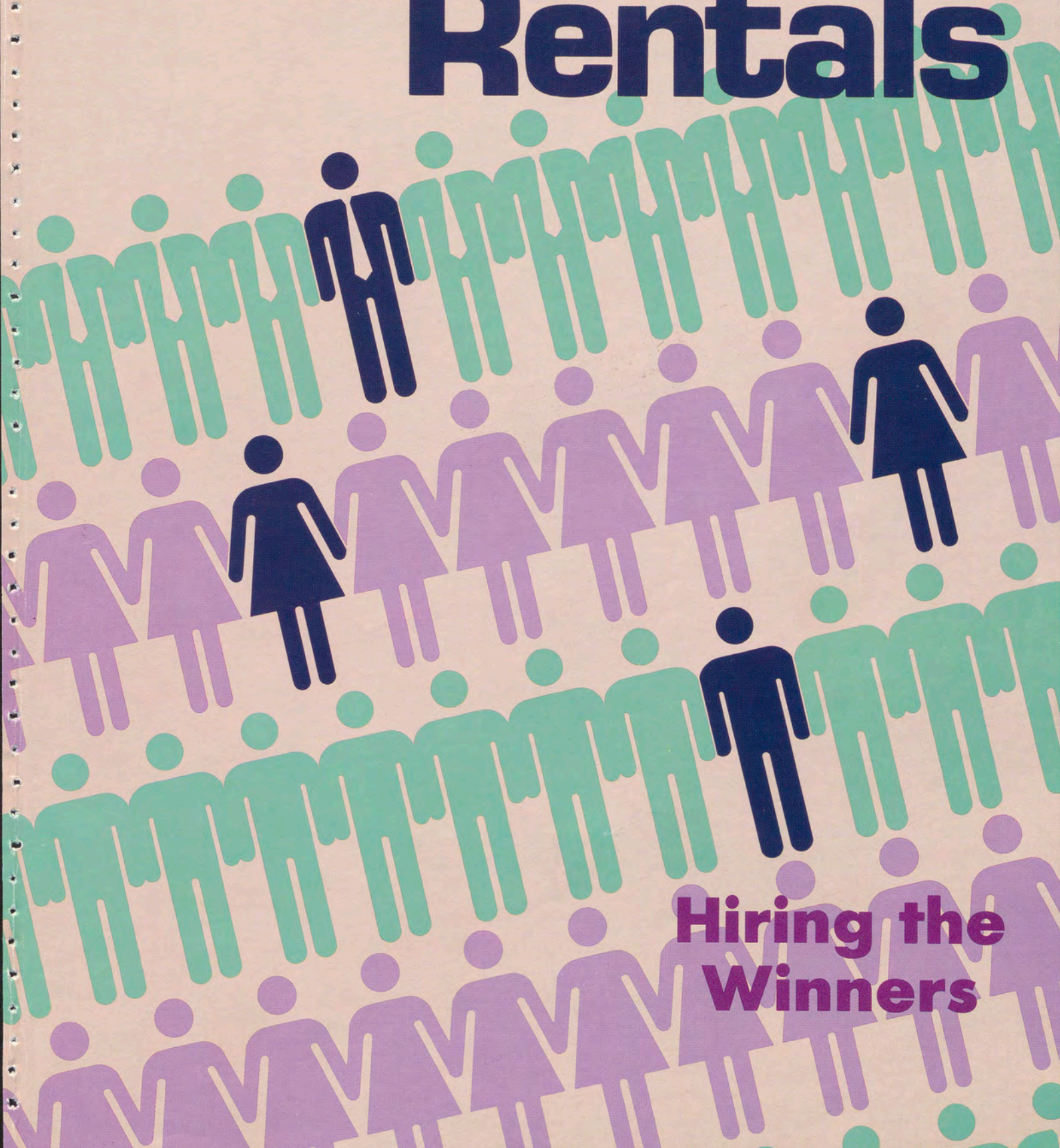


FEB 1989/MAR 1989

the magazine of the home electronics, appliance, and furniture rental industry

# Progressive Rentals



**Hiring the  
Winners**

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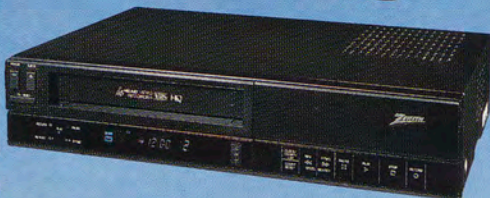
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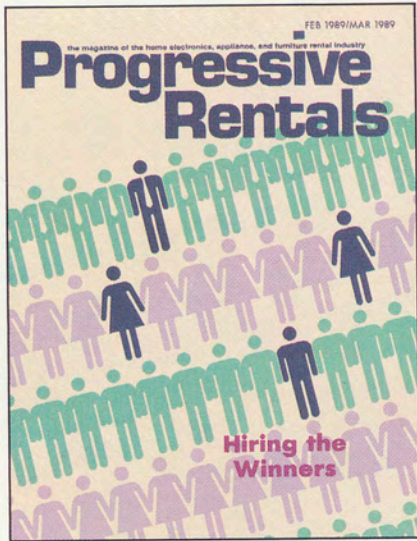
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# Progressive Rentals

VOL. 9 NO. 1

FEBRUARY/MARCH 1989



**ON THE COVER:** You can improve your odds on finding and hiring winning employees. Feature begins on page 24.

COVER DESIGN:  
*Nichols, Massey & Powell*  
*Irving, Texas*

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What firms specialize in advertising for rent-to-own, accounting, training, and other management services? They're listed here.

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A former Texas legislator has hired on to coordinate the national and state legislative efforts.

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# We're introducing something new in the rental business: A choice.



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**MAGNAVOX**

**PHILCO**

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***Philips Consumer Electronics Company***

# PRESIDENT'S VIEW

## This and That

The first five months as your president has been a rewarding, challenging, and yes, sometimes a disappointing experience. Your board and I have logged several thousand miles on your behalf, spent many nights in hotels (the majority paid by board members), and met many fine people. This board has answered my every call whether it be to Atlanta, Austin, or wherever.

We have attempted to man perhaps too many battlefronts at once. Yet, we felt all these areas needed attention and were what you wanted and needed done.

Legislative network is up and running. Twenty-five states now have organizations. We interviewed several people for the new staff job of Legislative Coordinator and have hired a gentleman with much legislative and association experience, Ron Waters. (See page 42 for story.)

LDIF contributions have started to come in, so perhaps soon we can quit using regular operating funds to support our legislative effort. Everyone must continue to send in pledges so we can continue to work on getting laws passed state by state and work on our national bill.

The staff at Austin has willingly jumped to the sharp increase in activity. They drop their jobs and start stuffing mailers to states to start each state organization or to announce a meeting. They man the phones to call prospective members and perform many other duties beyond their usual jobs.

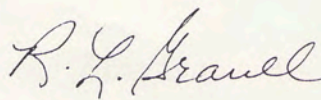
All this has been the rewarding part and yes, sometimes challenging, as things at times start to fall apart right in front of us. Your board just adjusts, moves sideways, and starts again.

The frustration comes from the lack of new members signing up. Somehow we must find ways to get the word out to *all* RTO dealers that they need to join APRO and support the legislative effort across the board and continuously. We cannot allow ourselves to fall into apathy once a state has a bill. There are many liberals who would slip in an addendum to our bill that cripples the bill or changes it so much it is unworkable for you. Our industry must work to keep its freedom every day. APRO is the only force uniting our industry in the legislative effort. Neither Rentex or NARDA work on any legislative effort for rent-to-own.

I am also frustrated at my inability to find out clearly what you want in a training program, where, and how much you are willing to spend. In talking to other associations, I find some set the fee at \$75 for registration knowing they will lose money. Right now I cannot see a way APRO can afford to lose money on training until the legislative effort gets enough funds to actually carry itself.

Dave Egan has cut the projected costs of the legislative effort considerably and we have found ways to train that are far less costly. But we still haven't put enough dollars in the till to run training seminars at a loss.

We are talking to training organizations on a regular basis to see what is available, the price and locations that will best suit your needs. We just need more input from you. Please take the time to fill out the form on the facing page and forward it to Kayte Bean at the APRO office. This will give us an idea of how to meet your needs in the training area.



**R. L. (Dick) Grauel**  
**APRO President**

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**Progressive  
Rentals**

# APRO needs to know . . .

We need to know what your training needs are and how APRO can best serve those needs. Please fill out this form and mail it to APRO, 2028 E. Ben White Blvd. Suite 200, Austin, TX 78741. (You may photocopy the form if you'd rather not tear out the page.)

I want APRO back in the training business and on a more frequent basis. Yes  No   
List by priority as many as you think you would want.

Subjects I want presented \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Subjects I want presented to my store managers \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

I want my seminars located \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

I want my managers' seminars located \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

I want my seminars to be:  
 1 day  2 day  3 day  1 week

I want my managers' seminars to be:  
 1 day  2 day  3 day  1 week

The days of the week I prefer:  
 Monday  Tuesday  Wednesday  Thursday  Friday  Weekend

The days of the week I prefer for my managers:  
 Monday  Tuesday  Wednesday  Thursday  Friday  Weekend

The week in the month I prefer:  
 1st  2nd  3rd  4th

The week in the month I prefer for my managers:  
 1st  2nd  3rd  4th

The maximum I would spend on my seminar: \$ \_\_\_\_\_ per day, outside total \$ \_\_\_\_\_.

The maximum I would spend on my managers' seminar: \$ \_\_\_\_\_ per day,  
outside total \$ \_\_\_\_\_.

I would send # \_\_\_\_\_ of people to seminars on subjects I have listed and in my locations.



2028 E. Ben White Blvd.  
Suite 200  
Austin, TX 78741

Association of  
Progressive Rental Organizations

## MESSAGE



### Good Times Ahead?

One of the great things about having a column in a magazine is that you can make little asides like the one that follows: I am the proud daddy of twin boys—born November 6, 1988—Walker and Taylor. They and their mom are all doing fine, thanks. I am a 40-year-old daddy and figure that I will be having to shoot jump shots when I am 60. Words of encouragement, advice, etc., are all welcome.

The rent-to-own trade proliferated nearly as fast as my family, although that has not been the case for some time now. One of the largest financiers to this industry suddenly owns a lot of rental stores. Based on how they got them—repossessions either from debtors or from trustees in bankruptcy court—I don't imagine that it was the game plan to be in the business to such a degree. That fact will make it harder still to get financing in this industry. I already get the sensation that none of the lenders has the appetite that once existed for the business, notwithstanding the healthy rates of interest that many of you are paying for your money.

I am looking, literally daily, for new sources of money for the industry, and I know that some of you are doing the same thing. I wish us all luck. Thorn/EMI brought new money into the game—more than half a billion dollars. The result is that Rent-A-Center is dominant in many, if not most, of their markets.

The good news is that RAC is a responsible industry citizen. The industry has had access to the legal talents of the RAC attorneys for several years now in our state legislative efforts. We could not have done what we have done without the generous assistance of RAC's lawyers. That does not mean that the company will not compete so vigorously as to put you out of business, but at least you will not have to suffer the indignity of being sued out of existence by legal aid lawyers. Actually, I suppose that if you are put out of business, it does not make much difference how it happened.

The good news is that if you are still in business in early 1989, you have a fairly good chance of staying there. To say that the industry has been through a shakeout is putting it mildly. I have personal knowledge of at least a dozen substantial bankruptcies in the industry, and I can count a lot more

companies than that which are not making any money. It is my hope and my belief that we are nearly through the worst of it, although we may lose a few more shortly.

Evidence that I can point to that the worst may be over is December. I know of several companies on both coasts and all over the midwest, all of which reported record-breaking December numbers—either deliveries or revenues, or both. I am also watching interest rates begin to soar. Prime is at 11 percent as I write, which is 2½ points up from 8½ percent a year ago. And the Wall Street gurus think that it will go even higher to stave off inflation. Historically, when interest rates soar, one of the first areas affected is consumer credit. The first people affected are the marginal credit risks—people who for several years now have been actively courted by the credit card and consumer finance industries. At some point all that will change, and those people will have to shop actively for credit, and some of them will not find it.

If we assume that the demand for what I call the fundamentals of modern 20th century life remains relatively constant, then we should see some increased traffic in rental stores in the coming months.

There were those in this industry who once thought that we were recession-proof. They thought that the industry thrived on hard times. The Texas experience has disproven that theory, since the Texas economy has been shattered in recent years, and quite a few rental companies along with it.

