

December 1989/January 1990

The magazine of the rent-to-own industry

Progressive Rentals

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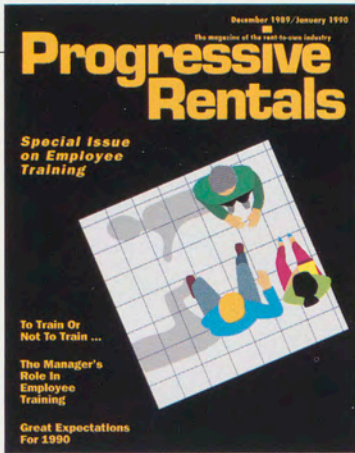
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ON THE COVER: Employee training in the rent-to-own industry is expected to become increasingly important during the 1990s, and that's why most of this issue is devoted to the subject.

COVER DESIGN BY:
Joel Mathews

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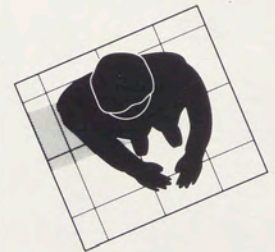
Can a manager's expectations impact the performance of an individual store or the bottom line of a rent-to-own company? Just ask those who know about the "Pygmalion Effect."

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RCA



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G26335TK
Country-look styling in Traditional Oak finish on fiberboard and solid wood solids. Concealed casters. H-33 1/2", W-43", D-19 1/2". (Available Fall 1988)

RCA 26" diagonal ColorTrak Console Stereo Monitor-Receivers

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G26269HP
Traditional styling in Harvest Pecan finish on fiberboard and genuine hardwood solids. Concealed casters. H-31 1/2", W-40 1/2", D-20"

G26265TK
This 26" ColorTrak stereo console is designed to complement country decor. Traditional Oak finish on fiberboard and select hardwood solids. Concealed casters. H-34 1/2", W-40 1/2", D-19 1/2"

G26261TN
Contemporary-styled cabinet with Teak Oak finish on genuine wood solids and fiberboard. Concealed casters. H-30", W-36 1/2", D-19"

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G26139HP
Handsome ColorTrak console in Traditional styling. Harvest Pecan finish on fiberboard and genuine wood solids; simulated wood trim. Concealed casters. H-31 1/2", W-36 1/2", D-19 1/2". (Available Fall 1988)

G26135PN
Here's classic Country American style. Pine finish on fiberboard and genuine wood solids. Concealed casters. H-31 1/2", W-36 1/2", D-19 1/2". (Available Fall 1988)

G26131TN
Clean-line Contemporary cabinetry with Oak finish on fiberboard and genuine wood solids. Concealed casters. H-31 1/2", W-36 1/2", D-19 1/2". (Available Fall 1988)

Color Television



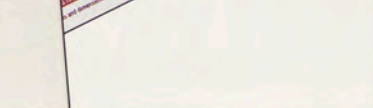
G26261TN
Contemporary-styled cabinet with Teak Oak finish on genuine wood solids and fiberboard. Concealed casters. H-30", W-36 1/2", D-19"



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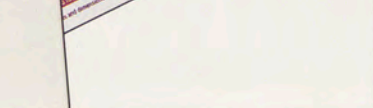
Cassette Recorders



G26261TN
Contemporary-styled cabinet with Teak Oak finish on genuine wood solids and fiberboard. Concealed casters. H-30", W-36 1/2", D-19"



G26265TK
This 26" ColorTrak stereo console is designed to complement country decor. Traditional Oak finish on fiberboard and select hardwood solids. Concealed casters. H-34 1/2", W-40 1/2", D-19 1/2"



G26335TK
Country-look styling in Traditional Oak finish on fiberboard and solid wood solids. Concealed casters. H-33 1/2", W-43", D-19 1/2". (Available Fall 1988)

PRESIDENT'S VIEW

If you've been hit by the APRO rumor mill, try a dose of reality



In my travels as APRO president, I am constantly amazed at the wide range of rumors that crop up about the association. This installment of *President's Views* deals with some of the more interesting ones.

RUMOR: APRO is going broke.

REALITY: APRO operates on a very close budget which, while allowing us to provide needed member services, does not allow for any fat. In some months of the year, cash flow gets pretty critical, but we are always able to pay our bills.

RUMOR: APRO is rolling in money at its members' expense.

REALITY: See above reality.

RUMOR: APRO is run by the "big boys."

REALITY: APRO is grateful for the support of all its members, and the large dues paid by Rent-A-Center, Remco, UCR and others go a long way toward preventing Rumor 1 from becoming reality. These large companies also give generously of the employees' time and talents so that this association can be better for everyone. In fact, APRO is run by a board of directors elected by the membership at the annual convention. At present, the board is made up of representatives from one-store dealers, small chains, franchisees and large rent-to-own corporations.

RUMOR: APRO is a country club for the rich dealers.

REALITY: APRO combines social activities with educational and business activities to offer "something for everyone," and satisfy the needs and wants of a wide range of dealers. From no-cost "summit conferences" on controversial topics to "luxury cruise seminars" to the thankless task of monitoring the activities of state and federal legislative activity, we believe we serve all members — rich or poor.

RUMOR: APRO's staff lives in the lap of luxury, makes megabucks and takes expensive vacations at the members' expense.

REALITY: Members of APRO's staff are compensated at a level generally less than their counterparts in private industry. The new APRO offices, while very nice, actually cost less per square foot than most strip center rent-to-own stores. Staff members do attend all APRO functions to ensure that attending members have a "hassle free" experience and can devote their attentions to the reason they came in the first place. As one who has had many problems solved by their presence, I believe this member service is money well spent.

RUMOR: APRO makes tons of money offering expensive seminars.

REALITY: For the past two years, the cost of all APRO seminars has been calculated to only cover costs. In reality, the association has lost money on most seminars due to the expense of securing speakers, meeting room rentals, staff expenses, etc. It is a cold, hard fact that these events are not free to APRO, and the general operating budget can't afford to provide them free to members.

TED WILSON, continued on page 33

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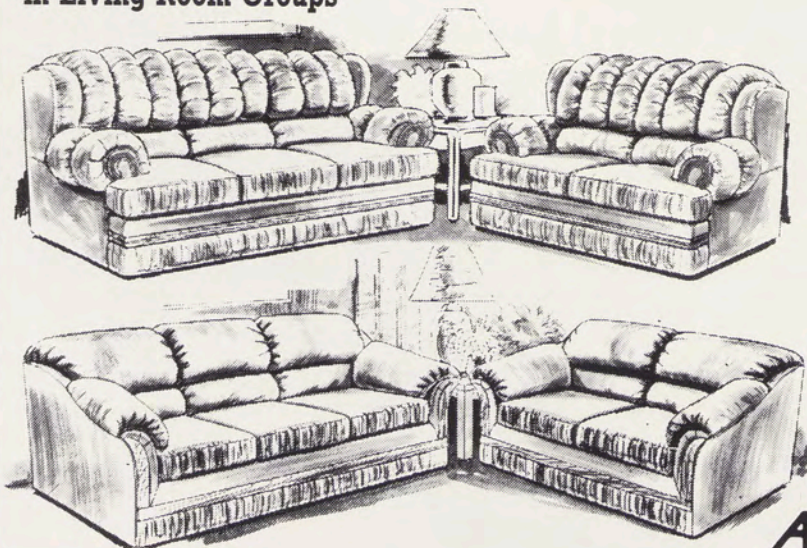


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APRO member services, membership benefits

ANNUAL CONVENTION — The 1990 convention is scheduled for July 22-26 in Orlando, Fla.

TRAINING SEMINARS — Seminars conducted by professional consultants and experienced rental dealers cover selected topics designed to aid professional management of rental operations.

PUBLICATIONS

• **Progressive Rentals** magazine — the "voice of the home product rental industry" — is issued bimonthly.

• **RTO Network News** — The newest monthly publication headlining current national and state legislative issues.

• **Who's Who in Rent-To-Own** — The most complete national listing of rental dealers available. Published annually.

• **Administrative aids** — Samples of various standard business forms used frequently by rental dealers.

• **Collections Manual** — A guide offering preventive maintenance and effective results for the industry's biggest headache — skips and stolens.

• **Skip-Trace Manual** — A comprehensive guide to locating missing persons.

• **Legal Defense Packet** — Available to all members to minimize legal research costs.

• **Bankruptcy** — An indispensable guide in dealing with a bankruptcy case.

• **Convention seminars** — Cassette tapes are available.

BUSINESS PROTECTION — APRO assists state associations in their organizational efforts and in monitoring the legislative process. APRO's Legal Defense and Information Fund (LDIF) provides an ongoing legislative effort in Washington, D.C.

INSURANCE — APRO offers insurance programs designed specifically for rental dealers.

RENTAL INDUSTRY STATISTICS — Periodically, members will be asked to participate in a survey. The information will be confidential, and compiled so that general industry statistics are available to all members.

CONSULTATION — Legal and Wage and Hour consultation is available, with the first phone call at no cost to the member.

NETWORKING — The sharing of creative ideas; knowledge of developing trends; and participation in the development and direction of the rent-to-own industry.

COMMUNICATIONS — One of the most valuable benefits of membership is the vast opportunity for interaction with other people in the industry. This is a result of APRO members' willingness to share ideas with others. At the convention, the seminars or informally — in person or over the telephone — ideas are continually being discussed and debated.

PR

DIRECTOR'S DESK

Drucker interview sheds light on value of association 'community'



I was reading an interview recently with Peter F. Drucker, management consultant, author and a regular contributor to the *Wall Street Journal* and the *Harvard Business Review*, and his thoughts on nonprofit trade associations. I found much of what he had to say relevant to APRO and the rent-to-own industry.

The main point that Drucker made was that associations have "not one, but several dimensions — public relations, political relations, the educational dimension and a *social dimension*." He goes on to say that associations tend to underrate the importance of creating a sense of a community.

His favorite question when visiting with a member of an association is, "What do you learn from the most?" Very often the response is, "At that meeting we had in San Francisco where I met other people in my industry, my profession, I found out how they are doing things, what their problems are, and I could talk out something that bothered me in my operations and found that I was not the only one who has that problem."

This exemplifies what is probably one of the most important benefits derived from membership in a trade association, yet is arguably one of the most difficult benefits to identify and to put in writing. Establishing and maintaining a sense of community is a difficult task for an association, but it is even more difficult for an association to promote that sense of community when one does exist.

Looking back over the past, APRO has done a good job of developing a sense of community within the rent-to-own industry, but has fallen short on promoting the benefits of a "community" derived from participation in APRO. That is changing.

APRO recently conducted a summit conference in Atlanta on jewelry. APRO will be present at the Winter Consumer Electronics Show in Las Vegas, the Furniture Market in Atlanta and the Homefurnishings Show in Dallas. We will be manning booths and hosting hospitality suites, so that people in the rent-to-own industry will have a place to meet and to share ideas. We will be announcing shortly a full lineup of seminars and retreats for 1990. Not only will there be a great deal of information exchanged in the formal formats of these events, but this "community" will be exchanging ideas on an informal basis.

And then there is the APRO convention in Orlando in July. You've heard about it already, and you will hear more about it in the coming months. But one thing is for certain, this will be your best opportunity to participate in and receive the benefits of the rent-to-own community.

Bill Keese
APRO executive director

'Pushbutton' mentality no different for RTO market

Standalone TVs, VCRs, consoles have one thing in common — remotes

A "pushbutton" society has emerged, ushered in with the 1980s and its age of consumer-accessible technology. Admirers of the latest electronics gadgets are no longer thought of as techies; rather, they are mainstream. Today's generation wants to get things done fast — and with little effort.

Nowhere is this trend more evident than in consumer video products. The mainstays of the product line are televisions and videocassette recorders (VCRs), and the handheld remote-control unit has become a standard feature for both — a testament to modern America's pushbutton standard of living.

"I would say in TV, practically everything that goes into rental is remote — 95 percent," reports Norm Smith, national manager of rental markets for Zenith Electronics Corporation.

Rent-to-own dealers and managers from around the country echo Smith's evaluation.

"The video market has gone to just about totally remote control," says Warren Powers, director of purchasing and part owner of Americans' Rent To Own, a 20-store company with locations in Denver, Atlanta and St. Louis.

Stephen Tanner, store manager of a Curtis Mathes dealership in Bullhead City, Ariz., concurs. "I think everyone, for the most part, is trying



Text by John Gormley
Graphic by Joel Mathews

to get on-screen programming and the remote controls that'll do everything from your seat," he says.

Both rent-to-own store personnel and their major suppliers agree that the rental

market is similar to retail, at least when it comes to the "pushbutton" type of features customers want. "We only carry one model (TV) in our entire line that is not remote control," reports Tanner. "We used to have several models which were non-remote. We carry one 20-inch monitor styling unit which is non-remote and do nothing with 13 or below on our rental.

"I can only think, out of a BOR (balance on rent) of 750, probably eight to 10 sets that are not remote."

Tim Fages, special markets manager, East, for Thomson Consumer Electronics, points out that although the RTO market is into remote-control features, it seldom reflects the cutting edge. "Rental, in our mind, is normally ... one or two years behind the average consumer electronics buyer. And I don't really know why that is. Maybe the rental industry is afraid to ask for more per week or per month."

Fages' \$3 billion company is one of the RTO industry's major electronics suppliers, along with Zenith and Philips (which includes Magnavox). Thomson Consumer Electronics handles General Electric and RCA product lines. "I think between the three of us (Zenith, Philips and Thomson) we probably get 80 percent of the market," Fages says.

"Our business is way up," Fages continues. "I still think it's down to three players — ourselves, Zenith and Philips. And I think one of the reasons

"We only carry one model (TV) in our entire line that is not remote control ... I can only think, out of a BOR of 750, probably eight to 10 sets that are not remote."

— Stephen Tanner, store manager,
Curtis Mathes dealership

for that is because the average rental end user, that type customer, likes the American kind of name. They feel comfortable with it."

Fages says TV-VCR combinations are a longtime staple of the rent-to-own video market. But RTO dealers have apparently been slow to follow the latest consumer trend — stereo TVs and VCRs. "Right now, 35 percent, 40 percent of all (TV) consoles sold are stereo consoles. But that's not true in rental. Rental still wants to buy a Plain Jane 25- or 26-inch mono console. VCRs are very strong but, again, they're not ordering many stereo VCRs."

However, the exceptions are there, Fages adds

"What we've done with one customer in particular, Rent America, is they featured an RCA console stereo with the stereo VCR. It was very successful."

Rick Atkinson, part owner of Prime Time TV Appliance Rental in Little Rock, Ark., is one dealer who's found a high-end video system that works with RTO customers. "We've had a lot of luck this year with a new product ... that gives a fairly middle-priced television that has picture-and-picture capabilities with the VCR."

Atkinson's supplier is Sylvania, and the TV-VCR picture-and-picture system is packaged and marketed together. "You can actually watch two channels at once," says Atkinson. "It's pretty neat, and it's still inexpensive. We can stay fairly competitive on rates. People

come in, it's fun to look at and we rented a few of them. And it wasn't long before the friends of those people saw it and had to have the same deal."

