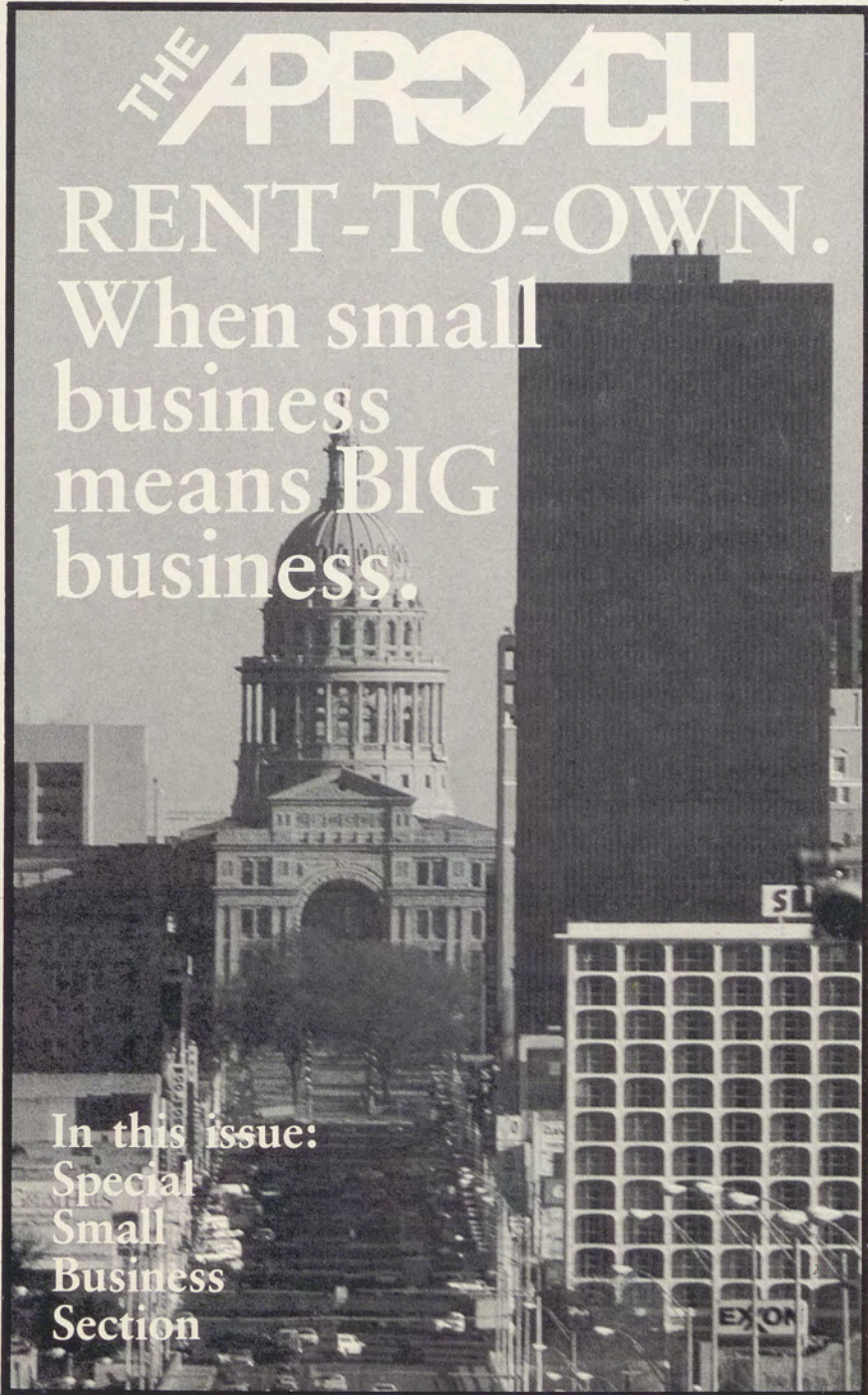


# THE APPROACH

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In this issue:  
Special  
Small  
Business  
Section



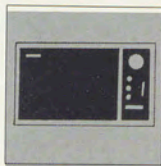
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# MESSAGE

by Barry Gambini  
APRO President

**W**hen I think back to my first contacts with The Association of Progressive Rental Organizations (APRO), the single point that impressed me the most was the professionalism of the members. For two years I have been proud to be a part of the growth of this vital organization. I now have the special honor as APRO President to be instrumental in the direction of APRO's growth during its third year.

It is apparent that the strength of the organization comes from its members' willingness to participate in APRO programs. Active and involved members teamed with a highly competent staff have already brought APRO to a level of success that many organizations never attain.

Looking ahead to the coming year, it would be easier to set goals for improvement if our mission were to bring a weak organization out of mediocrity. But our challenge is even greater—how do you make a good organization even better?

The strength of APRO can grow only with increased membership and with enhanced APRO member services. Accordingly, APRO will provide benefits designed specifically for the professional rental dealer in the form of educational seminars conducted by industry experts, cassette programs, a bimonthly magazine, a government relations program, specialized publications, and an annual convention and trade show. APRO is dedicated to the challenge of continuing to improve the quality and frequency of programs and materials to meet your needs, because informed members mean better business for everyone.

As with all association endeavors, success depends upon interaction. To be attuned to your needs, we must have open, two-way communication, and our success in implementing your ideas depends largely on your sharing those ideas with members of the APRO staff and Board of Directors. Tell other dealers about us and have them call the Austin office. It's one of the greatest favors you can do for them and for APRO.

I truly believe that ours is an industry whose time has come. We offer products and services that the marketplace demands. Our own efforts as rental dealers help spread this message. The association helps ensure that the message is consistent, professional, and well-received by our customers, our competitors, the government, and even our detractors. Working together, APRO members will reflect the high level of professionalism, standards, and goals of the association and offer a consistent professional image across the country.

I hope you will contact me personally with questions and observations concerning APRO and the rent-to-own industry. I urge everyone to join in and participate in the development and continued success of the rental ownership industry.

*Barry Gambini*

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PROGRESSIVE  
RENTAL  
ORGANIZATIONS**

ADVERTISING SALES  
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PRODUCTION  
**MEDIACRAFT  
MARKETING &  
PRODUCTION  
AUSTIN, TEXAS**

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**THE APPROACH**

# LETTERS

## Plan Under Control

**T**he APRO planning seminar, Planning—The Process of Control, led by Chuck Sims, founder of Remco Enterprises, held in Dallas last year has been of great benefit to me in helping organize and control our activities.

Immediately upon returning from the seminar I started a series of planning meetings with our directors and implemented a three-year long-range objective. We then backed up and planned a one year objective listing what we realistically expected to do and who was going to do it. After going into our first year of business, 1981, with very little experience, we ended the year having many problems with control. It has taken a lot of hard work, training, and effort, but with the information learned at the seminar we have gradually been getting our control system into place and now it seems to be working fairly well.

We had started out at a very fast pace in our rental program and planned our three-year objective accordingly. I am happy to state that we are ahead of schedule and we will soon begin our two year plan and update with another three year long range plan.

Again, let me express my appreciation for the effort and presentation that Mr. Sims made at the seminar and should there be another forthcoming I will send someone from my organization and would wholeheartedly recommend to anyone that they take the time and money to attend.

Sincerely,  
James B. Baber  
President, Baber's Firestone, Inc.  
Pascagoula, Mississippi

---

Editor's note: In January APRO begins a new series of educational seminars designed exclusively for rent-to-own dealers and their key managers. The President's Panel, which will feature Rental Law, Collections: Prevention and Cure, Management and Administrative

*Techniques, and Rental Finances & Accounting. Register through APRO office with Terry Carter at (512) 478-6521.*

## Another Satisfied Customer

**F**ort Worth Rental would like to take this opportunity to express our pleasure with being accepted into this fine organization. We would also like to congratulate APRO on the fine seminars presented at the New Orleans convention.

Being a new member, we would like APRO to accept our check in the amount of \$250 to be used in the assistance of obtaining a legislative response favorable to the rental industry.

We would like to inquire into any group insurance plan available through APRO at this time or in the near future. (Group-medical-life-casualty coverage).

In closing we would like to again express our concern with the upcoming legislation and offer our time and assistance in whatever capacity APRO sees fit, in its endeavor to accomplish a consistent image throughout the nation.

