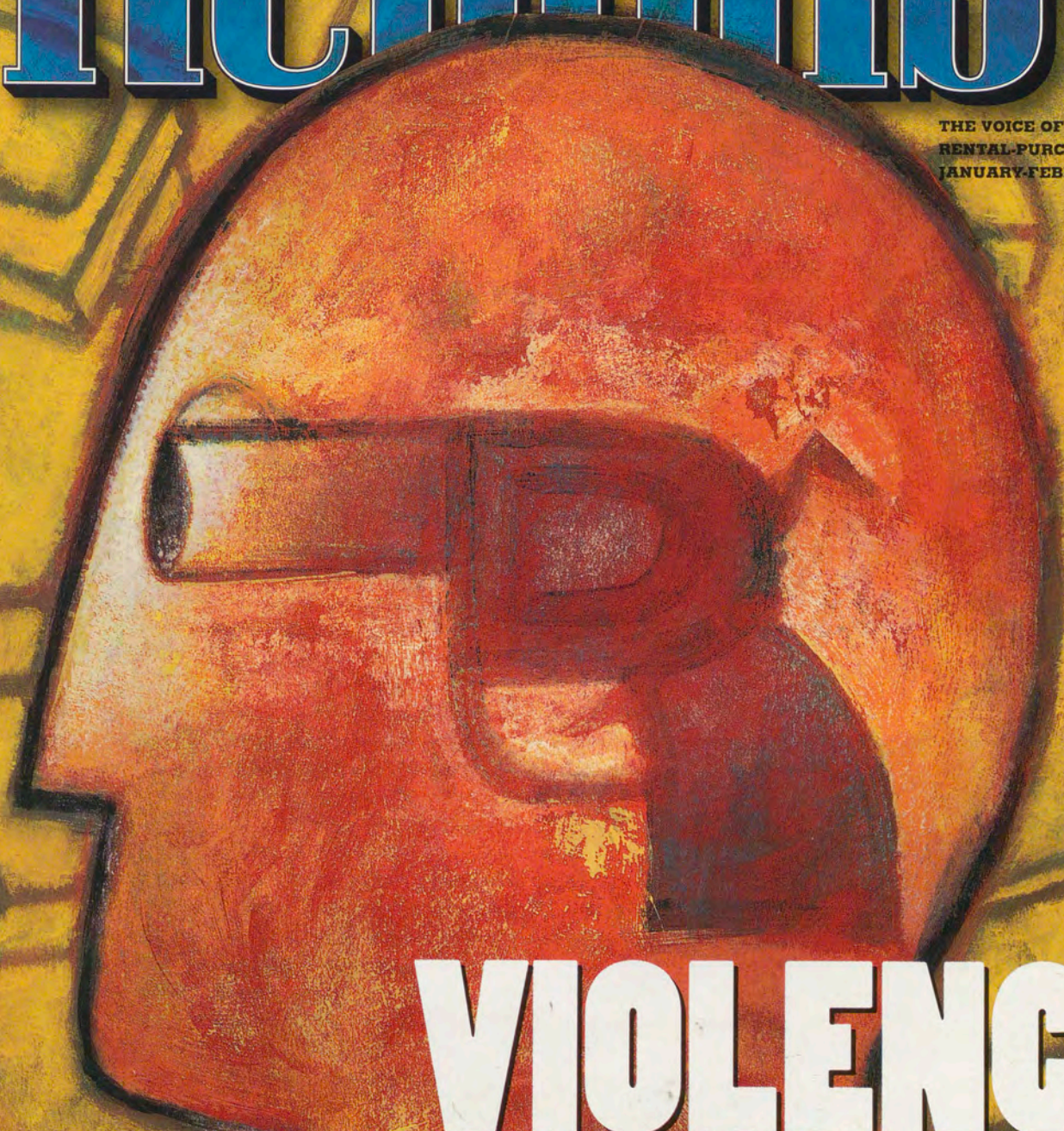


NON-COMPETE AGREEMENTS | RTO: YESTERDAY, TODAY AND TOMORROW | EMPLOYEE ABSENTEEISM

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JANUARY-FEBRUARY 2000



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january february



26

Workplace violence

The potential for violence or at least the threat of violence is very real in today's workplace. There are rental store employees who have been verbally threatened, pushed, kicked, beaten, kidnapped, robbed and shot. RTO consultant Kent Sutherland addresses how rental dealers can better protect themselves and their employees from potential violence.

Non-compete agreements: The good, the bad and the ugly

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There is a growing trend among rental dealers to require written non-competition agreements as a condition of employment. APRO General Counsel Ed Winn III discusses the legal issues surrounding these agreements, such as the enforceability of non-competes, who should sign them and what to do if an employee refuses to sign.



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RTO: Yesterday, today and tomorrow

What has changed in rental-purchase in the past 20 years? What can we expect to change by the year 2020? Ed Winn examines the past, the present and what the future may hold in store for rental dealers in the next 20 years. Is the future in electronics? What will the landscape of the future hold for RTO?



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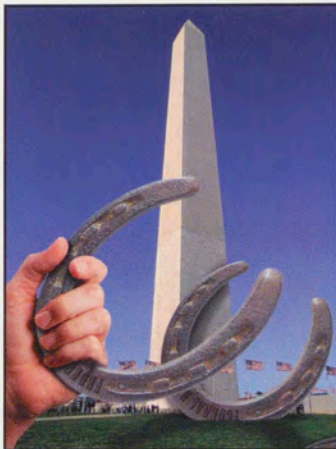
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What's your hottest rental product?

COVER ILLUSTRATION BY BARRY FITZGERALD



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PROGRESSIVE Rentals

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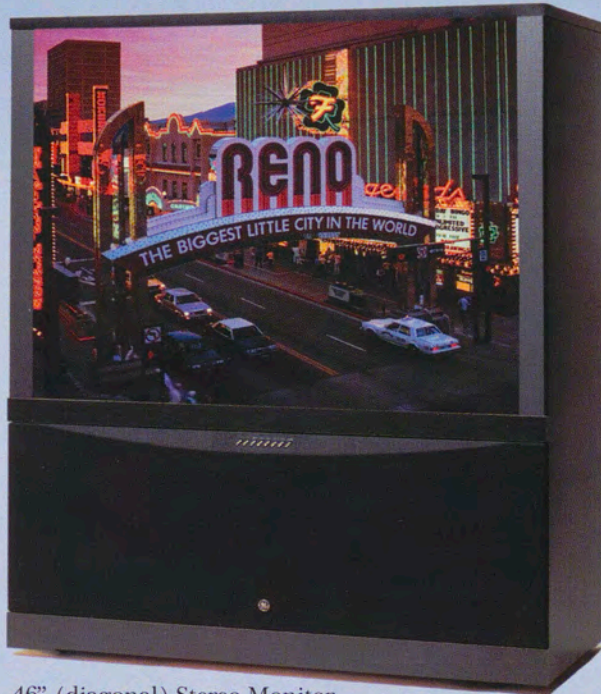
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27" (diagonal) XS® Stereo
Table Television