There are profound economic factors at work which determine how well our industry performs. I do not pretend to understand those factors. If I did, I would charge a lot of money to tell people what is going to happen. I do subscribe to the Purdue University Credit Research Center publications as well as those put out by the Federal Reserve Board concerning consumer credit. The statisticians accumulate enormous amounts of information about consumer credit, bits and pieces of which, I suspect, can tell us much about the business that we are in.

Most dealers are too busy counting the money and their TVs every day to stand back and casually reflect on the big picture. But if this is the ultimate day-to-day business, it is still a business that requires careful plan-

ning. We now, suddenly, have a history strewn with the carcasses of some not-so-careful planners.

If you intend to be in this business this time next year, you need a game plan that looks out three to five years. I have seen some sophisticated rent-to-own business plans lately, and the industry as a whole needs more such planning. I have not been made privy to the Thorn/EMI plans for global rent-to-own, but I would be surprised if it were not on some committee's drawing board.

As an industry, I see us often lost in the microeconomics of our business—searching for that elusive "new product," wondering if the latest ad campaign was on target, debating pricing strategies, worrying about employees—with too little thought about the macroeconomics of it all. That means thinking about the external factors that influence whether we make any money or not.

For example, have the rent-to-own laws made the business more or less profitable in the regulated states? What effect will the tax law change on consumer finance interest have on the business? What effect will lender attitudes have on industry expansion plans as a whole? On your company's expansion plans?

I want to help your thinking along these lines, because such thinking will make our industry stronger and more credible. To start, as soon as I figure out this interest rate business, I will share my findings in these pages. I suspect that if rates go up another point or two most of you will be too busy counting your money to read. In the meantime, ask the good Lord, if you will, to let my boys start sleeping through the night.

EDWARD L. WINN III  
APRO General Counsel

## **COMMITMENT TO THE RENTAL INDUSTRY**

McDonnell Douglas Finance Corporation, providing financial services to industries worldwide for 20 years, now offers long term solutions to your financing needs.

## **EXPERIENCE OF STAFF**

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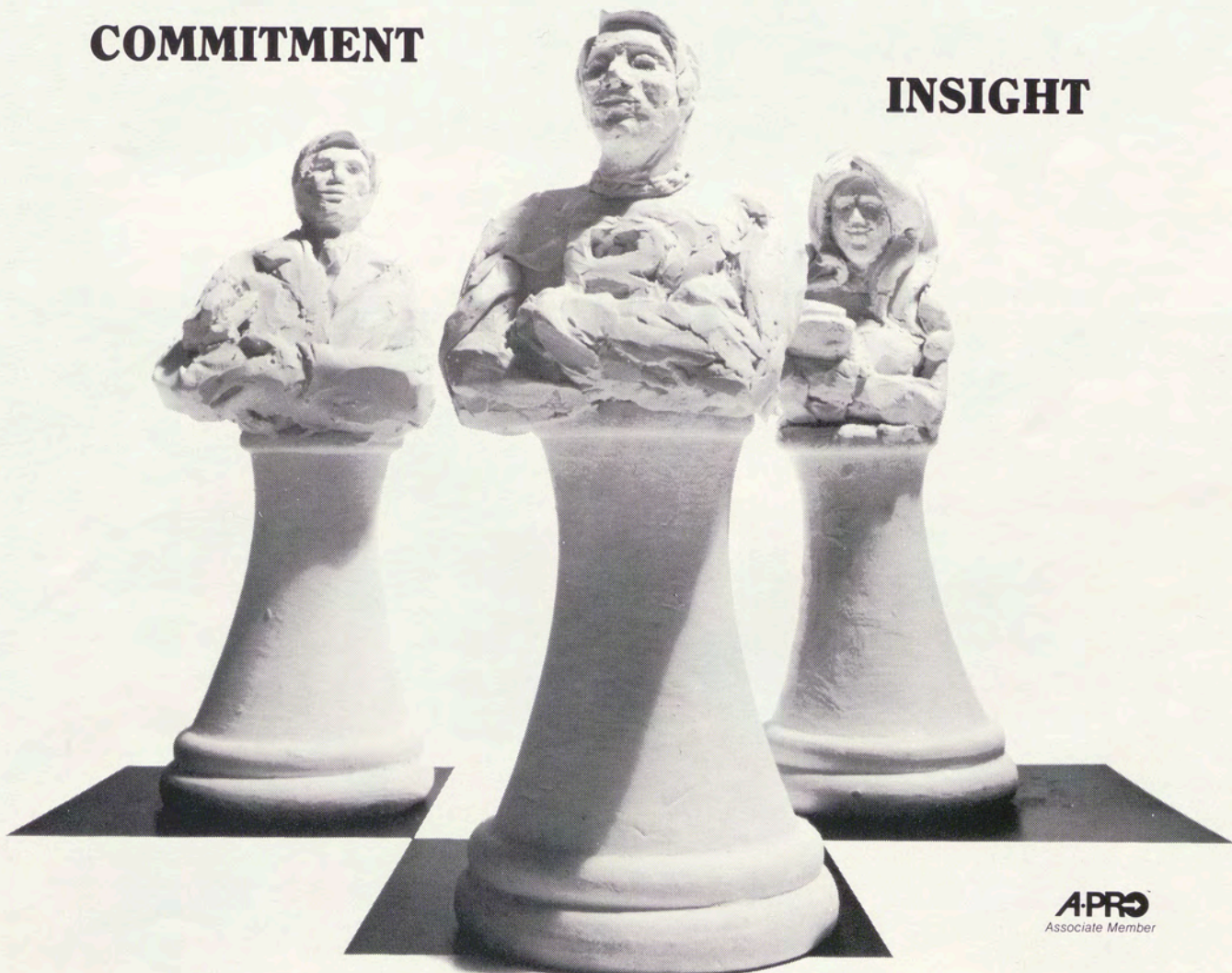
Call Bruce Mettner or Dick Wall, (913) 661-9234 before you make your next rental finance decision. McDonnell Douglas Finance Corporation, 10901 Lowell, Overland Park, KS 66210.

# **MCDONNELL DOUGLAS**

## **EXPERIENCE**

## **COMMITMENT**

## **INSIGHT**



**A-PRO**  
Associate Member

# Good Ad + Wrong Spot = No Sales Good Ad + Right Spot = Big Bucks

By N. Jack Rice

Media selection is one of the mysteries that makes advertising interesting. However, when you know who you want to reach and how much you can afford to spend to reach them, your choice becomes easier.

The largest number of customers for a rent-to-own store are working class people with an annual income of \$20,000 or less, and a high percentage of minorities included. This is the same audience that watches the most television, making this medium your obvious first choice most of the time.

But don't overlook the strengths and weaknesses of the other media. It may be that a mix of media is best for you.

### *Television Advertising*

There are four advantages to television: Almost every home has a television set, and the average household watches more than six hours a day. Fringe or less expensive times may be just as effective as prime time in reaching the audience you want to reach. A television commercial can present a product visually with motion, sound, and color to a wide geographic area.

That is also a disadvantage, however. Often you pay to reach people outside your market. It takes longer to prepare a television commercial, and the product you advertise should have mass appeal to offset the higher production costs.

Because TV costs are so high, some rent-to-own dealers tend to run institutional spots or ads—they can run longer, but they have no price appeal or urgency.

### *Advantages of Newspaper*

Newspapers offer mass market coverage, generally 80 percent or more of a local market. Neighborhood shoppers

and tabloids can cover a defined limited area at low cost. Newspapers reach both men and women, and they are read thoroughly by most adults in a house. They offer urgency—shop for a given product at a given price at a given place today! It may be the best medium to convert people who are looking to buy a product into considering a rental instead.

Newspapers are flexible; you can change an ad on short notice, vary the ad's size and position in the paper.

A newspaper ad has a longer message life than either television or radio and the shopper can read it at leisure.

You can print eye-catching illustrations and give complete details in the copy. You can include coupons, premiums, and incentives in your ad.

What are the disadvantages? There are some limitations; young people and lower income groups generally do not read newspapers. Also, you may find graphic reproduction problems because certain illustrations do not reproduce clearly. The major problem with newspaper advertising is called clutter. Seventy-five percent or more of some newspapers are ads, and it is easy for your ad to get lost.

### *Pros and Cons of Radio*

Radio offers a short lead time. You can prepare an ad in the morning and have it on the air that afternoon.

Radio is intrusive. Listeners hear the ads whether they want to or not.

Radio offers market selections. Stations design their formats to appeal to a particular audience. You can zero in on a specific market.

If you use radio intensively, you can saturate a large area, reaching almost all the listeners as frequently as you want (and can afford).

You can be creative with radio, taking a listener from the top of the mountain to the bottom of the ocean in a moment

with nothing more than sound effects and the listener's imagination.

Radio's disadvantages include the fact that you must repeat, repeat, repeat. The listener must concentrate to get the message, so you must repeat to make an impact.

You must be short. Time limitations make ad copy brief, and you can only make a few points during the commercial.

You may not be able to run your commercial when you want. The best times on each station are often booked well in advance. You may have to take a less desirable time period and wait for a better time to become available.

Radio's success turns out to be its biggest disadvantage. With more and more stations on the air on both the AM and the FM band, no one station or small group of stations reaches enough of the audience you want to reach at a cost you can afford.

### *Pros and Cons of Direct Mail*

Direct mail reaches a very special market—those you choose, your best prospects.

Your message can be tailored to your prospect. You don't need to worry much about the length of your message. About 98 percent of direct mail gets opened and, if only for a moment, has someone's undivided attention.

Customers will respond rapidly. You usually know within three or four days whether your campaign has been successful.

Unfortunately, the costs of direct mail are rising rapidly, and the cost per 1,000 (CPM) is the highest of all media. You must carefully select your mailing list and update it regularly.

### *Yellow Page and Directory Advertising*

A directory—the Yellow Pages being the one rent-to-own stores use most—

is both a blessing and a curse. In recent years there have appeared a variety of directories that overlap and duplicate the geographic areas they cover.

There are two characteristics of these directories that make them part of almost every advertising plan. They reach more prime prospects than any other medium, since their readers have already decided they need something and are just deciding where to go and get it. Studies have shown that more people look at the service and repair listings than at the merchandise for sale listings. Therefore, a listing in the repair service heading saying that you also rent could be very effective.

A directory has a long life; they are usually issued annually and often they stay around the prospect's house or business beyond the year of use.

The Yellow Pages are most effective where the manufacturer or franchisor has bought a heading and you buy a listing. If boldface type makes you stand out, buy it; if everyone else has bought boldface, you will stand out in lightface.

Also, Yellow Pages salesmen tend to quote costs by the month—remember to multiply by 12. The Yellow Pages salesman is only paid a commission on the amount he is able to increase your bill, so consider carefully those big display ads he pushes every year. Most important, Yellow Pages listings should not be charged in your budget as telephone expense, but as advertising expense.

Directory advertising lacks flexibility since once you've set an ad, you cannot change it until the next directory . . . a year later.

### Outdoor Advertising

Signs and billboards have high exposure since people tend to repeat traffic patterns daily. They are economical, and they are a major source of information for travelers and people on the move.

They cannot say much; at most they



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can remind the public of your store. The clutter of signs on heavily traveled routes reduces the effectiveness of each.

If you have a difficult to find location, it may be helpful to put up one or more billboards directing people to your store.

### Checklist for Following Through

Preparing and running an ad is only one part of an ongoing process. Nothing in the store operates in a vacuum, and the advertising is wasted if, for example, you do not have sufficient merchandise on hand to support the ads. Here are some ways to make sure your ads pay off:

- Display the advertised merchandise prominently . . . with tie-in merchandise nearby.

- Tell all the salespeople about the ad before it runs. A store seems poorly managed when the customer says, "I'd like to see the item you advertised in today's paper," and the salesperson asks, "What item?" Explain the merchandising strategy to your people so they are alert to opportunities to move the customer up to a better profit item and tie in other merchandise.

- Keep a record of units rented in response to each ad. If an ad bombs, what went wrong? The weather? The merchandise? A competitor's move?

- Maintain a tear sheet file, a master set of videotapes, and a scrapbook so you can go back to see what you did in the past, adapt a good idea for a new ad. And if you have a winner, run it again. In fact, repeat your winners until they stop pulling.

- Plot your advertising expenses against your sales. Make sure the expenses stay in line with your budgeted goals.

