

Progressive

December 1993/January 1994

Rentals

The magazine of the rental-purchase industry

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APRO

PR

Progressive Rentals

December 1993/January 1994

The magazine of the rental-purchase industry

Volume 13, Number 6

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When the media call

What would happen if a TV news crew showed up at your store? Would you be able to defend your business and industry? Some tips.

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Jewelry retains its luster

Diamonds and gold. They're not just for Christmas anymore. After years on the proving ground, jewelry is a year-round part of the RTO mix.

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Cover: Congress in recess

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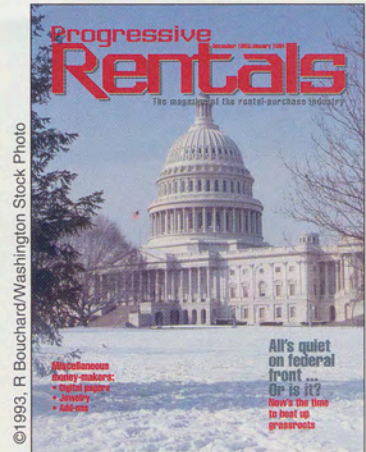
Keeping in touch

Digital pagers have found a place in the consumer mainstream, and some creative RTO dealers have found them to be the answer in their search for profitable new products.

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'Tiger' John knows RTO

When the University of Missouri contacted 'Tiger' John Cleek a few months ago, it wasn't for his avid support of the Tiger football program. The RTO dealer answered the call to explain his business and industry in a public forum.



©1993, R. Bouchard/Washington Stock Photo

ON THE COVER: The hallowed, snow-covered grounds of Capitol Hill now seem deserted. Since late November, Congress has been home for a long winter holiday. Don't let this tranquil scene lull you to sleep.

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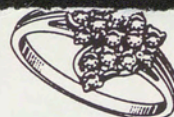
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It's 1994, and Congress and the IRS need to take a

Reality check

NOW THAT 1994 IS HERE, WE ARE ALL IN GREAT ANTICIPATION OF WHAT THE NEW YEAR WILL BRING. WE ALL HAVE PUT TOGETHER OUR BUSINESS PLANS AND COMPANY BUDGETS WITH THE CHALLENGE OF SEEING THEM BECOME REALITY. WILL THIS BE A YEAR OF GROWTH, STAGNATION OR DECLINE?

MEETING THESE EVERY-YEAR CHALLENGES IS WHAT MAKES BEING A BUSINESS OWNER OR MANAGER FUN.

•••••

It is this burning desire that makes us a part of this nation's economy. The thing that makes this country a great democracy.

That is why, at the start of 1994, it is ironic that one of our biggest challenges this year is to maintain capitalism within our country's democracy. The thought that our own government has the right to set the limit on how much a company can make baffles me.

Do you think that if our opponents had rents, payables and payrolls to pay they would think it right to tell you how much money you could make? It is hard for someone who only pays attention to the gross revenue to make that decision. Reps. Gonzalez and Kennedy and Sen. Metzenbaum have no worry about where their next paycheck is going to come from or how much it is going to be.

These federal officials are the same people who answer budget shortfalls by raising revenue (taxes) without considering the expense side. More baffling is the fact that they not only have the power to set the limit on how much we will make, but they also have the right to set their own salaries.

Maybe we should listen to them about marketing techniques and advertising. After all, they are the people with great

knowledge. They not only know how to run our country, but they know exactly who we rent to and how we get our customers into our stores for our products. Personally, I was not aware that my company and all other rental-purchase businesses in the country mainly rent to poor, illiterate people who are incapable of making their own decisions. Maybe I should tell this to my customers so they won't go out and get into any other "bad deals." Maybe, because this is not an accurate description of my customer, this explains why my company had a down year.

According to the theories of Gonzalez, Kennedy and Metzenbaum, my stores and those of my competitors are in the wrong locations. They need to be next to all public housing projects and in the ghettos. If these gentlemen have so much business sense, they are depriving the business world by not opening their own business consulting firm. As the kids today say, "NOT!"

Now that we have determined that Congress should stay out of business consulting, we still have to wonder what the Internal Revenue Service is doing. These people at the IRS are supposed to maintain the revenue stream for government. But the IRS is now trying to make that crucial business mistake: "Let's Get Rich Quick!"

The IRS wants to tax the rental-purchase transaction as a credit sale and see all the money it receives. The problem with this theory is that over-taxing any business—which this is going to do—eliminates that source of revenue for the future. Each year, we business owners make one-, three- and five-year budget plans. If the IRS does not look toward the future budget, it will be wondering where the revenue provided by our industry went to. Isn't it sad that this country's revenue collectors do not have to do any future budgeting. They are allowed to run their division of government by cri-

•••••

BY

KEVIN QUINN

I was not aware that my company and all other rental-purchase businesses in the country mainly rent to poor, illiterate people who are incapable of making their own decisions.

sis management. If the government needs more money, they just go out and get more now, worrying about tomorrow when it comes.

This new year comes to our association with great anticipation of growth, new challenges and the anticipation of success over our continuing challenges. The future is bright for our industry and our association, but I must remind everyone of the definition of an association. It is "an organization of persons having common interests and purpose."

We must stay focused on our common goals. The future may bring our companies into conflict at times with the association on theories, business practices and personal views, but we cannot be divided on our common goal. That goal is "to have good, fair legislation that protects our customers and the existence of our business, while paying our fair share of taxes."

This association will not always do things that will please every member on every decision, but it will continue to maintain the common interests of the group. Each member has one voice, no matter how large or small his or her company is. We will listen to all, but we cannot change our direction to meet the wishes of one or two companies. Remember, our common goal is to ensure our industry's existence, and it will take everyone to meet that goal.

I hope 1994 meets you with excitement and anticipation of great accomplishments, just as it does for me. Life is good, and 1994 is just one piece of that life. I hope the new year finds you and your family well, and I hope your business continues to grow. May we all achieve our budgets and goals and have a happy new year. **PR**

APRO Facts Line providing members instant information

HIGH-TECH. STATE-OF-THE-ART. USER-FRIENDLY. APRO MEMBERS NOW HAVE ACCESS TO ONE OF THE LATEST AVAILABLE COMMUNICATIONS TOOLS, WITH THE RECENT INSTALLATION OF APRO'S FACTS LINE.

.....

For dealers who have not yet had the opportunity to use the service, Facts Line is a high-tech FAX-On-Demand system that gives APRO members access to vital information 24 hours a day, seven days a week.

Users of the Facts Line will find the system stores several convenient catalogs, each capable of holding hundreds of pages of documents. A dealer working late at night, or perhaps on the road during the weekend, will be able to access important information even when the APRO office is closed. All that is needed is a touch-tone phone and a FAX machine to receive the document.

"Currently, it takes almost a complete day of staff time to send one mailing to our membership," said APRO Executive Director Bill Keese. "This new system will allow all members access to much more information

F
APRO FACTS LINE
X

in a shorter period of time than the postal system allows."

When calling into Facts Line, at (512)794-0258, callers will be greeted by a voice that will guide them through the system. Callers familiar with the system—and who already know the document numbers they need—may order immediately to save time. For those new to the system, the voice will briefly describe how it works and offer a list of available catalogs, which outlines the information categories available—such as membership, legislative, convention, etc. Callers may prefer to order a specific catalog, which lists document numbers and descriptions.

Non-members of APRO will have the option of ordering information on membership, exhibitor and advertising information, and information on conventions and seminars. Any call for legislative updates, tax and accounting news or media information, will require a member code.

Perhaps the most important features of the new service are the security controls provided by the Muratec Information System. When APRO has sensitive information to pass along to board members and members of special committees, specific codes are assigned to the documents to limit access. The security measures are particularly important, considering some of the measures anti-RTO forces have already taken to attack the rental-purchase industry.

By mid-December, all APRO-member home offices should have received a package from APRO which includes a basic introduction to Facts Line, user instructions and member access codes.

Try the APRO Facts Line at (512)794-0258. If you have suggestions on ways APRO might improve the new FAX-on-demand service, please contact John Gormley or Tulisha Carson at APRO's main line, (512)794-0095. **PR**

Photo courtesy of Muratec



The computerized 'brain center' of APRO's new information service.



'94 presents opportunities we should cherish

Renewing faith in ourselves, future

WHEN I WAS A CHILD, I LOOKED FORWARD TO THIS TIME OF THE YEAR FOR OBVIOUS REASONS.

AS A YOUNG ADULT, MY CONFUSION WITH THE WORLD CAUSED ME TO BE CYNICAL ABOUT THE HOLIDAY SEASON AND DREADING THE FIRST OF A NEW YEAR.

ENTERING MIDDLE AGE, I VIEW CHRISTMAS AND NEW YEAR'S AS THE MOST INSPIRING AND UPLIFTING SEASON OF THE YEAR.

•••••

The transformation that occurs at the beginning of a new year is now a necessity of life for me.

How many times have we all witnessed a child in exploration? Every sound, object, and thought is a new wonder to be explored. Innate curiosity coupled with the innocent trust that all will be well is inherent to a child. The instinctive boldness a child exhibits in all his undertakings leads the child to grow and mature. Ah, the wonders of a new life.

For me now, every new year is a renewal of all that is good in life. I strive to touch in myself the many of the qualities of a child to temper the cynicism of everyday reality. This is the re-birthing that I now experience every new year. It is also a part of the annual re-birthing process that our civilization is built upon.

From this model I have for myself and my view of the world, the new year is as exciting and wondrous as the whole world is to a child. And just as a child has no fear of the future, so should we be bold

in everything we do.

We should be bold in the way we approach the challenges we face as an industry. Let us leave the old cynicism in the past with the old year. Look what opportunities we face! We face the very real probability that 1994 will be a year in which we are more united and effective as an industry than ever before. Let us all make that commitment.

We should all renew that commitment we made to be an industry that exists to better serve our customers. Some may want to have others believe that we do not serve our customers well. Let no one forget that we have built an entire industry, not on the backs of our customers, but as a partner in treating all our customers with dignity and respect. This is the key to everything we should be doing in '94. Let us renew that commitment.

We should re-ignite that innate curiosity that is in all of us to look at our jobs, our businesses, and all our personal relationships to explore and develop ways on how to improve upon what we have. Never can we be satisfied with "the way things are." Let us constantly look for new ways and new opportunities. We must be bold to make the appropriate changes.

This is the attitude we are taking with APRO. We will be bold in promoting and protecting this industry in all the challenges ahead. We have renewed our commitment to serving you, our members, in the most professional manner possible and with the best interest of the whole industry as our mission. And we will approach our mission with the curiosity and commitment to excellence that will allow us to explore and develop ways of doing a better job.

Join with us, will you?

PR

•••••
BY
BILL KEESE

Employee theft: What you don't know can hurt your company

THE MORE YOU KNOW ABOUT EMPLOYEE THEFT, THE LESS LIKELY YOUR COMPANY WILL BE VICTIMIZED BY IT. TO ASSESS YOUR OWN KNOWLEDGE—AND YOUR VULNERABILITY—HERE IS A SHORT QUIZ.

•••••

Answer each question true or false. Then check your answers.

1. Employee theft costs American business about \$989 million per year.

2. Once a thief, always a thief.

3. Employee theft costs retail stores more than shoplifting.

4. About one-third of all small business failures are caused by employee theft.

5. Most employees who steal will stop on their own, because they start to feel guilty.

6. Most workers who steal do so out of need.

7. Employers can teach their employees not to steal.

8. Employees who steal money usually start by stealing small amounts.

9. Physical security measures such as alarms, locks and cameras are the best way to deter employee theft.

10. Criminal record checks are an effective method for deterring employee theft.

11. Illegal drug users are more likely to steal from their employers than non-drug users.

12. People who steal from their jobs frequently view themselves as victims of unfair treatment.

13. New employees are more likely to steal than long-term employees.

14. The employee caught stealing usually won't steal again if given a second chance.

15. The single most important theft deterrent in a retail store is a secure safe.

16. Employees steal more from banks than armed robbers do.

17. A job applicant's likelihood of stealing from your company can be discovered before he is hired.

•••

Now, find out how you did:



Joel B. Matthews

1. False. Informed estimates place the annual cost of employee theft at \$40 to \$200 billion.

2. False. Children who steal usually stop before they reach adulthood. And, adults steal less as they age.

3. True. Employees out-steal shoplifters by a ratio of 3-to-1.

4. True. Employee theft is the second leading cause of small-business failure.

5. False. Employees who steal continue to do so until they are caught.

6. False. Greed is the biggest cause of employee theft.

7. True. Companies who teach their employees the undesirable consequences of stealing during new employee orientation report less theft.

8. True. They start by stealing small amounts, which increase until management takes notice and threatens action.

9. False. Pre-employment screening is the most effective and least expensive deterrent to employee theft.

10. False. Most employees who steal are never caught. Of those who are caught, few are prosecuted and some are not convicted.

11. True. Willingness to take risks and to disregard the law characterize both drug users and thieves.

12. True. Perceiving oneself as being overworked, underpaid or under appreciated helps rationalize stealing.

13. True. New employees steal more often than experienced employees, because they have less to lose. The experienced employees that do steal

take more per capita than their newer counterparts.

14. False. The dishonest employee thinks the employer who gives him a second chance is a chump and will prove it by stealing from him again.

15. False. It's the cash register. The oldest retail security device is still the best.

16. True. Bank employees—84 percent. Bank robbers—16 percent.

17. True. Research has shown that honesty defined as the probability of stealing or not stealing from one's job can be predicted accurately by inexpensive written honesty tests. Some of these tests can also predict turnover, attendance problems, substance abuse and interpersonal problems.

How did you do? If you're like most people, there are a few things about employee theft you didn't know. And, what you don't know about this subject can hurt your company. **PR**

(Editor's note: James W. Bassett submitted the above. He is president of a firm that specializes in theft investigation and pre-employment screening. He can be reached at 513-421-9604.)

