

Joe Recla's

# CENTRAL

Intelligence

"I did about 20 years in retail; I'd much rather be in rent-to-own,"

says Joe Recla, president of Central Rent To Own ([www.crto.net](http://www.crto.net)). "It's much more relationship-oriented. Retail is a one-time interaction; rent-to-own is getting to know the customer over time. And it can be hard to make a retail customer really happy. I find the people we deal with in rent-to-own, if you take care of them, give them the respect everyone would like to have, then they're very appreciative. They come back." ★ And come back they do, to the seven stores owned by Recla and his now-semi-retired partner, Curtis Knight, in the Northwest's Treasure Valley. Launched 21 years ago, Central Rent To Own today remains the only independent rent-to-own chain in the 50-mile run between Boise, Idaho, and Ontario, Oregon—an independence Recla believes helps keep customers coming back to his stores rather than "The Big Guys."

AN APROFILE  
OF CENTRAL  
RENT TO OWN'S  
JOE RECLA  
BY KRISTEN CARD  
PHOTOGRAPHS  
BY KYLIE BANKS

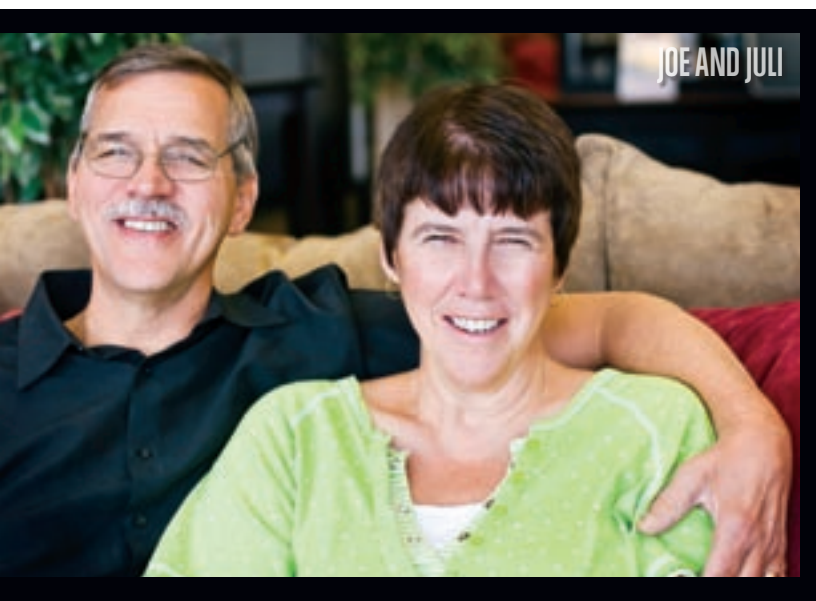


“People don’t rent from Central Rent To Own or Rent-A-Center or Aaron’s,” says Recla. “They rent from Bob or Dave the salesperson; they rent from individuals. We work really hard at building relationships with our customers over time. I’ve got people here in Ontario who have been renting from us for almost 20 years and now we rent to their kids. So, yeah, I guess it’s working pretty well.”

Of course, it probably doesn’t hurt to have been born and raised in the estimated 11,200-person town where you now base your headquarters. Recla, 57, is a native of Ontario, Oregon, and has lived there his entire life, save for a brief stint in Salt Lake City. Ontario lies about halfway between Salt Lake City and Portland, sidled up against the Snake River, right at the Idaho border, and springs from rural roots—as does Recla.

“I grew up on a farm,” says Recla, his unassuming voice trailing off toward sentence end. “We grew mint, raised dairy cows, that sort of thing. We were a family of seven kids: four brothers and two sisters; I was fifth. My first year of school, I went to Valley View Elementary, which was, at the time, a rural two-room schoolhouse, just like you imagine a country schoolhouse to be. My second year, they built a regular school.” He sounds a little disappointed.

Still, satisfied enough in the town “Where Oregon Be-



gins,” Recla graduated from Ontario High School, attended Treasure Valley Community College for two years, then ventured off—but not too far off—to Boise State University to be a member of the school’s first graduating class following Boise State’s classification as a university.

