

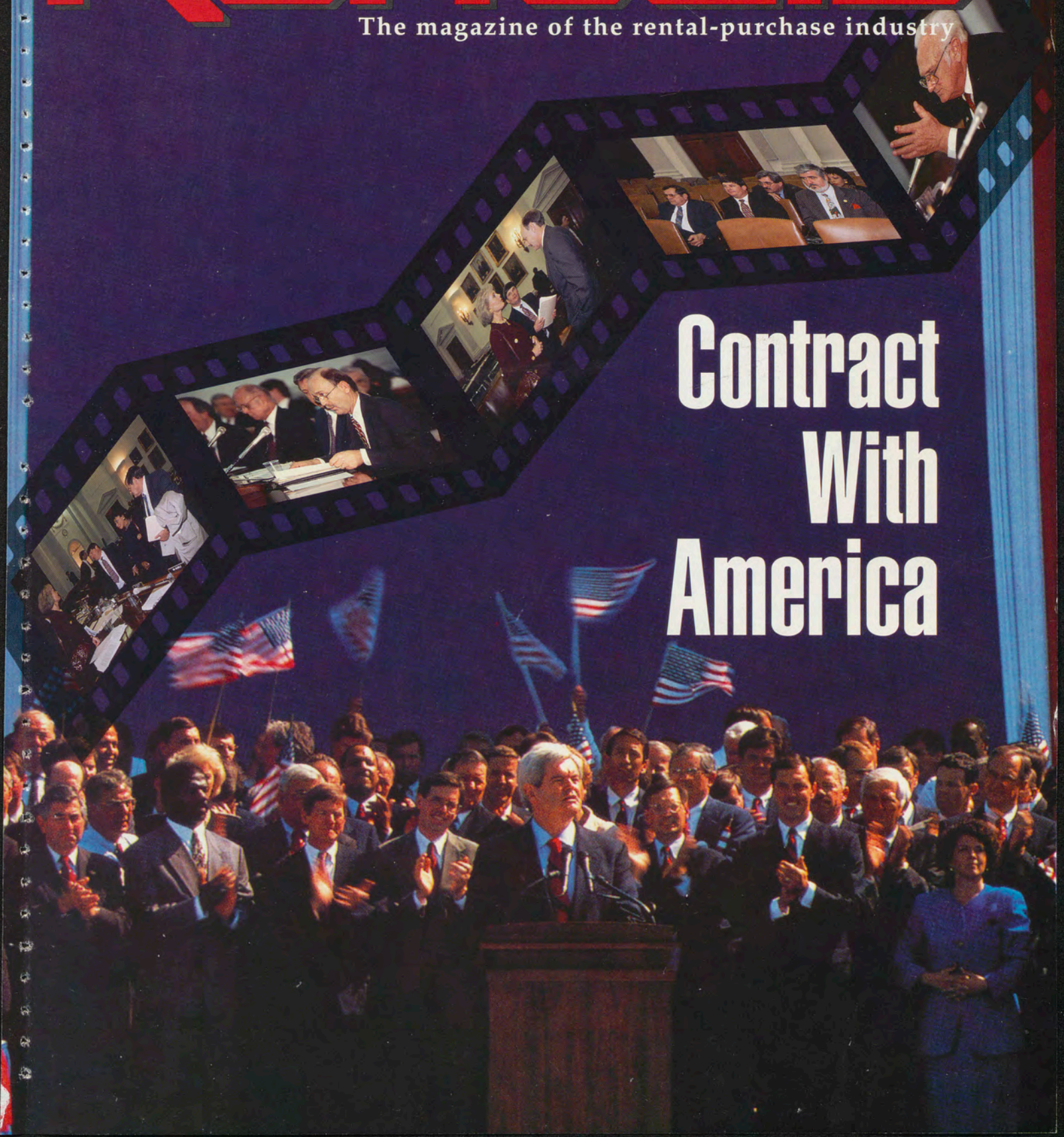
Progressive

February/March 1995

# Rentals

The magazine of the rental-purchase industry

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**APRO**

**PR**

# Progressive Rentals

The magazine of the rental-purchase industry

## Volume 15, Number 1

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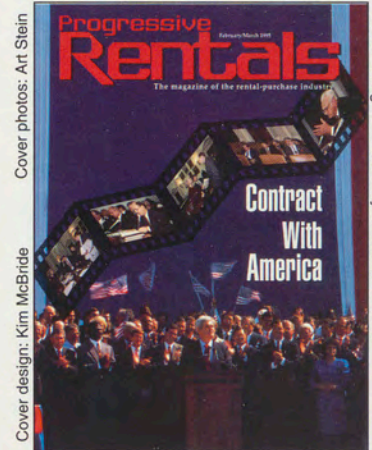
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#### Community Service

To better serve the  
Rental Purchase industry,

## FORESIGHT Adds Executives & Increases Office Locations



**Ron Logan,**  
Executive Vice  
President of Sales



**Larry Higbee,**  
Vice President of  
Administration &  
Business Development

*KEEPING WITH A TREND OF GROWTH AND DIVERSITY, RON LOGAN AND LARRY HIGBEE JOIN FORESIGHT, INC.*

• • • • •

Danny Wright, President and Chief Operating Officer of *FORESIGHT, Inc.*, recently welcomed two key executives to its management staff.

Ron Logan joins *FORESIGHT* as Executive Vice President of Sales. He will direct the company's sales activities and prepare the organization for introduction into new markets.

Logan has over 20 years experience in providing financial service products to the retail marketplace. He formerly headed west coast marketing for a large national specialty insurance company.

"My business philosophy mirrors *FORESIGHT'S*, that hard work, integrity and professionalism form the cornerstone for an attitude that the customer is most important," said Logan.

Logan will be based in *FORESIGHT'S* new branch office located in Dallas.

Larry Higbee joins *FORESIGHT* as Vice President of Administration and Business Development.

Higbee was previously National Marketing Manager for *FORESIGHT'S* primary insurer, John Alden Life Insurance Company.

Higbee will oversee the claims and administrative areas of *FORESIGHT*, bringing his years of experience in providing clients with quality and efficient service.

He will also direct the activities involved in the development of products for new markets.

"The addition of these two professionals demonstrates our commitment to serve the Rental Purchase industry efficiently, and it will allow us to experience growth without the pains that commonly hinder companies in such a mode," said Steve Owens, *FORESIGHT* CEO.

*FORESIGHT* also announced the addition of several new benefits to the Preferred Customer Club package. These benefits enhance the value of the program to the rental customer.

The new benefits include an opportunity for customers to save up to \$500 on groceries, savings at a greater number of theme parks and movie theaters, discounts on automotive service and parts through K-MART service centers, \$1,000 car theft reward, savings on roadside assistance, plus much more.

Information about the *FORESIGHT* Preferred Customer Club can be obtained by calling 1-800-733-0811.

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# *Dynamite*

I AM SURE ALL OF YOU ARE FAMILIAR WITH THAT OLD SAYING, "DYNAMITE COMES IN SMALL PACKAGES." IT'S ONE OF MY FAVORITES. FOR THOSE OF YOU WHO HAVE NOT MET ME, I AM 5-FOOT-5 AND HAVE BEEN THE SHORT GUY IN THE CROWD ALL MY LIFE.

.....

During my football-playing days, pee-wee and junior high, coaches liked to put me at middle linebacker or at center—right in the middle of the action. Coaches liked the way I used to hit, no matter how big the other players were. Back then they were telling me, "Dynamite comes in small packages."

This association reminds me of that saying. As associations go, APRO is not large in numbers. APRO is nowhere near in membership size to the American Medical Association or the American Association of Retired People. Nevertheless, APRO packs no less a punch than those giant associations.

This powerful APRO punch was very evident in late January in front of the U.S. House Ways and Means Committee. Former APRO president Wayne Chambers, on behalf of the association's tax and accounting committee, testified in front of the Ways and Means Committee along with renowned university professors, CEOs of major corporations and executive directors of some of the nation's largest associations.

Wayne was scheduled to speak late in the day, and I worried that the committee would be tired of hearing testimony. I feared that members of Congress wouldn't want to spend time hearing from such a small "special interest."

But although it was late in the day, Wayne got his chance to speak. Wayne did an outstanding job of expressing the association's concerns, but it was also

obvious that many others did an outstanding job of communicating with the committee members prior to Wayne's testimony. By the end of the day, Wayne had answered more questions about his tax concerns than any other person testifying that day.

We proved dynamite comes in small packages.

The Ways and Means hearing was just one more victory in a line of victories in this industry's battle to gain the respect it deserves.

By the time you read this column, APRO Legislative Conference '95 in Washington, D.C., will be over. We hope to make this the first of an annual event on Capitol Hill.

The conference was created to help APRO members understand the political process that runs our government. With more than 50 attendees this year, that translates to well over 100 constituent meetings with members of Congress. The commitment from rental-purchase dealers has been phenomenal.

We expect to see many new faces next year. Talking with your federal representatives is far easier than it looks. These men and women understand that they work for you, and they want to hear your concerns.

As we left January behind, I thought back to the holiday created in memory of Dr. Martin Luther King Jr. One of the most vivid memories is of his great statement, "I have a dream!" Dr. King's dream was that one day man would not be judged by the color of his skin.

I too have a dream. I dream that one day rental-purchase will be recognized everywhere for what it is—a lease. I dream that this industry will be known for what it brings to its customers' homes—quality merchandise and outstanding service, no matter a person's economic status.

I believe dreams come true. I hope you do, too.

PR

.....

BY

KEVIN QUINN

# Progressive Rentals to unveil redesign in April

THE NEXT TIME YOU SEE A COPY OF THIS MAGAZINE, YOU MIGHT DO A DOUBLE-TAKE.

THE APRIL-MAY *PROGRESSIVE RENTALS*, BESIDES BEING THE ASSOCIATION'S 15TH ANNIVERSARY ISSUE, WILL SPORT A COMPLETE REDESIGN—THE MAGAZINE'S FIRST SINCE 1991.

.....

Late last year, we distributed a reader-survey questionnaire to help us determine editorial goals for the upcoming *Progressive Rentals* redesign. The questionnaire went to all APRO-member home offices with a postage-paid return envelope, and the response was good. We also published the questionnaire in the December 1994/January 1995 issue of *Progressive Rentals*.

We asked. You answered. We lis-

## PROGRESSIVE Rentals

February/March issue of the magazine for the rental-purchase industry



Artist's rendition of new cover look.

tened to your responses.

While most respondents reported a high level of satisfaction, we were able to glean some reader feedback that's helped us in our quest to build the best possible industry magazine.

*Look for some departments to be beefed up—like News. Meanwhile, others, such as RTO Finances, have—in this case, thankfully—been retired.*

Look for some departments to be beefed up—like News & Products, which beginning next issue will span across two color pages toward the front of the book. Meanwhile, other departments, such as RTO Finances, have been retired because they no longer hold the relevance or importance—in this case, thankfully—that they once did.

If you didn't get to participate in the reader survey and would like to, you can get a copy from APRO Facts Line—(512)794-0258. Just call in, follow the voice prompts, and order document No. 4004. You'll need to provide your fax-machine number to receive the survey. (If you need help with APRO Facts Line, give me a call at APRO's main number, 512-794-0095. I'll be glad to guide you through it.)

We hope you like the changes you'll see in the next issue of *Progressive Rentals*. Even though the new design is all but set, we're constantly looking for editorial ideas and feedback. John Massey, associate editor, is reachable by phone and fax—and so am I. Letters to the editor, faxes and e-mail are all welcome. My address on the Internet is [johng37@aol.com](mailto:johng37@aol.com). Hope to see you out there, and thanks for reading.

—John Gormley, APRO communications director

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**15**  
ANNIVERSARY

The next *Progressive Rentals*, April-May, will be APRO's 15th anniversary issue.

Robin Scott



*APRO's continued growth through the years*

# *Giving added strength to RTO*

THE RENTAL-PURCHASE INDUSTRY IS A FAIRLY YOUNG ONE. OUR NATIONAL ASSOCIATION IS YOUNGER STILL. HOWEVER, AFTER JUST 15 YEARS WE CAN LOOK BACK AT A WEALTH OF ACCOMPLISHMENTS. I KNOW OF TWO REASONS FOR THIS SUCCESS: THE DARING TO DREAM OF A BETTER RTO WORLD AGAINST ANY ADVERSARY AND THE FORTITUDE TO NEVER TAKE "NO" FOR AN ANSWER.

•••••

This positive outlook has served all of us and our 3.5 million customers well.

There was a time, 15 years ago, when our major problem was the inability to purchase, at any price, top quality, name-brand products for our customers. It's hard to imagine those innocent days of not too long ago, and the problems of the time which we take for granted today.

But a very few strong-willed individuals banded together to form APRO. Today, all top-quality, name-brand manufacturers are eager to sell to us. This year, we will have nearly 230 exhibit booths at our trade show in Las Vegas.

Only a few years after APRO's founding, dealers banded together in Michigan, Texas and a few other states to provide our customers with fair and complete disclosures in rental agreements. These dealers worked hard to ensure a more stable environment in which to operate. APRO assisted dealers in state after state to organize and secure passage of reasonable, responsible state legislation. After this year, we will have more than 40 states recognizing the rental-purchase transaction as a unique lease, not a sale.

As our industry has grown and matured, so has this association. While we have an 11-year history dealing with the United States Congress, we are poised, this year, to possibly achieve some major victories that were unimaginable just two years ago. RTO dealers have come together and developed a grassroots army that has taken us from facing a hostile "investigative Congressional hearing," two years ago, to achieving a major win within the first 30 days of a new Congress. A representative of the semiconductor industry which, incidentally, has some of the same depreciation problems we have, was totally amazed at the success of our grassroots effort prior to the recent House Ways and Means Committee hearing.

The financial crisis that hit RTO a few years ago is over. Sure, a few are still having financing problems, but I remember some predictions of just four years ago that this industry could "dry up and blow away" when the Big Three pulled their money out of RTO. It was a difficult time for most, but we are a stronger industry now because of those trying times.

Recently, a fifth rental-purchase company went public. Our surveys show dramatic growth over the past three years in bank financing, and APRO has played a major role. While unable to secure a major finance company to replace Transamerica, Chrysler and McDonnell-Douglas, APRO has educated scores of bankers across the country about RTO. We use our publications and act as a reference in linking experienced RTO bankers with neophytes.

As for the next 15 years, who can tell what will happen? I only know that the future has never looked brighter. We are an industry and an association hardened by fire. I'll take this sword into battle any time.

*PR*

•••••

BY

**BILL KEESE**

## Speakers group honors those who contribute

ASSOCIATION LEADERS WANT TO RECOGNIZE THOSE WHO HAVE CONTRIBUTED TO THE CONTINUED AND ENHANCED PROFESSIONALISM OF THE RENTAL-PURCHASE INDUSTRY. SPEAKING AT APRO EDUCATIONAL SEMINARS IS A PRIME EXAMPLE OF THOSE WHO CONTRIBUTE.

•••••

The APRO Speakers' Bureau provides the appropriate forum of recognition. To be listed as a member of the APRO Speakers' Bureau, a rental-purchase professional must have contributed to the industry within the last two calendar years by speaking at an APRO seminar. Members of the bureau will be recognized in various APRO publications on an ongoing basis.

At upper right is a list of current members. APRO would like to invite those of you who are qualified to volunteer as a speaker at upcoming APRO educational seminars. It is by drawing on the experience of others that we further our own professionalism.

Many of you have much to offer others in the industry, and APRO would like to continually enhance the forum in which rental-purchase professionals can share their expertise and experience.

If you'd like to be considered as a speaker, please call me at the APRO office, (512)794-0095. Or, fax me a line at (512)794-0097—attn. education department. The deadline to be considered as a seminar presenter for this year's APRO convention is March 31. (The convention is Aug. 7-11 at the MGM Grand in Las Vegas.)

To receive a speakers' form, call the APRO Facts Line at (512)794-0258 and order document No. 4003. (If you need help with APRO Facts Line, call John Gormley at APRO's main number, 512-794-0095.)