The key to making it work with RTO customers is affordability. "Sylvania finally got us to a price point to where we've got a TV that is stereo ready, but it's also got the picture-and-picture capabilities," Atkinson explains. "And that put us down there to where we're probably (only) three to four dollars a week higher than just our regular television-VCR combo. For that kind of money, it's a neat little feature to have."

Advertising efforts have helped popularize the picture-and-picture system in the Little Rock market. "We featured it in our television ads so that helped spotlight interest in it," says Atkinson. "Every month we run spots around the money days — the first and the 15th. We try to hit pretty heavy with the TV ads around those two dates, and we generally try to stay on Thursday, Friday, Saturdays. We've had a lot of luck this year. That's all we do is TV. We really haven't done anything else this year."

Co-op advertising is a real dealer incentive to do TV promotions, Atkinson says, since the manufacturer picks up part of the cost. "This time of year (late fourth quarter) the appliances tend to slow down for us and televisions are hot. That's why we do a lot with our televisions and VCRs."

Atkinson's two stores — one in Little

Rock and the other in North Little Rock — turn in between 500 and 600 BOR a month. He says the video market accounts for 50 percent of his total BOR, while appliances amount to 30 percent and furniture "and other little things" make up the remaining 20 percent.

The strategy of pushing video promotions has apparently paid off for Atkinson. "We've picked up a lot of accounts this year. We've been pleased with it."

Tanner, the Curtis Mathes store manager in Arizona, says he relies on the franchisor's liberal warranty to attract and keep his rental customers. "Curtis Mathes demands a little bit more price, but with the warranty — six years parts and labor — we've beat out a lot of competitors in the area."

He believes rent-to-own customers are little different from retail customers, since both seem to be willing to pay more for quality and service.

With Curtis Mathes products "you literally have no labor bills for six years, and that's real easy to sell on the rental contract because it's not just 18 months; four-and-a-half years after you own this, we'll still be taking care of you. So, it helps."

Modern features such as portability and on-screen programming are important also, Tanner says, although many RTO customers pick and choose how far on the cutting edge they want

Continued on page 20

LETTERS TO THE EDITOR

(Editor's note: Letters to the editor are welcome in Progressive Rentals. All letters must be signed and include an address and telephone number. The opinions expressed in letters to the editor are those of the authors and do not necessarily reflect the views of Progressive Rentals or its publisher, the Association of Progressive Rental Organizations (APRO). Progressive Rentals reserves the right to edit all submissions, including letters, for style, clarity and length; and does not promise to publish all letters submitted. Send letters to APRO, 6300 Bridgepoint Parkway, Suite 305, Austin, Texas, 78730; attn: editor.)



RTO jewelry explored

The cover article in the October-November *Progressive Rentals* unleashed a lot of comments on the issue of jewelry in rent-to-own.

I believe this speaks well of the major effort APRO took to provide up-to-date information on jewelry in rent-to-own. At the same time, great pain was taken to make sure dealers weren't told what to do. The question of whether to rent jewelry or not was left up to the individual dealer to decide.

And this is how it should be in our capitalistic system. Our industry has long operated in this system by assuming the risk that RTO presents. The high risk correlates directly with high profits RTO dealers

have enjoyed for so many years.

In recent years APRO, on behalf of its membership, has spent time and money to reduce that risk through legislation, at the same time maintaining a good degree of the profits.

By doing this APRO has helped provide a secure future for RTO in several states.

Now along comes a new product — jewelry. Its profitability is probably the highest of any product ever introduced into the RTO line. But, true to form, the risk factor is also probably the highest of any product introduced into the RTO line.

Some dealers feel the profitability outweighs the risk, knowing that the risk also contains the possibility of undoing secured legislation or killing proposed legislation. Other dealers, mainly ones who have worked long and hard to get legislation, feel the risk outweighs the profitability.

APRO held a seminar in Atlanta — (see page 31 story) — to get these two groups together to see if we couldn't have our cake (jewelry/profits) and eat it (legal/risk), too. I am sure that the best possible solutions were put forth to eliminate some of the controversy that came from renting jewelry.

— *Roger Sharp*,
Appalachian TV Rental
Huntington, W.Va.

RTO jewelry trends

I have just completed reading the articles for your magazine concerning the pros and cons of renting gold and diamond jewelry. There were many good ideas presented in both articles and I believe

they will be of benefit to your members. As a primary manufacturer and diamond cutter supplying jewelry to the rental industry, I wanted to share some of our experiences concerning the rental of this category.

First, there has been discussion about the motivation of customers who rent their wedding sets and the potential difficulty of defending a court case concerning the intent of a customer to make a temporary acquisition of a wedding set. Surprisingly, a majority of the people who rent these rings are not newlyweds; many have been married five years or more. The rent-to-own industry is offering these people their first opportunity to acquire real diamonds in a manner they can afford. In fact, some of this product is returned during the contract period due to a breakup of the relationship or for financial considerations.

Second, the total contract prices for jewelry will be very competitive with day-in and day-out retail jewelry prices, if equivalent grades of merchandise are compared. This is good news for the rental dealer, since it will mean that his customer will be happy with the product and, therefore, less likely to create a legal problem.

If each dealer will extend the extra effort to service his customer by handling problems as they arise — cleaning the jewelry when payments are made and performing the day-to-day customer service that the rental customer has come to expect — it will go a long way to preventing customer dissatisfaction problems

which can arise with any new category.

Although I cannot be considered unbiased, I believe this will be the fastest growing new category in the rent-to-own industry for the next several years, and will contribute nicely to the overall profitability of each business renting jewelry.

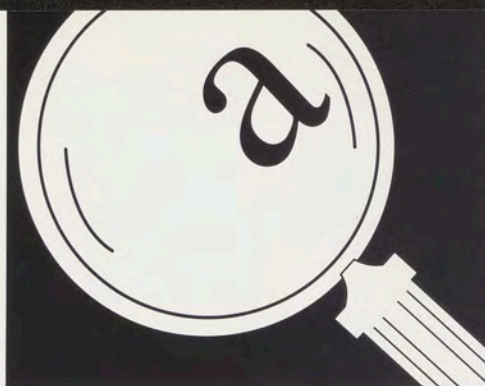
— *David J. Burdick*,
Prime Source International
Richardson, Texas

Filloramo's views

A letter to the editor is a wonderful deviation. In the past I have been called on to write articles for rent-to-own and related trade magazines. Those articles were non-offensive, not commercial, but generic and informative — a real feat. This is the first time I have taken pen in hand to state my views — not just based on emotions, but on facts, figures and more than 15 successful years in this industry.

Fifty-five dealers and a handful of attorneys met in Atlanta Dec. 6 to discuss jewelry rental. Never has a rent-to-own product created such a fervor. The panel consisted of attorneys Sam Choate, Ed Winn and Dave Egan, with Egan presiding as moderator; Claudia Filloramo participating as both rental owner and jewelry vendor as president of Rent-A-Rock; and Dave Burdick of Prime Source International and Adam Segan of London Star, representing the jewelry segment of the panel.

The meeting lasted less
Continued on page 44



(Editor's note: The following is a guest opinion column written by Larry Sutton, an affiliate partner in the Champion TV & Appliance Rental chain and president of B&L Concepts, with 18 Champion stores in Florida. Guest viewpoints may appear in Progressive Rentals from time to time.)

RTO needs new pricing method

By Larry Sutton

For as long as I can remember, from my earliest rent-to-own experience as district manager with Curtis Mathes, the set multiple of cost formula has been the most popular way to establish the going rental rate for most dealers.

The question that comes to my mind most often in these more mature days of RTO is: With all of the advances made in our business over the last 10 years — in use of computers, employee training, general merchandising techniques, store designs, banking and financial relationships, product selection, etc., etc. — why are the majority of our RTO brethren using antiquated, outdated "dinosauric" methods in establishing rental rates?

All businesses run on an oft-forgotten term commonly referred to as "gross margin." Using a set multiple of cost formula, across-the-board pricing method is bordering extremely close to the old retail pricing method of adding \$50 to everything from \$100 cost to \$500 cost and believing you're making the same profit!

A lot of us left the no gross margin retail business to enter into a new, exciting and much more profitable RTO business. It only took the retail appliance and television industry 20 years to destroy gross margins and drive the business into the hands of the mass merchandisers and giant discount chains. It now appears that rent-to-own appliance and electronics dealers are trying to break that record!

In a business that claims only a modest 20 percent payout ratio, how can we price our goods based on a multiple equal to our expected payout term?

Our industry derives its income on a monthly basis. That monthly income versus the monthly cost of goods, which includes depreciation, payout disposal balances, writeoff disposals, service costs, etc., is your *gross margin!* Often, the traditional set multiple of cost formula will not yield the gross margin necessary to provide you with the profit you desired.

There are a lot more factors to consider when pricing goods than just the cost.

Cost of service

All items do not cost the same to keep in good rental condition. For instance, most would agree VCRs (videocassette recorders) cost a minimum of three times as much to service than a good 20-inch color television — by the time both leave your system. While few could argue this point, VCRs are being priced at the exact multiple as televisions. There is no way that this will result in the same profit on both pieces. In most markets, VCRs are being advertised at \$9.95 per week, along with a 20-inch color television at the same price. The end result: lower gross margin on VCRs, bringing the RTO agreement below the gross margin necessary for company growth.

Revenue earning life vs. time in system

Probably the No. 1 missed profit opportunity in RTO's short history as an industry is the pricing of furniture. Many dealers simply began using that old reliable set multiple of cost formula and divided by 18 to get their rate on this new item. Guess what happened. Furniture didn't, and won't, yield a full 18 months of revenue, as a general rule.

After it comes back the first time and you *pay* to clean it (which is also not considered in the original cost), you are lucky to now have a 15-month product. The next time it comes back and you again *pay*

to clean it, you might get anywhere from an eight- to 12-month agreement. I'd be willing to bet that, on average, furniture yields about 12 months of originally planned revenue in most RTO companies. If that's not so and you figured your set multiple of cost and divided by 78 for your weekly rate, you are losing a lot of *gross margin* on every group you put out.

Even a good retailer makes 40 percent to 50 percent gross margin on furniture. How can we as an industry make 60 percent and provide the services we do? We can't. At least we can't and also make money. If you're using a set multiple of cost formula you'd better divide your rate or your furniture will eat up most of your profit. (And if you think furniture has such a fantastic keep rate, ask yourself where all that used furniture is coming from!)

Just because you establish 18 months as your planned income, it doesn't mean you're going to yield 18 months income while an item is in your system. I have heard many dealers say things like "that television lasted in my system for 30 months. I made a killing on it." I have never heard a dealer say he had considered all expenses incurred by that unit, including service, idle time, etc., and still come away with a gross margin of about 60 percent.

And what about the 20 sets that come in the same day that one arrives into inventory? How many months of originally planned revenue did they provide while in your system for 30 months, if you only yielded 14 months income at original rate?

Term extension

Another favorite practice within the current trend is to simply use the same pricing formula as before, set multiple of cost, and stretch the term in the range of 21 to 24 months to reduce the rate (in an effort to get more business with lower rates). I love it when my competitors do this, since I can count on them being out of business sooner or later. When you extend your terms without increasing your margin of profit, you have just given six more months of cost with no additional profit.

If you go to 24 months you'll have six more months of free service to provide, six more months of account management to provide, six more months of receipts, letters and all kinds of various costs incurred in handling a rental account. And you haven't asked for any more money to cover those expenses. You also lower your front end monthly gross margin. Consequently, you are making less profit, beginning with the very first month's payment.

What it all means

The old multiple of cost formulas can and should be used as a guideline to establish a rent-to-own price range. But you must check your results by seeing what your monthly gross margin will be after considering all the costs involved with each unit. Some items will give you a reasonable gross margin at the standard multiple of cost. Others will not. Successful businesses maintain healthy gross margins.

A lot of the manufacturers' price sheets that I get these days already show suggested rental rates figured by using standard multiple of cost formulas. That's how well we have convinced manufacturers that this should be our pricing method. In fact, some vendors have stated that this old method is their recommendation.

It's time we look at our gross margins and left some old habits in the graveyard where they belong. If we are to continue to expand the rent-to-own business and create opportunities for our employees, we will have to operate on a gross margin concept that promises future profits. Let us not as a group begin the destruction of our industry before we have seen the pinnacle.

PR

PROFILES

(Editor's note: This is the third in a series of articles profiling APRO members, attendees at conventions and seminars and prospective members. D.J. Thomas, assistant director of member services, conducted the interviews.)

Colleen Valley Ft. Myers, Fla.



Colleen Valley, Sun Valley Rentals, was born in Pittsburg, lived in Arizona and New Mexico for 10 years, attended Phoenix Business College and moved to Florida. She was introduced to the business through her former husband who was with Curtis Mathes. Currently divorced with four children, she opened her first store two years ago and expanded into a larger location last year.

Q. Do you believe that APRO is supporting you?

APRO has been a big help. Since I had not previously worked in the industry, APRO was a major asset. It put me in touch with the shows, manufacturers, and *Progressive Rentals* magazine kept me in touch with the trends of the industry.

Q. To what do you contribute your success?

There were a lot of bumps and scrapes along the way. The support of my mother and sister working with me has greatly contributed to the success of the business. Also, I would say my commitment to my personal convictions and goals with the drive and determination to achieve them has made me successful. I just won't quit; I am not a quitter.

Q. What are your immediate plans?

I have considered expanding, but you almost always get caught up in this industry with the first thing out of a dealer's mouth: "How many stores do you have?" What I am noticing is that a whole lot of people open up a lot of stores at first and now they are selling out; or closing up smaller stores and concentrating on one store and getting a solid foundation before expanding again.

What I want to do is to build a strong foundation before stepping out and tackling another store. I don't think the amount of stores should be an issue any more than how strong and how successful are your current stores.

Q. What are your views on the RTO industry into the '90s?

I feel what we are doing as an industry is capitalizing on a virtually neglected majority of the population, and I feel the other side of the financial world does not meet these needs. There is a need, we are meeting it and therefore the industry has a real strong future.

Q. Associations have been formed in most states. What do you think their role is or should be?

I am affiliated with the Florida association and feel we have been fortunate because we haven't had to go through the battle like in Pennsylvania and North Carolina. I feel very secure because in Florida there is a strong state association to contend with any future problems. I would not have wanted to go through the situation, (such as) Pennsylvania's, without the solid organizational front of a state association.

PR

Tracey Morgan Washington, D.C.



Tracey Morgan operates nine Rent America stores in Maryland and Washington, D.C., with her partners Kenneth Cox and Jim Graham. She helped run a family owned Tennis and Ski shop before opening their first RTO store in 1981 as a Colortyme franchise. Cox and Morgan, along with her father, Gene Morgan, opened three locations in the first 18 months. She describes the experience as learning RTO by "trial and error." In 1984 a small group of expanding operators joined together to form Rent America.

Q. Did you get the Rent America logo from the 1984 Summer Olympics in Los Angeles?

No, my father thought of the name and the group chose to have a logo professionally designed. Many patriotic themes were developing across the country at that time.

Q. What are your views on the RTO industry into the '90s?

I believe we will continue to have the stronger companies take over the competitors who have not managed their finances well. Some of those stores have higher debts than I believe the fair market value of the company to be.

Q. Are you saying there will not be a place for "mom and pop" businesses?

No, in some markets the mom and pop locations are the best operated because the owner is on site.