19" (diagonal) XS®
Stereo Table Television



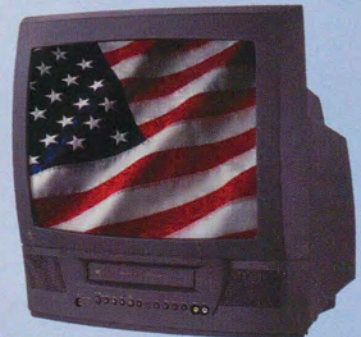
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apro's mid-year conference

biLoxi, mississippi, march 27-29, 2000

The 2000 APRO Mid-Year Conference promises to reinvigorate the tired winter souls of rental dealers March 27-29 at the new, luxurious Beau Rivage resort in Biloxi, Mississippi. The lush gardens and sweeping vistas of the Mississippi Gulf, fragrant magnolias and acres of white sand beach, combined with all the amenities of a full-service luxury resort and casino, will make this APRO Mid-Year Conference an event to remember. The Mid-Year Conference is an annual gathering for both APRO members and non-members who want to learn more about the latest in rental-purchase research, tax, accounting and legal issues, in addition to this year's focus on in-store marketing and store design. Also on the agenda is an industry networking session for dealers to bring to the table current issues affecting their businesses. In between meetings, attendees can take full advantage of everything the Beau Rivage has to offer: 12 distinctive restaurants, a single-level casino, the 1,500-seat Cirque du Soleil showroom and world-renowned performance group, sport fishing, shopping, a deluxe marina, spa and salon and, of course, golf at the nearby championship course.

check your mailbox for details or log on to www.apro-rto.com
see registration form on page 8

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news

B R E A K

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RICHARD MAY

Make your pitch at the 2000 APRO Dave Egan Legislative Conference

Those who expect to reap the blessings of freedom must, like men, undergo the fatigue of supporting it," said Thomas Paine. And while the annual APRO Legislative Con-

ference may be tiring, no one has complained of not having fun!

The 2000 APRO Dave Egan Legislative Conference is set for May 2-4 at the Doyle Washington Hotel in Washington, D.C. This is the time for rental dealers from across the country to unite and educate their elected representatives on the issues facing the industry. In addition to raising the awareness of the rental-purchase industry in Washington individually, attendees will learn the in's and out's of lobbying political leaders and have the unique opportunity to push forward the industry's agenda as a group.

The conference kicks off with a seminar to update attendees on the issues facing the industry as well as assist in the formulation of speaking points when meeting with members of Congress. A welcome cocktail

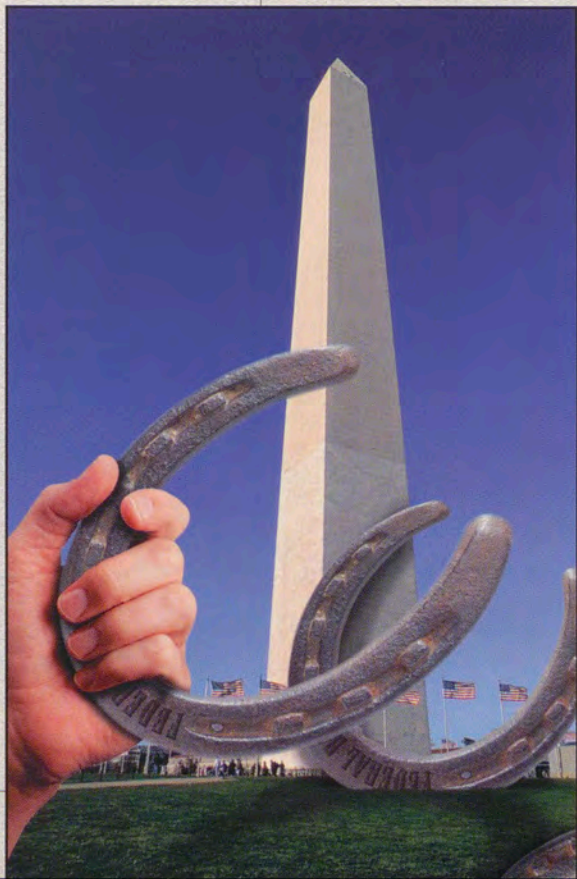
reception will be held following the seminar.

One of the highlights of the annual conference is the APRO PAC social event, scheduled to be held this year 6-10:30 p.m., May 3, at the U.S. Capitol building. Attendees will start the evening with a reception in one of the Capitol's private dining rooms and a private tour of the building. After the tour, dinner will be served in the Mike Mansfield room, which boasts an original Gilbert Stuart portrait of George Washington.

There is no registration fee for the 2000 conference. However, if you attend the APRO PAC event, APRO requests a minimum donation of \$200 (personal checks or personal credit cards only) for each person attending.

The deadline to register is April 14. Please contact the hotel directly for reservations: Doyle Washington Hotel, 1500 New Hampshire Ave., N.W., Washington, D.C. 20036, 800/423-6953 or 202/483-6000. The hotel rates are \$155 single/double. The deadline for hotel reservations is March 20.

To register, please contact Amber Watts at APRO at 800/204-2776 or 512/794-0095 or by e-mail at awatts@apro-rto.com. Or you can register on the APRO secure Web site at www.apro-rto.com/.



NEWS BREAK

Comfort and Parkhill Furniture merge

The familiar Comfort Furniture name has changed to United Furniture Industries as a result of a recent merger between Comfort and Parkhill Furniture. United

Furniture will be based out of Comfort's hometown of Okolona, MS.

United Furniture will be concentrating heavily on the rental-purchase market throughout the United States, offering quicker delivery and good price points from promotional to high-end

products, says the company's new National Sales Manager Glenn Davis.

"With our professional sales staff in place and our unmatched 10-day quick-ship program, we are in an even greater position to offer superior service to the rental mar-

ket," says Davis. The new vice president of sales/rental and special accounts is Jim Tackett.

With large rental chains such as RentWay on the company's client list, the newly merged company will now have an excess of half a million square feet of avail-

Register for the 2000 Mid-Year Conference online

For those of you with Internet access, you can now register for the 2000 APRO Mid-Year Conference through APRO's new secure registration area on the APRO Web site. The 2000 Mid-Year Conference is scheduled for March 27-29 at the Beau Rivage resort in Biloxi, Mississippi. The focus of this year's three-day conference will be in-store marketing, store design and industry updates, as well as a panel of dealers discussing successful in-store marketing tips

and an APRO industry networking session.

Brochures were mailed to all home offices in early January. If you didn't receive one and don't have access to the APRO Web site, please fill in and mail the form below, with payment to the address listed.



Name _____
Company _____
Address _____ E-mail address _____
City _____ State _____ Zip code _____
Business telephone [_____] _____ Business fax [_____] _____

- ▶ Registration fee is \$325 for members, \$495 for non-members for the entire conference; or \$135 for members, \$195 for non-members per individual session.

Please indicate appropriate registration below:

- March 27: New Stores for a New Millennium [workshop], 1-5 p.m. [\$135/\$195]
- March 28: Successful In-store Marketing Tips, 9 a.m.-12 p.m. [\$135/\$195]
- March 29: Industry Networking Session, 9 a.m.-12 p.m. [\$135/\$195]
- All sessions [\$325/\$495]

Are you an APRO member? Yes No

Check enclosed Charge to: American Express MasterCard Visa

Credit card number _____ Expiration date _____

Authorized signature _____

- ▶ Photocopy this form for additional registrants.
- ▶ Hotel registration is separate and can be made by contacting Beau Rivage Resort at 888/567-6667. Hotel reservation deadline is February 23 or when the APRO block has sold out, whichever comes first.
- ▶ Please mail this form, with payment, to APRO, P.O. Box 2483, Houston, TX 77210. Preregistration for conference will be accepted until March 10. On-site conference registration will be available, but we recommend that you reserve your accommodations at Beau Rivage now as space is limited.





able space for production and warehousing to serve rental dealers better. United offers living room suites, recliners and lift chairs, ranging in styles from contemporary, country, traditional and transitional.

The new, combined product lines will be exhibited in United's permanent space at the Tupelo Furniture Market in the Mississippi Building, Space B115 and at the High Point Market at 104 N. Main St.

To reach Glenn Davis at United Industries, call 800/362-0507.

Vegas Rentway stores install "super ATMs"

RentWay, with more than 1,100 stores and 330,000 customers, unveiled the first of four "super ATM" machines in its Las Vegas, NV, stores. The machines are designed to attract new customers with a one stop shopping experience and keep existing customers coming back.