In summary, this article has tried to present a simple, basic plan for advertising. The rent-to-own dealer who follows it can increase the number of rental units he has working for him and control a very basic expense of his business.

### PR

*N. Jack Rice is senior consultant with the Percon Group, a national organization of trainers and speakers. His broad range of experience in retailing and association work includes chairing NARDA's Institute of Management and serving the National Retail Hardware Association as director of education and member services.*



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—TO—  
OWN**

**NEW! Re-usable  
WINDOW  
SIGNS!**

*As low as \$19 ea.*

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—gives quality store image
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- Money-back Guarantee

**Order now—limited time offer**

	1-4 signs	5-7 signs	8+
#R-1 <b>Rent to Own</b>	\$24 ea.	\$22 ea.	\$19 ea.
#R-2 <b>Quality Brand Names</b>	24	22	19
#R-3 <b>Immediate Delivery</b>	24	22	19
#R-4 <b>Low Monthly Rates</b>	24	22	19
#R-5 <b>Low Weekly Rates</b>	24	22	19
#R-6 <b>No Credit Checks</b>	24	22	19

*(Combine signs for quantity discount)*

**SHIPPING & HANDLING:**  
1-4 signs: \$5. Add \$1 for each additional sign. Orders outside continental US, call for rates.

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# Managing the Corporate Entity

By James D. Walker Jr.

The choice of an entity from which to do business can be a complicated one. Most businesses find that the corporate entity serves best. This article discusses the management of the formalities that are associated with that entity.

There is much to be said for the sole proprietorship, the partnership, and the limited partnership. These entities all have unique benefits. It is to be assumed by this article that the corporate entity, rather than any of these others, has been chosen as the one that best serves the particular business for which it has been created.

It will also be assumed that the corporation has been properly formed, probably by an attorney, that the shares are properly issued for adequate consideration, that the organizational meeting of directors has been held and properly documented, that appropriate reports have been made to the secretary of state, and that necessary license authorities and registration reports have been filed with any other entities that might have responsibility for regulating the business affairs of the corporation. This article addresses itself to the kinds of things that an owner should do to be sure that the corporate entity is properly maintained.

First of all, it should be noted that the corporation is a distinct entity separate and apart from the owner. It lives (if we do it right) to provide certain specific benefits to its shareholders. Even though it is terribly artificial and somewhat illusory, its existence should be treated in very concrete terms and very carefully managed by its owners.

The corporation is owned by its shareholders (who are owned by the corporation's lenders). The shareholders delegate the management of the corporation to the board of directors. The board of directors delegate cer-

tain aspects of the management of the corporation to the officers. This cast of characters can include a number of players as few as one and as many as thousands or millions. In its most common form, the corporation consists of one to three owners who each wear several different hats in this management process.

### A Separate Entity

In its very simplest terms, the key to the management of the corporate entity is to respect its separate existence as if it were a real person. When this is not done, persons who deal with the corporation are entitled to disregard its existence and to look instead to the shareholders, directors and officers, in their individual capacities. Generally,

recreation, he will be considered to be commingling funds. If you wouldn't go in your secretary's pocketbook to borrow money without telling her, you should not take any money from the corporation without obtaining the corporation's permission through one of the many devices which are available for that purpose.

The board of directors can determine that you should draw salary. The board of directors can determine that you can borrow a certain amount of money from the corporation without its permission, provided that loan is documented in writing. You must follow the same rules as other employees.

Another way to wrestle money away from the corporation is for the board of directors to declare a dividend. This is undesirable for 19 reasons, which can

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**Corporations, whether they have one shareholder or one hundred, must follow certain formalities. This article talks about the kind of things an owner should do to properly maintain the corporate entity.**

---

when a party tries to disregard the corporate entity, it is because the individuals involved appear to represent more lucrative targets. If there has to be a target, we want to let it be the corporation.

There are a number of ways to get into trouble in the management of a corporation. One of the ways is to commingle money. The corporation's money does not belong to anyone but the corporation. There are ways to get the corporation to part with its money. Any way but the right way is considered commingling.

For example, if the principal shareholder of the company regularly takes \$100 from the petty cash on Friday afternoons to finance the weekend's

be explained to you by your CPA, but it is another way. If you ignore all of these ways, you are considering the corporation's money as your own.

While the corporation may belong to you, its money does not. If you feel strongly about the right to come and go from the corporation checking account, you should dissolve the corporation because it cannot be expected to serve any useful purpose for you.

### Put It In Writing

Mention has been made here of rules adopted by the board of directors. Any such rules should be in writing, contained in minutes that should be contained in the corporation's corporate

record book. It is the minutes that document the actions of the board of directors.

No special formality is required for the minutes themselves. They can be written by hand so long as they are legible. The best minutes are made at the time of the meeting so they serve as a contemporaneous notation of the actions of the board of directors.

The minutes should contain a notation as to the day, time, and place of the meeting. The names of the persons who attended the meeting should also be reflected in the minutes. The action taken by the board of directors should be carefully detailed by the minutes. It is not necessary that the minutes contain notations as to the discussions which might have taken place at the meeting. If a motion is made and not approved, it has no force or effect. Its mention in the minutes is helpful but not necessary.

Lastly, the minutes should be signed by the person who made them. That person may be the corporate secretary. That person may also be any person who has been designated by the board of directors to serve as the secretary of the meeting. If the person who signs the minutes is not the secretary of the corporation, the fact that the person has been designated to serve as the secretary of the meeting should be set out in the minutes.

It is easy enough to understand the need for meetings and minutes where there are two or more directors. The need for these minutes is just as real in the corporation which is owned by a sole shareholder/director. Nothing (absolutely nothing) is different about the one-man corporation. Minutes are required.

In some states, the one-man corporation must have a person other than the sole shareholder/director who serves as the secretary of the corporation. Even if your state does not have such a rule, it is a very good practice in this kind of corporation. If the secretary is responsible for the preparation of the minutes of these solo meetings, the situation seems a little less comical.

## How Many Meetings?

How often should the director(s) meet? The answer is that the board of director(s) should meet at least once a year to elect officers and to ratify the actions of the officers during the preceding year. These so-called annual meetings are often prepared by the

company's lawyers for a very nominal charge. It is recommended that the lawyer be used to prepare these minutes. They are generally contained in the lawyer's word processing computer so that the only thing he needs to do is change the date from last year.

As far as other meetings of the directors, there should be minutes reflecting a meeting where any unusual action is taken by the corporation. The board of directors should approve such things as new leases, executive compensation, additional borrowing from lenders and unusual expenditures.

More substantial matters such as the sale of all or part of the corporation's assets, substantial borrowing or refinancing of the corporate debt, and acquisitions should be documented by resolutions of the board of directors prepared by the company's lawyer. These transactions often require that resolutions of these meetings be provided to outsiders as a part of any such transaction.

As for meetings, the word is sometimes used as a term of art to describe an event that never happened but that no one would deny. The practice of holding fictional meetings is very common. In such a case, the participants are asked to sign a statement indicating that they consent to the minutes of the "meeting" which was never held.

While this practice is not necessarily defective, there is a better method of accomplishing the same result. Most states allow for directors to take action without the necessity of a meeting by a device known as consent minutes. Such a document is generally prepared by a lawyer. It states that the directors of the corporation have agreed to a certain resolution as evidenced by their signature on the document. This is just as good as having a meeting if there is no controversy about the subject matter of the resolution.

How about meetings of shareholders? Yes, it is necessary to have a "meeting" of shareholders at least once a year. The shareholders must elect new directors and should ratify the actions of directors during the preceding year. These minutes should be prepared by the corporation's lawyer at the same time as the annual directors meeting minutes are prepared.

Unlike directors, it is generally unnecessary for shareholders to meet during the year. Shareholder agreement is only required in situations where the corporation makes a major change in its business activities. It might

be a good rule to specify that all shareholder minutes should be prepared by the corporation's lawyer.

## Dealing With Others

The last general area of corporate entity management concerns the way the corporation does business. Regardless of who owns the corporation, the corporation should do business in its own name through its designated officers.

It is very common for vendors and lenders to refuse to deal with the corporation alone. They often require the assurances of the principal owner of the corporation in the form of a written guarantee agreement. Even though the individual's guarantee may be the principal basis for the business transaction, the corporation should always serve as the principal party in the transaction with the corporation's owner/guarantor serving in that secondary capacity.

In the execution of documents on behalf of the corporation, the corporation's officer should always indicate that he is serving as an officer of the corporation and not as an individual. He can do this by ensuring that any document signed as an officer of the corporation contain the full name of the corporation with a designation that the corporation is signing by the individual as a corporate officer.

For example, a major contract with Chrysler Corporation would be executed as Chrysler Corporation by Lee Iacocca, as its president. The failure to identify the corporation or the title of the person signing on behalf of the corporation might result in the execution being construed as one undertaken by the person in his individual capacity.

The corporation offers various benefits including tax sheltering, limited liability, and business control. Those benefits could be lost through improper management, a loss that would surely be a substantial detriment to the corporation's principals.

Respecting the corporation as a separate entity can insure that the benefits of incorporation will not be lost when they might be needed most.

**PR**

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*Editor's Note: LEGAL is a regularly featured column written by James D. Walker Jr., of Surret, Walker, Creson & Colley, for rental dealers with legal questions. Please address questions for this column to James D. Walker Jr., Surret, Walker, Creson & Colley, Box 1497, Augusta, GA 30903.*

## PRODUCT FOCUS

Sharp's new mid-size microwave convection oven is a space-saver with a four-way cooking system that includes broiling and combination cooking in addition to microwave and convection. Model R-7H80 comes complete with an Electronic Sensory Process, including a new popcorn sensor setting, which allows the oven to sense when microwaved foods are done and automatically turn itself off. The CompuCook feature uses pre-programmed cooking times for convection and combination cooking, which determines correct cooking times and power levels based on the quantity or weight of food. A four-stage cooking feature allows users to program four different cooking times and power levels.

Suggested retail price is \$549.95. For more information, contact Sharp, Sharp Plaza, Mahwah, NJ 07430-2135, (201) 529-8736.

Soundesign's new Model CD63P66 rack system comes in a walnut wood grain finish cabinet with an



enclosed storage compartment. Components include a compact disc player, dual cassette deck, tuner/amplifier, turntable, and infrared remote control, all finished in high-tech black. Two full-range tower speakers with black foam



grilles are also encased in walnut finish cabinetry to match the furniture rack.

For stable tracking, the front-loading compact disc player has a three-beam, one laser pickup. It also features a 15-program, random access memory, a repeat function, controls for music search, fast forward and fast backward, and a storage tray that holds up to 18 compact discs. Recording on the dual cassette deck may be made from the second cassette tape, the CD player, the stereo tuner, turntable, or live microphones (not included). A tape dubbing switch allows users to listen to an alternate music source during taping.

The amplifier/tuner comes with separate 3-band graphic equalizers for the left and right stereo channels, push-button volume up and down, and a four-function wireless remote control for turning the system off and on and adjusting the volume. Automatic frequency control and phased lock loop MPX circuitry enhance the FM sound from the AM/FM stereo tuner. The two-speed turntable is semi-automatic and comes with an easy-lift dust cover. The system measures 42½" h. x 40½" w. x 14½" d.

Suggested retail price is \$419. For more information, contact Soundesign Corporation, Harborside Financial Center, 400 Plaza Two, Jersey City, NJ 07311, (201) 434-1050.

Re-usable window signs are available from Sale!Signs. The silk screen signs are printed in heavy, brilliant, non-fade ink on a special tear-proof plastic paper. Six different signs relay messages from "rent-to-own" to "low weekly rates." The signs are 38" x 50" and are delivered in mailing tubes.

Price: from \$19 to \$24 each. For more information, contact Sale!Signs, 1012 Northpath, Wheaton, IL 60187, (312) 680-9620.

Fisher is manufacturing a new 26" high resolution stereo TV/monitor with MTS stereo and 500 lines horizontal resolution. Model PC-8326 comes with the following features: a music enhancer to create simulated stereo sound from monaural broadcasts; built-in stereo amp with 3.5 watts per channel (RMS at 1% THD); lighted 5-band graphic equalizer; full-range stereo speakers; 26-key remote control; external speaker terminals for adding extra speakers; and two sets of A/V inputs. These inputs make it possible to directly connect a VCR, hi-fi VCR, and super-VHS VCRs.

All models are cable-compatible and offer quartz PLL digital synthesizer tuning. Suggested retail price is \$749.95.