—Shelley Martinek, APRO education director

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 Beckham, Ed . . . . .WBC Holdings  
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 Beville, Terry . . . . .Terry Beville, CPA  
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 Friday, Frank . . . . .Friday Associates  
 Gates, Walter E. (Bud) . . .Rent-A-Center  
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*Yesterday's performance standards simply won't cut it in today's competitive market*

# Change: friend or foe?

THE PACE OF CHANGE INCREASES DAILY. EXAMPLES OF THIS ABOUND AS WE WATCH THE NEWS EACH NIGHT AND REALIZE WE ARE LIVING IN A GLOBAL, NOT A LOCAL, ECONOMY. WHAT HAPPENS IN WASHINGTON HAS FAR-REACHING EFFECTS ON US. IN FACT, WE KNOW ABOUT CHANGE INSTANTLY.

Technology has caused changes. The Minolta XI camera has more computing intelligence than the 1982 version of the Apple II computer. The fax machine has removed the barrier of time for information—it moves information from one place to another instantly. We're looking at E-mail as a common fact of life in the near future. Recently, Microsoft replaced General Motors in the Fortune 500 list. For the first time in our history, a company that manufactures knowledge has replaced a company that builds things.

The ever-increasing product proliferation is mind-boggling. A visit to this year's Consumer Electronics Show confirms that products are being launched at an accelerated rate. Shorter product life cycles cause us to have to change many things about the way we do business.

Business operations are forced to do more with less and do it faster. For example, in only three years IBM's personal computer operation in Austin, Texas, cut its manufacturing cycle time from 7.5 days to 1.5 days. New product development dropped from 24 months to 8 months, while IBM's product portfolio went from

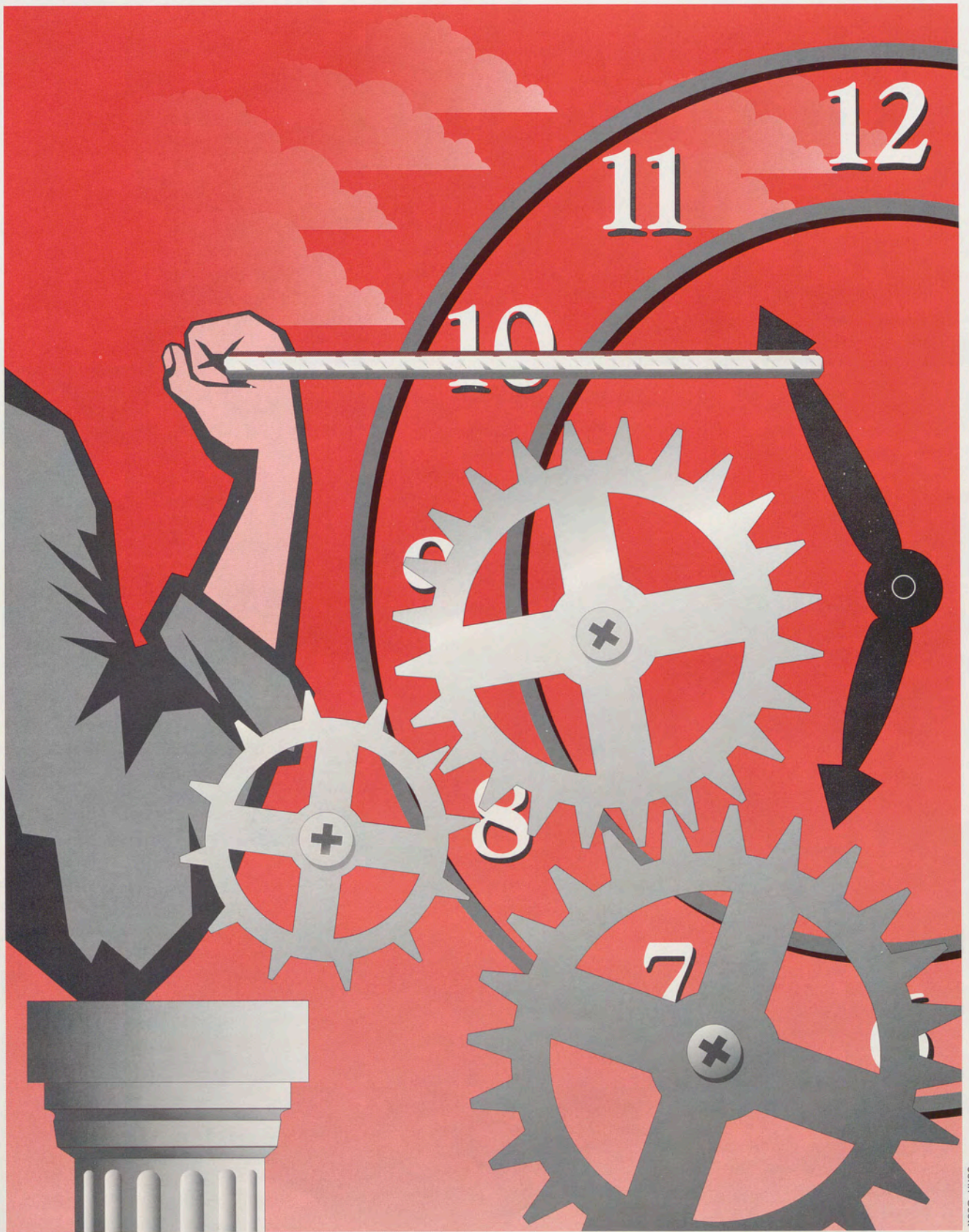
9 to 85. During this time, the company's payroll dropped from 1,100 to 423. All this was done to simply remain competitive in an increasingly competitive field.

Ford Motor Company, which lost \$3 billion from 1980-82, has made dramatic changes. Ford's examination of the automobile business and, most importantly, itself, allowed Ford to see the changes that were needed and to react. Ford's focus on quality, improved management and operations led to its surpassing General Motors' earnings in 1986, and Ford continues to grow. Look at who is the leader in quality and innovation today.

To be successful, companies in all areas must be able to shorten the time it takes to do things and produce more results with less. Manufacturing is not the only area that is being pelted with change and increased demands. The rental-purchase industry's pace of change and increasing demands escalates each day. What made us successful in the past may not even keep us in the game today. We must deal with change or face quick or gradual extinction.

Just as the covers of magazines such as  
CONTINUED ON PAGE 12

•••••  
BY  
WAYNE  
OUTLAW



John Scott

Continued from page 10

Newsweek announce restructuring, downsizing and other phenomena of business, the rental-purchase industry must examine new ideas and make changes to be successful. The proven axioms of the past may no longer work, or they may produce less results than before. If we continue to do the same things we cannot expect new and improved results. If we are not getting the results we want, we must do something different.

The managers and owners of rental-purchase companies must constantly examine their operations and determine what is producing results. Management must be willing to adapt and change if companies are to prosper. It's a matter of survival. As conditions change, some rental-purchase companies, like other companies, will be forced to adapt and innovate to survive.

While we are very aware that our changing environment requires different approaches or actions, many are not comfortable with change. Some

*The managers and owners of rental-purchase companies must constantly examine their operations and determine what is producing results. Management must be willing to adapt and change. It's a matter of survival.*

react negatively to change. Reaction to change has a great deal to do with whether it is voluntary or involuntary; whether it is sudden or gradual.

Sudden or dramatic change gets our attention and we are forced to react. Subtle or gradual changes, which occur over a period of time, go unnoticed unless we are constantly evaluating our environment. Gradual changes are most dangerous because they have an effect on us without our knowledge and, if unnoticed, they can prove disastrous.

A small erosion in a profit margin, or gradual changes in customer tastes and demands, can go unrecognized until too late.

One reason many individuals and organizations fail to respond is because change makes them uncom-

fortable. Some prefer to deny change is happening. Some cling to traditional or "comfortable" ways. To be successful in the coming years, rental-purchase companies must seek out innovation and embrace change.

Business has popularized a number of terms that are associated with change, such as re-engineering, reorganizing, recreating and restructuring. These terms suggest formal programs usually instituted from the top down, or even from the outside.

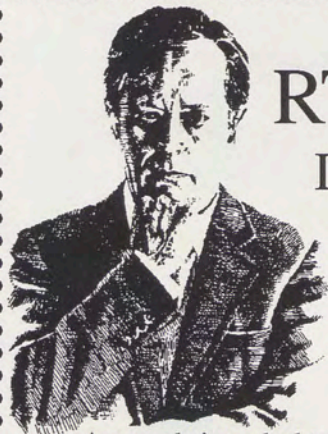
Regardless of the name of the change, rental-purchase operations must innovate and adapt to keep pace with customer demands, marketplace changes and even government regulations.

Whatever occurs in terms of taxes or legal action, customers will have the same needs and wants. While the way that products and services are delivered may change, customers still demand and deserve service.

More than anything else, perhaps, service is the key to the rental-purchase industry's unique identity. The company that stays on the cutting edge of change will thrive in the coming years.

Rental-purchase dealers and managers must hold sacred only those actions that produce results. Constantly re-examining, rethinking and finding innovative strategies, structures and systems will produce dividends in customer satisfaction and bottom-line profits. Companies that excel in the following key areas will not only increase success, but will lead the way into the 21st century.

Follow the laws of business. The rental-purchase industry has some unique features, but it is a business like any other. The universal laws that govern business success apply to the rental-purchase industry. Many have had painful lessons attempting to explain to outsiders the features that make rental-purchase unique. Unique or not, a company's balance sheet must show financial health. Management must have sound business principles.



## RTO MANAGERS

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Develop strong customer relationships. Whatever the future holds, one constant in the customer base will be those who have poor or no credit, who still want your product. Changes may occur in the way these products are delivered, how they are priced and even how the agreement is structured, but what will remain is the relationship between the company, the store staff and the customer.

The organizations that constantly ask what the customer wants—and look for innovative ways to deliver this to the customer—will be successful regardless of changes that occur in the marketplace or legislation.

Customers have needs and wants that will be satisfied by the companies that develop these strong relationships and innovative approaches.

Develop and nurture employees. Without dedicated, competent employees, no company can satisfy customers. Especially in times of change, it is very important to develop and nurture your employees. Changes in business practices and ownership causes stress for employees and managers. It is especially important during these periods to invest the time to let employees "know" they're important. Invest not only in their training and development, but also in retention. In training and consulting work, we have traced loss of productivity and declining profits directly back to high employee turnover and management actions. Owners and top management must take care of employees, because they are the ones who can care for the company's most valuable resource, the customer.

During the past several years the rental-purchase industry has gone through a period of tremendous change. There is nothing to indicate that the near future will be less challenging. The companies and individuals that embrace change and constantly look for innovative ways to improve will be successful in the future.

By constantly challenging, rethinking and looking for better ways, an organization can not only survive these difficult times but can also prosper. Individuals and organizations that are forced to change and endure

difficult times emerge stronger, with a more secure future. The difference between growth and stagnation is the attitude of management. Whether this choice is conscious, it is being made even as you read this. What are you doing to keep your company and yourself at the forefront of change and innovation? What are you doing to ensure your future?

•••

If you would like a free pamphlet, "Coping With Change: How to Re-Energize Yourself and Your Organization During Change," send a stamped, self-addressed 9 x 12 envelope to: Change, The Outlaw Group, 1092 Johnnie Dodds Blvd., Suite B-1, Mt. Pleasant, S.C., 29464. **PR**

*Wayne Outlaw, CSP, is head of the OUTLAW Group which provides training and consulting for high-activity, customer-focused companies such as rental-purchase. The National Speakers Association has awarded Outlaw the designation of Certified Speaking Professional, held by less than 6 percent of speakers. He can be reached at 800-347-9361.*

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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 to APRO at:

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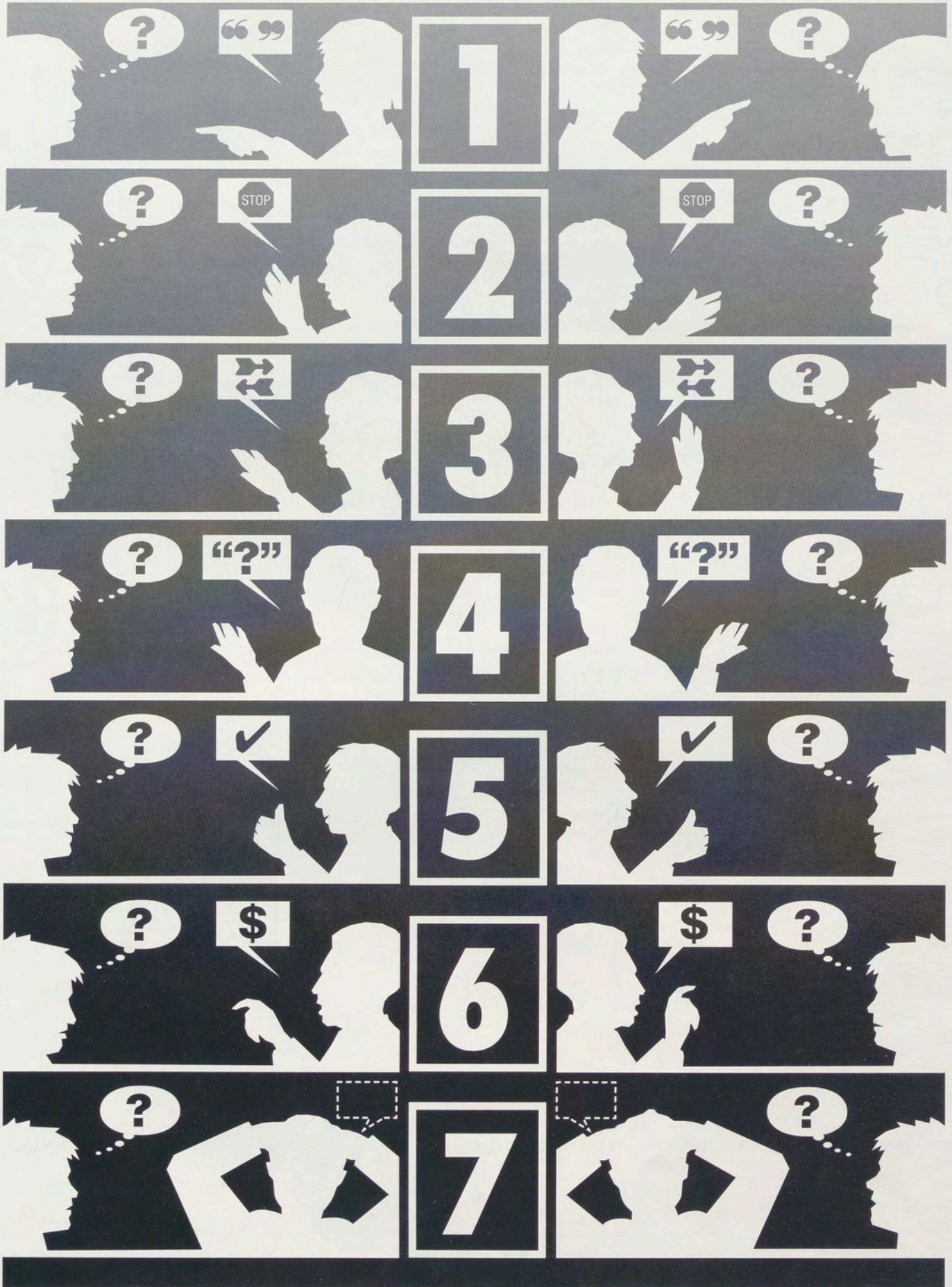
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*When dealing with supervisor/subordinate issues, it's important to spot and avoid these*

# 7 costly errors

.....  
BY  
PHILLIP M.  
PERRY

EVALUATING EMPLOYEES THE RIGHT WAY HAS NEVER BEEN A BREEZE. BUT IN RECENT YEARS IT HAS BECOME DOWNRIGHT DANGEROUS. INCREASING NUMBERS OF FIRED WORKERS ARE INVOKING THE PROTECTIONS OF NEW FEDERAL AND STATE LAWS AS WEAPONS AGAINST FORMER EMPLOYERS.

