



**AN APROFILE
BY KATIE GARZA**

**THE
HOUSE
OF**

Otander

**Hoop-shooting brothers Morrie and
Randy Otander team up to score points
in the rental-purchase business**

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rowing up, Randy Otander and his little brother Morrie enjoyed playing sports; their game of choice was basketball. By the time they reached their teens, both brothers were shooting hoops for their high school. ✱ “We had a basketball coach who was very instrumental in instilling competitiveness within us,” says Morrie. “His philosophy was, ‘A winner never quits and quitters never win.’ He had a unique ability to bring out the best in a person who had the desire.

Ie often stated, 'Give me a person with natural talent and a person with limited talent but the desire, and I'll take the guy with desire every time, because I can make something of him,'" Morrie says. "I think Randy and I both followed those philosophies in sports and we do now in business. It's very similar."

Randy and Morrie Otander are the president and vice president/secretary-treasurer, respectively, of House of Television Rentals Inc., based in Jamestown, N.Y., where the corporate office, warehouse and service center are located. They have 15 stores spread throughout Western New York and Northwest Pennsylvania, seven of which operate under the House of Television name and eight that operate under the Champion Rent to Own name. Contrary to the company's name, House of Television Rentals offers everything from dining sets to refrigerators to personal computers.

"We're very conservative with growth," says Randy. "We're debt free. That's the way we've always done it. Our philosophy is that we don't open another store until the last one we opened is profitable. We've never had to borrow large sums of money. It's just worked out well. We focus on slow, controlled growth."

The brothers also share a belief in hard work and dedication. "Morrie and I used to work side by side seven days a week when we first started in rental," Randy says. "Saturdays, Sundays, nights... We really couldn't afford to hire a lot of people back then, so we did the work ourselves. That's all we've ever known really. Growing up we worked hard. We had paper routes and we worked side jobs through high school and college."

The Otander brothers' determination and cautious approach to business have paid off, both in time and money. Randy and Morrie readily admit that, although they hold the two highest positions within the company, they now can afford a crew of loyal, hard-working employees who make their lives much easier.

"Some of these people have been with us for 10

years, 12 years, even 16 years," Randy says. "Al [Nalbone, general operations manager] pretty much runs this company today. He also has two assistants who have about 15 years' experience between them.

"So, yes, there were trying times years ago, but more recently, a lot of the pressure gets put on these gentlemen's shoulders—and Morrie and I, we kinda just sit back and manage the company now," he says.



Yet House of Television Rentals Inc. wasn't always such a turnkey, streamlined operation for the brothers. When they decided to open a rent-to-own store in Jamestown back in the late 1970s, there weren't any businesses like it in the area. Their uniqueness to the marketplace proved challenging because they had no precedents to follow or examples from which to learn. However, their market monopoly also insured their immediate success.

"Our growth in the beginning was phenomenal," says Morrie. "We were the only act in town. In our first two years of business, we opened a second and third location in a couple of towns about an hour's drive from here. Back then, you were nothing more than an order taker."

Randy and Morrie met the strong demand for rent-to-own services by working around the clock to educate themselves about the rental business, a concept introduced to them while working in television sales. Prior to rent-to-own, Randy owned a Zenith dealership and Morrie handled the dealership's outside services, installing antennas and televisions. Randy had purchased the Zenith dealership from his first cousin after working for him for several years. The idea to start renting their merchandise was raised when the proprietors of a nearby seasonal cultural institution approached the brothers about renting product to them during their

summer session. The brothers agreed to rent their merchandise to the Chautauqua Institution, nestled on the banks of New York's Lake Chautauqua, and every year the order list grew. The problem, however, was what to do with the merchandise once the season ended.

"At the end of each season we'd bring all this stuff back and not know what to do with it," says Randy. "We were selling it as used at one point, but then we realized something: If these people at


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PHOTOGRAPHS BY PATSY OTANDER

The Jamestown Champion store.
Front row: Kane Brink,
west market manager; Andy Melice,
account manager; and Al Nalbone,
general operations manager.
Back row: Randy, co-owner;
John Munson, assistant store
manager; Luke Griffin, account
manager; Mike Melice, inside sales;
Mat Barron, store manager;
and Morrie, co-owner.

the Chautauqua Institution would rent it, then maybe the local people (in Jamestown) would be interested in renting it too."

About that same time, according to Morrie, credit had tightened up considerably. "We were used to writing regular bank installments on contracts on TVs and they set a minimum limit of about \$1,500," he says. "At that point, televisions didn't cost anywhere near that. So, what we were attempting to do through our distributorship was obtain in-house financing. Basically Zenith counteracted by sending a representative from their company along with a rep from BorgWarner, who sold us on the rent-to-own concept."

In those days, BorgWarner was one of the primary lenders in the rent-to-own industry. The representative explained to the Otanders how rent-to-own worked and what would be needed to get started—namely a tremendous amount of money to buy merchandise. Randy and Morrie liked the concept of rent-to-own and agreed to forge ahead with the idea. BorgWarner gave the brothers a \$500,000 line of credit to help launch the business.

Not long after starting out, the Otanders discovered the Association of Progressive Rental Or-

ganizations and became members. According to Morrie, because the brothers were the only rental act in town at the time, APRO was a tremendous help in connecting them with other professionals in the industry.

"APRO probably has been one of the most significant influences to anybody in this business," he says. "Through this organization, rental dealers can communicate their business practices to one another. In a way, we've all grown up and learned together."

During their early years in business, the Otanders regularly took advantage of APRO's networking opportunities and read everything the organization published on industry trends and practices. Today, they still look to APRO for guidance in employee training and customer relations.

"We've never had any kind of formal training for our employees," Morrie says, "but we do use APRO's online training and that has helped us out quite a bit. Primarily for us, however, it boils down to on-the-job, hands-on training."

"And treating people the way that you want to be treated," says Randy.

"Yes," Morrie says. "That's another one of our big philosophies. We try to keep it like a family-orient-



ed operation. Everyone gets cross-trained; everyone can do each other's jobs, from entry level to management."

One might assume that two brothers who grew up together and now work together might suffer from burnout occasionally and need some time apart. Yet Randy and Morrie insist their blood ties never have proven to be an issue in their business dealings.

"Do we ever get burned out?" Randy asks. "I suppose we've been close a couple of times."

"We've been there over the years many times," Morrie says. "But that's just the nature of the business. It's an exciting business. We strongly believe in it because we've seen over the years what it has allowed our customer base to have in their homes.

"We just put our noses to the grindstone and lived meagerly for many years, because we don't believe in being heavily leveraged," he says. "Like Randy said, we wait until one store is profitable be-

Morrie, Randy and Al Nalbone.
"Some of these people have been with us for 10 years, 12 years, even 16 years," says Randy. "Al pretty much runs this company today."

fore we move on to the next. Maybe we were a little conservative back then—maybe we weren't. But I do know that we are debt free today and everything we own is ours."

While Morrie attributes his brother's business sense to their company's success, Randy says his younger brother's dedication, loyalty and hard work have served the business tremendously.

"It's no secret really," Randy says. "It's taken a lot of hard work and dedication. A lot of trial and error."

"Yes, a lot of trial and error," Morrie agrees.

"We grew up together, played sports together and now we do business together," Randy says. "We really don't know anything differently. We get along very well." ■

Katie Garza is a free-lance writer.