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IN THE RUSH TO ADD BOR, IT CAN BE EASY TO OVERLOOK THE REAL OBJECTIVE: INCREASED PROFIT. AND WHILE MORE BOR CERTAINLY SHOULD IMPROVE PROFITS, IT DOESN'T ALWAYS WORK THAT WAY.

THE ONLY THING CERTAIN IS THAT ADDING NEW CUSTOMERS ADDS OVERHEAD AND RISK. IF WHAT YOU REALLY WANT IS MORE PROFIT, WHY START OUT BY ADDING MORE COST AND MORE RISK?

.....
BY
BUD HOLLADAY

Instead, maybe you should first improve your knowledge of what customers today really want and how much they're willing to pay for it. The answers might surprise you.

The place to start is in the streets. Unlock your brain and go see what the other rental dealers in your area offer. Compare it to your own lineup. If you suddenly look stodgy, out of date, and limited in product, it's time for a change.

Mostly, you have to change your thinking. It's no longer safe to assume that all rental-purchase customers are looking for a new television or a better sofa. Goods kept to term within the last few years generally last longer and are of better quality than anything rented earlier.

The customers' replacement dollars have become new product dollars: a new floor lamp, a dramatic wall hanging, maybe even baby furniture. If you're not paying attention, you could be stuck with a lot of unrented console televisions.

Understand there can be real risk in

bringing certain products into your rental-purchase store. Some goods are like a red flag to the self-anointed few who'd decide which of us get to watch color TV and wear fancy watches and which should not. But if your company is following all the rules as now written, then you have to assume that most durable goods able to be sold at retail can be rented.

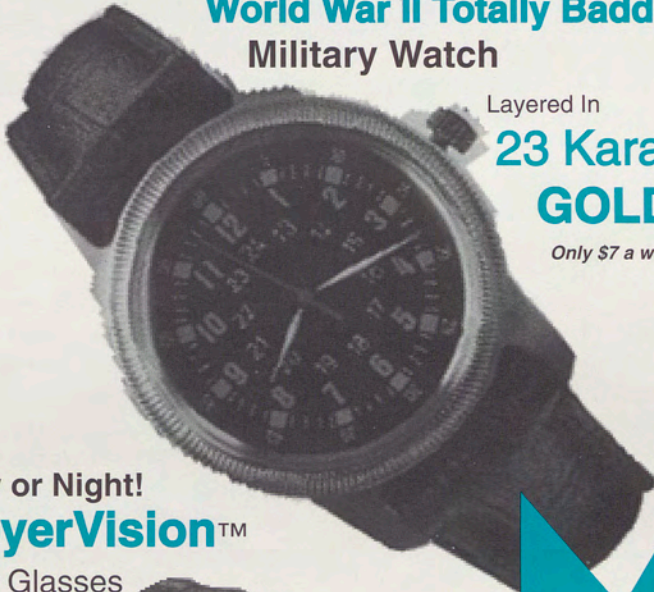
Sensible dealers will recognize the need to stay away from products that are clearly designed to be consumed or "used up"—like tires, for example—or items that could otherwise be bought for a few bucks at the corner drugstore, like roller skates or charcoal grills or Polaroid cameras (it takes about the same amount of overhead to keep a \$40 camera on rent as it does a \$200 diamond ring, so why mess with the drugstore goods?)

Add-ons must have real value to the customer but still cost so little that anybody can afford them. Some sort of tie-in to your regular line provides a sense of continu-

CONTINUED ON PAGE 12

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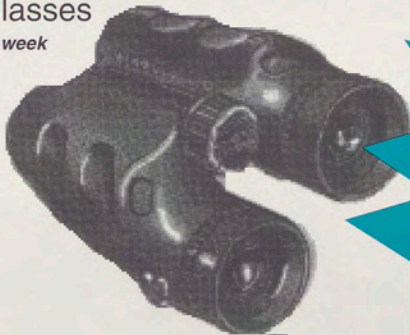
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*"A two-color handbill mailed to present customers and recent payouts
is the cheapest and most effective method of advertising add-ons.
They require no envelope stuffing and little effort."*

Continued from page 10

ity and adds a high degree of appeal to your merchandising.

Surely there is some unknown number of people who'd rent painted cement birdbaths with electric lights, but it's unlikely you'd do much volume. If you want to see some real action, help a rental customer make his kitchen work better, or her living room look better, or get their kids out of the street and onto the weight machine.

The opportunity for rental-purchase dealers in old and crowded markets lies in finding logical extensions to the present product lines, goods that a somewhat captive customer base can both enjoy and afford.

That's not so hard.

Rental-purchase customers are exposed to a myriad of potential add-on products daily at their workplaces and where they relax: car audio systems; cordless remote phones; answering machines; digital pagers; wall art; clocks and cabinets; home alarm systems, even "walkie-talkie" transceivers (for the outdoorsmen). These products are generally too expensive to be

With the right merchandising and consistent follow-up, you should be able to improve BOR by about 5 percent without adding a single new customer. Just make sure your add-ons are ... in a high-traffic area of the store.

impulse buys at retail but they're suddenly affordable on a rental-purchase plan. And they are products that already enjoy wide acceptance at retail.

Only a few years ago McDonald's didn't sell ice cream. But then Big Mac noticed how many of those folks wolfing down burgers went right across the street to spend money on an ice cream. So now you can choose from two flavors of ice cream and three kinds of sundaes under the Golden Arches. Likewise, few burger places sold chicken until our appetite for red meat slowed down. Nobody invented a new hamburger. They just added chicken sandwiches.

The point is, neither McDonald's nor the other guys gave up the hamburger business. They just expanded it, found a way to give the existing customer something extra, and thereby created new customers, too.

Not a bad lesson.

With the right merchandising and consistent follow-up, you should be able to improve BOR by about 5 percent without adding a single new customer. Just make sure your add-ons are merchandised in a high-traffic area of the store, and one is always showcased at the payment counter under a bright sign that shouts "Take Me! Take Me!"

The payment counter is where your best customers show up week after week. Nobody is a better prospect for an add-on unit. Needless to say, that won't work if your counter is already loaded up with report binders, overflowing ashtrays, circus signs, contest boxes, and last week's paperwork. But then, there's probably not much else working in that store, either.

A two-color handbill mailed to present customers and recent payouts is the cheapest and most effective method of advertising add-ons. They

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Loss prevention and recovery information for the rental-purchase industry.

require no envelope stuffing and little effort. Plus, they give the store crew something productive to do on those slow days when they'd otherwise be calling each other long distance to see why it's so slow.

To be sure, any manager working hard to improve average rates and product yields probably won't have much enthusiasm for pagers or phones or mantle clocks. They won't be necessarily wrong, they just need more information about profit.

Certainly, everybody should work hard to move the higher-yield goods every day. But instead of spending time and money trying (often unsuccessfully) to create new customers for 20-inch monitors, it makes more sense to send a silk tree or cordless phone or set of speakers to the customer who's already in the store making this week's payment.

Save your drumming for the 27-inch stereo console with furniture cabinet. You'll need it. *PR*

Bud Holladay is vice president of marketing for New Albany, Ind.-based Alrenco.

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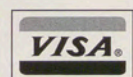
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When the media call

FOR MOST PEOPLE IN THE RENTAL-PURCHASE INDUSTRY THESE DAYS, THE THOUGHT OF FACING A TELEVISION OR NEWSPAPER REPORTER CAUSES AN IMMEDIATE INCREASE IN THEIR BLOOD PRESSURE.

FACING THE NEWS MEDIA IS AN INTIMIDATING PROSPECT, TO BE SURE, BUT THERE ARE WAYS TO SURVIVE THE ORDEAL IN WHICH YOU PRESENT YOUR SIDE OF THE STORY CALMLY, HONESTLY AND INTELLIGENTLY.

This industry will continue to be a hot media topic as long as the current approaches to federal rental-purchase legislation are debated on Capitol Hill. You can be assured that the people who wish to dismantle the rental-purchase industry will continue to provide the news media with their standard "juicy" press releases, choc full of sensationalized cases of the horrible businessman preying on an unwitting public. Be assured also that this industry will survive on its own merits, answering all outlandish charges with the truth.

Of course, a pledge of help from the Association of Progressive Rental Organizations is only so comforting to the RTO dealer facing the business end of a reporter's microphone. Following is a brief, yet thorough, guide to dealing with the

media when they come calling. It is important to learn about the media in order to feel comfortable dealing with them.

Never forget that television stations and newspapers are businesses. Station managers and publishers have to turn a profit just as you do, and both are in highly profitable and highly competitive businesses. The stations and papers with the most viewers and readers are the ones pulling in the greatest advertising revenue. Remember too: In the news business, bad news sells and good news—for the most part—puts viewers and readers to sleep.

If you are contacted by a reporter, it's a good bet that he or she is looking into complaints about your particular business or they are looking for some local color to ad to a piece of canned network story

CONTINUED ON NEXT PAGE

Continued from previous page

attacking the national rental-purchase industry. Unfortunately, you will not find many media outlets looking to report about the quality service you provide to your customers. You'll have to buy an ad for that.

Don't be intimidated by the news reporter, whether he is calling you on the telephone or surprising you with an "ambush interview" in your store's showroom. You must understand that this reporter has a list of questions he wants answered right there, and he probably has a preconceived notion about your business and the whole industry. Be cooperative. Don't hide from a reporter and don't be smug; it makes you look guilty and dishonest.

The most effective way to show confidence in an interview is to know your facts. It is imperative that owners and managers know not only what is going on within their company, but they must also know a good deal about the rental-purchase industry. Information on the rental-purchase industry is always available to APRO

A polite, informed answer is the perfect response to even the most hostile question. When you can respond to a reporter's initial question with authority, you establish immediate credibility.

In dealing with the media, there is one sacred rule that always applies, no matter the situation: never lie.

members from the APRO home office. A polite, informed answer is the perfect response to even the most hostile question. When you can respond to a reporter's initial question with authority, you establish immediate credibility.

In dealing with the news media, there is one sacred rule that always applies, no matter the situation: never lie. Quite simply, a reporter who catches you in a lie will destroy your reputation and possibly your business. If you don't have an answer, admit it and offer to find the answer.

If the reporter was hoping to surprise you with outlandish claims from those infamous "unnamed" sources, he might think twice about it when

you respond with thorough, honest answers. When you show a willingness to be up front and honest with your answers, the shadow of doubt moves over any anonymous sources. When you show an eagerness to respond to claims against your business and industry, readers and viewers should then question the credibility of those who stay in hiding.

More than likely, the only information a reporter has regarding the rental-purchase industry comes from the industry's opponents. The one-sided information distributed by anti-RTO forces is full of exaggerated, desperate claims full of catch words like "loan sharking," "usury," "300-percent interest rates," and "hidden costs."

These same forces claim your customers are nothing but the ignorant and unread, who are duped into handing you their paychecks each week. They ignore the fact that the industry offers consumers a unique rental-purchase agreement which is free of debt and obligation. They ignore the fact that millions in this country enjoy the convenience of the rental-purchase agreement, which offers them free delivery and pick-up, free repairs and the option to cancel the agreement at any time.

It is very important that owners and managers tell the media that, as members of APRO, they are fully supportive of disclosure legislation already approved by 36 state legislatures. The anti-RTO legislation being proposed will take away an option enjoyed by their customers, and it will also expand the traditional definition of credit in order to label the rental-purchase agreement as a credit sale.

When you know your facts and deliver them in a polite, professional manner, it dramatically decreases the chances of being misquoted. When a

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Would you like to profit by being a part of TRIB?

- Established in 1983, the TRIB Group has become the largest owner/member RTO buying cooperative in the nation with over 650 member stores. TRIB's MASS BUYING power means lower prices on virtually everything a member buys to rent. In fact it's possible to experience as much as a 10 percent savings on products purchased—and you'll still be buying from many of your same suppliers! But you'll profit in many other ways too. Consider the valuable bank of knowledge and information you will be able to access about industry merchandising trends, legal issues and a sharing of ideas and business suggestions with fellow rental dealers.
- Last year TRIB purchased over 80 million dollars of merchandise and has also negotiated a REBATE program which in the coming year will provide members with over \$800,000 in rebates. It all adds up! Join TRIB and profit immediately on your membership!

STRENGTH
of Buying Power
through
Strength of
Membership



APRO Associate Member since 1983

For more information contact:

John Blair
3180 Presidential Drive, Suite F
Atlanta, Georgia 30340
(404) 451-4302
FAX: (404) 451-4312

reporter feels you have dealt with him in a straight-forward, honest manner, he will often take extra care in presenting your side of the story.

Reporters are very human, and it's important to realize that. Just as in any business, there are good reporters, lazy reporters and terrible reporters.

Good reporters will take care to research their stories and work hard to present an informative, well-balanced story. Lazy reporters will not take the time to research the facts on your industry and they will use whatever information is handy. That information is generally provided to them by anti-RTO sources. If you don't deliver the facts to the lazy reporter, he's still going to run his story. It's just not going to include your side.

Terrible reporters are not very bright and tend to be lazy and easily manipulated. These reporters don't usually last a long time in their business, but they do a great deal of damage while they are there. The best way to deal with one of these reporters is to deliver your side of the story clearly and concisely, and document your contacts with these reporters.

When you feel you are not getting a fair break from someone you consider a poor reporter, contact his editor or news director and state your concerns. If you can show that you have been treated unfairly or misquoted, you have cause to demand a retraction or correction.

Editors and directors will stand by their reporters until they are shown proof of mistakes. Unfortunately, all too often corrections and retractions come well after the damage is done. They are generally done half-heartedly and then buried deep in the paper or at the tail end of the newscast.

