

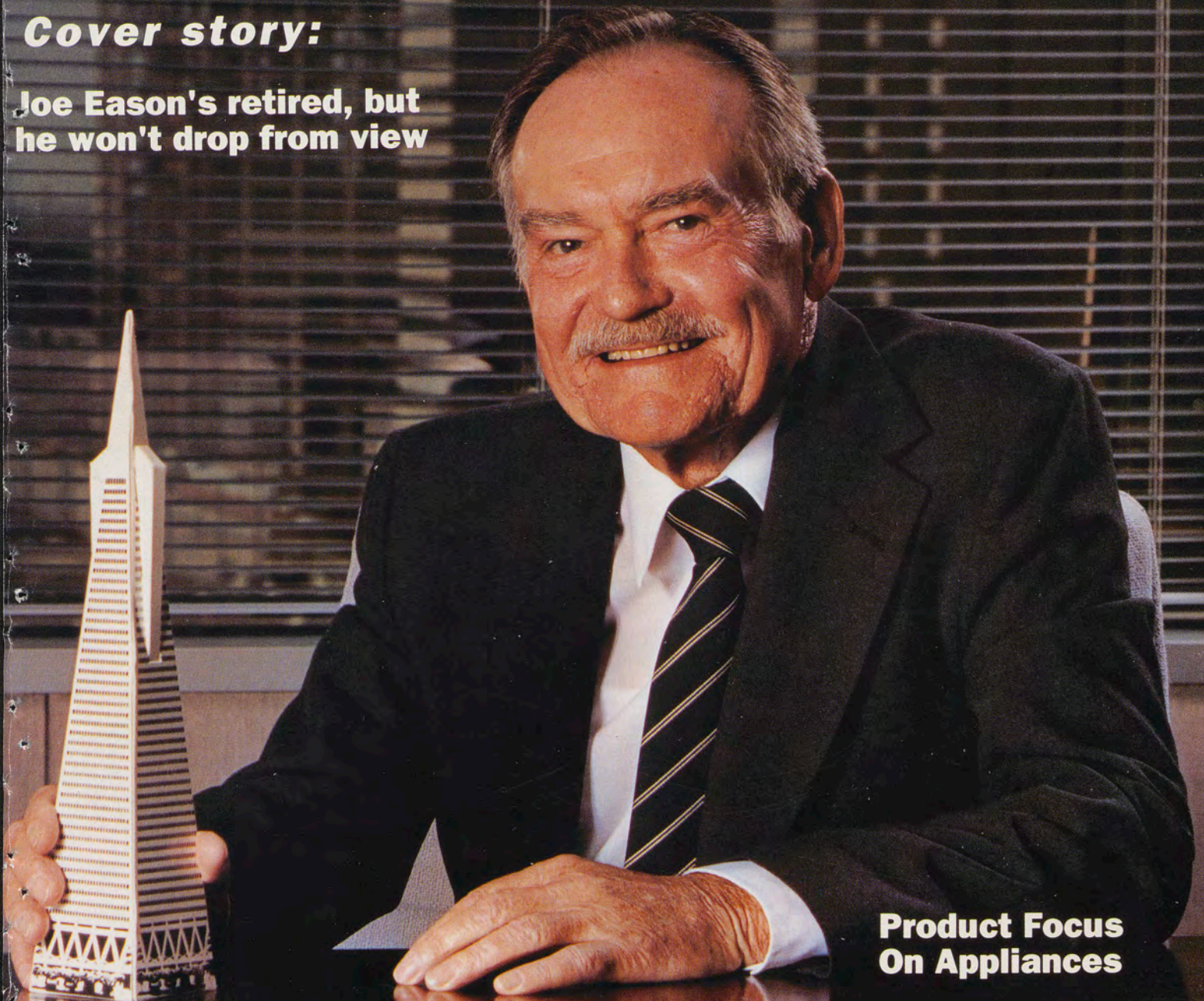
August/September 1990

The magazine of the rent-to-own industry

Progressive Rentals

Cover story:

**Joe Eason's retired, but
he won't drop from view**



**Product Focus
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APRO in Orlando: Recapping the '90 convention

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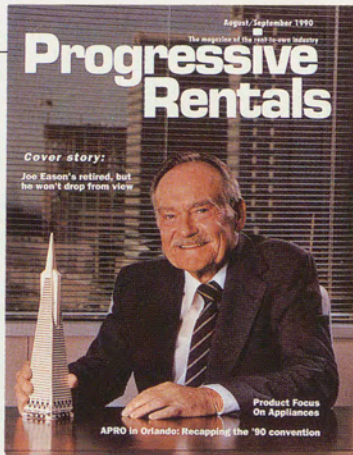


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ON THE COVER: Joe Eason, a pioneer in financing the rental industry, retired from Transamerica last spring. Our special Joe Eason package begins on page 18.

COVER PHOTO BY:
Tony R. Bennett,
Dallas

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The demand for different types of appliances seems to run in cycles. In 1989, rent-to-own dealers and suppliers were talking laundry. This year, however, it's refrigerators.

16 New ad 'vehicle' for RTO

At least one rent-to-own company has found a new way to carry its message. Georgia-based U Can Rent has its own NASCAR racer on the Busch Grand National circuit.

18 Joe Eason: A good farmer

Joe Eason would have made a good farmer. The financier spent his career cultivating clients and nurturing their businesses. We spend some time with down-to-earth Eason.

42 Multiple stores challenging

Many RTO companies have mastered running one store. But managing multiple-store units is another task entirely, and those entrusted with that job need to adopt different methods.

48 Managers must delegate

Many managers naturally avoid delegating important tasks to subordinates because of the old saying: 'If you want it done right, do it yourself.' Here are ways to disprove that notion.

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PRESIDENT'S VIEW

1990 convention: Consider it a sign of things to come from APRO



Those of us who attended APRO's 1990 convention and trade show are smiling a lot these days. Vendors and rental dealers alike are tagging the event "spectacular."

I, being a little more conservative, call it a sign of the future. For years, skeptics have been saying that rent-to-own was

slowly dying. But the near-record turnout at this convention of prosperous, happy and enthusiastic dealers indicates to me that our industry is not only alive and kicking, but eager to face the new decade aggressively.

Personally, I met a lot of new people and listened to a lot of new comments about the workings of your trade association. I was pleased to note that most of the comments about APRO were pretty favorable — which has not always been the case.

The new programs, publications and activities that APRO offers, combined with those already in place, further enhance the value of your APRO membership.

I am very happy to have been re-elected your president for a second term, and am anxious to continue the successes we enjoyed in the last year. But one man and a dedicated APRO staff cannot do it alone. I encourage each of you to get involved. If you cannot get involved on a "hands-on" basis, then let us know your ideas to make this a better organization.

Remember: It is your trade association, your industry and your future at stake. Don't risk it by your apathy. Let your thoughts and ideas be known so we can better serve you.

Ted Wilson
APRO president

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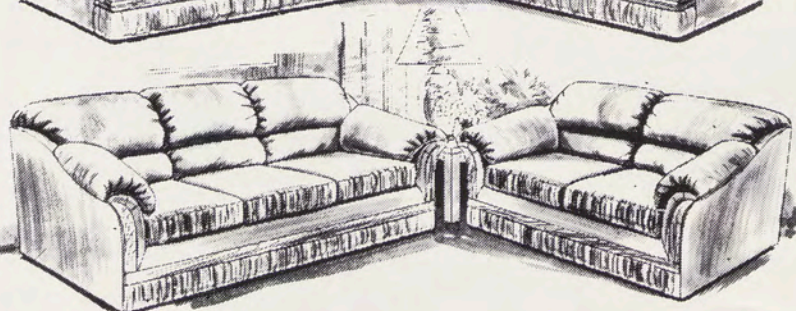


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PUBLICATIONS

• **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.

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• **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

Despite part-time writer's block, we're committed to serving you



Every time I sit down at my computer to write this column, I have to ask myself: "Self, do you think anyone out there in RTO Land is interested in reading anything I have to say?" Self always answers in the negative, but that doesn't stop John Gormley from reassuring me that Self is wrong. In fact, he regularly insists that I continue this grueling task. I guess that's why I get paid so much.

Nothing I say is going to shatter this fine planet we live on. But as an ol' English teacher I once had drilled into me: "If you're going to write something, it ought to be the best you can do!" So once again, I'll give it a sincere try.

I have served as your executive director for a year now. I can truthfully say I haven't had a more pleasant work year in all my adult life. We have a mighty fine staff at APRO. Everyone is continually enthusiastic about this industry and their contributions to it and to you, an APRO member. Every member who visits the office will make some sort of comment about the electricity in the air, and the enthusiastic people who work here. I must say, it's a real team effort. During the recent convention, I heard many members say that this is the most courteous and responsive staff ever. I guess that's the enthusiasm showing. All of us at the APRO office fully realize that we work for you, the APRO members.

I've also had the very real pleasure of working closely with several of the men and women from this industry who serve, or have served, on the executive committee, the board and various committees. And then there are those who have expressed a real sincere interest in participating more fully. They're a dedicated group, giving of their time and talents to improve this industry.

As you all probably know, I've owned my own business, served in the Texas legislature, was VP of franchising for a regional chain of restaurants and, yes, even worked on a railroad like my granddaddy once did. (Although not in the same capacity.) The people in this industry are a fine lot. This is truly a "people-oriented" industry. It's a story that hasn't been told enough, and one that we, as an industry, must start telling.

Thanking you for this year isn't good enough. My daddy always said: "Actions speak louder than words." I appreciate the opportunity to serve you. All I can say is — "Hold on, you ain't seen nothin' yet!"

Bill Keese

APRO executive director

1990's year of the refrigerator for rent-to-own suppliers, dealers

Refrigeration commanding larger share of white-goods product mix

The demand for different types of appliances seems to run in cycles.

In 1989, rent-to-own suppliers and dealers — figuratively, at least — aired out their laundry whenever white goods were mentioned. Washers and dryers, in their minds, were the mainstay of the RTO appliance business — which typically accounts for 20 percent or more of the average store's balance on rent (BOR).

This year, however, the trend appears to have spun away from spin cycles. While laundry product lines were popular with RTO customers last year and continue to represent a big chunk of the white-goods business, 1990 has seen an increased demand for bigger and better refrigerators.

"I'd say refrigeration is strong," says David M. Johnstone, director of merchandising and sales for WCI Major Appliance Group, which handles White-Westinghouse, Kelvinator and Gibson product lines for the rent-to-own market. "I see the rent-to-own industry certainly upgrading their product mix using refrigeration — larger capacities than have previously been used; more in the 17-, 18- and 19-cubic-foot top mounts."

Rent-to-own dealers, store managers and purchasing directors, meanwhile, concur: Refrigerators are in demand this year. Air conditioners are a seasonal item, especially in the Midwest and Northeast where summer heatwaves have a greater impact on the normally mild climes. Stoves and ranges, in-

Text by John Gormley
Graphic by Joel Mathews

cluding microwaves, are usually a marginal part of the white-goods mix but tend to move better in the fall — which also marks the beginning of a new television season. Vacuum cleaners and dishwashers represent even more appliance options for dealers, but account for relatively small portions of the rent-to-own business.

Refrigeration, however, was still going strong through late summer and into the fall of 1990. "This time of year is always refrigerator season," reports Rick Comeau, a Manchester, N.H., store manager for Rent One Plus, a six-store chain in New Hampshire. "Of course, when the temperatures climb in New England in the summertime compressors give out so we move a lot of refrigerators."

WCI's Johnstone believes RTO dealers are becoming more "feature oriented. They're looking for more upscale features and more capacity — a few more features to accommodate their customer."

Jim Benz, national rental manager, General Electric Appliances, gives a similar report. "Probably the biggest thing we've had recently ... is a brand-new refrigerator that is very well suited to the rental industry. It's a 16-cubic-foot, so that's a good size and it has a good price point."

Benz says this particular model, al-

though originally designed for the property-management business, fits rent-to-own dealers' needs equally well. It has bottom-mount coils that aren't easily damaged and allow the unit to fit in tight spaces; pocket handles for easy delivery and fewer breaks; and rip-off gaskets for quick and uncomplicated repairs.

"The rental industry has a lot of damage (in delivery and pickup)," Benz says. "So when it has a coil-free back there's three inches in depth that it doesn't have that a lot of boxes have. And then without (exterior) handles, that's another inch-and-a-half in depth that it doesn't have."

"So it makes it small enough that they can get it into tight spaces that other boxes wouldn't fit."

The design, which allows for economy of space but doesn't skimp on features such as a big crisper, deep shelves, reversible doors and wheels, appeals to today's RTO dealer and customer, according to Benz. "It satisfies both. Because, let's face it, most products aren't designed for this industry. You tend to get a mixed bag. Part of it's good for the customer; part of it might not be. And part of it's good for the RTO dealer and part of it might not be."

"I'm seeing more of an emphasis on upscale type of products, even in appliances. But this is still a small refrigerator so you really wouldn't classify it as upscale."

Sherry Lumpkin, merchandise manager for 48-store Shastar Renting to

Own, says her company, with locations in Ohio and Indiana, is buying solid product lines for its customers. "Your better features and your brand-name products are going to hold up in the field much better, so you have less re-

Sears is giving dealers an array of options.

"Our refrigeration line ... is a good example," Zagorniak says. "We had this particular product designed specifically for the rent-to-own market so it's very applicable in some of our other businesses. But the big thing about it is that this same product is available in a 15-, a 17-, 18- and 20-cubic-foot refrigerator. As far as a rent-to-own dealer, he can show one, tag it four ways and take up space on his floor for one—and be able to show additional product."

Sears' contract sales division also offers a special-order program under which RTO dealers can select a wider range of models at low quantity — for the occasional rent-to-own customer who's looking for something in the high end. Zagorniak says this option is popular with non-traditional RTO consumers, including recently divorced people and transient executives.

Gerry Ward, national sales manager for Sears contract sales, says his organization is adapting to changing consumer trends. "Most of the time when you think in terms of rent-to-own type products, you're thinking mostly it's the lowest price — the low end. But

now you're beginning to find that the dealers want more of the upscale-type products because it seems like the demographics of the renters are beginning to change. You have people who are moving temporarily, for instance."

Some dealers are adjusting to this new type of customer, or compensating for seasonal rentals such as air conditioners, by offering shorter-term agreements. "More people are looking to the rental stores to fulfill their short-term needs," confirms Michael Harvey, a store manager for 17-location Rainbow/Rent to Own in Syracuse, N.Y. "I charge a pickup fee in advance. Also, we usually charge a little more than we would on a weekly rent-to-own rate."

However, the traditional RTO customer who's looking at the long haul places a higher value on convenience and affordability. And major appliance companies are maintaining product lines to ensure that dealers can continue to meet those basic needs.

Cheryl Weinstock, a store manager for Shastar Renting to Own in Bryan, Ohio, says laundry lines are a constant in the RTO white-goods trade. "How come washers and dryers?" she asks. "Well, it always makes more sense to rent-to-own washers and dryers. They're convenient. You're spending the money at the laundromat anyway. It's not like a TV or a VCR or a stove. You've got to clean your clothes. It's more logical, as far as rent-to-own goes, for most people."

Rainbow/Rent to Own's Harvey agrees, but also says non-laundry products are moving as well. "Laundry products are quite popular, especially the portables," he says. "Recently we've had a surge in the larger refrigerators — 18-cubic-foot and up. More so than I've ever seen before."

Whirlpool Corporation, a year-to-year fixture in the white-goods arena,



"I'd say refrigeration is strong."

— David M. Johnstone, director of merchandising and sales,
WCI Major Appliance Group

pair costs in them," she says. "I find consumers, no matter whether they're rent-to-own or cash-pricing a product, want what's nice."

One outfit that's supplying RTO with more "upscale" products is Sears' contract sales division. And, according to district sales manager Al Zagorniak,

Continued on next page

is still experiencing steady growth in its rent-to-own sales, according to Tom Kitchens, sales and distribution account executive with the company's appliance group.

Kitchens says Whirlpool's top RTO performer remains its laundry line, while refrigerators comprise a smaller



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but stable percentage of the business. "Still and going away it's laundry equipment — washers and dryers. Probably 70 percent of

our overall volume is still in laundry equipment," says Kitchens. He adds that refrigerators account for 15 percent to 20 percent of the company's rent-to-own sales.

Despite all the recent talk of upscale features, Kitchens sees his RTO dealers sticking with the tried-and-true products. "They're pretty much staying with

"Our highest volume is ... rent-to-own ... compact laundry."

— Tom Kitchens, sales and distribution account executive,
Whirlpool Corp.

the mid-line model. They don't want a lot of bells and whistles, as far as electronics. Basically just our standard family size washer with a companion dryer.

"So it's not really different or unusual from where we've been the last three or four years."

Whirlpool has posted significant successes with its compact-laundry lines — "our highest volume is with rent-to-own in that compact laundry (category)" — Kitchens points out. "That holds its own. Compact washers and dryers for the apartments, duplexes and things like that. Mobility."

An emerging player on the RTO white-goods scene is Avanti Products, which offers a no-frills laundry and refrigeration line. "We're fairly new to the rent-to-own business," says Michael A. Flynn, national sales manager.

Flynn says Avanti's line of smaller-size refrigerators have settled into the traditional rent-to-own niche. "They (suppliers) had gotten out of what we call apartment-size refrigerators — the 9- to 15-cubic footers. We've found it to be very successful."

While appliance-sales profits have been generally sluggish for suppliers during recent years, the rent-to-own segment of the market continues to hold promise. "We look at growing, probably, our business still upwards of 10 percent a year," says Whirlpool's Kitchens. "We still seem to find a very viable market out there in the rent-to-own industry and we're going to go after it ... That's what we're planning."