Having earned his political science degree along with a teaching certificate and having wed his first girlfriend, Juli (who had secured a teaching job of her own), Recla pursued a position teaching high school history, government and sociology. He thought he had found the right fit, but was informed that the school offering the job also required

him to coach, which he had no interest in doing. So, freshly graduated and just a few years into a marriage, Recla found himself searching for work.

He meandered into a local music store, a familiar spot. Recla had been playing bass guitar with rock ‘n’ roll bands for several years—first in high school with the Charlie Brown All-Stars, then in college with a group calling themselves Tulgey Wood (a reference from Lewis Carroll’s nonsensical poem “Jabberwocky”)—and he and his bandmates had often bought instruments and other musical accoutrements from the store. The store’s owner hired Recla and the retail portion of Recla’s career was somewhat accidentally launched.

“I got into the retail business and liked it,” says Recla. “About six months into it, the store was bought by Alta Distributing; their stores were called Eli’s. I worked for them for about 10 years—first, running a music store, then acting as district manager over four states, which is about 10 stores. I began to burn out, so I moved to Salt Lake City to run the company’s warehouse. The company got bought by Hastings and I stayed with them only a little while before coming home to Ontario.”

Unsure about his next career move, Recla happened to meet a man searching for a partner for his television repair business, which he was looking to expand and transition into an electronics service company. Curtis Knight and Recla hit it off and a partnership was born. It was January 1986.

“Curtis had gone to a seminar about a year before and someone had made a presentation about rent-to-own,” remembers Recla. “Curtis had a four-page pamphlet about it. I read through it and said, ‘Hey, I think we could do this.’ And that’s essentially how Central Rent To Own came to be.”

Initially, Recla and Knight simply added rental-purchase to their retail operations. But eventually, it became clear that rent-to-own was so much more profitable than retail, it just made sense to evolve into a complete RTO company—a move that increased the business by about 30 percent. Still, Recla says financing was a significant struggle for the first few years.

“You’ve got to understand going into this business that it’s going to take more money than you think,” says Recla. “It just takes a lot of money to get a rent-to-own store going. It’s tough. We were lucky—we had a friend of my father-in-law who was well-to-do, whom I’d borrowed money from and successfully repaid it. Around 1989, I went to him to see whether I might borrow about \$70,000. I told him I could pay off all of our high-interest loans, make a monthly payment to him and we’d have enough cash flow to begin buying our own stuff. We talked and I showed him the numbers and, finally, he said, ‘Well, that sounds like a good idea’ and just wrote me a personal check and I handed him an IOU. We paid off our debts and repaid him ahead of schedule. But it was one of those milestone events that happen in your professional life that help get you to the next level. Rent-to-own has been extremely good to me and my partner; we would never have been able to do this well in



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retail. But it takes time to build a store. You’ve got to be patient, and diligent with the details.”

Today, attention to detail seems to be paying off for Recla, as Central Rent To Own has seven stores—in Ontario and in the Idaho towns of Caldwell, Nampa and Twin Falls, as well as a regular store, a corporate rental store and a Rent-n-Roll Custom Wheels and Tires franchise, all in Boise.

Recla laughs about Central’s current fleet of stores, “We’d be twice as big if we hadn’t closed as many stores.” He refers to the company’s growth pattern, which really hasn’t had much of a pattern to it; it’s basically been a somewhat unsystematic series of openings, closings, buying, moving and refinancing. The latest addition is the Twin Falls store, which happened when ColorTyme sold to Rent-A-Center.

“A group of ColorTyme employees actually came and talked with us about opening up a Twin Falls store,” says

Recla. “We were instantly interested; good locations are hard to come across, but good people are harder to find.”

And according to Recla, good people are the cornerstone of Central Rent To Own’s success.

“What we offer that’s different from the big chains is a highly trained sales staff,” he says. “The long-term relationship is what builds business. The whole rental process is to establish relationships. I go to the same coffee shop every day here in town because everybody knows my name. I can put my coffees on an account and make a monthly payment. I know the people who go there and the people who work there and they know me. That’s

what we’re trying to do at our stores.”

Additionally, Recla says Central’s stores tend to be a little larger than his competitors’. Also, Central Rent To Own is more sensitive to matching each store’s inventory to the taste tendencies of its community. Boise customers, for example, have more metropolitan tastes, while Ontario customers tend toward more rural fare.