To avoid costly wrongful discharge lawsuits down the road, managers need to document negative evaluations more carefully than in the past.

However, documenting poor performance carries a danger. Employees can become easily demoralized if managers don't present critiques in a sensitive manner. When employees lose interest in improving their performance, business suffers.

How can you balance the letter of the law with the spirit of the workplace?

Here's how. Six experts on employee management show how you can avoid the most common—and costly—pitfalls in the employee evaluation:

**1. Basing evaluations on personal opinions.** Too often, experts say, managers evaluate employees in general terms that really amount to opinions. Common examples: "needs to improve work habits" and "must improve interpersonal skills." Employees

resent such statements and go on the defensive.

"The only way you will make your point effectively is to talk specifics," says Don Schackne, an employee relations consultant based in Delaware, Ohio. "That gives you and the employee a handle to discuss performance problems."

Here's an example. Suppose you have received a lot of complaints from customers about an employee. You'll only cause the employee to balk if you say, "You need to improve your customer relations skills." Instead, state "We received six complaints from customers about you during the past year." Then read the details of each complaint from written records.

And how about the staffer who can't get along with co-workers? Describe recent workplace arguments. Example: "Do you remember an incident three weeks ago that happened with Joe?"

CONTINUED ON NEXT PAGE

Continued from previous page

Suppose an employee needs to improve work habits. To get this point across, state specifics such as "spends half an hour leafing through paperwork every morning."

Use numbers when possible. How many times did the employee arrive late for meetings, and by how many minutes? How many arguments erupted in the workplace? By what percentage was the employee under a certain required performance level? How many times did the employee take an extra half hour for lunch?

All this doesn't mean personal characteristics can't be assessed, says Schackne. "You can rate abstract characteristics such as attitude, leadership, initiative, cooperation, interpersonal skills and maturity. But when you do so, make your point with examples from the employee's performance record."

Keep a work diary, from which you can obtain examples and numbers from evaluations.

## 2. Not identifying causes of poor

*Managers often forget that soliciting feedback gets the employee actively involved in the evaluation process.*

**performance.** Once the problems have been stated in specific terms, obtain feedback. Why didn't the employee perform as well as anticipated? Was it the fault of the worker, or were other reasons to blame?

"Sometimes there are legitimate reasons why an employee did not perform up to standard," says Christopher J. Hegarty, a consultant based in Novato, Calif. "Give the employee an opportunity to present them. Was there anything wrong with the procedures required of the employee? Were goals unrealistic, or were co-workers committing oversight? Clear up what the problem is."

Managers often forget that soliciting feedback gets the employee actively involved in the evaluation process. That fosters a spirit of cooperation which is crucial to improving workplace performance.

**3. Not setting performance goals.** It's not enough to delineate the good and bad points of the past year. Set

specific goals for the coming 12 months. Managers often fail to be specific enough.

"List a 'vital tasks' agenda in which every measurable high priority task is outlined," says Hegarty. "Indicate in what areas the employees are performing poorly, then work with them to set time tables for improvement."

The time table is an important technique to avoid procrastination. The manager, too, needs to follow a schedule. One of the traditional failings of evaluations is lack of follow-up. Ensure that follow-ups occur by marking the calendar at the checkpoints which have been coordinated with the employee. Meet with the employee on these dates to discuss progress.

Get the employee to set personal goals when you can. Sometimes your verbal prompts will be sufficient to stimulate the employee toward realizing what needs to be done. But you should also ask the employee for insight. What performance would bring the greatest personal satisfaction one year from now? What talents can be honed?

"Setting precise objectives helps develop potential," says Robert Filer, president of Psychological Consultants, Richmond, Va. "When people feel blocked from using their skills, they leave."

**4. Omitting tactics to reach the above goals.** Leaving the employee without the tools to improve performance is a common error. "You should work out a development plan as part of the appraisal," says Carl Johnson, president of Princeton Employee Relations, Princeton, N.J. "First, ask how the employee plans to improve performance. Then ask what tools you can provide to help. Write down the specific steps the employee will take to solve problems."

The employee might:

- Keep a diary of performance to track progress.
- Attend training seminars.
- Seek professional counseling.
- Read books devoted to a subject.
- Participate in support groups.

Go into the interview with some ideas about how the employee can

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solve a specific performance problem. Pass those ideas along by hints or direct statements.

Says Johnson: "When you have a poor performer, it's your responsibility to counsel and coach that individual."

**5. Skewing everyone's ratings high to curry favor.** "Many managers avoid giving honest evaluations because they are afraid of confrontations," says Newel B. Knight, an attorney in Reno, Nev. "Without proper input from the manager, the employee's performance does not improve, and the business suffers."

The manager's desire to avoid confrontation is ironic, adds Knight, because ratings that are artificially high can eventually spark a confrontation of the worst kind—a lawsuit for wrongful discharge when the employee is fired.

Suppose the employee belongs to a group that is protected by certain federal or state laws. Such groups are characterized by race, sex, national origin, religion and age. If this employee is fired because of poor performance, your business had better have a file of written performance evaluations that show the managers did their best to help the employee improve, and that the individual did not do so. Failing to have such a file leaves your business open to a wrongful discharge lawsuit.

Other failings:

- Allowing one of the employee's prime qualities to create a "halo effect" that overrides other less favorable characteristics, so that the overall rating is too high.

- Letting personal bias affect ratings.

- Allowing the purpose of the evaluation (to support a salary increase or a decision to terminate) affect the rating.

- Deciding in advance on a merit increase, and then working backwards to justify it with a rating.

**6. Discussing pay and promotion.** Don't make the common mistake of discussing salary increases or promotions during the performance evaluation. Those subjects can overwhelm the interview and keep the employee's mind on the money cart instead of the performance horse.

"When you tie money with the eval-

uation, employees are interested only in the last 40 seconds of the interview," warns Schackne. "They come into the room with the attitude that the decision about rewards is all that really matters."

Tell employees that salary will be tackled in a separate interview, a pre-determined time in the future. Schackne suggests this kind of approach: "Let's talk about each performance area in detail, and so that you understand I am serious, I want to meet with you again in 30 days—mark it on your calendar. We aren't going to discuss salary until all these performance matters are corrected. That may be in 30 days ... it may be never."

In some cases you may decide to give the employee three 30-day periods to improve. "Tell the employee that if the specified improvement is made during that time, then a salary and promotions review will take place. If no improvement occurs in that time, the assessment process begins again."

All this puts the monkey on the employee's back to show improvement, "The employee will realize that he doesn't get a raise for just warming a chair for 12 months," Schackne says.

**7. Failing to record evaluations in writing.** Register everything in writing. Put the evaluations in your files and give copies to the employee.

"Without written evaluations, it's hard for an employee to remember everything you say a few weeks later," says Filer.

Further, you need a record of performance appraisals to justify dismissals that might otherwise spark lawsuits for discrimination. The

appraisals prove that the performance was substandard. "If you end up on the wrong side of a wrongful discharge case and you are in court and a judge asks on what basis you discharged the employee, and there is nothing to support the discharge, the ex-employee will win the case," Schackne says.

Schackne also suggests giving the employee a copy of your notes. "It makes a big impact. Tearing off a carbon copy sends a message that you are not kidding about the points in the evaluation."

It's best to have the employees sign the evaluation forms. Have a sentence at the bottom of the sheet to the effect that the employee's signature does not necessarily mean agreement, but only that the interview did take place.

What if the employee is angry about the evaluation and refuses to sign? Says Schackne: "Call in a secretary and have her write on the back of the form, 'employee refuses to sign this review,' sign and date it. You want a third party to protect yourself."

By avoiding the seven common traps detailed in this article, you're going a long way toward protecting your business from lawsuits, while also motivating your employees to help your business succeed.

Act now to open the communications with your staff. "The single biggest reason why good employees leave is because of lack of rapport with the person they report to," says Hegarty. "So the manager's responsibility for good evaluation procedures is greater than ever." **PR**

*Phillip M. Perry is a New York City-based freelance writer who specializes in business issues.*

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# APRO '95: Make It Grand!

FROM RAILWAY PIT STOP TO ENTERTAINMENT CAPITAL OF THE WORLD, FROM SIN CITY TO ONE OF THE COUNTRY'S FOREMOST FAMILY FUN SPOTS, LAS VEGAS HAS TRANSFORMED ITSELF TIME AND AGAIN—AND THE RESULTS ARE BREATHTAKING.

APRO current and future members will convene Aug. 7-11 in Las Vegas for the industry's annual convention and trade show, APRO '95: Make It Grand!

Recent changes on the Vegas scene have come so fast and furiously that even those who attended APRO's 1993 Vegas convention will be in for a few surprises, the grandest of which is this year's convention headquarters hotel, the MGM Grand.

In a city where bigger is better, the MGM Grand is the grandest of them all—with 5,005 rooms, the largest casino in the world and its own attraction-filled theme park. It took \$1 billion to accomplish, but the Grand is one fabulous vacation destination.

## The MGM is grand

Enter the MGM casino, which rests between the giant paws of the MGM lion rendered 88 feet tall. Featuring a movie theme throughout, the MGM presents the fabled Emerald City under a seven-story dome. You'll shake hands with the Wizard of Oz, Dorothy and all her friends, and see a special-effects magic show, as flying monkeys, a simulated tornado, and the famed yellow brick road wait to thrill and delight you. With 3,500 slot machines, 165 table games and a race and sports book, the MGM is sure to offer the diversion that suits you.

If all the excitement makes you hungry, you can eat yourself through eight restaurants, from Wolfgang Puck's Pizza

to Sir Reginald's Steakhouse to a fast-food court with everything from the mundane to the exotic. Centerpiece of the food scene is the Coyote Cafe, a restaurant featuring a menu drawn from Native American, Spanish, Mexican and New Mexican cooking traditions and a decor compatible with the Southwest. A new venture for noted restaurateur Mark Miller, the Coyote Cafe is modeled after Miller's original cafe in Santa Fe.

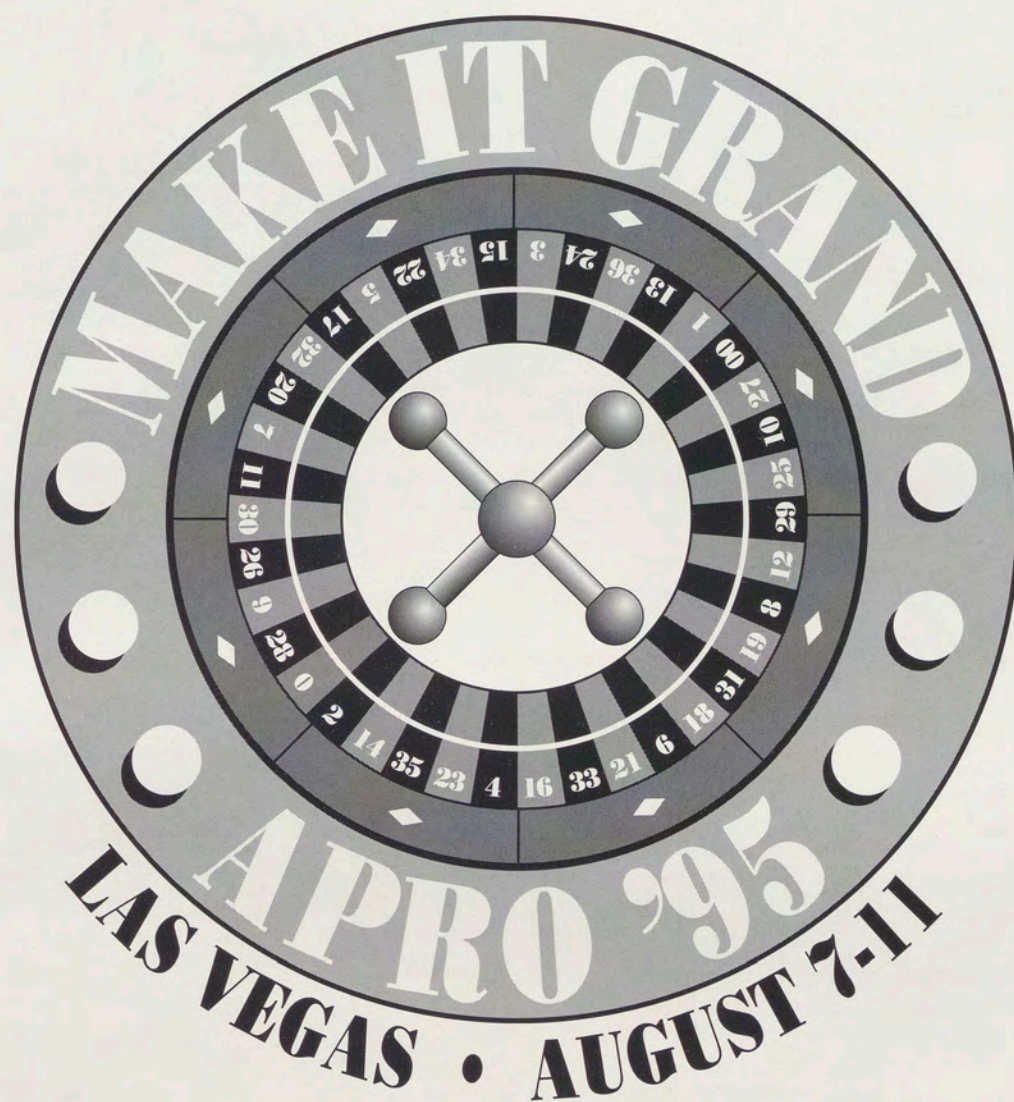
Then work it all off at the Grand's Health Club & Spa, with state-of-the-art equipment and six Jacuzzis. Follow that up with a dip in the swimming pool, centerpoint of the 144,000-square-foot Grand Oasis, sand beach and all.

The Grand makes supervised fun available to children of hotel guests, ages 3 to 12, at King Looey's. The Looey Jr. Room is nonstop fun for kids ages 3 to 6, with a custom playhouse, tumbling mats and more, while 7- to 12-year-olds enjoy foosball, pingpong, a mini pool table and board games. An arts and crafts room and TV lounge also stand ready. For older kids, Wizard's Midway and Arcade is a 30,000-square-foot game center with 33 games of skill and the latest video arcade games.

MGM Grand facilities also include two showrooms, five lounges and the MGM Grand Garden special events center, where the APRO trade show will be held.

Perhaps the biggest attraction is the MGM Grand Adventure, the first full-fledged theme park in Las Vegas. Nine themed

.....  
BY  
BARBARA  
STOOKSBERRY



areas let you visit England, Casablanca, New Orleans and Asia all in one afternoon. With 12 major attractions, the Adventure is chock full of treats for all comers, with arts and crafts and other retail shops, and shows and food to suit every taste.

King Looney and his friends greet you at the park entrance and, throughout the day, you can visit cartoon favorites Popeye, Olive Oyl, Betty Boop and others, and say howdy to the *Wizard of Oz* characters as they wend their way through the park to the Emerald City.

Adventure attractions will take you on an indoor roller coaster ride through outer space, by motion-base simulator to the center of the earth, on a backlot river tour through Bayou Country, racing through an abandoned mine and white-water rafting in a

nine-seat inner tube. But that's just part of the fun. There are exploding towers, hungry sharks, dueling pirates and rousing gunfights. You could even get your start in the movies!

There's enough fun and excitement at the MGM Grand to make all your fantasies come true. It's a mini-city with attitude. Once you're ready to venture out, take the monorail connecting the MGM to Bally's (scheduled to begin operation in June, a full two months before APRO's convention).

### Wait, there's more

Grand as it is, the MGM hasn't totally cornered the market on fun. Newcomers to the Strip scene also include the Luxor, a 30-story pyramid-shaped hotel and casino complex that has hired the sphinx to guard the front

door and rechanneled the Nile River to run right through its lobby. Add to that a full-scale reproduction of King Tut's tomb and a high-tech arcade featuring Sega's eight-person virtual reality ride, and you have a sight worth seeing.