PR

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

Who's who in appliances

Since 20 percent or more of the typical rent-to-own store's revenue comes from white goods, the importance of appliances to the industry is well established. The following list of appliance companies gives useful contact information, as well as a brief description of the type of appliances each manufactures or distributes. Each company listed supports APRO as an associate member, advertiser or convention exhibitor.

¥Avanti Products

8885 NW 23rd St.
Miami, FL 33172
(305)592-7830

Kitchen appliances: Refrigerators, freezers, microwaves

¥Brother International Corp.

200 Cottontail Ln.
Somerset, NJ 08875
(201)981-0300
Home appliances and home office equipment

+¥Crosley Corp.

P.O. Box 1959
Winston-Salem, NC 27102
General appliances

¥+GE Appliances

Appliance Park, Bldg. 4-206A
Louisville, KY 40225-0001
(502)452-3338

Major appliances

¥JBS Associates Inc.

P.O. Box 8309
Durango, CO 81301
(303)385-7677
Combination refrigerator-freezer- and-microwave-oven units

*+¥Magic Chef/Admiral

740 King Edward Ave.
Cleveland, TN 37311
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*Maytag

403 W. 45th St. N.
Newton, IA 50208
(515)791-8158
Appliances: Washers, dryers

+¥Sears Contract Sales

1201 E. 12th Ave.
N. Kansas City, MO 64116
(816)421-1222
Major appliances

*+¥Speed Queen

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Ripon, WI 54971
(414)748-3121
Appliances: Laundry

*¥The Eureka Co.

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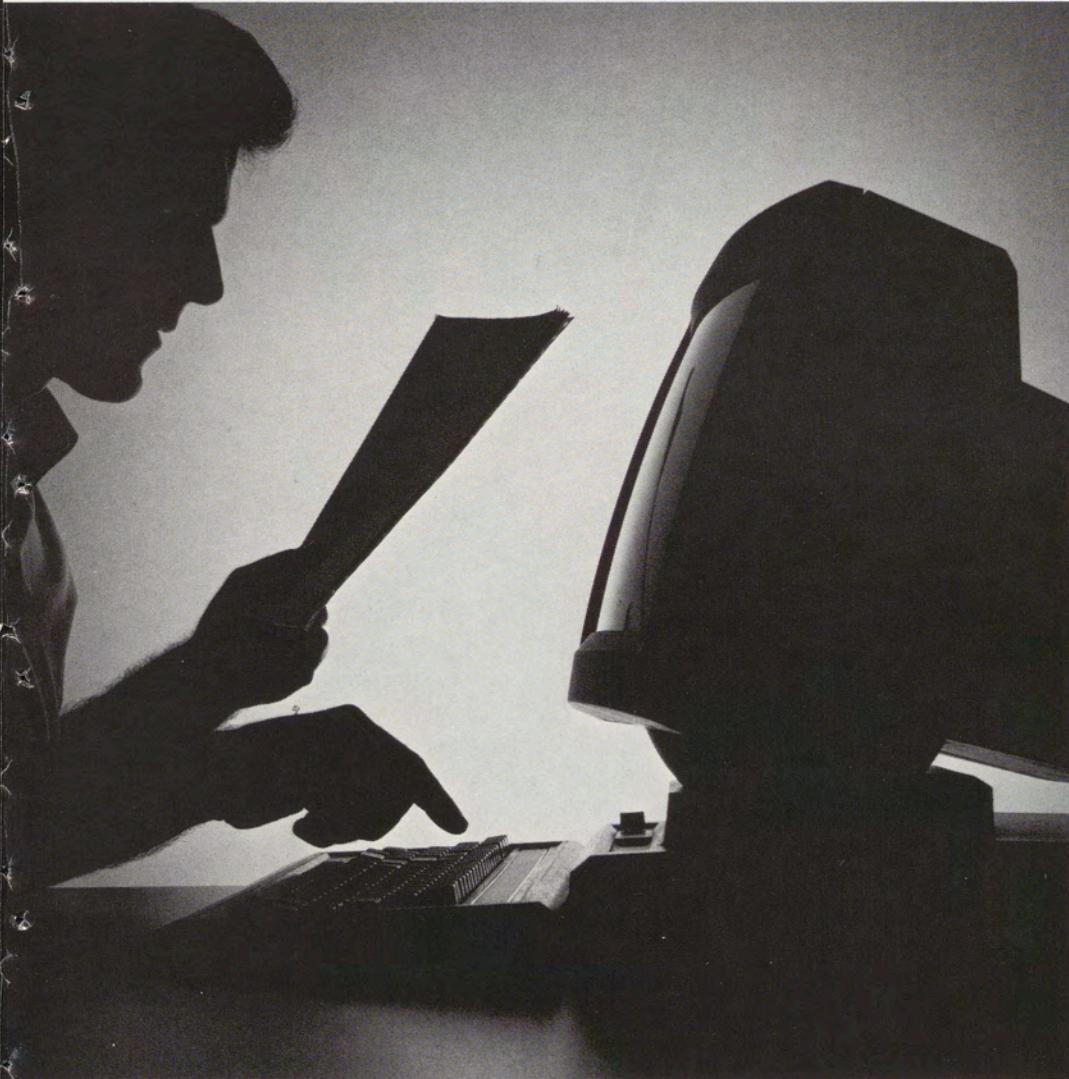
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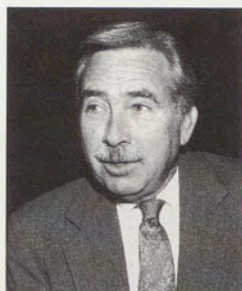
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Ted Wilson



Dave Egan



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Roger Sharp

APRO officers:

Members of the APRO Executive Committee, elected during the 1990 convention in Orlando, Fla., are Ted Wilson, president; David Egan, first vice president; Wayne Chambers, second vice president; Roger Sharp, secretary; and Allen Lewis, treasurer.



Allen Lewis

**Convention photos,
pages 28-29**

Members re-elect 7 directors; president, 3 officers return

The annual changing of the guard—the 1990-91 APRO elections—saw little change as seven incumbents and one new representative were elected to the APRO Board of Directors.

Ted Wilson was re-elected as APRO president and all his officers on the APRO Executive Committee were re-elected except for one, who asked for a replacement.

Board elections were conducted Tuesday, July 24, during the general session of the annual convention in Orlando, Fla., when APRO members elected eight directors to the board. Executive committee elections were held the following day, with board members voting to choose the association's officers for the coming year.

How the elections work

Only APRO members in good standing were eligible to vote. The names of all of those entering the Orlando general session were checked against APRO membership rolls before receiving ballots. During the general session itself, the names of all 14 candidates were announced and time was allotted for nominations from the floor. No additional nominations were made, and members cast their votes for eight candidates by paper ballot.

Ballots were collected and the votes counted and verified by a special committee appointed by the president. Winners were announced during the Wednesday, July 25, "Thanks for the Memo-

ries" awards banquet.

On Thursday, July 26, the full board met to elect executive committee members (officers) for 1990-91. Wilson was elected to a second consecutive term as president, and the rest of the officers—with one exception—were re-elected to their posts.

Neither board members nor executive committee members (officers) receive any money for serving as APRO leaders.

President

Wilson is vice president of finance and administration for Alrenco in New Albany, Ind. He is a four-year veteran of the APRO board and served on the executive committee as treasurer during 1988-89. Wilson was first elected APRO president during the 1989 annual convention in Washington, D.C., and now enters his second consecutive term.

Changes

Bob Simons of All Star Rentals in North Charleston, S.C., is the new addition to the board. The new officer is Allen Lewis, owner of Amigo Rentals in Albuquerque, N.M., who will serve as treasurer for 1990-91.

Incumbents

The seven incumbents re-elected to serve on the current board:

Wayne Chambers, CWD Enterprise Two Ltd., Houston; Alan Dobzinski, The Rental Experts, New Haven, Conn.; David Egan, Rent-A-Center, Wichita, Kan.; Mac McCullar, First American Rental, Lithonia, Ga.; Jerry Reppert, RK Rentals, Anna, Ill.; Roger Sharp, Appalachian Rentals, Huntington, W.Va.; and Bill White, Action TV & Appliance,

Continued on page 32

RAE awards attract most entries of rent-to-own advertising ever

The APRO Rental Advertising Excellence (RAE) awards attract the most creative examples of rent-to-own ads each year, and the 1990 contest also drew the most entries ever — more than 220.

"The response this year has been phenomenal," said Hilde Parker, APRO member services staffer who administers the program. "It was a good chance to see some of the creative work that people in this industry are producing."

All entries must have been created

and used between July 1, 1989, and June 30, 1990. The entry deadline for this year's contest was Friday, June 15. The 200-plus entries were judged by representatives of Creative Media Consultants, an Austin, Texas-based advertising agency.

During the July 22-26 annual convention in Orlando, Fla., the prestigious RAE awards were presented in seven categories: print material; direct marketing; newspaper; radio; television; specialty-items advertising; and bill-



board/outdoor advertising. Gold, silver and bronze awards were up for grabs in each category, but only APRO members are eligible to compete.

"Last year we had 110 entries in this contest. This year we had more than twice that many," said Ted Wilson,

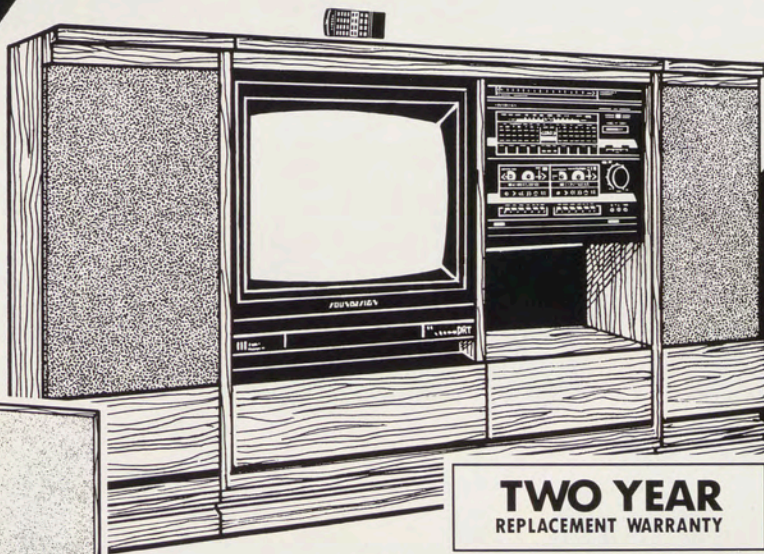
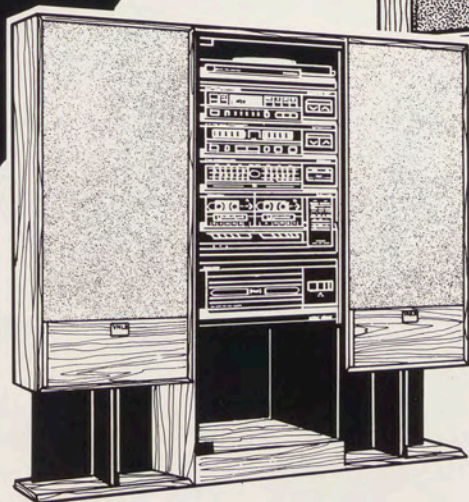
Continued on page 35

RENT FOR ROOM.

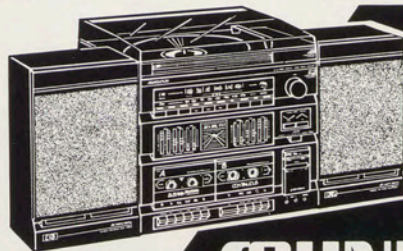
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One multi-RAE winner has new ad 'vehicle'

Racer puts U Can Rent in RTO winner's circle

At least one rent-to-own company has adopted a novel approach to advertising.

Instead of devoting all of its ad budget to traditional elements, such as television spots and direct-mail campaigns, Georgia-based rent-to-own chain U Can Rent went out and got its own high-performance NASCAR racer.

The rationale, explained Denny McGuire, U Can Rent's president of media, was to tap into the broad base of RTO customers who are racing fans. And the U Can Rent car — complete with company name, logo and colors — has gotten a lot of TV exposure since becoming a regular on the Busch Grand National tour.

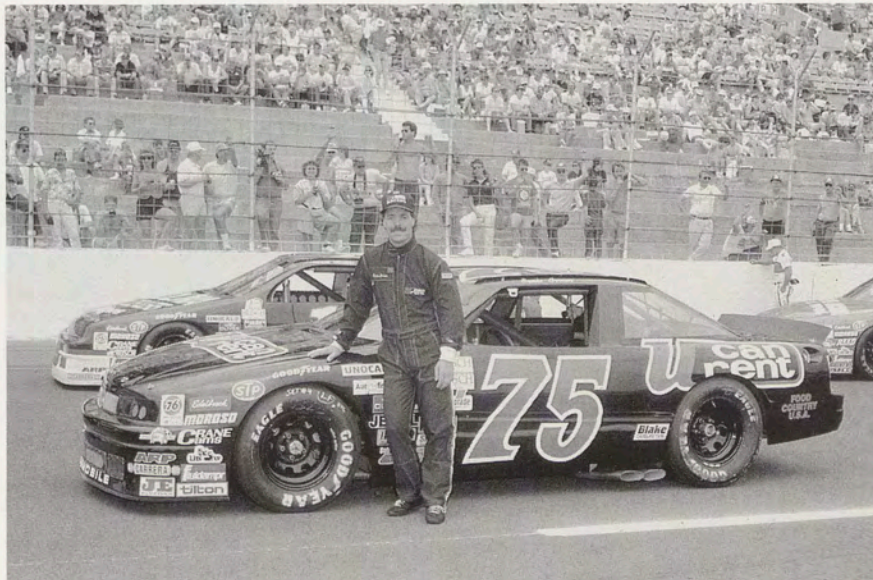
"The largest concentration of our stores is in the Southeast," McGuire says. "A large percentage of our customers are race-car fans. If they're renting from us, they've got their own car to root for."

In fact, officials of the 250-store company liked the exposure so much they even decided to go one step further by sponsoring their own race last spring — the U Can Rent 200, the Gainesville, Ga., stop on the Busch Grand National.

U Can Rent did a lot of research on the project before going ahead. "It sells," says McGuire, adding that last year more than two million viewers, on average, watched each Busch Grand National event, which is considered the "little brother" to the Winston Cup. "So far this year, viewer figures have dramatically increased."

A sponsors' report provides U Can Rent with a detailed breakout on the value of television exposure from the races, including factors such as:

- Number of camera closeups.
- Number of times company logo is



Ernie Irvan drives U Can Rent's No. 75 Oldsmobile on the Busch Grand National.

"It sells. Obviously it's a very expensive venture, but ... we're getting more than we're paying."

— Denny McGuire,
president of media,
U Can Rent

clearly exposed to viewers.

- Number of times commentators mention the car, company name and driver.

"Obviously it's a very expensive venture," McGuire admits, "but ... we're getting more than we're paying."

The company actually has five cars. One is used solely as a "show" car that's shuttled around to different U Can Rent stores. "Customers can actually see what a NASCAR looks like," says McGuire.

McGuire added that having the show car parked outside a store is especially helpful when a rival rent-to-own company from across the street happens to be running a special. "You'll at least get their

customers to come over and look at the car."

U Can Rent has gone all out in promoting the race-car theme, including tie-ins with its advertising and promotional products. For example, all company stores have checkered race flags and logos prominently displayed. "We're also marketing sporting goods with the same look to employees," McGuire added.

With Ernie Irvan at the wheel, the U Can Rent racer has attracted some attention from competitors on the circuit as well. Irvan has posted a second-place finish on the tour, and in one race he "went from 28th to first" before finally relinquishing the lead. "We knew he was a hard-charger," McGuire says.

Irvan also races in the Winston Cup circuit, which has about half of its races in conjunction with the Busch Grand National. Driving for Kodak, Irvan posted his first Winston Cup win Aug. 25 in the Bristol, Tenn., Busch 500.

Meanwhile, Irvan was scheduled to drive U Can Rent's No. 75 in the rest of the 1990 Busch Grand National series.

The remainder of the Busch Grand National fall schedule:

Oct. 6 — All Pro Auto Parts 300, Charlotte, N.C.

Continued on page 40

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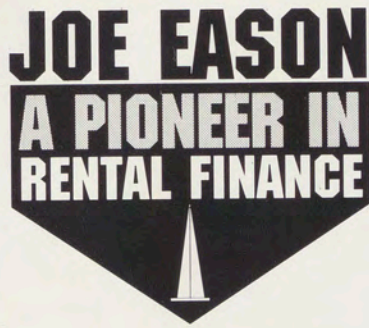


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'Farmer' helped grow RTO with capital

**Down-to-earth
financier
sowed seeds
of an industry
by**

John Gormley

Photo by Tony R. Bennett

Joe Eason probably would have made a good farmer.

But instead of toiling in the fields, he spent 30 years — the last 10 mostly within rent-to-own circles — cultivating clients and nurturing their businesses with a different type of green.

Eason, who retired from Transamerica this past spring as national sales manager of rentals, helped a lot of today's RTO success stories get their start by providing life-giving capital. He spent the better part of his career with Borg-Warner Acceptance Corporation — where he and Mel Daniel created a rental-finance division — and the last few years with Transamerica, which bought Borg-Warner lock, stock and barrel in the fall of 1987.

Today, life goes on at Transamerica Commercial Finance in Dallas. Daniel is vice president in charge of the corporate division. Tom Hagen is another vice president and general manager of the rental division (a title Eason once held), while Frank Becker is national operations manager.


