

O

nce you've spent a few minutes talking with Shannon Strunk, it's easy to envision him as a 10-year-old boy with energy to burn, taking over his older brother's neighborhood *TV Guide* route just to have something to do. "Every Thursday I went around and had regular customers who bought *TV Guide* from me," Strunk says. "And, of course, I'd always order extra and try to make new customers. My mom was happy I had a job as I was probably driving her crazy."

Strunk's rapid-fire speech belies his longtime residence in deeply Southern, moss-covered Pascagoula, MS (population 26,000). Though this port city may be named for a peaceful Native American tribe—translated, the name means "bread eaters"—and hometown to such legendary easy-goers as singer/songwriter Jimmy Buffett, Strunk definitely doesn't fit the stereotype of the droll and drawling gentleman of business. Strunk is less antebellum, more ambition.

"I've always had a job; as a matter of fact, I've always had two jobs," he says. "I've held more jobs than you can possibly imagine. I've never been happy sitting around. Never."

Even today, as Strunk and his wife, Cynthia Baber-Strunk, prepare to open their 49th rent-to-own store in their fourth state, Strunk has taken on a second job as 2004–05 president of the Association of Progressive Rental Organizations and, as ever, he's revved up and ready to go.

APRO's new president,
SHANNON STRUNK,
*is a go-go guy with a
big, big vision*

Ready to run...
THE SHOW

APROFILE *by* KRISTEN CARD
PHOTOGRAPHS *by* DAVID OMER



Perhaps Strunk's propensity for perpetual motion began in his childhood as he and his five siblings were moved from home to home as their father accepted various military posts. Strunk doesn't have much to say about his youth, other than he worked a lot—mostly jobs related to the restaurant or food industry—and went to school.

Then, somewhere along his career continuum, Strunk opened a restaurant with a man with whom he ended up at odds. Strunk left and found himself—for the first time since age 10—unemployed. He arbitrarily answered a newspaper ad for an account manager (“I had no idea what it was,” Strunk says) and went to work for Baber's, then a 12-store rent-to-own appli-

opening new stores, because the key is to continue growing existing stores while you grow new stores. Right now, we're on-target for our external goal.”

In order to stay on target, Baber's is having to change its *modus operandi*. Historically a rural-based company, more than half of its stores are located in towns with populations averaging fewer than 10,000. But recently, the Strunks have begun building on their rural foundation by branching into larger, urban markets—an evolution Strunk claims was inspired by Baber's 215 or so employees and his company's commitment to them.

“When we open in bigger cities, the stores can grow larger,” Strunk says. “Our pay structure is based on the size of the store, so we can offer good employees better opportunities by going there. We make promises to our employees all the time: ‘You do well, and I'll make

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ance and electronics business.

“I worked here about a week and a half and made plans to get out,” Strunk says. “I didn't think I liked the business.

“But about two weeks into it, I went to collect on a washer and dryer and the customer refused to give them to me. What she said to me was she was never going to own the laundromat. And that was my education in the rent-to-own business. That's when I understood what was happening here. I stopped my pursuit of changing careers and started working, working hard.”

Strunk moved up quickly within the ranks of this family business, settling in the Pascagoula headquarters when a plane crash took the life of the owner's son. The son's widow, Cynthia, also worked for Baber's. Three years later, she and Strunk married. Then, following the death of founder James Baber in 1999, the couple bought the rest of the company from the other half of the family.

Within the past four years, the Strunks have grown the business from 35 stores to 48, located across Mississippi, Alabama and Louisiana. They'll extend their reach even further in December with the opening of a Pensacola, FL, location.

“Our goal is 100 stores by 2010,” Strunk says. “Our first year [of sole ownership] was concentrated on internal store growth—making sure we knew what we were doing and we could grow internally without

things better for you. I'll create opportunities.' We must continue honoring the promises we make.”

Employee focus

When it comes to Baber's employees, following through with his commitments is only the tip of a mammoth iceberg for Strunk. In fact, at Baber's, the customer may be king, but the employee is everything.

“Our business philosophy is not so much customer-oriented as it is employee-oriented,” Strunk says. “We talk about our customers all the time; they are our business. But the customer side doesn't matter if the employee side isn't right. If you don't get the employees right, nothing matters. You can see it in store after store after store. If the employees are out of whack, then it just doesn't matter what else is going on as that store is just not going to perform.”

Strunk says Baber's intense focus on employees is almost as much about logistics as it is about philosophy. With nearly 50 stores and more than 200 employees—as well as several other related businesses to manage—the Strunks can't afford to delve too deeply into the details of day-to-day.

“It's not that we don't care about the customer,” Strunk says, “but clearly, we understand that, as big as Baber's is, we can't concentrate directly on the customer. All we see are employees, typically at the man-



agement level. So all of our emphasis and concentration is on the store-manager level and above—in developing them and helping them become better people so that they can continue to do more and more and, hopefully, better than they expected. Our focus as owners is 100 percent dedicated to our employees and their personal development.”

This investment of interest in employees is returned many times over to the company, Strunk says, and has proven to be key to Baber’s success.

“Strong, strong employee loyalty is probably our biggest asset as a company,” he says. “What we do best is take good people and make them better. We educate and motivate them into doing a better job so that they can move up.