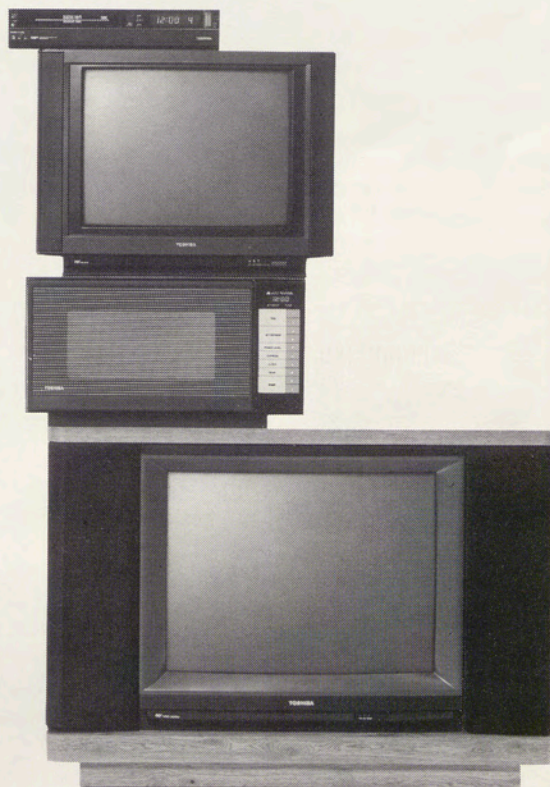
For more information, contact Sanyo Fisher (USA) Corporation, 21350 Lassen St., Chatsworth, CA 91311, (818) 998-7322.

**PR**

# Toshiba announces a rent increase.



1987



1988

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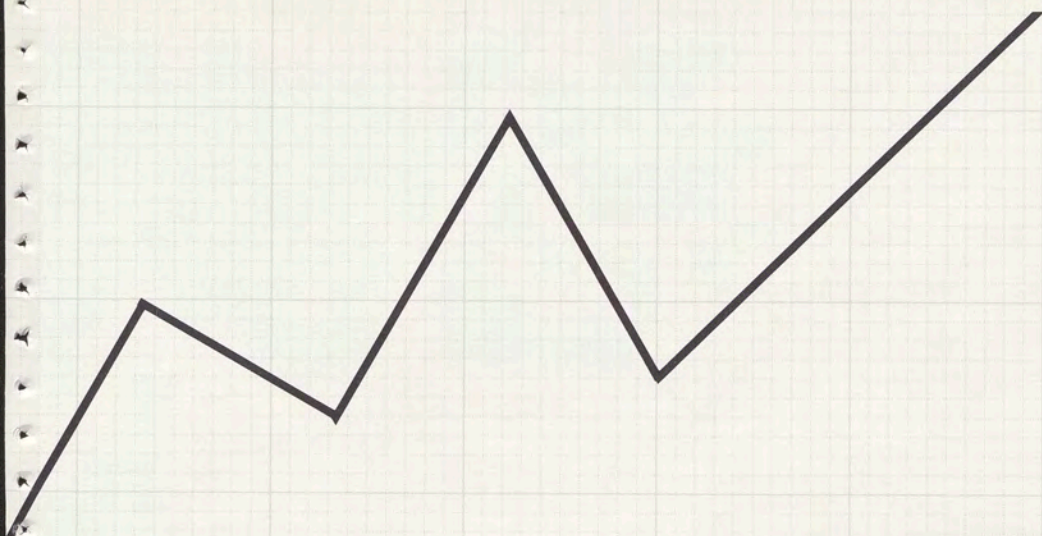
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***What Does It Take  
To Reach The Top?***

**PLANNING**

**PLANNING**

**PLANNING**



By Charles D. (Chuck) Sims

A well-managed company doesn't just happen. It is the sum of many parts, all of which begin with a good business plan. The plan itself should be the result of a detailed, step-by-step process involving every aspect of the business.

Planning is a series of mini-processes that when completed in a logical order produces more professional management and a guideline for the development and control of the company.

The time frame covered in strategic planning varies with each company but typically spans two to five years into the future. Each year, the planning process is repeated and the plan is re-evaluated and extended to cover the next year. The time period required to complete all of the processes and to develop the plan is called the planning cycle.

The planning process is broken down into a logical series of mini-processes:

- Performance to Previous Plan Review
- Purpose, Philosophy, and Code of Conduct Review
- Corporate Policy Review
- External Analysis
  - Environment
  - Competition
- Internal Analysis
  - History Review (Five Year)
  - Nature of Business
  - Management Style
  - Key Result Areas
  - Strengths and Weaknesses
  - Potentials
  - Major Opportunities
  - Major Problems

- Strategy Review
- Trend Line Review
- Strategic Objectives and Action Plans

- Interim Objectives and Action Plans
- Organization Review
  - Activity Analysis
  - Human Resource Allocation
- Budgets
- Controls

Planning meetings should be scheduled throughout the fiscal or calendar year to complete each of the processes in the planning cycle. The management team that participates in these meetings is called the Strategic Planning Group (SPG). These scheduled planning meetings may result in an annual planning calendar indicating meeting contents, dates, and participants. *See page 20 for sample calendar.*

Each manager who participates compiles information and gathers input from other employees to prepare for each planning meeting. He conducts these activities prior to the planning meeting itself to insure involvement and input of all management during the development of the plan.

The Strategic Planning Group should be made up of key decision makers in the company. Occasionally, other company management personnel may be requested to attend SPG meetings to provide subject matter expertise and to further expand their scope of operations.

*continued*

## The Planning Process

The primary purpose of planning is something completely separate and apart from the planning process and the written plan itself. That something is "developing professional managers."

There are three primary areas that reveal if a manager is properly developing his or her professional skills.

**Scope** is a manager's ability to relate to and directly influence an ever expanding base of operations. Another way to say it is "to see the whole puzzle and where all the pieces fit at the same time."

**Teamwork** is the ability to work in a group where each member is responsible for producing a part of the total result, with the efficiency of the group and the total results produced having prominence over the individual. It is when a manager realizes that he wins bigger when everybody wins. It takes a disciplined individual to not let ego get in the way of results.

**Confidence** is a feeling of certainty that an individual or group will succeed. Individually, it is faith in oneself and one's own powers without any suggestion of conceit or arrogance. Confidence comes from experiencing success and being prepared for the future. Confidence is a result of good planning.

So there it is: *scope, teamwork, confidence*. The planning process is organized to emphasize the development of these qualities in managers. The information in this article is an introduction to the planning process. This information outlines what is expected and how to participate effectively in Strategic Planning.

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## The planning process begins with the formation of a purpose, which states the ultimate long-range goal.

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### **Purpose, Philosophy, Policies**

The planning process begins with the formation of a purpose, which states the ultimate long-range goal. It answers questions such as: How big do we want to be? Where do we want to be (geographics)? How profitable? What markets? What products? What level of quality?

The purpose is the foundation for the entire plan. An effective purpose will clearly state the intended direction of the company.

The philosophy is a composite statement of the belief systems and value systems of the people involved in the decision-making process. It is a guideline for activities and behavior within the company (morals, ethics, principles, and the like).

A policy is a definite course or method of action selected from among alternatives and in light of given conditions, to guide and determine present and future decisions. Policies are used to answer repetitive questions about actions to be taken, or to guide the decision-making process when there is no previous experience on which to rely.

Policies should be established in the areas of personnel, finance, marketing or sales, credit, operations, customer service, and so forth.

### **External Analysis**

The external analysis is an examination of current market conditions and the future impact those conditions may have on overall operations. Examples of these conditions are unemployment, cost of living, weather conditions, traffic flow to location, quality of shopping center in which you are located, changing demographics, and new product possibilities.

A separate and distinct part of the external analysis is the competition analysis, in which major competitors and their tactics of doing business are identified. Areas of interest about competition include location, number of

stores, chain operations, products and brands offered, financial strength, expansion plans, promotional approach including any unique approach to the market, and the quantity and quality of advertising. Also of interest are the number of personnel in a store, training and development offered, personnel image and appearance, management quality, service quality, and compensation systems when available. This information helps determine what the competition is doing and identifies competition that might pose a threat in the future.

After thorough review of this information, the Strategic Planning Group completes the external analysis. Assumptions are considered and made by the group regarding external conditions that could affect the operation. These assumptions can be made in five basic areas: economic; markets; political; social; and technological.

The result is a complete analysis of the external conditions that may have an impact on your business, and is vitally important later in developing objectives and action plans.

### **Internal Analysis**

The internal analysis is a careful examination of all internal conditions of the business, realizing that these are areas over which there is direct control and which can be altered with chosen courses of action.

This internal analysis consists of a review of the company history, nature of the business, management style, key result areas, strengths and weaknesses, potentials, major opportunities and major problems. All key managers participate in this analysis. Here is how each part of the internal analysis is to be accomplished:

**History Review:** Each year the Strategic Planning Group reviews the history of the past five years. They determine major planning gaps; areas where planning could have been better or more realistic; what was accomplished that was good and how to continue to make it better; what areas require improvement and ways to

improve; the highs and lows of the company and what caused them. Areas to consider are revenues, expenses, employees, asset productivity ratios, and employee productivity.

By reviewing the past history, planning can be more effective and areas can be included that perhaps were not considered before. With each step of the planning process, the results of the history review are consulted to make this year's plan better than the one before.

**Nature of Business:** To examine the nature of the business is to examine the driving force of the company and any changes to the basic operations of the business. Changes may occur in such areas as products, customers, employee activity, rate of growth, and expenses.

**Management Style Review:** Another segment of the internal analysis is the management style review. This review is done to identify how the management of the company perceives their own management style and how effective the management style is at producing results.

**Key Result Areas,** in their simplest form, are the areas in which there must be positive and planned results to be successful. Areas to consider are revenue, profits, ROI, employee productivity, and any other key result areas that have been identified as pertinent in the business.

**Strengths and Weaknesses:** After identifying the key result areas, the strengths and weaknesses in each of these key result areas must be identified and a determination made on what action must be taken to capitalize on strengths and overcome weaknesses. Careful attention must be given when identifying strengths. If something is identified as a strength, you should be able to capitalize on that strength. If it is something that is just done well but cannot be capitalized on, it is generally not a real strength. Weaknesses are more easily identified in that they are conditions that can be improved on by taking the appropriate action.

**Potentials Analysis:** The potentials analysis is the process of identifying what potentials exist with current

*continued*

**MAYBE YOU SHOULDN'T PUT IT OFF ANY LONGER.**

# **IT'S TIME TO LET HIGH TOUCH HELP ORGANIZE YOUR INFORMATION.**



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**Strategies are longer-term actions to achieve the purpose of the company as compared to action plans, which generally have specific completion dates that occur within the plan period.**

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products, new products, current markets, and new markets. We evaluate current product lines for obsolescence and identify new products that may be

offered to our current markets.

We also evaluate the current markets where we sell our products and identify new markets where current prod-

uct lines may be offered.

The purpose of this process is to maintain a balance between growth and mature products while identifying marketing opportunities for those products. We may also identify diversification opportunities if a new product is identified that would be offered to a new market.

*Major Opportunities and Major Problems:* The final process of the internal analysis is to identify opportunities that may be capitalized on and any problems that need to be solved. The Strategic Planning Group identifies these opportunities and problems and then prioritizes them by importance for future actions so that resources are used for the best opportunities and solving the major problems of the company.

## Annual Planning Calendar

MONTH GROUP

- I. MEETING—1 day
  - A. Performance to Previous Plan Review
- II. MEETING—1 day
  - A. Purpose, Philosophy, Code of Conduct Review
  - B. Corporate Policy Review
- III. MEETING—3 days
  - A. External Analysis
    - 1. Environment
    - 2. Competition
  - B. Internal Analysis
    - 1. History Review (Five Year)
    - 2. Nature of Business
    - 3. Management Style
    - 4. Key Result Areas
    - 5. Strengths and Weaknesses
    - 6. Potentials
    - 7. Major Opportunities
    - 8. Major Problems
  - C. Strategy Review
    - 1. Major Strategic Issues
    - 2. Strategy Statements
  - D. Trend Line Review
  - E. Strategic Objectives and Action Plans
    - 1. Preliminary Strategic Objectives
    - 2. Preliminary Strategic Action Plans
- IV. MEETING—3 days
  - A. Strategic Objectives and Action Plans
    - 1. Final Strategic Objectives
    - 2. Final Strategic Action Plans
  - B. Interim Objectives and Action Plans
    - 1. Establish Interim Objectives
    - 2. Establish and Assign Departmental Action Plans
- V. MEETING—1 day
  - A. Action Plan Review
  - B. Organization Review
  - C. Budget Assignments
- VI. MEETING—1 day
  - A. Final Plan and Budget Review

### Strategies

Strategies are statements of how the overall purpose of the company is accomplished.