Q. The hottest issue seems to be jewelry. What is your opinion on jewelry in rent-to-own?

My biggest concern with jewelry is that it will be difficult to defend accusations about "renting" wedding bands. Our legislative session in Maryland is going to be a battle as we defend our newly passed bill against the attorney general's attempts to amend. Our lobbyist is very uncomfortable about the jewelry issue.

Q. How important is it for you to travel to Florida to attend the APRO 1990 convention (Sunday through Thursday, July 22-26, Orlando)?

I will be there. I usually get some new, or at least recycled, ideas while at the convention and I always find myself more motivated after attending.

Q. Do you have a final note?

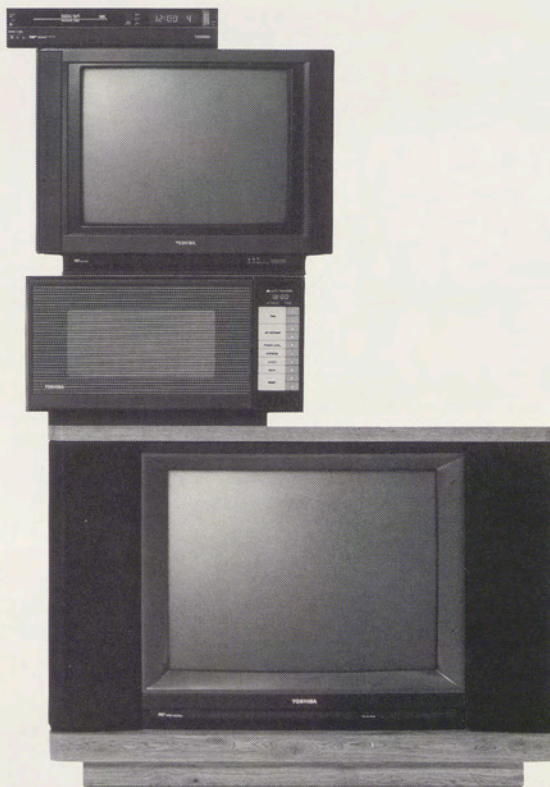
My biggest focus for the future is finding and keeping good staff. It is not only necessary so that the stores prosper, but essential to the future of RTO. The behavior and values of the individuals that are in RTO stores helps or hurts the public image of the industry. The horror stories that are often told to our legislators or the cause of lawsuits are the result of individual employee actions. So those individuals must be carefully selected, trained and supervised. RTO is certainly challenging.

PR

Toshiba announces a rent increase.



1987



1989

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TOSHIBA

Toshiba America Consumer Products, Inc., 82 Totowa Road, Wayne, NJ 07470

APRS
Associate Member

EAST (201) 628-8000, CENTRAL (312) 541-9400, WEST (213) 770-3300.

Planning ahead is dealers' key to a productive trade show

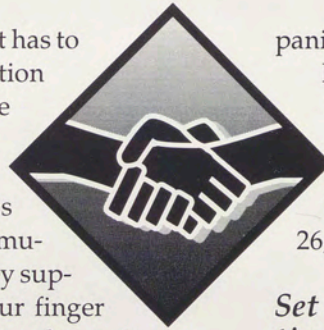
Opportunities, benefits easily outweigh cost of convention participation

By Norman Smith

Should you attend the next APRO convention? When you understand how to get the most out of the convention, it's an easy decision. Clearly, although attending the convention requires a commitment of time and money, you'll find significant benefits for you and your business — if you plan ahead.

By planning ahead, you can take full advantage of all the business opportu-

nities such an event has to offer. The convention is an excellent time for those involved in the operation of rental companies and stores to communicate with their key suppliers. To keep your finger on the pulse of our dynamic industry, you can use the convention to visit with those from other rental com-



panies and stores.

Here are a few simple pointers to help you get the most "bang for your buck" in attending next year's big convention (set for Sunday through Thursday, July 22-26, in Orlando, Fla.):

Set up appointments ahead of time

Appointments can be made to meet at announced convention activities or on an individual basis away from convention activities.

Why not schedule a meal (or get together afterhours for refreshments) with someone you want to meet to enhance your business or your understanding of the business?

The convention offers a wide range of seminars that can benefit attendees. Why not plan to meet with someone just before or after a seminar?

At scheduled convention functions, there's always time to visit with those you feel can improve your abilities or expose you to ideas or products that can be of help to you and your rental company or stores. Make arrangements to meet select people at specific convention functions.

Make the most of the convention floor

You can always learn something by visiting with suppliers on the convention floor and reviewing the products or services they represent.

The wise attendee representing rental store operations will make arrangements to meet with select vendor representatives in their display booths at a

Continued on page 44

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USE THE POWER

To train or not to train ... that is the question

Decisionmakers must weigh the benefits and costs of 'good' training

If the slings and arrows of outrageous fortune are piercing your profit line, now may be the time to evaluate seriously what to do about training employees and managers in your company. If you have any employees, you've been doing training. What can additional or improved training do for you, and how do you go about evaluating the best approach or program?

By Rozanne Flatt

My friend Lowry Shrader said recently, "I used to make a pretty good profit when I started in RTO (rent-to-own). I think I'm a whole lot smarter about the business than I was then, but I'm not producing the profits I did when I was dumb." How's that for a nutshell? About the same for you?

Greatly increased competition has resulted in reduced profits or worse. The labor market has tightened, wages are moving up and employee turnover is sky high. Advertising and promotions aren't producing what they used to. Debt service is horrendous. What can the smart rental dealer do?

Lately the rental-purchase industry has turned a good deal of attention to the subject of management and training. It's become quite a topic of conversation at seminars, state association meetings and gatherings of friends in the business. My clients are asking more and more for help in training managers as well as employees. I am convinced our industry is at a stage where good training and good management not only have a greater impact than in the

past, but are now essential for survival and continuation of the business, to say nothing of growth.

Please note that I emphasize *good* training. We are long past the stage where somehow, somewhere, sometime training is enough.

What can good training do for your company?

Beside the obvious answer that you have to teach people to do the work of the organization, really good training of your people at all levels can and should provide you the following advantages at the organization level:

- **Maximized operating results.** Well trained, well managed

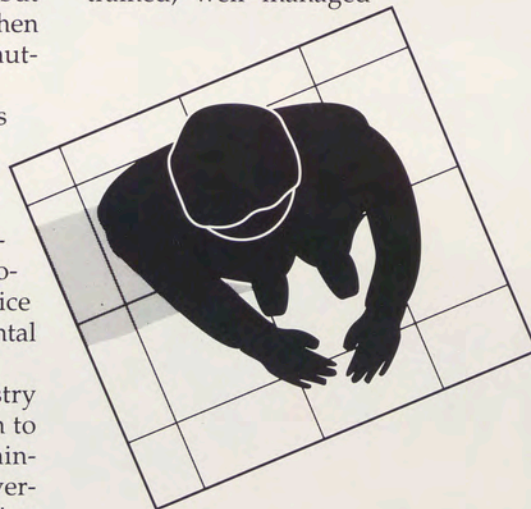
people use their time more efficiently, focus their efforts on the results you want, and make their efforts count. It's important to provide good management training as well as good task training so that your people will be well managed.

- **Greater organizational consistency.** Within each store you should be able to observe a greater consistency at a higher level of performance over time. Across the company you will find greater consistency between stores, again contributing to improved performance. Consistency also adds the following advantages:

- **Greater organizational flexibility.** With consistent standardized training your people all learn to play your tunes at the tempo and with the interpretation you want for your organization. Employees can be transferred or promoted with the least disruption (and the least need for additional training) simply because they all do know how to play the same tunes together. An employee in a new position or place will reach efficiency very quickly.

- **Ease of management through consistency.** There is a management concept called span of control. Basically it says that a manager can span a greater number of people or work units if they are all doing the same thing the same way than if they are doing things differently. (Can you imagine a band leader conducting five different pieces of music simultaneously?)

- **Avoidance of serious trouble.** Our industry has come a long way in understanding the need for staying out of



SPECIAL ISSUE

Continued on page 26

The manager's role in employee training

A good supervisor tackles his duties to subordinates like a coach

By Rex Thornton

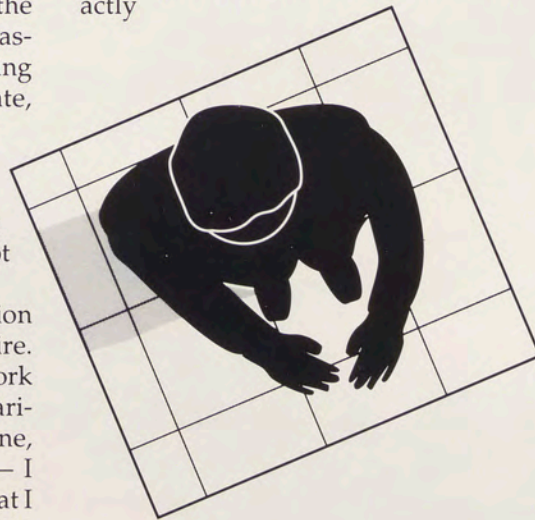
One comment that is heard more often than any other from rental store owners and managers is that they can't find competent employees. It is said in many different ways, but the meaning never changes. "I can't find good people." "I can't keep good people." "I can't get my people to do what I want." All of these statements mean that people are one of our biggest challenges in the rental industry.

When I visit with owners and managers around the country, they tell me how hard it is to find people who are able to do the job. Owners seem to expect the new person to walk in off the street and go right to work at increasing BOR (balance on rent), reducing idle inventory and delinquency rate, and recovering all skips for the last two years. That's before lunch time — and without any training! That may be what they want, but finding an employee that can do that is not very likely.

The next step in the conversation turns to employees that they do hire. "What happened; why didn't they work out?" The answer is usually some variation of, "They started out just fine, made a lot of progress and then — I don't know, they just quit doing what I expected them to do." If we cannot hire a person who can do the job, and those that we do hire seem to work well for a while and then begin to do less and less, what is the answer to getting and keeping good employees? The answer is found in the role that owners and managers play in training their em-

ployees to successfully perform the work outlined in the job description.

A basic definition of a *manager* is "someone who gets things done through other people." The implication is that managers don't just get something done, they get the right things done, and done in the way that the business needs them done. If we should find someone that can do the right things, in the way that we want them done, it is something close to a miracle. Now that does not say that there are no good employees available, it just recognizes the probability against a new employee knowing instinctively the "right" things to do, let alone exactly



SPECIAL ISSUE

how this company wants things done. Employee training and development is what managers do to help employees know what the right things are, and then how to do them in the right way.

Since owners and managers are responsible for the training and development of their employees, it might help to focus on how to accomplish this task. First, we need to define the two terms and then look at the best ways to accomplish both of them at the store level. They do mean different things. Training is done when people are uninformed or don't know how to perform some task. If your employees don't know how to do something, you have a training problem. Development, on the other hand, is done when the employee knows how to do what needs to be done, but is doing it at less than full performance expectation. Both training and development are required to help each employee develop to the maximum of his or her own potential, while accomplishing what the business needs to have done.

Training that is done in most stores is usually based on the experiences of the person doing the training. That is either the owner or manager. They know how they do the job, so they tell the employees how they do it and then expect them to be able to do it the same way. This type of training is based on telling. While telling is an essential part of the training process, it does not ensure understanding nor does it do anything to improve a person's skills at doing a job. Another problem exists when telling is the only method of train-

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to go.

As an example: "I'd say the biggest majority of our people are still staying with the two-head machine (VCR), basically because of cost reasons, and not stepping up as much to the four-head."

But almost everyone is demanding remote-control units. The handheld gadgets (that resemble pocket calculators) have always posed a special problem for RTO dealers — getting them back at pickup time.



"That's always the big challenge," says Powers of Americans' Rent To Own. "We really emphasize that with our managers and make sure that the remote is listed on the rental agreement. When that goes out, it says 'VCR and remote.'"

"Trying to eliminate that loss of remote control — it's a big problem," continues Powers. "You've got to turn around and order 10 remotes that are \$34, \$40 apiece. That's \$400."

Dealing with it is inevitable, though,

considering the popularity of the remote-control feature. It's a part of the rent-to-own business merely because it's a microcosm of our "pushbutton" society.

"When it's available, that's what people want," Powers acknowledges. "Everything's remote control now. You get used to it — sitting on the couch, controlling your TV and not having to go over to change it.

"I do that; everybody does that."

PR

John Gormley is editor of Progressive Rentals. Joel Mathews is a graphic artist based out of Louisiana.

Who's who in video suppliers

* = Associate member
+ = Advertiser
¥ = Convention exhibitor

Video products continue to be the mainstay of the rental-purchase industry. And knowing where to get the products needed to satisfy customers' wants is essential. Here's an up-to-date list of current video suppliers to the rent-to-own industry. Each company listed supports APRO as an associate member, convention exhibitor or publications advertiser.

¥Entertainment Market-
ing
P.O. Box 42843
Houston, TX 77242-2843
(713)995-4433
Consumer electronics

¥Epsilon Electronics, Inc.
634 S. Clarence St.
Los Angeles, CA 90023
(213)265-2222
Audio-video

+¥*Hitachi Sales Corp. of
America
401 W. Artesia Blvd.
Compton, CA 90220
(213)537-8383
TVs, VCRs

*L.B.I. Monitor
5601 Creek Rd.
Cincinnati, OH 45242-
4005
(513)793-6566

*Michie Distributing Co.
1408 N. Broadway
Carrollton, TN 75006-3817
(214)245-0006
Manufacturers/distribu-
tors, A/V lines

¥Panasonic Co.
1854 Shackelford Ct.
Norcross, GA 30093
(404)926-6630
Audio-video

+Pfanstiehl Corp.
3300 Washington St.
Waukegan, IL 66085
(312)623-1360
Electronics, home entertain-
ment

+*Philip M. Bell Co.
6131 Interstate Cir.
Cincinnati, OH 45242
(513)489-7700
TVs, VCRs, camcorders

+¥*Philips Consumer
Electronics
P.O. Box 14810
Knoxville, TN 36914-1810
(615)521-4711
Magnavox, Philco, Sylvania
TVs, VCRs, camcorders

+¥*Quasar Co.
1325 Pratt Blvd.
Elk Grove Village, IL 60007
(312)228-3640
TVs, VCRs, camcorders

+¥*RES/Raybro Electric
Supplies
301 S. 13th St.
Tampa, FL 33602
(800)289-2524
Audio-video systems

+¥*Sanyo Fisher (USA) Corp.
21350 Lassen St.
Chatsworth, CA 91311-1158
(818)701-4118
TVs, VCRs, camcorders

¥Sharp Electronics Corp.
Sharp Plaza
Mahwah, NJ 07430-2135
(201)529-8200
Electronics

¥Sohnen Enterprises
P.O. Box 2884
Santa Fe Springs, CA 90670-
2884
Audio-video

+¥Soundesign Corp.
9915 Timberstone Rd.
Alpharetta, GA 30201
(404)442-5683
TVs, VCRs

*Sunbelt Sales
P.O. Box 1570
Plano, TX 75074
(214)422-7176
Manufacturers/distributors,
A/V lines

+*Symphonic Corp.
100 North St.
Teterboro, NJ 07608
(201)288-2606
TVs, VCRs

*Teknika Electronics Corp.
353 Route 46 W.
Fairfield, NJ 07006
TVs, VCRs

¥The Zamoiski Co.
3000 Waterview Ave.
Baltimore, MD 27230
(301)539-3000
Audio-video

+¥*Thomson/RCA
P.O. Box 1976
Indianapolis, IN 46206
(317)267-5838
RCA/GE brands TVs,
VCRs, camcorders

+¥*Toshiba America, Inc.
82 Totowa Rd.
Wayne, NJ 07470
(201)628-8000
TVs, VCRs

+¥Welton/Techwood
2109 Luna Rd., Suite 100
(214)243-5602
TVs, VCRs, home entertain-
ment centers

+¥*Zenith Electronics
Corp.
1000 Milwaukee Rd.
Glenview, IL 60025
(312)391-8231
TVs, VCRs

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



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For the dealer or distributor nearest you, call Ken Gay at 615-521-4711.