To compete with these newcomers, existing hotels have added more glitz to the glitter to get your attention. Treasure Island at the Mirage is a pirate-themed complex with nightly sea battles between the 80-foot Hispaniola and the HMS Britannia—as if an erupting volcano, a dolphin pool, and the antics of the world-famous white tigers of Siegfried and Roy at the original Mirage weren't enough to catch your eye!

Circus Circus, the first Strip hotel to provide an entertainment arcade

CONTINUED ON NEXT PAGE

*Continued from previous page*

for the under-21 crowd so many years ago, has upgraded with the Grand Slam Canyon domed amusement park. Highlights include the only indoor double-loop roller coaster in the country and a wild water chute ride. With a little luck you might also see the Flying Elvi float down from the heavens, *Honeymoon in Vegas* style, and land at Bally's like they did at APRO's last convention in Las Vegas, in 1993.

If old cars interest you, visit the auto museum at the Imperial Palace, which displays vehicles driven by such historic notables as Adolph Hitler, Al Capone and John F. Kennedy. And no Vegas hotel tour is complete without a visit to Caesar's Palace, where fountains and golden statuary transport you to ancient Rome. Caesar's Forum Shops offer eight acres of first-class shops and restaurants.

Speaking of shopping, at the Fashion Show Mall on the Strip you'll find the most prestigious department stores in Las Vegas and 145 specialty shops, as well as a food court and array of fine restaurants.

So much is new in Las Vegas. The Flamingo Hilton bungalow, the old building built by Bugsy Siegel in the 1940s, has been razed to make way for a new 612-room tower. Entertainer Debbie Reynolds has opened a smaller, more intimate hotel with America's only Movie Museum, highlighting motion picture memorabilia.

Downtown merchants are answering the call with the Fremont Street Experience, a \$63 million joint project that will enclose and showcase "Glitter Gulch" by covering a four-block area with a reflectorized, 100-foot-high mesh canopy and installing a light show with floats running along a 50-foot monorail. Fremont Street was the site of the first legalized casino gaming in the U.S. in 1931, and the scene is still very much alive.

The downtown light show is enough to make you tip your hat to William Ramsey and M.W. Travers, chemists who discovered the inert gas neon in 1898, and made the essence of Las Vegas possible. (A toast as well for Charles Fey, who invent-

*With a little luck you might also see the Flying Elvi float down from the heavens, Honeymoon in Vegas style, and land at Bally's like they did at APRO's last convention in Las Vegas, in 1993.*

ed the three-reel gambling device that served as the prototype for the modern-day slot machine. Cheers!)

Take a self-designed grand tour of Vegas hotels, if for no other reasons than it's free and it's nowhere else to be found.

## Land of contrasts

Once you leave the Strip and downtown areas, there is so much activity to choose from you won't know where to start. But by coming early or staying late, you can make a start at seeing some of the many attractions in the Las Vegas area.

One popular destination is the Liberace Museum, which displays the costumes, pianos, jewelry and customized cars that made the late Mr. Showmanship the epitome of excess. Proceeds benefit the Liberace Foundation, which provides scholarships in the creative and performing arts. The Clark County Heritage Museum will suit history buffs, and the Las Vegas Art Museum will draw the interest of art aficionados. The Guinness World of Records Museum and Hard Rock Cafe are also popular draws. For children, the Lied Discovery Children's Museum offers 100 hands-on exhibits in the arts, sciences and humanities, or the planetarium at the Community College of Southern Nevada allows you a look at the stars.

Just to the south of the city in Henderson is the Ethel M (which stands for Mars) Chocolates Factory and two-acre botanical Cactus Gardens, which provides a free tour and candy sample.

Thirty miles south of the city is Hoover Dam in Boulder City, a picturesque town with the distinction of being the only Nevada city to outlaw gaming. The 727-foot-tall concrete dam was constructed six decades ago during the Depression, created 5,000 jobs and magnificent Lake Mead, the largest man-made lake in the Western hemisphere. (It is a toss-up which was the greater achievement.) This nation-

al recreation area, with its 500-mile shoreline, offers fishing, camping and water sports.

The Hoover Dam Visitors Bureau shows a free movie about the history and construction of the dam, and the official tour takes you under the dam to Arizona. More than 14 million people rely on the dam as a source of water.

The most spectacular of the wonders nature has wrought is, of course, the Grand Canyon. It's 290 miles, or six hours, to the national park on the south rim by car, an hour and a half by air. One- and two-day excursions are available. It's an option that has wide appeal, and there's nothing man has created in Vegas or elsewhere that equals the work of that busy little river over millions of years.

One little-known option that I can personally vouch for: Grand Canyon West. Located at the west end of the canyon on the Hualapai Indian Reservation, it is just 120 miles from Las Vegas and is accessible by car or tour bus by following U.S. Hwy. 93 across Hoover Dam to the Dolan Springs, Ariz., cut-off. It's just 28 miles from here to the west rim, but the final 21 are on a slow, rugged dirt road through gorgeous desert scenery.

Just 15 miles to the west of the city is Red Rock Canyon, an area of magnificent geological formations of red sandstones and gray limestones. Animals indigenous to the area roam the land freely and water formations add to the picture.

Las Vegas is the town that tourism built and Las Vegas folks, now numbering close to a million in the city and surrounding county, know how to treat the people that give them their jobs. You can't help but have a grand time in Las Vegas this Aug. 7-11 at the 1994 APRO convention and trade show. APRO staff stand ready to Make It Grand. **PR**

*Barbara Stooksberry is a freelance writer and editor who has written about APRO convention destinations since 1989.*



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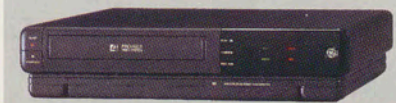
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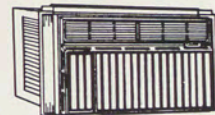
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3 MODELS - WASHER  
2 MODELS - ELECTRIC DRYER  
2 MODELS - GAS DRYER

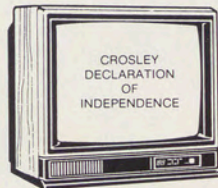


**AIR CONDITIONERS** 19 MODELS

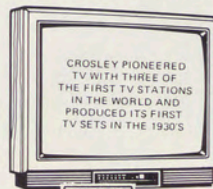


MADE  
IN  
USA

**MICROWAVES** 6 MODELS



CROSLEY  
DECLARATION  
OF  
INDEPENDENCE



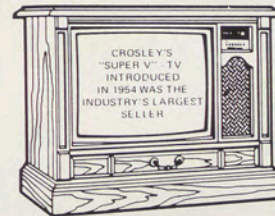
CROSLEY PIONEERED  
TV WITH THREE OF  
THE FIRST TV STATIONS  
IN THE WORLD AND  
PRODUCED ITS FIRST  
TV SETS IN THE 1930'S



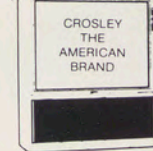
CROSLEY  
AUTHENTIC  
JEFFERSON CUP



CROSLEY  
FREEDOM  
AWARD



CROSLEY'S  
"SUPER V" TV  
INTRODUCED  
IN 1954 WAS THE  
INDUSTRY'S LARGEST  
SELLER



CROSLEY  
THE  
AMERICAN  
BRAND



**1933**  
PATENTED  
FIRST SHELVES IN THE  
REFRIGERATOR DOOR

**TODAY**  
EVERY REFRIGERATOR  
LOOKS LIKE A  
CROSLEY SHELVADOR

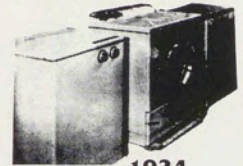
**1935**  
CROSLEY BUILT A RADIO  
IN THE REFRIGERATOR  
DOOR

CROSLEY FIRST AGAIN



**1934**  
WHEN PRESIDENT  
ROOSEVELT PUT ELEC-  
TRICITY IN RURAL  
AMERICA, CROSLEY  
FOLLOWED THE NEW  
ELECTRIC LINES WITH A  
REFRIGERATOR THAT  
RETAILED FOR \$99<sup>95</sup>  
INSTALLED WITH A ONE-  
YEAR WARRANTY. IN  
THOSE DAYS THE  
CROSLEY SHELVADOR  
WAS FREQUENTLY USED  
FOR THE WORD  
REFRIGERATOR.

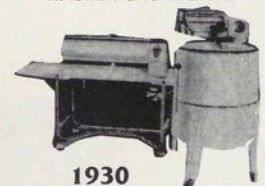
**1937 - 1947**  
CROSLEY IS FIRST AGAIN  
CROSLEY-BENDIX  
INTRODUCED TO THE WORLD  
THE FIRST PATENTED  
AUTOMATIC HOME LAUNDRY



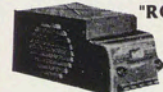
**1924**  
CROSLEY FIRST AGAIN  
PUSH BUTTON RADIO  
TO RETAIL FOR \$9<sup>99</sup>



**1937**  
CROSLEY FIRST AGAIN  
FIRST PERFECT PAIR  
WASHER and IRONER



**1930**  
CROSLEY FIRST AGAIN  
INTRODUCED FIRST CAR  
RADIO CALL THE  
"ROAMIO"



**1930**  
CROSLEY FIRST AGAIN  
AIR CONDITIONED BED



THE "KOOLREST"

**1932**  
CROSLEY FIRST AGAIN  
FIRST REFRIGERATOR TO  
MAKE ICE WITHOUT  
USING ELECTRICITY



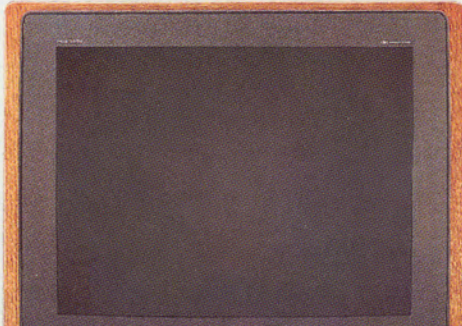
THE "ICY BALL"

# “RCA. Lead In the Rental Pu

35" Home Theatre™ TV



35" Home Theatre™ Console TV



4-Head Hi-Fi VCR



Full-Size VHS Camcorder



8mm Camcorder



Full-Size VHS-C Camcorder



27" ColorTrak Plus™ Table Model TV



25" ColorTrak Plus™ Console TV



Changing Entertainment. Again

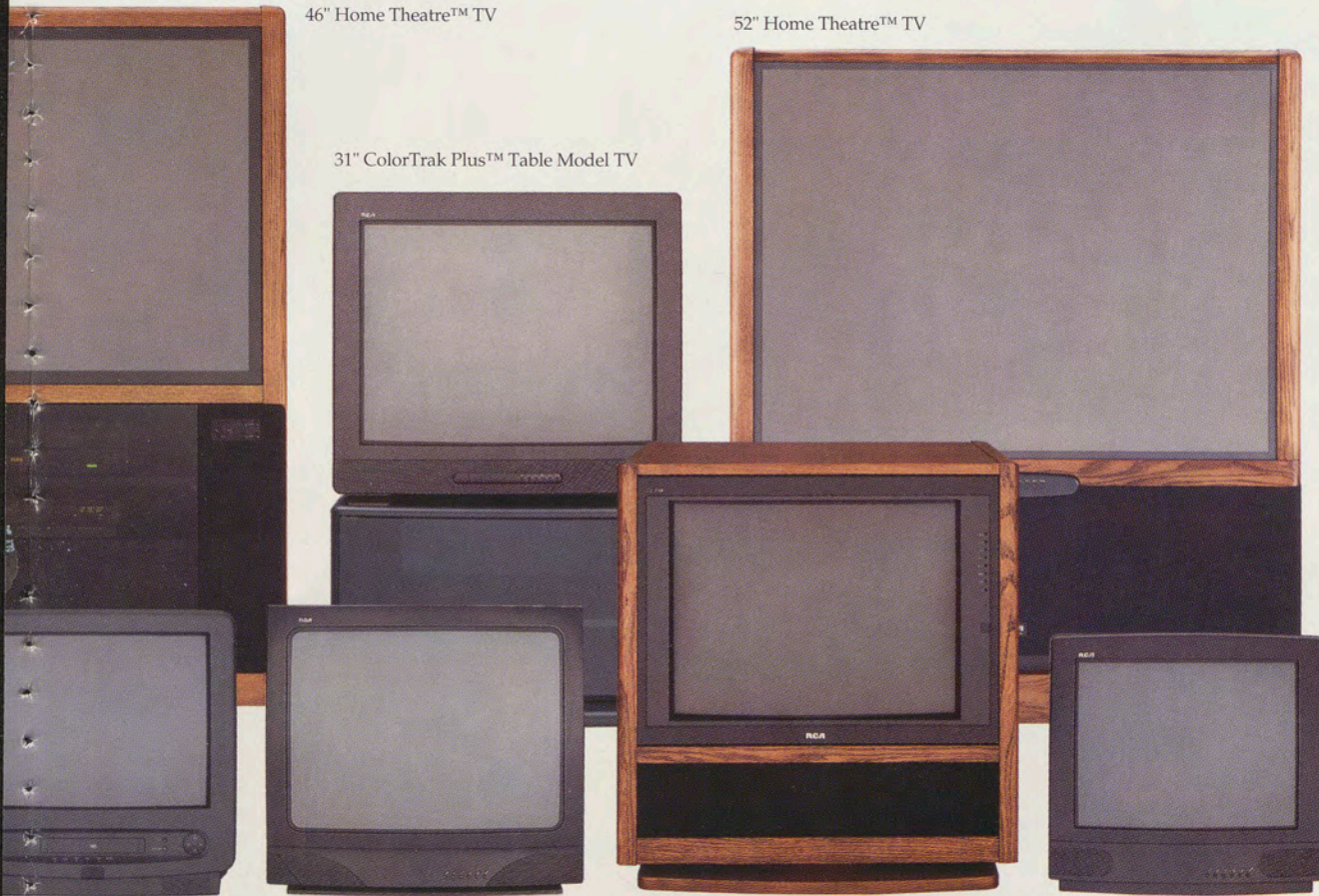
APRO Charter

# ing the Way” urchase Industry.

46" Home Theatre™ TV

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31" ColorTrak Plus™ Table Model TV



19" TV/VCR Combination

25" ColorTrak Plus™ Table Model TV

27" ColorTrak Plus™ TV

20" ColorTrak Plus™ TV

## What RCA Leadership Means To You.

It's a fact. RCA Consumer Electronics leads the way in renter and consumer preference for color TVs, VCRs and Audio Entertainment Products.

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 Consumer Electronics products have a long-standing quality reputation. You can rely on our dependable independent service network and timely, efficient distribution.

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Thomson Consumer Electronics  
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P.O. Box 24459  
Louisville, KY 40224-0459  
or FAX (502) 425-3441

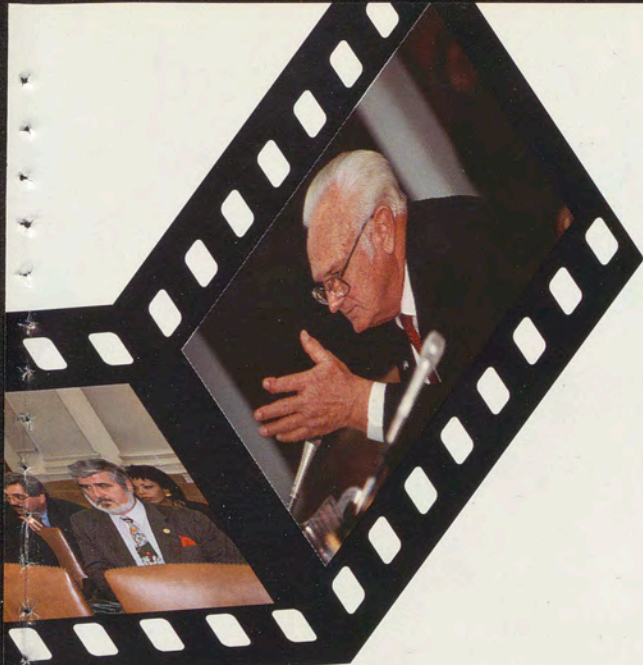
TV screens are measured diagonally.  
Base cabinet and audio products sold separately.  
Specifications subject to change without notice.