In order to develop strategies, major strategic issues must be identified first. For example: How fast do we want to grow? Should we diversify? At what rate of profit do we want to grow? Once these strategic questions have been identified, statements of strategy that answer these questions should be developed.

These strategy statements give direction to the Strategic Planning Group when objectives are being established. Strategies are longer-term actions to achieve the purpose of the company as compared to action plans, which generally have specific completion dates that occur within the plan period.

### Trend Line Review

Trend line review is a graph showing performance in key result areas during the past five years and simply projecting that line into the future to see where current trends will result.

When comparing current trend lines with potential trend lines, there should be a gap (what you are currently doing vs. what you are capable of doing). See *Planning Gap Analysis graph on page 21*.

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## Objectives should be specific and measurable in terms of quantity or quality, and action words should be used to write planned steps for accomplishing the objective.

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How much of the gap do you want to fill? Specific objectives and action plans are needed to increase the current level of performance to the performance level identified in the potential analysis.

### Strategic Objectives And Action Plans

Strategic objectives are where the company wants to be at the end of the plan period, and strategic plans are how the company is going to get there. These objectives are established primarily in the following areas:

- Revenues
- Percent of Growth
- Profit Percent
- Employee Productivity

Also, objectives may be established in some of the key result areas.

After establishing the strategic objectives, the Strategic Planning Group develops and writes the action plans necessary to achieve the objectives.

During the process of completing the action plans, dates, priorities, and individuals responsible are assigned to the steps in the action plans.

Objectives should be specific and measurable in terms of quantity or quality, and action words should be used to write planned steps for accomplishing the objectives. *See the list of action words on page 33.*

Interim objectives are the objectives to be accomplished during each year of the plan period with the major emphasis on the next year in the plan. Interim objectives are established primarily in these basic areas:

- Revenue
- Profit Dollars
- Profit Percent
- Percent of Growth
- Employee Productivity
- Cash Flow

In addition to these examples of quantitative objectives, the group may establish objectives in areas such as working conditions, employee morale, and the like.

Interim action plans support the strategic action plans and are much more

detailed as to the actions to be taken by the end of the first fiscal year of the plan. Actual writing of the action plans is completed by the manager responsible for the plan.

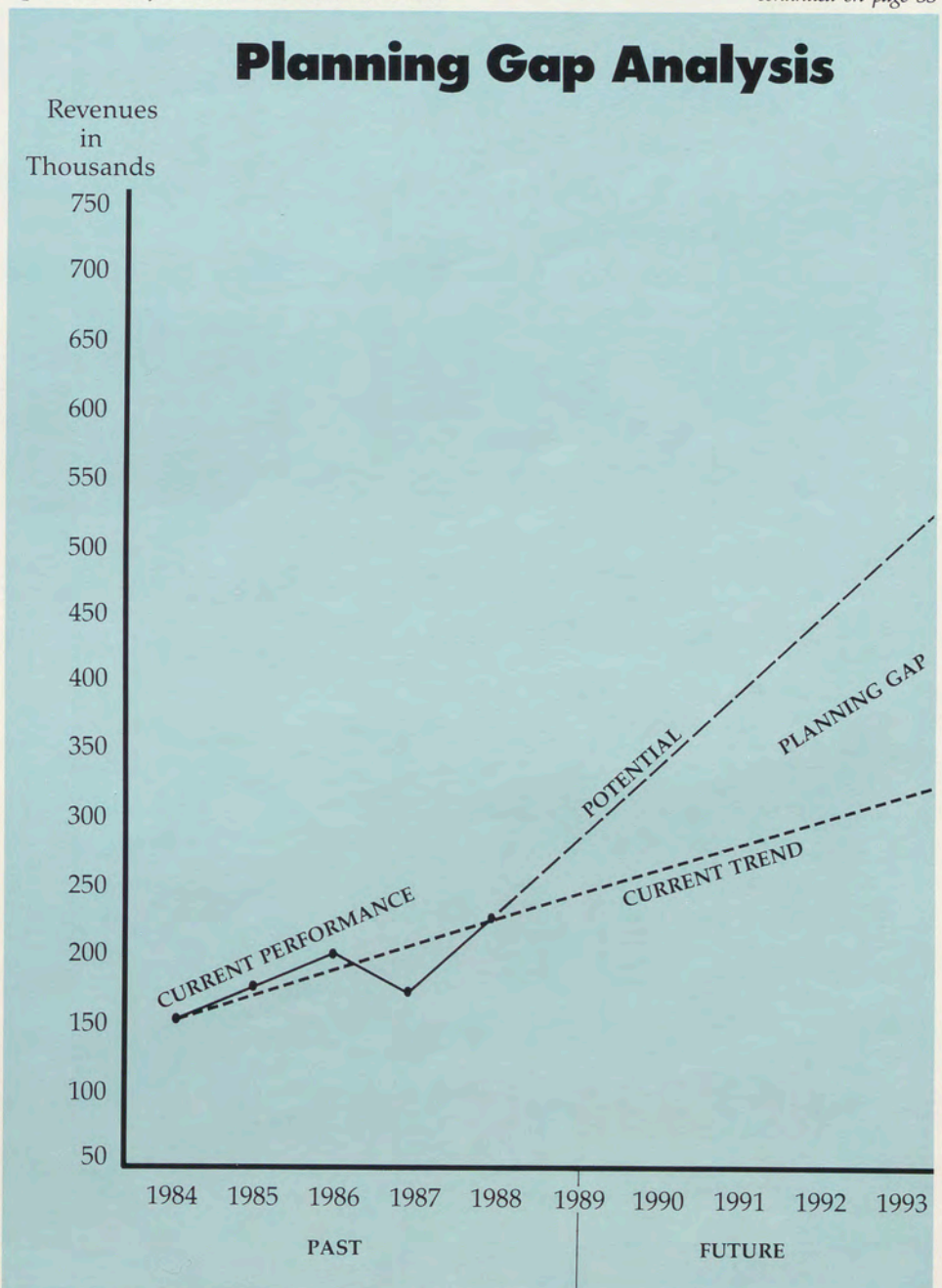
When completed, all interim action plans should include a very complete and specific objective, the steps or actions necessary to accomplish the specific objective, the individuals

responsible for the step or action, the priority of the step and the start and completion date of each step, and an estimate of cost to implement the plan stated as "capital required" and "additional expense."

### Organization Review

The Strategic Planning Group reviews the organization structure so

*continued on page 33*



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# PEOPLE—

## Your Most Valuable Asset

By Wayne H. Outlaw

People mean money to a rent-to-own organization. They cost money to hire, to train, and to pay. Their practices and skills can either make money or waste it. People are your most valuable asset because they generate deliveries and control past dues. They significantly affect your BOR, customer base, and profit.

It follows then that hiring is very important. This article is intended to help you perform that job more effectively with increased pleasure and with a keener perception of the value of people in your organization.

It will focus on how to identify and hire winners in your organization. To really appreciate the effect people have on your organization and your bottom line, let's look at turnover and its cost.

### Turnover Cost

Your most valuable person has just walked in and told you he is resigning because he has a better opportunity. He has had the highest BOR and the best past due percentage for the last month. You begin to think of what it will take to replace this key person. How much time and money will it take to locate another top producer? How many deliveries will be lost? What about past dues with his customers? What if you can't find someone as good?

Then there is the invisible cost. Who is to do his job until you find someone? How about those who are left behind? Your top person leaving is going to affect morale, performance, produc-



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**This article is intended to help you hire people more effectively with increased pleasure and with a keener perception of the value of people in your organization.**

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tivity, and customer relations. Some of these factors can't have price tags put on them, but by this time you should begin realizing that turnover is a costly proposition.

In the sales profession alone, turnover has been estimated to cost U.S. businesses \$1 billion per year. Among owners of rent-to-own organizations that we contacted, estimates of turnover cost varied considerably. For an account or collection representative, it ranged from \$3,000 to \$50,000. For a store manager, it was considerably higher, at \$25,000 - \$200,000. When turnover rates of 50 percent or greater are not uncommon, it is easy to see how much turnover costs an organization, and the industry.

To determine your organization's invisible cost of turnover, multiply the number of people who have left in the last 12 months by the estimated turnover cost for their position. The total is the money that turnover drains from your organization. Imagine if you could add half of it directly to the bottom line.

## **Recruiting Plan**

Rent-to-own, like any other growing and dynamic business, must have an ample supply of talented people. To provide an ample flow of candidates, your organization must have an effective recruiting plan that is implemented consistently, not just when a need is apparent. A step-by-step process will give you the best opportunity to find a person who matches the job and has the greatest chance for success.

The first element of an effective recruiting plan is an estimate of how many positions must be filled and when. This will be dictated by your expectations of turnover and growth.

Once you determine the location and target dates for hiring, you can begin developing the resources needed.

The next step is to define each job and establish the hiring criteria. Salary ranges must be established that are high enough to attract candidates and yet not detract from current employees with excellent past performance.

The biggest problem most organizations face is the inadequate candidate flow. Because of this, it is especially critical to identify sources of potential candidates. This can be done by reviewing the sources of your current staff. In the rent-to-own business, like many others, you will need to develop creative sources to insure adequate candidate flow. Individuals responsible for

specific objectives must also be designated.

A well-developed recruiting plan will allow you to constantly search for high performing individuals with minimum effort. Applicant flow should be evaluated periodically to insure that it is adequate. Recruiting is everyone's responsibility in a growing organization.

## **Hiring Criteria**

Many hiring mistakes could be eliminated by more effectively defining job responsibilities, job duties, and expected performance level before determining your hiring criteria and beginning the hiring process. Without a clear understanding of the responsi-

## **Hire the Winners**

People are a rent-to-own organization's most valuable asset and the key to future growth. Reducing the drain of turnover will have a positive effect on the organization and its bottom line. Identifying and hiring winners is the first step to reducing turnover and increasing performance. Certain steps are needed to increase the overall quality of the people you hire. To accomplish this you must:

- **Make a commitment to hiring:** You must commit the necessary time and resources to make hiring quality people a priority.
- **Determine your current situation:** It may be necessary to obtain assistance from an outside source, such as a business associate or a consultant, to make a candid and objective evaluation of the hiring skills and process in your organization.
- **Increase the hiring skills of the managers:** You cannot expect even experienced managers to be skilled at hiring unless they have been given the proper training and opportunity to develop.
- **Develop an effective hiring process:** Hiring, like any other management activity, should be a consistent and ongoing process.
- **Set realistic objectives to improve:** Increasing the quality of those hired is not an easy process and takes both time and effort.
- **Monitor key areas to insure progress:** Insure adequate candidate flow. Verify screening techniques. Be sure that two levels of management agree before hiring. Verify that references are checked thoroughly.
- **Evaluate hiring success and turnover causes:** Make it a practice to constantly look for ways to improve the process, as well as the managers' skills.

bilities, duties, and performance expected of a position, the correct hiring criteria cannot be established, and it is unlikely that an employee can fulfill these expectations.

Formal job descriptions are intended to last a long time, but responsibilities, duties, and expected performance levels change frequently. It is important to define the job each time a position is filled.

The hiring manager can define the job by writing out in simple terms his perception of the responsibilities and duties of the job. After these are ranked in order of importance, they should be

compared to how the previous person performed the job. By comparing his perception of the job to the actual performance of the previous individual who was successful in the position, the manager will be able to determine if his expectations are accurate and, most important, reasonable.

Once the manager has accurately defined the job, it is possible to determine specifically what qualifications are required to perform the job. The hiring manager should determine the hiring criteria by considering factors such as education, experience, skills, personality/behavioral style, intelligence,

appearance, motivation, and other specific requirements to perform the job.

The hiring criteria must be divided into two distinct groups. The first and most important of the hiring criteria are the **Musts**. These are the candidate's qualities, skills, experiences, and other requirements necessary to do the job. Unless the individual has all the Musts, he or she would not be considered a candidate for the position.

The balance of the hiring criteria would be grouped into a category called **Preferreds**. An individual can be a candidate without having these charac-

## Management Services Who's Who

Coordination is the key to operating a rent-to-own store. This requires a number of management services from insurance to point-of-purchase signs, to advertising and warranty programs. This up-to-date listing of the management service companies that work with rental-purchase is limited to APRO associate members, APRO convention exhibitors, and APRO publication advertisers.