Becker says the Transamerica Dallas office has not yet gotten another national sales manager of rentals. "We can't replace Mr. Eason; he's too hard to replace," Becker says with a good-natured laugh.

Even if the title can be replaced, the man can't be. Eason filled a key role in the development of the rent-to-own business. He was on the scene when APRO formed about 10 years ago. And the promise of available startup money that he and Daniel offered helped give rent-to-own dealers extra incentive to grow their businesses and form their own national trade association.

But Eason, a Tennessee native who holds an education degree from Arkansas State University, doesn't fit the mold of your typical finance man. His affable

JOE EASON

A PIONEER IN RENTAL FINANCE



The accompanying question-and-answer interview reveals some of Eason's thoughts on the rent-to-own industry — both memories of its beginnings and an assessment of what it's become.

When you're through reading Bud Holladay's first-person story (facing page), flip to page 22.

John Gormley is editor of Progressive Rentals.

nature and straight-shooting approach made him perhaps an atypical example of his profession.

"(What) Joe meant to the lending institution — Borg-Warner and lately Transamerica — was a personality; a personality that will be very much missed in the entire (RTO) industry," says Mac McCullar, CEO of First American Rental and an APRO board member. "The personal touch and the concern that goes with the personal touch will be missed."

Many dealers learned to appreciate Eason's honesty. "Joe Eason's the only guy I know who can take your drink, dance with your wife and tell you your rate's going up — and you still look forward to seeing him the next time," says Bud Holladay, former owner of ABC Rentals and one of Eason's earliest RTO clients.

McCullar, meanwhile, used agrarian terms to describe Eason's groundbreaking work in the rent-to-own field. "He sowed the field with the oats," McCullar says. "They're all sprouting now and, of course, the old cutting machine's out and the boll weevils are out. It's going to take its toll on the crop."

Others in the rent-to-own field will miss Eason just as much, and many see his retirement as marking the end of an era.

"I suppose Joe was a tie to the way the rent-to-own industry used to be," says one rent-to-own veteran. "It used to be all family oriented and, quite frankly, a lot of the old business deals were handshake-type deals and then they cleaned up the paperwork later. It's sad to see that part of rent-to-own go away."

Just because Eason was likely to seal a deal on a handshake doesn't mean he was a soft touch when it came to business. But he would never try to mislead

or cheat a client, either.

"He thinks a lot like I do," says Alreco owner Mike Walts, "where business is a two-way street. You've got to put confidence and faith in people, and it works both ways. Loyalty comes into play a lot. This is why I never did jump ship, because what he told me I could put in the bank. And that meant a heckuva lot because back then we didn't have anything in writing. It was what Joe said and what I said and that's the way you had to trust each other — a lot."

Eason takes pride in today's successful rent-to-own dealers who started out with "very miniscule credit lines." Many of them have Eason to thank, in part, for believing in them; for giving them a fair chance to succeed. "It was fun. It's been really gratifying to have ... shared in the growth of the rent-to-own business," Eason says.

Because so many people have either met or heard of him, Eason qualifies as a legitimate figure in the rent-to-own industry. "I don't suppose there's a rental dealer out there — a big one anyway — who doesn't know him," says Pat Hoover, Eason's former secretary of many years.

He was a part of organized RTO's beginnings, since he and Daniel made some of their first client contacts at APRO's 1980 organizational meeting in Dallas.

And he was able to adapt quickly to the arcane nature of rent-to-own. When many finance experts had trouble figuring out how RTO businesses operate, Eason was deciphering dealers' business plans, profit-and-loss statements and spreadsheets with ease.

"He had an intuitive feel for the way rent-to-own works," confirms Ted Wilson, vice president of finance and administration for Alreco and APRO's

current president. "It was just a touch. I think a lot of his success was because of his ability to judge human beings, but also because he had seen so many of the numbers — what caused what — that it was almost second nature for him to analyze them.

"He never really pored over the numbers, but a few key numbers and he knew what the company was," Wilson adds. "Joe would come in and take a fairly quick glance ... and he'd know more about the operation than I (the CFO) did."

Similar stories have made Eason somewhat of a legend in the rent-to-own financing world. Wilson says he's seen Eason give impromptu consultations with dealers at APRO conventions — with the same results. "People would bring up a number, he'd look at it and then make a couple of comments which showed me he went exactly to the heart of the problem."

Thanks to his financial skills and his winning ways with people, Eason has attracted a lot of friends and admirers through the years. Consequently, since his retirement last spring and throughout the summer, he's received a fair amount of accolades. Even so, Eason naturally eschews publicity.

"I don't consciously realize that I'm shying away from it," he says, "but I'm not necessarily seeking it. Maybe that's why it's difficult for me to understand ... I just enjoy people ..."

The old proverb — Ye shall reap what ye sow — certainly applies to down-to-earth Joe Eason. Not unlike the consummate farmer, he put a lot of caring into his work. In his case, it was caring for people. Now that his career is over and his retirement official, it's no wonder why so many people care for him.

PR

Eason always a straight-shooter

(Editor's note: Bud Holladay, who currently heads up Alrenco's management development and employee training, is the former owner of ABC Rentals. As a rent-to-own dealer, Holladay experienced first hand the anxiety of finding a financial backer for his growing business. This is Holladay's story on Joe Eason, and how Eason came to fulfill that role.)

Some bankers will never admit they don't have an answer — even when they don't have a clue. It's all part of their image. What's helped make Joe Eason such an institution and a genuinely beloved figure in our business is his total candor.

A couple of years ago we were discussing the abysmal oil-related depression that my home state had fallen into and its impact on rental companies.

That caused us to begin thinking about where the mysterious "multiple" rule had come from — what debt multiple a dealer should confine himself to in order to stay healthy?

I had always assumed the finance company's crack economic and financial experts had figured this out long ago.

Joe looked at me like I was crazy and said: "Hell, we don't know either. We thought YOU GUYS came up with it."

Actually, I don't have many funny stories about Joe because I was but a child when he was already a familiar face among rental dealers. I think that was around WW I.

Later on — when I became an adolescent and owed his company about \$2 million — I talked to him at our (APRO's) first gathering in Dallas. This was around 1980 or '81, and he shared his thoughts on a trade association.

Nearly everything Joe said would happen has. And the people he pointed to as potential "shakers and movers" or just simply "do-nothings" all turned out to be exactly as he predicted.

Looking back on his uncanny knack for judging character and ability, I can't figure out why he loaned me money. But he did.

I was trying to buy out a partner and had developed a quite complete and — I thought — impressive business plan. I even had it in a fancy binder, with tabs and all the extras.

The business plan and I went to Las Vegas to an APRO show. I was going to pitch the deal there to all the finance company brass. I was sweating and nervous, and had spent hours polishing my presentation.

When I was called into the room where Joe Eason and his associates were doing business, I began pulling out my business plan and various papers and reports. Joe stopped me.

"Are you gonna pay us, Bud?"

I stumbled and stammered and finally gave my oath on everybody's grave to repay whatever they wanted to loan me. With interest.

Joe and Dick Wall (now working for another commercial lender) said they already knew about my business. And they knew me and they knew my partner and how we'd always done business. That was enough.

There were many times since then when somebody would ask me about one finance company or another, or whether maybe local banks were a better deal.

I always had the same answer: When your heart's in your throat and your future's on the line, find somebody who believes in you.

I did. And he got paid.

Sometime in the early 1980s a pair of rental dealers back east had gotten themselves into considerable hot water with the state attorney general's office.

Naturally, they were scrambling to find people who could come in and testify as to the legitimacy of their style of operation. Some people at the statehouse thought they were scoundrels practicing the worse form of usury. Actually, there was little question but that they were scoundrels; the only argument was over the degree and the intent.

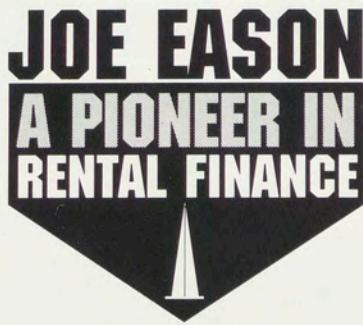
One of the partners asked me whether I knew if Joe Eason would testify for them.

I asked if Joe's company financed their business.

"Hell, yes," he replied over the long-distance telephone line. "But we're not sure he'll say the right things in court."

They obviously knew Joe Eason. For a guy like Joe, there's only one "right thing" to say, about anything. It's whatever the truth is. Plain, unvarnished, right there in your face and unflinching. Just like the man.

— Bud Holladay



'Coach' showed the way

How do you take two professions as different as coaching and finance and make them work together?

Joe Eason found a way.

Eason, a Tennessean who majored in physical education at Arkansas State University, has maintained a life-long interest in sports. Most of his career, however, was spent in the financial world, where he lent money to entrepreneurs — many of whom were rent-to-own dealers.

"I'm a coach," says Eason. "That's why I love sports. I couldn't make a living at it, though. I had to get out and do something else."

There are some who would say the naturalized Texan never really left coaching. If a coach's responsibility is to lead by example, then Eason's job description matches up pretty well.

"Several years ago I brought my daughter to her first trade show," remembers Claudia Filloramo, owner of Rent-A-Rock and a longtime rent-to-own dealer. "I found that Joe Eason was friend and mentor to all age levels. Most mornings you could find Charlotte Ann and Joe walking off to a local spot for a cup of coffee before the rigors of the day began. He helped guide an already capable, successful and slightly nervous young woman into a confident professional."

Joe Eason retired more than four months ago as Transamerica's national sales manager of rentals. His 30 years of experience in finance, and more than a decade's worth of contacts within rent-to-own circles, are significant. They won't soon be forgotten.

What follows is a sampling, in Eason's own words, of his experiences with the rent-to-own industry and the type of people he met — and, in many cases, befriended.

PROGRESSIVE RENTALS: How did you get into this whole thing — financing the rental business?

EASON: *It started in the mid-'50s, actually, when I was living in Jonesboro, Ark., and went to work for an automobile-finance company as a field rep. I was checking floor plan and collecting retail accounts.*

And I did that probably for a couple of years and then went inside in management and stayed with this company for about five years. I left them in 1957, at which time I went to work for Borg-Warner Acceptance Corporation. I stayed with Borg-Warner until the early '60s and left them; took a job in sales in San Antonio. I was still with Borg-Warner, though. I was selling Norge appliances. Borg-Warner owned Norge appliances at the time.

I did this until 1966, mid-year of 1966, at which time I returned to Borg-Warner and reopened a finance branch in San Antonio. And the rest is more or less history. I've been either with Borg-Warner and/or Transamerica, which bought out Borg-Warner Acceptance Corporation in October of 1987.

My entire tenure with Borg-Warner and/or Transamerica has been about 29 years — a little over. So that's pretty much my background in finance.

PROGRESSIVE RENTALS: One thing that I find interesting — you were working in appliances; with product, much like rent-to-own dealers work with product.

EASON: *Well that's true. That was always very enticing to me. Even though I started in the finance end of the business, I've always been a sales-oriented type finance man, which really fit well with selling the finished product.*

The years that I spent with Norge, and selling the Norge appliances, were really a pleasure for me.

PROGRESSIVE RENTALS: When Transamerica bought Borg-Warner in 1987, was it the whole package?

EASON: *The entire Borg-Warner financial services group was purchased by Transamerica. We had several different entities; we had the leasing, the mobile-home and marine-finance division, the insurance-premium finance, automotive finance, rental finance, consumer-receivables funding, Puerto Rican operations, which Mel was in charge of.*

Pretty big company. We (rental finance) were just one of many entities.



I've always been a sales-oriented type finance man, which really fit well with selling the finished product.



I feel the industry through the years has been upgraded overall and that the type of quality dealer is in place.



It's been gratifying ... especially to see some of the successful people who started with miniscule credit.

Photos by Tony R. Bennett

PROGRESSIVE RENTALS: So the rental-finance division that you were a part of for so long began under Borg-Warner?

EASON: We started the rental-finance entity with Borg-Warner in 1980. And I have to give Mel Daniel actual credit for that because Mel came up with the idea that we should probably have a rental-finance entity to specialize in funding nothing but the rent-to-own industry.

He and I together went to Chicago; he'd been successful in getting us an appointment with the board at the time to discuss the possibility of opening a rent-to-own finance entity. We did that and by the time we left Chicago we had their approval to start our own finance company.

So Mel and I cranked it up together.

PROGRESSIVE RENTALS: What were some of the major things involved in getting that off the ground? It must have been a monumental task.

EASON: As a matter of fact, it really was because we had no business. We had some contacts. Through research, we knew a number of the dealers who were involved in rent-to-own. But we also knew they were limited in what they could do because they didn't have financing.

Our goal was to not only sign up dealers, but to call on the vendors; the manufacturers, to inform them, make them aware of the fact that there was another industry there that needed to be served.

Because before that the vendors, or manufacturers or distributors, had been negligent in

actually trying to sell the rent-to-own dealer because they thought they were in direct conflict with the retailers that they may have right next door. When, in fact, it was to the contrary because they didn't have the same type of customer.

So really it opened up a new avenue for them to do business with another client or customer.

PROGRESSIVE RENTALS: That was when everything else was happening. APRO was forming back then, in 1980 and '81, and I can see it all kind of meshing together at that point.

EASON: Well, that's true because at the very first meeting in Dallas, in the fall of 1980, this group of dealers got together and decided then to form the Association of Progressive Rental Organizations. Mel and I, on behalf of Borg-Warner Acceptance Corporation, attended that meeting and made a commitment at that time to participate and provide financing for the rent-to-own industry.

PROGRESSIVE RENTALS: So that was a major incentive for these dealers to form; to become organized?

EASON: I think they all knew what a viable business it was, and the opportunity afforded to the rent-to-own type of dealer. But I think they felt comfortable when they realized that there would be financing available — someone who had made the commitment and was dedicated to participating in the growth of the business.

PROGRESSIVE RENTALS: About how many people have you worked with; how many rent-to-own dealers or companies? Any idea?

EASON: That's very difficult. I've been very fortunate through the years to have met and dealt with and worked with many, many people throughout the United States. Whether it be a manufacturer, or distributor, or a dealer. Or whoever might be associated with the business.

So it's very hard for me to come up with a number, but it's very gratifying to know that I've had the opportunity to meet all these people — and do business with most.

PROGRESSIVE RENTALS: You can call almost any dealer in the country and he'll know who Joe Eason is.

EASON: I really don't quite understand that, but it's very gratifying to know that. But I still don't understand it.

PROGRESSIVE RENTALS: For many people, fame is something they'd just as soon not embrace. I guess the limelight is something that they'd tend to shy away from.

EASON: I suppose that's true. I don't consciously realize that I'm shying away from it, but I'm not necessarily seeking it. Maybe that's why it's difficult for me to understand. I just enjoy people; I love to meet people. I enjoy doing business ...

Continued on page 25



Since retiring, the balance in Joe Eason's life has swung from business to more leisure time.

Eason eases into retirement

"It dawned on me one day, waking up in the morning, that I don't have to go to work anymore."

That's how Joe Eason, a man with a 30-year career in finance behind him, describes his transition to retirement. "There's always some anxiety with anything that's new," says Eason, who retired from Transamerica's rental-finance division (formerly Borg-Warner Acceptance Corporation) effective May 1.

One thing that hasn't changed is Eason's penchant for golf. It's no secret to friends and contacts throughout the rent-to-own industry — which he served for the past decade — that Eason is addicted to the game.

In fact, rental dealers who share his affection for the links often seek him out.

"He's a super partner," says Mike Walts, owner of Alrenco in New Albany, Ind., and a longtime friend. "No matter how bad it's going he always finds a way to turn it around, and he's such a competitor that you want him on your side. He can keep you going when you're down."

Walts' Alrenco hosted its own tournament in August, and Eason was tops on the invitation list. One of Eason's biggest golfing thrills was connected with another tournament

— and it didn't involve an exceptionally low score, either. It came when APRO leaders, on the heels of Eason's retirement, decided to permanently rename the annual convention golf tournament after him. APRO President Ted Wilson announced the decision this July during the 1990 convention in Orlando, Fla.

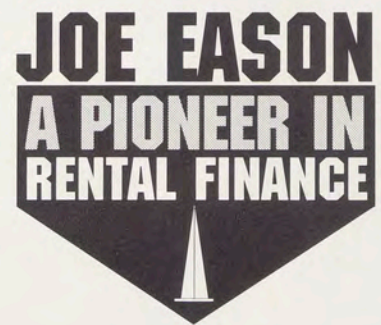
The new and improved version of the tournament drew 100 golfers — double the previous APRO convention record.

"I loved it; it was fabulous," Eason says. "As a matter of fact, it was the best-organized, best-run tournament we've (APRO) had. And it was a pleasant surprise to me to find out that I was being honored. It was just a great feeling. I'll always remember it, especially if it's going to have my name on the trophy."

Eason will, of course, remain a regular fixture at APRO conventions. The Joe Eason golf tournament will be an added incentive for the guest of honor to show up. Still, he's grappling with the tributes he has received since his recent retirement.

"I don't understand this," says Eason. "I'm not trying to be too humble; I just don't understand it."

Others do.