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# Contract With America

On Thursday, Jan. 26, rental dealer Wayne Chambers testified before the U.S. House Ways & Means Committee. Chambers, former APRO president and longtime chairman of the association's tax and accounting committee, told lawmakers on Capitol Hill that rental-purchase dealers have taxation issues that Congress needs to address.





Photos: Art Stein

Photos from left to right:

1. U.S. Rep. Jennifer Dunn, R-Wash., listens to constituent rental dealer Kevin Quinn, APRO president; Quinn's fellow APRO board member Dick Eichlin; and Tonya Saunders of APRO's Washington, D.C., lobby firm.
2. Wayne Chambers testifies on behalf of his industry.
3. Chambers visits with Rep. Dunn after his testimony.
4. Eichlin, Saunders, rental dealer Mac McCullar and APRO Director of Government Affairs Ron Waters (in back) listen to Chambers' testimony.
5. U.S. Rep. Mel Hancock, R-Mo., asks questions of Chambers.

RENTAL DEALERS ACROSS THIS COUNTRY NEED TO UNDERSTAND WHAT THE CHANGED POLITICAL LANDSCAPE IN WASHINGTON CAN DO FOR THEIR BUSINESSES—AND CANNOT DO. THERE IS A HEADY SENSE OF OPTIMISM AMONG MOST BUSINESS PEOPLE, INCLUDING RENTAL DEALERS, THAT THE LIBERAL AGENDA THAT HAD DOMINATED FEDERAL POLITICS FOR 40 YEARS IS DEAD.

.....

BY

ED WINN III

Political circumstances over the past few years have galvanized rental dealers into high levels of political consciousness and action. Rep. Henry B. Gonzalez and Sen. Howard Metzenbaum would have done away with an entire industry and felt good about having done it. But for the political action of rental dealers across America, they would have succeeded.

In the process of lobbying for survival, the industry made itself known in Washington, and gained a certain reputation—one hopes a good one—for tenacity, determination and forthrightness. Now that Congress has changed hands, it is important that the industry not lose the

gains rental dealers have fought so hard to attain.

APRO's leadership has no intention of letting that happen.

The new Congress has already acted and will almost certainly continue to act on the new conservative agenda, which is most clearly embodied in the House Republicans' Contract with America. The Contract played no small part in sweeping the Republicans into office, and the promise made was that all of the issues raised in the Contract would get to the House floor during the first 100 days of the 104th Congress. The Contract with America was signed by 367 Republican

CONTINUED ON PAGE 29

# At Whirlpool, we put a lot more behind our appliances than just a plug.



In your showroom, Whirlpool® appliances don't stand alone. They stand with the 38,000 employees of Whirlpool.

People who understand the way families live in the nineties. And have designed appliances so your customers can make the most of

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People who keep your inventory lean with Quality Express delivery. And consumer demand high with powerful advertising and promotion programs.



*Quality Express assures consistent on-time appliance delivery.*



*Our concentrated sales training expands your knowledge and makes selling surprisingly easier.*



People who train your people to be more effective salespersons.

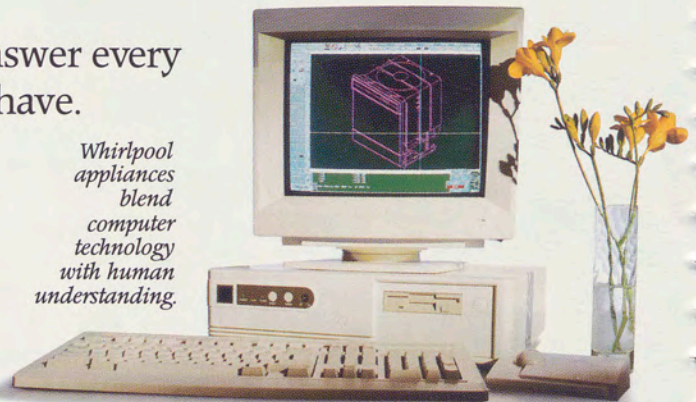
People waiting to help you order and answer every question you have.

*If it's needed, our One Call System provides consumer assistance any day. Anytime.*

So with Whirlpool, you're not just receiving a delivery of new appliances.

You're plugged into a whole lot more.

*Whirlpool appliances blend computer technology with human understanding.*



How To Make A Home Run.™

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**APRO** Associate Member since 1981

Continued from page 27

candidates prior to the November elections last year.

Underlying the Contract are five principles defined by the authors as fundamental to the basic philosophy of American civilization: individual liberty, economic opportunity, limited government, personal responsibility, and security at home and abroad. From these principles

emerged 10 bills which comprise the Contract with America:

- The Fiscal Responsibility Act;
- The Taking Back Our Streets Act;
- The Personal Responsibility Act;
- The Family Reinforcement Act;
- The American Dream Restoration Act;
- The National Security Restoration Act;
- The Senior Citizens Fairness Act;

• The Job Creation and Wage Enhancement Act;

• The Common Sense Legal Reforms Act; and

- The Citizens Legislation Act.

The bill of greatest interest to rental dealers in the Contract is the Job Creation and Wage Enhancement Act. In the abstract, rental dealers as business people would likely support government initiatives to do those

CONTINUED ON PAGE 39

## Chambers testifies before U.S. House Ways & Means

As a business owner, former APRO president Wayne Chambers has faced a number of challenges. Most experiences pale, however, to Chambers' most recent actions on behalf of the rental-purchase industry.

On Jan. 26, Chambers was called to speak on the tax issues facing rental-purchase before the House Ways and Means Committee. In retrospect, according to Chambers, speaking directly to the world's most powerful lawmaking body—the U.S. Congress—was educational and a great honor. But, prior to going face-to-face with the federal government, Chambers admits to being a bit weak-kneed.

"I was pretty scared," says Chambers, general partner of Houston-based CWD Enterprise Two Ltd. "This was an opportunity that not many people get, and I was faced with presenting factual information that might provide this industry with a chance to move forward with our tax situation."

Not only was Chambers faced with getting his story out to Congress in a clear and quick fashion, but he knew a mistake on his part could be felt by the thousands of RTO owners, managers and front-line employees across the nation. The last time rental-purchase went in front of a House committee was during Chambers' presidency, on March 31, 1993. That hearing turned out to be an RTO-bashing session orchestrated by former House Banking Committee chairman, Rep. Henry B. Gonzalez.

"I went up there with a couple of fears," says Chambers. "First, I didn't know what sort of reaction

to expect from the committee members. Then, before you go up to give your five-minute speech, they tell you about these lights you have to keep your eyes on. As long as the green light is on, you just give your prepared statement. When the light turns yellow, you've got a minute left. When it turns red, you've got to shut it off.

"The committee is sitting right there in front of you, so while you're talking, you have to keep an eye on them to see their expressions and if they are paying attention and writing notes. At the same time, you have to keep an eye on your notes and remember to be articulate and speak quickly. All the while, you have to present the committee with a human perspective."

And, Chambers reminds, appearing in front of the committee was a one-shot chance. What he said went straight into the congressional record, and there was no going back to clarify his remarks.

"To use a football analogy, it's like being behind in the game and facing a fourth-and-goal situation with 15 seconds to play. There's no room for error. You have to execute perfectly. All the time, you can't forget that you are representing the entire industry; a whole lot of real good friends."

Despite the tension, Chambers believes he got his point across. He let the committee know that rental-purchase, due to its relative youth, faces an unfair tax burden. He explained to the committee how the industry's transaction falls into "a gray area" of the tax code, meaning that the rental-purchase transaction is not specifically addressed. As it

stands, the Internal Revenue Service is left to interpret the existing tax code, and it wants to get all the blood it can from the RTO turnip.

"The primary issue to address in front of the committee was depreciation," Chambers says. "The secondary issue was sale-vs.-lease. The committee members seemed very interested in the inequities we face in the sale-vs.-lease question. The (ultimate) mission, from the tax perspective, is to get our transaction recognized by law as a lease and not a sale. And, if it's going to be recognized as a lease, then we'll need a fair method of depreciation—not five-year MACRS—to properly manage revenues and expenses."

Chambers says the committee members' reactions were favorable. Although he shared a panel with representatives of industries larger than rental-purchase, most questions were directed to him. He says it became immediately obvious that the members of the committee had already heard from their constituents about this issue, and he was prepared for all questions.

APRO hopes to get a legislative fix to the tax code, rather than fight an extensive and expensive battle in the courts, Chambers says. He adds that working out a solution with the Internal Revenue Service has not proven to be very effective.

"The easiest way to fix our problems, I believe, is to go at it legislatively," he says. "That's something that can be done through an aggressive grassroots effort, meaning a lot of people doing a lot of work. That's a low-cost venture that has a very positive effect."

—John Massey

*Sexual harassment, wrongful-termination lawsuits are reminders of what's scary about*

# *Business relationships*

RELATIONSHIPS IN BUSINESS ARE ALMOST ALWAYS TEMPORARY BECAUSE THEY ARE EXPERIMENTAL. RELATIONSHIPS WITH CUSTOMERS LAST AS LONG AS THE CUSTOMER'S EXPECTATIONS ARE MET OR EXCEEDED. VENDOR RELATIONSHIPS LAST UNTIL WE FIND SOMEONE ELSE WHOSE PRODUCT, SERVICE OR PRICE IS BETTER.

Of course, a lot of this is nothing more than perception. It may not be real at all. But, if we believe we have been taken advantage of, lied to or mistreated, or if we believe someone else will treat us better, we take our business elsewhere. The employer/employee relationship is the most tentative of these relationships, and this relationship is most treacherous for employers.

America was born out of anger. The authors of the U.S. Constitution were a group of men who were fed up and not going to take it any more. That spirit has long been the cornerstone of individual ingenuity, which fueled tremendous business growth. Our history books have called it by many names, but most of my life I have heard it referred to as The American Dream. That dream is different with each person, but for me it's the opportunity to achieve my dreams and goals.

The expectation of most every American is to cash in on the guarantees of life, liberty and the pursuit of happiness. Unfortunately, some people do not understand that it takes hard work and commitment to achieve the dream. The authors of the Constitution assumed this would be understood, and went about creating the social and governmental environment where all individuals would be free to pursue their dreams and goals.

The employment environment of the 1990s demands a delicate balancing act for employers, who must market their

products and services, comply with the confusing plethora of government regulation, maintain a competent workforce in a competitive market and earn a margin of profit to stay in business and grow. Juggling these urgent business necessities can be a nightmare, and the '90s haven't been kind to many employers who have struggled with these ambiguities.

One of the major employer concerns these days is bracing for the horde of plaintiffs' lawyers who seem to have multiplied dramatically during recent decades. Some have likened this aggressively litigious group to a flock of circling vultures.

The growing body of litigation which focuses on employer/employee relationships tends to assume fault rests with the employer. What can employers do to protect themselves from these expensive trips to the courtroom? Win or lose, right or wrong, these cases cost money, time and effort. It is worth the time to get your ship in order before you get called into court.

## Take a close look within

The first step is to look at your company's own code of ethics. Are you, as owner or manager, driven to make a profit at any cost? Do you tell employees one thing and then do the opposite?

Even Congress has finally owned up to the dishonesty of not living by the laws it creates. Consider: If you were job hunting, how would you feel about taking a posi-

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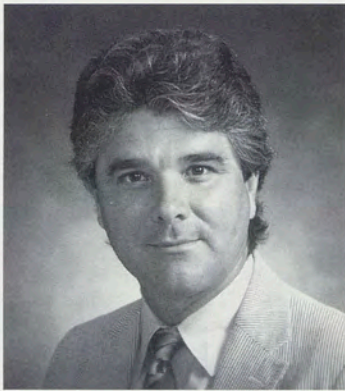
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BY

KENT SUTHERLAND



Joel B. Matthews



*Street-wise novel shows folly of criticizing the poor for the way they choose to spend their money*

# 'Clockers' compels

I READ A REALLY ENTERTAINING NOVEL NOT LONG AGO, *CLOCKERS* BY RICHARD PRICE (HOUGHTON MIFFLIN, ©1992). IT IS AN EARTHY, DRAMATIC NOVEL ABOUT LIFE IN THE UNDERBELLY OF A BIG CITY. PRICE DRAWS VIVID CHARACTERS, HAS AN ARTIST'S EAR FOR THE LANGUAGE OF THE GHETTO, AND SPINS A COMPELLING, COMPLICATED, PULL-YOU-ALONG TALE OF DRUG DEALING AND MURDER.

•••••

This is not a book review, although *Clockers* is a fine read and well worth recommending. Perhaps it is not for the squeamish, if there are any squeamish rental dealers out there. This column is about money and how people think about it, and some conclusions I drew while reading this book.

In the middle of *Clockers*, I was struck by a short passage, largely incidental to the plot, in which there is played out a fascinating scene about people and money.

This topic, money, is almost as emotionally charged as sex. As with sex, some people have opinions about money, particularly how it should be spent, and they are convinced that their opinions are superior to all other opinions on the subject.

When I came upon this passage in *Clockers*, I immediately wanted to send it to those consumer advocates I know who are forever railing against the rental industry and the fact that people choose to spend their money in rental stores getting products instead of spending it in some other—to those consumer advocates, at least—better, more rational, less wasteful and less impulsive fashion.

*Clockers* has nothing to do with the rental business, but it has everything to do with life amid the underclasses and how some people, who live more or less day-to-day, look at life. It is a very real novel, mind you, and does not deal with how people should look at life, but how they really look at it. Some consumer advo-

cates either cannot, or simply do not, bother to put themselves in their clients' shoes. If they did, they might understand better why people do some of the things that they do. How they spend their money, for example. Sometimes life looks very different, indeed, down on the sidewalk.

In the novel, Rocco and Mazilli are two homicide detectives working on the murder of a young boy in the projects. They suspect a drug connection, but it is a complicated case with vague leads in a lot of directions.

On the side, Mazilli owns a "war-zone liquor store," Shaft's, and is nearing retirement from "the Job." Rocco, younger, usually laid-back and affable, is suffering job burn-out, and this murder case threatens to push him over the edge.

The scene opens Saturday night, "on the street," and Mazilli, short of help at the liquor store, has asked his partner, Rocco, to help out. Rocco has reluctantly agreed to help out his partner, but difficulties in the murder case have made him edgy. Working in the liquor store on Saturday night make him more so.

Usually on a Saturday night there would be "an army of clockers and baseheads marching in and out of Shaft's for cigarettes, beer, pork rinds and sweets." Clockers are young drug recruits who sell crack cocaine by the vial on street corners. Baseheads are the users.

Business is a little slow this Saturday because uniformed police are working the sidewalk in response to neighbors' protests over the drug traffic.

An early insight into money occurs when Rocco observes the late-night crowd in Shaft's:

"... (A)t least half of the customers lived off the mailbox, and since it was just two weeks into the month, many of them were still somewhat flush. Rocco could have guessed the date by how the store's customers held themselves when they walked in; as the end of the month neared, the postures would start slumping, but for now everybody was carrying a little pride, a little spirit."

•••••

BY

ED WINN III

Into this late-night scene walks Rodney Little, a small-time drug lord who runs a corner grocery and candy store in the neighborhood as a cover. Rodney deals weight, and he has a small army of clockers who peddle his product. Despite the fact that Rodney and Mazilli have chosen polar extremes of the law for their lives' work—Mazilli as a cop, Rodney as a drug dealer—they are both neighborhood merchants and, as such, they have reached a certain understanding. If one runs short of an item, he can buy wholesale from the other.