\*Associate Member  
+Advertiser  
‡Convention Exhibitor

**\*American Bankers Insurance Group**  
11222 Quail Roost Dr.  
Miami, FL 33157  
(305) 253-2244  
Financial insurance programs for products and services

**\*‡Chrysler First Wholesale Credit**  
1105 Hamilton St.  
Allentown, PA 18101  
1-800-FINANCE  
Inventory financing

**+Color-Mail**  
18590 Cranwood Ct.  
Cleveland, OH 44128  
(216) 475-8920  
Print advertising

**\*Coopers & Lybrand**  
One Galleria Tower, Suite 1400  
13355 Noel Rd.  
Dallas, TX 75240  
(214) 458-8000  
Accounting

**\*Filler & Nehf, P.C.**  
1101 Connecticut Ave. NW  
Suite 405  
Washington, DC 20036  
(202) 457-7760  
Law firm representing the rental industry

**\*General Electric Capital Corp.**  
P.O. Box 833872  
Richardson, TX 75083  
(214) 437-1055  
Rental financing service

**\*‡Insurance Mart**  
6045 Ridgewood Rd.  
Jackson, MS 39211  
(601) 956-5093  
Rental property insurance purchased by renter; general business insurance

**\*Key Rental of Florida**  
2205-F Grant Ave.  
Panama City, FL 32405  
(904) 785-3000  
Consulting

**\*Kirkpatrick, Sprecker & Co.**  
311 S. Hillside  
Wichita, KS 67211  
(316) 685-1411  
Rental accounting, auditing, tax, and general business consulting

**\*‡Learning Power**  
72 Country Place  
Springfield, IL 62703  
(217) 529-4650  
P.O. Box 1500  
Big Pine Key, FL 33043  
(305) 872-2643  
Employee training literature and videotapes

**\*‡McDonnell Douglas Finance Corp.**  
10901 Lowell, Suite 280  
Overland Park, KS 66210  
(913) 661-9234  
Rental financing

**\*‡Rental Insurance Programs**  
7522 Wiles Rd., Suite 210  
Coral Springs, FL 33067  
(305) 344-7900  
Rental insurance

**\*‡Rental Property Insurance**  
5665 Oberlin Dr., Suite 202  
San Diego, CA 92121  
(619) 457-0711  
Rental property insurance purchased by renter

**\*‡Saf-Write Forms & Systems**  
1209 S. Ridgewood Ave.  
Daytona Beach, FL 32014  
(800) 292-3676  
(800) 521-3676 (Florida)  
Rental business forms

**\*Surrett, Walker, Creson & Colley**  
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Augusta, GA 30903  
(404) 722-3301  
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**\*‡T. Buff & Son Promotions**  
17727 Junegrass Pl.  
(303) 841-6869  
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**\*‡Transamerica Commercial Finance**  
13760 Noel Rd., Suite 919  
Dallas, TX 75240  
(214) 458-5850  
Inventory financing

**\*Triad Learning Systems**  
122 W. Carpenter Frwy.  
Suite 501  
Irving, TX 75039  
(214) 541-0123  
Consulting and employee training

**\*‡TRIB Group**  
3783 Presidential Parkway  
Suite 113  
Atlanta, GA 30340  
(404) 451-4302  
Buying group

**\*‡Voyager Insurance**  
P.O. Box 2918  
Jacksonville, FL 32203  
(800) 237-8314  
Rental property insurance purchased by renter; general business insurance

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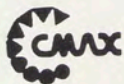
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teristics. The Preferreds become a basis for comparing the relative qualifications of the candidates. The manager to whom the position reports is the best one to determine which qualifications are the Musts or Preferreds. Valuable assistance can be obtained from others, but it is the manager who knows most about the specific job and is responsible for the performance of the individual.

The greater number of Musts there are, the more difficult it is to fill the position. Each time a Must is added to the hiring criteria, the pool of potential candidates is reduced. Take care to insure that the Musts do not conflict or work against each other. For example: it would be difficult, if not impossible, to find a candidate to fill a position that requires ten years experience if the salary level is appropriate for a person with two years experience.

Avoid setting education or experience requirements unreasonably high as a method to screen or reduce the number of candidates. The result will be a few candidates with excellent credentials, but credentials don't always equate to competence. This method may make the job of screening easier, but it could also exclude a rising star.

Not only will you increase the probability of hiring a winner by clearly defining the job and the expected performance level, you will also make it easier to manage and evaluate the new employee. By knowing the exact responsibilities and duties of a position, the employee will be better able to fulfill the manager's expectations. By determining these before the hiring process is begun, you will be able to communicate them to the new employee during the interviewing process to give them a realistic perspective of how to be successful and thereby eliminate many hiring mistakes.

### Sources of Applicants

According to the Professional Employment Council, jobs are primarily filled from the following sources: campus recruiting; newspaper ads; employment professionals; employee referrals; unsolicited resumes; and internal promotions. The two most common for the rent-to-own industry are newspaper ads and employee referrals.

Newspaper ads can be very effective but can be expensive if they are not used wisely. To get the most for your advertising dollar, you should follow these

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**By clearly defining the job and the expected performance level, you will make it easier to manage and evaluate the new employee.**

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guidelines. The ad must first get attention. To do this you must determine the best publication, time, and frequency for your advertisement. This can be done by examining the type of publication the ideal candidate would be reading. Only four newspapers account for 90 percent of the executive ads in the United States. It might be a waste of money to advertise in one of these papers for an account manager. Typically, Sunday ads receive the highest response from those who are employed.

Once you have determined the publication, time, and frequency, you can begin to design your advertisement to attract attention. The best ads use bold type with generous amounts of white space. Graphics or a logo will add impact, especially if your organization is well known.

The next objective of the ad is to create interest. This is done by using action, or grabber, words that will generate interest. Next the ad should create a desire in the candidate to respond. This is done by stressing the rewards to the individual. Sell the job, company, opportunity, location, industry, income potential, or other benefits. When including qualifications, be sure to stress only the Musts and refer to the Preferreds as advantages.

The best ads are the ones that make it easy for the candidate to respond. By including information such as the phone number, hours to call, name of the person to call, the company's name, and the mailing address, you will increase your response rate. It is important that you track the results of your ad so you can repeat those that are successful and eliminate those that are not.

Employee referral is one of the best sources of quality candidates. One way to increase employee referrals is to offer a bonus if the referral is hired. This bonus should be enough to generate referrals but not too large. Some organizations offer half of the bonus when the individual is employed and the other half after the individual has been with the company for a period of time.

## Tips for Better Interviewing

Review the application or resume prior to the interview to identify the red flags. Develop the questions or a strategy to allow you to be able to answer these three questions at the conclusion of the interview:

**Can they do the job?** Past performance is the best indication of future performance. Probe specifically: What was their job?; What was their performance?; and Under what conditions did they perform?

**Do they want to do the job?** Look at past success, reasons for desiring success, and their drive for success.

**Will they fit in?** Probe the reasoning why they would like this specific job. Is there any similarity between this environment and others they have been in?

Use the following questions as a guide for interview preparation:

What are you looking for in a job?

What do you look for in a company?

What are your strengths/weaknesses?

How can you take advantage of your strengths? How can you compensate for your weaknesses?

What is the greatest challenge you've ever faced? Why was it? How did you overcome it?

Why should I hire you?

What appeals to you about working here?

Why do you want to work here?

What training or qualifications do you have for this job?

What job would you like to be doing five years from now?

What honors have you earned in school or otherwise?

What is your primary interest: money, power, etc.?

How would a friend who knows you well describe you?

What courses did you like the best/least in school?

How would you define success?

What will be the most challenging part of this job? How will you handle it?

Why do you want to change jobs?

Why will this job be different from/similar to others that you have held?

The split bonus insures that the employee has a vested interest in assisting the referral to be successful and stay with the company. It is a good idea to interview the employee to qualify the referral before initiating contact as a screening technique. Referrals generally make excellent employees.

To insure that you have an adequate number of talented people to fill future positions, you must continuously be looking for new sources of candidates. By tracking your candidate flow, you will be able to concentrate your efforts in the areas that will pay you dividends.

### Screening

One of the toughest and most neglected jobs in hiring is screening. This is because the apparent quality of the resume, or even the application, may not give a true indication of the quality of the prospective candidate. Nevertheless, the resume or application is the document that begins the employment process.

To be effective in screening applicants or candidates, you must first refer to the hiring criteria, which states what the

individual has to have to be a candidate. By looking to insure that everyone has all of the Musts, you can quickly determine who is and who is not going to be a candidate for your position.

Unless you have clearly established what sort of skills and background the candidate must have, screening will not be effective. It often fails due to a lack of this kind of data.

Many people view the screening process as relatively unimportant. The determination as to who will progress in the employment process in the organization is a very important task. If it is delegated, the responsible manager should spot check by reviewing the background of those who have been eliminated to insure that good candidates are not being overlooked.

To determine if a person's qualifications and background meet all the Musts, you must review the key information that is difficult to disguise or fake. Start with the date they ended their formal education. This gives a relatively accurate picture of when they entered the job market. By starting at that point and reading forward, you can determine the individual's career



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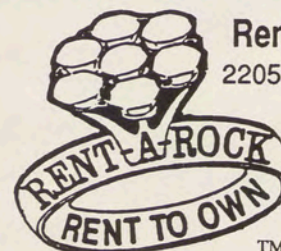
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progression and stability.

Watch for gaps in employment, unusual shifts in employment, frequent job changes, or lack of progression of responsibilities, or demotions. These red flags do not disqualify the individual, but they should be investigated further.

There are valid reasons why an individual would have a gap in employment. You should insure that you understand these reasons and that any gaps should not unfairly be used to disqualify a person who would appear to have excellent credentials otherwise.

Many times applicants want simply

to attach a resume to the application. It is an excellent idea to have them complete the job application in detail. Using a job application as a universal employment document forces the applicant to disclose specific employment dates, job duties, starting and ending salaries, supervisors' names, reasons for leaving, and other important facts.

Many resumes are created by friends or resume services. By having the individual complete the application in its entirety, you may be able to spot when a ghost resume writer has been used.

The job application should also

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**Unless you have clearly established what sort of skills and background the candidate must have, screening will not be effective.**

---

include a request for permission to check references and certification that information furnished in their application is factual.

Once the individuals to be interviewed have been selected, a 10 to 30 minute interview can be conducted on the phone or in person. This interview usually consists of five to ten prepared questions that will be asked of each candidate.

The object of this interview is to verify the information that was given on a job application or resume and determine that the individual meets minimum criteria and is still a candidate. At this time, permission can be obtained for preliminary reference checks, which can be an excellent screening tool.

### **Pre-Employment Evaluation Tools**

Pre-employment evaluation tools are increasingly being used to assist in making the right hiring decisions. These evaluation tools or instruments can give insights to how the candidate is likely to perform on the job. According to a July 5, 1988, article in the *Wall Street Journal*, most firms now require pre-employment tests: "63% test for skills, 3% for management capability, over 50% give physicals, over 25% look for drug abuse, 1% test for AIDS, and only 7% test for honesty."

Even the shortest and simplest of these devices can be more accurate and thorough than extensive interviews at identifying the individual's strengths, weaknesses, behavioral style, and values. They can even predict how the candidate is likely to perform under stressful or pressure situations.

Now, more and more smaller organizations are discovering the value and utilizing pre-employment evaluation instruments. They are not used just for management positions, they are effective with a variety of positions, such as sales, administrative, and account representative.

The insight from these tools is valuable in developing ways to match the

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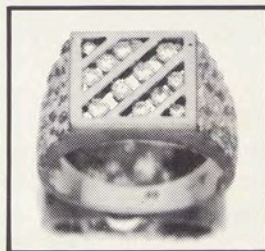
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One good technique is to use the 3x3 rule. Get three names of people they worked for, three they have worked with, and three that they supervised. With nine references to select from you will be more likely to avoid the hand-picked reference and have an opportunity to get an accurate appraisal of the individual's performance. You may decide not to contact each reference.

Generally, the higher up in the organization's hierarchy, the more candid the references will be. By simply asking if the individual will "verify a few facts" about the candidate, you will have a much better chance of getting accurate information rather than asking for "a reference."

