



**Three of the association's founders—  
Chuck Sims, Bud Holladay and Ed Winn—  
reflect on APRO's beginnings**

# The Age of *Enlightenment*

**W**ith APRO's formation, rent-to-own went from under-the-radar operations to open-book policy—but the transition wasn't necessarily a sunny one. "Think of it like a team," says Remco founder, rent-to-own legend and anything-but-retiring retiree Chuck Sims. "If someone is a team member, he realizes he gets bigger when the team gets bigger. When the team wins, he wins. It's not an individual thing. When you want to create a safe regulatory environment, you can't do it as an individual. You have to do it as a team. I believe the misunderstanding of our industry by regulators and consumer protection advocates has done one thing: it has caused the industry to behave like a team. It's caused us to come together with a common mission, a common purpose—and when you have a common commitment by a diverse group of people, magical things happen." That common commitment was cemented 30 years ago under the name the Association of Progressive Rental Organizations, or APRO. And while some might argue the validity of the term "magical," it's clear that APRO has achieved some essential accomplishments for the rent-to-own industry's survival and success.

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**By Kristen Card**

Chuck Sims was there from the beginning—before rent-to-own was rent-to-own.

He had begun working for Ernie Talley at Mr. T's Appliances in Wichita, Kansas, in the late 1950s and the store had a rent-to-own department—although they didn't call it that. As Sims recalls, the term "rent-to-own" was coined by the owner of Wichita's Hillside Appliance—but it was Sims who opened up America's first stand-alone rent-to-own store, completely separate from an appliance sales business, for Mr. T's in the early 1960s.

"I used the wheels out of that phrase because it was a perfect description of the transaction," Sims says. "Many people shy away from the phrase because the industry put such a terrible stigma on the idea of rent-to-own with the weekly bad-credit-pick-'em-up business operators. But it should be a banner of pride and direction in this industry."

Sims remembers the rent-to-own industry at its first formative stages, with a number of small operators craving more information about a business they were basically just making up as they went along. "We were sharing information, but really informally," Sims recalls. "Some of us were talking to one another, but we weren't all talking to each other. There just wasn't a vehicle to get us to a bigger picture."

At the same time, the necessity for further information sharing was becoming more pressing, as attacks against the business began to develop. Bud Holladay—big-picture man, first APRO president and still not retired (he's currently the senior vice president and chief operating officer of Gallery Homestore)—was the lynchpin. "A trade association was Bud's idea," Sims says. "He called me and proposed we get together to talk about it. I thought it was a great idea and hitched my cart to his horse."

"We sent a letter and invited everybody to come to Dallas for an organizational meeting," Holladay recalls. "About 50 people showed up—some dealers, some manufacturers. And two things happened in that one room: the manufacturer reps realized 'These people buy a lot of stuff and will buy lots more'; and the rent-to-own dealers realized that we were probably a bigger, stronger force than we had believed we were."

"We were learning from each other," Holladay continues. "And we discovered two big issues we all shared were educating customers about what we were and having some kind of control over our future. We needed to be better defined, gain buying leverage and find out more about our market."

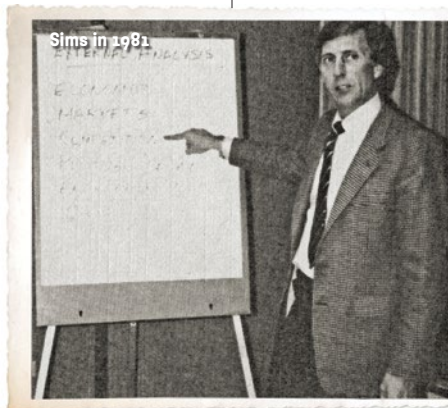
The meeting featured guest speaker Ed Winn III, a University of Texas professor whom Holladay had seen present a seminar a few months earlier about government regulation and its crippling effect on entrepreneurship. Winn recently had quit his teaching gig to hang out his shingle as an attorney. Holladay's invitation to Winn to address this assembly of rent-to-own dealers provided Winn with his first lawyerly paycheck—and an enduring career connection he never expected.

"I had completed my presentation and was still there, politely listening to their conversation, when the topic of a trade association came up," Winn remembers. "A couple of the vendors immediately got up and said, 'We have to leave; we can't belong to trade associations.' And the dealers looked around at each other and said, 'Gee, maybe

we need a lawyer.' I raised my hand and they hired me to explore the possibility of launching a trade association. A few months later, we all met again and concluded that the 30,000 existing trade associations nationwide were too different from us, that we really needed our own group. They voted to do it and that was the official beginning of the Association of Progressive Rental Organizations."