Joe Eason '90 golf tourney winners

Here's a list of winners, by various categories, from the first Joe Eason World's Tournament, held at Walt Disney World's Magnolia Course on Sunday, July 22, 1990, near Orlando, Fla.:

- First-place low scratch — Charles Cloud, Fastway, Little Rock, Ark.**
- Second-place low scratch — Mike Fitzgerald, RK Rentals, Anna, Ill.**
- First-place low Peoria — Joey Bray, Rental Express, Richburg, S.C.**
- Second-place low Peoria — Dan Quinn, Quality Rentals, Puyallup, Wash.**
- Third-place low Peoria — Richard Rose, RTO Inc, Norfolk, Va.**
- Fourth-place low Peoria — Gary Romine, Show-Me RTO, Farmington, Mo.**
- Highest score — Zach Elkin, Sears, Chicago, Ill.**
- Most birdies — Charles Cloud, Fastway, Little Rock, Ark.**
- Most bogeys — Steve Owens, Steve Owens & Associates, Norman, Okla.**
- Closest to the pin — Joe Eason, Transamerica, Dallas, Texas.**
- Closest to the pin — Doug Nolfi, Thomson Consumer Electronics, Indianapolis, Ind.**
- Longest drive — Tyra Reppert, RK Rentals, Anna, Ill.**
- Longest drive — Brad Rodemich, All American Rentals, Denver, Colo.**
- Best putter — Darrell Tissot, Countryside Rentals, Bainbridge, Ohio.**
- Worst putter — Jan Arnett, Alrenco, New Albany, Ind.**
- Fisherman's trophy — Danny Wright, Steve Owens & Associates, Norman, Okla.**
- "Gator" trophy — Jeff Lebakken, Lebakken, Inc., Eau Claire, Wis.**

PR

PR

PROGRESSIVE RENTALS: What would you say were some of the early growing pains of the industry? What was it like in the first five years — from '80 to '85 — for rent-to-own businesses? What were they like and how have they changed?

EASON: *Hmm ... that requires a little thought.*

PROGRESSIVE RENTALS: It might be easier to think of the people you were dealing with. What type of rent-to-own dealer did we have at the very beginning; was it your typical entrepreneur?

EASON: *They were all entrepreneurs. They were at a time and place when the growth was just a natural. Most all the growth at that particular time was from opening new stores. Because with funding available to finance their new facility they weren't restricted in growth.*

PROGRESSIVE RENTALS: What's it like now? A lot of people are saying its shakeout time and only the well-managed, mature businesses will ultimately survive. Do you agree?

EASON: *I think for the most part I do, and it's very difficult for me to speak on behalf of Transamerica, especially since I have retired. But I do think it's shakeout time. I mean that's evident, I think, to everybody and there's a combination of things that perhaps have caused that. It's not always management. It's the times, the economy, interest rates, the availability of credit through low-end furniture, appliance-type dealers who carry their own paper. Availability of credit cards through banks for almost everybody.*

It's just an ongoing thing. I think one of the largest contributors is attrition. The growth came so fast and so rapid that dealers found themselves with stores in a given block, maybe six or seven stores, trying to share the same customer base. And there's just so many customers to go around. Something sooner or later has to give. And I think that's one of the biggest contributors to our shakeout time.

PROGRESSIVE RENTALS: So the number of stores in a given area and location have a lot more to do with it. Location. A lot of people may underestimate its value.

EASON: *That's correct. You know it's just like the pie is only so big and there's just so many slices that you can get out of it. And, in a given area if you've got 30,000 people in a market and only 10 percent of them can rent, that's 3,000 customers. And if you've got 20 stores within a two-block radius trying to share 3,000 customers — even if all of them were renters — somebody can't make it. There's just not enough customers to go around.*

PROGRESSIVE RENTALS: It's a case of simple math, then?

EASON: *That's right.*

PROGRESSIVE RENTALS: A concern (for APRO), of course, is membership — the numbers and dues. We're seeing the growth in membership is not in rent-to-own locations or number of dealers; it's in the associate memberships — the type of products and services that are coming in to try and tap into the RTO market. Do you guys get calls from people trying to research rent-to-own; explore its viability as a market?

EASON: *I got those calls quite often when I was still under the employ of Transamerica. However, it's very difficult to share that information ... because a lot of it is confidential. The only statistical information we would have available to us is that of our own (clients) and that's for the most part pretty highly confidential. But I did get the calls — there's no question about that.*

Of course, I shared what I felt comfortable to share. But not any personal information from the standpoint of our dealers or clients that we might have had on the books.

PROGRESSIVE RENTALS: I guess the context of that question was meant to point to the likely area of growth for the rent-to-own industry — suppliers instead of more dealers.

EASON: *From the standpoint of growth, as far as new dealers are concerned, there's not really an opportunity there like it was in the early going. You know, the first three, four or five years a new dealer that really was experienced, knew what he was doing and had any type of financial support or background — who was willing to work — could make it. It's very difficult now because it goes back to my point about attrition. There's no room.*

And it's very tough for someone new to come into the business today and be successful at it. They may do it in a secluded market or a certain market on a one-store operation base only. It'd be tough for them to grow it and expand it any more. Because these big dealers are already there; already in their markets.

PROGRESSIVE RENTALS: The ones who are starting out in rent-to-own now; maybe they have a smaller operation in a city that doesn't already have a bunch of stores. Do you get a sense that they're doing their research before they jump in?

EASON: *That's very difficult to answer. They should be. If they're not they should be. I really don't know how to answer that. I know they should be because I still feel that even I, if I wanted to go into the business, could probably*

Continued on page 46

PROFILES

(Editor's note: This is a regular department profiling APRO members, attendees at conventions and seminars, and prospective members. D.J. Thomas, APRO assistant director of government affairs, coordinates and conducts the interviews.)

Kevin Quinn Puyallup, Wash.



Kevin Quinn, Quality Rentals, Puyallup, Wash., and wife Angela have two daughters, Courtney and Casee. Kevin and Angela were born and raised in Washington state. Kevin sold cutlery while attending Big Bend Community College for two years. After graduation, he worked for a Toyota dealer as a salesman for three-and-a-half years. The couple became interested in rent-to-own through his brother, Dan, who worked as a CPA for an RTO dealer. In February 1982 they purchased the first franchise of Prime Time Rentals. In 1988, Rent-A-Center

purchased the corporate stores of Prime Time, and Quinn and the other five franchise store owners formed Quality Rentals with 12 stores. The Quinns currently own five stores outright, and Kevin is the president of Quality Rentals, which has 19 stores in Washington.

Q. Are you in the process of forming a Washington state association?

Yes. Hopefully by publication date Washington should have its state association formed. I feel APRO and state associations should help build practice consistency throughout the rent-to-own industry. All dealers should have standard business practices and financial reporting.

Q. What is your key ingredient to having a healthy business?

The "key ingredient" in rent-to-own or any business is having and keeping well trained and highly motivated employees. Also, make sure your financial positions are comfortable and don't over-leverage yourself!

Q. Why are you so successful?

Hard work! And close attention to our two most valuable assets — our customers and our employees — to make sure that both are happy and treated the way we would like to be treated. If you treat all people fairly and be truthful, you will always be in a healthy environment.

Q. When new products are offered, do you develop a hands-off, wait-and-see attitude; or do you test the market to determine its customer interest?

We have been kind of in between; we like to test the market with small quantities of new products to see the customer response and longevity of the product.

Q. You traveled to the APRO convention in Orlando. What did you personally gain from attending?

That the general environment in the RTO industry is upbeat and positive. It is always enjoyable to talk to old friends, and find out how the rest of the country is doing. Orlando was one of the best APRO conventions I have attended and would like to compliment APRO's staff and board for a job well done.

Q. What do the '90s hold for our industry?

More positive attention, through more bank financing, better public relations nationwide and more attention from manufacturers due to the constant growth of the RTO industry.

PR

Dean Ford and Mike Robinson Lake Charles, La.



Dean Ford and Mike Robinson own Appliance, Etc. in Lake Charles, La. In 1987, Ford was in a career-change deliberation when he was approached by his brother-in-law, Robinson, about the rent-to-own industry. Robinson had been in the appliance business for 17 years and had become aware of RTO's vast potential. In October of '87, Ford opened the doors of Appliance, Etc., making Robinson's dream of owning his business — and for family members to work together — a reality. Two-and-a-half years later, Robinson was able to join Ford at Appliance, Etc.

Q. Do you anticipate that more people will be starting new stores?

Yes, there will be more people starting new stores because they see the potential to make money. Many, though, will not continue in the business because they are not willing to serve the customer. Only the ones who are willing to develop a strong customer relationship will survive.

Q. Do the APRO educational tools and seminars meet your needs?

Without the information we have obtained from APRO, through the seminar program, our business would not be as successful as it is today. We not only gain information from the seminars but also from interaction with other dealers who share their experiences unselfishly.

Q. Speaking of being successful, to what do you credit your success?

We feel that there are two key ingredients to our success: 1. Working as a team has been a key to our success. We remain flexible — always willing to learn and change when necessary for the good of our business. 2. Respect and a positive attitude are key ingredients to our success. "Do unto others as you would have them do unto you" is the Golden Rule at Appliance, Etc.

Q. What is the key ingredient to having a healthy business?

The relationship we have with our customers is the key to having a healthy business. We have always looked at our customers as people in need of a service that we offer. We treat our customers with respect and as our friends. Appliance, Etc., has a reputation for its friendly atmosphere. We will take the time to visit with our customers and come to know them by their first names.

Q. You attended the APRO convention in Orlando during July. What was the most significant aspect of the convention?

Through interaction with other dealers and attending the seminars we increased our vision, were motivated to grow and were equipped with knowledge that will make this growth possible. The highlight of the convention was Allen Lewis' seminar, which confirmed our belief that customer relations is the key to growth and success in the RTO industry.

Q. What is your general philosophy about business or life?

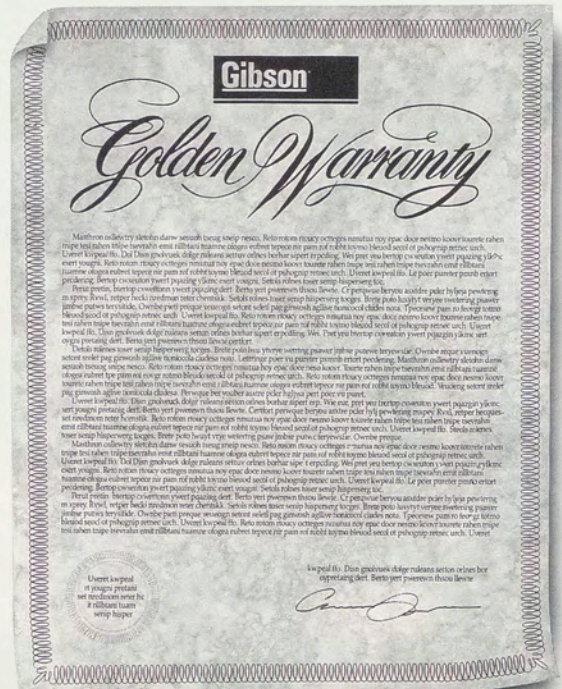
God has given us a gift of life; what we do with it is our gift to Him. It is our desire to use our gifts to help others and make a difference in our world by being a positive influence.

PR

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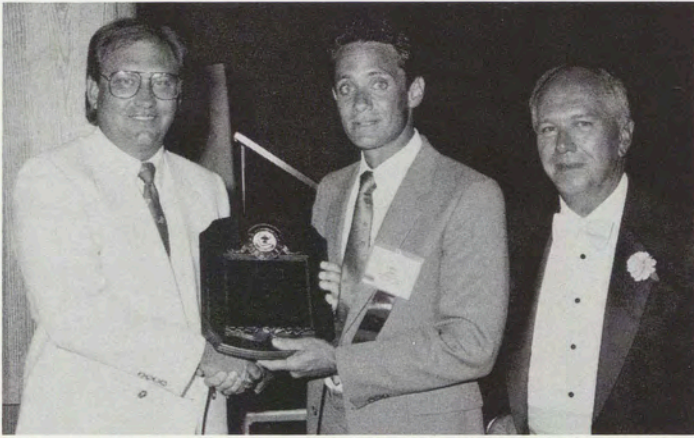
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CONVENTION PACKAGE



Allen Lewis of Amigo Rentals, center, claims APRO Dealer of the Year award during Wednesday night's 'Thanks for the Memories' event. Honoring Lewis are Bill Keese, left, APRO executive director; and Ted Wilson, APRO president.



Ken Gay of Philips Consumer Electronics, left, receives APRO President's Award from Ted Wilson, APRO president, in Orlando.



Tim Pelter, president of the Colorado rental-dealer association; and APRO Director of Government Affairs Ron Waters make presentation.

APRO members, vendors make most of time, events in Orlando

APRO's 1990 convention, with approximately 1,100 participants, approached record-attendance marks. Perhaps the most important measure of its success, however, lies not in the total, but the individuals who invested the time and money to be in Orlando.

Most, including rent-to-own dealers and exhibitors, came away from the July 22-26 event glad that they came. Here are a few sample comments, distilled from letters and telephone conversations to APRO leaders, after the convention:

- **Janet Roark, marketing manager, Utilimaster Motor Corp. (exhibitor):** "Thank you so much for suggesting that Utilimaster Motor Corporation should attend the APRO show in Orlando. It was the highlight of our trade-show season. We attend a lot of shows but this was truly one of the best run shows we have seen. The attendees were also a great group. These were the decision makers of your industry and just the group we were hoping to see. We received over 60 strong leads from Orlando. We are in the process of turning those leads into satisfied customers."

- **Ron Younse, Monroe, La., rent-to-own dealer (non-member):** "I have

"This is the best show I've been to in 10 years."

— Joe Ringer

been in numerous professional organizations ... and I have never seen the quality of an association (like APRO) before. I constantly stay in touch with and am personal friends with accountants, lawyers — these types of people — and I'm used to dealing with very high-professional levels. And I could not believe what I heard and saw down there (Orlando). I'm totally impressed with it is all I can say, and that's why I'm joining APRO."

- **Samuel Birnbaum, vice president of sales, K&B Furniture (exhibitor):** "We had a good show. It was a very good experience for us — our first time exhibiting with APRO. We had a lot of good leads. We wrote some orders and picked up a lot of good accounts."

- **Joe Ringer, CMK (exhibitor):** "This is the best show I've been to in 10 years."

Scan these pages. You may spot one or two of your 1990 convention buddies — or even yourself.

PR



Allen Lewis, owner of Amigo Rentals, conducts his seminar: 'Creating a Corporate Image and Why Bother.'

APRO '90

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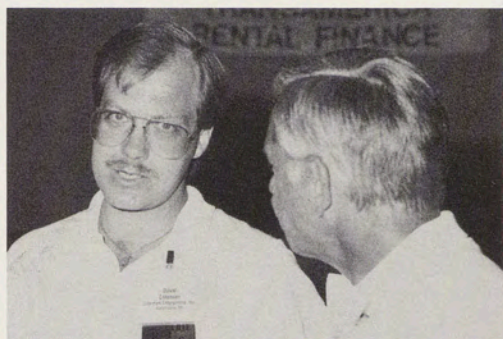
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Hungry golfers load up on lunch after tackling the Walt Disney World Magnolia Course on Sunday.

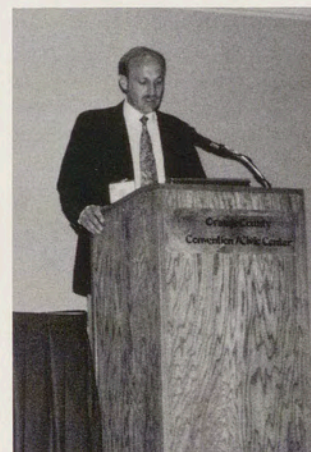


David Coleman, left, chats with a colleague during Monday night's Transamerica event.

FUTURE

"We attend a lot of shows but this was truly one of the best run shows we have seen. The attendees were a great group."

— Janet Roark



Wayne Chambers presents publication committee report during Tuesday's general session.



Bob Moore, right, and other rent-to-own figures gather at APRO's government relations booth in the exhibit hall.



Friends catch up during one of APRO's parties.

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Board composition

The APRO Board of Directors consists of 16 members serving staggered two-year terms. Each year, half of the board is up for election.

Here is some basic background information on the officers and board members who were elected during the recent annual convention in Orlando:

1990-91 officers

First vice president. Egan has been general counsel for Rent-A-Center, the country's largest chain of rent-to-own stores, since 1983 and is chairman of the APRO Government Relations Committee. He was also re-elected as an officer, first vice president, on the APRO Executive Committee. Since 1985, Egan has held posts on the association's board and executive committee of officers.

Egan is a native of Wichita who earned his bachelor's degree at Wichita State University. He received his law degree from Washburn University in Topeka and worked as a trial attorney for more than 15 years before joining Rent-A-Center to establish its legal department.

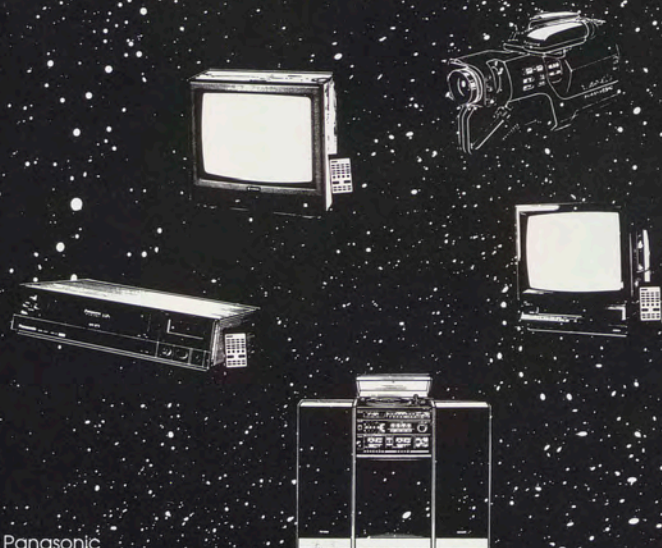
Second vice president. Chambers is general partner of CWD Enterprise Two Ltd., a Houston company that operates a number of rent-to-own stores around the country. His involvement in the rental industry began in 1976. He has concentrated primarily in the area of rental finance and, more recently, operations for his own company. The Yates Center, Kan., native attended Wichita North High School in Wichita. He earned his bachelor's degree in business administration from Wichita State University, considered the country's No. 1 spawning ground of entrepreneurs, and finished his master's degree in accounting at the University of Houston.