Some of the areas to explore are: What was the individual's exact position and title? What were his specific duties? What were his strengths and weaknesses? How did he compare to others? How did his contribution compare to others? What were his work habits? How would you describe his honesty and integrity? Would you rehire the candidate?

Obtaining an accurate and candid reference requires preparation and skill. The time spent checking references will pay great dividends. Check-

ing references is one of the most important steps of the hiring process and yet it is one of the most neglected ones.

## The Hiring Decision

According to a recent survey, the last candidate interviewed is three times more likely to be hired than the first. To avoid this trap, you can use a system to compare the candidates objectively.

The best hiring decision is based on the hiring criteria established earlier. By using specific predetermined factors or criteria to compare the candidates, such as background, education, previous success, communication skill, mental ability, and motivation, you will be able to make a more objective hiring decision. By establishing weights or percentage for these factors, you can be more specific.

Once your decision is made, don't delay the offer. It is a good idea to notify the candidate by phone and follow up with a formal offer letter. If possible, this letter should contain the following information: position or title; duties; start date; reporting relationship; salary; commission; benefits; or any other special consideration.

After the candidate has accepted and

you are confident you have filled the position, you may notify the other candidates. Generally, it is best to notify them by a letter, which should express appreciation for the time and interest they have shown in the company and explain that another individual was selected who better matched the specific position.

## In Conclusion

This article has covered a number of proven, common sense hiring techniques, organized into an effective process. While the techniques may be common sense, they are not easy to implement. Following the process, however, will put you on the road to better profits.

It may be difficult to be objective about your own organization; however, a periodic and candid evaluation of hiring and management practices will increase your success and the success of your organization. **PR**

*Wayne H. Outlaw is president of Marcon, a business consulting firm in Mount Pleasant, South Carolina, that assists rent-to-own companies in hiring the best people, improving performance, and increasing profits. This is his first contribution to PROGRESSIVE RENTALS.*

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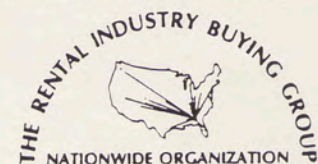
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# PLANNING

continued from page 21

that human resources throughout the company can be properly organized to most effectively carry out the plans. This review is completed after all action plans have been finalized.

Prior to the organization review meeting, the members of the Strategic Planning Group must complete an activity analysis and human resource allocation. The activity analysis and human resource allocation should be a series of analyses to answer the following questions:

*Are new working relationships necessary for the most effective utilization of human resources?*

*What responsibilities need to be defined and agreed upon?*

*What departments will be impacted with what activity as a result of the plan?*

*What skills will be needed to achieve the plan?*

*What are the strengths and weaknesses of available human resources?*

*What activities can be eliminated?*

*What reassignments of present and future activities need to be made?*

*Are any additional human resources required? If so, what skills are needed and when?*

## Budgets

Budgets are the financial results of the plan and should not be confused with being the plan. The plan is the action intended to be taken and budgets are the financial results of these actions. Budgets consist of three distinct segments: preliminary resource requirements; capital requirements; and income, expense, and profit.

*Preliminary resource requirements* are a series of financial reports prepared during development of the plan to test the validity of objectives and action plans from a financial viewpoint. These reports determine estimated replacement and growth units and the capital required to purchase these units. Also identified are leasehold improvements and equipment purchases estimated to carry out the plan. These projections will give an estimated cost of capital assets required for the plan period.

The next step is to project internal cash generated based on estimated revenue, expenses, and profit. By combining the projections, an estimate can be made on the cash surplus (deficit) for the plan period, external financing required, and what percent of planned growth will be financed internally. The

preliminary projections are necessary for determining credit line requirements and validity of the plan from a financial viewpoint.

The first step in the *capital requirements* process is determining the exact replacement and growth units required, along with the leaseholds, furniture, and equipment to carry out the first fiscal year of the plan. The second step is to convert these resource requirements to dollars and schedule by month when the capital will be needed and in what amounts.

*Income, expense, and profit:* After the capital requirements have been established, a detailed month by month income, expense, and profit projection for the first fiscal year of the plan can be prepared. As in capital requirements projections, each store or department should complete a month by month budget including income, expense, and profit. The final result is the complete detailed budgets for the first fiscal year of the plan period. These budgets become a standard of performance for each department or store in the company.

## Controls

The planning function is a process of determining a course of action for the company, compared to controls, which is the process of making sure the company implements the plan and produces the desired results.

Controlling is the process of developing standards of performance, systems to measure work activity, and results. It compares actual results with desired results, initiating corrective action when unsatisfactory results are produced.

Controls may be oral reports, written reports, statistical reports, financial reports, daily reports, monthly plan reviews, staff meetings, audits, or personal inspections.

The best advice I've heard on controls is, "People do what they are inspected to do, not what they are expected to do."

A business plan won't guarantee success, but expecting success without planning would be like setting sail from Los Angeles for Tahiti without any navigation charts.

**PR**

*Charles D. (Chuck) Sims is chairman of the board of Remco America Inc. He has been in the rental business since 1962, is a charter member and past president of APRO.*

## Action Words

Accelerate	Distribute	Produce
Account	Establish	Promote
Acquire	Evaluate	Propose
Activate	Explore	Provide
Administer	Extend	Publicize
Analyze	Formulate	Purchase
Anticipate	Furnish	Rearrange
Approve	Gather	Recruit
Arrange	Guide	Research
Assign	Handle	Revise
Begin	Identify	Schedule
Change	Implement	Secure
Commence	Improve	Select
Compile	Inform	Serve
Complete	Install	Set Up
Conduct	Insure	Standardize
Contact	Investigate	Strengthen
Coordinate	Modify	Study
Create	Monitor	Submit
Declare	Negotiate	Survey
Delete	Obtain	Test
Design	Organize	Train
Designate	Participate	Update
Determine	Perform	Utilize
Develop	Plan	Validate
Devise	Prepare	Work

# Do Unknown Outsiders Share Your Property?

*Search first, sign later is good advice when buying property*

By Joseph Arkin

There is a current TV commercial showing a woman's garden being ripped apart by a trench-digging machine for the laying of pipe. When she approaches the foreman, he just says, "Easement, lady. . ."

Your rental business may have grown to the point where you deem it necessary to buy vacant land to build on, or land with already built facilities. But there are pitfalls you should avoid.

After you've signed a contract for purchase you may find yourself faced with an incident similar to the following based-on-real-life situations:

*Mr. A. wanted the land in the rear of his business structure paved so that it would provide ample off-street parking for customers. He had contractors visit the premises to furnish estimates for grading the lots, paving with blacktop, painting of lines for parking spaces, and erection of a fence to enclose the new parking lot. He awarded the job to a low bidder whose reputation he had checked.*

*When the job was almost completed, the blacktop rolled, lines painted, fence almost finished, he was visited by a nearby homeowner.*

*"You can't fence in that land, mister, and you can't block the lot with parked cars. That land has an easement dating back to the mid-1800s providing that all the landowners facing the lot had the right forever to cross with farm animals and wagons to get to the stream a half-mile on the other side."*

*Mr. B bought a parcel of land to erect a retail store and warehouse. This parcel was*

*purchased from an individual. However, the seller of the land was not a bachelor as he had said and a woman claiming to be his wife (and waving a sheaf of documents to prove it) makes claim to her share of the real estate's value.*

These are but two examples of how claims can cloud title to the land and buildings you own. Impossible? Not at all. Claims against ownership and other types of land title defects can threaten the investments of both buyers and mortgage lenders.

## See You in Court!

In the event of a land title challenge, you as the land/building owner face a courtroom battle over rights-of-way, subsurface rights, easements, air rights, dower claim by previously undisclosed spouse, undisclosed heir, and other problems. Claimants might be individuals, private concerns, governments, or—as a couple learned the hard way—the neighbors.

This couple had just erected a building on a lot they had bought when they were sued by neighbors who claimed the back portion of their lot was an alley of an old subdivision layout. Expert testimony proved that the alley did not cross the couple's property. The neighbors were kept off the couple's land, but they incurred substantial legal costs defending their rights.

Claims by individuals sometimes arise from wills. In one instance, unsuspecting buyers purchased a building from a man who had willed it to his wife and children in equal shares. After the purchase, a more recent will

was found in which the man willed the property to his wife and two children and also left a quarter interest to his brother. The buyers faced a claim for one-fourth of the value of the property.

## Get the Facts First

Real estate can still be an excellent long-range investment, despite current inflated prices. But it is vital to understand the facts about land title hazards before closing a real estate purchase. Unknown claims may exist to real estate that you think you are purchasing free and clear. If these claims prove valid, they can limit your use or enjoyment of the property and bring you unexpected financial burdens.

Two types of land title defects can threaten the security of your real estate investment: record defects that may be found in a search of public documents, and hidden defects that even the most thorough search will not reveal.

Examples of record defects are unsatisfied mortgages, unpaid taxes and special assessments, and judgments against sellers of real estate. Examples of hidden defects are forged deeds that transfer no title to real estate, sale by persons falsely claiming to be single, claims by previously undisclosed heirs and mistakes in the records.

Record defects should be found and cleared before you complete your real estate purchase. Otherwise, they could become your headaches and liabilities. A search of public records is commonly used to uncover record defects and thus forewarn both home buyer and mortgage lenders. Records searched include

**YES** By the time she was nine, Vicki Hernandez was already handling inventory finance customers. Because while other kids liked to watch Saturday morning cartoons, Vicki liked being "daddy's little helper," at our San Juan office.

Vicki never stopped growing up with us, or our customers. Through junior high and high school, to college and graduate business school. From San Juan, to Wichita, to Kansas City, to Chicago. As part-time clerk to Audit Manager. Her "family" grew, and she would never think of anyone otherwise.

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those in the offices of the registrar of deeds, court clerks, and municipal and county officials. These records contain all recorded documents as well as judgments, liens, general taxes, street assessments, sewer system assessments, and other special taxes and levies.

### Protection Is Available

Obviously, you as a layman do not possess the skill and knowledge to ferret out possible title defects. Protection lies in a specialized type of insurance—title insurance.

Title policies insure, to a fixed limit, losses due to title defects, unmarketability, and liens and encumbrances that already existed when the policy was issued. Title insurance is unique in the insurance industry. It offers protection from something that happened in the past, rather than something that may happen in the future. The policy guarantees indemnity against loss arising from undiscovered defects in existence at the time the policy was issued. Usually terms of coverage last in perpetuity, but sometimes a company includes a time limit (perhaps 25 years).

Title insurance companies maintain elaborate sets of abstracts on the real

estate records of the area in which they are located. These abstracts eliminate the need to make a search back to the land grants of the original thirteen colonies each time property changes hands.

When someone purchases real estate, these companies merely check all areas of risk from the date of the last search. Had the last owner been divorced? Been committed to a mental institution? Did he die leaving heirs at law who were not found when the estate was probated? These are just a few of the items checked.

Like any other form of insurance, a title policy is a contract between parties. It sets forth conditions and rights of assignment and subrogation.

A person accepting an assignment (where permitted) should realize that the policy covers only the period to the last sale. It does not cover subsequent events from that date to the date of present sale. The safer course is to obtain a new policy or have the old abstract updated.

When a title insurance company suffers a loss, it asserts the right of subrogation found in practically all policies. It can thus use the name of the insured

in any actions it brings to recover for fraudulent acts.

To collect on a title policy, the insured must show that a loss has occurred. Loss of title results in damages equal to either the purchase price (if discovered shortly after purchase) or, in certain instances, the fair market value. A lien or other preexisting indebtedness results in a loss equal to the cost of discharging the lien. When an encroachment exists, the insured receives the difference between the unencumbered property and the value with the encumbrance.

A policy can be taken out protecting the equity of the buyer through his down payment. The cost of title insurance is based on either the sale price of the property or the unpaid mortgage. The cost varies from area to area, so be sure to check for competitive prices when purchasing title insurance. Also, check the reputation of the firm issuing the policy.