Another distinction Central claims is the uncommonly calm overall working environment Recla and Knight have tried to nurture for their customers, their employees and themselves.

“We try to provide a family atmosphere, with family-friendly hours,” asserts Recla, a father of three and grandfather to three more. “Working retail is all 60- to 80-hour weeks and every day you absolutely must make the sale. Rent-to-own has that to a degree, but it is generally much



RECLA WITH HIS GRANDDAUGHTER LILLY



more steady and evenly paced than retail. If you have a bad month, then it's not going to kill you, so it has a different intensity. We have expectations, but not the intensity of a lot of other places. And that attitude and feeling are reflected in how we deal with customers. It's a more relaxed place to be and people like that."

It's this more relaxed environment within his workplace that has allowed Joe Recla to do what he considers some of his most important work—beyond his store's double doors. "Owning Central has given me some great opportunities to be involved in our community," says Recla. "I've been the chairman of the school board. My wife and I are extremely active at our church. Recently, we've been involved in helping a medical clinic previously run by a private charity make the transition to a free public clinic. I sit on the board and we're working to gather support and contributions from the community. Our company has donated money. I personally have given money and volunteer my time, sometimes during workdays. My professional position has provided me with that chance to give back to my hometown. I'm really grateful."

Recla also spends a good amount of time and energy serving the rent-to-own industry through his leadership with state associations and his participation with the Association of Progressive Rental Organizations. A longtime leader at the regional level, Recla played a key role this past June in the creation of the new Northwest Rental Dealers

Association, a merging of the Oregon, Washington and Idaho state organizations.

"I've served as president of both the Oregon and Idaho associations," he says. "Many people have stores in multiple states and it's been difficult to get things going with a single state, so we decided to launch a Northwest association. I'll be serving as a board member; we're currently developing new bylaws for the membership to approve and will elect officers. We're also looking for lobbyists for each state to cover the capitals and coordinate their efforts for mutual protection."

At the national level, Central Rent To Own is a 15-year member of APRO, a group Recla says is valuable because of the community it creates within the RTO industry.

"Curtis and I have consistently supported APRO because, for the small amount of money we put into it, it's a really good return on our investment," says Recla. "Membership is sort of like the United Nations—we're all competing against each other, but APRO gives us the venue to all get together and establish relationships and work through issues that are *all* our issues. Through APRO, we focus on the things common to all of us, set aside the stuff we differ on and work toward a common good."



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In his rare spare time, Joe Recla is all about reading, riding and riffing—pastimes he frequently employs to strengthen his family relationships. This would-be high-school history teacher remains an avid reader, but of exclusively historical or political tomes ("If I'm not reading history, then I'm wasting my time," Recla chuckles). He earnestly enjoys motorcycles—BMW's, to be exact—and owns three of the bikes so that family members can join him out on the open road. Recla's wife of 36 years, Juli, prefers a sidecar ride, but sons Matt (a writer and teacher working toward his Ph.D. in history) and Ben (who works with his dad at Central Rent To Own) both like cruising around town family-style.

And though long, long ago, he exchanged his regional gigs for the security of a day job, Recla has never lost touch with his rock 'n' roll roots. For the past 20 years, he's played bass with the band at his Christian Life Fellowship Church; and since Matt plays guitar and Recla's middle child and only daughter, Kylie (a photographer), sings, music has also evolved into a family bonding experience.

Yes, Recla has deftly orchestrated a life with strong relationships as its foundation; the relationships he shares with his family, his community, his industry, his customers and his business partner are all lasting, all solid, all working beautifully.

"The important part of rent-to-own and being in business is having good relationships and fostering a sense of community," says Recla. "Like Curtis and I, we've been partners for more than 20 years. Part-

nerships are like marriages: most don't last. We've definitely had our issues and disagreements, we see things quite differently sometimes, but that's the value of the partnership. Whenever a partner or organization you're involved with doesn't do what you want, I think our first reaction is to split. But I think the best thing to do is to look for the value of the relationship and try to get through it together. Just don't give up, because good relationships are well worth the work." ■

*Kristen Card is an independent business writer based in Austin, Texas.*