Developed by Cash Technologies Inc. and Diebold Inc., a leading manufacturer and distributor of automated teller machines, the ATM-X machines feature check cashing, electronic bill payment and targeted advertising. The newly developed software,

called EMMA, also allows a wide range of Internet financial services to be available at ATMs, kiosks and online PCs for the first time.

The "super ATMs" give RentWay's customers, many of whom visit their local store every week to make payments and shop, the ability to make money transactions typically reserved for banks, right in the store.

"We are excited to partner with Cash Tech-

nologies in providing the first EMMA-driven super-ATMs to RentWay," says Roy Shirah, vice president of Global Product Planning and Management at Diebold.

"As consumers increasingly demand greater convenience in obtaining financial services, we believe that the market segment targeted by the ATM-X will become an essential part of the emerging e-commerce landscape," he says.

Kentucky rental dealers face legislative threat

A potentially damaging bill introduced for consideration during the current session of the Kentucky Legislature has Kentucky rental dealers mobilizing for action. House Bill 162, submitted by Rep. Jack L. Coleman Jr., would recharacterize rental-purchase transactions as credit sales, thereby overturning the current laws surrounding the transaction.

Rep. Coleman is adept at engaging the state media to "investigate" stories he feels are worth scrutiny. At press time, the Associated Press had interviewed store personnel in Lexington, KY, and Bob Porter of Colorama and Kentucky Rental Dealer Association president.

A special task force was formed to identify several top lobbyists and a public relations firm to handle the industry attack. The silver lining could be that this is only a 90-day session and there is no companion bill in the Senate.

2000

FEBRUARY

23
Missouri Rental Dealers Association annual meeting and seminar, Columbia, MO, 573/442-2963

MARCH

15
Indiana Rental Purchase Dealers Association, 765/477-6000 ext. 304 or 812/332-6554

27-29
APRO Mid-Year Conference, Beau Rivage Resort, Biloxi, MS, 800/204-2776

APRIL

6-14
High Point Furniture Market, 910/888-3700

MAY

2-4
APRO Legislative Conference, Washington, D.C., 800/204-2776

6-9
Texas Association of Rental Agencies 2000 Convention and Trade Show, San Antonio, TX, 214/488-8000

JUNE

7-10
TRIB Convention, Atlanta, GA, 770/451-4302

JULY

5-9
ColorTyme National Convention, Aspen, CO, 972/608-5376

18-20
Indiana Rental Purchase Dealers Association Midwest Expo, 812/332-6554



Win a free trip to Nashville!

A rental-purchase employee and customer will win a free trip to Nashville for the APRO 2000 convention and trade show this August by being awarded the "Rental-purchase Industry's Employee of the Year" and the "Rental-purchase Industry's Customer of the Year."

APRO is interested in finding the best stories showing how rent-to-own has helped improve the life of a customer or how the industry has changed the life of an employee or how that employee has made substantial improvements to the industry.

Rental Industry Employee of the Year

The rental industry's employee with the best story will win free air travel, hotel and full convention registration for two to APRO's annual convention held in Nashville, TN, August 2-6, 2000. Winners will stay at the luxurious Opryland Hotel for four nights and will be honored in APRO publications and during the convention as well as promoted in local press. The award package is valued at \$2,500.

Rental Industry Customer of the Year

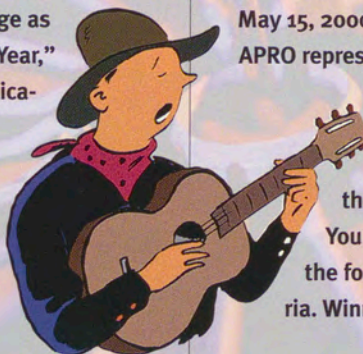
The customer with the most positive story to tell on how the rent-to-own industry has changed his or her life can win the same travel package as the "Rental Industry Employee of the Year," including being honored in APRO publications and during the convention and through local press.

Entry details

1. Your store must be an APRO member to enter.

2. The nominated employee must be a full-time, store-level employee.
3. Nominations may be made by company owners, employees or customers. The company may choose to have employees or customers write their own stories and submit them to the company's home office. In fact, APRO encourages member companies to have their own contest. Your company may choose to award its own prizes and then forward the winner(s) to the APRO contest.
4. Write 100 words or less why your nominee should be recognized at the "Rental-purchase Industry's Employee of the Year" or "Rental-purchase Industry Customer of the Year."
5. Make sure you include your name, company, address, telephone number and employee or customer name on each entry.
6. You may enter as many employees or customers as you like.

Entry forms can be mailed to APRO at 9015 Mountain Ridge Dr., Suite 220, Austin, TX 78759, or filled out on the APRO Web site at www.apro-rto.com/. The entry forms will appear in the March issue of *View* and on the APRO Web site and will also be mailed to home offices in February. Deadline for submission is May 15, 2000. Winners will be judged by a panel of APRO representatives and public relations professionals. Names and store names will be removed during the judging process. You may request a form from the APRO office by calling 800/204-2776. You may also submit your nominee without the form as long as you meet the above criteria. Winners will be contacted by June 30, 2000.



Sears' Zagorniak first vendor on APRO board

In an historical move, the first industry vendor was elected to the APRO



board of directors. Al Zagorniak of Sears now occupies the

first supplier seat on the APRO board.

The newly created vendor board position will be the person who is currently serving as chairman of the APRO Vendor Relations Com-

mittee. Zagorniak will represent the vendor members for the remainder of his two-year term as committee chairman.

APRO President Gary McDougal felt strongly that since the success of the industry depends on the interdependence of both rental dealers and their suppliers that a vendor be appointed to the APRO board. The APRO bylaws were amended to include this board position at McDougal's urging.

"We need to have the two groups working together more closely.

We need the vendor's involvement to boost our communication efforts. This board position is not limited in scope, but will serve out each term as a full-blown APRO board member," says McDougal.

McDougal approached the members of the APRO board to present his viewpoint and asked that the APRO bylaws be amended to reflect that a vendor to the industry be allowed to serve on the board. The board approved the motion unanimously in October 1999.

RAC streamlines company payables online

Rent-A-Center successfully implemented Bottomline Technologies' new PayBase software that streamlines and automates the payment procedures for Rent-A-Center employees, vendors and trading partners in late 1999.

With more than 75,000 disbursements per month ranging from vendor payables to payroll and employee expense reimbursements, Rent-A-Center needed

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Seeing really is believing

- ▶ More than 60 percent who see HDTV for the first time are amazed by the quality and can't wait to own a set.
- ▶ More than 50 percent who have seen DTV quality become very unsatisfied with analog.
- ▶ Nearly 80 percent of those who have visited a retailer to see or ask about DTV expect their next TV to be a DTV.

SOURCE: CONSUMER ELECTRONICS ASSOCIATION



software that could make their accounting more efficient and selected Bottomline's software because of its ability to consolidate the entire payment management process. Bottomline Technologies has become a leading provider of Web-enabled billing, payment and treasury management solutions.

"Bottomline's biggest advantage is expediency. We cut our pre- and post-processing time to one-eighth of the time needed before Bottomline," says Tonya Moreno, manager of accounts payable for Rent-A-Center.

"I would think that type of measurable, tangible return is what every company dreams of attaining with the implementation of new technology. We achieved it immediately with Bottomline's software."

BrannForbes to head marketing for Rent-A-Center

BrannForbes, a marketing services company, was chosen to manage a \$60 million advertising and marketing budget for Rent-A-Center in December.

After doubling its number of RTO stores to 2,075 in the past two years, Rent-A-Center began searching for a marketing company to give the company a better idea of how to increase success in all its trade areas.

