

## The Son Also Rises: Mike and Darrell Tissot's Legacy of Success and Service

*APROfile series: Second generation businesses by Margaret Harrist*

The answer took them both by surprise. It happened during their annual father-son golfing vacation. Darrell Tissot, owner of the Countryside Rentals chain of stores in southern Ohio, once again asked his son, Mike, if he'd like to join his company. Mike had graduated from Denison University with degrees in economics and math five years earlier and had been working for a large advertising firm in Chicago ever since.



"I had some frustrations with my job and realized that it was not something I was going to do for the rest of my life," Mike remembers. As an account executive with the agency, he helped develop marketing strategies for a variety of companies, including Phillip Morris and Maytag. "I knew that I wanted to move closer to my parents because we've always had a very close relationship. In talking with my dad, I realized he needed my help - and I thought it would be fun to work with him in the business. So I told him yes."

The Tissots agreed that they would get out of the arrangement at any time if things weren't working or if they weren't getting along. "We weren't going to let it hurt our relationship," Mike says. "The scary part for me was that it's one thing to quit an ad agency, but it's another thing to work at a business your dad has spent 15 years building. It's not something you can walk out on. I didn't want to let him down."

Mike joined the company in September 1997. Since then, Countryside has added three new stores and has seen a 20 percent increase in same-store revenue each year. The chain's profitability doubled from 1997 to 1999. "What my father started and built was phenomenal," Mike says. "He has done some fabulous things with this business and has built a company where people love to work for him. He has always operated with the utmost integrity. To be able to add to what he's created has been a wonderful opportunity for me."

### A Fitting Business

Before launching his rent-to-own business in 1985, Darrell had been a schoolteacher and had owned a construction business and a home improvement center. "I wanted to find something that had a value beyond the goodwill of the owner; a business I could build and sell. I didn't want to have to be the front person of the business, because that limits expansion possibilities - particularly in small towns. After doing some research, I decided that rent-to-own was a good business to be in," he says.

Darrell started his first rent-to-own location in Hillsboro, OH. Within 18 months, he opened a second location and continued to add stores gradually through the years. Today, Countryside Rentals includes 12 stores in Ohio and one in Kentucky. "I decided from the beginning not to add stores too quickly because I didn't want to get highly leveraged. I don't want bankers running my business," he says.

In those early years, he made the most of educational programs available through APRO and of the opportunities to learn from other APRO members. He served on the APRO board of directors and executive committee for several years and was president of the Association in 1997. He also served as president of The Rental Industry Buying Group (TRIB). And in

August 2000, Darrell received the President's Award of Excellence from APRO for his outstanding contributions to the rent-to-own industry and the Association.

"Serving on the boards of both groups over the years probably made me a better business person than I would have otherwise been," Darrell says. "I've seen a lot of positive changes in the industry. I think rent-to-own is a more accepted business than it used to be. The entire industry has improved its business practices immensely and has in turn created a stronger customer base."

### **Building on Solid Ground**

When Mike signed on with Countryside Rentals, it was a 10-store chain. "The company had expanded to the point where it required certain talents I really didn't have - or didn't want to take the time to develop," Darrell says with a laugh. "Mike came in at the right time and brought the talents we needed. He has taken this company to new levels."



Although Mike's initial focus was marketing and business strategy, he started to identify inefficiencies and opportunities to improve in other areas. "I think my inexperience made me pretty good at the business because I wasn't caught up in the way things have always been done," Mike says. "By the end of my first year here, I knew this was going to work when I saw that I was making a difference to the company's bottom line." With his background in marketing, Mike focused on building stronger brand awareness and carefully targeting the company's promotional efforts. His penchant for numbers enabled him to dig deeper into the nuts and bolts of the business to find ways to increase profitability. He continued the monthly managers' meetings his father had established, but began adding more detail to the information provided and discussed.

"We have total open book management, which can be scary if employees aren't armed with the knowledge to understand it. We go over the profit-and-loss statements for the company and for each store and work to help our managers thoroughly understand the business of this business. There are so many angles to consider - from how long the product is going to stay out to whether a lower rate will help it stay out longer and much more. We go over what the details mean, what we could do better and how the details affect each store's profitability. Our managers understand how each aspect of their day-to-day operations affects their store's bottom line," Mike says. This greater depth of knowledge has paid off for both managers and staff, who receive a percentage of Countryside's profits through the company's bonus plan.