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Great expectations for the 1990s

Can RTO managers unleash power of 'Pygmalion Effect' in workers?

By Wayne Outlaw

Can a manager's expectations impact the performance of an individual store and the bottom line of the company?

You bet they can.

High expectations consistently pay off in higher BOR (balance on rent). Low expectations turn out poor profits, high employee turnover and customer complaints.

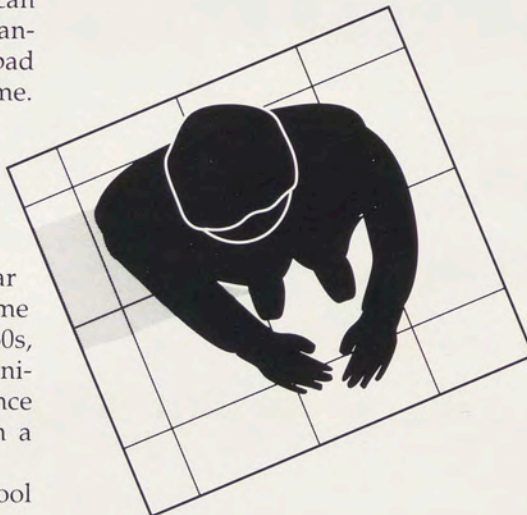
As farfetched as this may sound, it has been proven time and time again in laboratory studies, case histories and in actual practice. Any seasoned rent-to-own executive can relate examples of having a new manager take over a store and reverse a bad situation within a very short time. Pressed, the oldtimer will often admit that virtually the only change was in the new manager's expectations and treatment of employees and customers.

Although this concept may appear to be too simple, it springs from some very impressive research. In the 1960s, Dr. Robert Rosenthal of Harvard University demonstrated the importance of expectations on performance in a California elementary school.

Before the beginning of the school year, the teachers were told that a special testing procedure had revealed that approximately 20 percent of their students had untapped intellectual capacity. During the school year these children could be expected to bloom academically. Other than the names of the students, the teachers were given no



Managers' expectations have been shown to affect worker performance.



SPECIAL ISSUE

additional information.

Over a three-year period, those identified as academic bloomers had test score improvements of better than 20 percent — more than two-and-a-half times the rest of the students. It was a great surprise for the teachers to learn that the identification of these academically gifted students was not through scientific testing; they were chosen at random.

Rosenthal concluded that since there were no other major differences, the teachers' expectations

had been the dominant factor in the higher scores. The teachers expected these students to do better, acted accordingly, and as a result the children showed measurable improvements.

The Harvard study was not an isolated instance, but in a field such as the rent-to-own industry, executives may wonder if this "theory" has any application.

It works in the insurance business. Several years back, Metropolitan Life Insurance Company grouped a number of its agents into high, average and low groups and monitored their performance over a period of time.

As was expected, the high group — or "super staff" — had a significant increase; not just over the others, but also over their own past performance. Simply being assigned to the high-expectations group caused an increase in sales performance.

Results from the poor producers actually declined, because they sensed

that the company and their managers expected less of them. By simply grouping the people, and communicating the reasons for the classification, the agents' performances were affected.

For a while, however, the results from the average unit seemed to contradict the theory. This group actually had a greater percentage gain over past performance than the "super staff." The researchers set out to determine what happened.

What they found, however, merely underscored the point. The manager of this group refused to believe that he was less capable than the manager of

The manager refused to believe or treat them as if they were average. He treated them as though they were winners ... This phenomenon has come to be known as the "Pygmalion Effect."

the "super staff." He also would not accept that the agents assigned to his group were any less talented than the "super staff." He told his team that they had as much potential as the "super staff" but only lacked the years of experience. The manager refused to believe

or to treat them as if they were average. He treated them as though they were winners. An essential element in his group's success was his belief in their abilities and his expectations of himself.

This phenomenon has come to be known as the "Pygmalion Effect."

It is named for a Greek artist who sought to sculpt a statue of the ideal woman. His creation was so beautiful he fell in love with it, and his feelings brought the statue to life.

Perhaps a more familiar illustration of the Pygmalion phenomenon is in

Continued on page 39

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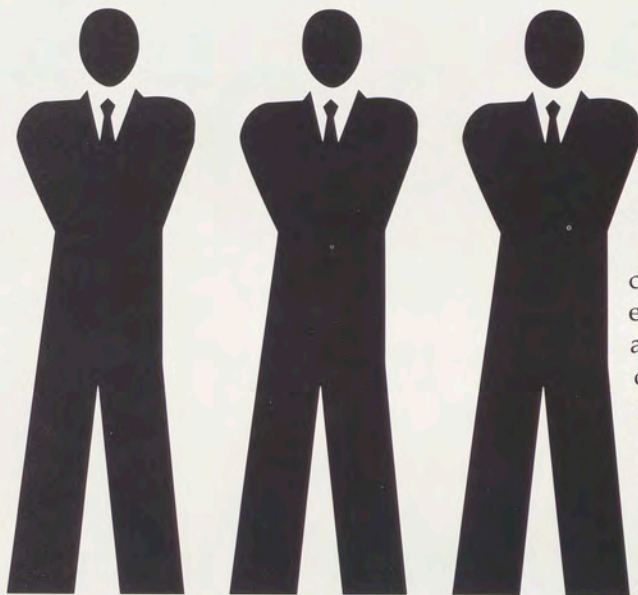
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Rental concept can apply just as well to workers

Employee leasing firms take much of the hassle out of administration



By Terrilyn Krieter

Don't have the money for a big down payment?

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Not sure about the model you've selected?

Then rent; don't buy.

This sounds like an advertisement for the rent-to-own industry, doesn't it? Well, the same factors can apply to the personnel decisions every manager faces on a daily basis; and there is an alternative — employee leasing.

The 15-year-old concept of leasing employees is fairly simple — employee leasing firms hire another company's work force, then lease the workers back to that company. By leasing its workers from an employee leasing firm, a com-

pany can reduce personnel-related administrative costs and benefit from lower insurance rates that the leasing companies can obtain as a larger group.

Each pay period the client is "invoiced" for the employees' gross pay plus an add-on charge, which covers the cost of administration and fringe benefit payments. The leasing company pays the employees, the Internal Revenue Service (IRS) and other taxing authorities, group health

and worker's compensation insurance premiums, credit unions and all other payroll related expenses.

Time-consuming payroll processing falls to the leasing company, although the client is responsible for reporting hours worked, salary changes, and any changes in employee status.

The client determines who to hire, and continues to set pay rates, working hours, holiday schedules, sick leave, vacations, and pay periods. The leasing company provides employee applications and government forms, sources for pre-employment testing and maintains employee files. Employee discipline remains the responsibility of the client; however, they are provided with guidelines that comply with state and federal employment regulations, thereby reducing the chance of legal problems. Should an employee be terminated, the leasing company monitors and responds to unemployment

and discrimination claims, and handles all COBRA notification and administrative requirements.

An employee leasing company in no way reduces the level of influence that a client has with his employees. The leasing company functions to process payroll, fulfill government imposed regulatory compliance requirements, assist in maintaining personnel policy guidelines, and provide workers' compensation insurance and a comprehensive employee benefits package.

Employee leasing can be a fantastic tool for recruiting and retaining a better level of employee. The benefit packages offered are generally on a level with those offered by large corporations, since leasing companies — grouping multiple small- to medium-size businesses — are negotiating for rates and benefits with a larger employee census.

Let's look at some specific advantages that employee leasing can offer small to medium size companies.

Low up-front cost

Employers supplying worker's compensation insurance and additional benefits, such as health insurance, are often faced with sizable deposits at policy initiation or renewal. Subscribers to an employee leasing company are no longer responsible for the big "up-front" outlays. With employee leasing, there is normally a small enrollment fee for each employee, and then the leasing company simply increases the enrollment in their master benefit packages.

Continued on page 37



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legal problems, especially in the area of account management. But with high turnover and greater and greater pressure for operating results, account management in particular is still an area fraught with potential legal problems. Good training in *how to manage*

accounts effectively while maintaining good customer relationships — and without violating the laws of the land — is essential to staying out of court and staying in business.

• **Better employee recruitment and improved selection.** Normal people

want to do a good job. Today, young people in particular are eager for training as professionals in whatever they do. When you are recruiting new employees you will find more applicants if you mention that you have a professional training program. When you are selecting among applicants, if you show evidence of your program, such as training outlines and training materials (manuals, videos, etc.), advancement of other employees through training etc., you will have a much better chance of getting the person you want.

• **Reduced employee turnover.** The cost of turnover is very high, but isn't a line item on your P&L (profit and loss statement). It probably costs you at least \$10,000 to lose an employee who's been with you at least three months, whether they quit or you terminate. (In a subsequent article I will detail for you how several dealers arrived at this cost of turnover.) Hiring the best available person in the first place (with the inducement of your training program) will tend to reduce turnover. Also, since people want to do a good job to be successful, receive advances in pay and position, and receive personal recognition, they *expect* to be trained. They will stay with your company only if they believe they receive good training for success. And, of course, you will want to keep them only if they are able to produce, which again traces back to good training. If your turnover is high, you may be able to reduce it by a considerable percentage through good training. Saving one employee indicates you can afford to invest \$10,000, and what you save on others gives you excellent return on investment (ROI).

• **Faster decisions on inadequate employees.** There is only one kind of turnover you want, as quickly as possible — the inadequate, untrainable, newly hired employee. The most competent employment pros occasionally make mistakes in employee selection. Don't waste time and effort. A regular, consistent training program gives you a baseline on how a normal employee learns, and this can help you make decisions more quickly and more fairly.

• **Improved organizational climate.**

Continued on page 34

Remco University breaking new ground in training for rent-to-own employees

Human resource experts in the rent-to-own industry generally believe the need for employee training will intensify in the 1990s. To prepare, many RTO chain owners are developing or revamping their own training programs — either internally or with the help of outside consultants.

However, one of the bigger RTO companies is going one step further in establishing its own standard of higher learning.

Remco University is the first of its kind dedicated to the education and development of people in the rental-purchase industry, according to Sam Lowe, university dean. "We want to take training a level higher," Lowe said. "We've tried to focus on education and development, rather than just training."

The company university provides education in two major fields and has formed two specialized colleges to carry out that approach — the Remco College of Customer Service and the Remco College of Team Leadership.

The college of customer service is "devoted to teaching and developing interpersonal skills to promote positive customer interaction and facilitate the development of longer term customer relationships," according to a Remco news release. The college offers a 10-hour "welcome and traditions" session as an introduction for new employees. It also provides more than 100 hours of classroom instruction at local

"campuses" in students' various marketplaces to build fundamental customer skills.

The college of team leadership, meanwhile, is "focused on educating and developing students who are actively involved in the management of others." The curriculum includes a 75-hour personal development program in store management and leadership. An advanced management class with more than 150 hours of classroom education is also offered to qualifying candidates.

Joining Lowe on the Remco University faculty are Vicki Wade and Don Hulse, professors in the college of customer service; and Butch Lockett, professor, college of team leadership.

Each college is committed to providing "worldclass" programs through the use of "cutting edge" training technology and external resources. Remco University also maintains an extensive library of books and audio-visual materials which students can check out.

The university's motto — "The Journey is the Reward" — reflects the company-held philosophy that the process of learning and personal development is inherently worthwhile.

Lowe says Remco University has enhanced the college-type atmosphere by designing its own university seal, and by making employee sweatshirts and pennants to carry out the theme.

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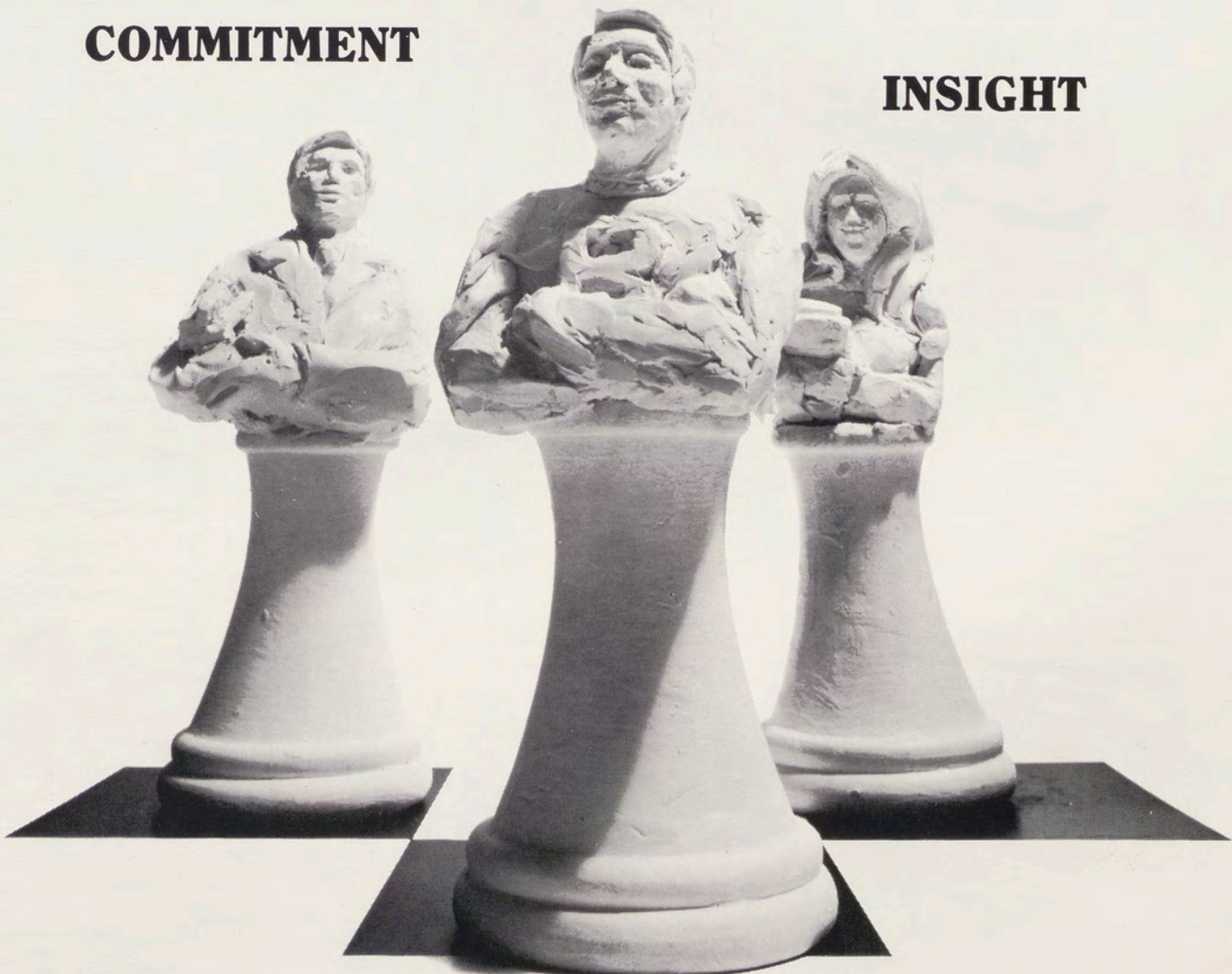
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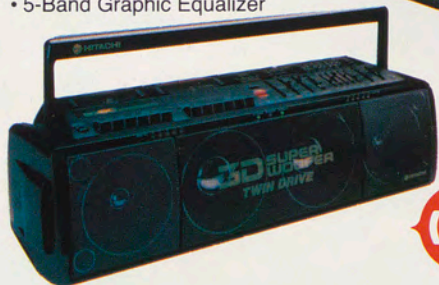
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Countdown to the future ignites excitement

APRO members to convene in Orlando for annual event July 22-26

By Barbara Stooksberry

With planning well under way for the 1990 APRO convention in Orlando, Fla., you can be sure of one thing — there'll be nothing Mickey Mouse about this convention, except maybe Mickey himself, alive and well at nearby Walt Disney World.