It's easy to be intimidated by the news media, but your interview experience needn't be a nightmare. You will find that being prepared for tough questions and answering the questions quickly and honestly is the best way to get fair treatment from the media.

PR

(Editor's note: Information for this article was condensed from APRO Publicity Handbook, a title from APRO's how-to library of publications. It is available from APRO in its original, published form. Or, you can order a fax version from APRO's new Facts Line; see page 7.)

RIDE THE WAVE!



Robin Scott


APRO 1994 IN ORLANDO

AUGUST 3-7

LOW-COST RENTAL AGREEMENT FORMS

APRO offers low-cost rental agreements that comply with all state laws for regulated and unregulated states as well as computerized and non-computerized stores. (They are compatible with RSSS, Rental Information Systems, High Touch and Ideal Software.) These forms are three-part, NCR, 8 1/2 x 11 and work on continuous-feed printers.

To order forms for your store, simply fill out the form below or call Laurie Derton at 512-794-0095. Please specify the state(s) you need. For next-day delivery, call before 1 p.m. (eastern time).

The cost per form is 15¢ for members and 20¢ for non-members. Min. order: 500. 

Yes, I would like to order _____ forms.

The total amount for this order is \$ _____

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Phone () _____

Company _____

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State _____ Zip _____

My Check is Enclosed

Or Charge My:

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American Express

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Account Number _____

Exp. Date _____

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Clip Out and Mail To:
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 Association of Progressive
 Rental Organizations
 6300 Bridgepoint Pky. #305
 Austin, TX 78730-5016
 (512) 794-0095
 FAX (512) 794-0097

APRO gearing up for major winter markets participation

WINTER IS TRADITIONALLY A TIME FOR RENTAL-PURCHASE OWNERS AND PURCHASING MANAGERS TO CHECK OUT THE NEW OFFERINGS IN FURNITURE AND CONSUMER ELECTRONICS.

THE MAJOR MARKETS MAKE THIS SEEMINGLY DAUNTING TASK A LOT EASIER, BECAUSE VISITORS CAN COVER A LOT OF GROUND IN ONE PLACE.

.....

This year, APRO is again participating in the winter markets of interest to the rental-purchase industry. As a special range of services for APRO members, APRO representatives maintain information booths at the markets, conduct seminars there and, along with selected vendors to RTO, co-host hospitality suites for dealers.

Here's some handy APRO-member registration and housing information for the major 1994 markets:

CES 1994 International Winter Consumer Electronics Show

Jan. 6-9, Las Vegas

Call CES at (708) 991-9923, extension 277 for registration and additional information. You must call from the telephone on your fax machine, as this is a fax on demand service. If you do not have a fax, call (202) 457-8700.

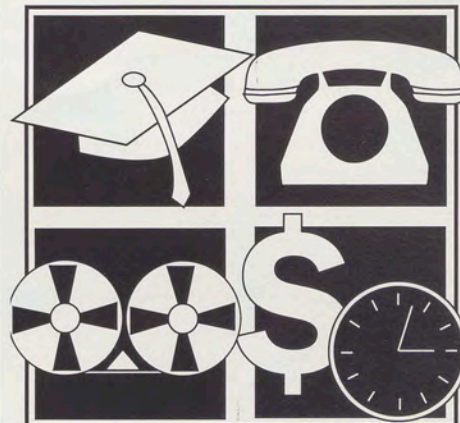
Visit the APRO booth #T-1 in the Las Vegas Convention Center. Also, be sure to visit the APRO hospitality suite, which is sponsored by Home Theater Products, Inc.

Atlanta Winter Furniture Market

Jan. 15-18

Call 1-800-ATL-MART to register for the market. Call Destination, Inc., at 1-800-241-6405 (in Georgia 1-800-282-0456) for discounted air and hotel information.

Visit the APRO booth in the Merchandise Mart, 7th Floor, Gift Mart entrance.



MEMBER SERVICES

San Francisco Winter Furniture Market

Jan. 22-26

Pre-register by calling 1-800-879-MART. Special travel discounts may still be available to mart attendees through Travel Fair. Call 1-800-472-4172 for details.

Visit the APRO booth located in the Mart 1 lobby. Also, visit the APRO hospitality suite on January 22, 5:30-7:30 p.m., at the Westin St. Francis Hotel

Mississippi Furniture Market

Feb. 17-20

Call (601) 844-1473 to register for the market. Travel and lodging information available. Call 1-800-844-0841. Visit the APRO booth at the market. Also, not the APRO hospitality night on Friday, Feb. 18 at the BenchCraft showroom. BenchCraft is sponsoring the APRO hospitality night with plenty of food and drinks.

"These markets are a great opportunity for dealers to network and catch up on the latest issues, as well as the products," said Shelley Martinek, APRO director of education.

For more information on these markets and what's planned, call APRO's Martinek at (512)794-0095. **PR**



Because Getting There Is Half The Fun.

With Alamo, every trip is fun and now you can enjoy \$15 OFF ANY WEEKLY RENTAL OR A FREE UPGRADE with Alamo's Association Program. And as always, you'll get *unlimited free mileage* on every rental in the U.S., U.K. and now Switzerland. In addition, you'll receive frequent flyer mileage credits with Alaska, Delta, Hawaiian, United and USAir. Alamo features a fine fleet of General Motors cars and all locations are company-owned and operated nationwide to ensure a uniform standard of quality.

As a member, you'll receive other valuable coupons throughout the year that will save you money on each rental. So choose your offer and enjoy your ride in Alamo Territory. For member reservations call your Professional Travel Agent or Alamo's Membership line at **1-800-354-2322**. Use **Rate Code BY** and **ID# 204856** when making reservations.



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Alamo features fine General Motors cars like this Buick Regal.

\$15 OFF

- Valid for \$15 off a weekly rental (minimum 5 days, maximum 28 days) on an intermediate through luxury car category. The maximum value of this certificate which may be applied toward the base rate of one rental is \$15 off. The base rate does not include taxes and other optional items. No refund will be given on any unused portion of certificate. Certificate is not redeemable for cash.
- Certificate valid at locations in the U.S.A. only. Once redeemed, certificate is void. Must be presented at the Alamo counter on arrival.
- One certificate per rental, not valid with any other certificates/offers.
- This certificate and the car rental pursuant to it are subject to Alamo's conditions at the time of rental.
- This certificate is null and void if altered, revised or duplicated in any way.
- A 24-hour advance reservation is required.
- Offer valid 09/01/93 through 05/25/94 except: 11/24/93-11/27/93, 12/16/93-01/01/94, 02/10/94-02/12/94 and 03/31/94-04/02/94.

For reservations call your Professional Travel Agent or call Alamo's Membership Line at **1-800-354-2322**. Request **Rate Code BY** and **I.D. # 204856** when making reservations.



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D22B

ONE FREE UPGRADE

- Valid for one free upgrade to next car category. Valid from a compact car and above, luxury and specialty cars excluded. Upgrade subject to availability at time of rental, as certain car types may not be available. Valid on rentals up to seven days. Certificate does not include taxes and other optional items.
- Certificate valid at locations in the U.S.A. only. Once redeemed, certificate is void. Must be presented at the Alamo counter on arrival.
- One certificate per rental, not valid with any other certificates/offers.
- This certificate and the car rental pursuant to it are subject to Alamo's conditions at the time of rental.
- This certificate is null and void if altered, revised or duplicated in any way.
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For reservations call your Professional Travel Agent or call Alamo's Membership Line at **1-800-354-2322**. Request **Rate Code BY** and **I.D. # 204856** when making reservations.



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U89B

Dealers differ in their approach to post-Christmas business

For this issue, we interviewed a couple of one-store dealers. One is a relative newcomer to RTO; the other a veteran. We wanted to get their perspectives on business coming out of the Christmas holiday renting season.

John Massey, APRO's associate editor, conducted the telephone interviews and edited this section.

John Gormley, editor

•••

John Mirandi
Owner/operator
Bi-Rite Rents
Hiawassee, Ga.

On what was hot for Christmas: "(Customers wanted) more of the smaller-shelf stereo systems and a lot of the basic two-head VCRs. We saw people getting things for the family, rather than for an individual-type of gift. They were getting nicer TVs, or husbands came in to get washers and dryers or new refrigerators for their wives. Our furniture is always pretty steady."

On prospects for January and February: "We're up here in the mountain area of North Georgia, and in January and February things slow down because the tourist trade is gone. The local trade, which is my customer—their income has slowed down, so they don't purchase as much and they don't rent as many things. On what they have, they keep their payments up. Usually, in April or May, when they have a good job and the tourists have come back in, they'll come in and rent more items. That's one of the advantages of me being up here in the mountains. When the people get into a bind in January, they can always return. If they buy it (elsewhere) on a credit deal, they have to pay for it no matter what."

On his 15-month-old business: "In this area, a lot of what we have is local trade. These are good, hard-working people here. In the winter, when there's no tourist trade, business slows down. They have no other way of purchasing the items. There's not even a retail TV and appliance store in

town. I'm the only one with top TVs and appliances in town. We're a good hour-and-a-half to the nearest city."

•••

Bob Roberts
President
Yellow Front Rentals
Tulsa, Okla.

On his marketing strategy for the start of 1994: "I've been in the rental business for 28 years, and at one time or another we've tried most everything. We're going with a direct mailer (starting Christmas week) with accounts that closed out with us four, five and six years ago, which we have thousands of. We're going to the closed-out accounts, to their children and relations. I'm going to put a big push on that the first 90 days."

"I believe we'll find it's better than any (other) kind of advertising we could do. We've done this before, but not on this scale. We're going to go deeper into our files and get some of these people and their children, who we had six to 10 years ago."

On how the Christmas season was for Yellow Front Rentals: "Ours is pretty standard and has been for a number of years. We don't really do that much more at Christmas time than we do any other time of the year. We stay pretty much the same. We have a lot of accounts that pay out each month and, of course, we get a bunch of new ones each month."

On products that work: "We have been in furniture, television and appliances for the whole 28 years, where a lot of companies went into furniture just a few years ago. We do a big business in furniture. As far as the new things, like jewelry, we haven't gone into them because I feel I have all I can do with what I have now. Maybe I'm getting lazy (laughs)."

On looking at the coming year: "I just hope the new rules and regulations (that may come) from the IRS and Congress will treat us well ... at least as well as we have treated our thousands and thousands of customers over the years." **PR**

Quality RTO Reading

Network News brings you information on legislative and legal developments impacting the rental-purchase industry. The News' sister publication, *Progressive Rentals*, is a full-color magazine offering more in-depth articles on industry issues and profiles on the entrepreneurs—both past and present—who help make the RTO business interesting.

APRO members receive *Progressive Rentals* automatically as a benefit of their membership. If you are interested in joining the national trade association for the rental-purchase industry, and want to reap the full benefits of membership, call the APRO offices at (512)794-0095. If you only want to receive *Progressive Rentals*, simply fill out, photocopy and return the subscription form below to:

APRO
6300 Bridgepoint Parkway, #305
Austin, TX 78730-5016 ✂

Yes, I would like a subscription to APRO's bimonthly magazine, *Progressive Rentals*. Enclosed is my \$30 for the next six issues.

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Phone () _____

Company _____

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State _____ Zip _____

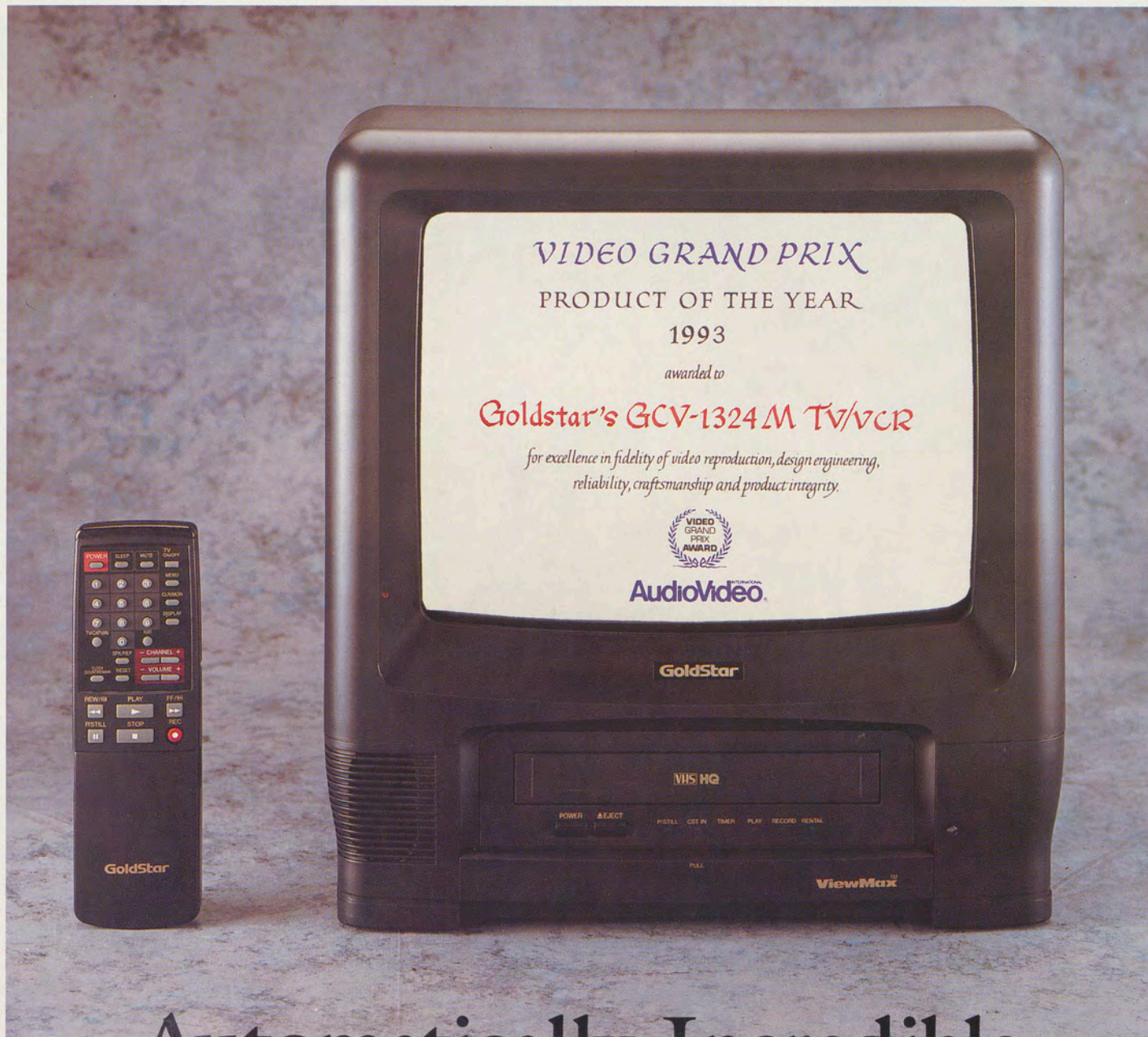
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It's the first TVCR that's fully automatic – Equipped with auto play, auto rewind, auto eject and auto shut-off features, the Goldstar 13" ViewMax™ automatically makes other TVCR's obsolete.