“We have a lot of promotion within the company,” he says. “If people don’t work out, then we move them back—but we don’t lose them, which is very uncommon. We have a lot of employees who have let us try them out in a variety of positions and move them around if it doesn’t work out.”

Overseeing Baber’s employees and operations is Strunk’s main responsibility as company president, while his wife oversees the company’s financial dealings. The couple is careful not to intrude upon one another’s areas of responsibility, but Strunk says they still share everything—including an office.

“Cynthia’s my wife, my friend, my business partner, she’s everything to me,” Strunk says. “We provide a counterbalance for each other, both professionally and personally. I’m the one who will crawl out on the limb; she’s the one who stays close to the trunk. She keeps me from going way out and falling off; I get her far enough out to enjoy it. And everything we do, we do together.”

Last year, the unqualified success of the Strunks’ togetherness approach was acknowledged by the RTO industry as a whole, when APRO presented its 2003 Rental Dealer of the Year award to the two-some as a unit, making them the first couple to be honored this way. The event was a high point for both Cynthia and Shannon.

“It was an absolute surprise,” Strunk says. “When your friends and colleagues are watching you and saying they appreciate what you’re doing and you’re the best out there doing it, it’s a wonderful feeling. Then, to be recognized with your

soulmate at the same time...well, it just doesn’t get any better than that.”

Raising the bar for APRO and its membership

Though his wife will definitely be cheering him on from the sidelines, Shannon Strunk’s APRO presidency will be a solo act, although he’s no novice. An APRO member since 1987, Strunk has played several leadership roles for the organization already, including serving as chairman of the nominations and the public relations committees and most recently as APRO’s first vice president. Additionally, he helped organize and has served as president of both the Mississippi Rental Dealers Association and the newer Alabama-Mississippi Rental Dealers Association.

Strunk’s vision for the rental-purchase industry is broad, as you might expect from this big-picture kind of guy.

“I want to serve. I want to make a difference. I want to do more,” Strunk says. “I want to continue the remaking of APRO. I’ve got a basic philosophy that



year after year—not just from beginning to end, but every year—it’s our responsibility to leave the Association better than when we took it. In taking over as president, I have a big task ahead.”

Strunk, who has participated in more than 70 APRO Legislative Conference meetings with Congressional members, counts passage of the federal Consumer Rental-Purchase Agreement Act among his top priorities for the organization. But he also wants to hone in on APRO’s membership, especially how to attract new members and satisfy current ones.

“We’ve got to expand the services we offer and constantly monitor what members want,” Strunk says. “I

We must collect the money, put it aside and begin providing scholarships to well-deserving people. It’s just that simple.”

Stress breakers: food and vacations

The fast-paced trajectory Strunk is taking through life is necessarily streamlined. He and Cynthia spend the bulk of their time managing Baber’s and their other businesses, which include collection, check-advance and real-estate businesses and managing their blended family that includes four kids aged 14 to 27.

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want to get people involved and lead by example. There isn’t a single time when I’ve not gotten more from the organization than I’ve given, in an educational way. For example, I had the opportunity to speak for a group and while I was there, members of the group educated me more after the seminar than I educated them during my speech. They told me about new things they were doing or new ways they were doing it or new products they were offering. Then, when I came back and made changes at Baber’s, we all benefited from them. Every single meeting we go to, that’s what happens. This organization is a networking opportunity unlike any other.”

Also toward the top of Strunk’s priority list is his own pet project, the APRO Education Foundation, which Strunk launched almost single-handedly last year. His goal is to create a fund for the organization to grant educational scholarships to RTO customers and employees.

“I believe the Education Foundation is the most important way for our industry to give back to the people who have given to us and to cultivate our future business leaders,” Strunk says. “With this, we can educate people, send them through college and bring them back into our industry to become our leaders, which would be the greatest thing of all. The rent-to-own industry is trying to show people who we really are, not just tell them. And by offering these scholarships, we’re showing them.”

Currently, APRO is working to raise the Education Foundation’s “seed” money. “We need to collect a million dollars and just put it into the bank,” Strunk says, “so that we can have a perpetual scholarship and don’t have to continue trying to sell carnations or whatever.

When one or both of these areas are giving him trouble, Strunk releases his demons with a perhaps-unexpected pastime, which he tackles with his usual, um, zest.

“I love to cook,” Strunk says. “I like to try new things, go way out there. There’s nothing I won’t try. I cook a big old meal to burn off bad days. I do a lot of seafood, I’m crazy about seafood.”

Occasionally, Strunk and his wife also indulge in their favorite escape, which is escaping. The Strunks enjoy travel-together, naturally—particularly where saltwater sports are part of the trip. But even this interest seems to be dictated by their real calling: their profession.

“We like short vacations, like three- or four-day get-aways,” Strunk says. “We want to get back to work, because we love it. When I die, I hope I come home from work and sit down in a recliner and just go. I don’t ever want to retire, ever. Business is a passion for me. I love it.”

What fuels Strunk’s passion for his business is what he learned about the rental-purchase industry during his first two weeks working in it and what’s kept him working in it over 17 years: it’s a business that helps people.

“We provide a needed service other people aren’t providing,” Strunk says. “And it’s not a wanted service, it’s a needed service. We give people a choice to get something they might not have a choice of getting otherwise. Whether it’s for a short-term need or whether they intend to own, it doesn’t matter. We give them choices and opportunities no one else does.” ■

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