYS TO HAVE ENTHUSIASM. AS FAR AS MY SUCCESS IS CONCERNED, IT’S MOSTLY JUST BEEN HARD WORK AND PERSEVERANCE.”

gor’s rent-to-rent business—the rent-to-own concept had yet to debut in Mississippi—and eventually, the company had 29 apartment complexes on its rental rolls. Client complexes also began referring individuals to the company and in the early 1980s, one of those individuals walked into the Pascagoula store, again with a request that sparked a further evolution for McGregor’s and its way of doing business.

“She asked me whether there was any possibility of owning the furniture she’d been renting,” recounts McGregor. “And I said, ‘Well, I don’t know. Let me look at your account.’ So I pulled out her account and she’d been paying on the furniture for four

years. I sat down and figured out how much she’d paid and I knew what my cost was on it. She’d paid us, I figured, way, way too much. I wrote that lady back a check for \$900 that day, and gave her the furniture.”

“I started thinking, well, gosh, there ought to be a purchase option on this stuff,” McGregor says. “So we put one in and we started renting to more and more individuals. Eventually, we got a little warehouse for the rental part of the business and had a very, very small showroom at the front of it. We hired someone to go out and call on apartment complexes and the business just sort of kept growing, until we finally separated the retail and rental accounting. The next year, we realized we had made more money with that little old rental operation than we had at the retail store. And I said, ‘Dang. There may be something to this rental thing.’”

McGregor closed his Pascagoula retail store, his daughter Terri took over management of the Pascagoula rental store and—with the help of his nephew John McGregor—Bob opened up another rental store in Jackson. It was extremely successful, and suddenly, the McGregors' furniture business, now more than 60 years old, began to boom. McGregor's launched a string of grand openings—from Baton Rouge to Orlando—that boosted the company roster to 13 rental and two retail stores.

"We thought we were going to be billionaires," muses McGregor. He chuckles. "But it didn't quite work out that way. In 1982, the oil crisis hit. The rent roll at our Baton Rouge store went from about \$95,000-a-month income to about \$40-something-thousand within a year. Jackson wasn't far behind, then Birmingham... You don't necessarily think of those towns as oil towns, but we reached a point

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where seven of our 13 rental stores were losing money."

Those losses worried the bank, where the McGregors had secured a sizable loan to support their geared-up growth. When the bank called the multi-million-dollar loan in, McGregor was forced to sell off nine stores to Aaron Rents to repay the bank note. Bob and his nephew John divided what was left of the company, with Bob holding onto only the Pascagoula and Biloxi stores. Later, the Biloxi store would move to Gulfport, only to be shut down last year following the destruction of Katrina's older brother, Hurricane Ivan.

Today, at 86 years and counting, McGregor Rents might look like it's been overly downsized, but at its core, it's still solid and focused on three types of business: rent-to-own, which makes up about 60 percent of accounts and income; cash, or 90-days-same-as-cash; and rent-to-rent, the only one of its kind along the Mississippi Gulf Coast. McGregor thinks it's these rent-to-rent roots that help distinguish the company from its competition.

"Our rent-to-rent lifts our rental income; makes it steady," McGregor says. "We've got our niche and we have our customers, but I think I'm smart enough to know everybody's got their niche and their customers. I think the key is when you get a customer, try to hold onto [him]. You're going to lose some—some of them die and some move away and, God forbid, another store might take some of them away from you, I guess. But we try real hard to keep our customers happy and they tell me all the time they wouldn't even think of renting anything anywhere else. Most of our customers are loyal to us and we try to be loyal to them."

Once a family business, McGregor's today is really just a family namesake—Bob is the only family member still involved in the company and his octogenarian status means he works only partial days, leaving much of the administrative nuts and bolts of the business to be handled by a hired helper.

But a glimmer of hope for a family legacy remains in McGregor's personal namesake—his grandson Rob, who is currently a sophomore at Ole Miss studying exactly what his grandfather never got the chance to: business management. The older Bob and younger Rob have had many conversations about McGregor Rents and have even developed a prototype for building up a company chain again.

"Secretly, I'm hoping he'll come in and take on the business," says McGregor, though he tries not to force the issue. Still, should young Bob accept the company torch from his grandfather, McGregor offers two sim-



"We try real hard to keep our customers happy and they tell me all the time they wouldn't even think of renting anything anywhere else." Left: McGregor with a loyal customer and with one of his employees, Patrick Sullivan, below.



ple words of wisdom to help him succeed at it.

"Hard work. Just hard work," he counsels. "People ask me, 'Are you still working?' and I say, 'Yeah, but I work only half a day—12 hours.'" He laughs, then offers some more serious advice. "It helps to be smart. It's kind of a complicated business—figuring all the mathematics of it with all the ramifications of the rent-to-own business...trying to keep it fair and right and still make a profit and all. Being smart and working hard is how you do it and, of course, it pays to have enthusiasm. As far as my success is concerned, it's mostly just been hard work and perseverance."

And so Bob McGregor just keeps on keepin' on. For about the past 15 years, he has begun every day at 4 a.m. with a cup of coffee, a pencil, a spiral notebook and two hours of silent solitude. During this magical quiet time, he does "morning pages," a concept gleaned from creativity guru Julia Cameron's book *The Artist's Way*. In his morning pages, McGregor simply writes down whatever's on his mind—and there's plenty: he's collected 60 spirals full of notes to date. He calls them his memory. "Everything I think of, I write down," he says. "Then, when I want to remember something, I just try to remember which spiral notebook it's in."

McGregor also finds deep satisfaction through his volunteer work with the St. Vincent de Paul Society, a Catholic-based organization created to help the poor and needy. He manages the furniture room at the group's thrift store while Joy, his wife of 58 years, works as cashier.

"I tell people all the time, 'That good-looking blonde over there, that's my wife,'" quips McGregor. "She's gorgeous—she was Miss Hattiesburg High. We knew one another in high school, though we never dated then. When I came back from college, I called

her up one day and asked her for a date and after that, it was just, y'know, downhill—or uphill, I guess."

The couple's two children—a daughter who teaches second grade at a local Catholic school and a son who runs a car business—and two grandchildren all live close by in Pascagoula, so family time is frequent and fun-filled. McGregor and his son also own a trading company together, through which they trade stocks and commodities—more for play than for profit.

"It's really just a game," McGregor clarifies. "I've always said business is just a game and money is just a way to keep score. I enjoy the hell out of it."

"And I love furniture," he continues. "I love this business so much. It's all I've ever known. My daddy started me sweeping the floors in his warehouse when I was just 13 years old. So it's been 67 years I've been messing with furniture. I love going to market; I'm probably the oldest buyer who goes to the furniture market anymore. Next February, we're going up to Tupelo and it'll be my 106th market."

As a tree surgeon performs damage control in the McGregor's front yard and a Shop Vac hums in the background, it seems clear that no matter what sort of Hell or high water might come his way, throwing in the towel is simply not an option to Bob McGregor. He and his business are here to stay.

"I've never once considered getting out of this business. Oh, no, no, no, no, no," he asserts. "I love the business and I don't have any doubt whatsoever that I'll bring it back again." ■

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