It was also the beginning of Winn's 30-years-and-counting involvement with the group. It was Winn who drafted APRO's bylaws, put together its first budget, rented the organization office space within his law offices and hired its first secretary. It was Winn who served as APRO's *de facto* executive director for the group's first five years (and continues to act as its general counsel).

And it was Winn who had to go to a small rent-to-own chain in Austin—the organization's chosen headquarters city—to rent a refrigerator for the APRO office. "We had to rent by the week and if we didn't make our payment by five o'clock in the afternoon, they'd call us every time," Winn chuckles. "We were just another account."



*Chuck Sims.*

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*Chuck Sims*



*Bud Holladay*

Visit for a little while with almost any of the rent-to-own industry's most successful dealers and they're bound to mention the exceptional culture of openness and sharing within the industry. It's a given all seem to be grateful for—rent-to-own guys help each other, mentor each other, teach and learn from each other. What comes through is a sense of extraordinary community, with little room for cut-throat competitiveness. But for this prominently open industry, openness was a particularly difficult and hotly debated topic in APRO's early years.

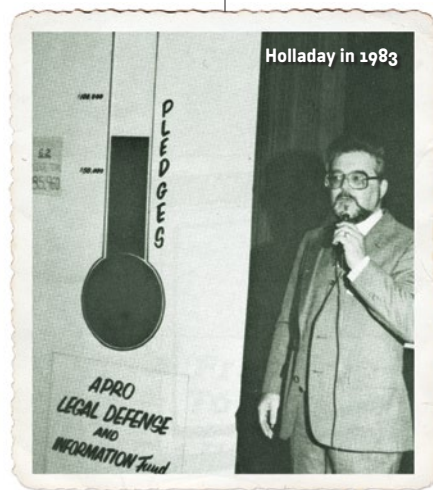
"The first huge hurdle we had to overcome was just convincing everyone that a trade association was the right thing to do," Holladay recalls. "Some argued, 'Why open up the industry to more and more competitors? If we just keep our mouths shut and keep renting TVs, then no one will open a store across the street from me.' The guys who were most strongly against telling the world about rent-to-own were the guys who were doing very well. They were stubbornly resistant to change, because they had stumbled into something that was working very well for them. 'If it ain't broke, then don't fix it' was their attitude. It almost killed the association early on."

The next challenge was deciding who could be a member of APRO. Again, the conflict centered around revealing too much and creating a competitive arena that was too easily reached. "Originally, you had to have been in business a minimum of 90 days and have rented a minimum of 150 TVs to qualify for membership," Winn says. "Some people didn't want the trade association teaching newbies how to run a rent-to-own business from scratch, because it created competition. At some point, they agreed that this isn't rocket science and if people want to do it, then we want to teach them how to do it the right way."

But should APRO be teaching at all? Discussion carried on about the association's main function: was it to be a lobbying organization or training/development/fellowship group? "Did we want to do covered-dish supper in the church basement or did we want to go out and convert?" Holladay neatly characterizes the debate. "Clearly, we wanted to do a little bit of both."

"Even Chuck [Sims], who was a strong pro-APRO voice, held back a little at first," Winn notes. "He did step up and

volunteer to lead some training seminars early on, but the first few times he presented them, he didn't want to use his rent-to-own companies as examples. He had another business—selling bull semen from stud bulls—so he used examples from his bull-semen business. Eventually, he caved on it and began using Remco proper in his training examples."



*Bud Holladay.*  
**The learners lasted, the doubters converted and the preachers sold their three stores and retired to go fishing."**

Other controversies faced during APRO's formative years included how much cost information to provide to customers, how to determine dues and how to make sure everyone was paying his fair share. In the end, the dues structure may still be a point of contention for some members, but enlightenment won the day on issues of openness and sharing.

"There were preachers, doubters and learners," Holladay says. "The preachers preached the gospel that this industry is going to hell in a handbasket if we let one single retailer in, if we give up one secret. Their line was, 'You're going to ruin this business if you go tell people all about it.' The doubters doubted that the trade association concept would work at all, because nobody outside the industry gave a hoot about it and customers were just customers. They simply didn't see the lasting value of it."

"And the learners listened to each other because they heard things they didn't know. They thought, 'Two of the vendors knew more about our business than we did, so what else can we learn if we get together and talk and share ideas and information?'"

"The learners lasted, the doubters converted and the preachers sold their three stores and retired to go fishing," Holladay concludes.