Sincerely,  
Hank Waite  
Executive Vice President,  
Fort Worth Rentals  
Fort Worth, Texas

## Needs Literature

**F**irst, I would like to say the convention was great. We enjoyed the week and more importantly, we *learned*. We are already making plans to attend next year's convention.

I gladly became involved in the rent-to-own business after being in retail over a period of years and my accountant has many questions I cannot answer. We are hoping APRO can help by sending us any literature available on accounting procedures in the rent-to-own business.

Your help is appreciated.

Charles Cloud  
Charles Cloud Home Center  
Pine Bluff, Arkansas

# FORUM

---

## Q: Please! Some suggestions on how to trace skips and stolens effectively.

**A:** There are a number of fundamental procedures that you may currently employ which include securing post office forwarding addresses, checking with relatives, neighbors, landlords, and other references listed on the original rental application—all obvious starting places. Checking with previous employers is usually beneficial since final payroll checks are often requested to be forwarded to the new address.

If your skipped account was originally referred to you by someone else, it is always a good idea to record this name and address on the rental application, as this may be a reliable source of information for later inquiries regarding the account.

As always, an ounce of prevention is worth a pound of cure and by securing a complete and verified order at the outset of the agreement, you should be able to effectively reduce a large percentage of your skips. The Association of Progressive Rental Organizations suggests securing driver's license numbers as well as car registration numbers along with expiration dates of each. The Department of Motor Vehicle Transportation will provide renewal address information to anyone who inquires. If you get a bad address, keep checking periodically since new plates will have to be mailed somewhere.

Of course, keeping your customer file updated on a regular basis will, in many cases, prevent the agonizing tracking of skipped accounts. Check with the Department of Motor Vehicle Transportation immediately upon expiration of your account's driver's license or car registration. It doesn't cost you anything *unless* you wait until you've lost your merchandise to do your homework.

A simple and effective method of con-

tinual update involves requesting address corrections with your regular mailings. Simply print, in plain view, on the front of the piece mailed, Address Correction Requested. Next, set up a trust account at the Post Office for funds required to pay for the return mail. The cost per piece returned with address correction is \$.25—a small investment compared to the investment you've made in your store inventory.

Don't forget probation and parole records as a possible source of information on a skipped customer. Call the county or state department of corrections to see if your customer has a record. You may want to try the welfare office if you know your customer has been receiving aid. Some offices are reluctant to give out information in their files and the law is unsettled as to whether you can require them to do so.

If, after your efforts to maintain current information on each of your accounts, you are still faced with tracing a skip or stolen, a useful guide to consider is *The Polk's City Directory*, which is available in virtually every major city in the United States. It is a comprehensive listing of city occupants classified by last name, by phone number, and by address. It also includes occupation, place of employment, and length of residence in the area. A similar guide which goes into less detail but includes more of the rural areas is *The Cole's Directory*. Both are available in the reference section of most city libraries. These guides can provide a wealth of information for those tracing a skipped account or for tracing a valuable reference who may have moved.

In any case, it's worth repeating, an ounce of prevention *is* worth a pound of cure! (E.T.)

# GOVERNMENT RELATIONS

by Edward L. Winn, III, APRO General Counsel

## U.S. SUPREME COURT MAY INTERPRET RENTAL AGREEMENTS

The last issue of *THE APPROACH* reported the details of an opinion out of the United States Eighth Circuit Court of Appeals. This case, *Clark vs. The Rent-It Corporation*, raised important issues concerning the rental industry, especially the legality of rental agreements. The rental company had won the case by summary judgment in an Iowa federal district court and the customer, Clark, appealed to the Eighth Circuit. The company, unfortunately for the industry, went out of business in the meantime and never appeared before the Eighth Circuit. The resulting opinion from that court reversed the trial court, casting doubt on the applicability of the federal Truth-In-Lending Act to rental/purchase agreements, and conflicted with an earlier case out of the United States Fifth Circuit Court of Appeals, which had ruled in favor of the industry.

The industry, acting through COLORTYME attorney J. Samuel Choate, Jr., attempted several procedural maneuvers before the Eighth Circuit on behalf of the Rent-It Corporation in an effort to get the case reconsidered. All efforts proved unsuccessful.

Most recently, the industry has appealed the case to the United States Supreme Court. Appeals to the Supreme Court are discretionary, which means that the Court can select the cases it chooses to hear. Of the approximately 5,000 cases submitted each year, the Court accepts about 100 for consideration. In all the others, the decision of the court below is left in effect.

The issue presented to the Supreme Court is essentially the same issue that has

occurred in most of the other lawsuits affecting the rental industry: Is a terminable consumer lease of the type most APRO members are currently using a "credit sale" by the terms of the Truth-In-Lending Act? Most courts have answered this question in the negative, including the U.S. Fifth Circuit Court of Appeals, whose jurisdiction extends over Texas, Louisiana, Alabama, and Mississippi. The Federal Reserve Board has answered this question in the negative every time the question has been posed.

One of the chief points of error in the

*Clark* appeal to the Supreme Court is that the Eighth Circuit Court ignored the rulings of the Federal Reserve Board in its decision. In an earlier case the Supreme Court held that courts were to abide by FRB opinions interpreting the Truth-In-Lending Act unless the FRB opinions were found to be "demonstrably irrational."

The Eighth Circuit Court ignored several FRB opinions altogether and in doing so ignored a mandate from the U.S. Supreme Court. Industry legal officials consider this oversight an important omission and hope that the Supreme Court will step in to correct the error.

Industry representatives are currently attempting to get the FRB to file a brief in support of the case. APRO members in the Eight Circuit had earlier contributed approximately \$6,000 to help finance the legal battle. A ruling from the Supreme Court as to whether it will agree to hear the case is expected later this spring. Copies of the Petition for a Writ of Certiorari are available in the APRO headquarters upon request. □



## GOVERNMENT RELATIONS (cont.)

### RENTACOLOR INC. CHARGED BY FTC

The Federal Trade Commission has recently issued a complaint against Rentacolor, Inc., a nationwide chain of rent-to-rent stores, for failing to make the disclosures required under the Consumer Leasing Act. Rentacolor and Grenada are the two major rent-to-rent chains and have introduced the English concept of renting consumer appliances in this country. Their efforts have been concentrated primarily in the Northeast and on the West Coast.

The Consumer Leasing Act applies to leases of consumer products when the lease period is longer than four months. The Federal Reserve Board has ruled that rental/purchase agreements terminable at will by the consumer are *not* covered by the Act. If the Act does apply, certain disclosures must be made both in the lease agreement itself and in any advertising.

The FTC has charged that at least some of Rentacolor's agreements were for longer than four months and that Rentacolor failed to make the required disclosures. Specifically, according to the FTC complaint, Rentacolor has been advertising the dollar amount of weekly or monthly payments, sometimes as low as \$20 per month, but it failed to make the

following disclosures:

1. that the advertised transaction is a lease;
2. the total amount due when signing the lease, including any installation fee and advanced monthly payment;
3. the number, amounts, due dates or periods of scheduled payments;
4. whether the customer has the option to purchase the property and at what price and time.

This is the first complaint filed by the FTC under the Consumer Leasing Act, which became effective in 1977. The FTC acts when it has "reason to believe" that the law has been violated. The FTC's complaint begins a proceeding which ends in a formal hearing before the Commission unless an agreed settlement is reached.

This action should have no effect on APRO members as long as there are no minimum rental periods required in their agreements beyond the typical one month or one week. If there are dealers who have minimum rental periods, you are advised to confer with your attorneys regarding the possible applicability of the Consumer Leasing Act. □

## WASHINGTON

The Federal Reserve Board is still collecting information about the rent-to-own industry in anticipation of proposing legislation to Congress that would modify the Consumer Leasing Act. Meetings have been tentatively scheduled between FRB attorneys and statisticians and industry representatives for January, 1983 to discuss industry statistics and a rent-to-own consumer profile. Plans are still to have the FRB send legislation that APRO has drafted to Congress during the Spring Session of 1983.

# SMALL BUSINESS UPDATE

## A CAPITAL IDEA: SMALL BUSINESS FINANCE

The Securities and Exchange commission held a Government-Business forum on Small Business Capital Formation last September and has come up with a list of 37 ways of raising capital more easily for the small businessman.