### **Focus on Employees**

"The people who manage the storefronts are the most important people in this industry," Mike says. "The store managers create the working environment at their store. That goes far beyond what I can do as the owner. It's the day-to-day reality." What he has done to foster a positive atmosphere in the stores is build upon or initiate a number of programs designed to reward high performers and improve employee retention company-wide. Countryside uses a streamlined evaluation process to identify top performers. The company focuses on nurturing those employees and paying them well, Mike says.

In addition to a bonus plan that is tied to store and company profits, Countryside provides employees with a number of programs to help them personally and professionally, including:

- employee discounts on products
- college tuition reimbursement
- low-cost medical insurance
- a 401K plan that includes profit sharing contributions and an aggressive matching program
- emergency loans
- training classes

"On-the-job training is not training. The sink-or-swim theory just doesn't work," Mike says. "In the past year or so, we've offered employees training classes focusing on sales techniques and product knowledge as well as account manager training and a rent-to-own orientation class that new employees take within their first month. We want to teach people how to succeed in this business." Although the tight labor market made employee recruitment challenging everywhere last year, Countryside took a proactive approach to hiring that helped minimize empty slots. The company allocates a percentage of its advertising budget to recruitment ads even if no positions are available.

"Our goal is always to have a pool of applicants to choose from. We don't wait until there's a slot available to interview candidates because we're always looking for people to help grow our company. When we lose an employee, our lead time is cut in half because we already have applicants," Mike says. But there's far more to Countryside than number-crunching and watching the bottom line. The company takes time out to celebrate employees' accomplishments at a company-wide annual meeting, where awards for store-, manager- and employee-of-the-year are presented. The event has proven to be so popular with employees that Mike is considering making it a full-day affair in 2002.

"I'm not one to consider my worth by the number of stores. I think it's more important for the stores to do well," Mike says. "If this company stays at 13 stores for the rest of the time I'm here, that's O.K. with me as long as the stores and employees continue to get better and better. "What I didn't really understand when I took over the business is that 100 families are counting on me. That's a different perspective. In marketing, I did my job and went home. But the decisions I make here affect me and my new wife, my father and all of the people who have committed to this company. I feel very strongly that my role is to enable the employees to succeed and deliver results."

### **Strengthening the Industry**

Like his father, Mike is finding the educational opportunities and the contacts available through professional associations to be very valuable. He currently serves as the vice president of the Ohio Rent-to-Own Association and is a board member of The Rental Industry Buying Group, where he is the chairman of the furniture committee. "I've found the associations to be a great networking tool. It's nice to be able to call another 13-store dealer in another region and talk about business ideas and strategies. Those colleagues have become my informal advisory committee," he says. "I also appreciate how the associations keep us abreast of any legal or political issues. That's increasingly important."

Mike acknowledges that the slowing economy may affect the industry in the near-term, but he thinks there are opportunities to be found. "We just need to tweak our marketing a bit to bring in customers who haven't considered us before," he says. "One of the things I love is hearing a new visitor to our store remark about how they didn't expect to see such high quality products. I feel good that we help people gain ownership of those items." For now, his goal for Countryside Rentals is to keep improving that bottom line - and to arm his employees with the education they need to make that goal a reality.

"I realize that I work for my employees. And in the past few years, our staff at headquarters has made the transition to realize that they work for the stores and not the other way around. That's been an interesting dynamic and has really changed the tone of our day-to-day interactions," he says. Darrell, who is now semi-retired, is more than pleased with the growth and success of the business he started. "Mike is now running the company and doing a wonderful job. I couldn't be luckier," he says.

"I think the key to this business has always been getting good people, trusting them to do their job and treating them right," Darrell continues. "Everything we do is about relationships - whether it's with my son, family, community, employees, customers or friends. A relationship won't last unless both individuals or organizations receive rewards from it. It's that simple." With Mike now leading the way, Countryside continues to put people first.

"I want to build a company where my employees are happy to come to work. I want to make some employees rich because they've done a great job," Mike says. "Every year and every month, I look at the profit-and-loss statement as my scorecard; it's my evaluation of whether I'm doing a good job or not. As we continue to grow from a revenue and profitability standpoint, we can continue to do the neat things I love to do such as pay people more, throw big parties and events and add better benefits. All that comes after the success."

Margaret Harrist a free-lance writer.