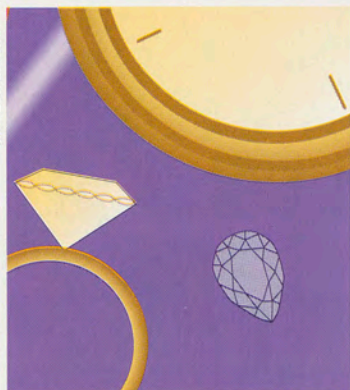
The 13" ViewMax™ was named the **1993 Product of the Year** by the editors of AudioVideo International Magazine. But that's not so suprising. Because when you consider everything that ViewMax has to offer, it's the only credible choice.

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The luster doesn't fade, even after traditionally strong holiday season

Jewelry Endures

DIAMONDS AND GOLD. THEY'RE NOT JUST FOR CHRISTMAS ANYMORE.

SURE, THERE WAS A TIME WHEN JEWELRY WAS TYPECAST AS A SEASONAL PRODUCT IN RENTAL-PURCHASE STORES. IN SOME RTO COMPANIES, JEWELRY REPRESENTED LITTLE MORE THAN A COUNTER TO DUST OFF FOR THE BIG HOLIDAY RENTING SEASON.

After years of refinement in the RTO industry, jewelry is now a legitimate year-round product. Mick Walts, jewelry manager for 34-store Alreco in New Albany, Ind., has witnessed—indeed, been a big part of—the growth.

“The last two years we have actually posted gains in January (on jewelry rentals),” Walts says. “Certainly, you’re going to do the majority of your jewelry business around the Christmas season, but I think the moment you start to believe it’s only a seasonal product, then the people below you will begin to believe it—and you’re dead in the water.”

Walts reports close to 40 percent of Alreco’s jewelry business is in wedding products, “and people get married all year long.”

However, it’s not always young lovers coming into the stores. “A big portion of our wedding products are (for) elderly couples who have been married for 20, 30, 40 years, but could never afford to get themselves something really nice.”

A particularly memorable Walts anecdote: “I was in one of our stores when a guy decided to rent a ring and propose to his girlfriend, right in front of the case.”

After spending three years working with jewelry, Walts has formed his own opinions of what works and what doesn’t in RTO stores—and why.

“We’ve seen gains in October and November. Obviously, we expect to have an even bigger gain in December. I just went through—each of our regions has between five to eight stores—and put on half-day jewelry seminars. I wanted everyone to understand that everything I was talking about applied all year long. Not just in December.”

Walts has been an evangelist for jewelry within his RTO company. That’s his job. But he has proceeded cautiously, making sure the product is handled in a manner that demonstrates respect for customers—and that brings in revenues for the company.

“I can’t say there’s been any drastic change during the last three years in what customers are coming in the door looking for,” says Walts. “But what we’re providing them has changed a little bit, in that we’re broadening the selections. We always essentially dealt in diamonds and gold. Now, some of our stores are expand-

CONTINUED ON PAGE 40

Southern Rings

Southern Rings staff consists of former retail jewelers with RTO experience. They possess high work ethics and a reputation for integrity.

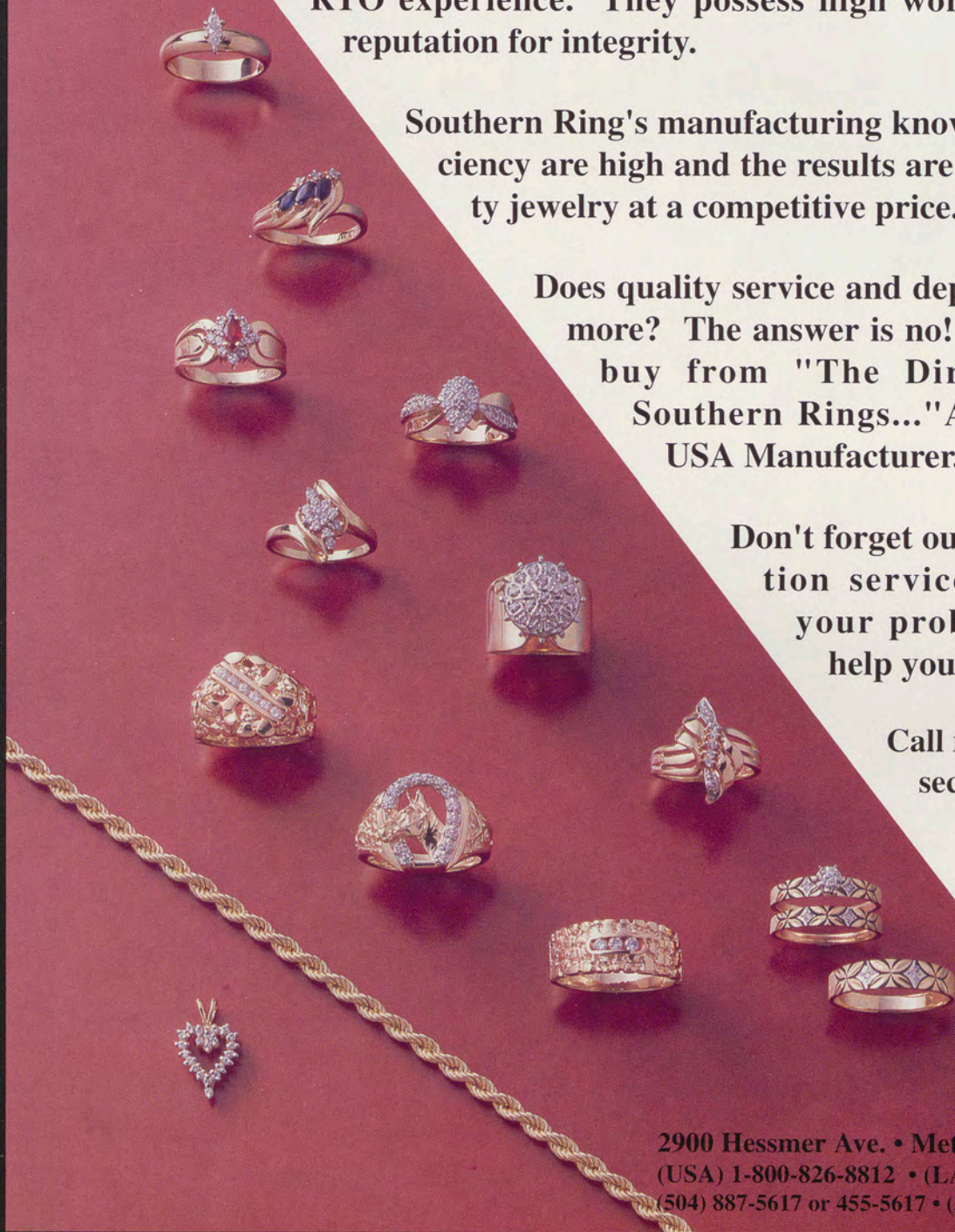
Southern Ring's manufacturing knowledge and efficiency are high and the results are superior quality jewelry at a competitive price.

Does quality service and dependability cost more? The answer is no! Not when you buy from "The Direct Source", Southern Rings..."A Made in the USA Manufacturer."

Don't forget our free consultation service! Whatever your problem...we will help you solve it!

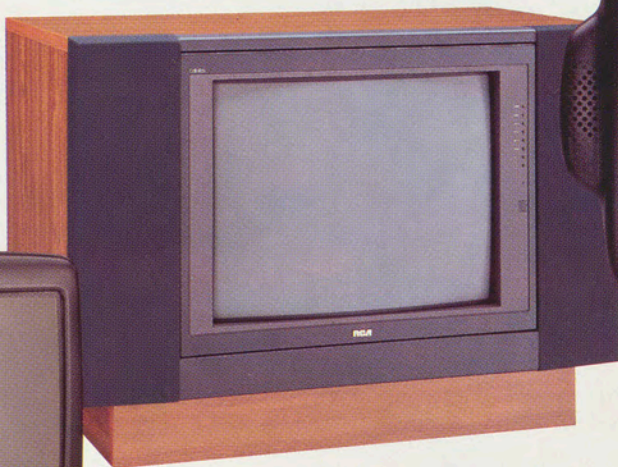
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27" Stereo TV



Portable Stereo/
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20" Stereo TV



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Nipper

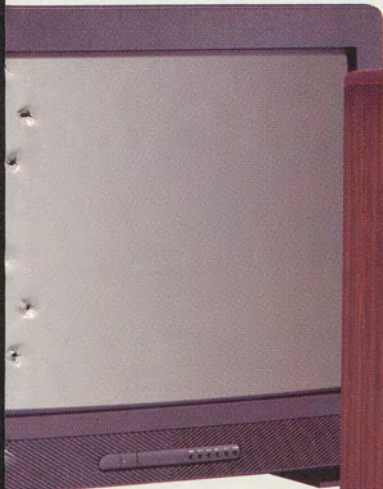
Chipper



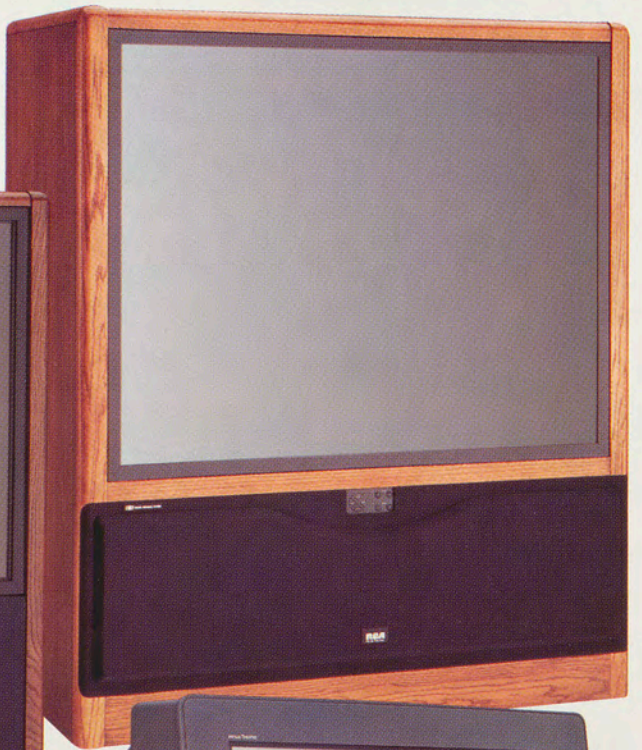
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RCA Brand Power—Not just another slogan.

There's some real "power" to back up the facts that consumers and rent-to-own customers prefer RCA Consumer Electronics.

- **RCA Brand Power**—We are the leader in consumer awareness and brand preference in color TV's and VCR's.
- **RCA Brand Power**—More consumers come back to RCA than any other brand.
- **RCA Brand Power**—Renters' demands in home electronics are clear: More choice. More product. More features. Better performance. And in enough sizes, shapes and prices to satisfy the largest and most sophisticated rental market—ever!
- **RCA Brand Power**—And there's more! With our long standing quality reputation you can rely on our dependable service and timely, efficient distribution.

Ask today for more information on our products by writing to:
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TV screens are measured diagonally.



©1993, P. Bouchard/Washington Stock Photo

In the dead of winter, during the holiday break, it's time to get busy

What happens as Congress rests?

THE 103RD UNITED STATES CONGRESS IS IN RECESS. OUR SENATORS AND REPRESENTATIVES ARE HOME FOR THE HOLIDAYS. THE HALLOWED, SNOW-COVERED GROUNDS OF CAPITOL HILL NOW SEEM DESERTED, PERHAPS EVEN TRANQUIL. THE SACROSANCT SENATE AND HOUSE CHAMBERS HAVE BEEN SILENT SINCE LATE NOVEMBER, CONSPICUOUSLY VOID OF THE NORMAL BUSTLE ASSOCIATED WITH THE COMMERCE OF GOVERNMENT.

All is quiet on the federal front. Or is it? Before these lawmakers reconvene on Jan. 25, what will you have done to help ensure the future of rental-purchase?

Now is the time to heat up the industry's grassroots efforts, and your participation can make a difference. During the next two weeks, every dealer in the country needs to contact his or her federal representatives and senators at home. To help you do your part, we've published a sample letter to Congress and included the home-district phone numbers and mailing addresses of U.S. House Banking, Finance & Urban Affairs Committee members (see sidebars on pages 31 and 45).