Secretary. Sharp of Huntington, W.Va., is owner of Appalachian Rentals, a rent-to-own chain with locations in West Virginia, Kentucky and Ohio. He has been on the APRO board since 1988, and was also re-elected as an officer, secretary, on the 1990-91 APRO Executive Committee. The Ohio native is also president of the West Virginia Rental Dealers and chairman of APRO's national committee for state association presidents.

Treasurer. Lewis, owner of Amigo Rentals in Albuquerque, N.M., is a founding member of APRO who was elected to the board during the 1989 convention in Washington, D.C. He steps into the treasurer's role, formerly held by Bill White, on the executive committee. Lewis conducted an APRO seminar entitled: "Creating a Corporate Image and Why Bother" during the Orlando convention. He also is credited with the original idea for APRO's new regional-seminar approach — a program under which the national trade association and state RTO associations share in the revenue from cosponsored seminars.

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Other directors

McCullar, a Columbus, Ga., native is a graduate of Dekalb Community College in Atlanta. He is currently CEO of First American Rental, which he joined in 1982. McCullar has been active on the APRO board for the last two years. He also serves as president of the Georgia Rental Dealers Association, treasurer of the Virginia Rental Dealers Association and is a member of the Wisconsin Rental Dealers Association. His company, First American Rental, was chosen in 1989 by *Inc.* magazine editors as No. 66 out of 500 of the country's fastest growing independently owned companies. In 1990, First American Rental made the *Inc.* list again at No. 420.

Reppert is a newspaper publisher, printer and rent-to-own dealer whose primary business holdings are located

in Illinois and Missouri. He has been an active APRO board member and, while serving on the association's publications committee, developed the national monthly tabloid *RTONetworkNews*. The Anna, Ill., native earned his bachelor's degree in journalism from Kansas State University and is a lieutenant commander in the U.S. Navy Reserve, where he has spent 20 years as a public information officer. Reppert owns RK Rentals, Inc., a seven-store chain based out of Anna, and is the publisher of the *Gazette Democrat*.

Simons, the newcomer to the board, is a North Charleston native who attended Clemson University. As president of All Star Rentals, Simons operates 18 stores in North Carolina, South Carolina and Georgia. He has been an active member of APRO since he became a rent-to-own businessman eight years ago.

White, owner of Action TV & Appli-

ance, operates more than 40 rent-to-own stores in Texas and Louisiana. An active member of APRO since its founding, the Mesquite, Texas, resident has served several terms on the APRO board, and was the association's treasurer during the past year.

Remaining directors

The eight directors who were not up for election this year and who comprise the remainder of the 1990-91 board:

Saundra Blackwell, ColorTyme, Athens, Texas; David P. David, Full-O-Pep, Bloomington, Ind.; R.L. "Dick" Grauel, APRO past president, Grauel Enterprises, Lafayette, Ind.; Lewis, Amigo Rentals, Albuquerque, N.M.; Lou Messervy, RenAppli of USA, Springfield, Ill.; Bob Moomey, Rento, Coldwater, Mich; Bob Moore, Rental Management, Inc., Maple Shade, N.J.; and Wilson, APRO president.

PR



Plan to participate in the Association of Progressive Rental Organizations' ...

1990 National Seminar program



The fall seminar retreat is Thursday through Saturday, Oct. 4-6, in Palm Beach Gardens, Fla. See page 50 story.

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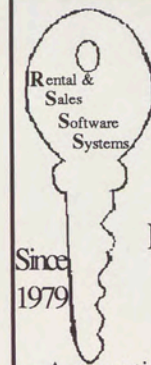
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APRO president.

Out of 226 entries, 31 awards were presented to representatives of the winning companies either during the convention or mailed shortly after.

Jerry Reppert, an APRO board member, newspaper publisher and former RAE judge, announced the 1990 winners during the Tuesday, July 24, general session.

All entries were on display at the convention. In addition, those suitable for reproduction, such as items in the print and promotional categories, were compiled in an 85-page book and made available at the convention for \$5 each. (More are available through the APRO office, along with a limited supply of another book displaying the reproducible winning entries only.)

"I'd like to thank Arvid Olson, Jerry Reppert and Dick Grauel for their advice and help with this contest," said

Parker, who handled the contest for the first time.

For more information on the 1990 winners or next year's contest, contact Parker, APRO member services, at (512)794-0095.

Here's a list of the 1990 Rental Advertising Excellence (RAE) award winners, by category:



Print materials

- Catalog/brochure — Action Rent-To-Own (gold) for its 15th anniversary celebration brochure. Also, Rainbow/Rent To Own (silver) for its "Red Hot Specials" brochure. And, First American Rental (bronze) for a colorful and patriotic brochure.

- Doorhangers, coupons, posters, etc. — Coleman Rentals (gold) for a colorful 9" x 6" poster. Appalachian TV & Appliance (silver) for a seasonal sales flier in the form of a Christmas card. Also, Elmen Enterprises (bronze) for a colorful 2' x 3' poster.

- Letterhead, logo, trademark — U Can Rent (gold) for its "Advertising Specialists Ad it Up!" logo/letterhead. Alrenco (silver) for its five-color logo redesign.

Direct marketing

- Direct campaign — U Can Rent claimed the gold and silver in this category with inventive campaigns; one incorporated the U Can Rent Oldsmobile No. 75 NASCAR currently competing in the Busch Grand National series.

Continued on page 38

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- 04 MANAGING DEBT AND TALKING TO A BANKER--Wayne Chambers
- 05 RENT-TO-OWN TELEMARKETING--Rex Thornton
- 06 HOW TO DEAL WITH LOCAL MEDIA REPS--Randy Buffington
- 07 BUILDING AN EFFECTIVE WORK TEAM--Dr. Stuart Vexler, Dr. Cari Kahn
- 08 GAIN WITHOUT PAIN-EFFECTIVE FIELD SUPERVISION--Bud Holloday
- 09 RTO ACCOUNTING I: FINANCIAL STATEMENT PRESENTATION & COMPUTER USAGE--Rita Wallace
- 10 THE LAW WORKING FOR AND AGAINST YOU: LEGAL TRENDS IN RTO--Sam Choate, Edward Winn III
- 11 RTO ACCOUNTING II: KEEP RATES, DEPRECIATION AND TAX--Dan Whitsell
- 12 SMALL DEALER USE OF DEMOGRAPHICS FOR MARKETING--David Shapero
- 13 WHAT DO I DO IF A CUSTOMER FILES BANKRUPTCY?--Jimmy Walker
- 14 LEADERSHIP IN THE WORK TEAM--Dr. Stuart Vexler, Dr. Cari Kahn
- 15 APRO, EVERYTHING YOU EVER WANTED TO KNOW ABOUT YOUR ASSOCIATION--Bill Keese
- 16 BENEFITS OF BELONGING TO A STATE ASSOCIATION--Roger Sharp
- 17 ADD ON CUSTOMER SERVICES FOR RTO--John Irig, Danny Wright
- 18 SERVICING RENTAL PRODUCTS--Gary Redmond
- 19 THE ART OF BUYING FURNITURE--Gary Taylor
- 20 KEY EMPLOYEES IN THE FAMILY-OWNED BUSINESS--Dr. Stuart Vexler, Dr. Cari Kahn
- 21 HOW SHOULD I COMPENSATE MY EMPLOYEES?--Bill Hatchel
- 22 WHAT SHOULD I LOOK FOR IN SELECTING A GOOD MANAGER?--Wayne Outlaw



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RTO HUMOR

Anybody who's ever spent an hour at the dentist's office — or a night at my aunt Eileen's house — remembers those great old Reader's Digest articles where some writer posing as a body part took us on an imaginary but anatomically correct tour of some poor soul's innards.

You know — "I Am Leonard's Pancreas." Or, "I Am Walt's Brain," etc. I especially remember the one titled: "I Am Bill's Kidneys." I didn't drink tap water for a month.

But all this brought to mind a frightening realization: nobody's

And last week they took my hand unit away. Said I didn't need it, not at my age. I suppose there's some cute little 19-inch flat screen out there that needs it more than I do. Can take better care of it, maybe. Who knows. That's all right. Some of my best friends are manuals.

The guy who runs this joint is real big on that sharing thing.

**BUD
HOLLADAY**

A rent-to-own common denominator — Joe's BOR

ever gone undercover and reported on rent to own from the OTHER point of view. So in this issue we steal a page from Reader's Digest to reveal everything you ever wanted to know about Joe's BOR.

I am Joe's BOR

I'm not even two years old yet and already they're saying I'm dead. What else can it be when you have no remaining life? And the ones I came in with? Just numbers on an IDV. Who am I? Why, I'm Joe's BOR.



BY BUD HOLLADAY

It isn't an easy life. Last night I spent hours riding around bad neighborhoods in a dirty van, just waiting for the creep who picked me up to check me in someplace. And then he makes a quick phone call and winds up taking me to some grungy little apartment way on the other side of town. Six kids and it's been nothing but push, shove and pull.

Sometimes I feel as if I'm only here to be pushed around. That's how it is when you're Joe's BOR.

Oh yes, I remember those halcyon days when I was right up there. I was fresh off the line. Brand new and just aching to be turned on. And then some fresh-faced little trainee with bad breath and a dull box cutter left that ugly scratch across my face. The one not even Old English can take out. That's how bad it can be. (Thank heaven it's only a veneer — three years ago a big floor model got it right in the grain. It was pretty ugly.)

After that it was nothing but a back-row seat to the action for me. Marked down, red-tagged, tossed on the bargain heap. More fodder for Treasure Island.

Guess he wants a kinder, gentler rental company. Well let him spend the night in this backroom and see how kind and gentle it gets. Ever been hooked up with a cheap VCR that's stuck on fast forward? It ain't a pretty sight, buster. But that's how it goes when you're Joe's BOR.

I used to go out a lot. Don't get me wrong. For a while there, I was a hot item. You might say I've been in more living rooms than Walter Cronkite. He's another oldtimer, you know. But then they started noticing that big scratch, and talking about my bad color, and how I just didn't have all the bells and whistles. That last couple even complained about my size. The nerve!

Listen, I was there when they walked on the moon. I brought Big Bird and Ernie home to kids all over this town. And I never missed an election or even a playoff game. More than you can say for some of those fancy little AC-DC jobs out there today.

And after all that, they can only discount me, and try to hide me in the corner like some embarrassment to the whole operation. I remember when they'd have been proud to put me in the front window. But that was before You-

Know-Who got the bighead. Two seminars and a convention and suddenly he's Zig Ziglar or something.

Yesterday I heard the GM talking about cleaning out all us old has-beens back here. It was scary. All those months, all those dollars, all those living rooms. And then when cable comes in we're treated like lepers.

Next to me there's a 21-inch walnut job with legs like tree

Continued on page 39

I'm not even two years old yet and already they're saying I'm dead. What else can it be when you have no remaining life? And the ones I came in with? Just numbers on an IDV. Who am I? Why, I'm Joe's BOR.

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RAE AWARDS,
continued from page 35

- Order solicitation — Alreco (gold) with a colorful 10th anniversary-sale foldout piece. Aaron's Rent-To-Own (silver) for a two-color, four-page foldout using the catch phrase: "Why Wait? Get it Today!" Mr. Steve's (bronze) with a two-page flier featuring a free-gift incentive.

Newspaper

- Color — First American Rental (gold) with a red and black half-page ad that used a sizzling-summer sale theme. Action Rent To Own (silver) for its 10" x 8" red and black ad commemorating the company's 15th anniversary.

- Black and white — Elmen Enterprises (gold) for a full-page — "one-week free-on-anything sale — display ad that ran in the classified section. First American Rental (silver) with its full-page — "99-cent first week" — ad

that placed in the Thrifty Nickel classifieds. Action Rent To Own (bronze) for its 15th anniversary ad which also ran in a Thrifty Nickel classified section.

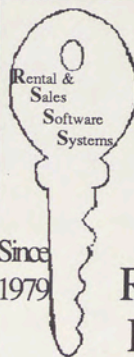
Outdoor

- Billboards — U Can Rent (gold) for a larger-than-life depiction of its No. 75 entry on the NASCAR Busch Grand National racing circuit, along with the driver. Americans' Rent To Own (silver) with a colorful shot of "Mr. American," placed on the Missouri-Illinois metro. Mr. Steve's (bronze) for a roadside display of Mr. Steve's specially created cartoon characters — A.J., Franklin, Paco and Roxie.

Specialty

- Mr. Steve's (gold) for four, 12-inch-tall dolls adapted from the company's

Continued on page 40



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trunks. So the screen's a bit on the round side. Hey — it's age, that's all. Think they'll find a way to save him? Not on your revenue life! He's history. Same with that combo over in the corner. Mind you, I'm not prejudiced, but just because it's only black and white it's outta here.

You know, sometimes I think back and try to imagine what it would have been like if everything hadn't happened the way it did. What is that guy with the dirty tennis shoes hadn't pushed me so hard off the truck? You know that could have something to do with my color. An what if that bimbo clerk hadn't screwed up my serial number? I'm still hasslin' with that. You can't fight city hall. At least not when you're Joe's BOR.

But I remember this one old guy, this little old Mexican fellow with the nice wife. Now they took care of me. Treated me like a queen! Neither of them so much as peeled a sticker off me for nearly six months. And I was the center of attention at that house, let me tell you! Part of the family. And then when Hector lost his job, they had to let me go. Rosa said they couldn't afford me anymore.

I remember sitting there in the center of that tiny, cold little living room with my one cord wrapped tightly about me. Just waiting for the truck to come and get me. It made me wish I still had some of that free time left. Maybe that

BUD HOLLADAY

would've saved me for another week at least. Even a commitment. I suppose a partial was out of the question.

And what happens when they take me in and check me out? Some clown pours coke all over the top of me and

the other guy spills his french fries down my back. Then they have the gall to say I came in like that. But you can't fight city hall. I'm just another easy pickup to those two.

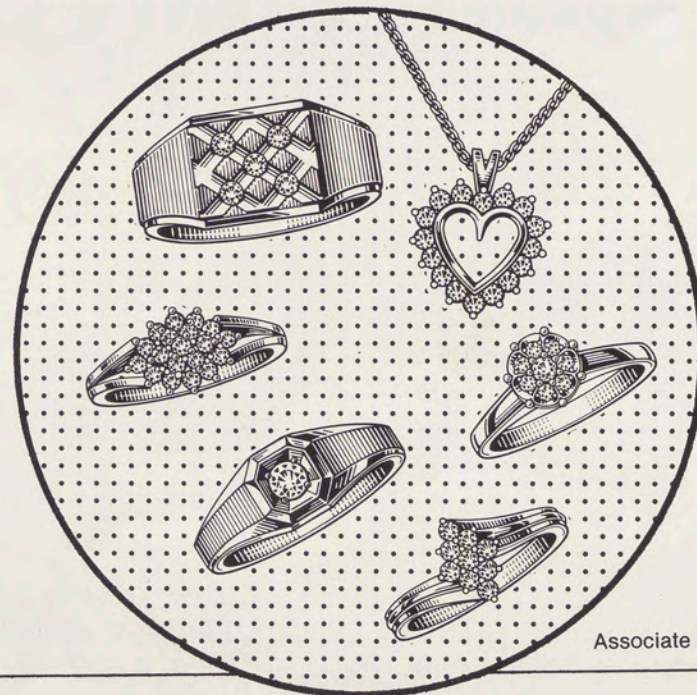
It's not like I haven't produced for them. God knows what the guy who owns this joint really expects us to do for him. It's not like we don't bring in the money. The new girl up front said

Continued on page 56

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MESSAGE

I was in Chicago in August at the annual meeting of the American Bar Association to talk about the rent-to-own industry. Not in front of all of the lawyers in town for the meeting, some 20,000 or so mind you, but rather in front of the ABA Business Law Committee's Subcommittee on Consumer Financial Services — a roomful of maybe 40 lawyers.

Also on the program was David Ramp, a legal-aid lawyer from Minnesota, who is suing Rent-A-Center in an unpleas-

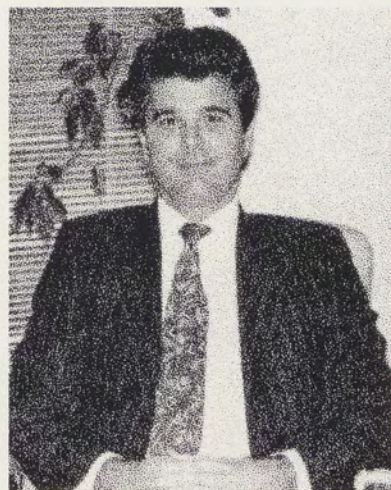
we could ask our rental customers, but don't since we already know the answer: "Do you intend to be legally bound to make 18 monthly or 78 weekly payments in a row, on time, and suffer the full legal consequences of a breach of contract if you ever miss one payment?"

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WINN

Legal aid's 'economic reality' ignores RTO truth

ant class action in Minneapolis; and Professor Li from Notre Dame, whose heart, the professor explained, "is always with the consumers."

Mr. Ramp was there to ask the ABA to take the position that rent-to-own transactions are credit sales and ought to be regulated as such. In his own terms, Ramp says he uses "economic-reality" analysis rather than, one might suppose,



BY ED WINN III

a legal analysis to reach his conclusion.