The final list of recommendations was formulated by some 200 participants that included small business owners and representatives, government officials, attorneys, accountants, bankers and securities brokers.

The recommendations, which primarily address changes in the tax code, were then passed on to a joint hearing of the House and Senate Small Business Committees early in December.

Proposed changes include recommendations for a lower tax rate, the development of a fixed rate small business security that offers a percentage of profit as well as a 10 percent tax credit for investors in certain small businesses, and the creation of a "Capital Bank" for small businesses.

The "Capital Bank" concept would allow investment companies certified by the Small Business Administration to borrow from the federally financed bank. The forum's report suggests that the bank would be capitalized initially by the Treasury with \$100 million. The initial funding by the Treasury would be repaid over time through loan profits made to investment companies who would, in turn, use the borrowed funds to invest in small business start-ups.

Some proposals, like the "Capital Bank" idea, would require major legislative changes and approval of new financing tools. Many of the other proposals would involve only slight modification of existing programs.

This special forum is not only the first of its kind but the first of a series of similar annual meetings which are now required of the SEC under the Small Business Investment Incentive Act of 1980.

## SMALL BUSINESS IN LEGISLATIVE WINNER'S CIRCLE

The second session of the 97th Congress handed down a number of victories for small business after staunch efforts by the increasingly powerful small business lobby to implement legislative proposals affecting tax treatment on Subchapter S corporations. Until the recent changes in Subchapter S, a "small business corporation" had to meet the following requirements:

1. No more than 25 shareholders.
2. Only one class of stock outstanding.
3. Shareholders must be either an individual, an estate, or certain trusts.
4. A domestic corporation.
5. Not a member of an affiliated group of corporations.
6. Shareholders may not be non-resident aliens.

Saving taxes for small business is the central theme of the recent changes in Subchapter S. Highlights of those changes include:

- transfer of profits into lower tax brackets by transferring shares;
- losses exceeding basis for any shareholder may be carried over to subsequent years;
- maximum number of shareholders raised from 25 to 35;
- income deduction losses or credits may be passed through to shareholders while retaining their same character;
- maximum amount of "passive income"—rents, royalties, interest and dividends—allowable raised from 20% of gross receipts to 25% □

# LEGAL New Laws and Contract Changes

by Edward L. Winn, III, APRO General Counsel

## **Q.** Will contracts currently in force need to be changed to conform with the new laws being proposed at the federal and state levels?

**A.** Probably not. In the first instance, please note that there are not, as of this writing, any new laws specifically affecting rental agreements, other than in Pennsylvania. It is true, however, that new legislation has been proposed, and, if enacted, would probably change the way rental agreements are written. It is unlikely that any of these new laws would be applied retroactively. Typically, when disclosure laws are enacted or amended, the legislature gives a grace period for compliance. The

Truth-In-Lending Simplification Act had a one-year compliance period. Any attempt by a legislature to change agreements currently in force would probably violate due process. In general, then, when and if legislative changes dictate changes in rental agreements, dealers will likely have ample notice of the changes required and then a grace period during which they can make the changes. Rental dealers should not have to "call in" agreements currently in force to make changes.

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# APRO SURVEY

## Who Are You?

If you could compare your own rental operation with that of any other "average rental store" across the country, wouldn't it be worth the price of a postage stamp? Now APRO's national rental dealer survey will allow you that opportunity and still protect your confidentiality. The following questionnaire requires no identification or signature. Just fill in the blanks, tear out the page, and return to APRO headquarters.

Suppliers and vendors to the rental industry are vitally interested in the needs of the individual dealer and in ways they can help build your profits and enlarge your market. Without hard statistics on the industry, they can't do it. When your trade association works to streamline government regulations to your advantage, the information it works with must be accurate and current. And when you begin comparing your own operation to others, you

need real numbers drawn from a large cross-section of the industry or any conclusions you reach could backfire. This is why the APRO rental dealer survey is so very important to you and to the future of the industry.

Four basic areas are covered in the survey: size and scope of the rental organization; financial data; daily store operations, and product information. If you feel that a certain number might identify your operation anyway, you may write in, "...25 to 45..." for example. The computer will generate an average while still protecting your confidentiality.

Fill in your survey form today and mail it to APRO, 1866 Austin National Bank Tower, Austin, Texas 78701. When the results are tabulated and distributed to APRO membership you'll know more than ever about your industry and your business.

cut along line

## RENTAL INDUSTRY SURVEY

### SIZE AND SCOPE OF OPERATION

1. Number of rental stores operated \_\_\_\_\_ (Circle One): Owned Franchise Mixed
2. Total number of units on rent today \_\_\_\_\_
3. Average monthly revenues (last 3 months) from total locations \$ \_\_\_\_\_
4. Projected total revenues (rental income, etc.) from all locations next 12 months \$ \_\_\_\_\_
5. Number of employees OTHER THAN home office location personnel \_\_\_\_\_

### FINANCIAL (please use averages for the last 3 months)

1. Income per unit per month \$ \_\_\_\_\_ % Weekly Accounts \_\_\_\_\_ %  
% Monthly Accounts \_\_\_\_\_ %
2. Gross Profit (total income less inventory cost) \_\_\_\_\_ % as a percent of income
3. Total payroll expense, including benefits & taxes, as a percent of income \_\_\_\_\_ %
4. Advertising expenses (other than yellow page advertising) as a percent of income \_\_\_\_\_ %
5. Expense of write-offs due to skips/stolens as a percent of income \_\_\_\_\_ %
6. Total operating expenses, including administrative allocations, as a percent of income \_\_\_\_\_ %
7. Net profit before taxes as a percent of income \_\_\_\_\_ %
8. Average return on invested capital over last 12 months or last fiscal year \_\_\_\_\_

*(continued next page)*

# RENTAL INDUSTRY SURVEY

## SALES & CIRCULATION ACTIVITY

1. Monthly averages PER LOCATION: # Deliveries \_\_\_\_\_ # Pickups \_\_\_\_\_ # Paid Outs \_\_\_\_\_
2. Units on rent as a percent of total on rent: Color \_\_\_\_\_% Stereo \_\_\_\_\_%  
Appliances \_\_\_\_\_% VCR \_\_\_\_\_% Other (incl. furniture) \_\_\_\_\_%
3. Average number of delinquencies Saturday night as a percent of total on rent \_\_\_\_\_%
4. Average number of units listed "skip/stolen" as a percent of total on rent \_\_\_\_\_%
5. Average number of rental accounts managed PER route employee \_\_\_\_\_

## PRODUCT INFORMATION

1. Brand Color TV 25" most often purchased \_\_\_\_\_ No. 2 \_\_\_\_\_
2. Brand Color TV Portable most often purchased \_\_\_\_\_ No. 2 \_\_\_\_\_
3. Brand Stereo most often purchased \_\_\_\_\_ No. 2 \_\_\_\_\_
4. Brand Laundry most often purchased \_\_\_\_\_ No. 2 \_\_\_\_\_
5. Average cost of Color TV 25" purchased last 3 months \$ \_\_\_\_\_ Portable \$ \_\_\_\_\_
6. Average cost Stereo purchased last 3 months \$ \_\_\_\_\_ (Circle One) Rack-System Other
7. Average cost Laundry purchased last 3 months WASHER \$ \_\_\_\_\_ DRYER \$ \_\_\_\_\_
8. Brand Color TV most often mentioned by rental customers \_\_\_\_\_
9. Brand Stereo most often mentioned by rental customers \_\_\_\_\_
10. Videorecorders are (Circle One): DECREASING INCREASING HOLDING  
as a percentage of all products rented
11. Most-requested product THAT YOU DON'T CARRY NOW \_\_\_\_\_
12. Product MOST-often kept to full term (ownership) by renter \_\_\_\_\_
13. Product LEAST-often kept to full term (ownership) by renter \_\_\_\_\_
14. Do you usually buy Color TV with labor warranty? YES \_\_\_\_\_ NO \_\_\_\_\_
15. What service or product not now offered by product suppliers would you most like to see affordable and available to you in the near future? \_\_\_\_\_
16. Total dollar volume of product purchases you expect to make in the next 12 months  
\$ \_\_\_\_\_
17. What percent of that figure is replacement inventory? \_\_\_\_\_%
18. Do you rent furniture? YES \_\_\_\_\_ NO \_\_\_\_\_

## (OPTIONAL)

- Number of years in rental business \_\_\_\_\_
- Number of years as a principal owner \_\_\_\_\_
- Corporation Partnership Sole Proprietorship (Circle One)
- Number of new locations opened in the last 12 months \_\_\_\_\_
- Number of new locations planned for opening next 12 months \_\_\_\_\_
- About how much larger are you today than 3 years ago? 25% 50% 75% 100% 200+%

# BOOKSHELF



## Small Business Primers



The **Small Business Guide to Borrowing Money**, Richard L. Rubin and Philip Goldberg (McGraw-Hill). This book covers all the options—bank loans, government loans, venture capital—and discusses the advantages and disadvantages of each with advice on approaching financing sources.