The list gives you a place to start. Call the home offices of your own federal representatives in Congress. You can ask to speak to the representative, but do so only if you're prepared to discuss the issue of Gonzalez versus LaRocco—and how it

affects your business, the people you employ and, most importantly, the RTO customers in their district. In the vast majority of cases, you'll be asked to leave a message for the congressman. At the very least, ask for the congressman's best mailing address in his home district. While on the phone, stress that you're a constituent who is trying to communicate your views on an important issue, and that it's crucial to get the message through in a timely manner.

The sample letter provides an idea of the message to send, although it's important to remember that personalized communications carry the greatest impact.

Obviously, mail to members of Congress is screened. To avoid receiving a form letter in reply, your letter must gain the attention of the staff member in charge of sifting through the thousands of letters that each

CONTINUED ON NEXT PAGE

Continued from previous page

member of Congress receives.

Here are some tips on communicating with members of Congress:

Staffers in congressional offices, both locally and in Washington, report overwhelmingly that the best way to get your federal representative's attention is through a personal, handwritten letter to his or her office. A 1992 survey of congressional offices conducted by Peter D. Hart Research Associates, shows that communications from constituents remains the top attention-getter in all offices.

In fact, the survey states that 75 percent of all congressional offices "pay a great deal or quite a bit of attention" to constituents' communications. Spontaneous personal mail from constituents draws the most attention from congressional staffers, followed by telephone calls, office visits, and the print and broadcast media. Special interest groups are way down the list. Letters sent via FAX are not looked upon favorably by staffers, the survey points out.

One administrative assistant quoted in the survey puts it this way: "If a person sits down and takes the time to write a personal letter, you know that person represents between 20 and 300 who feel the same way."

That is why a grassroots letter-writing campaign is important. In



©1993, Art Stein Photography

Empty U.S. Senate Banking Committee chambers, a typical scene during holidays.

Washington, there are thousands of lobbyists working to keep their issues in front of Congress, and ours is among them. But the lobbyists do not elect those federal officials. A brief, yet well-informed letter from a resident of an elected official's home district will get the attention of legislators and senators, the survey shows.

The cynical may think their elected federal officials forget about them in Washington, but the survey of staffers shows representatives and senators always try to respond to the people who keep them in office.

It is important that dealers express why they are displeased with Rep. Henry B. Gonzalez's attack on the rental-purchase industry. Not only would his approach harm rental-purchase businesses by classifying their transactions credit sales, but it would offer their constituents nothing in return for taking away their option to own.

Our federal representatives should know that Rep. Larry LaRocco's H.R. 2803 is a true consumer protection bill, offering many price disclosure regulations and specific collections guidelines. The bill was written by someone who studied the rental-purchase industry before writing legislation to govern it.

Gonzalez's H.R. 3136 and Sen. Howard Metzenbaum's nearly identical S.R. 1566, meanwhile, are vague on consumer protections and directed only at dismantling the rental-purchase industry. Both bills redefine the unique, no-obligation rental-purchase transaction as a credit sale. These two bills were written in response to sensationalized media reports, and a quick read of both bills shows a lack of familiarity with the industry for which they propose destructive legislation.

Perhaps dealers should also contact some of those customers who enjoy the convenience and services of their RTO business. These are the folks who are going to lose out in the



©1993, M Theiler/Washington Stock Photo

President Clinton addresses joint session of Congress, which reconvenes Jan. 25.

long run if anti-RTO legislation is passed into law and rental-purchase transactions are replaced by rent-to-rent contracts. Consumers would only be able to rent merchandise without ever obtaining ownership.

The people who choose to rent until they own an item make up between 20 percent and 25 percent of this nation's rental-purchase customers, who number in the millions. Maybe these people should ask Rep. Gonzalez and their own representatives and senators what consumers will get out of his legislation. What is Rep. Gonzalez offering to replace their option to own with? Is he going to co-sign the loan so they can buy a refrigerator and a maintenance contract from John Doe's Department Store? Rental-purchase customers are plenty smart enough to know the answers to these questions, although legal aid lawyers who dreamed up the anti-RTO legislation don't think so.

Letters to members of Congress should be brief and cordial, listing the relevant legislation. Writers should express their displeasure or support for the specific bills, explaining in brief how such legislation would affect their business or lifestyle. Letters should be sent to elected officials' home offices and their Washington offices, since mail is often lost when forwarded.

Until Jan. 25, when the 103rd Congress reconvenes, most federal lawmakers will be working out of their home district offices. Dealers may want to get together with other dealers in their area and ask to meet briefly with these representatives while they are at home. Without ganging up on the representative, it's very important that dealers express their concern over this pending legislation. When these elected officials can put a local face on a national issue, they will remember this when voting in Washington.

It is important to remember, however, that whoever meets with these representatives must know the issue thoroughly and be able to explain the impact of the legislation in a clear, calm manner.

Of the methods of communicating with Congress, the above survey indicates that the least effective are mass

CONTINUED ON NEXT PAGE

A sample letter to Congress

(COMPANY STATIONERY)

(Date)

The Honorable John Doe
United States House of Representatives
(Room #, Building Name)
Washington, DC 20515-

Dear Representative Doe:

As a small business owner in your congressional district, I am writing you regarding the rental-purchase industry, more commonly known as "rent-to-own." Recently two bills, H.R. 3136 (Rent-to-Own Protection Act) and H.R. 2803 (Rental-Purchase Reform Act), have been introduced in the U.S. House of Representatives Banking Committee and referred to the Consumer Credit & Finance Subcommittee.

We as a business and an industry adamantly oppose H.R. 3136. This bill, if passed, will change the very nature of our transaction and would necessitate my business to change from rent-to-own to rent-to-rent. Therefore, the consumer would continue to rent our products at the same price for an endless period of time without the option to own. In conclusion, your so-called "consumer protection" legislation limits consumers' options.

That is why my business and my customers urge you to support H.R. 2803 by Congressman Larry LaRocco, which establishes consumer protection regulations of the rent-to own industry while maintaining rent-to-own as a consumer option—an option millions of Americans pursue.

We support the LaRocco bill, because it makes sense for both consumers and business.

- The LaRocco bill requires disclosure of all payments, fees and other charges in rent-to-own contracts.
- The LaRocco bill provides regulations that make ownership an option but not an obligation for consumers.
- The LaRocco bill prohibits "unfair trade practices" by merchants, and protects and benefits consumers.

My small business provides good jobs, taxes for the state and federal government and a chance for both my customers and my family to share a part of the "American dream."

I hope that you would take time out of your busy schedule to discuss this issue further with me and perhaps visit one of my stores.

I look forward to hearing from you regarding this issue of great importance to me.

Sincerely,
(Your Name)

Continued from previous page

mailings of form letters or petitions. According to survey results, which were collected from 170 legislative offices, the four rules for communicating with representatives: keep it local; keep it personal; keep it concise; and put it in writing.

APRO committee-level and rank-and-file members are circulating a petition and explanation poster among rental-purchase stores. The goal is to collect customer signatures from across the country who support RTO businesses and the services they provide. The petition reads:

"We, the undersigned, hereby petition the United States Congress to leave in place our important and valuable right to use rental-purchase transactions to obtain the many consumer goods we enjoy. Follow the lead of 36 state legislatures and support the LaRocco approach to regulating the rental-purchase industry (H.R. 2803). Reject the paternalistic and short-sighted approach of the Gonzalez and

There's more than a little irony involved here, since Rep. Gonzalez has declared himself a champion and protector of consumers. That's the issue Congress should be most eager to address: Which approach to rental-purchase regulation is really pro-consumer?

Metzenbaum bills (H.R. 3136 and S.R. 1566). Leave us the right to spend our hard-earned money the way that we deem best for us."

There is ample evidence to suggest that contact from RTO customers may be more persuasive with Congress than contact from RTO business owners and managers.

Dealers and customers alike should stress how the Gonzalez bill, if it becomes law, would affect customers in the real world. To put it simply, customers would be impacted in a negative way, because the Gonzalez approach actually takes away consumer options and replaces them with nothing. There's more than a little irony involved here, since Rep. Gonzalez has declared himself a

champion and protector of consumers. That's the issue Congress should be most eager to address: Which approach to rental-purchase regulation is really pro-consumer?

Wording from the customer petition above serves as a good example.

Allied groups are adding to the ground swell of support for the LaRocco bill. Here's an excerpt from a letter to Congress, written by a major furniture company's general counsel and disseminated to other businesses within the furniture rent-to-rent category:

"Chairman Gonzalez's bill, H.R. 3136, is massive overkill that would hurt traditional furniture renters. H.R. 2803 is a much more sensible

CONTINUED ON PAGE 45

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Democrats

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Stephen L. Neal, N.C.....	919-631-5125
John J. LaFalce, N.Y.....	716-846-4056
Bruce F. Vento, Minn.....	612-224-4503
Charles E. Schumer, N.Y.....	718-965-5400
Barney Frank, Mass.....	617-332-3920
Paul E. Kanjorski, Pa.....	717-825-2200
Joseph P. Kennedy II, Mass.....	617-242-0200
Floyd H. Flake, N.Y.....	718-949-5600
Kweisi Mfume, Md.....	410-367-1900
Maxine Waters, Calif.....	213-757-8900
Larry LaRocco, Idaho.....	208-343-4211
Bill Orton, Utah.....	801-379-2500
Jim Bacchus, Fla.....	407-632-1776
Herbert C. Klein, N.J.....	201-523-5152
Carolyn B. Maloney, N.Y.....	212-832-6531
Peter Deutsch, Fla.....	305-437-3936
Luis V. Gutierrez, Ill.....	312-509-0999
Bobby L. Rush, Ill.....	312-224-6500
Lucille Roybal-Allard, Calif.....	213-628-9230
Thomas M. Barrett, Wis.....	414-297-1331
Elizabeth Furse, Ore.....	503-326-2901
Nydia M. Velázquez, N.Y.....	718-599-3658
Albert R. Wynn, Md.....	301-350-5055
Cleo Fields, La.....	504-343-9772
Melvin L. Watt, N.C.....	704-344-9950

Maurice D. Hinchey, N.Y.
 Calvin Dooley, Calif.
 Ron Klink, Pa.
 Eric D. Fingerhut, O.
 Bernard Sanders, V.

Republicans

Jim Leach, Iowa.....	
Bill McCollum, Fla.....	
Marge Roukema, N.J.....	
Doug Bereuter, Neb.....	
Tom Ridge, Pa.....	
Toby Roth, Wis.....	
Al McCandless, Calif.....	
Richard Baker, La.....	504-929-7711
Jim Nussle, Iowa.....	319-235-1109
Craig Thomas, Wyo.....	307-261-5413
Sam Johnson, Texas.....	214-739-0182
Deborah Pryce, Ohio.....	614-469-5614
John Linder, Ga.....	404-936-9400
Joe Knollenberg, Mich.....	313-851-1366
Rick A. Lazio, N.Y.....	516-893-9010
Michael N. Castle, Del.....	302-428-1902
Peter T. King, N.Y.....	516-541-4225
Rod Grams, Minn.....	612-427-5921
Spencer Bachus III, Ala.....	205-969-2296
Mike Huffington, Calif.....	805-682-6600

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...the Gonzalez camp won't prevail in Congress, because

Truth always wins

...OULD HAVE BEEN A TIME OF PANIC, IN THE PAST FEW MONTHS. ATTACKS AGAINST THE INDUSTRY HAVE BEEN REGULAR AND RELENTLESS. THOSE GIVEN TO SUCH THOUGHTS ARE PERSUADED THAT THERE IS A WELL-ORGANIZED CONSPIRACY AFOOT. THEY DO NOT THINK IT ACCIDENTAL OR MERELY BAD LUCK THAT THE *WALL STREET JOURNAL* HATCHET-JOB CAME FOUR DAYS BEFORE REP. GONZALEZ INTRODUCED HIS ANTI-RENTAL-PURCHASE BILL.

.....

Even those not given to conspiracy theories have had to begin wondering. It has been a time when lesser mortals might have cracked and simply succumbed to the mounting pressures.

Happily, that is not what happened to rental dealers in this country. It is a tribute to the entrepreneurial spirit generally and to the men and women in this business that they did not falter. Rather, so far at least, they have been doing what needs to be done on all fronts to stave off the opposing forces, all the while continuing to run businesses effectively, honestly and, most often, profitably, which by itself is no mean feat these days.

And so, I salute you, noble members of this business.

Last March, when the public hearings took this industry by surprise, I was not sure what the reaction was going to be. While I have long said that this industry was not for the faint of heart, I was not certain whether rental dealers had the hearts of lions that they have needed of late in order to stand tall against the U.S. Congress, the Internal Revenue Service and the media.

Rental dealers have needed to respond courageously, and they have done so. It is because they are courageous that they will finally win. Our opponents are in many

cases equally courageous, and our advantage then is that the industry is right and the opponents are wrong.

The notions that underlie opposition to this industry support the proposition that the government can solve all problems, and when the need arises can step into the marketplace and dictate how people not only should, but must, spend their money and, finally, what those people should have, i.e. "what's good for them."

Those notions have not worked, anywhere in the world, because people insist, properly, in making their own decisions—and "the people," us, usually, although not always, make pretty good decisions which can include renting TVs or cars, or owning pets, eating certain foods, and making any other personal, intimate decisions, with no guidance from government.

For years the industry labored in Washington trying to get the Congress to notice it without much success. Mom and pop rental dealers were just never very interesting to most politicians. Now that Rep. Gonzalez has raised the profile of the industry in the Congress, what he is going to learn is that, but for a few of his ultra-liberal colleagues, most members of the Congress will not go along with his idea that ours is an industry so out of control that it needs to have its prices fixed at the federal level and its business practices severely curtailed to protect all the "little people" out there who are unable to think for themselves and are, therefore, daily being abused.

That story will not sell because it is not true, and the Congress can usually get to the truth, when that is its aim.