Rodney has come to Shaft's late on Saturday night to get some items he has run out of. When Rodney enters the store, he sees Rocco but cannot place him exactly, other than to identify him as a cop. He can feel the disgust Rocco feels for him. It turns out that Rocco had busted Rodney several years ago when Rocco worked narcotics.

While Rodney is making small talk with the detectives, Rocco sells a can of beer to a customer. The same customer has already been in the store three different times, buying a single can of beer each time.

"A lot of the same people had been in and out several times, moving between the street and the store all night, making repeat purchases of a single item. It drove Rocco nuts: guys would buy 10 loose cigarettes on 10 trips for \$1.50 when they could have bought a pack—twice as many butts for the same price."

When the beer buyer comes in for his fifth can, Rocco can't stand it anymore and begins chastising the man. " 'You ever hear of a six-pack?' The guy just looked at him. 'One trip, about 10 cents cheaper a can. You should think about it, you know.' " Rocco's critique provokes no response from the beer buyer, but does provoke a lecture from Rodney, who is looking on.

"Let me ask you something. You go into a bar, you sit down, you say to the bartender, 'Give me six beers.' Or you say, 'Give me one beer?' Rocco didn't answer, his face growing hot."

Rodney then offers the explanation that the beer buyer can't really afford to go to a bar and pay bar prices. According to Rodney, the street is the beer buyer's bar. He gets to sit on a

stoop for free and watch the girls go by. Rocco is his bartender.

The conversation then degenerates briefly into a yelling match between Rocco and Rodney about who knows more about "the people" and life on the street.

When Rodney leaves after a while, Rocco looks to Mazilli for support. He complains about Rodney giving him a lecture about "the people's street bar," to which Mazilli replies, "Yeah, well, he's kind of right." This only makes Rocco angrier and he sputters:

" 'That's the problem with these people; they don't plan ahead.' "

" 'Is that the problem?' Mazilli hiked an eyebrow.

" 'He's kind of right,' Rocco muttered, feeling as if he'd just flunked a wisdom test."

Soon the beer buyer comes back in for his sixth beer, this time visibly angry at Rocco. Rocco holds his peace, but the beer buyer cannot, screaming that if he buys a six-pack, "and sit out there, how many ... gahd-damn beers do you think I'm gonna have, and how many beers do you think I'm gonna get mooched on, stupid." The guy stalked out under the streetlights.

Here is an otherwise streetwise cop—a homicide detective with an acute sense of his surroundings in almost every situation—blinded to the reality that exists in front of him by his own notions of personal economics. *He* wouldn't buy beer one at a time from a liquor store, so there can be no good reason why anyone else should, either.

Along comes Rodney, wiser about the streets and less judgmental, because he lives on the wrong side of the law, who offers his perfectly rational explanation of the beer buyer's behavior. He's mocking the cop who busted him for the cop's lack of street savvy, but he's also observing a truth of the life around him. He offers a reason, and a good reason, for the beer buyer's arguably "wasteful" consumer behavior.

While Rodney's rap offers a reason, it is not *the* reason for the beer buyer's behavior. To get that, we must hear from the actor himself in a sort of spontaneous utterance that his anger at Rocco has unleashed. The real reason is one of almost primordial self interest. How much beer will I get to

drink for my money?

His way, the "wasteful" way, allows him to drink *all* the beer. It makes perfect sense, finally, and when viewed in light of all the circumstances, it is probably the only behavior that does make sense, Rocco's exhortations that he "should think about it" notwithstanding.

Rocco feels like he flunked a wisdom test because he did. He failed to comprehend crucial aspects of the economics of the street. Did the beer really cost more one can at a time? It cost more than Rocco would have paid, but it was actually the cheapest way the beer buyer could drink his beer, *given the beer buyer's circumstances*. His calling Rocco stupid, because of Rocco's failure to grasp the dynamics of "the people's bar" when Rocco is thinking that is exactly what the beer buyer is, is a revealing moment of literary irony.

It points out vividly the folly of judgments people make about how other people choose to spend their money.

It is, of course, only a short jump from "the people's bar" to the world of rental-purchase. Rental customers rent TVs and other things for every reason under the sun.

Viewed from afar and certainly from "above," some of the decisions to rent doubtless appear foolish. But are they? I suspect that every rental customer has a reason for renting every bit as compelling as the beer buyer's reason for buying his beer one can at a time. Each rental customer may, in fact, have several good reasons for using the rental-purchase industry.

Some consumer advocates, like Rocco, cannot accept the logic of another's situation. They assume the superiority of their views about how money should be spent without understanding the complexity of motivations that drive us all. They insist on applying their beliefs and judgments to situations where they do not work. (They wouldn't get to drink much of the beer if they bought it the way they think it should be bought.)

The beer man is right, alas. They are stupid. **PR**

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



*Want to know the key to rental management?  
Well, for the first time, here's the ...*

# Big Secret

THIS IS ONE OF THOSE GEE WHIZ COLUMNS THAT AN ANDY ROONEY COULD WRITE MUCH BETTER IF ONLY SOMEBODY COULD EXPLAIN THE RENTAL BUSINESS TO HIM: "DIDJA EVER NOTICE HOW NOBODY CAN REALLY EXPLAIN THINGS ANYMORE, ESPECIALLY THE PEOPLE THEY PUT IN CHARGE?"

.....

Sprinkled throughout this issue you'll find helpful advice on everything from creative tax planning (read, "staying out of the joint") to space-age computerware and even a few tips on how to hire the kind of people you thought you were way back when somebody else thought you were, too, and hired you.

But nowhere on these pages does it tell you how to explain the business to outsiders so they'll stop making your life miserable. And if tax accountants, lawyers, efficiency geeks and ad gurus don't understand rental, how can they make yours better?

Help's here. Just clip the following paragraphs and laminate in plastic. Then hand them out at shopping malls, government offices and cable TV stations. Sooner or later, everybody will understand the rental business. And life will be better (and in the South, odds are the catfish will be jumpin').

The rental business began as "TV rental." That's all we rented, along with a few boxy console stereos. The words "purchase" or "to own" did not pop up until way later because nobody ever owned what they rented back then. Some owners didn't even own what they rent-

ed. But that's another story. All the dealers made money, nobody sued and employees had the best-paying jobs in town with no layoffs.

Then somewhere around the early 1970s, somebody came up with the great idea of educating customers on how they could own these products. Ad agencies were hired to clean and polish our image and unemployed guys were hired to clean and polish our merchandise. The unemployed guys did better work.

Finally, a very simple business—TV rental—became The Rental/Lease-Purchase & Rent-To-Own (But Only If Roughly 25 Percent Of You Want To) Business. And we wonder why the congressmen are confused. I'm amazed we are not more confused ourselves.

Here's how it usually works. A guy who didn't get very rich in retail, where there's only one sale involved and it's cash up front, goes to a fancy convention in Vegas and rubs elbows and goes to happy hour with a bunch of guys who all seem to be rich. They act rich, eat well and wear gold jewelry. Ergo, they are rich.

Our retailer walks away convinced that if he sells a TV set 78 times for \$15 instead of once for \$600 and stops charging for service and delivery and throws both in free, and then throws out his mastercard list and goes after the bankruptcy trade, why he can't avoid getting rich, too. It's a sure thing. That all sounds a lot more logical if it's midnight and you've had a few drinks at the bar.

Now when all those folks who are supposed to pay \$15 don't, and threaten instead to go down the street and buy from the retail store the rental guy used to own, Mr. Rental Guy panics, throws in a free week and waives the late charges, too. But he has the last word. When they don't pay

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BY

BUD HOLLADAY

the next week either, he just picks up the TV. Mr. Rental Guy learns fast.

Now the curious set wants to know how you collect payments that people don't have to make when they already have their mitts on the goods. Keep in mind these are the same people who couldn't get credit approval across the street at Sears. Or even Target. All that was supposedly explained in the seminar Rental Guy attended out in Vegas: "Recapturing Revenue From Recalcitrant Renters." It's the same session we used to call "Collections" before the PR guys came on board.

Collections is very simple. Each Monday morning a huge computer printout details every late payment due and the name, address, shirt size and phone number of the guilty party, not to mention a digitized photo of his momma and a list of places he's been known to frequent. Then a couple of guys who owe payments of their own to competing rental companies go out to collect from the ones who owe us. Only by doing their job well can they satisfy both companies. This is called cooperation. It's really beautiful when it works.

Now and then products break down

*Don't go crazy with big salaries and fringe benefits because those can put you out of business.*

and a carload of retirees who own handtools are sent out to fix things. They bill us. If they happen to discover that the customer is the culprit, they offer to fix it for a considerable sum of money that should go toward next month's rental payment, and they are often successful at this. When they are not, you still lose. Remember that.

The real key to making a rental store work is to get the financing right. It goes like this: Along about age 18 you get a steady job, keep it for 30 years and pay off your home and credit card bills, and along the way save up a considerable amount of cash. Then you put all that on the line for a credit line of roughly the same amount with a local banker who's already turned down all the people you're going to rent to later. Recognizing a good deal when he sees it, the banker agrees to stick you with huge payments that you can only make if all those credit turndowns make theirs. This is called a business plan.

Keep no more than 10 percent of all the TV sets you own in the back room, collect 90 percent of all the rent owed on the ones that somehow managed to find their way out of your back room, and don't spend too much money along the way doing it. This is called an operating plan.

Don't worry about people. Just plan to hang on long enough for Monolith Rentals to get tired of the ones they have and then snag them on their way down to the unemployment office. Don't go crazy with big salaries and fringe benefits because those can put you out of business. Pay almost no money at all and make them beg for bandaids. This builds character. It also ensures they won't stick around long enough to figure out (a) how to steal from you, or (b) how much you're stealing from them. This is called empowerment.

If there's anything else you want to know about the rental business, just hang around outside Monolith Rentals. There's a new crew coming on at 10. **PR**

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

**VI-SION** (VIZH'ƏN) N. - *The manner in which one sees or conceives of something; Unusual competence in discernment or perception.*

You have a vision for your rental operation. You strategically chart and graph every move you make. You know where your company is headed. All you need is a partner to help you bring the vital information together, the crucial data that helps you plan your next move. Most importantly, a partner that has your "VISION" in sight. That's where we come in!

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**P.O. Box 1165**  
**Magnolia, AR 71753**  
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**APRO** Associate Member since 1987



*Dealers must apply strict standards to their*

# Advertising

THIS ARTICLE IS THE FIRST IN A SERIES OF ARTICLES COMMISSIONED BY THE APRO ETHICS COMMITTEE TO INVESTIGATE ETHICAL ISSUES THAT ARISE WITHIN THE RENTAL-PURCHASE INDUSTRY.

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Ethics committee members and association members generally have become increasingly concerned about how those in the industry conduct themselves ethically.

The APRO Ethics Committee intends to identify ethical issues in the industry and, to the extent possible, to police members' conduct to ensure full compliance with the APRO Code of Ethics. The intended result is an industry which shows respect for its customers and of which its members can be proud.

An ethical issue that arises with some frequency in the rental-purchase industry and in many other retail trades concerns advertising. At least two items in the APRO Code of Ethics can be read to cover advertising:

- Members shall uphold and improve the integrity of the industry by affirmations of truth and fairness, by building good will, and by providing beneficial goods and services to customers and others concerned with the industry.

- Members shall promote the use of rental goods and services, and shall educate members and the public in the advancement, improvement and uses of the rental industry.

Moreover, the association bylaws are quite specific. One of the stated purposes of the association is "to establish advertising standards by members that prevent misleading and false advertising."

APRO has attempted to fulfill this purpose by supporting state and federal laws which regulate the content of rental-purchase advertising, and require rental mer-

chants to make appropriate financial disclosures in their advertising so that consumers are not misled about the total costs of a rental-purchase transaction. APRO supports full compliance with state rental-purchase statutes in every instance.

The association regularly fields calls from members complaining that a competitor's ads are in violation of the state rental-purchase statute. Indeed, anecdotal evidence would suggest that there is a fairly high level of noncompliance with rental-purchase advertising requirements. At APRO meetings, rental dealers continue to argue that "\$1 delivers" is not a price of a specific item. It is their way of trying to justify a questionable advertising practice, rather than following the cautious and more clearly legal and ethical path, "when in doubt, disclose."

There has never been any evidence presented that disclosing the information in advertisements required by the rental-purchase statutes has hurt a business. The required disclosures are factual and relatively benign. Failures to comply most often stem from inadvertence or an honest misinterpretation of the triggering terms for disclosure. (Once again, it is easy: "If in doubt, disclose.")

Beyond complying with the laws, however, there are ethical issues concerning the truth and fairness of the ad. Rental dealers have an ethical obligation not to advertise goods that they do not have in adequate quantities to supply the public or at prices which are not readily available. It is not unethical to try to "step up" a customer in the store to a better product than he or she came in looking for, as long as the product advertised is available at the advertised rate.

"Bait and switch" has been around for as long as there has been advertising. It is still around in the rental-purchase industry. It is still unethical and, not incidentally, illegal (it is an unfair trade practice under rules of the Federal Trade

.....

BY

ED WINN III

Commission and under many state deceptive trade practices statutes).

It is unethical to mislead customers about the nature of the rental-purchase transaction. Some rental dealers like to get coy in their ads with the notion of credit to entice customers who are really seeking credit transactions in the marketplace into their rental stores. Such ads are unethical, and may once again rise to the level of unlawful if they tend to cause confusion in a consumer's mind about the transaction. Again, state deceptive trade practices statutes outlaw such confusing representations.

Not all ethical issues in advertising for the rental-purchase industry have been resolved by the APRO Ethics Committee, nor are they likely to be soon. Is it unethical to compare the rental rates and products of a competitor in an ad? Is it unethical to disparage a competitor's goods and services in an ad?

What is clear is that rental customers deserve truth and honesty in advertising from the rental-purchase industry. Rental dealers who observe unethical advertising in competitors' ads have every right to confront the wrongdoer and explain the dangers created by such conduct. The danger extends not just to the dishonest or careless, but to the entire industry. Willful violators should be reported to APRO and to appropriate state consumer protection agencies.

The time has passed for responsible rental dealers to look the other way when very public conduct like advertising threatens their livelihoods. The industry is too visible and the stakes are too large. **PR**

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

### Rental Stores Wanted

We are interested in acquiring Midwestern rental companies or individual stores.

Inquire in confidence to:

**CARI RENTALS**

Attention: William Kabourek  
(402) 553-4950

# APRO PUBLICATIONS

APRO Member/Non-Member

Legal Reference Index—1994	\$150/\$300
Grassroots Media Guide (first copy free)	\$25/\$25
Publicity Handbook (first copy free)	\$25/\$25
APRO Financial Statement	\$50/\$100
Presentation Guide	
APRO Tax Audit Manual	\$75/\$150
APRO Industry Profile	\$50/\$100
APRO Business Plan Development	\$50/\$100
Guide	
APRO Glossary of Terms	\$5/\$10
APRO Bankruptcy Manual	\$25/\$75
How To Locate Missing Persons	\$10/\$30
— A Skip-Trace Manual	
Collections Manual	\$20/\$75
— Preventative Maintenance & Efficient Results	
RAE Advertising Awards Book	\$10/\$10
APRO's Who's Who in Rental-Purchase	\$25/na
(Available to members only)	
APRO 1994 Industry Survey	\$300/\$300
(Complimentary to participants)	
Progressive Rentals Magazine	incl./\$30 yr.
(Included with APRO membership)	



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TOTAL DUE

My Check is Enclosed

Or Charge My:  MasterCard  American Express  Visa

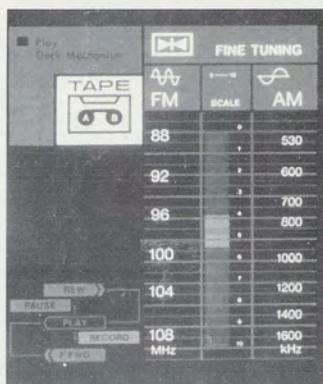
Account Number \_\_\_\_\_ Exp. Date \_\_\_\_\_

Signature \_\_\_\_\_

*Clip Out and Mail To:*

APRO  
Association of Progressive Rental Organizations  
9015 Mountain Ridge Dr., Suite 220  
Austin, TX 78759  
(512) 794-0095  
FAX (512) 794-0097





## Renters Choice takes stock public

Dallas-based Renters Choice, Inc., went public in January, joining, Rent-Way, Bestway, Aaron's Rental Purchase and Comcoa as publicly held APRO members. In its initial public stock, Renters Choice is reportedly looking to generate some \$22 million in new funds.