The rent-to-own convention officially begins Sunday, July 22, and lasts through Thursday, July 26. In addition to the many convention functions now in the planning stages, you'll find more to see and do in and around Orlando than you'll ever have time for. So here's a suggestion — arrive early and stay late.

Not only will this allow you to build your entire vacation around the APRO convention, but you can save substantially on airfares by staying over Saturday night. Details are still being worked out with Delta Airlines on a special APRO convention fare, but many airlines offer substantial savings — about 50 percent — to travelers who stay over a Saturday night in their destination city.

The extremely reasonable \$89 per room, per night rate offered by the Peabody, APRO's headquarters hotel, lets you plan a complete family vacation that includes both the APRO convention and many Orlando fun spots. Those who decide to drive to the convention may want to allow extra time for sightseeing along the way.

APRO convention planners recognize



Logo design by Kim McBride

that the annual trade show for RTO vendors and dealers plays a big part, and the 1990 show — the first to be held in a convention center — promises to

be one of the best. The Orange County Convention/Civic Center is considered state of the art, a roomy, full-service facility that exhibitors look forward to working in.

With its second phase now complete, the center's exhibit space has been doubled to 350,000 square feet. The convention center sits on 115 beautifully landscaped acres of lush Florida resort land directly across International Drive from the Peabody.

General Electric's Don Linskey, a member of the APRO Vendor Relations Committee, thinks both exhibitors and rent-to-own dealers will benefit from the 1990 trade show. The Orange County Convention Center, he says, is an ideal facility that will draw dealers.

"Since the convention in Washington last August drew a less-than-anticipated attendance and the convention the year before in Las Vegas drew heavily from the West Coast, we anticipate a good attendance this year," says Linskey, "particularly from the heavy concentration of rent-to-own dealers in the Southeast."

Debbie Hansen, APRO director of member services,

knows dealers need enough time to explore new RTO product lines at the trade show while still being able to

Continued on page 45

APRO certification program to provide upward path of growth

Continuing education is a key to success in any business, and the rent-to-own industry is no exception. Management techniques, marketing strategies, products, and accounting and legal issues are constantly changing. One of the major benefits of membership in a national trade association is the opportunity to learn and grow in a structured, continuing educational program. To provide an organized system for educational opportunities in the rent-to-own industry, A P R O has established a dealer certification program.

The program initially establishes achievement levels for dealer certification. Those levels are *professional rental dealer*, *certified rental dealer*, *master rental dealer* and *life master rental dealer*. Attainment of any or all of these levels will identify you to your peers as a dealer who has the foresight to recognize that continuing education plays an important role in the success of your business.

Once the program gets under way, certification will probably be expanded to cover rent-to-own store managers, account managers, sales managers, regional managers and accountants.

The certification program will be available to all APRO members, associate members and their employees.

Achievements in both education and experience can be credited toward certification. Educational credits can be gained through a variety of sources, including APRO seminars and retreats, APRO convention mini-seminars, relevant rent-to-own seminars given by

parties other than APRO and general business education gained through schools, colleges or universities. Experience credits can be gained through rent-to-own experience from all levels, general business experience and the military.

The APRO certification program, with oversight from the APRO Member Services Committee, will award *certification credits*, or *CCs*, and *life credits*, or *LCs*,

toward any of the dealer certification levels. The number of certification credits will vary depending on subject matter,

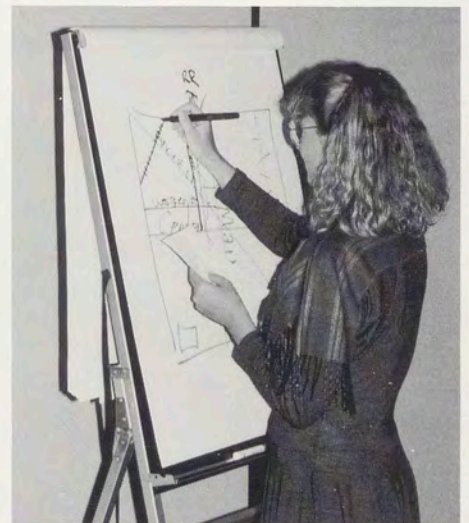
instructor, length of seminar and overall usefulness of seminar to RTO dealers. The number of life credits awarded will be on a case-by-case review of each applying participant, with no more than 40 percent of the credits required for certification to be gained through LCs.

The APRO Member Services Committee will be responsible for establishing the number of CCs awarded for each seminar or retreat and general business education gained through schools, colleges and universities. This committee will also award LCs on a case-by-case basis.

There will be a \$50 enrollment fee to cover the costs of establishing the computerized database to record achievements.

APRO office personnel will soon be mailing registration forms out to all members, along with more detailed information on the program.

— Bill Keese



Jan Gorman of Instant Rent To Own, Inc., Hammond, La., participates in exercise during APRO's major fall seminar in Dallas.

Range of RTO employment issues covered

The rent-to-own industry is not exempt from the increasing pressure of employment issues, authorities say, especially since changes in society and its legal system are affecting the relationship between workers and management in more ways than ever.

APRO's major fall seminar — "Facing Current Employment Issues in Rent-to-Own" — addressed the broad issue Thursday and Friday, Nov. 16-17, in Arlington, Texas, near Dallas.

London Star was sponsor of the Dallas hospitality suite, while Voyager Insurance sponsored the refreshment break.

"There is a huge movement out there in the employee-employer marketplace," said Ed Winn, APRO legal

Continued on page 32

RTO Atlanta jewelry 'summit' draws 70

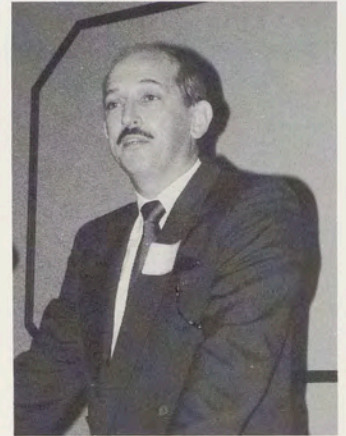
More than 70 rent-to-own dealers, attorneys and jewelry vendors attended a special jewelry "summit" conference in Atlanta on Wednesday, Dec. 6.



David Egan, chairman of the association's government relations committee, served as moderator. Also participating in a panel discussion were Claudia Filloramo, president of Key Rental of Florida and general partner of Rent-A-Rock; David Burdick, Prime Source International; Adam Segan, of London Star, Ltd.; Sam Choate, attorney;

and Ed Winn, APRO general counsel.

The APRO Government Relations Committee was formed several years ago "for the purpose of formulating plans to combat attacks on the industry by consumer activists and to create the safest possible legal environment for the rent-to-own industry," Egan said in his opening statement, adding that jewelry has raised some legal issues with possibly serious ramifications for the RTO industry.



Rent-to-own industry attorney Sam Choate, left, and RTO jewelry supplier David Burdick, right, were among the participants at the APRO-sponsored Atlanta jewelry 'summit.'

"We are here to advocate the safest way to conduct your business," added Egan.

After opening statements from the panel members, Egan opened up the discussion to audience members.

APRO conducted the special conference as a member service, according to Ted Wilson, association president. *PR*

Spring seminar cruise sold out

Because of its popularity, APRO's rent-to-own vacation and seminar cruise — set for the early spring — has been sold out, announced Debbie Hansen, director of member services.

The cruise to the Bahamas, scheduled for Monday through Friday, March 12-16, is aboard the "Fantasy." All of APRO's cabins have been booked ahead of schedule, confirmed Shelley Martinek, assistant director of member services.

APRO office has new address

Just in case you haven't noticed, APRO's national headquarters in Austin has moved — but only across town.

The new offices provide more space at a lower cost, according to Bill Keese, APRO executive director.

The new address is **APRO, One Bridgepoint, Suite 305, 6300 Bridgepoint Parkway, Austin, Texas, 78730.**

The new phone number is (512)794-0095; FAX, (512)794-0097.

Booths, hospitality suites set up for 3 Jan. shows

Three major market shows are scheduled for the first month of 1990 — and APRO representatives will be there, announced director of member services Debbie Hansen.

To better serve rent-to-own attendees of the national market shows, APRO booths have been reserved for the:

- 1990 International Winter Consumer Electronics Show (CES), Saturday through Tuesday, Jan. 6-9 in Las Vegas;
- The Dallas Winter Homefurnish-

ings Market, Saturday through Thursday, Jan. 13-18 in Dallas;

- And the Atlanta Winter Furniture Market, Saturday through Tuesday, Jan. 27-30.

In addition, APRO's member services department has made arrangements to help make things easier for APRO members planning to attend these shows.

A block of rooms has been reserved for APRO attendees at the Plaza of the Americas Hotel in Dallas and at the

Days Hotel Lenox in Atlanta.

Sanyo Fisher USA, Voyager Insurance Companies, Transamerica Rental Finance and Colortyme are among the sponsors of APRO hospitality suites at these events.

For more information, contact Hansen or Shelley Martinek, assistant director of member services, at (512)794-0095. Or, request a complete bulletin on the shows by writing to: APRO, 6300 Bridgepoint Parkway, Suite 305, Austin, Texas, 78730. *PR*

MEMBER SERVICES

EMPLOYMENT ISSUES,
continued from page 30

counsel, who conducted Thursday afternoon's session. "There are things happening in society that are causing employee lawsuits to increase over the last 20 years... There is a different societal perception about work these days."

He said government's trend toward deregulating business, combined with a decline in labor-union membership, has left a workforce more inclined to take its grievances to the courts. "For those kinds of reasons, employees are being more vocal about their rights."

Winn believes employers, especially those in rent-to-own, need to take care of their people. "The (RTO) industry has done much to improve its customer relations, and not much on its employee relations," he said.

The benefits are not just for employ-



Steve Miller examines methods used to keep good employees in rent-to-own.

ees. Good employee-employer relations usually result in a better bottom line for the company.

Winn quoted Chuck Sims, founder of

Remco, on the enormous impact longterm employees can generate for rent-to-own companies. "Chuck Sims says that, in his company, his average BOR (balance on rent) is about 1,200 (a month) ... And almost no matter what, he says, I can get my stores up to 800 or 1,000 units over time. But, he says, give me a store manager who's been there for five years and every single one of them will give me 1,500 to 2,000 BOR.

"He (Sims) is firmly persuaded that (employee) longevity in this business is important."

Winn also covered specific areas along with examples, including sexual harassment and wrongful discharge cases.

Steve Miller, a management training and development expert with extensive experience in RTO, discussed some of the things it takes to keep good employees during Friday afternoon's session.

Miller said the biggest cause of problems in any business — whether it be from the employee-customer or employee-employer standpoint — is miscommunication.

"We have grown up in a society where we don't have to listen," Miller said. "We don't work at listening. It's absolutely vital that we communicate effectively."

He illustrated how worker performance can suffer both initially and longterm because of a lack of employer-provided training. New workers often struggle in learning their jobs, Miller said, while not-so-new workers can continue to struggle — while losing confidence and initiative — because they didn't get proper training in the first place.

This situation is sometimes created by a genuine difference in expectations between worker and manager, Miller said, but often it is simply the result of miscommunication. Either the manager does not make his expectations clear, or the worker does not understand them.

Continued on next page

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TED WILSON,
Continued from page 6

RUMOR: APRO is not interested in hearing my views on what an association can do for its members.

REALITY: This one is really dumb! What is APRO? It's not some giant un-

EMPLOYMENT ISSUES,
continued from previous page

Miller believes managers should be "as accountable for their people as merchandise and profits." That means they should strive to keep good employees, he said, and not be content with the high turnover rate the RTO industry has traditionally experienced.

"There is no such thing as a replacement part in personnel."

— Steve Miller,
APRO seminar speaker

John Burnett, a seminar attendee and human resources manager from Michigan, said the average cost of replacing an employee in his RTO company is more than \$14,000.

"There is no such thing as a replacement part in personnel," Miller said.

Brian Farrington, a representative of Harry Weisbrod Associates, Inc., delved into some of the specifics of the federal Fair Labor Standards Act.

Farrington, a former wage and hour division employee in the U.S. Department of Labor, gave specific examples of the types of businesses subject to the wage-hour law. "The key is preventive maintenance," he said. PR

controllable mass. It is an association formed by members for members. It is your association and you are encouraged to participate to whatever degree your time and interest allows. If you don't like what the association is doing, get involved and get it changed. If you don't care enough to get involved, you

will get what *someone else* asked for. The choice is yours.



Ted Wilson
APRO president

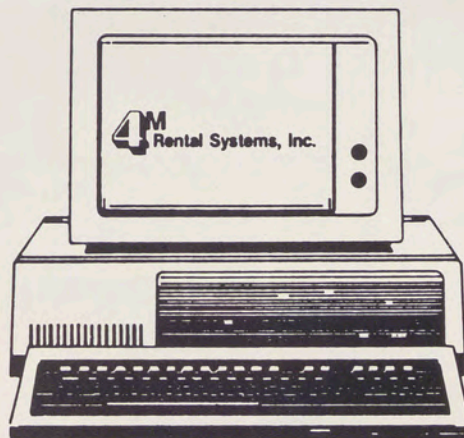
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Contracts and Customers: The *DiffRent*® Rent to Own System prints contracts and maintains customer and reference information for mail outs and marketing. *DiffRent*® also produces a variety of customer and agreement master reports to replace bulky contracts and expensive posting equipment.

Marketing and Sales: The *DiffRent*® Rent to Own System also incorporates a variety of marketing programs to allow users to mail promotional material, send out billing and notices, analyze customer and point of sale information within minutes.

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Management and Security: The *DiffRent*® Rent to Own System utilizes a high tech security program that allows management to effectively control internal theft and prevent unauthorized users from deleting, editing or adding information without proper access. It also allows management to adjust or change system configuration.

