



SPEESE EASE

On a chilly January day in 1979, 22-year-old Mark Speese walked into the Rent-A-Center store in Grand Rapids, MI, to start his first day on the job. With three years of business classes at Western Michigan University under his belt, Speese had plans to pursue a career in business law or accounting. A shortage of tuition money, however, forced him to take a detour. Although it wasn't the accounting job he had envisioned, the steady work managing customer accounts for the neighborhood rent-to-own store seemed like a good solution to his financial woes. At the time, Rent-A-Center was a 12-store operation with big plans for the future. Growth was the buzzword in the company and opportunities for advancement were plenty. Speese, full of classroom knowledge and eager to apply it, didn't miss a beat. Within his first year, he worked his way from account manager to assistant manager to store manager. As the promotions and challenges continued to present themselves at every turn, the young college student, originally from Kalamazoo, suddenly found himself on the fast track to a new career in the rent-to-own business.

AN APROFILE BY KATIE GARZA  PHOTOGRAPHS BY REX FLY

Rent-A-Center's CEO reflects on his vertical climb to the top

After eight years with Rent-A-Center, Speese decided to break out on his own. In 1987, with business partner Gene Heggstead, he founded Vista Rent to Own, based in New Jersey with additional store locations in California and Puerto Rico.

Two years later, in 1989, industry veteran Ernie Tally, then semi-retired from the rent-to-own business, decided to get back into the swing of things. He bought a majority interest in Vista and kept Speese on board as president and chief operating officer of the company's 25 stores. In 1993, Vista did its first acquisition, buying DEF Investments (dba Renters' Choice). Vista adopted the Renters' Choice name and took over its 80 store locations.

Under Tally and Speese's leadership, Renters' Choice went public in 1995 and grew larger with several more acquisitions. In 1998, with 700 stores in operation, Renters' Choice conducted its biggest acquisition, bringing all 2,000 Thorn Americas (dba Rent-A-Center) stores into the fold and adopting the Rent-A-Center name.

It was a full-circle journey for Speese. Nearly a quarter of a decade after venturing into the rent-to-own industry to earn cash for college, Speese once again faced his first employer—this time as the chairman and chief executive officer.

These days Speese spends much of his time at his office in Plano, TX, strategizing and planning for Rent-A-Center's future. The company, which boasts 2,400 stores, an additional 315 ColorTyme franchise subsidiaries and 13,000 employees, has come a long way in the past two decades. Yet, Speese, now 45 years old and married with three children, insists that Rent-A-Center and the rent-to-own industry as a whole are still in their infancy.

"There's an estimated 8,300 stores in the rent-to-own industry today," he says. "Some studies that we've done on market penetration show that there could be 15,000 rent-to-own locations, so there's plenty of growth for us or anyone else in the industry. Rent-A-Center's objective, as we've done in the past, is to stay at the forefront of it all."

"Our stated goal is to increase our store base 5 percent to 10 percent a year, which essentially means that we're going to add 100 to 250 stores a year," Speese says,

noting that the new locations will be "a mix of new store openings and acquisitions."

Yet growth isn't Speese's only focus and is quick to point this out. If there's one truth he has learned as he has climbed the rent-to-own corporate ladder, he says, it's that successful growth is impossible without the right people in place to sustain it.

"We're in the people business," Speese says. "I don't care how good your location is. I don't care how good your business model is. If you don't have the proper people in there with the right training, you won't be successful. We're not going to grow any faster than management can handle."

"Frankly, we probably could grow faster because we have the financial resources and the opportunity is there in the marketplace," he says. "But we're not going to grow stores just for the sake of growing them if we don't have the right people to staff them."

The "right" people, by Speese's definition, are service-oriented employees who are enthusiastic about what they're doing and who show integrity in their relationships with customers and coworkers. They also have a genuine interest in growing the company and, in turn, growing as a person.

"Everyone has goals and aspirations. In order to encourage people to stick around and help you grow, you have to help them achieve their goals as well," Speese says. "Involvement is key. It's important to keep employees abreast of what's going on with the company and show them what roles they can play to help grow the company and obtain that same level of success for themselves."

Trying to ensure that all 13,000 employees in 2,400 locations across the United States feel "involved" in the company's growth is no small undertaking; Speese and his management team tackle the challenge by focusing on training, training and more training for all employees. He says that Rent-A-Center is expanding its human resources department to support the initiative.

"We're looking to expand the number of training personnel we have in house," he says. "They'll go out into the marketplace and conduct in-store training as well as hold meetings within markets and regions, where groups can



be brought together to work on operational or management items."

To help facilitate these all-inclusive meetings, management also is exploring the idea of training through live video and a company Intranet. Yet how employees receive their training isn't the only item up for review, says Speese. The content of training materials is under the microscope, too.

"A lot of training focuses on procedures—how to rent a TV, how to take a payment," he says. "What we're looking to add is developmental types of training—how to supervise people, how to communicate and get feedback, how to deal effectively with customers or coworkers in certain situations. Again, it's about growing personally as well as professionally with the company."

That's something Speese understands firsthand. "Because it was a fairly small industry when I first started, a lot of what I know now had to be self-taught," he says. "On-the-job training is better than anything you're going to learn in the classroom or in a school book. Frankly, many of the experiences I've had over the past 20 years

now, you can't learn them in a classroom environment."

His vertical career path within the rent-to-own industry also has helped him understand the business intimately from many perspectives. "At one point or another in my career, I've done every job, so I understand the difficulties people face when they make deliveries or try to collect on an account or make a sale," he says. "I understand what they go through."