Renters Choice, which bought 84 stores from APRO member Bob Hardesty in 1993, now operates 114 stores, located mostly in the Northeast U.S. and in Puerto Rico.

## Magic joins APRO

Magic Rent To Own brought its 137 rental-purchase stores into the APRO fold on Feb. 10, making it the second-largest chain in the national trade association.

Magic has most of its stores in Texas, North Carolina and Georgia. Starla Flake and Bruce Johnson, of parent company Pro Rental, Inc., are Magic's top officers.

Rent-A-Center, based in Wichita, Kan., dominates the numbers game with 1,234 rental-purchase stores, followed by Magic, Champion Rent To Own of South Daytona, Fla., with 125 stores, RTO, Inc., of Deerfield, Ill., with 121 stores, Houston-based REMCO America, Inc., with 118 stores and Renters Choice, Inc., of Dallas with 114 stores. Aaron's Rental-Purchase of Atlanta has 99 stores and Comcoa of Wichita has 94.

## Moore taking rental agreement orders

For the past four years APRO, in conjunction with C&W Publishing and Moore Business Forms, Inc., has provided rental-purchase dealers across the nation with the highest-quality rental agreement forms available to the industry.

In order to further streamline the ordering process, beginning on Feb. 13, APRO, C&W and Moore made it possible for rental companies to order their forms directly from Moore.

Due to the transition of administrative responsibilities, dealers now need only call Moore Business Forms, Inc., at 1-800-356-6696 for their rental agreement needs. In the past, dealers placed orders with APRO and the association contacted Moore, which prints the forms.

Veteran rental-purchase attorney Sam Choate and his staff at C&W Publishing will continue to monitor the agreements for legal compliance with all state laws.

Choate and his staff will continue to amend the forms, state-by-state, as new legislation is passed. Dealers are encouraged to contact Choate at (703)519-8800 when they have questions regarding rental agreement compliance or changes in state laws.

APRO Executive Director Bill Keese assured dealers that they will continue to receive quality service and quality products following the transition. The transition, Keese said, will relieve APRO of the administrative burden, while also decreasing delivery time.

## APRO earns two IABC awards

On Wednesday, Jan. 18, John Massey, Richard May and Sheila Mitchell attended an awards luncheon of the Austin, Texas, chapter of the International Association of Business Communicators and received two awards.

APRO received its "IABC Best of Austin" awards of merit for its 1994 *Task Force Video*, which was shown at last year's mid-year conference in Lake Tahoe, and for its *Task Force Annual Report*.

The competition was among several Austin-based state and national trade associations and international corporate members, such as Motorola and Texas Instruments.

## Outlaw honored

Business consultant

Wayne Outlaw, member of APRO's speakers' bureau and contributor to Progressive Rentals, has received the Certified Speaking Professional Designation from the National Speakers Association. The award is the highest award given by the association.

Less than 6 percent of the NSA's 3,600-plus members have been awarded the designation. Outlaw is one of only four award-holders in South Carolina.

PR

**Get The Facts**

**24 Hours a Day  
7 Days a Week**

Now you can receive important information about the rental-purchase industry any time you need. All you need is a touchtone phone and a Fax machine to receive the document. Just call the APRO Facts Line, and you will be greeted by a voice that will guide you through the system. Or you may order immediately if you know the document numbers.

For the latest on what's happening on the congressional front, order documents 500 & 501. (Note: These documents require a member access code.)

**512 • 794 • 0258**

*Continued from page 29*

two things—create jobs and enhance wages. If government action is good for business, especially small business, it is probably going to be good for the rental business.

But the rental industry's interest in this section of the Contract goes far beyond support in the abstract. A part of the Job Creation and Wage Enhancement bill concerns amendments to the depreciation laws, an issue near and dear to rental dealers everywhere.

The proposal is called the Neutral Cost Recovery System (NCRS). As drafted, the bill would allow companies to expense the first \$25,000 of capital investment in the year of purchase (up from the current \$17,500) and then to index other depreciation for inflation by using the Gross Domestic Product Devaluation, a Commerce Department calculation. It allows assets with three-, five-, seven- and 10-year MACRS lives a 3.5 percent real rate of return but would require using 150-percent declining balance instead of 200 percent. The proposal makes use of NCRS voluntary. Companies could continue to use existing depreciation methods if they choose.

Most rental dealers are aware that the IRS has for several years been attacking income forecasting, a common method of depreciation used in the industry, as inappropriate. The IRS has attacked income forecasting even while admitting that the method accurately matches revenues with expenses in the rental-purchase industry. Last December, the IRS persuaded a tax court judge that five-year MACRS with a nine-year alternate minimum tax life is the only proper way to depreciate TVs, furniture, appliances and other items held for rental by rental-purchase dealers.

Some dealers have maintained that this was the case all along and they have been using five-year MACRS. For the rest, however, the estimated additional tax in the year in which the accounting method is changed will be from \$12,000 to \$25,000 per store. A tax bill in that amount would be a fatal blow to some companies and a painful blow to the survivors.

The IRS has not been willing to

negotiate the depreciation issue with the industry so far and, with the recent tax court ruling in its favor, the IRS is even less likely to do so in the future. The only solution left for the industry is to try to change the law—get the Congress to rewrite the depreciation laws that apply to the goods the industry rents so that rental dealers can depreciate those goods over their useful life in the companies.

Toward that end, two weeks into the new Congress, this Jan. 26, Wayne Chambers, chairman of the APRO Tax and Accounting Committee, testified before the U.S. House Ways & Means Committee, asking the Congress to do just that. (See page 29 sidebar.) The committee was holding hearings on NCRS. It is a tribute to the political savvy and organization of the association and industry representatives that Chambers was invited to testify, because a lot of industries have their own complaints about the depreciation laws and they would all like a chance to be heard.

The House Ways & Means Committee did not convene to listen just to the tax concerns of the rental-purchase industry. The day the committee heard from Chambers, it also heard from 20 other people who testified about various aspects of the proposed new NCRS.

The committee listened all day to testimony from representatives of the American Iron and Steel Institute, the American Forest and Paper Association, the Chemical Manufacturers Association, the American Petroleum Institute, the Petroleum Manufacturers Association of America, the National Multi-Housing Council, the National Association of Realtors, the

International Council of Shopping Centers, the National Business Owners Association, the Semiconductor Industry Associates, and assorted tax policy analysts, experts and academics.

The reason for such a cast of heavyweights is that, according to one of the sponsors of NCRS, Rep. Nick Smith, R-Mich., the NCRS would increase economic activity in this country by \$3.5 trillion by the year 2000.

NCRS has not been without its critics. It has been "scored" by the Treasury for budget purposes as costing \$121 billion in lost tax revenues over the next 11 years. Supporters have argued that the Treasury's static scoring system is outdated and inaccurate. The supporters claim that by using a dynamic model, NCRS would increase federal revenues by \$119 billion over the next five years.

Whatever the truth of any of these estimates, it is important that rental dealers understand what the neutral cost recovery bill, as written, would do for their industry. The answer is not much. The bill was not drafted with the rental-purchase industry's depreciation problem in mind and it does not fix the problem. In fact, by changing from a 200-percent declining balance to 150 percent, in the first year a rental company would only be able to deduct 15 percent of the cost of an asset instead of the current 20 percent under MACRS.

The proposed increase in expense deduction and the inflation adjustment do not address the core issue for the rental-purchase industry, which must depreciate property over five years when the assets only have a useful life to a company of two years.

CONTINUED ON PAGE 44

## Insuring Your Success

Property and Casualty coverages tailored for the RTO industry. Competitive rates and excellent service.

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INSURANCE AGENCY  
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approved agent - Western U.S.

tion with your own business at the lowest level of responsibility? Would you ask your own family members to do what you demand of your employees? What are your employees saying behind your back?

In short, it's essential to get in touch with what is happening at all levels of your own business. Spending a few days working on the front line will give you an idea of what your employees face every day.

### Read your employee handbook carefully

An employee handbook is essential for a professional organization, but it can be a minefield of problems if it isn't constructed properly. Examine your company policies and why they exist. Allowing personal taste to dictate policy can be a costly lesson in democracy.

As the boss, you have the power to create the rules, but you must also commit to living by them. Policies must be created with great thought behind them and then be administered uniformly, without exception. Employers may create certain perks for management personnel, but they must consider the ramifications of having a double-standard policy for management and non-management.

### How are employees oriented?

Does a new employee in your company know what is expected of him or her? Is this employee told one thing at the job interview and then another when he or she reports to work?

Most new employees are eager to impress, going the extra mile and working a bit longer to show their commitment. While employers are happy to see this enthusiasm, they must establish safeguards so corners do not get cut.

No matter the level of his enthusiasm, a new employee shouldn't be allowed to solo deliver a sleeper sofa up three flights of stairs without a dolly. Policies established to ensure employee safety cannot be bent to allow for "youthful enthusiasm." Safety policy must be explained to all new hires, followed by veterans and

enforced by management.

Just as important, there must be a reprimand when this policy is violated, intentionally or by simple oversight. Continued violations of safety policy must be documented and punished. Safety requirements must be published within your company policy handbook, along with the reprimands and punishments for violations.

### Respond to complaints immediately

If you've watched a news program or read a newspaper within the past few years, you know that sexual harassment is one of the "hottest" employment-related issues. The work environment throws men and women together for 40 hours or more every week, 50 weeks a year. As men and women develop business relationships, there is always the chance that these relationships become more personal. That sometimes happens with men and women, and employers have seen limited success dictating the birds and bees.

This is not to suggest that certain relationships are inevitable. Sometimes it happens; sometimes it does not. What an employer does have control over—and responsibility for overseeing—is behavior in the workplace. That's the behavior of front-line employees as well as management level.

Sex is a popular topic of conversation among grown-ups. There are little word games, innuendo and raised eyebrows. Harmless, huh? Ask your attorney about this.

Not all men and women are comfortable with sexual conversation. An employee may take part in the joke one day, but be offended by a similar comment, picture or gesture two weeks later.

As an employer, it is your responsibility to create a work environment that is free from physical as well as verbal or implied threats. It's 1995, and the courts regard physical and mental health equally.

Accept this as fact: A well-intentioned joke or photo, with just the slightest hint of sexual, racial, religious or whatever bias or innuendo, will offend someone. As a manager, your personal views and intentions

are irrelevant when the suit is filed by an employee. A workplace with such jokes, conversations, posters or actions will be considered a hostile environment by a court.

A written company policy prohibiting all such activity is absolutely vital today. Management should be trained to spot such conduct, investigate and take immediate disciplinary action. Documented reprimands and punishments in these incidents, again, can save your company in court.

### How are employees terminated?

Does your company's employment handbook spell out the specific actions for which an employee may be terminated? Do you have a disciplinary procedure for certain behavior? Is the policy followed by all who have the authority to terminate an employee?

The old days of firing someone for taking too long on a delivery are gone. Are you prepared to fire every employee in the company who commits the same offense? That's the leading question you must be able to answer.

Wrongful termination is one of the more popular causes of plaintiffs' attorneys. If you search through records of terminations within your company for the past three years, how many would fall within the parameters of wrongful termination? Are you sure? Do you have everything documented?

As companies grow and spread across county and state lines, employee termination is no longer a centralized procedure. Managers who have the power to hire and fire had better know a good deal about employment law. There are state and federal considerations, as well.

Consider the cost of educational seminars for your managers. Then, call your attorney and ask what a wrongful termination judgment can cost you.

### What do your employees think?

Two years ago, I initiated a two-day symposium to bring together 30 employees from all over our company, representing all job classifications. I wanted to hear what they thought about their work environment and responsibilities within the compa-

ny. I wanted their input. I sought to answer the question: How could the company improve the quality of their work experience?

Two weeks before these symposiums, I send out an extensive questionnaire so those scheduled to attend could get input from their peers. During the symposium I asked carefully prepared questions, and I studied the answers I heard.

The most important rule at these symposiums is to speak your mind. Every company policy, procedure and operational practice is open for discussion; nothing is sacred.

From these two annual sessions, I have garnered 41 specific suggestions upon which this company will take action in some way. These symposiums are a major agent of change within our company. After all, who knows better how to improve the work environment and operational strategy than those who do the work?

## Key to employee relations

The U.S. Constitution is a living, growing document which guides the ever-changing society in which we live. The amendments that have been attached have generally made life better for most Americans. This is a society that learns as it grows.

The employment relationship can be rewarding for both parties. The employer enjoys the profits of work well done. The employee learns skills and how to increase his or her value to the company and is rewarded for this growth. The key to this mutually profitable relationship is respect and communication among all levels.

We need to talk and listen more with each other, knowing that in the end we will succeed. This type of cooperation cannot be legislated by the Constitution, because it begins within each person.

The employment relationship, unfortunately, has become a legal battlefield with many casualties. But, the fact remains that employers and employees need each other. By working together and respecting each person, we can build the thriving democracy our forefathers envisioned and starve those vultures who feed on adversity. **PR**

*Kent Sutherland is director of human resources for Mesquite, Texas-based Action.*

# Who's who in management services

A number of management services provide owners and other rental-purchase decision-makers with valuable tools. All management services providers listed here are either **APRO Associate Members (\*)**, **advertisers (+)** in **APRO** publications or **APRO convention exhibitors (Y)**. In addition, we've included one longtime **consultant (>)** to the industry.