Employees will feel better about your company if they're satisfied that they have received good training. A good training program necessarily helps employees improve by helping them learn new skills and also by helping them overcome their own shortcomings. An openness to help individuals grow and develop is an important contributor to good employee morale. An open atmosphere makes it easier for the employee to approach management for help in understanding how to do the job well, and so contributes additionally to improved performance.

What can good training do for individual employees?

Individual employees will recognize many personal advantages of good training. Happily, these all benefit your company.

- **A good start.** Good training is essential for a fast, effective start. Obviously the company benefits through performance, but the employee also develops enthusiasm by receiving recognition quickly for performing effectively. This leads to good individual morale and the desire to continue learning and improving. Enthusiasm and good morale rub off on the rest of the organization.

- **Continuing improvement and addition of skills.** Good training is an ongoing process. It isn't enough to complete boot camp then throw the employee into the firing line. The employee needs to be taught the refinements which lead to continuing performance improvement and the ability to handle increasingly difficult or unusual situations. This in turn continues to generate confidence, enthusiasm and good morale.

- **Personal self-confidence.** People know whether or not they can handle the company's business well. When they receive good training, they develop the kind of confidence that leads to continued improvement through tackling more difficult tasks. They want to feel good about themselves, and they do. People who feel good about themselves do far better than those with low self-esteem, and they reflect confidence and enthusiasm to others.

- **Personal improvement through flexibility.** Employees know that they must understand how to handle situations the company's way in order to have opportunities for transfer and advancement. When they know they can handle the job in another store the same way as the present store, they gain confidence and enthusiasm. When given the opportunity to advance, well trained employees have confidence that they understand the jobs of their subordinates and that they can learn the next level — management — because they received good training in the basics.

How can you identify good training?

Whether you have a training program now or are starting from scratch, whether you purchase a program or

develop your own, here are keys to guide your decisions.

Good training teaches your employees the 5 Ws and 1 H. *Who, what, when, where, why* and *how*. Many programs fail as training because they cover only the 5 Ws but leave out the important *how to*. Learning how to is really the bottom line of training. Knowledge of who does what, when, where and why is very important background for understanding how to, but by itself simply isn't training. Training is teaching how to.

It fits your company. There are some generic programs, such as selling skills, which you can buy off the shelf from specialty companies. However, most employees learn faster and more completely when they are taught with specific examples of your business. Many people seem to have trouble transferring skills from one situation to another. This means you either have to develop your own program or find a good one aimed at rentals.

It is progressive? It's like building a fine structure. It starts with a plan, lays the foundation, builds the support structure, puts on the roof, adds the utilities, fills in the interior divisions and puts on the finishing touches. A great structure accommodates future development and provides for connecting additional utilities as needed. Passing out bits and pieces about what to do isn't training; orderly building on a strong foundation following a good plan is. So watch out for cheap, quick-fix, piecemeal programs. Cheap is usually the most expensive way to build in the long run.

It is complete, with all the elements needed for delivering the training and guaranteeing that the training will be applied on the job? It has a plan for specific objectives and the most suitable sequence of training. It has the materials needed for teaching required information and behavior (such as manuals, video or audio tapes), it has professional techniques for teaching the information or behavior (since telling what to do alone is not training), it provides a feed-back loop to reinforce good learning and correct whatever is

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necessary, it has a way to measure when or whether the trainee has learned and where any gaps remain. It provides a reward system for correct learning and positive way to retrack incomplete learning. The last factor, and the one most often overlooked: Good training provides a bridge to **transfer the learning from the training situation to the job.** Training experts will tell you that this is the place where most training programs fail; they don't provide a specific means for transferring and applying the learning on the job, which is really your ultimate objective.

Good training has clearcut objectives. For each training session or module, you should have a good definition of what the person should be able to do at the end of that session. (Professional trainers call this "desired terminal behavior." Believe me, it has nothing to do with cancer! With clear objectives you'll find you can determine when training is complete. Individuals vary considerably in their rate of learning, so a completion standard is important for recognizing whether to continue on the same topic or when to move to the next topic. Clear objectives also provide a way to measure the value of training — a difficult task otherwise.

Differentiating between information and behavior and actively involving the learner in the process — that's good training. It goes far beyond giving a lecture on what to do or how to do it. In teaching tasks (such as proper loading of trucks or filling out forms) it means practicing the tasks. And, most important in the rental business, where customer relationships are paramount, teaching interactions with people means role-playing a variety of situations similar to the ones which will be encountered on the job. The principle is that the learner learns through practice; the practice varies depending on what is being taught.

Good training provides some flexibility in administration while maintaining consistency in what is taught. For example, a new rental specialist and a new account manager both need to understand the rental agreement, but the account manager may apply the

skill by explaining the agreement carefully from beginning to end at the time of delivery, while the rental specialist may need to explain parts of the agreement to answer customer questions or overcome objections while going for the order. (Yes, I know some of you handle this differently, but the principle is the same.) You would teach the person first the way he or she will most often use.

Or another example: The rental specialist needs to learn how to fill out the order form to get full information for future reference, while the account manager needs to be very skilled in how to use the information. Also, some employees will need to learn certain things first, while others need to learn others first so they can become effective as soon as possible. A modular program is often the best solution to offering the kind of flexibility needed.

The next question — purchase or develop your own?

Fundamentally this is an economic decision. The major item is one of cost versus results; cost breaks down into materials and time. Material costs include all production, such as printing, videos etc., and the time for which you pay someone, either a consultant or an employee, to write and produce the materials. If an employee does the development, that usually means he or she can do little else during the development process, unless you can tolerate a lot of delay. (Just to give you an idea of cost, the Learning power program required approximately 2,000 hours of development time and about \$75,000 in production costs. A program you develop has the advantage of being very specific for your company; if well done by a person who knows good training technology, it may be more

Continued on page 38

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We won't bury our heads in sand

I have been in several meetings with various rental dealers lately — some seminars, and the jewelry summit (*see page 31 story*). Personal encounters with dealers are always useful for me, since that is how I stay in touch with what is going on in the industry. A part of the association's function is to try to influence what goes on in the industry — to make it better for the participants. Another is to report on what is going on so that other dealers can measure in some sense whether they are ahead of or behind the times.

I would characterize my recent meetings as having been with a serious, somber even, group of hard-nosed business people, who are, by and large, devoted to what they are doing. Some are resigned and others are defiant in the face of what they perceive as the government trying to tell them how to run their businesses. I acknowledge both emotional reactions to life in the rental business these days, but I wonder if either is productive. The fact is, and I particularly reminded those at the jewelry summit because there was more defiance expressed at this meeting, that we all do what we do at the pleasure of the government. I can practice law because the states of Texas and North Carolina have, for a fee to be sure, given me a law license. For dealers, there is no inalienable right to rent TVs, or stereos, or furniture, or jewelry, or anything at all to customers. We can be in this business because the government allows us to — either by action,

witness the states which have considered the rental business and passed laws, or by inaction, those states and the federal government which have failed to act. To make the point, I merely mention Pennsylvania where there is no rent-to-own as the rest of the country knows it. There are rent-to-rent dealers with various creative programs for their customers; and there are retailers playing by the retail rules. But there are no rent-to-own dealers because with a stroke of its collective pen, that state's government decreed that there is no such thing.

It may feel good to rail against the government's oppressive presence on the back of business, but it is not accomplishing much. The sad truth is that the rental industry needs governmental supervision. It has not proven itself competent to regulate itself. Indeed, there are few industries so self-disciplined. Having said that, I acknowledge that reasonable minds differ about how much the government needs to intrude in our particular business.

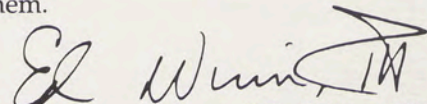
The industry you are in is struggling with this issue. Believe it or not, the entire legislative program is not some attorney's afterthought designed to line the pockets of lawyers and lobbyists. It is a plan to protect the industry by getting it regulated responsibly, as defined by some of the best thinkers in the business.

I heard the argument advanced that this industry ought to solve its problems behind closed doors, a variation

on a theme I have heard for 10 years, now. There was a day when this industry could and did hide itself from public scrutiny. That occurred when there were fewer than 1,000 stores in the country. Now there are 6,000 plus. This industry is the same size as the fur industry — roughly \$2.5 billion at retail annually. It is simply not possible to hide an industry of that size, nor is it possible to hide the issues that confront it. We are far better off, and we have proven this repeatedly in state after state, getting the issues on the table, and forcefully arguing our position.

We are in the midst of an industry shakeout. I write this without being able to offer a precise definition of a shakeout, other than to suggest that the industry is overdeveloped and is in the process of shrinking to a size that the economy will support. Some dealers have already lost their businesses; others will follow. The economic trauma of the times adds to dealers' sense of frustration. It is convenient to blame the government for hard times, or even to bearers of bad tidings. Neither is really at fault. Rent-to-own is a good idea. It has attracted lots of customers and lots of dealers. I believe that our economic system will finally allow for the proper ratio between the two. That does not suppose that all of you reading this will be cheered by the economy's machinations. Some of you will certainly suffer from the purge.

In the meantime, your association and your advocates will continue to spread the word of what we are all up to. We will try to do so honestly and with integrity. You, as industry members, have the responsibility to assist us. You are welcome to ventilate whatever wrath you have accumulated about the business. We will listen. What we will not do is ignore industry problems, or attempt to hide them. Rather, we are going to try and solve them. The more people we have working on solutions, the more likely we are to find them.


Edward L. Winn III
APRO general counsel

Fixed payment amounts

In most cases, the add-on charge is a fixed percentage of the gross payroll, set at the inception of the relationship. This covers all fringe benefits and administration costs. The client can easily project, budget and account for his personnel costs for the duration of the contract.

No ownership hassles

Employee leasing clients are no longer plagued by the countless federal and state regulations governing employee management. State and federal laws are constantly evolving, and the burden of interpretation and implementation falls to the employer. Payroll processing, deposit deadlines, unemployment claims, insurance negotiations - all take time that an employer could better use in promoting his or her business. Under an employee leasing program, the responsibility for all these areas falls to the leasing company.

Maintenance free

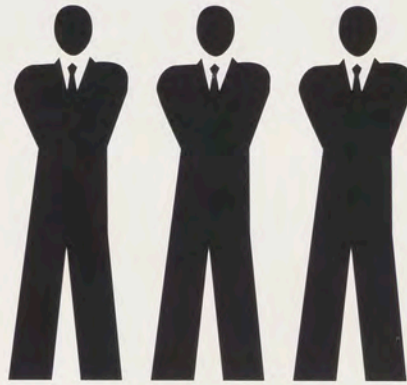
An employee has a change of address, wants to change his insurance enrollment, has had a change in marital status — these multiple, day-to-day record keeping processes become the responsibility of the employee leasing company. Time saved can be better used in promoting the company, while still benefiting the employees.

Product appreciation

This is a two-way street. Not only does an employee's value appreciate the longer he or she is with the company, but employees are offered the "big business" benefit package available through an employee leasing company. Consequently, they "appreciate" an employer's efforts to provide more comprehensive benefits.

Owners and managers of client companies are reducing their personnel costs, as well as transferring tax reporting and payment liability to the leasing company.

"Employee leasing was a lifesaver



for me," says Randy Walker, owner of Topco Office Supply and a client of Staffservices, Inc., a Dallas-based employee leasing firm. "As a startup owner, I was looking at spending an incredible amount of time on personnel related issues — payroll, tax reporting, employee record keeping, etc. Now that I lease my employees from Staffservices, that is all taken care of for me, allowing me to concentrate on my business."

Employees gain access to great benefit packages and cafeteria plans, along with savings, retirement and supplemental insurance plans. "Our benefit premiums were skyrocketing," says John Pickens, president of Pickens Energy Corporation and also a client of Staffservices. "Employee leasing not only made it possible to offer my employees a great benefit package, but I was also able to reduce my costs. All my employees, including my controller, are very pleased with the relationship."

The employee leasing concept could be tailor-made for the "rent-to-own" industry. Franchise owners and managers, finding themselves fighting costly and time-consuming personnel and payroll responsibilities as a result of frequent employee turnover, could actually free up time to conduct business. Hours lost to payroll and personnel responsibilities can be better spent in meeting other, more lucrative aspects of the rent-to-own industry.

PR

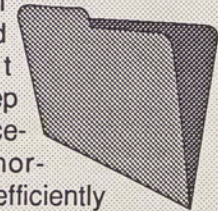
Terrilyn Krieter is an administrative assistant with Staffservices, Inc., a Dallas-based employee leasing firm.

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powerful and produce the best results. An advantage of a good purchased program is that it can be put to use immediately, and therefore can start producing results more quickly.

If you develop your own program, you can use these guidelines to achieve the desired results. If you purchase a program or programs you'll want all the characteristics. It takes time to evaluate training, but you may find that a screening process will help. I suggest you ask these key questions first; forget any program with even a single no, and spend your time looking more deeply into those programs which fit. The key questions: 1. Does the program target your specific needs? 2. Does each training unit have clear objectives for desired terminal behavior? 3. Does it teach how to, not just what to? 4. Is there a way to transfer learning to the job?

Perhaps the most important advice I can give is: Consider training an investment (not a cost), expect a good return and analyze whether you are getting that return.

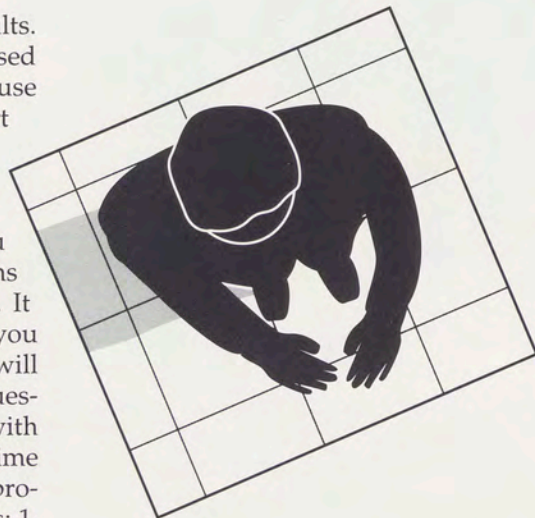
PR

Rozanne Flatt is a rental dealer and founder of The Center for Rental Training and Development. She is the author of Learning power, the how-to system for training rental employees, and of MORE power — Management Of Rental Employees — for training managers to get results through subordinates.

COACH, continued from page 19

ing used. It assumes that there is only one way of accomplishing a task. When we use only telling as our method of training, we tend to cut off the enthusiasm of the employee to find new and better ways of accomplishing the results expected of a job. Employees should be involved in the training process and also be given a chance to come up with new ways to do the job. How do you train employees if there is more to it than just telling?

Whether you are a sports fan or not, you have probably watched while a



SPECIAL ISSUE

coach paced up and down the sidelines while the athletes went about doing the job required out on the field. That is what training and development is all about. Getting your employees to the point of preparedness so you can stay on the sidelines while they go out and get the results that you want. If it works for coaches, why not use the same methods for developing employees? There are only five steps to the coaching process, but they are each equally important.

The steps to the coaching process:

1. Define the job. Clearly define what is expected of each job (team position). Keep in perspective what all the other jobs are required to do and make sure that when they are all done, that the team can win the game.