That was then, this is now. Three decades later, APRO has accomplished some fairly fantastic achievements for its membership—from some serious elbow-grease image-polishing for the industry to the development and support of an impressive network of state associations; from securing positive rental-purchase laws in 47 states to never surrendering the good fight for federal legislation in Congress.

"I believe every single rent-to-own dealer in this nation owes a huge debt of gratitude to APRO and its leadership—

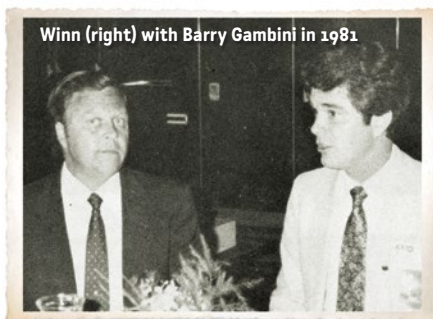
guys like Ed Winn and [executive director] Bill Keese,” Sims effuses. “They have legitimized this industry, given it a face that the investment community smiles at and they’ve been absolutely unwavering in their dedication to do the right thing. There’s such a high level of commitment from the people who serve on the board—those guys really care. They’ve got a great trade association with a great philosophy and great spirit.”

Though some things at APRO have remained essentially the same, the face of rent-to-own continues to change—some for the good, some for the not so much. “There has always been a big-guy-versus-little-guy issue, from the very beginning,” Winn confirms. “But the big keep getting bigger. It used to be the biggest guys had 50 stores and the littlest guy had one. Today, the biggest guy’s got 3,000 stores and the littlest guy’s still got one. So some of those divisive tensions are intensified.

“At the same time, rent-to-own is becoming much more familial and inter-generational, with fathers passing down the family business to sons and even grandsons now,” Winn continues. “That’s totally different from the first rent-to-own entrants. They were all about cut-and-run—they’d get four or five stores up and running, sell them and go do something else. The guys coming into the business now seem to be more about the long run. They seem willing to create careers—many franchisees are signing into 15-year deals today.”

**W**ith the association and the industry witnessing a flood of younger blood into rent-to-own, Sims, Holladay and Winn all feel the best legacy APRO’s founders have provided for the next generation of dealers is APRO itself. Asked for advice they might offer these fresh, green shoots, the trio concentrates it masterfully down to three Cs—two to avoid, one to embrace: cockiness, complacency and the customer as the top priority.

“Their biggest barrier would be getting too full of themselves, believing this business is easy,” Holladay warns. “It appears easy only because a bunch of people sweated in the hot sun to break the rocks and make that pavement smooth. Just don’t forget beneath all that, your basic business is serving a customer base with an iffy financial history, yet with the same wants and needs as mainstream consumers. Without mindful management, it can be a dangerous combination.”



Winn (right) with Barry Gambini in 1981

*Ed Winn.*

**“The guys coming into the business now seem to be more about the long run. They seem willing to create careers.”**

“The new guys must understand that the threat to this industry is not over,” Winn counsels. “There is still a taint to the business, there are still people who consider rent-to-own an attractive nuisance the world would be better off without. That hasn’t gone away and that’s not going to go away. The new guys will disband and go their own ways at their own peril.”

“We worked a long time to get the message across that your customer is the most important thing you’ve got,” Sims says. “When someone walks into your store and hands you that

first week’s payment, you want to do all you can to keep that customer on the books. If you want to be in business five years or 25 years from now and you’re not measuring your business by gauging your customer satisfaction and keep rate, then God help you.”

**D**espite APRO’s winning culture of openness and multifaceted effectiveness for the benefit of its members, despite its 30-year ability and agility at not just surviving but thriving, at the core its members still consider themselves “marketplace pariahs” (Ed Winn’s expression) and “the red-headed stepchildren of retail” (Bud Holladay’s turn of phrase). But truth be told—and remember, we’re all about the honesty here—being beleaguered is a large part of the industry’s identity. Circling the wagons to fend off common enemies has played a vital role in tightening the ties between APRO members and moving rent-to-own forward.

“Our collegiality as an industry reminds me of kids in an orphanage who grow up together,” Holladay relates. “We didn’t fit in anywhere else, so the other kids become our family. We talked about what we’d do if this, and what we’d do if that...and APRO gave us all a chance for the ‘if’ to become real.”

“The one constant from the beginnings of the industry to today is that there are people who would like to put us out of business,” Sims adds. “It was one of the founding reasons we got together and formed the association. Our mission was to create a safe place for us to operate and enjoy our businesses, and the industry has done it in spades. Not the individual stores, not the individual companies—the trade association, as a resolute *team* of members, did it. And they’re still doing it. What greater gift can you give to your membership?” ✧

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