### Y\* Avant, Inc.

One Avant Way  
West Concord, MA  
01742  
(508)369-0860  
Special services

### Y BP Oil Co.

5200 Maryland Way,  
Ste. 200  
Brentwood, TN 37027  
(615)221-1425  
Fleet fuel-management  
program

### Y+ Baber's, Inc.

1730 Denny Ave.  
Pascagoula, MS 39567  
(601)769-3782  
Electronic income-tax  
filing

### \* Blue Ridge Burke Insurance

P.O. Box 168  
Winston-Salem, NC  
27102  
(800)466-0488  
APRO-endorsed prop-  
erty and casualty insur-  
ance

### Y\* Bonnie The Flyer Specialist

7569 Barrett Rd.  
West Chester, OH  
45069  
(800)83-PRINT  
Advertising, direct-  
mail pieces

### Y Century Graphics

3020 Roswell Rd. NE,  
Ste. 200  
Marietta, GA 30062  
(404)509-8775  
Special services

### \* Court Services of Michigan

23621 Wilson  
Dearborn, MI 48128  
(800)726-3727  
Special services

### \* Equitable Securities Corp.

800 Gessner, Ste. 1130  
Houston, TX 77024  
(713)722-8693  
Financial services

### Y\*+ FORESIGHT, Inc.

3700 W. Robinson #230  
Norman, OK 73072  
(800)733-0811  
Club programs for RTO

### \*+ G-K-S Insurance Agency

10600 W. Alameda Ave.  
Lakewood, CO 80226  
(303)988-1234  
APRO-endorsed property  
and casualty insurance

### > Harry Weisbrod Associates, Inc.

P.O. Box 821329  
Dallas, TX 75382  
(214)373-0435  
Wage-and-hour consulta-  
tion

### Y\*+ Inform Business Systems

1209 South Ridgewood  
Ave.  
Daytona Beach, FL  
32114  
(904)252-5766  
Business forms, rental  
agreements

### Y Insignia Systems, Inc.

10801 Red Circle Dr.  
Minnetonka, MN 55343  
(612)930-8200  
Impulse-sign system

### Y\*+ John Alden Life Insurance Co.,

Retail Credit & Specialty  
Div.  
7300 Corporate Ctr. Dr.  
Miami, FL 33126-1208  
(305)715-3343  
Insurance

### Y\*+ Nationwide Club Administrators, Inc.

2801 University Dr. #306  
Coral Springs, FL 33065  
(305)753-5849  
Club programs for RTO

### \* RTO Media

5114 Balcones Woods  
Dr., Ste. 307-329  
Austin, TX 78759  
(800)947-4786  
Advertising—TV  
commercials

### Y\*+ Rent America, Inc.

1400 S. Sherman, Ste.  
200  
Richardson, TX 75081  
(214)690-4900  
Special services—  
franchising

### + Shop America

3609 West Alexis, #202  
Toledo, OH 43623  
(419)473-9012  
Mystery shopping service

### Y\* Sold On Hold

12700 Park Central Dr.,  
#1850  
Dallas, TX 75251  
(214)404-1000  
On-hold message  
provider

### Y Screen Systems

1355 Bennett Dr., Ste.  
153  
Longwood, FL 32750  
(407)331-6665  
Special services

### Y\*+ Tele-Track, Inc.

3841 Holcomb Bridge Rd.  
Norcross, GA 30092  
(800)729-6981  
Skip-trace electronic ser-  
vices

### Y The Original On-Hold Company

3601 W. Commercial  
Blvd., Ste. 24  
Ft. Lauderdale, FL 33309  
(800)688-4181  
Special services

### + Triad Learning Systems, Inc.

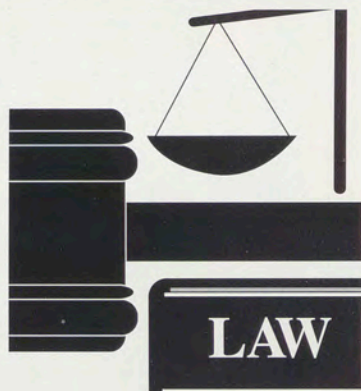
P.O. Box 450392  
Garland, TX 75045  
(214)530-1260  
Training—films,  
seminars

### Y\*+ TRIB Group

3180 Presidential Dr. #F  
Atlanta, GA 30340  
(404)451-4302  
Buying organization for  
RTO industry

### Y\*+ Voyager Insurance Companies

4250 Lakeside Dr., Ste.  
304  
Jacksonville, FL 32210  
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*New Congress means it's a whole new ball - game, so we've had to develop a whole new*

# Strategy

OH, WHAT A DIFFERENCE A YEAR CAN MAKE. LAST YEAR AT THIS TIME THE NATION WAS IN THE GRIPS OF ONE OF THE WORST WINTERS ON RECORD. SNOW WAS EVERYWHERE, IN RECORD AMOUNTS, IT SEEMED. AND WE WERE TRAMPLING THROUGH THE PROVERBIAL SNOW PILED HIGH IN WASHINGTON, ON DEFENSE LEGISLATIVELY, TRYING TO PROTECT THE HARD-WON STATE LEGISLATIVE VICTORIES FROM PREEMPTION BY A FEDERAL BILL AIMED AT CRIPPLING RTO.

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In 1995 we find ourselves with a unique opportunity to move farther on the federal legislative agenda in one year than we have in the last 15. This year we are in a new ball game; we won the coin toss and we get to start on offense. Even the weather has cooperated.

In past columns I've tried to prepare our members for what to expect in the political arena. One way is by relating our federal legislative effort to state legislative efforts with a baseball/basketball analogy. (The federal process is more similar to a slow-moving baseball game, compared to the more fast-paced state legislative process, or basketball game).

The new Republican majority in Congress has made that analogy obsolete. The new federal legislative process is moving more like a fast-paced football game because the Contract with America has a self-imposed deadline of 100 days to pass the 10 major items of the "Contract."

Consequently, our own federal legislative strategy has got to change in several ways to take advantage of the new game in town. We have adopted a bold offensive plan of action, designed to not only get us in the new game, but keep us in the game when the final whistle blows and

the score is tallied.

Football is a perfect analogy for our current situation because football is a more strategic game than baseball. Our federal legislative strategy has also become more complex, because we are now pushing two legislative bills through four committees—instead of one bill in two committees as was the case during most of the last session.

Our agenda for the 104th Congress includes passing tax-relief amendments to the federal tax code and continuing to push for federal banking committee regulations of the RTO transaction. Now we find ourselves before the U.S. House Ways and Means Committee and U.S. Senate Finance Committee, as well as the banking committees of both houses.

The bold part of our plan? We've decided to argue that our tax issues before the House Ways & Means committee are part of the Contract With America and should be addressed during the hearings and debate on the "Contract." This is bold, perhaps even brash of us, since many high-profile industries and their better-financed trade associations are trying to frame just such an argument. We can't call our plan brilliant yet because we were not the only ones to think of it. Since these Contract With America bills are the only ones this Congress intends to debate for the next four months, any lobbyist with a little experience and a client who has a big tax-code problem has probably reached the same conclusion. The plan can only be called brilliant if we succeed.

Well, the good news is that we are on our way or "in the ball game," since we were one of only a few groups to be invited to testify before the House Ways & Means Committee public hearing on H.R. 9, the Job and Wage Enhancement Act, one of the "Contract" bills on a fast track. APRO past president Wayne Chambers, as chair of our tax and accounting committee, testified on Jan. 26. He addressed the inconsistent IRS interpre-

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BY

RON WATERS

tations of current tax-code laws on depreciation schedules, when applied to RTO companies, and also our core issue, sale-vs.-lease. Of the four witnesses on Chambers' panel testifying on Neutral Cost Recovery sections of the bill, most of the committee members present addressed their questions to Chambers. Our issues dominated the discussion and all the questioners were supportive of the industry.

As follow-up to this hearing, we will attempt to have those congressmen and women who were present at the Jan. 26 hearing co-sign a letter to the committee chair requesting he include our solution in his "chairman's mark" (the bill used by the committee to amend or "mark up" and vote out to the full floor).

I'd say we scored a touchdown on our first possession in this new "game" with the Republican-controlled 104th Congress.

The other half of our federal legislative agenda is the "banking regulation" bill, which the industry has tried for more than a decade to get on congressional radar screens. In 15 years of trying, we have managed to get three hearings—one in the early 1980s which resulted in our core issue being included in a Senate banking reform bill that died in the House, and two House hearings in the last five years; one we mustered in a House Banking subcommittee that went nowhere while the other was initiated by ultra-liberal Rep. Henry B. Gonzalez, then chairman of the House Banking Committee, where we mustered enough supporters to keep his bill tied up in his own committee. Unfortunately, the power of the chairman's gavel was enough to keep the alternative bill also tied up in committee.

So at the end of last session we were at a standoff in the House. Then came the November elections, or "revolution" as new speaker of the House Newt Gingrich likes to call it, and our new window of opportunity.

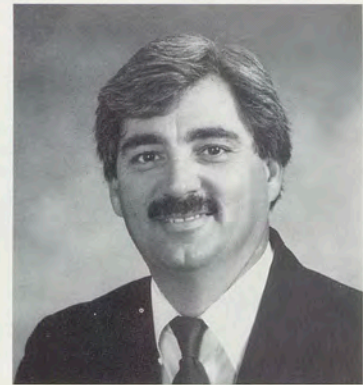
Along with this new opportunity comes a new set of obstacles. We can't assume that just because a Republican congressman co-signed the alternative banking bill we supported last session, that he will readily agree to co-sign another banking regulation bill this session.

This session is dominated by a majority dedicated to deregulating industries. Former minority members from last year, who co-signed the LaRocco bill to help stop Democratic chairman Gonzalez, are not so eager to carry similar legislation this session. Sen. Shelby of Alabama is a good example.

As a conservative Democrat last session, Shelby was willing to introduce alternative banking legislation, partially to block more liberal RTO legislation introduced by former Sen. Howard Metzenbaum. Sen. Shelby's bill was successful in giving other senators an alternative to former Sen. Metzenbaum's proposal. We ended the 103rd Congress with a stalemate in the Senate, too.

This session, Sen. Shelby has moved to the Republican side of the aisle, enabling him to leverage his seniority. But with his new party label comes a new reluctance to even offer banking committee regulations for any industry.

By the time you read this column we'll probably know whether he will re-introduce RTO banking legislation



*Ron Waters is APRO's director of government affairs.*

this session. However, during the first month of 1995 we were exploring alternative legislation, such as the ombudsman deregulation bill, as a possible vehicle.

For the new 104th Congress, our federal legislative strategy is, by necessity, much more complex and fluid than last session. We must be prepared to engage in what might be called a "run-and-shoot" offense if we intend to stay in this quick, new game being played out in Washington. **PR**

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## THORN Americas is thinking green

FOR THE PAST COUPLE OF YEARS, THE 7,000 EMPLOYEES AT RENT-A-CENTER, REMCO AND PARENT COMPANY, THORN AMERICAS, INC., HAVE BEEN BRUSHING UP ON THE "THREE RS."

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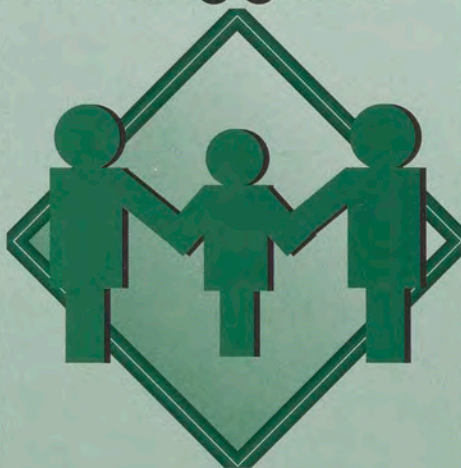
Not the ones learned in grade school, but the ones governing environmental responsibility: *reduce*, *reuse* and *recycle*.

According to THORN Americas chairman and CEO Bud Gates, environmental concerns will not be "shuffled to the side," in the company's quest to remain the country's largest RTO operator. Word came down from THORN EMI's chairman, Sir Colin Southgate, that reduce, reuse and recycle will not be just a catchy slogan for the worldwide rental giant, which operates in 20 countries under a number of names in addition to Rent-A-Center and REMCO.

THORN Americas is attacking the environmental waste challenge from all angles. From recycling and reducing the 7,000 pounds of paper it uses monthly at its corporate headquarters in Wichita, Kan., to renting refrigerators that have the "environmentally friendliest" coolants, the company's environmental program is a long-term project. Even the groundskeepers are getting into the act, using mulching lawnmowers to avoid bagging leaves.

"We believe it is important for us, as a company and as individuals, to do what we can to protect and preserve our environment," says Gates. "We don't appear to be a large consumer of energy or producer of waste. However, any company with 1,300 locations and more than 7,000 employees certainly has a cumulative effect on the environment. What may seem small on a per-location basis adds up when you look at our entire system."

THORN Americas created a task force of representatives from headquarters, RAC, REMCO and its logistics and product service arm, THORN Services International (TSI), to



address the environmental challenge and establish action plans. Early in the process, four areas of primary concern emerged: Products and Packaging, Waste and Emissions, Siting and Construction, and Energy. To get the message out, brochures were sent to employees and are included in all new-hire packets—all printed on recycled paper, using soy-based ink.

Considering environmental impact has paid off for THORN Americas in a number of areas. As employees look for efficient ways to get their jobs done, the company realizes savings in time, effort and product.

Already, the amount of paper going from headquarters to the field has been reduced by nearly 85 percent. While some regular reports have been consolidated, others are now being sent electronically. The company has seen the flow of paper from the home office reduced from 52,000 pages a month to about 8,000 pages.

Rent-A-Center has also reduced the number of direct-mail pieces it sends. By better targeting through postal carrier routes, Rent-A-Center has chopped seven million pieces from its monthly mailer. The mailer, meanwhile, is printed on low-grade pulp paper with ink that uses the lowest grade of volatile organic compounds.

"We believe it is important for us to be sensitive to our effect on the environment," Gates says. "The bottom line is that we have a responsibility to make this a better world today and for the future. That's not just good business. It's good sense."

—John Massey

Continued from page 39

And so, Chambers did not go to Washington to add his industry's support to the other voices of American industry seeking to pass the Neutral Cost Recovery System bill. Chambers explained the rental-purchase industry's depreciation problem and told the Congress that in the interests of economic fairness, if Congress is going to change the depreciation laws in this country, the Congress ought to fix the rental-purchase industry's problem in the process.

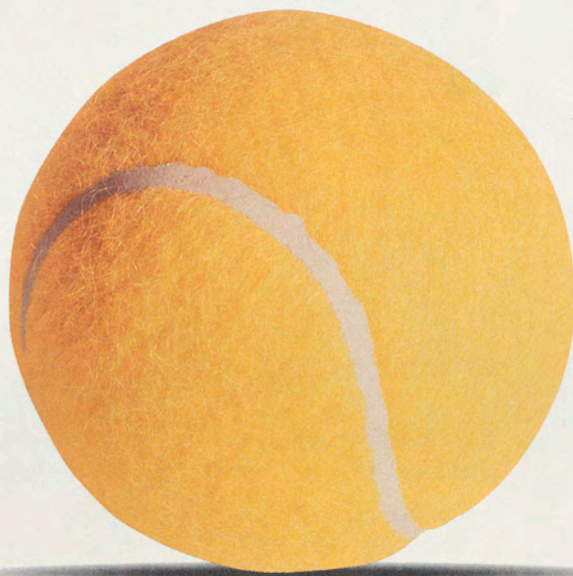
Current political intelligence indicates that NCRS is toward the bottom of the Contract with America agenda. It might cost the federal government lost tax revenues in the hundreds of billions of dollars and the Contract's champions want to pass a balanced budget amendment to the Constitution, solve the crime problem and dismantle the welfare system in 100 days. Anything that might increase the federal deficit is looked on with disfavor.

The proposal is also before a committee some of whose members have more far-reaching changes to the tax code in mind than tweaking the depreciation laws to allow for inflation. The chairman favors a flat tax and no deductions for interest or anything else. Others favor a tax on consumption instead of income and a complete rewrite of the tax laws. These proposals to rewrite the tax code completely are not part of the Contract with America, but are issues the committee is likely to take up following the first 100 days.

The NCRS bill is, nonetheless, the industry's first chance at fixing the depreciation problem.

If a depreciation bill moves through the Congress as a part of the Contract with America, it is not unreasonable to hope that the bill's language can be tweaked to clarify that the rental-purchase industry can use income forecasting. What is probably not reasonable to hope for is that the rental-purchase depreciation issue will jump-start an otherwise dead NCRS bill during the first 100 days of this Congress. **PR**

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



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# Mid-year conference set for April 20-22

Tucson, Ariz. The carefree lifestyle here calls for casual dress. But the agenda for the 1995 APRO Mid-Year Conference, April 20-22, includes plenty of business.

The annual legal update, tax and accounting seminar, and rental round table have been traditional—and popular—parts of every APRO Mid-Year Conference in recent years. That won't change.

Edward L. Winn III, APRO legal counsel, will provide a state-by-state legal and legislative update; discuss the state of rental-purchase under federal law; cover leased-property insurance, damage waivers, rent clubs and other charges; and compare and contrast consumer leases with RTO transactions.

Jeffrey W. Ferguson, tax attorney with the Washington, D.C., office of Vinson & Elkins, will discuss an across-the-board settlement possibility with the Internal Revenue Service on industry sale-vs.-lease and depreciation issues; and report on



*The missions near Tucson offer an interesting diversion from seminars and golf.*

the status of individual court cases concerning both types of tax issues.

What's new for 1995? C. Britt Beemer, chairman, America's Research Group. Beemer will discuss, in depth, APRO's comprehensive nationwide survey of RTO customers. The survey results have far-reaching implications for rental-purchase dealers everywhere—from marketing infor-

mation to public relations strategies.

Beemer's expertise encompasses all phases of survey research: questionnaire design, sample construction, data analysis and interpretation. He serves as senior director of research at America's Research Group, which he founded in 1979 after a successful career managing political campaigns.

PR

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