**Financing the Growing Business**, Thomas J. Martin (Thomar Publishers, Hicksville, NY). Martin's book is a more strategy-oriented guide focusing on which types of financing are best suited for various types of businesses and tips on how to negotiate and evaluate loan agreements.



While primers covering organizational and personnel issues specifically applicable to small business are rare, *Strategic Planning in Emerging Companies*, Steven C. Brandt (Addison-Wesley), examines long-term planning and strategy from a small business perspective. Brandt's book is addressed to owners of companies experiencing fast growth who need a rationale and perspective for planning. The book begins by tracing the stages of growth and typical management styles of small companies and then attempts to demystify the notion of strategic planning. In setting up a framework for managers to begin formulating long-term strategy, Brandt reassures owners of small businesses that attention to the future is worth the effort.

One outstanding magazine catering to the needs of small business owners and managers is **Inc.** It focuses on growth-minded businesses with more than \$1 million in annual sales. The writers and editors of **Inc.** keep track of regulatory, tax, and political developments affecting small business. **Inc.** has featured articles on the problems of growth and productivity facing small companies and has published fascinating accounts of success strategies used by the fastest-growing small companies in America today. Perhaps **Inc.**'s most important contribution has come from its consideration of marketing and organizational strategies that are most important to entrepreneurs. Recent marketing articles have advised readers how to sell to large corporations, how to remain a leader in a new and fast-changing market and how to use demographics in market research. Equally impressive have been **Inc.**'s recent articles on organizational and personnel issues which have dealt with attracting key managers, motivating employees, and delegating authority.

**Inc.** is published monthly by Inc. Publishing Company with subscription rates of \$18 per year. **Inc.**'s address: 38 Commercial Wharf, Boston, MA 02110, (617) 227-4700.

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*Editor's note: If you've read any books lately that have helped you in the rental business, APRO would like to spread the word. Please send titles and brief information to THE APPROACH.*

# NUTS & BOLTS

NEWS • VIEWS • PEOPLE • PRODUCTS • IDEAS

# NUTS & BOLTS

This month: Closeouts, airfares, truth-in-lending, small business, CEO's, personal bankruptcy and small business, home VCR's.

## COLLECTION MYTHS

If your store is delivering more than it picks up each week; if it is operating profitably; if you have few or no problems with government agencies or private lawyers, what difference does it make whether your weekly

closeout is 2% past due against the balance on rent or 10%? It matters not!

Closeouts are simply an index of an efficient or inefficient collection process—they are not the objective of the collection process—from *Collections: Preventive Maintenance & Efficient Results* (APRO Publications).

## DOUBLE YOUR FARE



If you are bumped from a flight because of airline overbooking, you are entitled to a refund of double the amount of your fare, with a limit of \$200. The Civil Aeronautics Board, which gave airlines relief from the rule when the air traffic controllers strike hit, determined that air traffic has returned

to normal and reinstated the rule.

If you are bumped from a flight, you are entitled to a refund for the face value of the ticket plus free transportation to your destination. If you are delayed more than two hours on a domestic flight, or four hours for an international flight, the limit of the refund climbs to \$400.

## TRUTH-IN-LENDING

A booklet designed to help small businesses comply with the Truth-In-Lending Act recently has been published by the

Federal Trade Commission. This updated version of an FTC manual, which has been revised to reflect changes in the law, describes how to advertise consumer credit and lease terms under the Act. It also includes a

new section on real estate advertising.

The FTC booklet, which may be about the only in-house aid available to many small businesses, explains what kinds of ads are covered by the Act, the different types of credit businesses advertise and the specific requirements for each type of credit ad. The booklet describes, first, the Truth-In-Lending Act's provisions and who must comply with them. It then defines the various types of credit, and three categories credit ads may fit into:

- Open-end credit, such as with credit cards, in which a customer can make credit purchases or obtain loans on a continuing basis
- Closed-end credit, in which the agreement is for a specific time period, as with auto loans or mortgages
- Consumer leases, in which personal property, such as a car, is leased to an individual for personal use. This is covered because, unless certain information is presented in ads, consumers may confuse leasing with credit purchases.

Each category is illustrated with newspaper ads to represent acceptable and unacceptable ways to advertise credit.

The manual also describes additional disclosures that are required when "triggering" terms are used with credit claims. For example, in real estate advertising, ad-

ditional disclosures are "triggered" by reference to the amount of downpayment, payment or finance charges; the number of payments; or the period of repayment. If any of those terms are used, the ad must further disclose the amount of the downpayment, the terms of repayment, and the annual percentage rate.

The manual represents the FTC staff's view of what the law requires and is not binding on the Commission.

The manual is available from the Public Reference Branch, Room 130, FTC, 6th and Pennsylvania Avenue, Washington, D.C. 20580; (202) 523-3598. ☞

## SMALL BUSINESS IS BULLISH

In spite of crippling interest rates, downturns in demand, and cash-flow troubles, small business people generally appear to have lost none of their entrepreneurial drive. A recent *Heller/Roper Small Business Barometer* (July 1982) shows CEO's of small businesses optimistic about the future and ready to take on new challenges.

## PERSONAL BANKRUPTCIES CRIPPLE SMALL BUSINESS

The U.S. Bankruptcy Code, enacted in 1898, underwent only minor changes until the Bankruptcy Reform Act of 1978. But the Reform Act seems to have encouraged rather than prevented bankruptcy declarations. Under Chapter 13 of the Code, an individual whose debts total less than \$100,000 can work out a modest repayment plan with the creditors. Chapter 7 is even more attractive for many bankrupts. A trustee assembles the debtor's assets, sets aside a surprisingly generous amount for the debtor to keep, and liquidates the remainder among the credits. When there is nothing left to liquidate, all remaining debts are discharged.

Rep. Billy Lee Evans (D-Ga.) and Sen. Robert J. Dole

(R-Kans.) think Chapter 7 is an "easy out." They are sponsoring legislation that would erase the Chapter 7 provision allowing the debtor to retain so much property (up to \$7,500 in mortgage equity, \$1,200 for a car, and so on) and leave the figures up to the states.

The Evans-Dole bill is not expected to reach the floor for some time. In the meantime, businesses—especially small businesses—are having an increasingly hard time securing credit: *Nation's Business* quotes an Oklahoma television salesman: "We have to look to younger Americans for business," he says, and "their strongest asset is their future earnings"—no longer sufficient collateral when default rates are so high.

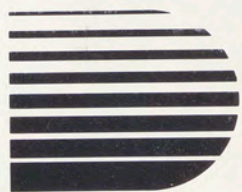
The Walter E. Heller International Corporation Institute for Small Business regularly surveys small business CEO's for their opinions on the business climate. Among the 1,000 polled this time, the drive to 'do it on their own' is so strong that half of them would not hesitate to start a new business even today, despite current conditions. What's more, if the recession were over, another one-third of these CEO's, if put in the position of considering whether to go into business or do something else, would choose to start up a new business.

## RISING STEADILY



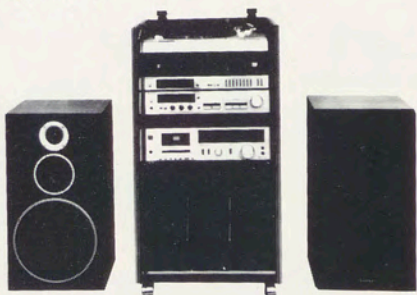
Home VCR sales are continuing to soar, with 1.9 million units sold this year, compared with 1.4 million last year. Although less spectacular than last year's whopping 84 percent jump in sales, it appears VCR's are safely inside the door of the home entertainment industry and 4 million American homes.