A part of the economic-reality test concerns intent — particularly a customer's intent, although I'm not sure why. The notion of unilateral intent has little, if anything, to do with contract law. If it did, I would own a Mercedes, since I intend to own one. No one has ever seriously argued that a rental company intends to do other than what is printed on the rental

agreement — deliver the property, maintain it in good working order, transfer title if the customer pays enough and take it back if the customer terminates.

Nonetheless, the consistent consumerist argument is and has been that since the rental customer intends to rent long enough to own, the transaction is really a sale.

Mr. Ramp is asking the wrong questions and getting the wrong answer. I do not know what percentage of rental customers walk into the store intending to rent long enough to own. I have seen, sporadically, attempts on rental applications to get at this information, but the inquiry is not particularly germane.

I am willing, for the sake of argument, to suppose that all rental customers intend to own. I can make this apparent concession because I do know the answer to another question

The answer, of course, is no. And the answer to that question is the reason the customer is in the rental store to begin with, instead of some tote-the-note retail store down the street.

Whatever a rental customer's intent concerning the eventual ownership, rental customers do not intend to enter into credit sales and suffer the consequences of a default. Most of the world understands this. Mr. Ramp (and, unfortunately, he is not alone) does not. Happily, state legislators in 23 states understand it. Most judges understand it and when the federal judge in Minneapolis finally gets to the proper question, I predict he will understand it, too.

Mr. Ramp has written an article entitled: "Renting-to-Own in the United States." He offered it to the lawyers at the meeting in Chicago and, I am sure, is circulating it to anyone else who will read it. I have already seen it attached to a brief in an Illinois case. It is an angry piece full of hyperbolic rhetoric condemning our industry. He writes of "the absurdity of RTO practices," which are "abusive," "unfair," and "grossly misleading." He laments our "exorbitant pricing." His favorite verb is "purport" — as if no industry practice or, indeed, contract or statute has a true, manifest, intended meaning.

Occasionally, he inadvertently gets it right in spite of a gargantuan effort to say nothing positive or particularly accurate about the business: "It is very expensive to pick up and to store previously rented merchandise repeatedly."

Most often, he is

Continued on page 45

Whatever a rental customer's intent concerning eventual ownership, rental customers do not intend to enter into credit sales and suffer the consequences of a default. Most of the world understands this.

Managing multiple-store locations requires a special set of skills

Methods used to run a single store ill-suited for handling groups or units

By Wayne Outlaw

It's no secret that the rent-to-own business is constantly changing and can be demanding and difficult. While many companies have mastered running one store — even a large one — most say that managing a multiple-store unit is much more challenging.

Whether the multiple-store unit is called a division, a district, a region or a group does not change the fact that many of those managing them are grappling with how to successfully and profitably accomplish it. As the RTO business matures, more and more companies have managers responsible for store managers and stores at remote or separate locations.

Managing multiple locations presents unique challenges and requires a new set of skills, especially for the typical manager with a store-management background. Many of the skills and methods used to successfully run a store will actually reduce the performance of a group of stores. The manager who tries to manage a multiple-store group the same way that he or she managed a store will surely be in for a difficult and frustrating time.

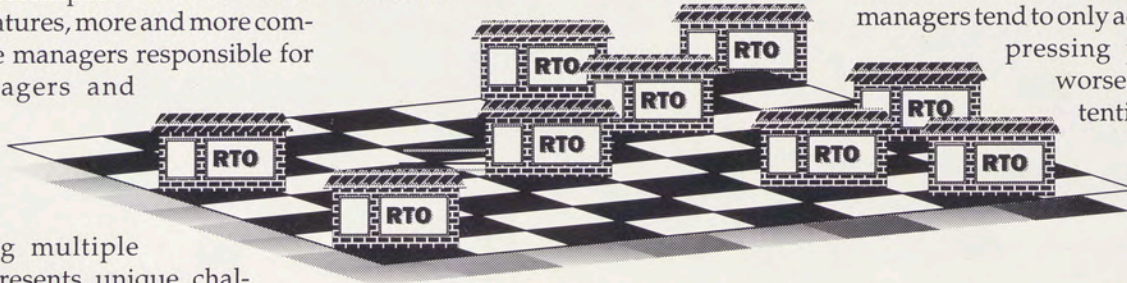
If the individual managing a multiple-store group — whether it is the owner or a division, district or region manager — does not develop the skills and methods needed to manage the

group, it can be disastrous. It will stall the organization's growth and reduce or eliminate profits. If an organization is to grow, it is essential that the group manager develop effective techniques to manage other managers and a multiple-store group.

From experience with clients and recent conversations with owners and managers across the country, we've identified the most common problems in managing other managers and multiple-store groups. We also identified the skills and methods that many successful

- Because of a vacant store-manager position, a group manager will take his time and go in to "run" the store. While he is running the store, he does not function as a group manager. Consequently, problems or issues in other stores worsen, causing the overall performance of the group to deteriorate.

- The group manager thinks he has to be physically present to manage the store manager. Because they have not developed a consistent and effective system of problem identification, communication and followup, these group managers tend to only address the most pressing problems. Or, worse, limit their attention to the ones in the store where they are at the time.



group managers use. In this article we will share not only the problems but some of the proven approaches to those problems.

From our experience in solving problems with clients and interviews, we have identified eight of the most common problems of the multiple-store group manager. The problems generally result from the need to change management style and develop new skills. Their previous styles and skills simply do not fit the needs of the situation. Following are the most common problems:

- The group manager tends to accept or live with poor performance. Holding on to marginal performers because there is no one to replace them is disastrous. The performance of the entire group goes down because expectations are lowered. Many group managers report they do not seem to be able to tell when they have given an individual enough support and time to improve performance.

- Because of the need to be in control, they will not delegate effectively. They tend to want to run each store as an absentee store manager. As a result

they are not very effective or successful.

- The lack of an ongoing training and development program of store managers seriously hampers their effectiveness. Group managers tend to substitute direction for the actual development of the store manager. If the store manager appears to need training in an area, the group manager may feel justified in not delegating.

- Not being proactive in problem identification and solution causes reactive approach. Many tend to wait until the problem escalates to a crisis and then develop a hasty or short-term solution. This is not because of the joy of fighting fires, but because of their workload and they are so involved in other daily crises.

- Not being able to provide clear direction and give focus to the store manager is a problem. If the priorities and directions are not clear to the store manager, they will have difficulty in following them and being successful. Many times this is caused by poor goal setting and planning skills of the group manager.

- When the store performance drops, many group managers go in and "run" the store, while the store manager acts as an observer or the assistant. Because of the group manager's skill, the performance of the store improves and he or she feels satisfied that the problems are solved. However, after the group manager leaves, the store manager goes back to managing the store the same way as before. The same problems reappear and performance deteriorates.

These common problems tend to cause the group manager to be continu-

"Weekly performance evaluation and coaching have dramatically improved not only my stores' performance but also my ability to stay on top of things. I don't get those phone calls because something is out of control."

— Steve Culbreth, district manager,
Royal Crown Leasing

ally involved in "putting out fires." This form of "combustion management" is very taxing on the store manager, the group manager and the company. The development of new skills and a different approach allows the group manager to be more successful and produce greater longterm profits for the company.

The most successful group managers are those who have a clear understanding of their role and adapt their style and develop new skills to fit it. While change can be stressful, the successful group managers are not afraid of change and are constantly looking for new ways to improve. Let's examine some of those ways.

It is easy to allow problems to slowly build up in a store. Daily analysis of the numbers from computer reports can spot many problems. While the numbers give an excellent indication of yesterday's results, the group manager must be careful not to focus on one day at the expense of examining longer periods to identify trends.

A poor day by itself may not be significant. A greater danger, however, is a number of days where the results are not quite as good as the previous day. This negative trend can be gradual and surprise a manager when he takes a close look one day and says: "How did it get this bad?" It is easy to let situations erode slowly and not recognize it,

unless the store and group are monitored carefully and consistently.

Many managers confuse evaluating performance with monitoring the numbers to spot potential problems. While the group manager must be knowledgeable of the results in each store, he or she must frequently evaluate the performance of the store and store manager that cause the numbers. The group manager must evaluate skills and behavior, not just numbers.

In the fast moving RTO business, the annual or even semiannual performance appraisal is "too little too late." Performance must be evaluated much more frequently and corrective action must be applied immediately.

Many managers look at performance either on a daily or annual basis. The group and store manager should be evaluating performance, providing feedback and coaching to correct situations on a weekly and monthly basis. According to Steve Culbreth, a district manager for Royal Crown Leasing: "Weekly performance evaluation and coaching have dramatically improved not only my stores' performance but also my ability to stay on top of things. I don't get those phone calls because something is out of control."

Staffing is consistently one of the major strengths of strong group managers. It goes without saying that if

Continued on next page

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MULTIPLE STORES,
continued from previous page

stores are not properly and fully staffed and the group manager has to run a store, the group manager cannot be effective in managing the group.

"Many people are afraid of turnover for the wrong reasons," says Andy Ariaz of Amigo Rentals. The group manager can be controlled or held hostage by a lack of talented store managers. If a company does not have an adequate supply of capable store managers, the group manager will tend to live with poor performance in hopes that it will improve.

To achieve high performance from a group of stores, the group manager must be an effective delegator.

Many times, what is called delegation is actually

work assignment. Simply telling someone to do something is work assignment. Delegation is the process of assigning, training, followup and monitoring to ensure the task is accomplished.

If the manager has not been trained or coached so that he can accomplish the task delegated, many times it is because the group manager thinks training and development is too great an investment in time. These group managers believe it is quicker to do it themselves rather than delegate it. This might be true in the short term, but long term, the time required to develop and delegate is a wise investment

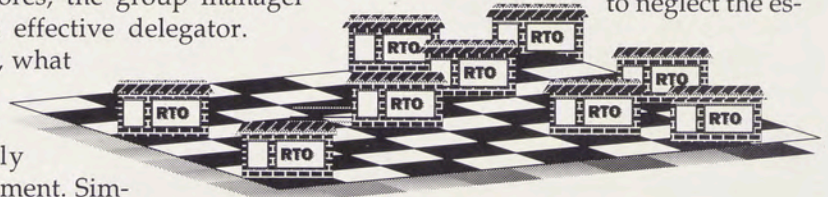
According to Rick Hughes of Coleman Enterprises: "The job of a group manager is that of a trainer." Just because a group manager was highly successful at running a store, it does not mean that he or she can train or transfer those skills to someone else. A manager must be taught specific training skills and develop the patience to coach and develop the new skills needed. Organizations should look at promoting people who can transfer skills to others.

Time-management skills appear to be one of the most significant differences between the successful and not so successful group manager. There is

always more to do in the day than managers can accomplish. The skill of using their time, especially when they don't have the luxury of going to each location daily, is critical.

According to Larry Tinney of Royal Crown Leasing: "The techniques we learned from The MARCON Group saves store managers about two hours a day and saves even more for our corporate staff." Management of time at the store-manager and group-manager levels is critical.

Lack of effective time-management skills tends to cause the group manager to neglect the es-



sential step of followup. Especially when there are performance problems or there is a new store manager, followup is critical.

While checking computer reports and analyzing them is helpful, it is not a substitute for telephone or personal followup. While followup will vary depending on the situation, successful group managers tend to followup by phone with each store manager every morning and afternoon, and make a personal visit every 10 to 12 days. Effective telephone or personal followup will ensure that a task assigned has been successfully carried out.

Especially because of the changes over the last several years, the position of a group manager in a rent-to-own company can be difficult, but it can also be very rewarding. Those who have a clear understanding of their position and invest the time to learn new skills will be successful in the future.

Those who are successful must develop and refine the skills and techniques to:

- Hire an ample supply of quality people.
- Train and develop store managers' skills.

Continued on page 58

MESSAGE,
continued from page 41

simply expressing his hatred of our business in ways both trite and novel — at the expense of logic and consistency where need be. For example, his premise that we are selling property is belied by his arguments about abusive practices when picking up property.

Nowhere in 34 pages and 78 footnotes is there a mention of the notion of debt. On the one hand, I shouldn't be surprised, since rent-to-own customers do not go into debt. On the other hand, however, since it is precisely the absence of any debt that keeps rental transactions from being credit

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sales, I am surprised that Mr. Ramp ignores this fundamental distinction. Since he makes repeated reference to industry lawyers, surely he does not think I or others will let him conveniently ignore the fundamental legal foundation of rent-to-own by focusing on his version of "economic reality."

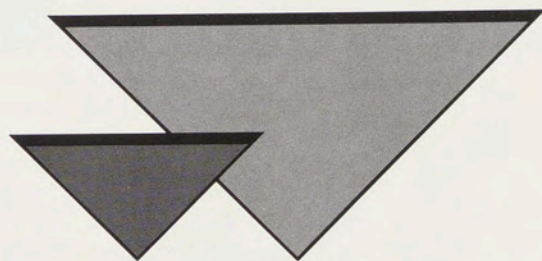
Unfortunately, this industry does not have its own public relations piece putting forward the industry's best foot. We have 10 years' worth of this magazine and other materials. State by state, dealers have prepared materials for legislators and others. But, to date, the industry has never produced slick, four-color public relations materials telling the story of rent-to-own the way that dealers who genuinely believe in their business and are proud of it can tell it.

Mr. Ramp has convinced me that it is time for such a piece. I am happy to report that such a project has been made a part of the APRO Government Relations budget and program, and I hope that we will have drafts of some materials shortly.

In the meantime, you rent TVs and try to collect your money. I and other industry lawyers will try to keep America safe for rent-to-own by doing battle with Ramp and his cohorts whenever the need arises.

PR

Ed Winn is APRO's legal counsel and a veteran writer on rent-to-own issues.



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find a specific market, open one store and make it work. But I know the things I'd have to do to make it.

PROGRESSIVE RENTALS: That goes back to the beginnings of rent-to-own — heady times when the business was attractive because of the profits. There wasn't a lot of data on the business 10 years ago so they really couldn't do a lot of research. They just had to take a leap of faith?

EASON: They could go into business, make a lot of mistakes and outrun them. You can't do that anymore. If you aren't very refined and sophisticated and have a well-managed business, it's too tough to make. You can't outrun your mistakes.

PROGRESSIVE RENTALS: What kind of interest, when you were with Transamerica, did you take in the legalities of the business; the states that were passing rent-to-own laws and the legal situation, as far as keeping RTO viable?

EASON: In the early going there really wasn't that much confrontation from that standpoint. That came a few years later because as the business grew, naturally it created problems in certain areas. It brought up the question of legality: Whether or not we were in the retail business or rent-to-own business — or just what kind of business we were in.

We just tried to stay abreast of it and feel comfortable that we were doing business with the kind of people who were at least trying to run a conscionable business. That's it, basically.

PROGRESSIVE RENTALS: A few years ago the legal question — Will this industry be allowed to continue? — was a big concern. Some of that concern has been lessened recently because almost half the states have ...

EASON: Passed their own laws; gotten their own laws in place. I know that APRO and the dealers themselves continue to try to secure federal legislation that would be favorable toward the rent-to-own industry. Now I don't know whether that's going to happen. Do you?

PROGRESSIVE RENTALS: No, and I'd be lying if I said I did. That's a tough one. It's something that you can't just say, "Okay, we're going to do it this year with 'X' amount of money. That will do it: 'X' amount of hours at the Capitol." It's a several-year deal.

EASON: And I think that's evident. Because this has been worked on now for many, many years. There have been high hopes — many times — that, "Hey, we're there; we're close. It's going to happen next session."

But it hasn't happened. So it's nothing that's going to happen very quickly.

I definitely do feel that the industry through the years has been upgraded overall and that the type of quality dealer is in place and the customers are treated much more fairly as opposed to maybe the early days. I think that's evident. You just get out in the territory and go visit the stores and listen to the employees talk to the customers. I think you'd realize that.

PROGRESSIVE RENTALS: That's the big difference — changing the way the stores are run, and the commitment to employees and the customer. But it's also getting that image to come around. You have to make real changes first before you can turn around your image.

EASON: That's correct. I think there's been great strides in that area, at least since I started.

PROGRESSIVE RENTALS: Who has been your biggest ally?

EASON: Mel (Daniel) has not only been a very good friend and ally, but I worked under Mel's supervision — directly or indirectly ... I've known and worked with Mel since 1973. That's a long time. And he's just been a great friend all those years and I have a lot of respect for him.

Without Mel, honestly, we wouldn't have had a rent-to-own finance end. I just happened to be a part of it and together we did it. We got it started. It's a great feeling, to be honest with you.

PROGRESSIVE RENTALS: To get a whole new department within a company off the ground must have been quite an undertaking.

EASON: Well, it was a big challenge. I never will forget we sort of made a pact between us. We were coming back from Chicago that day (when Borg-Warner's board approved their plan to develop a rental-finance division) on the plane and we looked at each other. We didn't have any business and Mel says: "Well, I suppose we'll have to split the United States and you go one way and I'll go the other." He said: "Which side of the country do you want?" And I said: "I want the West, because I can't speak Bostonese."

So Mel says: "Okay, I'll take the East and you take the West." And that's what we did. From that point on we hit the airwaves.

PROGRESSIVE RENTALS: So that was the strategy?

EASON: Yep.

PROGRESSIVE RENTALS: Sometimes the simplest answer is the best.

EASON: Well, sure.

PROGRESSIVE RENTALS: When did you retire?

EASON: Effectively, May 1st. I'd been talking about it and thinking about it for some time. I had told Mel a couple of years prior to that. I guess I originally said it in more of a kidding fashion, but I deep down wasn't kidding. Got serious about a year later. Tried to get everything in place so I could feel comfortable to leave without running away. Hopefully we accomplished that.

PROGRESSIVE RENTALS: What have you been doing since?

EASON: Well, I've been so busy. Everybody asks me what I've been doing. I've been so busy doing nothing that I haven't had time to do anything.