BrannForbes, based in Dallas, was chosen not only for its experience with other multi-unit clients and its systems for measuring advertising effectiveness, but also for its "nontraditional, grassroots approach to retail marketing," says Ann

Customer turns scribe to show gratitude

As consumer groups continue to "defend" the rights of RTO customers, here's a switch. A customer of Mark Windsor's National TV Sales and Rentals store in Missouri not only wrote a letter expressing her thanks to his company, but also was inspired to write a poem about her RTO experiences.

DEAR MR. WINDSOR:

I hope you enjoy this little poem about your company. The Clinton store has been a blessing to me and my husband. If it were not for companies like yours, we would not be able to afford the nice furnishings that we enjoy in our home. It is wonderful to know a company, in these days of deception and greed, that is honest and kind. Thank you, please don't ever change.

HOME FURNISHING BLUES

I'm in a dilemma, now what can I do?

*My TV broke, my stereo, too!
My good old bed I've had far too long.*

It groans, it sags, it sings a sad song.

*My sofa is old, ragged and worn.
The springs poke through, the upholstery is torn.
The washer chews up most of my clothes,
The dryer won't work, this is how my story goes.*

*I thought my problem was very bad,
until on the neighbor's TV I saw this great ad!
"Come to National Rental and see what we have in our store...*

Washers, dryers, televisions and much more.

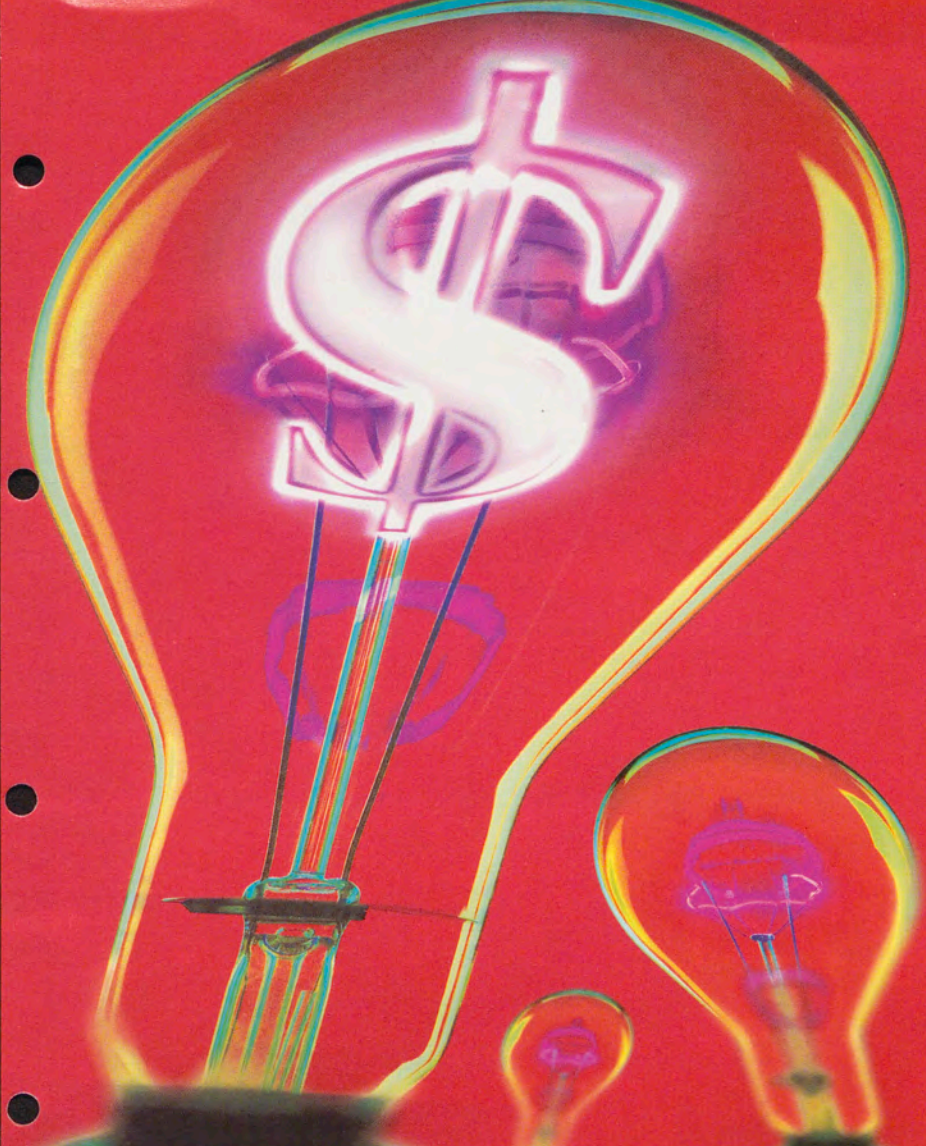
*Sofas, beds and refrigerators, too.
Some are used, many times brand new.
With reasonable offers, we think you'll agree,
Come out to National Rental, check us out and see!"*

*I took the ad's advice and did what it said,
And oh, how I enjoy my great new bed!
I replaced my old sofa so ragged with wear,
And my new washer handles my clothes with care.*

*My TV has a picture that is sharp and clear,
My stereo has a sound that is beautiful to hear.
National Rental, I thank you from the bottom of my heart,
For giving me and my home a fresh new start.*

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Davids, vice president of marketing for Rent-A-Center.

Success meets APRO's Martinek

Convention South magazine honored Shelley Martinek, CMP, as one of 100 meeting professionals to watch in



2000. In its December 1999 issue, *Convention South* called the people on the list some of the industry's brightest stars.

Martinek, who has worked in the RTO industry for 12 years, coordinates all meetings

and conventions for the Association of Progressive Rental Organizations.

"I think starting at the bottom and going through the ranks has really helped me understand the association as a whole," says Martinek, "I have learned that all aspects of the association are important and the meetings must reflect

that." She also advised meeting professionals to "make sure your meeting is one you would want to attend."

In the future, Martinek says she expects to continue searching for unique viewpoints by thinking out of the box, rather than relying on what was done in the past.

Stores of the future need to entertain

As computers continue to turn the retail landscape into a buyers market, as witnessed this past Christmas with the great demand for online shopping, store owners will need to use entertainment as a way to attract today's interactive customers away from their chairs and into the stores.

Sponsored by the National Association of Store Fixtures Association, GlobalShop 2000 is the world's largest annual store design and in-store marketing show and will be held at Chicago's McCormick Place, March 25-27, allowing the RTO industry and retailers to see the future shopping experience.

One of the top 100 trade shows in the U.S., GlobalShop features more than 1,200 exhibits displaying inventive store designs and the most innovative interactive technology available on the market.

"The future of retailing includes such technologies

as touchscreens, body scanning, biometric identification, real-time Web broadcasts and faster, more accessible multimedia content," says Karen Schaffner, publisher of *Display & Design Ideas* magazine.

"The result will be a shopping experience that is greatly enhanced, but not frivolous. Experts agree that these technologies must make sense, in order to justify the investment of money and floor space."

Along with the technology exhibits that include The Store Fixturing Show, The Visual Merchandising Show, Retail and Operation Expo, In-store Interactive Ideas and the POP Marketplace, more than 40 educational seminars will include presentations by many of the top names in retailing, brand marketing and management.

For more information on attending GlobalShop 2000, visit www.globalshop.org or call toll-free 877/835-7236.