Also "zooming" are sales for home video cameras with a 72 percent increase in 1982 sales over previous year's figures reflecting an additional 300,000 units in the hands of American video buffs. (Home Video)

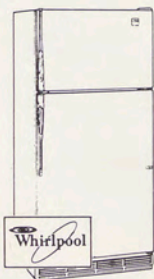


# DYNAMIC DISTRIBUTORS

TECHNIC



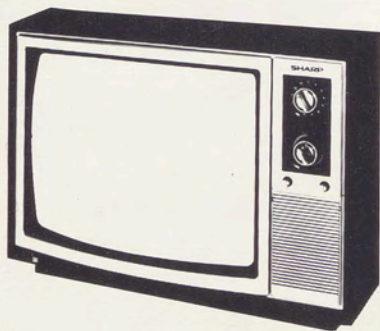
THOMAS



JVC

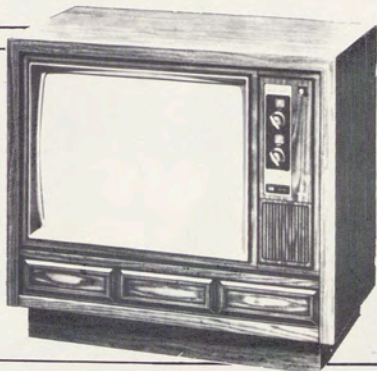


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# SMALL BUSINESS

Merchandising Microwaves

Getting the Money

Mistakes You Can Avoid

Employee Surveys



# MARKETING

## Merchandising Microwaves

While consumers are racing into the '80's starry-eyed at the latest in "ultimate conveniences," the microwave oven has settled comfortably into the homes of some 20 million Americans. With the break-neck pace of lifestyles today, the microwave oven has come to be viewed as a staple rather than a luxury.

A few, to be sure, remain skeptical, not quite decided, still having a number of questions to be asked and claims to be verified. The methods you choose in merchandising the microwave can mean pushing the wavering customer in either direction. Here are a few of the initial objections and concerns expressed by the curious shopper along with a few opening gambits for the dealer.

**"Geez, I don't think I have room for it."**

There are a number of makers that have designed an over-the-counter model with GE's "Spacemaker" being the pioneer of that design.

**"Where do I get the dishes that go with it?"** It is estimated that an average of \$50 to \$60 worth of accessories is purchased for every new oven increasing to about \$100 per year including replacement sales. The accessory product holding the number one spot has been the popcorn popper, available in a wide variety of sizes

with prices ranging from \$9 to \$20 to cookware manufacturers. Three major manufacturers of microwave cookware are Micro Chef, Inc., Mikasa, and Regal Ware, Inc.

**"Oops, did I break it?"** Many shoppers are still wary of the buzzing, bells and panel of controls before them during a demonstration. Active involvement and assurance of the ease of operation usually makes believers out of even the most skeptical.

**"I'll bet it doesn't taste the same."**

Cooking demonstrations complete with customer taste-testing will dispel any myths that microwaves alter the flavor of mom's recipes. And in spite of the limitless possibilities of food preparation offered by the microwave, studies show that many units are used primarily for heating up a cup of coffee, a bowl of soup, or a quick grilled-cheese sandwich. There exists, after all, a measurable time savings even if an oven is used for nothing else but coffee, soup, or sandwiches.

Demonstration is, then, the "essential kernel" in any microwave merchandising efforts. Even with the increased consumer familiarity with microwave cooking, repeated demonstrations are necessary for a steady upward growth in sales. □

**"... dispel any myths that microwaves alter the flavor of mom's recipes."**



# COLLECTIONS

## Getting the Money

There is only one objective to collections at the rental store level: get the money. Whether the money can best be obtained by doorstep collections (expensive and risky), by mail (not always timely), or by in-store payments (creating more store traffic for rentals), depends on the management of the strategies involved.

The objective of collections is NOT to reduce the amount of "5-days." It is NOT to pick up bad accounts. It is NOT to

clear the cards. The sole objective of collections is to *get the money*. Reducing the number of 5-day past-due accounts, picking up past-due accounts, or clearing collection cards may be different strategies involved in the collection process, but they must not become the objective of your collection management activity.

The following guidelines offer proven techniques that will, indeed, if followed properly, get the money.

- Every rental agreement and collection card must have at least two (2) contact telephone numbers.
- Every employee answering the phones or renting sets must know what information is critical on every rental order and what information is optional depending on circumstances.
- Store managers realize that their most important job is PROFIT, followed by new rental deliveries, customer service, and efficient income collection—in that order.
- Only people who can communicate and understand basic business are hired to deal with customers.
- The same person who delivers the product is responsible for customer satisfaction and customer payments with no exceptions.
- Each market is divided into areas and each account manager is expected to handle as much business as that area can develop—at least 400-550 units minimum (those areas are divided with attention given to traffic patterns, accessibility to store and to customers, and numbers of monthly versus other types of accounts).
- Delinquency counts are done daily, prior to mail to give a more accurate representation of the condition of accounts—a member of management makes the count.
- Nobody is allowed to jump into a truck and "go collect"—he must work the telephones first and he writes his own receipts on mail payments so he'll know who really mailed.
- Nobody is allowed to lie to a customer or to misrepresent the product or the rental agreement because we'd rather have a customer unhappy with our policy than with our lies or deceptions.
- Nobody goes into an unoccupied residence to pick up a product at any time or he is fired the same day with no severance or benefits, regardless of tenure or ability — PERIOD.
- The 85% of customers who pay on time as agreed are not forgotten in haste to handle the 15% who might never pay on time regardless of collection practices.

*Author: Raymond C. "Bud" Holladay is the immediate past-president of the Association of Progressive Rental Organizations and Vice President/General Manager of ABC Rentals, Inc. based in Dallas, Texas.*



# MANAGEMENT

## Mistakes You Can Avoid

The economy has dealt a tough hand to small businesses during the past decade, forcing many to close. Department of Commerce figures show that, out of every ten new business starts, seven survive the first year, five reach the three-year mark, and only two out of ten continue to grow after five years.

Despite the strength of the U.S. economy and the deflated dollar, management mistakes frequently contribute to this high failure rate.

Though failure in one of the following areas will not prove fatal in most cases, a combination of these management mistakes may produce a losing hand.

**Lack of effective communication and routing of information.** Regular evaluations of manager and employee progress should be offered through a consistent medium of communication. Whether the reports are delivered in a memo or a staff meeting depends largely on the scope of the operation. Mandatory reporting sounds like a lot of paper work, but if thoughtfully done, it is actually a useful motivational and organizational tool for both managers and employees.

Regular and frequent performance evaluations should be a standard for employees at all levels. Direct person-to-person evaluations for each subordinate by the superior is the most effective method. But it should be accompanied by written documentation and made a part of the permanent employee file. A form or outline of characteristics to be evaluated will help ensure that the points important to the company are covered. It is also useful to have the employee acknowledge that the items were covered in the

performance interview by signing the form. A copy of the form given to the employee provides an excellent reminder for the person who is motivated to continue growing and improving.

**Loose management of daily operations.** As the small business expands, daily operational management becomes an increasingly complex task. Control is decentralized when added responsibilities are channeled to job veterans and new teams of "experts" are brought in. In expanding, a firm must gradually decentralize important management responsibility but must continue to maintain control via central accountability systems to monitor contributions of new personnel.

**Not setting specific goals and designing relevant plans.** At least once a year, the "who," "what," "when," "where," and "how" of company goals and plans should be defined. Stay with realistic plans. Setting unrealistic goals rarely produces desired results and goal achievement becomes, at best, a frustrating and ominous task.

**Not developing and pursuing market-centered strategies.** Most small businesses have some sense of the goals they are working toward. The problem that many small businessmen face, however, is a tendency to jump directly from goals to day-to-day activities without a coordinated strategic framework. The foundation of such a framework results in selecting a well-defined market and closely monitoring changes in that market. Incomplete market research and a series of short-term operating plans will ultimately prove a costly method of operation and may hasten the demise of the business.



# PERSONNEL

## Employee Surveys

Progress will come quickly to the organization that has a clear and broadly understood concept of its particular needs, and where and how employee relationships fit into those needs. Determining goals, marshaling resources, and evaluating results are initiatives that management must take. This is more difficult but more rewarding than simply adopting some "sure-fire" new program.