Surely this is a small price to pay for peace of mind and the security of knowing that the examples cited in this article could not happen to you. **PR**

*Joseph Arkin is a Florida-based CPA and freelance business writer.*

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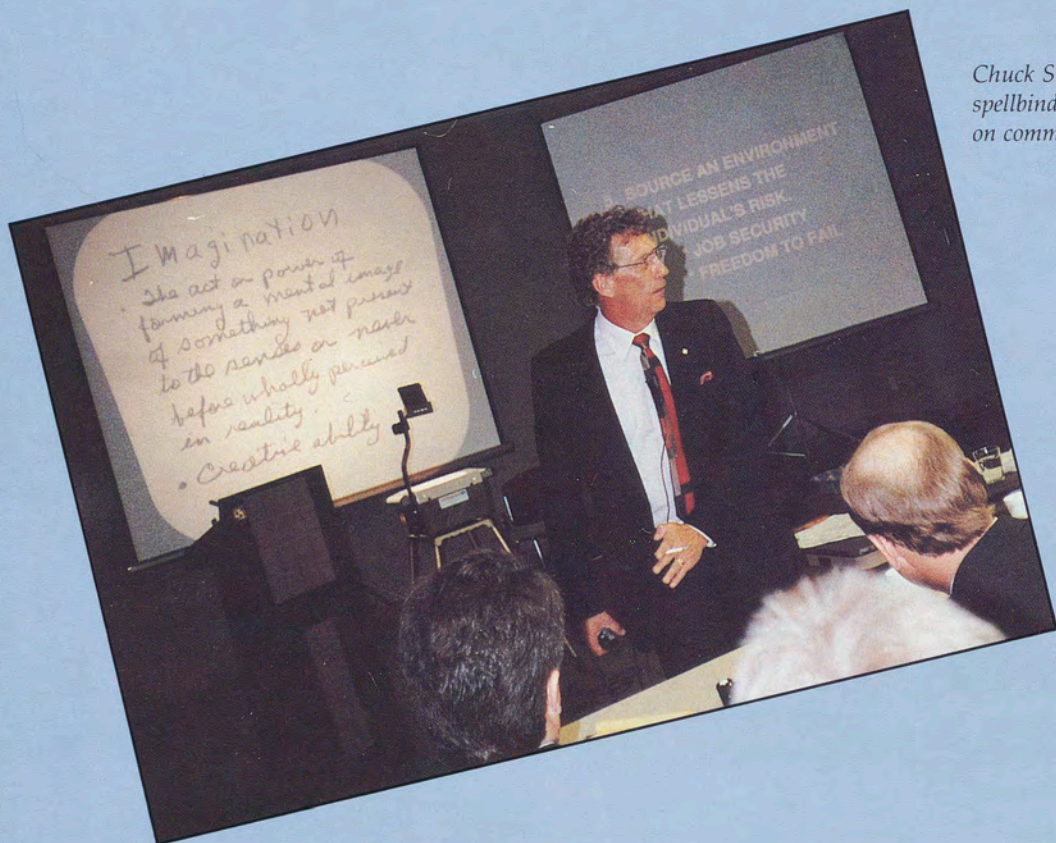
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The Sheraton Washington, Washington D.C.



# A CAPITAL EVENT

## APRO SPECIAL REPORT



Chuck Sims, presenting his spellbinding seminar on commitment.

# APRO and Furniture IN ATLANTA

*A combination that spelled success*

APRO's first mini convention in Atlanta was termed a success by all who attended. The event took place at the Atlanta Market Center during the winter furniture market in late January. It was a good, productive time for all who attended, including several new APRO members.

Chuck Sims of Remco America gave a dynamic seminar on "Commitment." The 79 people who attended were enthralled with the presentation. One attendee commented that no one attending will ever again hear or use the word commitment without remembering Chuck's seminar.

Another special event for APRO was a panel on everything you might want to know about furniture rental. Three furniture manufacturers—Hart, Singer, and Lehigh—were represented on the panel, balanced out by APRO members Ted Wilson of Alrenco Inc. and Dick Grauel of Mr. Steve's Rentals. The panel covered everything from why be in furniture rental to buying from distributors or truck loads, from financing to frames and finishes, and many other points.

These were not the only educational opportunities. Atlanta Market Center has a full schedule of seminars on all aspects of the furniture business dur-

ing the winter market.

### **Welcome Gifts**

Don Crawford of Voyager Insurance Companies increased his popularity with APRO when he presented the association with a check for \$2,500 for the Legal Defense and Information Fund (LDIF).

Rent City of Irving, Texas, provided funds for the hospitality suite at the Wyndham Garden Hotel, headquarters for APRO during the show. Because APRO staff and board members dou-



*GIFTS AND GAB: Don Crawford, above left, gives APRO President Dick Grauel a check from Voyager Insurance for LDIF. Above, Lou Messervy, center foreground, kept other APRO members laughing in the hospitality suite with his gags and gab. At left, the crew from Rent City got a plaque of appreciation from APRO, for sponsoring the suite. From left, Tom Hertzler, Rex Thornton, Jim Powell, Steve Massey, Dick Grauel, and Bill Rhodes.*

bled as bartenders and purchasing agents, the donated funds stretched to help defray expenses for a shuttle bus that ran between the hotel and the market center.

The hospitality suite, open four nights during the market event, provided a congenial setting for members old and new to meet and talk business or just get acquainted. The atmosphere was festive and a spirit of camaraderie was evident.

More than 130 people registered for the various events, according to Debbie Hansen, APRO meetings and conventions director. Plans are proceeding to repeat the event next year. Attendance goal has been set at 500.

## Board Meeting

The board of directors met at length on Sunday during the show. A priority item on the agenda was planning to make the Washington D.C. convention in August bigger and better for all dealers, big and small, and for the vendors.

The 1990 convention in Orlando was discussed and approval given to meeting again in Las Vegas in 1991. Changes are planned for the Las Vegas convention to make it more appealing to all dealer members.

A comprehensive slide presentation on legal defense covered past actions from 1981 to the future, up to 1992. Mak-

ing the presentation were Dave Egan, APRO first vice president; Laura Nehf of Filler & Nehf, APRO's Washington lobbyist; and Ed Winn III, APRO general counsel. Members will have an opportunity to see the impressive presentation at the convention in Washington later this year.

The new LDIF coordinator, Ron Waters, was introduced at the meeting. (See page 42 for announcement story.)

PROGRESSIVE RENTALS and other APRO publications were discussed. Major changes and updates are in the works and members can expect to see those within the next few months.

President Dick Grauel, reviewing the mini convention, said, "The Atlanta

Market Center makes it so easy to tie in with because they have such a large cooperative staff with years of experience working with associations, dealers, vendors, and others in the furniture business. People like Marion Kelly, Robin Hollingsworth, and many others from the market made it much easier for our Debbie Hansen, Kayte Bean, and Shelley Martinek to work through all those first-time trials and tribulations of tying APRO and the market together.

"The show was one more expression of this board's commitment to make APRO reach out and be more responsive to the needs of our industry," Dick noted. "We will get and keep members the old-fashioned way by earning their respect and giving them more value for their fees and assessments."



*Telling the APRO story and promoting memberships, magazines, and advertising is what the gentlemen above were doing at the Consumer Electronics Show in Las Vegas.*

*President Dick Grauel, right, and board member Jerry Reppert, center, manned the APRO booth, located in the trade association section where booths were available free of charge. Dave Timmons, APRO advertising manager, made the rounds visiting current and prospective advertisers.*

## Have Booth, Will Travel



*APRO directors and staff took turns in the booth at the Atlanta Winter Furniture Market. Member Stan Harper of Easy Rental Inc. in Albany, New York, at left, visits with Shelley Martinek, assistant meetings and conventions director, and board members Ted Wilson and Roger Sharp.*

# How to buy the right rent-to-own software.

There is a lot of confusion and misinformation about Rent-To-Own software programs. To assist you in making the right choice, we've put together some tough questions you should ask before buying. Here are a few of them:

## What's it compatible with?

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# APRO Hires First Legislative Coordinator

*He's got the right stuff for the job*

By Frances Knight

APRO's newly hired legislative coordinator, Ron L. Waters, got an early start building a solid background in legislative and association work. He was barely 23 when he was sworn in for his first term in the Texas House of Representatives in 1973. Waters went on to represent District 79 in Houston for four terms before switching to the other side of the legislative fence. He became an association executive in 1980, where lobbying the Texas legislature was part of his job.

February 6 will be the new coordinator's first day on the job. That is also the first day of the Chinese New Year, which some would say is an auspicious day to begin a new enterprise.

The job of legislative coordinator was created by the board last fall. The search for the right person to fill the position started in early November and Ron was hired in mid-January. In preparation for the position, he attended the APRO board meeting in Atlanta January 29.

Ron says he is excited about his new job, eager to get started, and looks forward to working with the people in the state associations as well as those at the national level. Having the opportunity to attend the board meeting was particularly good, he noted, as it gives him a headstart on familiarizing himself with how this association works, plus getting to know the board and staff.

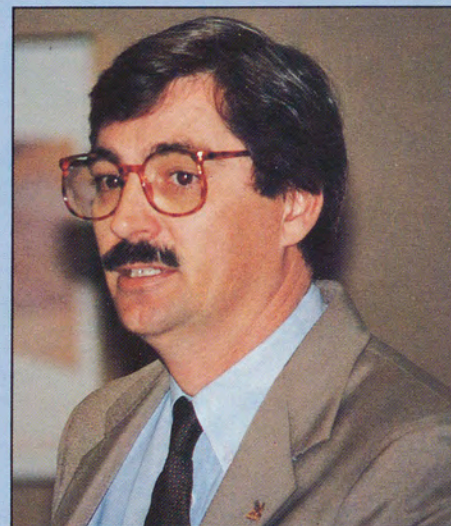
Generally, Ron will continue imple-

mentation of APRO's legislative network program and coordinate rent-to-own state association activity with the national headquarters. A communications network for members of the state groups and the national association will be established.

In addition to working with already established state groups, Ron will be organizing new state groups under the direction of the government relations committee. He will be available to help state associations set up their meetings and will attend at least one meeting in each state every year.

Travel and organization are nothing new to Ron. As executive director of the State Firemen's & Fire Marshal's Association of Texas for three and a half years, he toured the state visiting many of the 1600 fire departments in Texas. He began his work with the firemen's group in December 1980, a month before his state legislative career officially ended in January 1981. Establishment of a development program, which includes a statewide certification program for volunteer firemen, was one of his many achievements as director of that group.

During his eight years in the Texas legislature, Ron served on numerous committees including those on revenue and tax, environmental affairs, and constitutional revision; liquor regulation; child pornography; and business and



Ron Waters

industry. Early on, he worked for a firm of attorneys in Houston and then was staff assistant at the Harris County Democratic Party before resigning to run for state representative. And in 1976, he got his bachelor's degree in political science at the University of Houston.

Ron comes to APRO from the Texas Association of Home Health Agencies, where he had been executive director since April 1984. The statewide association has about 300 corporate home health members.

Ron says his work life has left him little free time, but he likes to play racquetball. His favorite spectator sports are horse racing and boxing. With the scope of the job he has taken on at APRO, he may still have little time to pursue those interests.

**PR**

Frances Knight is PROGRESSIVE RENTALS editor and director of communications for APRO.

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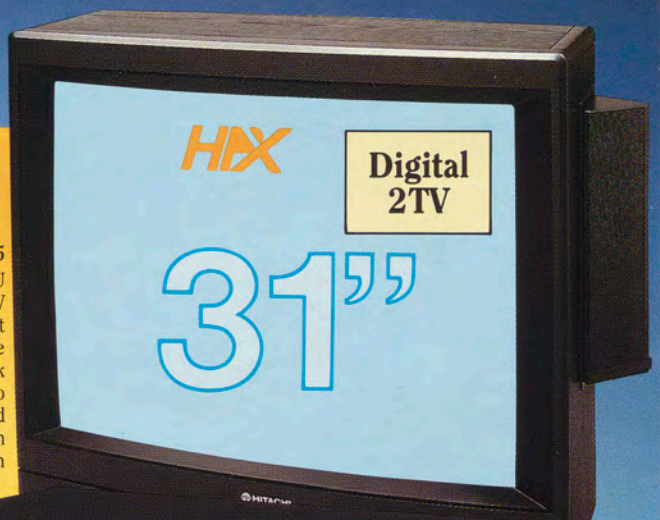
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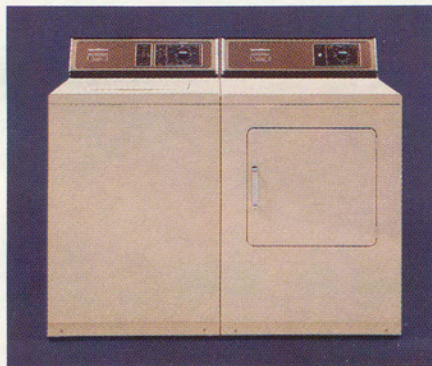
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