Taking care of the people behind the business is essential to success, according to Speese. "In this business, much is measured by what kind of week you had—how many deliveries did you make, how many units did you gain and where'd your credit close out," he says. "The fact is, those are all byproducts of more important things—relationships and people. If you don't take the time to think about those things, manage them and make sure that they're right, you're not going to have sustainable, long-term numbers."

He says he enjoys getting out of the office with the vice presidents and regional and market managers to visit stores and find out whether or not the company's initia-

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tives are translating well at the local level. Yet it's not enough to simply tour the stores; Speese says he makes a point to establish good rapport with both the managers and the employees. Building such relationships enables him to learn more about what works and doesn't work in

types of things. You can't just be content or complacent with what you're doing today; you have to be forward thinking and forward looking. Where do I want to be a year from now? Is what I'm doing today going to allow me to achieve those things next year?"

As veterans like Speese have grown up in the industry, so has the industry itself.

"I think the rent-to-own industry has matured significantly in the past 20 years," Speese says. "When you go back 25 years ago, there were no real dominant players; it was very much a small-business person's market. Through the formation of the Association of Progressive Rental Organizations and the passage of legislation in 47 states that protects our businesses and our customers, this industry has become a much more accepted and viable business."

He adds that the companies that have gone public also lend credibility to the rent-to-own market. "It's obviously brought capital, which has allowed businesses to grow. There are a lot of well-ranked companies out there," he says. "The industry has really cleaned itself up,

for the lack of a better term. I think, as with any new business when it first starts, there's a learning curve."

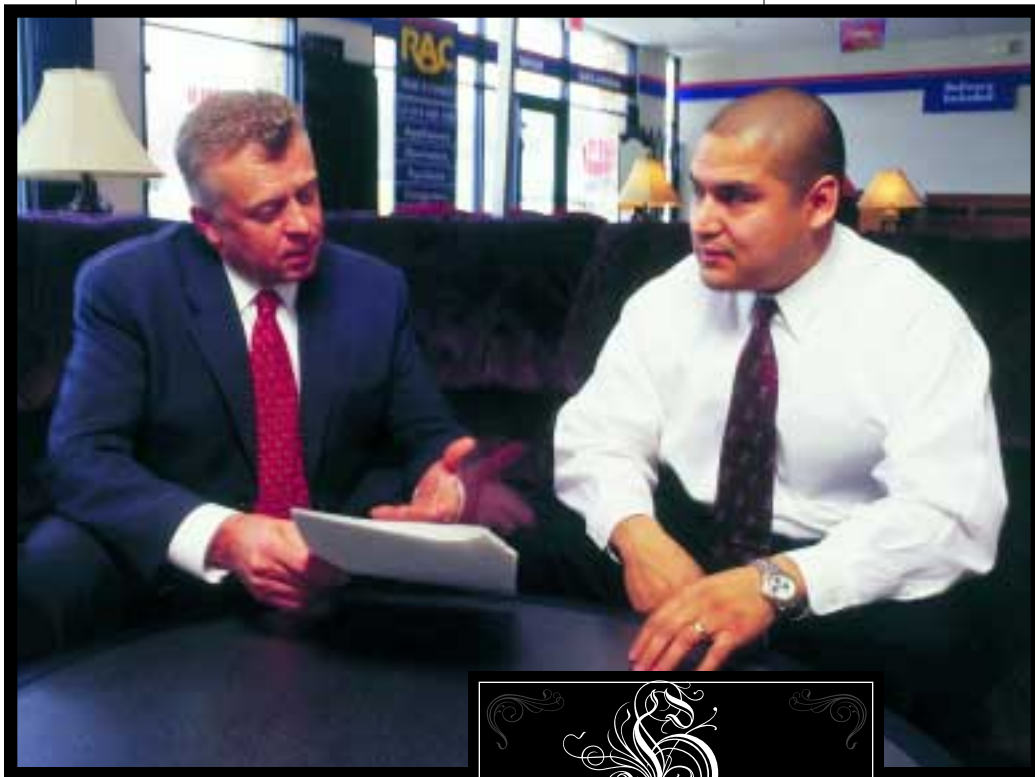
Yet, as much as the rent-to-own industry has evolved, Speese says he strongly believes that there's room for more growth, and the promising career paths that existed back in 1979 when he first started still exist today.

"There has to be a commitment from the individual in terms of personal development," he stresses. "Certainly a company can bring things to you, but you have to be willing to bring something to the table for yourself. For those who want to learn the business, who are dedicated to it, and who have ambition and

drive, the opportunities to succeed are there.

"I can't say it with certainty, but had I decided to do something else, I often wonder whether I would have been afforded the same opportunities that this industry has provided me over the past 20 years. It's unique and rewarding being part of a growing enterprise and watching the company—and the people behind the company—achieve success." ■

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the day-to-day operations. "Oftentimes it's simply a matter of verifying what we think looks good on paper looks good in practice too," he says.

To elicit open communication with employees and managers, Speese says he often approaches others within their "comfort zones." "I certainly learned at an early age, and as time has gone on, that there are different personalities, different interests and different drives," he says.

"What works for me may not necessarily work for someone else or vice versa. But it doesn't mean that their way won't work."

Because of the rent-to-own industry's relative "infancy" in the retail market, Speese says it presents many opportunities for professional advancement. Consequently, he says it attracts people who "like to roll up their sleeves and build something."

"This business requires a lot of self-initiative—how can I make this better, do it faster and bigger—those