Kudos to APRO general counsel

After using APRO general counsel Ed Winn's



expert legal advice and editorial commentary in *Progressive*

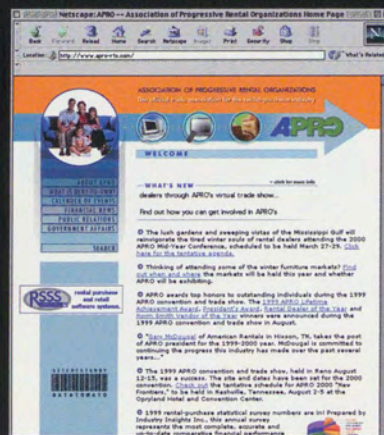
Rentals magazine to help strengthen his Rent N Go store in Vermont, Dan Companion sent Winn the following letter expressing his thanks:

DEAR ED WINN:

As I sat down and read the Nov/Dec Issue of *Progressive Rentals* with the latest insights and philosophies of our rental world, it struck me how great your work has been for the industry. The unorthodox business we participate in is a true necessity because of the simple fact that people want the dream of ownership, even at the smallest levels. We make that dream a reality. I currently opened up a store in rural Vermont and am amazed how many people have not heard of RTO. The pleasure of educating fresh new faces and seeing acknowledgement from customers is exciting to me. Customers tell me that this is a great business for the community and, although some initially think that it seems like a lot to pay for a certain product, after explaining the flexibility of our business, no one

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Fax or mail your request to:
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P.O. Box 6249
Lafayette, IN 47903
Phone (765) 477-6000 ext. 304
FAX (765) 474-0771

For more information
contact:
David P. David
(812) 333-7496

walks away claiming we ripped them off. Your guidance has molded many of my business techniques and ideas. You have kept your feet firmly on legal ground and I believe it has been a foundation which has helped build the association to today's success.

DAN COMPANION
RENT N GO

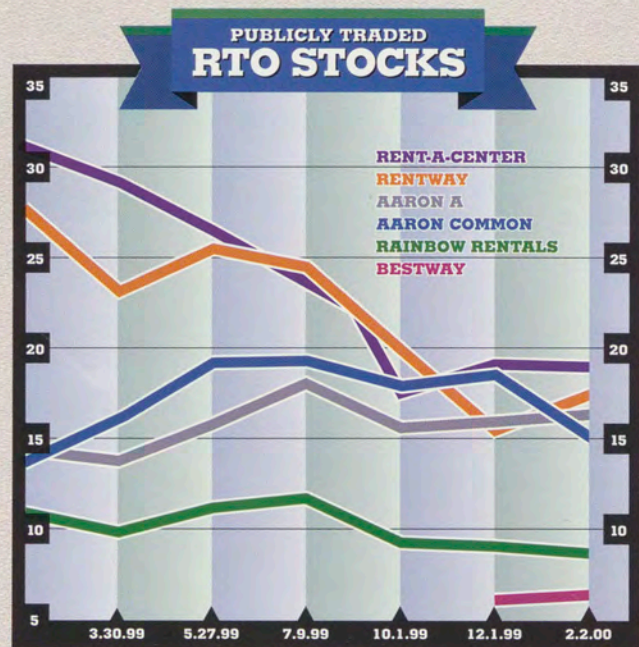
RTO Pro Home Office now available

RTO Pro Home Office software, developed by FutureWare Enterprises

Inc., is a new addition to their RTO Pro line of software that allows remote stores to connect to a home office location to transfer data for centralized reporting and tracking.

The software supports the "Preferred Customer Club Program," administered by Nationwide Club Administrators, that takes a number of insurance, non-insurance and other auxiliary services and bundles them together as one item.

RTO Pro Home Office also has a "Mail List" feature that connects the RTO company's cus-



tomers database to Central File Inc., a company that will provide selective mail promotions to past and present customers.

For more information contact FutureWare Enterprises Inc., at 800/351-6299 or online at www.RTOPro.com.

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I hope everyone had a Happy New Year and enjoyed all of the celebrations. The first industry event of 2000 was the Consumer Electronics Show in Las Vegas in January. I saw a lot of dealers throughout the convention center checking out the new lines and new inventions that might relate to future business for their companies.

This year's CES was the largest ever, with many more items being shown. I hope both first-time and returning attendees of the APRO convention in Nashville will be able to experience some of these items as the APRO staff worked very hard at

Please make your fellow dealers aware of the 2000 APRO convention, "New Frontiers," to be held August 2-5 at the Opryland Hotel and Convention Center in Nashville, Tennessee. The much-touted Opryland complex will be finished and there will be much to do in addition to the convention in terms of shopping and entertainment.

The 2000 APRO Mid-Year Conference is also closing in. Make your plans now to attend, March 27-29, in Biloxi. You will love the Mississippi Gulf Coast and the Beau Rivage Resort with its lush gardens and fragrant magnolias. You are all invited and the Mississippi Rental Dealers Association members are extending a warm invitation to experience their home state. You can register online for the conference on APRO's new secure server at www.apro-rto.com or by calling APRO at 800/204-2776.

It is imperative that rental dealers across the United States attend the 2000 Dave Egan Legislative Conference in Washington, D.C., May 2-4. There will be an APRO board meeting held on May 1 prior to the kick-off of the conference. We need to continue our efforts in making the successful passage of safe harbor federal legislation for our industry our No. 1 priority. The conference will be held at the Doyle Washington Hotel, with a fantastic APRO PAC dinner and tour planned at the U.S. Capitol on Wednesday evening, May 3. Make your best effort to attend and get involved with your legislators at home as well. APRO will keep you posted on our federal effort and direction in the coming weeks. ■

Gary McDougal is owner of American Rentals in Hixson, TN.

"The Paris Hotel in Las Vegas, our convention site for 2001...will be perfect for our vendors and dealers. The hotel rooms are close to the hall and restaurants, as well as to other facilities you will enjoy."

APRO's 2000 gatherings

signing up new exhibitors to show their wares at the APRO show. We are fortunate that the staff has developed so many relationships with the vendors as we are recognized as a viable and substantial industry with which to do business at these markets.

While attending CES, I was able to witness first-hand the Paris Hotel in Las Vegas, our convention site for 2001. The hotel itself is quite grand; I know you will be pleased with this facility. The hotel's convention center layout will be perfect for our vendors and dealers. The hotel rooms are close to the hall and restaurants, as well as other facilities that you and your families will enjoy.

Our government relations committee has been active in Kentucky, successfully postponing a deleterious bill that would have recharacterized the transaction as a credit sale. We thank the members of the Kentucky Rental Dealers Association for their mobilization efforts at the grassroots level to get their message across to their elected representatives.

The APRO education committee met in January and was able to finalize the seminar topics and speakers for the 2000 convention in Nashville. Some of the topics offered up will include "Focusing on the Customer," "Acquisitions," "The Science of Hiring the Right People" and more. I am confident that you will be pleased with what this year's convention has to offer.



By **GARY McDOUGAL**
APRO's President



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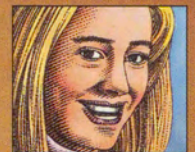
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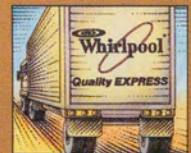
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As I was driving into the office recently, I found my mind busy trying to figure out the name of this new decade we just entered. Maybe I missed something, but I don't remember hearing television news or reading in any newspaper or magazine what the consensus among journalists is on what decade we are in. Before the Y2K crisis proved to be a real bust, I heard people talking about the "ought decade," the "single-digit decade" and other equally paltry titles. Once this decade is over, I know we will have the "teens," the "20s," etc., but what do we

my particular personality. Carried into everyday use, it is a model where the individual is important and where family comes first. The familial organization has a nurturing environment where compassion, not confrontation, is the norm, where coaching, not condemning is the practice.

"I have chosen the family model to organize the APRO office. It is not a democracy nor is it a dictatorship. Carried into everyday use, it is a model where the individual is important and where family comes first."