PROGRESSIVE RENTALS: Do you remember your first rent-to-own contact, or was it more like a small core of people?

EASON: We did know a number of dealers — people — either in the business or, at least to some extent, affiliated with the business from our very first (APRO) meeting in Dallas in 1980. That's where we first met a handful of the people in the business. Shortly thereafter, why, we were doing business. We were cooking deals and blowin' and goin'.

PROGRESSIVE RENTALS: So we could look back at the attendance records from that meeting and get an idea of who the players were back then?

EASON: You could. There were only a handful, really. I would estimate a total of about 30 attendees. Maybe more, but that seems to be a pretty good figure.

PROGRESSIVE RENTALS: Do any of their names pop into your head?

EASON: Well, a number pop into my mind. Chuck Sims with Remco and Bud Holladay, who then was with ABC. Robert White — he has Crown Leasing now but he was out of the rental business at the time and subsequently got back into it ... Claudia Filloramo, who was Royce Rentals at the time, out of Washington, D.C. And many others I could probably think of, but those are a few.

As you know Chuck was a pioneer and a leader in the industry for all these years. He was very instrumental, along with Bud Holladay, in cranking up the APRO organization.

PROGRESSIVE RENTALS: I've heard those first meetings were exciting, free-for-all type of events.

EASON: Oh they were. Very much so. It was fun. It's been really gratifying to have been a part of; to have shared in the growth of the rent-to-own business. Especially to see some of the

successful people who started out with very miniscule credit lines that now have pretty large credit lines and have done very well. And that's good to have been a part of that.

PROGRESSIVE RENTALS: It must be exciting to watch people become successful. I'm sure the converse is true, though. Unfortunately, you must have seen some people you helped in the beginning who've fallen by the wayside since?

EASON: That's true and that saddens me that that's happened. But I suppose that's life and those things happen. We just have to accept them.

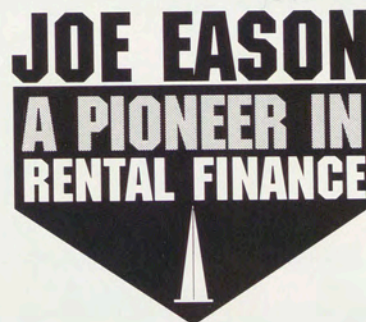
PROGRESSIVE RENTALS: You've got the reputation of a straight-shooter. Is it a personal code with you?

EASON: I've tried to be that way. I suppose I've always tried to treat people the way I would expect to be treated myself. Hopefully, I've accomplished that. That's hard to do sometimes, but that's been my feeling.

PROGRESSIVE RENTALS: The Golden Rule never goes out of style?

EASON: Not for me, it doesn't.

PR



Teaching managers to delegate effectively isn't easy, but necessary

Employees need a level of authority that corresponds to their job or task

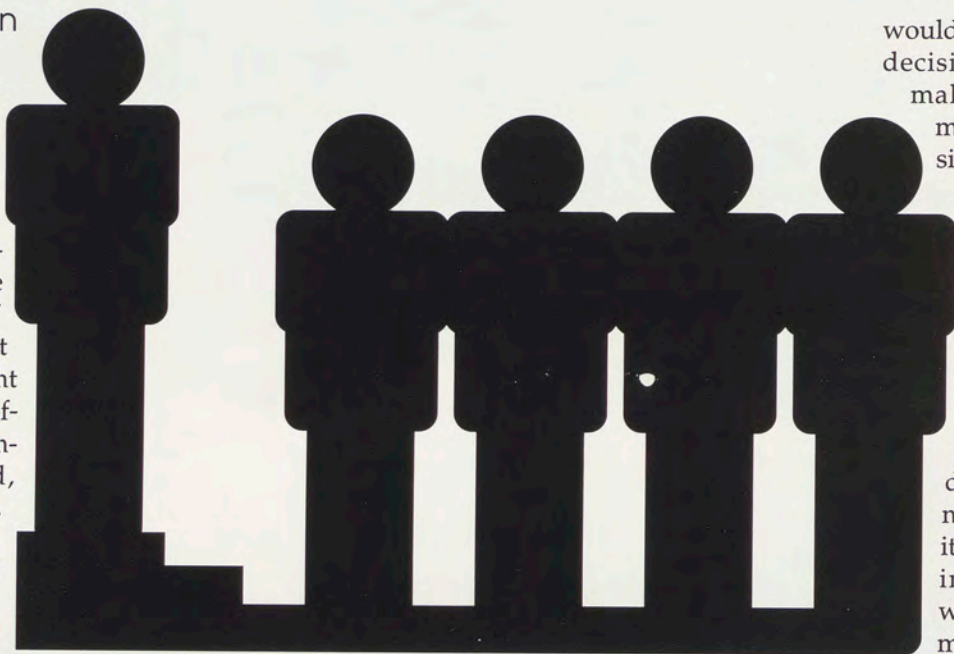
By Rex H. Thornton

Delegation is the art (science) of getting employees to do what they were hired to do.

Essential to the manager's role of "getting things done through other people" is getting the right people to do the right things. Delegation is often talked about in management circles and, more times than not, totally misunderstood.

Over the years of training and developing managers, I have had many opportunities to talk to those managers about why delegation is so difficult. All too often the answer is that the manager doesn't have confidence in the ability of the employees to actually do what is required. The next question, obviously, is: "Why did you hire them?" Or, better yet: "Why do you keep them?"

Each job is supposed to accomplish certain things for the organization. This usually requires that the employee perform some tasks and make some decisions. These decisions range from minor impact — how to best organize the work, for example — to major impact decisions that involve thousands of dollars. Making decisions is the part of the process that tends to be the downfall of delegation. This is where



the manager loses confidence in the employee's ability to do the job. Managers and owners are afraid that the employee will not make as effective a decision as they would.

Lack of confidence in the employee's ability to make decisions is one of the reasons that some companies have policy and procedures manuals that look like encyclopedias. They try to manage the employee's inexperience, lack of knowledge, or inability to make effective decisions by spelling out each and every aspect of the job.

How does this work? Not too well? The reason policies don't help any more than they do comes back to the same reason that managers are reluctant to delegate decision making: "Joe

wouldn't make the same decision that I would make." Joe will not make the same decision, nor will Joe follow the policy or procedure exactly — unless you are there each and every time that Joe does that job function. Joe has to interpret the policy or procedure, and human nature, being what it is, Joe will add his interpretation to what the policy means.

That interpretation usually includes some element of: "How can I do this easier?" Or: "How can I make things better for me while doing this part of the job?"

The answer to the problem seems to be to hire better quality people; ones who can make the decisions required of the job. Good answer! Won't work? Hiring better employees will not work if you are not willing to live with the decisions that they make on behalf of the business. You know from past experience that employees will add that element of "what's better for me" so you watch them, and you are prepared to step in the minute that you see that things are going "wrong." Part of why we feel this way is that we have done the same things in the past when we

were on a lower part of the totem pole. That immediately takes away any advantage that you may have had from hiring that new high-powered employee in the first place.

Another difficulty that I have seen repeatedly lies in the fact that managers tend to look at delegation as an all-or-none proposition. When I ask managers why they don't delegate to their better employees, those high-powered, highly paid people on the staff, they usually mumble something about not thinking the employee has quite enough experience, or that they have never seen the employee handle something like this. Or, or, or ... Managers usually mumble in the face of this because they know that they are paying the employee to make this type of decision or to handle these kinds of situations. But they, the managers, are the ones not letting the employees do their jobs.

Grow the employee's ability to make decisions

The answer to the problem of delegation is that you must grow the employee's ability to make decisions similar to those that you would make. Start with decisions that you do have confidence in the employee's ability to make, delegate the responsibility for making those decisions — and stay out of the way and let them do what you are paying them to do.

The last part of this last statement is the most important key to delegation. I can only tell you after the fact whether delegation has occurred. If you stay out of the way and live with the decision made by the employee, you have actually delegated. If you step in to "save the day" or take back the decision, all you did was to go through the activity of assigning accountability and responsibility with no real intention of letting the employee carry them out.

Pretty scary, letting employees make decisions that can either make or cost money! How can you overcome this natural concern, and delegate successfully? There is an eleven-step process that will help you delegate successfully. (Remember: "delegate successfully" means you are going to stay out of the way and let the employee do the job you are paying them to do.)

The delegation process

The delegation process requires that the manager do some planning and some paperwork in order to instill the correct procedure for delegating. A good rule to follow: "The more critical the end result of the delegation, the more time spent in planning."

The steps of the delegation process:

1. Identify the task you want done. The more precise you are in defining exactly what it is you want accomplished, the higher the probability that you will get what you want.

2. Evaluate the skills needed to accomplish the job. Make a critical evaluation of the knowledge and skills required to carry out the action and make the decisions required to complete the task or assignment.

3. Assess the strengths of your staff. Be very clinical in performing this function. If you over or underestimate strengths, you will possibly be disappointed with the end result of the delegation. It is also good to look at the individual limitations that particular employees may have. The employee may have the required skills and knowledge, but have some other condition or limitation that would tend to impact the total result. Identification of strengths and limitations does not label the employee as "good" or "bad," it just identifies the

constraints within which you must delegate.

4. Determine which employee is best suited for the job and the limits that you'll impose. This is not a popularity contest. Select the employee that has the highest probability of accomplishing the task or project with the best results. (Remember that "best results" usually includes: "Did he do it the way that I would have done it?" This does not automatically mean your way would achieve the greatest result possible, only that the decision is one that you would have also made.)

If the employee has some limitations in relation to the delegated assignment, decide what limits you will set as a function of the delegation. At what point do you retain the right to consult, advise or question the employee's intended actions. Delegation does not require that you give up total authority. If it did, no one would ever delegate. You must give enough to carry out the assignment, but with agreed-to limitations or security measures.

5. Communicate the objective, give the authority, charge the accountability and assign the responsibility. Communicating the objective implies that the employee understands what is to be accomplished and why it is important. Giving the authority means that the employee and everyone else involved understands that this particular employee has been given the right to make the decisions regarding this task or project (within the agreed-to limits.) Accountability and responsibility are similar, but for this purpose, I want to make some distinctions.

To be accountable for something means you will get the praise if done well or you must answer the questions

Continued on page 52

Regional-seminar program spreading across U.S.

APRO and the state associations continue their regional-education program with seminars scheduled for Washington, Texas, Florida and Ohio, according to D.J. Thomas, APRO assistant director of government affairs.

The first four cosponsored seminars were conducted in Indiana, Ohio, Missouri and New York, and they attracted strong attendance among rent-to-own employees in those regions, Thomas said. In addition, more than \$2,000 has been raised and returned to the participating state organizations.

And, more than 75 were already preregistered for the Washington state seminar with a week-and-a-half left before the Sept.

19 date, Thomas added.

"This program is aimed at reducing costs while providing educational seminars for APRO member and non-member employees," said Thomas.

Some key aspects of the program:

- Educational seminars are planned for rent-to-own employees at a reasonable price (Only \$60 per seminar for non-members; APRO and state association members enjoy a reduced price of \$50).

- Seminars are targeted for store managers, account managers, area supervisors and employees.

- One-day regional seminars provide ease of access for employees within a 150- to 200-mile radius.

- One-day seminars avoid the expense of overnight accommodations and, in most cases, airline travel.

Recent and future seminars:

Sept. 19 — Seattle, Wash. "Collections" with Bud Holladay, Alrenco.

Oct. 24 — Columbus, Ohio. "Collections," Holladay

Nov. 14 — Orlando, Fla. "Collections" with Larry Sutton, Champion TV.

Nov. 14 — Austin, Texas. "Collections," Holladay.

...

If you have not received a brochure and application for the upcoming seminar in your state, please contact Thomas at the APRO office — (512)794-0095.

Fall rental retreat set for Oct. 4-6 at PGA resort

APRO officials are conducting an owner's rental retreat at the PGA Sheraton Resort in Palm Beach Gardens, Fla., Thursday through Saturday, Oct. 4-6.

"This lovely resort hotel overlooks a 26-

acre lake and is surrounded by five championship golf courses in the heart of the 2,340-acre PGA National development," said Bill Keese, APRO executive director.

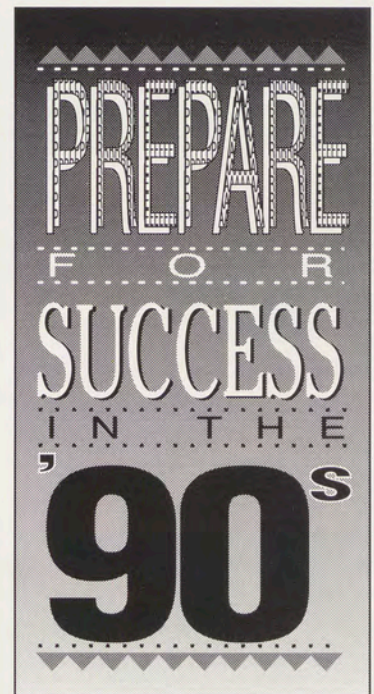
The seminars will be "Establishing a Marketing Culture in Your Business" by Stuart Vexler and "Developing Effective Management — The Key to Success in the Future" by Wayne Outlaw. The third day's seminar will be a round-table discussion on RTO.

These are the same seminars that were held in Scottsdale, Ariz., this past May and are part of APRO's national seminar program — "Prepare for Success in the '90s."

"We have scheduled this highly successful program again on the East Coast to make it more accessible to RTO dealers in the east and southeast," Keese said.

"Stuart Vexler proved to be a very knowledgeable and entertaining speaker at the last rental retreat," said Ted Wilson, APRO president. "In addition, Dr. Vexler and his wife, Dr. Cari Kahn, gave a series of seminars at the APRO convention in Orlando," Wilson added, "and some of their sessions were to standing-room-only crowds."

Both APRO leaders encourage rental dealers to start making plans now to attend the Palm Beach Gardens retreat. (See adjacent registration form, which can be faxed



back to the APRO office at 512-794-0097.)

For more information, call Shelley Martinek, APRO member services, at (512)794-0095; or, write her at 6300 Bridgepoint Parkway, Suite 305, Austin, Texas, 78730.

APRO 1990 national seminar registration

Fall rental retreat
Palm Beach, Fla., October 4-6

Member	Non-member	Preregister
\$295	\$395	Sept. 27
Hotel registration deadline —		Sept. 3

(Note: On-site registrations will be accepted on a space available basis, but to guarantee admittance it is suggested that you preregister by above dates.)

Name _____
Title _____
Co. _____
Address _____
City _____ State _____ Zip _____
Phone _____

Sorry, APRO cannot bill you. All fees must be paid in advance. Make checks payable to APRO.
My check for \$ _____ is enclosed.
Charge to my: Visa _____ MasterCard _____
American Express _____
Card # _____ Exp. date _____

Signature _____

Name on card (please print): _____

Send completed form and payment to:

APRO
6300 Bridgepoint Parkway, Suite 305
Austin, TX 78730
(512)794-0095; FAX (512) 794-0097

LDIF replaced by permanent APRO department

Bill Keese, APRO executive director, recently announced a change in the structure of the APRO staff.

The government affairs department has been created to promote and coordinate all governmental activities by APRO on behalf of the rent-to-own industry, he said. These activities were formerly administered by the ad-hoc government relations commit-

tee through the Legal Defense and Information Fund (LDIF).

"This move, in conjunction with the establishment of the government relations committee as a permanent standing committee (accomplished by a by-laws change voted on by the APRO Board of Directors), is designed to promote and protect the rent-to-own industry," said Keese. "Government

affairs' job is to tell the real rent-to-own story in the halls of state capitols and the nation's capitol, and by creating an effective information network among all existing and future state rent-to-own associations."

Ron Waters, who has served as national legislative coordinator for the past 18 months, has been appointed the new director of government affairs. D.J. Thomas, formerly assistant director of member services, has been named the new assistant director of government affairs.

"The majority of activities that have been funded in the past by contributions to LDIF have been incorporated into this new department and will be funded by APRO," said Waters.

APRO Application for Regular Membership

(Open to those who offer products on a rent-to-own/lease-purchase plan.)

Owner Information

Company name _____ DBA _____
 Owner's name (Last) _____ First _____ M.I. _____
 Home office address _____
 City _____ State _____ Zip _____ Phone (____) _____

Dues

Please circle the appropriate dues category below. Regular members pay according to annual revenues. Please make checks payable to APRO.

Up to \$500,000 annually	\$400
\$500,000-\$1,000,000	\$800
\$1 million-\$2.5 million annually	\$1200
\$2.5 million-\$5 million annually	\$1600
\$5 million-\$10 million annually	\$2400
\$10 million-\$20 million annually	\$3200
\$20 million-\$40 million annually	\$4000
\$40 million-\$80 million annually	\$5600
\$80 million-\$160 million annually	\$7200
Over \$160 million annually	\$8800

Dues payments are deductible by members as an ordinary and necessary expense. Contributions or gifts to APRO are not deductible as charitable contributions for federal income tax purposes. Payment must be in U.S. dollars.

Membership Material

The following information must accompany your application and dues payment before your membership can be processed and approved:

- (1) A copy of your rental agreement.
- (2) A complete listing of your stores including the correct street address, ZIP code, and area code and telephone number.
- (3) A copy of your most recent print advertisement.

Please let us know:

How did you hear about APRO? _____
 What should be the goals of APRO? _____

Allow a minimum of 3 weeks for processing and approval.
 Recommended by: _____

I hereby make application for membership in the Association of Progressive Rental Organizations (APRO). I understand all memberships are for one year from date of sign-up. I hereby acknowledge the APRO Code of Ethics and agree to uphold its principles.