2. See what the person can already do. No coach starts working with a quarterback, forward, sprinter or any athlete by telling him how to do the job. They go to the practice field and the coach watches while the athlete goes through his maneuvers. Only then can

the coach determine what the athlete is already capable of doing and where he needs to improve. The coach will discover the things that they don't know, (training solvable problems), and things that can be done better, (developmental needs).

3. Address the training needs first. Begin by demonstrating the proper way to accomplish the task and then explain the benefits of doing it that way. It is important to break the job down into component parts so the employee can see each element of the total job. For example, a coach doesn't just pass a ball and then give it to the new quarterback to throw. Passing the ball is broken down into the basic skills steps. First is how to grip the ball properly; next, how to set up — cock the ball behind the ear, elbow high, arm pulled to the rear; next the stride that is taken as the ball is thrown, with the explanation that if the stride is too short or too long, the pass will be low or high respectively; and finally the release and follow through. There is much more to completing a pass than just "grab the ball and throw it down field." If there is that much to passing a ball, how many steps are there to selling a product to a customer, or delivering the product and setting it up in a customer's home — or any of the other jobs in the store?

4. Involve the players (employees) in the action and observe their performance. Let them pass the ball, install the television, sell the refrigerator, or do whatever task you have just demonstrated. This step is the same for all, those just starting and the experienced employees. This gives you a chance to look at all the parts that make up a total job and how well they can do each element. You will probably find that they do some parts of the job well and only need to improve in certain areas. This saves your time since you don't have to correct everything, and it gives the employees some recognition for things that they are already doing right.

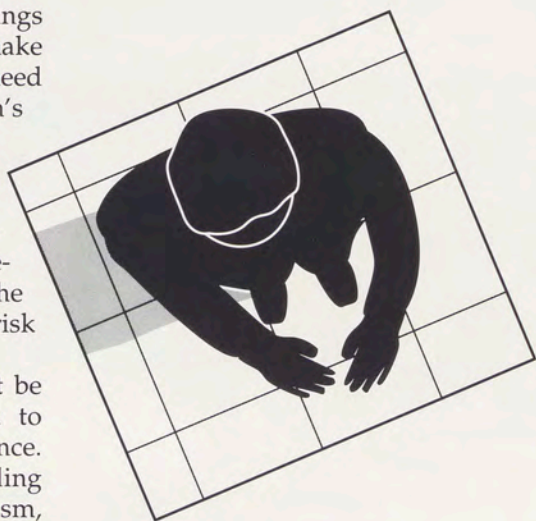
5. Continue the development of the required skills through observation and feedback. As the athlete (employee)

Continued on next page

makes progress, reinforce the things that are being done well and make adjustments to those things that need improvement. This part of the coach's job never ends. That is why they have spring training camps and preseason practice for every athletic endeavor. The ability to perform the basics must be proven before the right is earned to run the razzle-dazzle plays that are high risk and high payoff.

There are some rules that must be followed when giving feedback to employees on their job performance. One of the basic rules to providing criticism, even constructive criticism, is that you don't have the right to tell someone that you don't like what they have done unless you have a suggestion for how it might be done better. Another rule to observe when giving feedback on performance is, remember that there are a number of ways to get a job done. Just because the employee does something in a different way than you would have done it does not make that way wrong. Look at the results. If the employee gets the same or better results doing it their way, let them alone. I have seen linemen that had a terrible looking stance when they came to the line of scrimmage, but they never missed their blocking assignment. In that case, it was more important that the lineman be comfortable with his stance and concentrate on carrying out the blocking assignment.

This brings us back to the original problem — "I can't find good people!" It may be that there is no such thing as "good people" the way that they are being defined. That is someone who can start on the job today and do it just the way that you want it done without any explanation, training or effort on your part. Even training by itself cannot accomplish the job. Knowing how to do something, and being able to do it right under the pressures of expected job results are worlds apart. I can train a young person to throw a football and they will know why each part of the process is important. Does that qualify him to start the next game? No! But I



SPECIAL ISSUE

trained him, didn't I? That is part of the frustration that owners and managers experience in training their employees. They feel that they have done a good job of training and expect the employee to be able to do everything just the way they were shown. If it were that easy, there would be no losing ball teams or businesses that fail. Everything would be done according to the game plan.

Training is only the start of a long process of grooming your employees to be what they should be — what you need them to be for your business. Development is the long, slow part of the job — the part that really helps people perform to the maximum of their potential and do the job that must be done. If you cannot find the employees that you want, it just may be that you have to develop them. Find the people who have at least the basic skills and a personality that will work well with you and the other people in the business, and develop them into what you need for your business. You will probably find that they feel pretty good

about themselves and about you as their coach.

The final thing to remember about the coaching or training process is that the coach cannot run onto the field and throw the winning touchdown, shoot the final goal or sprint the final 10 yards to the finish line. They have to live with the results produced by the athlete, and the success or failure of their own efforts at coaching the athlete (employee) to a winning performance.

In a future article, I will cover more of the rules for giving feedback to employees. Giving feedback is an essential part of training and coaching. Managers who have used the rules for giving feedback have reported exceptional results in their efforts to coach employees to better performance on the job. Good luck, coach.

PR

Rex Thornton is a managing partner of Triad Learning Systems, Inc., a Dallas-based training and consulting company. His first job out of college was classroom teacher and coach, and he credits that experience as the foundation for his 20-year training career.

EXPECTATIONS,
continued from page 21

George Bernard Shaw's play *Pygmalion* (*My Fair Lady*). Professor Henry Higgins wagers that he can train a rustic flower girl and pass her off as a lady.

He succeeds, but the lesson for managers lies in the comment of the former flower girl to Professor Higgins' friend, Pickering:

"You see, really and truly, apart from the things that anyone can pick up (the dressing and the proper way of speaking, and so on), the difference between a lady and a flower girl is not how she behaves but how she's treated. I shall always be a flower girl to Professor Higgins, because he always treats me as a flower girl and always will. But I know I can be a lady to you because you always treat me as a lady and always will."

Continued on page 41



The two 'mothers' of RTO jewelry

By James D. Walker Jr.

This is about jewelry, rent-to-own and hard choices. I always heard the President of the United States made hard choices every day. I heard he was always choosing between alternatives which had equally awful consequences. Maybe we should call him for help. Or maybe it's time for another Sunday School lesson.

The most famous story about a hard choice is in the Bible. Do you remember the story about the two mothers who both claimed the same baby as their own? The dispute was brought to King Solomon for resolution. Back in the old testament, kings were also judges. That must have taken a lot of fun out of the job. They say King Solomon was real wise.

After hearing both sides, King Solomon decided that the simplest method of resolving the dispute would be to take sword in hand and divide the baby between the two mothers. After the king had issued the appropriate order to a nearby guard, the real mother tearfully relinquished her claim rather than see her baby torn asunder.

What a great story. Like most wisdom, it makes perfectly good sense after you consider. On the other hand, had I been in the wise king's shoes, I would have tried some other tactic, like cross-examination. I tend to identify with Perry Mason; I would not make a good king.

This little story presents several interesting ideas. Both of the mothers really wanted the baby. We can be sad for the imposter. We will never know whether she would have allowed the child to be killed to satisfy her selfish desires. We only know that the real

mother spoke first.

In the rent-to-own industry we currently have a real dispute that is not unlike the one between the two mothers. Both sides make sincere claims for a method of doing business. There is no compromise between the two claims.

One of the (figurative) mothers is jewelry. She promises to bring increased profits to the rent-to-own business. Without her help, some companies may fail. She is sincere in her offer of assistance.

The other mother is our legal structure. She has served us well for the past 15 years. She has made it possible for us to build an industry which provides a service to our customers. She has also rewarded many enterprising capitalists (sustainers and benefactors of the American way) with prosperity and financial security. She has been a good mother.

The sale of jewelry using the rent-to-own system threatens to destroy the legal basis for our business. Others have addressed the subject in their writings and comments. If you do not understand the arguments of the opponents, you have not been paying attention. It would be time for a little homework before considering the problem further.

Jewelry is not an item which is associated with personal use, such as a television. Instead, it is associated with the notion of a gift. The most persuasive lawyer in the world will have some difficulty selling the idea of the rent-to-own engagement ring. Worse, the spill-over will surely hurt our credibility before the courts and legislators when we talk about traditional rent-to-own goods such as televisions and stereos.

An appealing feature of jewelry is

that our customers want it. If rent-to-own is the only means, so be it. To them, the distinctions between sale or lease may be meaningless. Mere possession is often the only objective. Our customers seldom consider the consequences of non-payment. Our legal dilemma is unimportant to them.

Some suggest that retail is the answer to this dilemma. If this method is used, the rental/retail dealer must be careful to be sure that his advertising and business procedures comply with the laws regulating retail activities. The entire complexion of a rental store will have to change to de-emphasize the rent-to-own transaction.

The integration of retail into the rent-to-own environment is a step which should be taken carefully. It represents a substantial transformation. It cannot be done carelessly — without creating consequences. Still, if there is a compromise, this is probably it.

We have always known that there is strength in purity. We have represented to our opponents that our business is simple. We rent consumer goods. Acquisition of ownership is a secondary aspect of our business. If we introduce retail, we are going to confuse that presentation.

Everyone knows that the rent-to-own industry is facing a hard choice. In the dispute between retail dealers and rental lawyers, there is no clear right or wrong. A sword will soon divide the baby. We must decide between these two mothers. Will the real mother please stand up and save us?

PR

Legal is a regular column written by James D. Walker Jr. of Surrentt, Choate and Walker law firm.

Pickering's treatment of the flower girl has self-fulfilling results. Liza Doolittle becomes the embodiment of his expectations, which he communicates to her through his words and actions.

In the rent-to-own industry — where good employees are difficult to find, motivate and retain — the Pygmalion effect can be used to good advantage. The expectations of the managers in an RTO company have the greatest single impact on performance.

If managers expect high performance from an individual or group, they will tend to act in a way to cause this expectation to be fulfilled. They will communicate high expectations in many ways and these spoken and unspoken messages will create confidence and will heighten the desire to perform. On the other hand, communicating low expectations can cause subordinates to fail.

The classic case of how not to practice the Pygmalion principle of motivation is the manager who — not comfortable with conflict or communication — just decides to clam up. Unfortunately, the silence is interpreted as a negative message.

The manager may believe that an employee can perform but does not communicate that to him. The employee is going to perform based on the manager's actions, not the manager's internal beliefs.

It is essential that managers develop effective communication skills with subordinates which transmit high expectations. Through training, those skills can be acquired, improved and come to be intuitive reactions to day-to-day job situations.

The impact of a manager's communicated expectations is greatest with young or inexperienced employees. Because of this, the position of store manager is critical.

Store managers determine the performance of their individual store and, collectively, the company. If we want to develop a company of individuals with high expectations that deliver high performances each month, we must:

Select managers with high expectations

Because they will be the ones who

select, train and motivate employees, it is vital to hire and promote managers who have high expectations of themselves and others. To identify them, look at their past success. Previous performance is the best indication of future performance. Look for those who have set high expectations and performed well in the past.

Develop hiring skills

Few store or even district managers have ever been given any type of training to develop hiring skills. This is one of the most important jobs either has to do, yet it is usually left to be done by instinct and gut feel. Is it any wonder why there are so many poor performers, positions left unfilled and high turnover rates?

Managers must be trained and have a full knowledge of aspects of hiring for which they are responsible. Successful hiring is more than just knowing how to conduct an interview. Can you afford to have managers make hiring mistakes?

Communicate high expectations

If high expectations are a secret, they will have no effect. Many managers do not know how to communicate high expectations. They must receive specific training in the skills of praising, coaching, counseling and giving performance feedback. Employees who have high expectations want and need frequent, detailed feedback on their performance.

If the manager does not have the skill or confidence to provide performance feedback, the employee's expectations will be lowered eventually to what he perceives the manager's expectations to be.

Create a motivational atmosphere

By rewarding good performance, the company and individual managers can be sure it will continue. Turnover is lower and performance higher in a store in which the store manager displays a positive attitude and where the employee feels appreciated.

All managers are important, but the store manager is especially important. If they are unskilled and lack training,

they can leave scars on the careers of your new employees, cut deeply into their self-esteem, and cause poor performance. If he or she is a trained and skilled manager with high expectations, the employee's confidence will grow, their capabilities will develop and they will be more productive.

The secret of a high-performing store begins and usually ends with the expectations of the manager. The selection and training of these individuals is critical and determines customer satisfaction, growth — as well as profit.

The managers determine the success both today and tomorrow for the rent-to-own company.

PR

Wayne Outlaw is president of Marcon, a business consulting and training firm based out of Mt. Pleasant, S.C. He is a regular contributor to Progressive Rentals.

Has this happened to you?



The hiring and communication skills of managers affect not only employees, but also BOR and profit.

Wayne Outlaw's seminars teach RTO companies ways to improve hiring and management skills which can reduce turnover and increase store performance.

Begin 1990 by contacting us to discover how to have stores fully staffed by qualified employees.

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Brochures helpful to consumers, RTO stores

The Money Management Institute, a part of Household International, has recently revised and reprinted a consumer publication — *Home Furnishings and Equipment*.

The brochure tells consumers how to budget and shop for home furnishings. For instance, the section on refrigerators covers items such as conventional or single-door models, combination refrigerator-freezers, side-by-side refrigerators and compact models.

Consumers who are better aware of their options can shop more intelligently, but store personnel can also use the brochure to familiarize themselves with different products.

Many major manufacturers have similar brochures, including *The Inside Story*, published by G.E. Consumer Affairs (AP6-106, Louisville, Ky., 40225); and three published by AIS Whirlpool Corp. (P.O. Box 551, Kalamazoo, Mich., 49003) — *Nice Things to Know About Appliances and Electronics*; *Safety With Major Home Appliances*; and *Preventing Appliance Service Calls*.

Home Furnishings and Equipment is available for \$1 by writing: Household International, 2700 Sanders Rd., Prospect Heights, Ill., 60070.

Source: Money Management Institute

New system controls expired accounts

Saf-Write Forms and Systems, based out of Daytona Beach, Fla., is offering a new system for controlling expired accounts.

Saf-Write's Closed Account Management System includes orange folders marked "closed account" with step-by-step procedures printed on the sides to help personnel follow through to the final closing of an account.

The system ensures a detailed record is maintained of every action taken on an account, according to company literature.

Folders are packaged 100 per box and are available for \$38.50 per 100. Discounts on larger quantities are available, as well as customized folders.

For more information, write: 1209 S. Ridgewood Ave., Daytona Beach, Fla., 32114. Or, phone (904)252-5766.

Source: Saf-Write

National database set up to prevent losses

Tele-Track, Inc., a loss prevention and recovery system developed specifically for the rent-to-own industry, is expanding nationwide.

Developed in Georgia and initially marketed in the Southeast, Tele-Track enables RTO stores to minimize lost rental

income and skip/stolen losses by eliminating unnecessary risk, according to a company news release.

The heart of the system is a computerized database of individuals who have skipped on rental agreements and/or stolen merchandise in the past.

Before renting to a prospective customer, the merchant dials into the Tele-Track system, enters a five-digit access code and the prospect's social security or driver's license number. The merchant will be immediately informed if the individual is in the database and can therefore be considered a risk. If the individual does not have a history of skips or merchandise theft, the Tele-Track system will issue an approval code.