Employee-relations efforts that are not bound by rigid, traditional approaches can do much toward improving organizational performance. Some modern business observers contend that management in most companies has already lost the battle for employee support, because it has not dealt with changing attitudes and expectations. Critics point to high turnover, absenteeism and lack of interest in work. But evidence suggests that employees do respond to positive efforts in which management articulates its goals and then sets a strategic course which is understood and supported by all—particularly when employees are made to feel involved.

Conducting an employee survey provides an excellent avenue to understanding strengths and weaknesses and their essential relationship to corporate planning and management strategy. It is a venture that must be handled with a considerable amount of forethought, for a miscalculation in survey interpretation stemming from a poorly worded question can produce unnecessary confusions. For example, suppose 75% of the group tested indicate that they bring their lunch to work on a daily basis. A company facing the decision of whether or not to build a company cafeteria might misinterpret these findings to mean the employees

*prefer* to bring lunch on a daily basis and consequently not build a cafeteria. A cafeteria may have been preferred by employees who were bringing lunch merely because there was no cafeteria.

The traditional questionnaire can be administered face-to-face, by mail, or by phone.

Individual interviews offer open-ended questions whereas most questionnaire questions are closed-ended.

Group interviews usually involve a small homogeneous group and a focused discussion.

Panel discussions address questions in an open-ended manner with audience involvement.

Audits are straightforward and typically objective methods of evaluation.

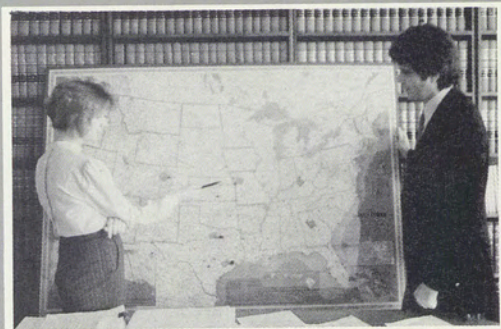
Once the survey has been designed and administered, the ultimate questions of "What did we find out and what does it mean?" must be addressed. Analysis uncovers the significant response patterns (what did we find out?) while interpretation strings the various findings of the analysis together to form a larger picture of the organization and its concerns. The results of those findings should then be offered as feedback to the members of the organization through group discussion, presentations, memos, documents, newsletters, or any convenient and effective medium of communication. By withholding such feedback, employees are left to imagine the worst and the objective of the survey may be thwarted. To further justify the survey, findings must be acted upon. Knowledge for the sake of knowledge is useful but not always so in the business world where information is expensive.

# Meet the APRO Staff

Since its formation in 1980 by a handful of dealers seeking to encourage professional standards of business and to promote the exchange of knowledge in the rent-to-own industry, the Association of Progressive Rental Organizations has grown to a membership of 261 dealers representing over 1000 stores nationwide. The APRO headquarters is located in downtown Austin, Texas, in the Austin National Bank Tower (black building on right).

Edward L. Winn, III began serving as executive director and general counsel for APRO in November of 1980 and now heads a staff of two. Ed is licensed to practice law in North Carolina and Texas and is a partner in the law firm of Fowler, Fowler, Damron & Winn. Ed has also taught business and contract law in the Business School at the University of Texas for the past 7 years and is regarded as one of the most respected professors in the UT Business School.

Terry G. Carter, Director of Member Services, has been with APRO for six months and is responsible for keeping members informed of APRO programs, distributing APRO materials, organizing educational seminars, and maintaining office operations.



Elizabeth T. Johnston has been with APRO for just over one year and currently serves as Director of Communications and Editor-in-Chief of THE APPROACH magazine. In addition to editing responsibilities, Elizabeth directs promotion, selling, and servicing of advertising in the association's principal publications and monitors media relations.



# M·E·M·O·R·A·N·D·A

News & Views of the Association of Progressive Rental Organizations

## Newsbriefs

### President's Panel Success

The Association of Progressive Rental Organizations (APRO) staged the first of a series of seminars billed as the President's Panel in Houston, Texas recently. The immediate past and current presidents of the association have organized the President's Panel which consists of a series of one-day seminars scheduled from January to April for Philadelphia, Cincinnati, Denver, San Francisco, Atlanta, Kansas City, Dallas, and Houston.

The critical areas most important to a successful and profitable rental organization are addressed via lecture format with a small-group atmosphere allowing opportunity for questions and answers. Industry experts discuss the legality of agreements, preventive maintenance, controls, and remedies for effective collections, management and administrative techniques, and effective rental accounting.

The Houston seminar was well received by those participating dealers and key managers who represented both large and small rental operations. A number of reservations have been made for future seminars which will accommodate a maximum attendance of 60. For further details and registration information, contact Terry Carter at the APRO headquarters office (512) 478-6521.

### Legislative Reporting Service

APRO has contracted with a computerized legislative reporting service to monitor every bill submitted to every state legislature in areas that might affect how APRO members do business. These areas include:

- Debt collection
- Usury/Interest/Finance charges
- Leasing terms
- Advertising
- Trade practices
- Criminal statutes

APRO will review every bill prior to submission to insure the industry does not suffer another setback like the new statute in Pennsylvania. APRO members in individual states will be contacted as necessary.

The cost of this new program is in excess of \$4,000 for the 1983 legislative session, not including APRO headquarter's handling and distribution of information.

Perhaps for the first time, a dealer will know *in advance* of any laws pending in a state that have a significant bearing on his business and profits. The service is available through APRO exclusively to its members. For membership information contact Terry Carter, APRO Director of Member Services, at APRO headquarters (512) 478-6521.

### A New Approach

The editorial staff of the APROACH newsletter has been busy preparing the new

expanded version of THE APROACH which features display and classified advertising and several new departments. APROACH editors are continually working to provide an authoritative publication upon which readers can rely for news that affects the industry.

### When They C.A.R.E. Enough

C.A.R.E., Continental Association of Resolute Employers, is a national business service organization devoted to serving the educational, legislative and business information needs of employers/employees of small and medium-sized businesses and to the enhancement of the free enterprise environment of its member firms.

The association offers a number of useful services including business legal expense coverage and a \$1 million judiciary liability policy, a federal legislative monitoring service, free advertising service, and a management assistance information program. For membership information contact C.A.R.E. in Washington, D.C. at (202) 546-4609.

### Who's Who in Rent-To-Own

The Association of Progressive Rental Organizations (APRO) membership directory, *Who's Who in Rent-To-Own*, will be available in late February offering the most complete listing  
*(continued next page)*

available of dealers who market with the rent-to-own concept. The directory is a daily reference guide and a valuable networking tool for the rental dealers and suppliers who represent the home entertainment, appliance and furniture industries nationwide. The 1983 publication will provide indexing by location, principal owner, corporate name and storefront dba's. Manufacturers and suppliers to these industries can now market products and services directly to the billion dollar RTO market via directory advertising. Advertising copy and payment deadline for year-long exposure in WHO'S WHO is February 15, 1983. Space reservations arranged with E. T. Johnston in the APRO office, (512) 478-6521.

### For Your Reading and Listening Pleasure

The APRO office has an increasing number of valuable tools available for efficient and profitable rental operations in the way of cassette tapes and publications. Popular sellers include the APRO Legal Information Packet available to members to minimize legal research costs and the APRO Administrative Aids Packet which offers a very complete collection of standard business forms designed for the rental dealer—both at a cost of \$78.00 each. Two new publications offered by the association include *How To Locate Missing Persons—A Skip Tracer's Manual* and *Collections: Preventive Maintenance & Efficient Results*. Those manuals offer helpful advice on the industry's biggest headaches . . .

skips, stolens, and collections and are available at \$9.95 each with quantity discounts available.

For those unable to attend the seminar series offered at the 1982 APRO Convention and Trade Show in New Orleans, the set of 5 cassette tapes, *Convention Seminar Series '82*, is available through the APRO office at a cost of \$55.00 per set. The tape offerings include: *Current Legal Issues: Impact on Rental Management Policy*, *Improving Collections*, *Improving Media Effectiveness: How to Plan and Buy Media*, and *Improving Profitability Through Inventory Management*.

### Legal Seminar Draws Rave Reviews

APRO Legal Counsel Ed Winn, III, gave a two-hour lecture to participants at the Houston President's Panel Seminar.