How are you managing?

call this decade? With a minor in history, I don't believe I ever knew what our grandfathers and great grandfathers called the decade from 1900-1910. If anyone comes up with a good name, please give me a call. I'll make sure that the rest of the RTO industry is informed.

This intellectual inquiry that has stumped me so far leads me to an idea for a series of articles for *Progressive Rentals* and ensures future topics for my column: Getting back to the basics on how we ought to manage our companies, stores and people.

Let's start by asking ourselves the following question: "What kind of organization do you have and is it the type of organization you want to foster?" There are as many organizational



By BILL KEESE
APRO's Executive Director

models as there are published books on management. We have the hierarchical model, the personal cult model, the democratic model, the dictator model and many, many more. All of them have positive and negative aspects. Some are currently in vogue while others are now considered passé.

For myself, I have chosen the family model to organize the APRO office. I believe it is probably the oldest organizational model in use and is one that is familiar to many. It is not a democracy nor is it a dictatorship. It is simply a structure that is united for the common good and has certain characteristics that fit with

I believe that in such an environment, certain cultural characteristics thrive, thus creating the culture I want to have in the office. Those characteristics include honesty, fairness, caring, respect, loyalty, tolerance, duty and moral courage. As the titular head of the APRO family, my role is to develop, evolve and protect the office culture. Within such a culture, it is my role to create and promote a certain vision for the organization. If I am successful, the above attributes will be the dominant rules by which we work.

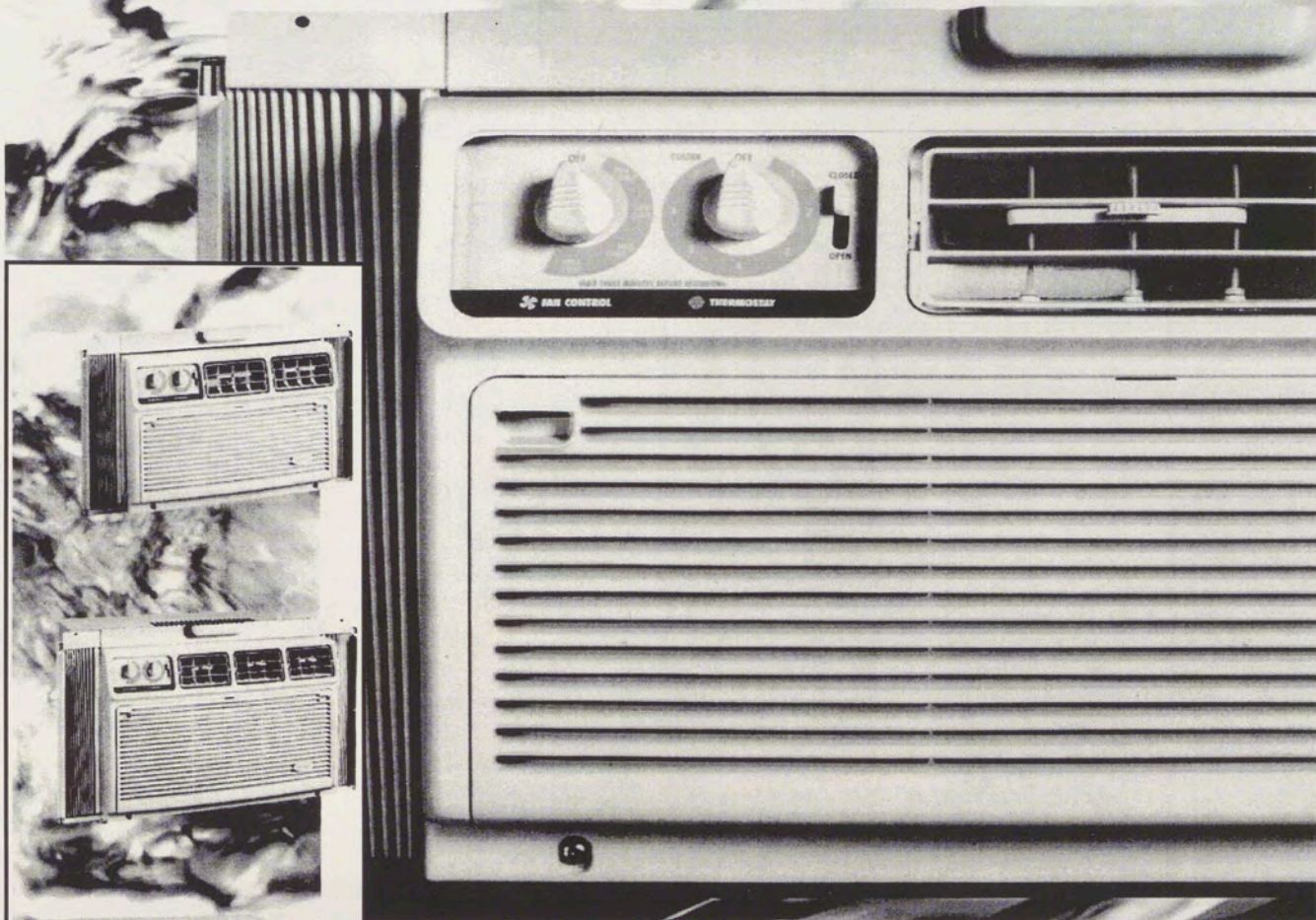
I have always believed that a leader creates a culture that attracts certain types of people, which in turn are the vehicles one uses to accomplish certain goals. The culture of an organization is its heart and soul. The culture you create or fail to create will determine how successful your organization will be and how well you will achieve your goals.

At the beginning of this decade, whatever we will eventually call it, I intend to reevaluate the organizational structure and the culture in this office. It must be sound and be able to lead us into the future for our continued growth and success. I urge you to do the same. ■

Bill Keese's e-mail address is bkeese@apro-rto.com.

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★ 1939 Introduced first small car. ★
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★ 1940 Introduced the fax machine. ★
★ 1946 First TV station began telecasting. ★
★ 1947 Broadcast first baseball game. ★
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★ 1954 Pioneered first TV portable. ★
★ 1957 WLW began telecasting color TV. ★
★ 1972 WLW-Crosley Broadcasting consisted of 5 TV & 6 Radio stations. ★
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Iwant to pull all of you away from the daily grind of your rental business and have you pause to take a refreshing look at a rosy future. I want to pull you away from the store manager who just quit and ran off with Saturday night's deposit; the customer who rented three big screens last week and has just disappeared; the truckload of furniture that was due two weeks ago; the in-store romance that won't go away; the EEOC mediation tomorrow that you must attend; and all the other nagging little business details that are filling your mind.

I want to take you to the rental world of the

tion became so widespread. During the 2000s, millions of customers decided to rent their home entertainment nests so that they could upgrade them as necessary. Customers realized that one bad machine could ruin a Saturday night and the rental industry improved its reputation for fast, friendly and efficient service, usually in the home, and always delivered the day the customer called. That is still how the business works in 2020 and that kind of service is a mainstay of the business.

.....
 "For I dipp'd in to
 the future, far as
 human eye could
 see...Saw a Vision
 of the world, all the
 wonder that would
 be."—Tennyson

Looking back from 2020

future. Come with me to the year 2020 as you sit atop your rental company that has turned out to be just the size and shape you always wanted and feels just the way you always imagined it. (If your only dream is of having sold your company for a huge wad of money by then, you may quit reading after the next paragraph.)

From the year 2020, we are going to look back at the past 20 years of the rental business. In the early 2000s, of course, the Internet exploded like everyone thought it would and Internet access has long existed in every home in the country. The rental-purchase industry took the whole Internet-access issue in stride and captured 100 percent of its existing customer base in 2000 and then added by the thousands per store additional customers

who like the service and found the price fair. The market got a little crowded with rental stores during the early 2000s; dealers who wanted to cash in did so at unheard of multiples. The business exploded so that it drew a lot of interest and money and new entrants.