For more information, contact Dan Moss at (404)449-6991; outside Georgia, phone 1-800-334-9907, extension 374. Or, write to: Tele-Track, Inc., 5825A Peachtree Corners East, Norcross, Ga., 30092.

Source: Tele-Track, Inc.

Training-development division announced

The Growth Dynamics Company, publisher of the Learning power System for training rental employees, announces the formation of a new division — The Center for Rental Training and Development. At the same time, the company announces the upcoming publication of the MORE

power program — Management of Rental Employees, for development of basic management skills for accomplishing work effectively through others.

The center will provide self-directed learning programs in rental and management skills.

Individual certificates and seminars are also available. All participants will be tested for skill achievement by Rozanne Flatt, author of the programs and director of the new center.

For more information, phone Flatt at (217)529-4650 or (305)872-2643. Or, write her at 72 Country Place, Springfield, Ill., 62703; or P.O. Box 1500, Big Pine Key, Fla., 33043.

Source: Growth Dynamics

Popular Science names Philips product 'best'

Philips' Compact Disc Interactive (CD-I) was selected as the grand winner of the video category in the "best of what's new" section in the December issue of *Popular Science* magazine.

CD-I, developed by Philips, is an extension of the home compact disc player. It combines audio, video, moving pictures, data, graphics and text on a five-inch optical disc.

The "best of what's new" section was created by the editors of *Popular Science* to spotlight the top 100 products and technological developments of the year.

Source: Philips Consumer Electronics

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than three hours. The conclusion: If you're doing jewelry now you'll probably continue; if you're anxious to share in the profits of this new product you'll probably embrace it after the holidays; and if you're concerned because it is not an established product maybe you'll wait for others to test the waters.

Legal counsel stated jewelry is a luxury product. But so are camcorders, VCRs, stereos, tanning beds (with other potential legal problems), etc. And, when our industry started, so were color televisions until late 1985. The attorneys said jewelry is different, but were unable to explain how. "It's just different; a gut feeling." Is this an acceptable answer, especially when it deals with our livelihood? Winn stated furniture was OK as a product; in fact, that it lent credibility because it had a history of rent-to-rent. Jewelry, however, had no such history. This is a confusing statement since jewelry rent-to-rent has been around since the 1920s — that's more than six decades. My grandchildren watch a great deal of old rerun sitcoms like Bob Hope, Danny Thomas and Lucille Ball (black and white television at least 40 years old), each with many episodes featuring hilarious events created by a spouse renting jewelry to fool their mate. Jewelry most definitely does have a history of rent-to-rent, and certainly since the beginning of Hollywood. True, it may not be in every small

town from coast to coast but it definitely thrives in major cities and has for decades.

Another area of concern is bridal sets. Choate expounded on the problem of "intent." It appears our legal argument in court is proving the customer intent as temporary or short term, so as not to be confused as a disguised credit sale. Even the most prejudiced lawmakers against rent-to-own could not expect us to have a crystal ball pertaining to anyone's intent when it comes to marriage! All we can do is state facts based on historical statistics. Bridal sets make up approximately 18 percent of total jewelry BOR. Of this 18 percent, at least 70 percent are rented by people who have been married more than three years. In a typical 500 BOR rental store carrying jewelry, jewelry will make up approximately 20 percent of BOR or 100 pieces. Of those 100 pieces, 18 percent are bridal or 18 pieces, which equates to 3.5 percent of the total store BOR. Are we making a mountain out of a mole hill?

Apparently intent and keep rate are in an arena of their own. Yet, are we not in the rent-to-own business? Not rent-to-rent or rent for a short while. Is it OK to be a little bit not in compliance? Since the October-November issue of *Progressive Rentals*, I have spoken to approximately 100 RTO dealers who are renting jewelry. Some have been quietly renting jewelry for more than two years. After compiling the information received, jewelry "keep rate" is comparable with white goods and furniture.

The question now is what are we going to do? If our industry's protective legislation is so shaky, what can we do to firm it up? For our industry to thrive we must be allowed to continue increasing our product base. If we succumb to the threats of a potential problem, taking away the real possibility of another and much-needed additional RTO product, when will it stop? Are we prepared to relinquish any product deemed dangerous? We need to decide what we, as an industry, want and be prepared to finance such a venture.

— Claudia Filloramo
Rent-A-Rock
Panama City, Fla.

specific time while the convention floor is open.

Vendor representatives also should take the opportunity to communicate with their customers (and, of course, prospective customers) prior to the convention and make appointments to get together at their booth during the convention.

The value equation

Just as the rent-to-own industry offers tremendous value to customers, the APRO convention means value to your business and your own professional development. Those who look solely at the cost of participating in the APRO convention without weighing the benefits are selling themselves short.

To assess the value of convention for you, a good rule of thumb is to divide your overall convention expenses by the number of appointments you have scheduled during the convention.

When you consider the cost-per-appointment — appointments where you'll have an exchange of ideas from which new policies, procedures or products could be incorporated into your business — I think you'll find that your participation in the next APRO convention is essential.

Participating in an APRO convention during the past years has always proven to be rewarding for Zenith. We hope to see you at the 1990 APRO convention — "Countdown to the Future" — in Orlando next July.

PR

Norman Smith, known to friends in the rent-to-own industry as "Norm," is national manager of rental markets for Zenith Electronics Corporation and a member of the APRO Vendor Relations Committee.



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catch a seminar or two that can help their business. That's why "this year's seminars are scheduled so they don't conflict or compete with exhibit hours," says Hansen. And by arriving a day or two early, attendees can visit many of the tourist attractions in the area and still have plenty of time to take full advantage of the convention and trade show, Hansen adds.

Convention registration begins at the convention center at 7:30 a.m. Sunday, July 22. The golf tournament tees off soon after, and the course is considered one of the finest in the country.

While golfers are showing off their skills on the links, trade show exhibitors will be setting up their booths in the convention center, preparing for the exhibit hall opening set for 9 a.m. Monday. Sponsors are providing continental breakfasts on Monday and Wednesday for tradeshow visitors, and the Tuesday cocktail party will be held in the exhibit hall, with exhibit hours extending into the evening. This will allow plenty of time for RTO dealers to talk to current and potential suppliers on a one-on-one basis.

Dealer seminars will be scheduled for Monday and Wednesday afternoons, along with a general business session. Seminars which have been popular in the past — on topics such as computers, advertising, legal aspects of rent-to-own and accounting — will be included on the program again this year, but some new topics are also planned for 1990.

There will be time to socialize and have fun at the renowned APRO theme parties, and at the awards banquet which concludes the convention Wednesday night.

Programs for spouses and children will be arranged so they can also get the most out of their trip to Orlando. Or, some may want to strike out on their own. For the less adventuresome, however, guests at the Peabody can have a great time without ever leaving

the hotel.

Consider the duck parade, for instance. In keeping with a tradition begun years ago at the original Peabody in Memphis, Tenn., the parade begins at 11 a.m. each day as the now-famous Peabody ducks march down a red carpet to the main lobby fountain. There they swim until late afternoon, when they parade back down the carpet to the "duck palace" to bunk for the night. The next day, they follow the same regimen.

The fun at the Peabody is just beginning, though. There are three restaurants from which to choose: the B-Line Diner for the casual breakfast, lunch or dinner; Capriccio, where Northern Italian favorites are served from an open kitchen with wood-burning pizza oven and mesquite grill; and Dux, which combines an elegant atmosphere with New American cuisine. You can, of course, choose from a full room-service menu, and each room at the Peabody has a complete beverage and snack center for your convenience. Afternoon tea is served at the Peabody each weekday from 3 to 4:30.

Guests at the Peabody can take advantage of shopping at the hotel gift and pro shops, transportation to area attractions and the airport, express checkout, an athletic club and childcare services. There are four lighted tennis courts on the premises, and a first-rate golf course less than a mile away. The pool deck features a heated double-Olympic-sized pool, outdoor whirlpool and oversized children's pool.

The Peabody sits at the center of all that's exciting about Orlando. Since

Photo courtesy Orlando/Orange County Convention & Visitors Bureau



Church Street in Orlando provides visitors with a festive charm.

tourism is the lifeblood of the Orlando area, businesses there are geared toward helping guests enjoy the visit. If the Peabody doesn't sound like your cup of (afternoon) tea, there are a variety of accommodations to fit any budget.

Orlando, Lake Buena Vista and Kissimmee are all located within a few miles of the convention center. According to Orlando Visitors Bureau figures, there are 5,000 rooms within eight blocks of the convention center and an additional 7,000 within a 15-minute shuttle ride. (You should be aware, though, that hotels on the Disney properties are generally booked months ahead of time.) Fortunately, because most of these hotels are located on the southwest side of the city, there is very little rush-hour traffic congestion.

If you choose to visit Walt Disney World, you'll find the Disney people are masters at moving people and are experts at cutting down the hassles that come from sharing the day with thousands of other people at a theme park.

Disney sells one-day tickets that allow you to visit any or all of the three parks — the Enchanted Kingdom, Epcot or MGM Studios — on a given day.

Continued on next page

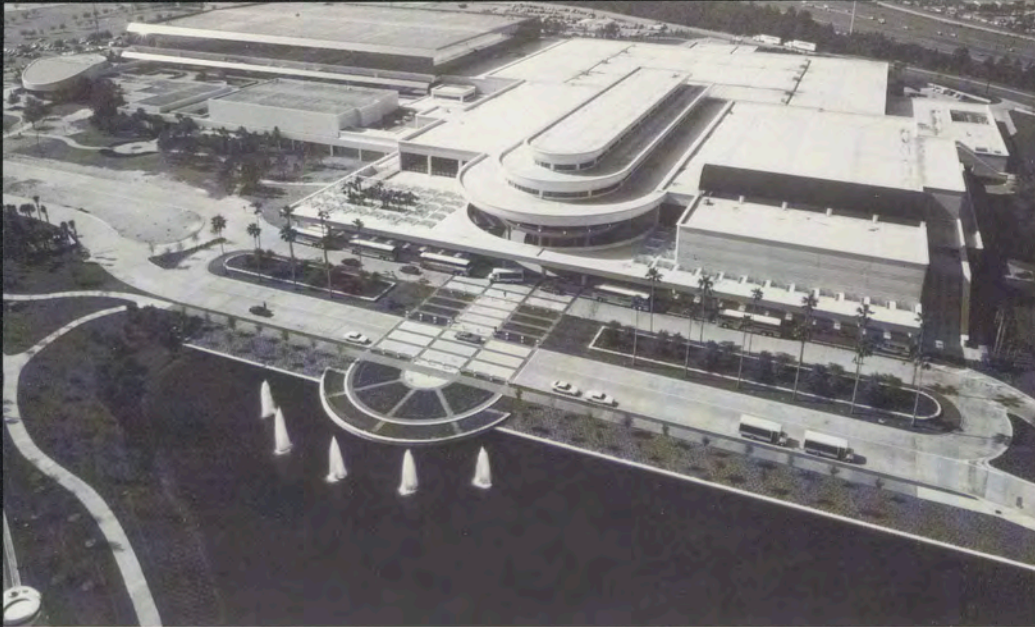


Photo courtesy Orlando/Orange County Convention & Visitors Bureau

The Orange County Convention/Civic Center is site of the trade show portion of the APRO 1990 convention in Orlando, Fla. Exhibit days are Monday through Wednesday, July 23-25

'Countdown' begins as July convention in Orlando is set

With 1990 just under way, the countdown to the annual rent-to-own summer convention — where the theme will be "APRO '90: Countdown to the Future" — is just beginning.

The theme, logo and invitation to exhibit have been developed for APRO's 1990 convention in Orlando, Fla., announced Debbie Hansen, director of member services (see adjoining page).

The Orlando Peabody is site of the convention, which is scheduled for Sunday, July 22, through Thursday, July 26.

The trade show portion of the convention is scheduled for Monday, July 23, through Wednesday, July 25 (see related story page 16). The exhibits will be displayed in the Orange County Convention/Civic Center, directly across from the Peabody, and exhibit hall hours will not conflict with other convention activities, Hansen said.

APRO's official invitation to exhibit was mailed out in early December to former and prospective exhibitors. Approximately 185 booth spaces are available for the 1990 trade show.

For exhibitors and non-exhibitors alike, APRO has secured affordable room rates and discounted air fares.

For more information on the convention or trade show, contact Hansen or Shelley Martinek, assistant director of member services, at (512)794-0095. Or, write one of them at 6300 Bridgepoint Parkway, Suite 305, Austin, Texas, 78730.

PR

CONVENTION, continued from previous page

Four- and five-day passes allow you to visit any or all of the three parks as often as you like over the four- or five-day period, and your visits do not have to be on consecutive days. (For more information, call 407-824-4321.)

Transportation should be no problem. Many hotels offer shuttle service to major area attractions, often at no additional charge, but parking is generally no problem either. Disney has huge parking lots and an efficient tram system that delivers guests to the entry gate. There is also a monorail system that connects the Enchanted Kingdom and Epcot.

You'll benefit from buying one or more guidebooks, usually available at your local bookstore. These give descriptions of the different rides, restaurants, shows and other features of the park. The one by Steve Birnbaum is billed as the "official" guide, but others are helpful, too.

In addition to Walt Disney World, there are a number of other theme parks in the immediate area (see *Progressive Rentals*, August-September 1989, beginning on page 26). Sea World, which boasts the new Penguin Encounter and killer-whales Shamu and Baby Shamu; Cypress Gardens, for ski shows on water and snow; Boardwalk and Baseball; Gatorland; NASA's Spaceport USA

in nearby Cape Canaveral; Lazer Maze; Mystery Fun House; Universal Studios Florida; and Xanadu, the Home of the Future.

You have your choice of waterparks, and there are restaurants of every description, including several based on unique decorating and entertainment themes. In addition, one- or multi-day cruises departing from Cape Canaveral — an hour's drive to the east — make for a memorable trip.

Boat excursions, helicopter and balloon rides and sports facilities are also options, and there are numerous shopping opportunities, whether you like to visit plush malls or seek out bargains at the factory outlet stores in the area.

APRO members will receive more convention information as the July dates approach, but it's not too early to do some planning on your own. For more information about the Orlando area, write the Orlando/Orange County Convention and Visitors Bureau, 7208 Sand Lake Rd., Suite 300, Orlando, Fla., 32819. For more information on the convention itself, call an APRO member services staffer at (512)794-0095 or write: APRO, 6300 Bridgepoint Parkway, Suite 305, Austin, Texas, 78730.

PR

Barbara Stooksberry is a freelance writer and editor who makes her home in Texas but has traveled extensively, including an excursion to the Orlando area last summer.

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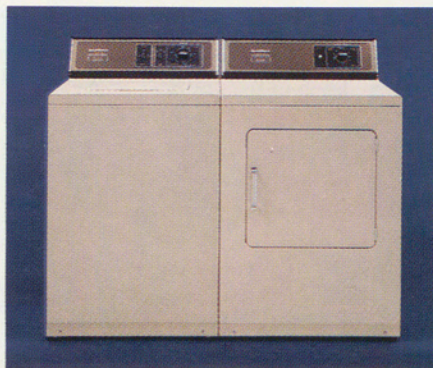
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