Among topics discussed were the Federal Truth-in-Lending Act and the Federal Truth-in-Leasing Act as they apply to the rental industry. Mr. Winn pointed out that in some 24 federal district court opinions, the industry had been successful in 21 of them.

He explained that most states have their own Retail Installment Sales Acts (RISA's) that track the federal statutory language. In the states that have exactly the same language as the federal statutes, the law would presumably be interpreted the same way if rental agreements were attacked in state courts. It was pointed out, however, that in a few states the state law is different from the federal law and therefore, dealers there are subject

to having their contracts attacked as violative of state statutes. The states in which there is some question as to how state law would be interpreted are the following: Arkansas, Connecticut, Florida, Georgia, Illinois, Louisiana, Maine, Nebraska, Ohio, Pennsylvania, Rhode Island, South Dakota, Colorado and Wisconsin.

Winn briefly explained that the new Pennsylvania statute was passed without any hearings allowing the industry to present its point of view and what effect the new statute had had on rental dealers in Pennsylvania. Many rental dealers in that state have re-drafted their contracts, requiring sales at fair market value of the rented merchandise at the end of the rental period in order to avoid coverage by the new law. The disclosures under the new law in Pennsylvania are not so onerous, but the new law also provides for a 21-day wait period before dealers can repossess their merchandise after a customer fails to renew the agreement. Most dealers feel that this 21-day wait period simply will not work for the rent-to-own industry.

Mr. Winn reviewed the current legislative effort at the federal level that will likely settle once and for all many of the legal questions that surround the rental industry. He went on to warn dealers that in these uncertain legal times, it was probably not a good idea to pursue too actively judicial remedies against customers. Since the law is uncertain, every time a rental dealer goes to court he runs the risk of having his contract declared illegal. This result would not only affect the rental dealer in court but might well affect every other

rental dealer in his state.

The case of the hard-hit dealer was clearly illustrated in Winn's discussion of the Hawke's case in Maine. Regarding the current legislative efforts in Washington, Winn discussed the clauses in contracts that might be required if the law is passed. He closed his seminar by highlighting the current state of debt collection laws in the U.S.

## FYI

The APRO headquarters will have a new address beginning March 31, 1983. InterFirst, a Dallas-based holding company, recently acquired the Austin National Bank and will rename the bank tower InterFirst Tower. After March 31, 1983 please address correspondence to:

APRO  
1866 InterFirst Tower  
Austin, Texas 78701

A quick reminder that APRO accepts VISA and MasterCard for payment toward membership dues, seminars, convention registrations and exhibit space reservations, APRO publications and cassettes, and APROACH advertising.

## Board Happenings

The 1982-1983 APRO Board of Directors met during a general business meeting held at the APRO 1982 Convention and Trade Show and chaired by Bud Holladay.

Chuck Sims, past Publications Chairman, stressed the importance of consistency in

APRO publications, publication press releases and designation of APRO spokespersons.

Jack Callender, past Chairman of Nominations and Convention Committees, explained the nominating process as outlined in the APRO bylaws and conducted balloting for election of 1982-83 Board of Directors.

The treasury report was given by APRO Treasurer Dennis Palmquist. Palmquist reported regular and associate membership dues revenues at \$86,000. Convention expenses were estimated at \$50,000 with revenues estimated at \$65,000. New membership dues income from convention sign-ups totaled \$5,000.

Membership Committee Chairman Barry Gambini cited that APRO had experienced over a 200% increase in memberships during 1982. The number of APRO members and dealers had increased from 145 to 261 representing a growth from 237 store locations to 1039 store locations. New business discussed at the general business meeting included a suggestion to form a political action committee (PAC) in order to address the need for legislation to further the interests of the rental ownership industry by pledging \$100 per store owned to be used as deemed necessary to further those efforts by the APRO General Counsel and APRO Treasurer.

On September 24, 1983, a meeting of the newly-elected APRO Executive Committee was held in Austin, Texas. Present at the meeting were Barry Gambini, President; Bud Holladay, Immediate Past-President; Jack Callender, Vice-President; Rozanne Kowalczyk, Vice-

President; Glenn Davis, Secretary; Dennis Palmquist, Treasurer and APRO staff members Edward L. Winn, III, APRO Executive Director and General Counsel; Elizabeth Johnston, Director of Communications; and Terry Carter, Director of Member Services.

A discussion of the 1982 APRO Convention held in New Orleans included an income and expenditure report showing a \$14,000 net profit. It was suggested that a rental industry profile be compiled and offered for sale to interested parties through APRO.

In regard to any legislative efforts made by APRO, it was decided that Barry Gambini would serve as industry spokesman for APRO at the federal level. It was also voted that Barry Gambini and Edward Winn would coordinate efforts for a fundraising drive to acquire funds necessary for passing supportive legislation.

Concerning future APRO Conventions, it was decided that Barry Gambini would work with Global Enterprises, Inc., of Austin, Texas, to coordinate the 1983 show to be held at Caesar's Palace in Las Vegas on July 31-August 4. San Francisco was chosen as the site for the 1984 APRO Convention and Trade Show.

Other topics discussed included the purchase of a computer for the APRO headquarters, and the feasibility of offering paid display and classified advertising in THE APPROACH.

The APRO Executive Committee is tentatively scheduled to reconvene in early 1983.

*(continued next page)*

# Update

## New Dealers

- ( ) Number of stores
- Action TV Rental, Inc.** (4)  
Steve Dugger  
Jackson, Mississippi
- House of TV's, Inc.** (2)  
Larry Ries  
Arvada, Colorado
- Holdren's, Inc.** (1)  
d/b/a Metro TV and  
Appliance Rental  
C. Stan Cross, Jr.  
Roanoke, Virginia
- Options III, Limited** (1)  
d/b/a Options III  
Harry M. Krause  
Indianapolis, Indiana
- Monarch Leasing, Inc.** (3)  
John Plunkett  
Richmond, Virginia
- Television Merchants,  
Inc.** (4)  
d/b/a Curtis Mathes  
Home Entertainment  
Center  
Michael R. Shean  
Santa Maria, California
- American Rental  
Center** (5)  
Barbara Esteveas  
Waterbury, Connecticut
- Color World** (1)  
John W. Suttle  
Jackson, Mississippi
- Companion's T.V.  
Service** (2)  
d/b/a Companion's  
Rentals  
Roger J. Companion  
Winooski, Vermont
- Dee's Rental** (3)  
Patrick Duffy  
Delran, New Jersey
- Home Appliance-TV  
Center, Inc.** (1)  
d/b/a Home TV Rental  
Robert J. Regan  
Phoenix, Arizona

## New Associates (industry suppliers)

- Magic Chef/Admiral** (1)  
James H. Krueger  
Cleveland, Tennessee
- Litchfield Computer  
Systems** (1)