So, unless the conspiracy theorists are right and the fix is in, the courageous and indefatigable rental dealers in this country who are standing tall in the face of no small amount of adversity will finally beat it back and win their right to run their business as they see fit—with maximum regard for their customers, their employees, and their profits.

PR

Ed Winn is APRO's legal counsel and a veteran writer on RTO issues.

.....

BY

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In business, few things matter more than

Location

ON A RECENT DRIVE THROUGH THE BUSY STREETS OF ONE MAJOR CITY, I NOTICED SOMETHING INTERESTING ABOUT THE RENTAL STORES THERE. THE BIGGEST AND MOST PROFITABLE—THE “BIG BOYS” OF THIS BUSINESS—HAD THE BEST LOCATIONS, WHILE THE ALSO-RANS ALL SEEMED TO BE HIDDEN IN TINY LITTLE STOREFRONTS ALONG ONE-WAY STREETS LEADING INTO INDUSTRIAL PARKS.

•••••

BY

BUD HOLLADAY

•••••

I've seen dumpsters with better locations, and some with more space.

All this, naturally, led me to wonder whether the also-rans are working from some angle the rest of us haven't yet figured out, or if they're just loony. After checking BOR figures, I decided on just loony.

But what about the others? Folks all over the country are right now working on new store sites for 1994. Because this magazine wants to be your best friend—and friends don't cancel subscriptions—this column will focus on some of the strategies that can make your new location the best one yet. We can't do anything about your clinkers.

First, always go where the customers are. That usually means being near the competition. Rare is there a McDonald's with no Burger King nearby. Wherever there's a Wal-Mart, you can bet K mart is just around the corner. The smart people long ago figured out that it's cheaper to

let somebody else do the market research. Too bad the brain trust down at RAY'S RENT 'N MOAN didn't figure that out before they opened their newest store. But at least no competitors will be around to take away any of Ray's hard-won 173 BOR way out there near the airport, at the end of runway ten-niner.

Well, don't make the same mistake. Go where the big guys go.

Always remember that real estate people work for the landlord, not you. So they're not likely to point out any negatives when it comes to rental property. If, for example, you express concern about that gaping hole in the parking lot and the signs reading “Danger, Gas Leak!” you'll probably only hear that mineral rights come with the building. Ask about those chalk outlines of bodies drawn on the sidewalk and all they'll tell you is how much free publicity you're going to get when the place shows up on next week's edition of “COPS.”

The best way to find what you want, where you want it, is to drive the area. If there are more auto parts stores than Volvo dealerships, lots of laundromats and no QUICHE-TO-GO outlets, you'll probably do well. On the other hand, if the Minor Gunshot and Stab Wound Clinic has a big sign out front saying, “We're Expanding to Serve You Better,” you might think twice about opening up on the corner.

A major factor is high population density. This doesn't mean the number of high school dropouts compared to the population at large, or even what percent of the population is at large, and from where. No, high density means that a great number of people live within a compact

area, thus reducing your cost of delivering services and collecting revenues. This, by the way, is the same theory used by the Chinese Communists in exercising their purchase option on Hong Kong.

The rental business has far-reaching tentacles. Once you've settled on the right location, don't waste it by putting up one of those cheesy little signs that looks like it came from the hobby shop and your nephew helped put it together. Spend the bucks to do it right. But first, check local sign ordinances. You can do this by standing out front with a hundred dollar bill in your hand; whoever comes by first and snatches it works for the government.

Once the permits are in place, hire a professional artist to design the biggest, most colorful and readable sign you can afford. And you can't afford a small one. Now, if some guy from the sign company offers to save you a few bucks by painting over the old sign they had to take back when SLIM WHITMAN'S GRITS CITY went belly up, don't fall for it—even if he throws in the free tapes. Only rank amateurs fall for this. Most of the tapes don't even have his biggest hits.

With a new building and a new sign, you'll need new customers to pay for all of it. Even the greatest location can be diminished if you're too cheap to buy the necessary advertising. To figure out just how much you'll need, take whatever amount the marketing people tell you and double it. Then cut in half the number of deliveries Operations expects to make. Adjust the finance department's revenue projections for 40 percent shortfall and then divide the big number by the little number to see what your advertising expense will be as a percentage of sales.

This number will do you no good at all, but you'll want to make sure the guys at the bank get it. If you're lucky, they won't know what to make of it, either, but it could keep them from spending too much time on those management fees you forgot to mention at loan closing.

One surefire way to guarantee a new store's success is to make sure employees have a stake in it. There are two ways to do this. The best requires hiring really good people and placing them on generous commission after a thorough training program. But the way you'll eventually do it, and one

that works just as well, is to hire the competition's rejects and then allow for a certain amount of inventory shrinkage and cash shortages. This has the added benefit of eliminating training costs while saving on audit expense at the same time. Always go for the double dividend.

Don't worry about qualifying orders. It doesn't make any difference, anyway. The first 100 BOR will come from competition's chargeoffs; the next 100 will be their hard account pickups, and another 200 should come from everybody's first payment defaults (you can increase that number by opening around months that have five weekends). All that will get you up to 400 BOR, or about break-even for most companies.

You can see now why it's so important to be where the competition is. Without all those other rental stores around, nobody would have enough business.

I've just gotta ask: Is this a great country, or what?

PR

Bud Holladay is vice president of marketing for Alrenco. He is a former RTO dealer and founder of APRO. His humor/opinion column appears in Progressive Rentals every issue.

Who has the best computer software?



There are a lot of systems on the market. Best? That depends on what you are looking for.

Dependability should be a factor. Price is always a factor. Support is a factor. But what really makes a system, is whether or not you use it. The last thing you need is another software package collecting dust on the shelf.

Unlike some software, our system can be set up without expensive on-site installation. Requiring you to have an on-site crew come and set up the system, proves the system's difficulty.

Think about it, is your current system a burden to your

operation or an invisible partner in satisfying the customer's needs? Does your computer accommodate you, or do you have to change the way you do business to fit what your software can handle?

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WE'RE IN TOUCH, SO YOU BE IN TOUCH. THAT'S THE PREMISE OF GADGETS LIKE THE CELLULAR TELEPHONE AND DIGITAL PAGER. TODAY, THESE ELECTRONIC PRODUCTS AREN'T EXPENSIVE TOYS FOR YUPIES. BY THE 1990S, PRICES HAD DROPPED AND THEY HAD FOUND THEIR WAY INTO THE CONSUMER MAINSTREAM.

.....

According to a report from Economic and Management Consultants International, more than half of new paging customers carry their pagers for personal use. As this percentage continues to rise, the rental-purchase market is poised to cater to these types of customers.

Several years ago, Motorola and other major manufacturers of digital paging equipment started to take notice



Photo courtesy of Motorola

Digital pagers are a lifestyle product.

of the RTO industry as a "viable distribution channel," confirms Rachelle Franklin, advertising and conventions specialist for Motorola's paging prod-

ucts group. Franklin says Motorola, although it does not sell direct, has exhibited at APRO's trade show the past two years to help its customers promote the benefits of Motorola paging products for the RTO market.

"If our past experience is any indication, pagers will continue to be a popular item with RTO customers," says Steve Sims, department manager of nationwide development, with Network USA, a paging service provider.

Rental-purchase companies are beginning to take pagers seriously, too. RTO dealers and vendors say there's money to be made in digital pagers—or "beepers," as some call them.

"There are a lot of opportunities out there," believes Les Feldser, president of Rental & Sales Software Systems in Corpus Christi, Texas. "The smart, aggressive rental dealers—a lot of them are looking into this beeper business."

Some dealers have avoided pagers because they fear the product's small size would lead to too many losses. That, combined with the modest margins associated with a relatively low-cost product, have kept these dealers from taking the pagers plunge.

For other dealers, pagers have been a path to new revenues. First, pagers have helped increase BOR—especially important in mature markets.

"We've been trying to find what's going to move, and the pagers have done real well," says Terry Hepler, president of six-store Paradise Rent To Own in Hawaii. "We've been doing them for a couple of months now," Hepler reported in a mid-November 1993 phone interview, "and we picked up 120 BOR with them real fast."

What's more, creative dealers have found they can rent the pagers, while also providing the air time. And that's where the real money is, according to Feldser, a computer vendor who provides specialized software packages—including air-time tracking—for RTO clients.

"This is going to explode," says Feldser. "For the dealer who's smart enough to get 500 or 1,000 units on

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his books—even if it means almost giving them away—and then get the air time going ... it's a real cash-flow opportunity."

Feldser adds this advice for dealers: "You've got to forget about trying to make money on the rent-to-own of beepers. You need to focus on getting them out in quantity and making money on the air time."

Common radio carriers such as Network USA and Pactel Paging combine the pagers with air-time service and sell the package to RTO dealers, who then rent the whole thing to their customers. Tom Abel, Paradise Rent To Own treasurer, says a typical pager unit with air-time service can run \$34 a month for RTO customers.

"It only makes sense to do it that way," says Russ Brown, Pactel's retail sales manager for Southeast Florida. "If the rental company were to offer the product without the service, then a third party—say a carrier such as Pactel—would be the service provider. If the customer failed to pay us for the service for which they are being billed, we might disrupt their service. Then, of course, the customer has no more need for that pager. That would hinder the performance of the rental company. It only makes sense for the rental company to do both."

Hepler says his carrier charges \$6 a month per active unit for service, while Paradise collects \$10 a month from its customers for air time.

"We decided we'd use it kind of as a loss-leader to keep that customer coming in each month to give us \$10," says Hepler, "and maybe he'll rent something else. We figured down the road—let's say a year-and-a-half from now—maybe we've got 500 pagers out there, not necessarily active but have gone through our system. Five hundred times \$4 is a couple thousand a month. We're looking at that kind of residual down the road, plus then coming into the store."

With the help of its computer software vendor, High Touch, Paradise Rent To Own has incorporated air-time tracking. Reports Hepler: "It's real simple: we gave a serial number to the air time (account) in our computer. We can track it the same way as we could any other BOR."

—John Gormley

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'Tiger' John knows RTO

WHEN THE UNIVERSITY OF MISSOURI CONTACTED "TIGER" JOHN CLEEK A COUPLE OF MONTHS AGO, IT WASN'T TO THANK HIM FOR HIS AVID SUPPORT OF ITS FOOTBALL PROGRAM. CLEEK, OWNER OF THREE CLEEK'S APPLIANCE AND HOME FURNISHINGS RENTAL-PURCHASE STORES, WAS ASKED TO PARTICIPATE IN A SYMPOSIUM ON CONSUMER CREDIT.

Cleek earned the nickname "Tiger" because of his loyalty to Missouri's football program, but the name also fits the business philosophy he has followed the past 30 years.

Cleek's father began the family business in 1956 in Columbia, Mo., as a retail store. The elder Cleek passed way in 1973, and by 1976 the younger Cleek began to dabble in rent-to-own merchandise.

By 1987, Cleek had gotten out of the retail business altogether and he now has rental-purchase stores in the mid-Missouri cities of Columbia, Fulton and Mexico, with plans for another store to be opened within the next year.

Although Cleek is a popular member of the community, he says he thought twice about attending the symposium after being asked by Dr. Ed Metzen, chairman of the school's Department of Consumer and Family Economics. Cleek kept having nightmare visions of frothy-mouthed consumer advocates and legal aid-types heckling him and going into one-sided tirades on his business and the rental-purchase industry.

"Although I was flattered to be asked to be a part of the symposium, my first reaction was maybe I shouldn't do this," Cleek says. "We haven't had any negative publicity on the rental-purchase industry here in Missouri, and I didn't know what to expect. I called (APRO Executive Director) Bill Keese to ask him what I should do, and he suggested I go. He said I might get a chance to tell the rental-purchase side of the story, and he provided me with a lot of information and statistics on the industry."

After spending a full day getting his speech organized, Cleek felt ready to give his short presentation on the rental-purchase industry. When he got to the symposium, Cleek says he was first impressed by the academic credentials of those in attendance. No one in attendance had less than a master's degree, and many had doctorates.

"The day I spoke, they started with two bankers, who spoke on personal loans and credit cards," Cleek recounts. "There was a person from a finance company who talked about qualifications they

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BY

JOHN

MASSEY

Cleek went on to explain how the industry serves millions of customers, offering them quality merchandise with no long-term financial obligation. He showed how his transactions differ from the other speakers' contracts, which lock their customers into years of payments. He reiterated his customers' rights to cancel their RTO agreements at any time.

use in granting credit, their collection practices and that sort of thing. Someone from JC Penney's talked about revolving credit, there was somebody from the local credit bureau and there was a consumer credit counselor. And there I was, representing the RTO industry."

Before he took the podium, Cleek says he looked through the audience for possible friends and potential problems. When he got to Kansas State's Richard L.D. Morse, professor emeritus and an expert commentator on consumer credit, Cleek feared a potential problem. A person of Morse's academic credentials and professional reputation would be tough to debate with, particularly if he came into the meeting with a grudge against the rental-purchase industry.

"The first chance I got, during a short break, I made a point of going right up to him and became his buddy," Cleek says. "I talked with (Dr. Morse) and got to know him, and in about five minutes he got to know about me and my family's business."

Following the short break, Cleek took the stage.

"Remember, this is a credit symposium, and I started out by telling them that I was not in the credit business," Cleek says. "I'm in the rental business, and even though we've been around for 30 years, most people don't understand it. I told them that it was important to understand how this business is unique."

Cleek went on to explain how the industry serves millions of consumers, offering them quality merchandise with no long-term financial obligation. He showed how his transactions differ from the other speakers' contracts, which lock their customers into years of payments. He reiterated his customers' rights to cancel their RTO agreements at any time.

"My audience consisted of about 25 very well-educated members of the university's extension department," Cleek says. "Everyone had either a master's or doctorate, and I soon found out why they were here. They were at the symposium to learn. They didn't come to lynch me; they came to hear what all of us had to say and learn from that."