It was the Internet, finally, that broke through the ceiling of social opprobrium against the industry and caused everybody finally to understand the value and choices offered by renting. We haven't had any class action lawsuits, attorney general investigations or rear-guard attacks on state laws in nearly a decade. The whole shrill consumer advocate bias against the industry just kind of melted away when the transac-

The changeover from analog TVs to digital, high-definition TVs was dramatic in the early 2000s and gave a healthy boost to retail and rental both. Even today, the pictures keep getting bigger and the boxes keep getting lighter. Big screens, the staple of the TV rental business today, have been one-person deliveries for the past five years anyway.

It was amazingly simple how technology solved the problem of lost remotes for the rental industry. I'm sure you remember remotes, but since all products are voice-controlled today, it seems already long ago. The industry did quite well when voice boxes came out, renting out the retrofit for all stereos, TVs and appliances that were out there for about five years. The rental industry hasn't lost a remote in 10 years.

In 2020, all homes in America have cable or satellite TV or both. The rental industry has installed millions of satellite dishes and continues to maintain them. TVs and computers, of course, merged in ways marvelous to behold. For years, customers have happily used the new devices for entertainment and information exchange and the lines between those activities have been blurred. Rental dealers today happily rent combination personal PC, cellular telephone, wireless modem, geopositioning and digital camera devices that come in a variety of designer colors and fit easily in a pocket or purse.

Furniture hasn't changed all that much, although the designs of chairs, beds and sofas continue to be as imaginative as ever. What is different for rental dealers is the fabric. Dealers can choose fabrics today that are fire-, cut-, stain-, rip-, tear- and fade-proof—virtually indestructible. Customers like how they look. Dealers like how they wear.



By **ED WINN III**
 APRO's General Counsel

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Rental stores really haven't changed all that much. They are prettier today, generally, depending upon your taste. There is still a rental counter where people come to make payments and chat sometimes. Of course, they don't have to pay that way anymore. A fair number of customers pay over the Internet, but a lot of customers like to come to the stores, look around, drink a cup of coffee and visit. Employees like that part of the business, too, because genuine friendliness is hard to come by. We have learned a lot about how to treat customers over the past 20 years. All the old guys who disrespected their customers are gone now. All we have left are good guys and gals, dealers who actually like the business they are in, who enjoy renting and collecting and who respect their customers, all of them.

We're still having the big guy/little guy fight in 2020. Some days the big guys win; some days the little guys win. Of course, the big guys these days run 7,500 stores and are part of multi-billion dollar conglomerates with stock prices consistently over 100. There is not a sign of truce or victory in the big versus little battle. It may be one of those eternal struggles, but then I thought that about our old battles with legal aid.

Despite this conflict, rental dealers have remained collegiate with one another over the years. In most industries, trade association membership dwindles as an industry matures. This is not so for APRO. Rental dealers seem genuinely to enjoy one another's company and get together often enough under the APRO banner. The Association has managed, in creative and different ways, to add value to its members' stores and most of the industry belongs.

You see, it is a rosy future. The industry has prospered in ways unimagined 20 years ago and you, more than likely, right along with it. Congratulations. Now, get back to work. ■

*Ed Winn's e-mail address is
edwinn@ibm.net.*

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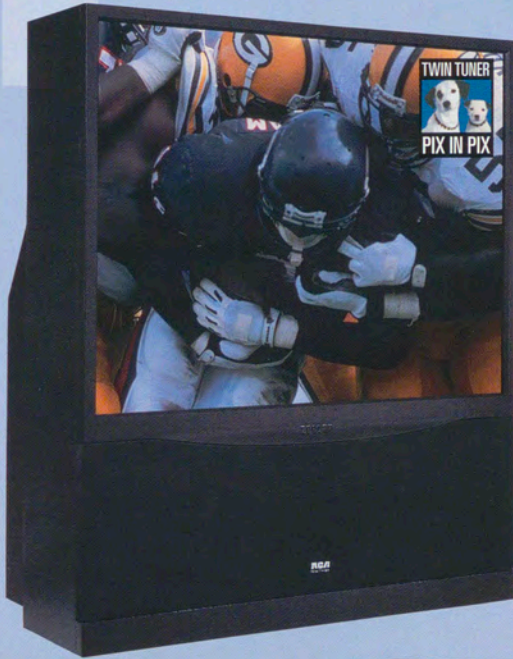
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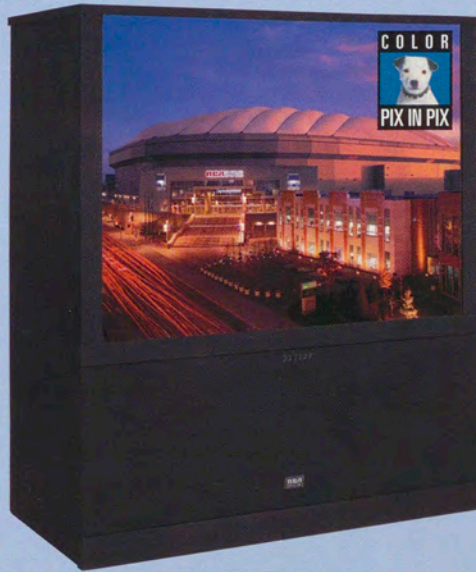
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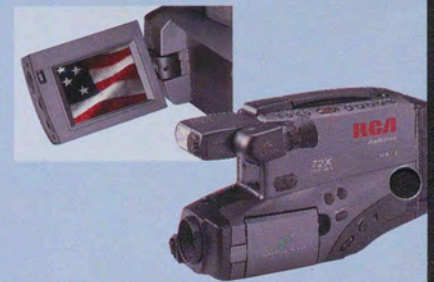
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13" diagonal TV/VCR Combination



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5-Disc CD Changer

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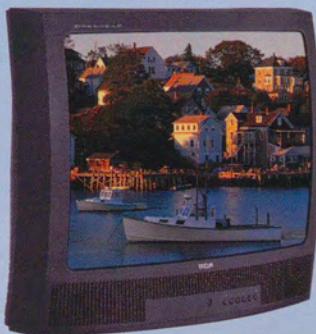
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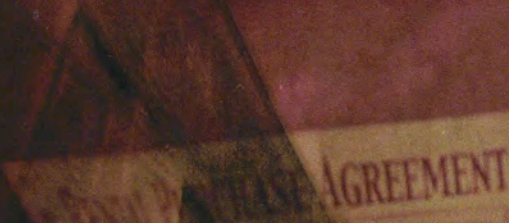
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KODAK T400CN

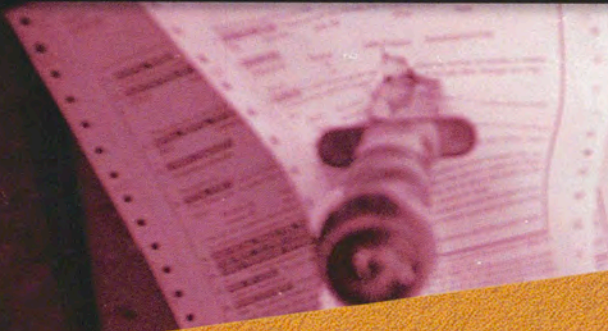
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▶ 10



LANCE SCHPNER



▶ 9

WORKPLAC



HE WAS A BIG GUY. An ex-professional football player with a perfect, white smile and a heart as big as anyone I ever knew. He was a conscientious husband and father who was driven to succeed and be recognized by his peers as an achiever. His football career was cut short by injury and probably, as he confided to me, a lack of the kind of skill required to succeed in the NFL. By the time he showed up in my management training class, he had achieved a noticeable measure of success as a rising star in the company's management ranks. But, he made a huge, expensive mistake.