Stephen Longe  
Surfside Beach, South  
Carolina

**Cass Systems, Inc.** (1)  
Carl Riewarts  
Dallas, Texas

**Sales Point** (1)  
Raymond Steele  
Houston, Texas

**Total Information  
Systems, Inc.** (1)  
Jerry Washburn  
Phoenix, Arizona

**Alternative TV &  
Appliance Rentals** (1)  
Warren Lucas  
St. Petersburg, Florida

**The Entertainment  
Station, Inc.** (1)  
d/b/a Chuck Stewart's

For Your Home  
Chuck Stevenson  
Indianapolis, Indiana

**Brown & Roden TV &  
Stereo Co., Inc.** (1)  
Walter C. Roden  
Huntsville, Alabama

**Ace Furniture & TV,  
Inc.** (1)  
Eugene W. Leach  
Lincoln, Nebraska

## APRO Member Stats

	'81	'82
# Dealers	145	261
# Stores	237	1039
# Associates	2	35

## Calendar

- January 19** The President's Panel Seminar  
Philadelphia, Pennsylvania
- January 20** The President's Panel Seminar  
Cincinnati, Ohio
- February 15** Ad copy and payment deadline for APRO  
membership directory, *Who's Who in  
Rent-To-Own*
- February 16** The President's Panel Seminar  
Denver, Colorado
- February 17** The President's Panel Seminar  
San Francisco, California
- February 21** Ad copy and payment deadline for  
THE APPROACH, Vol. 3, No. 2
- February 28** APRO membership directory, *Who's Who  
in Rent-To-Own*, issued
- March 15** THE APPROACH, Vol. 3, No. 2, issued
- March 16** The President's Panel Seminar  
Atlanta, Georgia
- March 17** The President's Panel Seminar  
Kansas City, Kansas
- April 13** The President's Panel Seminar  
Dallas, Texas
- April 14** The President's Panel Seminar  
Houston, Texas
- April 20** Ad copy and payment deadline for  
THE APPROACH, Vol. 3, No. 3
- May 13** THE APPROACH, Vol. 3, No. 3, issued
- June 20** Ad copy and payment deadline for  
THE APPROACH, Vol. 3, No. 4
- July 15** THE APPROACH, Vol. 3, No. 4, issued
- July 31-  
August 4** APRO Convention and Trade Show  
Caesar's Palace  
Las Vegas, Nevada
- August 20** Ad copy and payment deadline for  
THE APPROACH, Vol. 3, No. 5
- September 15** THE APPROACH, Vol. 3, No. 5, issued
- October 20** Ad copy and payment deadline for  
THE APPROACH, Vol. 3, No. 6
- November 15** THE APPROACH, Vol. 3, No. 6, issued
- December 20** Ad copy and payment deadline for  
THE APPROACH, Vol. 4, No. 1

# STORE DESIGNS

## RENT-TO-OWN CORPORATION

BARRY GAMBINI, CEO

**S**tore Designs is a new section of THE APPROACH which will regularly feature the storefronts and floor-plans of dealers interested in sending photographs of their store operations, whether single or multi-store, to THE APPROACH.

Barry Gambini, current President of APRO, is also the CEO of the California-

based Rent-To-Own Corporation. He takes pride in maintaining exceptionally neat and well-organized stores. The pictures below depict the various logo styles used for his RTO locations. The overall well-kept appearance leaves a positive message with his customers—they'll be back.



# INDEX

## ADVERTISERS

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Universal Consumer Products . . . . .	Inside Back Cover
Speed Queen . . . . .	Back Cover

# CLASSIFIED

Classified rates for THE APPROACH are \$45 per column inch (minimum) 38 characters or spaces per line 17 lines per inch. Ads placed for two or more issues receive a rate of \$30 per column inch (minimum) per issue. To earn the two-time rate, your ad must be placed and prepaid for 2 or more issues at the same time. Closing date is the first day of the month prior to the month in which the ad will appear. Send all classified advertising copy and payments to: THE APPROACH, 1866 Austin National Bank Tower, Austin, TX 78701. Telephone: (512) 478-6521.

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## BUSINESSES FOR SALE

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## BUSINESSES WANTED

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WANTED: Multi-store owner wants to purchase rent-to-own store in major metropolitan area. Prefer Northeast, Southeast, or Southwest, but will consider other locations. Address inquiries to Boxholder 8310. Replies confidential.

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## INVENTORY/ EQUIPMENT WANTED

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## SERVICES OFFERED

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## CATALOGS

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## MISCELLANEOUS

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# COMING

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**DISCLOSURE DOESN'T HURT!** What does disclosure mean to you? To the rent-to-own industry? *It could* mean your business. A detailed treatment of the current state of rental contract law and proposals for the future.

**THE HAWKES CASE IN MAINE.** A report on Al and Barbara Hawkes of Hawkes T.V. Rental and their ongoing battle with the state of Maine. Rounds One and Two went to the state, but the Hawkes continue to fight.

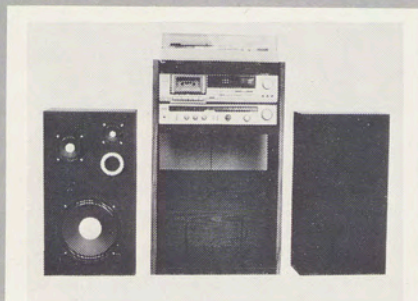
**EFFECTIVE FLOOR SALES.** A positive approach to securing more sales by involving the customer and adding a personal touch to your sales presentation.

**NEW APPLIANCE CREDIT PROGRAMS** give rental dealers a jump on an increased share of the retail consumer appliance credit market.

# UNIVERSAL CONSUMER PRODUCTS INC.

## SUPPLIERS TO THE RENTAL INDUSTRY

Universal Consumer Products is the only national distributor who exclusively supplies the rental industry. After 13 years we understand the importance of distribution, availability, and service to our customers. We represent Audio by Hitachi, and White Goods by White Westinghouse and Welbilt. Our distribution system enables us to ship the same day to any destination with 3 days delivery, or less in most cases.



### System 1 Price: \$425.00

- Receiver: 25 Watt Min. RMS-Vector Tuning
- Cassette: Soft Touch, Dolby B and C, LED's, Metal Tape Capable
- Turntable: Belt Drive, SemiAuto., Mounted Diamond Cartridge
- Speakers: 3 Way 10", Wire, sheer front, 24x13x8 1/2
- Rack: 4 Torsion bars for quick assembly



### System 2 Price: \$475.00

- Receiver: 30 Watts Per Channel RMS, Quartz Digital, 12 Presets
- Cassette: Soft Touch, Dolby B and C, LED's, Metal Tape Capable
- Turntable: Belt Driven, SemiAuto., Mounted Diamond Cartridge
- Speakers: 3 Way 12", Wire, Sheer Front, 26 1/2 x 15 1/2 x 10 1/2
- Rack: Double Glass doors, Casters, Chrome Trim



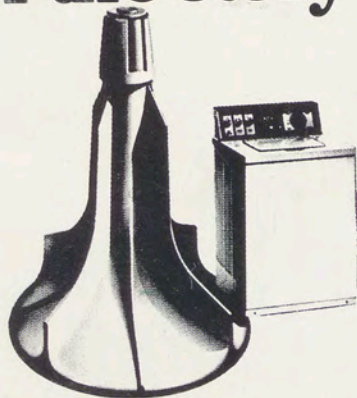
### System 3 Price: \$550.00

- Receiver: 40 Watts, Quartz Digital, 12 Presets
- Cassette: Soft Touch, Dolby B and C, LED's, Metal Tape Capable
- Turntable: Belt Driven, SemiAuto., Mounted Diamond Cartridge
- Speakers: 3 Way 12", Wire, Sheer Front, 26 1/2 x 15 1/2 x 10 1/2
- Rack: Glass Top and Glass Front, Casters

★ CALL (713) 270-6464 COLLECT TO PLACE YOUR ORDER

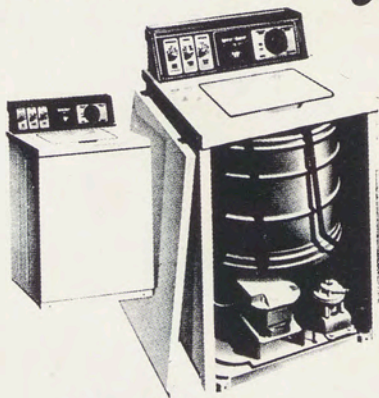
9896 BISSONET-TWO • SUITE 460 • HOUSTON, TEXAS 77036 • 713/270-6464

## Just part of the story



This is the agitator  
built with the 210 degree power stroke.  
No other washer  
goes farther to get clothes clean.  
Really clean.

## Another part of the story



A Speed Queen washer  
has one feature that will probably  
take a long time to be appreciated.  
But if you need it it's there.  
100% front service from the installed position.

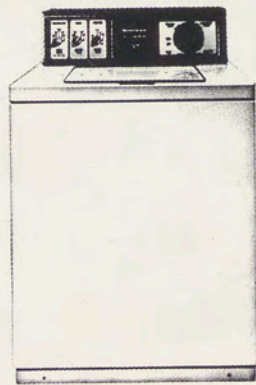
## Another part of the story



Speed Queen's  
transmission warranty lasts 10 years.  
Most others stop after five years.  
Some even stop after one.

Call Rich Raczynski at (414) 748-3121 for  
the name of your nearest Speed Queen  
distributor.

## The complete story



Speed Queen washers are built tough.  
That's been proven in coin laundries.  
And you get that same  
built-in toughness here.  
But for the complete story  
see your Speed Queen distributor.



**Speed Queen**<sup>®</sup>

Ripon, WI 54971

A Raytheon Company