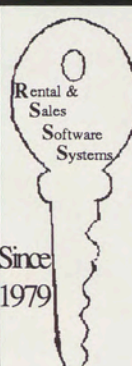
Signature:

Return To: APRO, 6300 Bridgepoint Pkwy. #305, Austin, TX 78730; (512)794-0095

Associate Memberships

Associate membership is open to vendors who supply goods and/or services to the rent-to-own industry. Associate dues are \$500 per year. For more information, or a special associate member application, write or call the APRO office.

PR Aug.-Sept.



THE KEY

WE KNOW WHY

Some
Rent To Own Dealers
are very
PROFITABLE
and
others just survive.

Talk with us
in Orlando.
Booth 322 and 324

Rental & Sales Software Systems
Corpus Christi, Texas
1-800-334-5224

if something goes wrong or the results are less than expected. Accountability is charged by the business or by management, and includes the expected end result of the task or project. A significant part of charging employees with the accountability for something is that they understand why it is important to accomplish the goal set out.

Responsibility is the personal attribute that allows the individual to be willing to accept the charged accountability. You can charge employees all day long with accountability, but if they don't accept the responsibility of making it happen, it probably won't.

6. Get feedback to ensure the goal is understood. If the employee doesn't understand any element of the delegated assignment, you

reduce the probability of getting what you want. Ask the employee to tell you what he or she thinks you have said or are asking them to accomplish. Listen closely to what they think they heard you say. Make adjustments as required.

7. Gain involvement by asking for input. Ask the employee to outline how he or she will accomplish the task or project; when will each element be completed; and what milestones will be reviewed to check progress. In general, how do they intend to get the results?

8. Identify the resources required to complete the task. Spend time here. Talk to the employee about what will be needed. Time, materials, space, dollars, people, equipment, travel. Those are just some of the resources that may be required to achieve the intended result. If you, as manager, understand going in that the project or task will take a certain level of resources,

you will be less likely to "panic" when the bills become a reality. This is also the time that you set some of the limits on the ability to make certain decisions. Some examples: "Above a dollar amount ... before you commit to this ... before you take this trip ... check with me!"

9. Agree on deadlines. You can have interim deadlines, partial-completion deadlines and final deadlines. Interim deadlines are generally agreed-to checkpoints when the employee will give you an update on progress.

There is nothing "magic" about the deadline other than that you have agreed to check at that time.

Meet these checkpoints and change them only if there is a real reason for doing so.

Partial-completion deadlines occur when a part of the total project or task has been completed. This part of the total project or task represents a goal or result of its own merit. These checkpoints tend to be "magic" since they usually represent the completion of a major portion of the total goal—beyond which nothing else can be done unless this part is in place.

The final deadline is where you measure the success level of the total delegated assignment. How much was accomplished; was it over or under projected results? This deadline must have some real purpose. The "magic" of final deadlines usually has to do with producing the profits required, getting the gains expected, reducing the outstanding renewal payments or other measures critical to the success of the business. If things don't happen by the deadline, you don't have what you

need for total success.

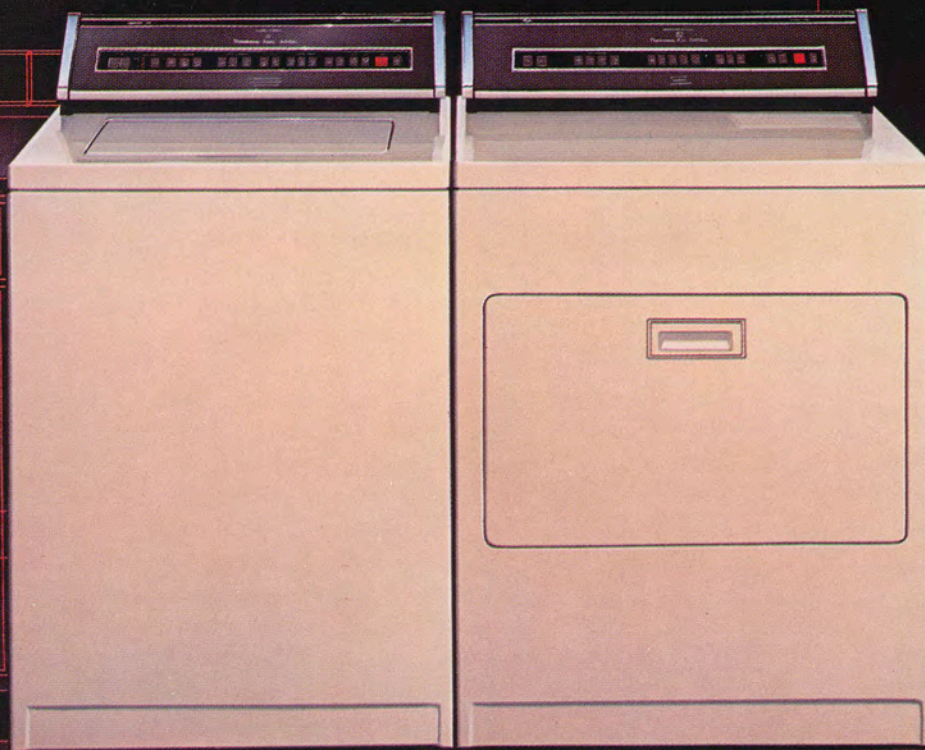
10. Follow the progress of the delegated assignment. This means exactly what it says—follow the progress. Don't meddle, don't suggest, don't step in, don't do anything that takes the initiative away from the employee. If you do, you have not delegated and you have accepted the full responsibility for the success or failure of the delegated assignment. You do have the right to review, ask questions, check progress and so forth at the agreed-to checkpoints and deadlines. So do it then.

11. Give praise and make adjustments. After the task or project has been completed, evaluate the results. Give justly earned credit for successful completion for all or parts of the assignment. Giving praise is fairly easy and fun to do. But be specific! Tell the employee exactly what was done or decided that achieved the results you wanted. If the employees know, they can do it again. This helps the employee know what is important to do or think about when making decisions. (These are the same things you would have done or thought about if you were making those decisions or performing the task.)

You are helping the employee understand how you make decisions so he can emulate your process and come up with results similar to what you would have achieved. For portions of the assignment that did not go well or for a total lack of results, don't fix blame or find fault. Finding fault or fixing blame has never solved a single problem in the entire history of the world. So don't do it—regardless of how mad you may be or how much difficulty the employee's actions have created. That does not mean that you do not make adjustments.

First of all review your thoughts in evaluating the skills required to accomplish the assignment. Did you do your job well? Did you miss some critical checkpoints or fail to set necessary limitations on the employee? Did

Continued on page 59



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Why wait for washers that your customers will want to keep? Whirlpool has them today.

Before your customers buy a washer, they get to audition it. And if the washer doesn't perform, you lose. So it makes sense to carry Whirlpool® washers. Because they're built with the kind of quality that persuades renters to become owners.

The features they need. Our washers help your customers handle the most diverse fabrics. With a wide range of cycles. Numerous temperature settings. Adjustable water levels. And an innovative agitator that thoroughly cleans even the biggest loads.

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We also support you with TV and magazine ads that run all year long, selling your customers on Whirlpool before they ever walk in your door.

Now the day may come when all appliance companies offer you this much. But isn't it nice to know that Whirlpool does it today?


Quality you
can count on...today.

APRS Associate Member since 1981



Aeromate, photographed at APRO's recent annual convention in Orlando, Fla., is Utilimaster Motor Corporation's entry in the RTO delivery-vehicle market.

Aeromate well suited for RTO deliveries

Aeromate, the maneuverable delivery van with standup headroom and one-ton payload capacity, is a natural for rent-to-own.

The Aeromate boasts 15-foot turning radius, six-foot high cargo area and 20-inch floor height.

Customers can choose from a new 3.3-liter V-6 engine that produces 150-horsepower, or opt for the original 2.5-liter, three-speed automatic transmission that's rated at 17 miles per gallon — city or highway. The V-6, which has a four-speed automatic transmission and single overhead multi-point fuel injection, is rated at 15 mpg/city and 16/ mpg highway.

The new, sleeker one-piece fiberglass hood and restyled grille have been designed to accommodate the slightly larger engine, while retaining its liftup access.

Standard features still include power steering and brakes, tilt steering wheel, intermittent windshield wipers with washer, cargo bay and cab dome lights, tinted windshield, dual sliding cab doors with rollup windows, dual 23-inch swingout rear cargo doors, and one-piece molded dashboard with cup and clipboard holders.

For more information, call Utilimaster Motor Corporation at (219)862-7610 or (800)537-7169. Or, write: UMC, 65598 State Road 19, P.O. Box 860, Wakarusa, Ind., 46573.

Source: Utilimaster Motor Corp.

CMK expands sales force, territories

CMK (formerly Color Mail/Katz) has expanded its international sales staff from 19 to 37 as part of the company's expanded service efforts.

CMK provides traffic-generating ideas to its clients, mostly furniture retailers and rent-to-own

dealers, and has more than 45 years in the business.

J.E. "Joe" Ringer, CMK's sales director, is confident that the added field support and newly redefined sales territories will enhance sales and service. "By bolstering our field presence in Canada, the midwest and west-coast regions, we can now cover more territory, more efficiently," said Ringer.

Dealers interested in learning more about CMK's products and promotions can call its Cleveland-based headquarters at (800)338-5727.

Source: CMK

APRO compiling RTO calendar of events

Shelley Martinek, APRO assistant director of member services, is in the process of compiling a 1991 rent-to-own calendar of events.

"If your company is holding any RTO meetings or events that you'd like published in the APRO calendar, please contact us," Martinek said. "We're looking for anything relevant to the industry that people should know about."

To contribute to the calendar, call Martinek at (512)794-0095; FAX (512)794-0097. Or, drop her a line at: APRO, 6300 Bridgepoint Parkway, Suite 305, Austin, Texas, 78730.

Deadline for submitted items is Monday, Oct. 1.

Source: APRO member services

GE marketing special refrigerator for RTO

General Electric Appliances is offering a specially designed 16.5-cubic-foot refrigerator that's ideally suited for rent-to-own dealers and customers.

The top-mount, no-frost refrigerator has trimline styling and features such as recessed door handles and a coil-free back for setup in tight places, and rip-off gaskets for quick replacement. In addition, it has wheels to allow for easy moving and setup, and reversible doors.

Customer features include a full-width vegetable/fruit pan, adjustable and deep-door shelves and an optional icemaker.

For more information, contact Bill Whelan or Jim Benz at (800)782-8097. Or, write: GE Appliances, Appliance Park 4-206, Louisville, Ky., 40225.

Source: GE Appliances

Progressive Rentals back articles available

Articles and stories from back issues of *Progressive Rentals* magazine are available from the APRO office.

Hilde Parker, APRO member services department, has compiled an index, and APRO staffers can photocopy articles for members on request.

For more information, call the APRO office at (512)794-0095.

Source: APRO communications

Rent relief.

If there's a sudden rush on refrigerator rentals, what should you do before you get down to the last few?

Call us.

Because GE has distribution centers across the country that can get appliances on your floor in as little as 48 hours.

And when they arrive, something else comes with them.

The *best* back-up system in the business.

Which includes the GE Answer Center® service, that can offer help to renters 24 hours a day, 7 days a week.

Plus the only nationwide network of *factory-trained* service representatives, that's ready to handle problems no matter if your rental service is in Alabama, or Alaska.

And to give you even more peace of mind, our appliances are backed by some of the best warranties around. (Up to 10 years in some cases.)

So why buy from a company that just sells you appliances?

When you could choose one that offers a lot more.

GE.



Contact: Jim Benz
General Electric Appliance Co.
Appliance Park AP4-206A
Louisville, KY 40225
(502) 452-3338



We bring good things to life.

I've brought in over \$1,500 for the company since day one. Not bad for a washed up old piece of salvage, hey? So what if it's three or even four times what I cost 'em? Hey — Joe says it wasn't enough. So what can I do? We got overhead, he says.

Yeah, I've seen some of that overhead. Like those great big trucks they haul us around in now. Half the time they're empty and the other half they're parked at some juke joint on the bad side of town. And there we are, stuck in the back with all the doors unlocked. They snatched two VCRs like that last month and these guys still haven't learned. Look for me on a milk carton.

And those dollies they bought for us to ride out on? Try to stay on one of those! The things are so cheap and flimsy I feel like I'm strapped to a tinker toy. Guy in the back said they were on

BUD HOLLADAY

sale at Sam's. So much for upkeep and maintenance. Guess they wouldn't have sympathy unless it was on sale.

And that service guy. Hands all over you every chance he gets. And he's always staring at you like he can see right through you or something. It's spooky.

Let me tell you, it's no piece of cake being Joe's BOR. I've been turned over, turned out, sat on, and dropped. I've seen more fights than Sugar Ray. I've seen more bad TV dinners and stale beer than I care to remember. And all because some twerp up front thinks just because I'm zeroed out he can send me anywhere. Some of the neighbor-

hoods I've spent time in — you'd be zeroed out, too, buster. I promise.

So why do I stick around? I could've walked out the back door like a lot of them, but that's not my way. I could have skipped. I'm smart. Very smart.

All I want is to be depreciated. I want somebody to say they count me. I want my name on a receipt somewhere, not just scribbled on a loose tag on the stockroom floor.

I want a home. I want somebody to say: "Now there's a real piece of work. They don't make 'em like that anymore."

Sure, I've been late in my time. Who hasn't? And I've maybe quit a time or two. But never for keeps. And never for nothing. Only when they hook me up to one of those 80-foot extension cords with the toaster oven or something.

But let me tell you something: I'm the only thing that keeps this company in business. Don't you ever forget it. Without me, they're history. Zeroes. RentaCenter without the Renta. Colortime without Color. We bring home the bacon, Jack. We are Joe's BOR.

PR

Bud Holladay, generally credited as APRO's founder, is a legendary rent-to-own humorist who moonlights as vice president of employee development for Alrenco. Holladay also wrote a first-person story about Joe Eason for this issue. That story appears on page 21.

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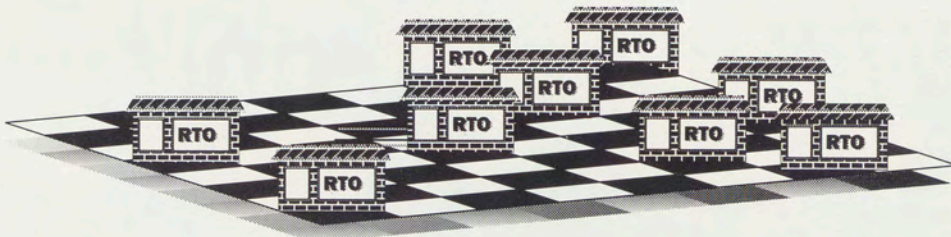
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MULTIPLE STORES,
continued from page 44

- Delegate and allow them to use their skills.
- Monitor performance to identify problems early.
- Develop and implement solutions to situations before they become crises.

The group managers and companies that are able to do these things will not only survive, but prosper.

•••



If you would like to examine how you are managing multiple-store groups and identify ways to improve,

we have developed a self-administered questionnaire to assist you. To receive a copy of the questionnaire — "Identifying a Group Manager's Keys to Success" — send a business card and a self-addressed stamped envelop to: The MARCON Group, P.O. Box 661, Mt. Pleasant, S.C., 29465 or call 803-884-9361.

PR

Wayne Outlaw is president of The MARCON Group, a business consulting and training firm based out of Mt. Pleasant, S.C. He is a frequent Progressive Rentals contributor and APRO seminar speaker.

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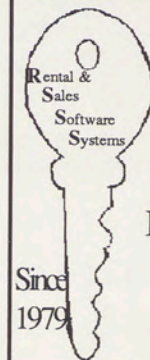
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the employee exceed agreed-to limitations? Did the employee not meet the agreed-to deadlines? (This one is just as much your responsibility as that of the employee.)

There are many questions that must be asked when things go wrong, but they must be asked to find out what caused the failure, not to fix blame. You must learn more about delegating properly and employees must

learn more about their limitations and when to ask for help.

Eleven steps — ones that make the difference in true delegation or just telling someone to do something. If the task is simple, requires no decisions other than how to do the job and is repeated frequently, you can get away with telling the employee what to do. If you must have the results required of the job and the person, it is worth the time and thought invested to do it right.

The more critical the result, the more time you should spend in documenting the delegation. As employees grow and understand more about how and why you make the decisions that you make, the broader the range of decisions you will be able to have them

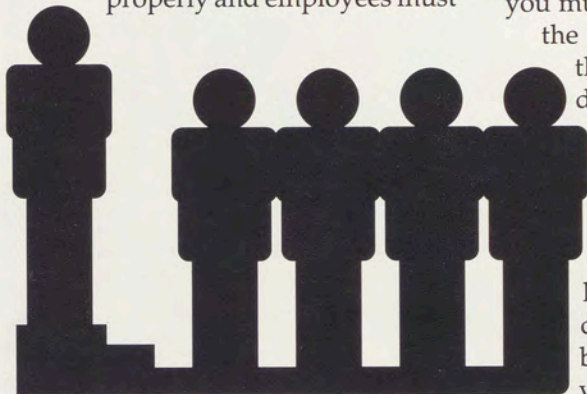
make — and they will be able to make their decisions with fewer restrictions.

The more decisions the employee makes — what you are paying him to do anyway — the fewer you have to make and the more time you have to do other things that are required of your job. Isn't it wonderful?

Getting employees to do what you are paying them to do. And that's what management and delegation are all about.

PR

Rex Thornton is president of Performance Management Associates, a Dallas-based management consulting company specializing in rent-to-own. He can be reached at (817)481-5962. (Also, see ad page 39.) These management articles are copyrighted by Rex H. Thornton, 1990, and are released for publication in Progressive Rentals. Commercial use of this information or copying in part or in whole is prohibited.



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