Cleek carefully explained to the audience how only about 25 percent of all rental-purchase customers choose to keep their merchandise until they own it, and he also told how he is obligated to providing his customers with repairs.

"I told them about our very active state (rental dealers) association, and how we have a strong code of ethics and a set of collection practices we have to live by," says Cleek, who is currently his state association's vice president. "To make sure we add professionalism to this business, we've tried to make sure that every customer knows exactly what they are signing."

Cleek's company policy is far stricter than any law or association rule demands. He says he does not let any of his employees cut corners. His policy demands that a company employee read every contract to every customer, word-for-word, before an item will be rented. If a customer is impatient and does not want to stick around for the reading, the item does not get rented.

"My contracts are 11-by-17 and the whole thing is in 10-point boldface type," Cleek says. "It takes less than 10 minutes to read, and we've found that it really makes our collections simpler. We make every effort to let our customers understand their obligations to us, as well as our obligations to them. Some people might think that reading the contract is too much trouble, but we do it reli-



APPRO file photo

'Tiger' John Cleek of Missouri took the RTO story to his local community, and was met with a new understanding.

giously."

When Cleek told the audience about his reinstatement policy, he says it really drew attention. Everyone seemed shocked that he would allow his customers to miss payments, then let them pick back up with the payments without losing the item or the money already paid toward ownership.

Cleek also explained how rental-purchase dealers service the merchandise they rent. He says that if he cannot get something repaired during regular business hours, he gets a loaner to his customer that same night.

"That's not just Cleek's," he told the audience, "that's the rental-purchase industry." I told them that is what you do to be successful in this business. They had no idea about this industry, and they were fascinated to hear what I had to say about it. When it was over, I felt like I had hit a home run for Cleek's and for the industry. Some well-respected and educated people, who have contact with consumers throughout Missouri, now have an understanding of the rental-purchase industry."

Of all the things RTO dealers can do to promote the industry, Cleek is now convinced that speaking to groups of open-minded listeners is the most effective. He figures that current anti-industry legislation would probably not cost his business any money, but it would cost his customers.

CONTINUED ON PAGE 44

ing the fashion and colored-stone rings, along with different style and length chains and bracelets.”

He says a jewelry-mature RTO store—one that has carried the product line for two or more years—needs a larger selection to help keep things fresh, and keep product moving out the door. In such a situation, Walts believes it's wise to “look into expanding into some of the fringe categories, like tennis bracelets.”

What started out as just testing the waters became Alrenco's company-wide test case for jewelry. Autumn 1993 was a busy time of year for Walts. On Oct. 20, Walts oversaw the last Alrenco store, Seven Hills in Cincinnati, include jewelry in the lineup. The day before, Oct. 19, he supervised the company's 33rd store to add jewelry—this time in Covington, Ky.

Alrenco's main jewelry supplier is Prime Source International. Other reputable jewelry suppliers to the rental-purchase industry include:

Fashion Craft Corporation, Harlyn Products, Rent-A-Rock, Coleman-Frizzell, Temptations, Southern Rings, Romel, T&S Import Co., ABS Artistic Jewelry, Jerry Bogo Co., Champion Merchandising Corp., RNW Sales, Goldfire Ltd. and Oro International. (For contact information on these suppliers, see the *Who's who in jewelry* sidebar.)

“We're in the process of getting true numbers, now that we're company-wide,” Walts reports. “That will tell us a lot more than, say, having jewelry in your top five stores. We're still learning, still improving with it.”

What about the competition?

Responds Walts: “I have concentrated so much on what we're doing—having the 10 new stores (to outfit) and still maintaining the other 24—that, although I will go in and shop the competition to see what kind of case they've got, I haven't really had my ear to the ground as far as people picking up jewelry or people rejecting it.”

“My guess would be that more and more people are picking up on it as there are more and more success stories with it.”

—John Gormley

Who's who in jewelry

For a growing number of rental-purchase dealers, jewelry has made the transition from an experimental add-on to a full-fledged part of the product lineup. All RTO jewelry suppliers listed here are either APRO Associate Members (*), advertisers (+) in APRO publications or APRO convention exhibitors (X).

*+¥ Fashion Craft Corp.

1824 Johns Dr.
Glenview, IL 60025
(800)877-7907
Jewelry

*+¥ Prime Source Int'l, Inc.

2004 Grant St.
Hollywood, FL 33020
(800)624-5448
Jewelry

*+¥ Harlyn Products, Inc.

1515 So. Main Street
Los Angeles, CA 90015
(213)746-0745
Jewelry

*+¥ Rent-A-Rock

2205-F Grant Ave.
Panama City, FL 32405
(904)785-3000
Jewelry

¥ Coleman-Frizzell

P.O. Box 6400
Rapid City, SD 57709-6400
(800)874-9926
Jewelry

¥ Temptations

226 Pecan Valley Rd.
Newalla, OK 74857
(405)275-7960
Jewelry

*+¥ Southern Rings

2900 Hessmer St.
Metairie, LA 70002
(800)826-8812
Jewelry

¥ Romel, Inc.

2899 S. Beech Daly
Dearborn Heights, MI 48125
(800)521-5046
Jewelry manufacturer

*+¥ T&S Import Co., Inc.

1302 Huntsville Hwy.
P.O. Box 1079
Fayetteville, TN 37334
(800)523-5224
Jewelry

¥ A.B.S. Artistic Jewelry, Inc.

2936 N. Druid Hills Rd.
Atlanta, GA 30329
(404)636-6143
Jewelry

+¥ Jerry Bogo Co.

P.O. Box 23227
Chattanooga, TN 37422-3227
(615)894-4480
Jewelry

¥ Champion Merchandising Corp.

200 E. 24th St.
New York, NY 10010
(800)743-1150
Jewelry

¥ RNW Sales, Inc.

P.O. Box 6444
Athens, GA 30604
(706)613-6010
Jewelry, jewelry products

*¥ Goldfire Ltd.

1540 New York Ave.
New York, NY 11746
(516)351-2929
Jewelry

¥ Oro International

5 N. Wabash #1503
Chicago, IL 60602
(312)641-0091
Jewelry

Fashion Craft offers dealers 3 programs

The Fashion Craft Corporation in Glenview, Ill., now has three programs in place that simplify stocking, promoting and renting jewelry for the store either experienced or in-experienced in jewelry.

With program 1, the “good as gold” package gives a store a complete selection of gold-plated sterling silver jewelry with synthetic stones that look just like the real thing. This assortment costs \$1,875. When a dealer sizes the customer, he calls or faxes the order to Fashion Craft, and within days the customer's real ring is delivered and the display is kept intact.

This program is excellent for multiple stores, where the initial investment in genuine jewelry may be prohibitive or where security is a problem. It is also ideal for the first-time jewelry buyer.

For the store preferring live jewelry, program 2 offers a selection of

genuine 10- and 14-karat gold rings with diamonds and precious stone settings. The cost for this complete section is \$13,986.

Program 3, also called the “conversion program” is for the store that has been in jewelry but is not happy and needs additional support. Fashion Craft will work with the store to improve its product mix, move old product, re-educate and motivate the sales force and service all existing product even if it is from another company.

Supporting all of these programs are some unique Fashion Craft training and sales tools. A new training video discusses all the components of a ring: manufacturing; how gold content is determined; understanding diamonds; sizing; security; proper display and demonstration techniques; and, finally, an acted-out rental close.

Phone 1-800-877-7907.

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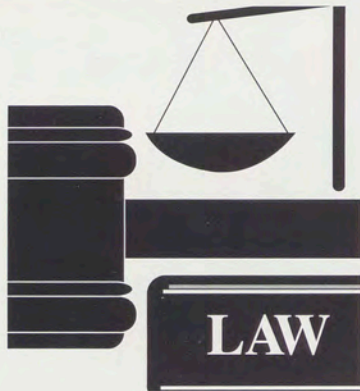
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TN 1-800-572-7728

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With Congress now home for the holiday recess, it's important—no, it's crucial—to

Phone now!

IF IT IS TRUE, AS SOMEONE ONCE SAID, THAT "NO MAN'S PROPERTY IS SAFE WHILE THE LEGISLATURE IS IN SESSION," THEN YOU MAY FEEL YOU CAN AFFORD TO RELAX FOR THE NEXT FEW WEEKS, WHILE BOTH THE CONGRESS AND YOUR STATE LEGISLATURE ARE FINALLY OUT OF SESSION FOR THE HOLIDAYS. BUT DON'T BE LULLED INTO A FALSE SENSE OF SECURITY. THEY WILL BE BACK SOON.

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The 103rd United States Congress is now in recess, and now is the time for all good men and women to come to the aid of the party (so to speak). Now is the time to kick our national grassroots campaign into high gear. Now is the best time for you to get your congressman or congresswoman to listen to your side of this RTO legislation story.

And now is the only time before next summer and a committee vote (if one occurs at all) for you to get to meet in person with your member of Congress—without going to Washington and competing with hundreds of other constituents, lobbyists, staff and bureaucrats all clamoring to spend some time with your congressman or woman.

Almost all members of Congress are in their home-district offices until the session reconvenes in late January, and they actually want to hear from constituents.

Why is it so important that you try to meet in person with your federal representatives and senators during this time, when you thought a letter might do just fine? Because the average member of Congress, according to the United States House of Representatives Postmaster, receives approximately 100,000 pieces of mail every year, and most members will not personally read more than 200 of those.

The rest will be opened by a receptionist, scanned by that person or someone else as to the issue raised, dropped into a stack labeled "for" or "against," and counted or weighed (for large volumes of mail on one issue like health care reform). At the end of each day, most letters to Congress become a statistic reported to the congressman about how many letters (for example 200 for, 250 against) on each issue for which mail was received. Unless your letter is handwritten (see cover story, which begins on page 26), it will probably never be even seen by the member of Congress, much less remembered.

On the other hand, the average member of Congress will have private meetings during the holiday break with only 50 to 100 constituents. He or she will remember most of the meetings and instruct their staff to take certain action on all of the issues. You could be one of them. You are not only a constituent but, as a business owner employing several other voters and volume supporter of the tax-revenue system in his district, you are a priority constituent who will probably be granted an appointment.

The most important reason to attempt to meet with your congressional representatives during the session recess, while they are in their district offices, is because you have them on your turf. That's where they will be more inclined to want to help, without the entourage of Ivy League-type minions staffing their Washington offices to shield them from your requests.

It is much harder to say no to someone sitting in front of you than it is to by letter. And once a member gives you a personal commitment on an issue, most of these men and women feel honor-bound to support that position, even in the face of peer pressure to change when they get back to Capitol Hill.

So, how do you go about getting an appointment with your congressman? First, you must know who your elected

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BY

RON WATERS

officials are (that is not necessarily a given since many people, including business people, do not know who represents them in Washington).

You can obtain this information from several sources, starting with your voter registration card, which usually lists the various political districts in which you reside. Mine is congressional district 10, for instance. Then, you pick up the telephone directory for your city, turn to the blue pages in the middle (the government section) and look up the congressman for the 10th congressional district (mine is Jake Pickle) and call his office. Ask for the district manager, then briefly explain to him or her your concerns on the pending federal legislation. That person will either set up the meeting or turn you over to an appointment scheduler who will do the same, provided time on the member's schedule permits.

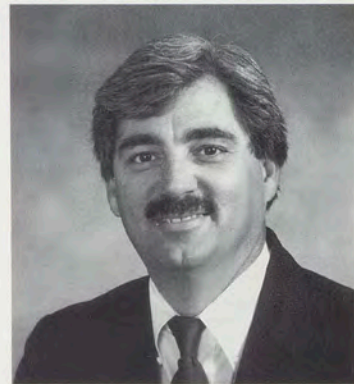
If possible, be flexible and work around the congressman's schedule, which will probably be pretty full. Accept an appointment next week instead of this week, if necessary, because it is very important to get the chance to see the member. Be sure and tell the assistant who else will be attending the meeting and approxi-

mately how long you will need with the member. Don't ask for too much time. You should be able to get 30 minutes, an hour at best, to meet with your representative or senator. Don't invite more than two other people to accompany you to the meeting.

Now that you have the meeting scheduled, what is your message?

We will send you plenty of information to review and some to hand the congressman, but the bottom line is that the message must come from your heart and mind. Tell the member what you think of the proposed legislation pending in Congress on rental-purchase and how it would affect your business. Hopefully you agree with us that the Gonzalez bill will hurt your business and take away your customers' options, and that you prefer the LaRocco bill if the congressman feels federal legislation is necessary.

Most importantly, your message is that you want a commitment to vote against the Gonzalez legislation (H.R. 3136) and for the LaRocco legislation (H.R. 2803). Ask if he or she would review the LaRocco legislation and consider cosponsoring it, and then let you know of their decision. Once you have a meeting scheduled, let this



Ron Waters is APRO's director of government affairs.

office know for our records. Don't forget to call us back after the meeting to let us know how it went. If you want or need us to send someone from this office, we will if at all possible.

Remember, the importance of all this activity is designed to save your business from the power of the federal government to regulate you right out of existence.

Heed the call to arms and do your part to save yourself from well-intentioned but misinformed champions of the common man, who are determined to cut off the nose of consumers to spite our collective face. I can hear those phones ringing already. **PR**

Cosponsors of rental-purchase bills in Congress*

*as of Dec. 17, 1993

H.R. 2803 (LaRocco bill) sponsors

1. Rep. Larry LaRocco (D-Idaho)
2. Rep. Gary Ackerman (D-N.Y.)
3. Rep. Jim Bacchus (D-Fla.)
4. Rep. Norm Dicks (D-Wash.)
5. Rep. Eliot Engel (D-N.Y.)
6. Rep. Dan Glickman (D-Kan.)
7. Rep. Thomas Manton (D-N.Y.)
8. Rep. Dan Burton (R-Ind.)
9. Rep. Jim McCrery (R-La.)
10. Rep. Rick Lehman (D-Calif.)
11. Rep. Peter Deutsch (D-Fla.)
12. Rep. William Jefferson (D-La.)
13. Rep. Calvin Dooley (D-Calif.)
14. Rep. Bill Brewster (D-Okla.)
15. Rep. Floyd Flake (D-N.Y.)

H.R. 3136 (Gonzalez bill) sponsors

1. Rep. Henry B. Gonzalez (D-Texas)

2. Rep. Bart Gordon (D-Tenn.)
3. Rep. Joe Kennedy, Jr. (D-Mass.)
4. Rep. Luis Gutierrez (D-Ill.)
5. Rep. Thomas Barrett (D-Wis.)
6. Rep. Maurice Hinchey (D-N.Y.)
7. Rep. Bobby Rush (D-Ill.)
8. Rep. Lucille Roybal-Allard (D-Calif.)
9. Rep. Esteban Torres (D-Calif.)
10. Rep. Maxine Waters (D-Calif.)
11. Rep. Charles Schumer (D-N.Y.)
12. Rep. Melvin Watt (D-N.C.)

(H.R. 2803 and H.R. 3136 have been referred to the U.S. House Banking Committee's Credit & Consumer Finance Subcommittee pending action.)

S.R. 1566 (Metzenbaum bill) sponsors

1. Sen. Howard Metzenbaum (D-Ohio)
2. Sen. Richard Bryan (D-Nev.)
3. Sen. Dave Durenberger (Independent Rep.-Minn.)

(S.R. 1566 has been referred to the Senate Banking Committee pending action.)

Alrengo, ColorTyme do their parts

SOME KENTUCKY FAMILIES RIPPED BY CRISIS AND ABUSE ARE HAVING A MORE PLEASANT LIFE THESE DAYS AND MANY SCHOOL KIDS AROUND THE AREA ARE ALSO HAVING THINGS A LITTLE BETTER, THANKS IN PART TO THE EFFORTS OF NEW ALBANY, IND.-BASED ALRENGO.

.....

The 34-store rental-purchase chain, owned by Mike Walts, was most recently recognized for its donation of appliances and furniture to a Louisville center for abused spouses and children, who were faced with starting their lives over without even the basic necessities.

That wasn't the first time Alrengo responded to the needs of neighboring Kentuckians, according to Bud Holladay, vice president of marketing. The company also helped to furnish Tingley House, a Volunteers of America project that works to bring the area's homeless back to self-sufficiency. Alrengo workers spent half a day delivering and setting up computers and furniture.

More Alrengo furniture went to the Family Resource Center at Louisville's Martin Luther King Jr. Elementary School, where Holladay says disadvantaged students and their families find help with domestic problems, jobs and health issues.

Last summer, Alrengo went north



of the Kentucky border to Cincinnati to help a group of inner-city boys enjoy Little League baseball for the first time. Alrengo provided the team with uniforms and equipment, while one of the company's accounts managers served as coach.

Over to the west, in Branson, Mo., ColorTyme has been making efforts to help inner city teen-agers as well as developmentally disabled kids.

The nation's second largest rental-purchase chain recently presented the Kids Across America Camp near Branson with a \$35,000 check to help expand camp facilities.

Kids Across America is a non-profit Christian camping organization.

"ColorTyme's participation in contributing to such a worthy organization, as well as helping kids, is gratifying to us all," says Mitch Fadel, president. "The entire ColorTyme family came together to better the lives of children coming to Kids Across America." **PR**



ColorTyme President Mitch Fadel, center, presents \$35,000 check to Kids Across America Camp near Branson, Mo. With Fadel, from left to right: ColorTyme franchisees Mike Harwood of Corsicana, Texas, and Bob Harvey of South Bend, Ind.; and Kids Across America representatives Eric Williams and Chris Zervas.

Continued from page 39

"I wish the federal government would understand that," Cleek says. "If it comes down to it, we'll be able to survive in the rent-to-rent business if they pass the Gonzalez bill. But what about that 20 or 25 percent of our customers who want to own a product? If that opportunity to own is taken away, what is the federal government going to replace it with? That's what really bothers me.

"I know there have been some abuses in this industry, but those schmucks are gone," he added. "It's been shown that you can't survive in this industry that way. The people in this business now are good business people, and I wish the federal government would understand that. The dealers in APRO are well-informed, and I think they should look forward to speaking at a forum like I did. It wasn't a hostile environment, and I got our side of the story across in 15 minutes."

Another part of Cleek's story involved the way he runs his stores. He carries on his father's belief that family stores serve families' needs. They work hard at Cleek's, they are aggressive and they are honest. Cleek has a sister also working within his company, and his son is coming into the family business.

"We want to give people a dollar's worth of value for a dollar of their money," Cleek says. "I got two rules from my dad, and everybody who comes to work for me better know those two things. First, never say anything you have to remember. As long as you are telling the truth, it comes right back to you. The second is, get better, get bigger or get out. If you're honest with people, you're honest with yourself and you're growing, you're going to be fine.

"I work my tail off, like any small business person, and I've always looked long term," Cleek adds. "I always ask myself where we're going to be in five or 10 years. We are a small operation in the number of stores we have, but we have good stores." **PR**

John Massey is APRO's associate editor.

Continued from page 30

approach. Please cosponsor H.R. 2803."

Thanks to the efforts of rental dealers around the U.S., this basic message is beginning to be heard on Capitol Hill.

Congressman Jay Dickey, representing Arkansas' fourth district in the House, writes in response to a letter from dealer Roy May:

"Thank you for contacting me about legislation which affects the rental-purchase industry.

"Congressman Larry LaRocco has introduced legislation (H.R. 2803) which would, among other things, require rental-purchase operators to disclose all information ... The bill also gives consumers the right of reinstatement and prohibits inappropriate collection practices. H.R. 2803 does not preempt state laws like ACT 69 in Arkansas.

"I am a cosponsor of H.R. 2803 because it is a fair compromise which seeks to deal with a minority of rental-purchase dealers who attempt to defraud the consumer by using unethical business practices. I will not, however, support the bill (H.R. 3136) introduced by congressman Henry Gonzalez which attempts to reform the rental-purchase industry by redefining rent-to-own transactions as credit sales. H.R. 3136 seems to me to be a draconian measure which will do nothing but cripple the rental-purchase industry.

"Thanks again for contacting me about this important issue."

Of course, not all responses will be as favorable. But each and every contact counts during this narrow, but crucial, window in time; when Congress is still home for the holidays.

There is too much at stake—your employees' livelihoods and your customers' welfare—to sit this one out. Call and write your federal representatives and senators. By now, you should have everything you need. It's important. Just do it. Today. **PR**

(Editor's note: Staffers from APRO's communications and government relations departments compiled this issue's cover editorial package on Congress and grassroots.)

House Banking Committee home-district addresses

HENRY B. GONZALEZ (D-TX)

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SAN ANTONIO, TX 78206

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WINSTON-SALEM, NC 27104

JOHN J. LaFALCE (D-NY)

111 WEST HURON ST., RM. 1304
BUFFALO, NY 14202

BRUCE F. VENTO (D-MN)

175 EAST 5TH ST., RM. 727, BOX 100
ST. PAUL, MN 55101

CHARLES E. SCHUMER (D-NY)

1628 KINGS HWY.
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29 CRAFTS ST.
NEWTON, MA 02158

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WILKES-BARRE, PA 18701

JOSEPH P. KENNEDY II (D-MA)

529 MAIN STREET, RM. 605
CHARLESTON, MA 02129

FLOYD H. FLAKE (D-NY)

196-06 LINDEN BLVD.
ST. ALBANS, NY 11412

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3000 DRUID PARK DR.
BALTIMORE, MD 21215

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10124 S. BROADWAY, SUITE 102
SANTA BARBARA, CA 90003

LARRY LaROCCO (D-ID)

304 N. 8TH STREET, RM. 136
BOISE, ID 83702

BILL ORTON (D-UT)

51 S. UNIVERSITY AVE., #317
PROVO, UT 84601

JIM BACCHUS (D-FL)

900 DIXON BLVD.
COCOA, FL 32922

HERBERT C. KLEIN (D-NJ)

200 FEDERAL PLAZA, RM. 500
PATTERSON, NJ 07505

CAROLYN B. MALONEY (D-NY)

950 THIRD AVE., 19TH FLOOR
NEW YORK, NY 10022

PETER DEUTSCH (D-FL)

10100 PINES BLVD.
PEMBROOKE PINES, FL 33025

LUIS V. GUTIERREZ (D-IL)

3181 N. ELSTON AVE.
CHICAGO, IL 60618

BOBBY L. RUSH (D-IL)

655 EAST 79TH ST.
CHICAGO, IL 60619

LUCILLE ROYBAL-ALLARD (D-CA)

255 E. TEMPLE ST., SUITE 1860
LOS ANGELES, CA 90012

THOMAS M. BARRETT (D-WI)

135 WEST WELLS ST., RM. 618
MILWAUKEE, WI 53203

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PORTLAND, OR 97210

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LANDOVER, MD 20785

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700 N. 10TH STREET
BATON ROUGE, LA 70802

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214 NORTH CHURCH ST., SUITE 130
CHARLOTTE, NC 78202

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291 WALL STREET
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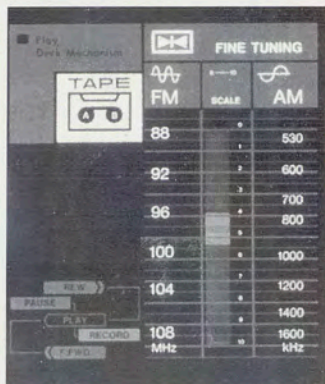
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APRO's Keese accepts national ASAE award

APRO Executive Director Bill Keese accepted a national award in New York City on Dec. 5.

APRO's 1993 annual report was awarded a certificate of achievement in this year's ASAE Gold Circle Awards competition held by the American Society of Association Executives. The certificate is the second-highest honor in the nationwide competition.

The Dec. 5 awards ceremony was held in conjunction with an ASAE management conference.

ASAE's Gold Circle Awards recognize the most creative and professional publications and public relations projects by associations. This year's competition drew more than 1,100 entries in 22 categories.

The RTO trade association's first-ever annual report was a special project led by Keese.

Photo by Shelley Martinek, APRO staff



APRO Executive Director Bill Keese accepts national award for best annual report in New York City on Dec. 5

Mitchell joins APRO gov't. relations dept.

The APRO home office in Austin, Texas, welcomed Sheila Mitchell to its staff on Dec. 1 as the administrative assistant for governmental affairs.

Mitchell, 27, is familiar with association management, joining APRO after serving as the Accreditation Coordinator and State Registrar for the Texas Quarter Horse Association. Mitchell also served as the group's computer systems administrator, maintaining a database of more than 17,000 files.

Prior to the quarter horse association, the Austin-area native was an administrative assistant and data processing specialist with the Texas Restaurant Association. At the restaurant association, Mitchell was charged with organizing the registration of 40,000 participants in the group's annual convention. She also maintained the databases for all special projects, updated membership records and assisted the research and information department in processing specialized reports.

In her current position, Mitchell will coordinate the daily flow of legislative data that comes into the APRO office. She will assist Ron Waters and Richard May in providing vital information



Sheila Mitchell joins the APRO staff in Austin, Texas.

to members, while also helping to coordinate regular communications with the many state organizations.

"We are very fortunate to have gotten Sheila to join our staff," said Waters, director of governmental affairs. "As our battle on Capitol Hill continues to heat up, I think it's crucial that we have a very capable person coordinating all of the incoming data and getting that information out to our members for their grassroots efforts."

Mitchell and her husband, Dean, live in Georgetown, Texas, just north of Austin.

In other staff moves, John Massey's title has been upgraded from assistant editor to associate editor. Massey began work at APRO on Nov. 8.

Hilde Parker, an APRO staff member since 1989, resigned effective Dec. 31 to get married and pursue her college degree in graphic arts. Laurie Derton, APRO's secretary-receptionist since Oct. 19, 1992, has been promoted to administrative assistant.

Former Sen. Rudman conducts RAC study

When Rent-A-Center's parent company, Thorn EMI, decided to engage a third party to study and report on its business dealings in the rental-purchase industry, great care was taken to underscore the legitimacy of the effort. In need of an impeccable, independent investigator, the largest RTO company in the nation asked former U.S. Senator Warren

B. Rudman to review its operational procedures. During his 12 years in the U.S. Senate, the 63-year-old Republican from New Hampshire established himself as an independent force in Washington. While in office, Rudman wasted little time on party politics, concentrating his efforts on the highest ethical standards.

Rudman held the post of New Hampshire Attorney General from 1970-76, serving as the president of the National Association of Attorneys General in 1975. After spending the next few years in private practice, Rudman jumped back into the public arena in 1980, running for and winning his seat in the U.S. Senate.

Rudman spent many of his 12 years on Capitol Hill serving on the Senate Ethics Committee, playing an active role in fashioning ethics legislation. He also served on the Senate Governmental Affairs Subcommittee on Investigations and on the Select Committee on Intelligence.

In 1985 Rudman etched his name into the history books when he teamed with Sen. Phil Gramm and eventually Sen. Ernest Hollings to come up with the deficit reduction bill commonly known as Gramm-Rudman. While serving as vice chairman of the Senate Iran-Contra committee, Rudman failed to let party loyalties stand in the way of his investigation. In the end, he was one of only three Republicans to sign the majority opinion, going so far as calling the separate Republican report "pathetic."

Rudman also played a role in escorting Supreme Court Justice David Souter through his confirmation hearings.

Since retiring from the Senate last year, Rudman has worked as an attorney with the D.C. law firm of Paul, Weiss, Rifkind, Wharton & Garrison. **PR**

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