Every rental store manager knows that Saturday morning, if you can get there early enough, is the best time to "catch" some of those non-paying customers who have been dodging every collection attempt. This scenario occurs every Saturday morning in virtually every city, town and hamlet in America as rental store managers send out the troops to bring in the money or the merchandise. They're successful in most cases because that particular type of customer has learned to wait for the store representative to knock on his door on Saturday morning and collect the payment to renew the rental agreement. He is only too happy to have this doorstep collection service, which most often costs nothing and does not penalize him for failing to honor the signed agreement.

But there is another type of customer. This customer understands the protection of the law better than many people who are paid to collect those payments. This type of customer is looking for the company and its representatives to make a mistake they can use to their own benefit. This type of customer knows human nature dictates a certain posturing attitude when one's pride is at stake.

E VIOLENCE



Is it a real threat?

BY KENT SUTHERLAND



On this particular Saturday morning, George (as we will call our above-mentioned manager trainee) was just going about his regular routine. Mechanically going from one door to the next collecting those over-due payments from mostly cooperative customers was something he had done many times before. On this Saturday morning, however, he was about to encounter the type of customer who knew how to push the wrong buttons, or the right buttons, depending on your perspective.

George approached the apartment residence and noticed two men and a woman standing casually at the door. They were talking and laughing and spoke to him in a friendly enough manner as he approached. When he asked for the customer whose name appeared on his past due printout, one of the men extended his hand as if to greet George. When George stated his business the man quietly informed him that he didn't have the required sum of cash and stepped back from the door in a gesture that suggested that George enter the residence to recover the rented stereo.

As George stepped through the door and went to the stereo to begin disconnecting the components, another woman came running and screaming from a back bedroom, shouting at him to get out of her home. He began to try to explain the situation, but by then the other three had joined

were discussing this, the police arrived and asked for George. He was handcuffed and taken to jail, charged with unlawful entry of a private residence.

Here is a case of someone just doing the job he was paid to do, but who also reached a level of personal pride that ignored the law, company policy and just plain good sense. He lost, big. Although the legal case eventually went nowhere, George was never the same. He became defensive, even combative with difficult customers. Eventually he transitioned out of the company after being transferred to two other stores and never achieving the star status he had shown earlier.

His story is familiar to anyone who has worked in a rental-purchase store for any length of time. Eventually you encounter that type of customer who thrives on intimidation.

The rental-purchase program of service assumes the customers' willingness to either renew the rental agreement by making the required payment or agreeing to return the rented product to the company. But every customer has at least 13 clear options when the agreement expires. About half of those options defy all state laws and moral obligations because they are based on the customer's refusal to honor the signed rental agreement and one way or another keep the rented product without making further payments. Every rental store has a small number of these accounts, which are eventually charged off. These accounts represent the highest risk because this type of customer is usually highly skilled at the fine art of deception. They also represent the highest risk to rental store employees who are paid to collect those accounts or

THE POTENTIAL FOR VIOLENCE OR AT LEAST THE THREAT OF VIOLENCE IS VERY REAL. THERE ARE RENTAL STORE EMPLOYEES WHO HAVE BEEN VERBALLY THREATENED, PUSHED, KICKED, BEATEN, KIDNAPPED, ROBBED AND SHOT.

the verbal attack.

The man he had first spoken to threatened George with bodily harm if he didn't leave immediately. But, being a conscientious company man, George knew from his short experience that they would probably never see that stereo again. So he ignored all of them and continued the disconnection process.

By this time the shouting had drawn a small crowd at the front door and George, sensing that things were getting out of hand, began to take a defensive posture. He informed all of them that he was skilled at self-defense and, if necessary, he was prepared to take the stereo by force. The verbal exchange was cut short by the terrified cries of a young child and the appearance of a baseball bat in the hands of the man who had originally given the impression of being the named customer.

When George arrived back at the store, he was still feeling the adrenaline rush and discussed the possibility with the store manager of taking two or three other guys back out to the residence to recover the stereo. While they

recover the product.

The potential for violence or at least the threat of violence is very real. There are rental store employees who have been verbally threatened, pushed, kicked, beaten, kidnapped, robbed and shot. Although these confrontations rarely end up with critically injured employees, every such incident had that potential and some of them maybe even had that intention.

VIOLENCE IN THE AMERICAN WORKPLACE

According to the Workplace Violence Research Institute, homicide is now the No. 1 cause of work-related death for women and No. 2 for men. It also represents the No. 1 security threat to all corporations in the United States. In 1997, violence directly affected approximately 600,000 employees, costing them about 1.8 million work days and nearly \$60 million in lost wages. Also in 1997, employees

killed 166 bosses and coworkers. The primary targets of workplace violence are supervisors and domestic partners. Termination related homicides occur from 5 minutes to 3 years after the termination. The average age of employee aggressors is 38 years. In 37 percent of violent incidents, the assailant immediately committed suicide. More than 75 percent of violent incidents were preceded by warning signs that were ignored. The total cost of workplace violence for 1997 has been estimated at about \$38 billion.

The Associated Press reported in August 1999 the findings of a new study entitled "The Experience of Anger at Work: Lessons from the Chronically Angry," that nearly one in four employees are "generally, at least somewhat angry at work." According to this study, the primary reason surveyed employees gave for their anger is, "the actions of supervisors or managers."

But there is an even more frightening prospect than an angry coworker or ex-employee. According to the latest figures available from the Department of Justice, of the 1,063 workplace homicides in 1993, 43 were committed by customers. Nearly half of the estimated 300,000 workplace violent incidents in 1997 were perpetrated by customers or those posing as customers.

IS VIOLENCE A THREAT TO RENTAL STORE EMPLOYEES?

The obvious answer is "yes." But what is being done throughout the industry to address this threat? While rental dealers are concerned for their employees' safety and health and probably caution them about certain hazards periodically, more than a casual, occasional cautionary warning is required by federal law and moral obligation.

In a July 1996 bulletin, NIOSH (National Institute for Occupational Safety and Health), an OSHA agency, gave the following risk factors for workplace violence:

- ▷ Contact with the public
- ▷ Exchange of money
- ▷ Delivery of passengers, goods or services
- ▷ Having a mobile workplace
- ▷ Working with unstable or volatile persons
- ▷ Working alone or in small numbers
- ▷ Working late at night or during early morning hours
- ▷ Working in high-crime areas
- ▷ Guarding valuable property or possessions
- ▷ Working in community-based settings.

That list of prime risk factors doesn't just fit police officers, taxi drivers, security guards and convenience store clerks—it is a perfect description of nearly every

SUGGESTIONS FOR MINIMIZING CASH FIELD COLLECTIONS

Collect all delivery fees and payments in the store upon the customers' submission of the rental order rather than upon delivery.

If the order is taken over the phone, inform the customer of the exact, full payment amount that will need to be made by either check or money order due to the company's policy of prohibiting delivery personnel from carrying cash in the field.

When the delivery person arrives at the residence, if the customer has only cash to make the payment, train employees to reiterate the company's policy and inform the customer they will accept the cash this one time only.

Doorstep collection of

expired accounts should always be handled without any cash changing hands. The customer signed an agreement to bring the renewal payments to the store. The primary reason nearly half of them don't honor that agreement is they are allowed to do so without penalty. All field collection employees should be re-trained to inform the customer by phone they are making a courtesy call. The customer should be asked, "What time today do you expect to bring your renewal payment (with all appropriate fees) to the store?" If the customer still doesn't honor the agreement they signed, return your merchandise to the store. In the long run, collecting all those

accounts may cost you more than they will pay you.

Train your account management employees to get better at telephone collection techniques. The better job they do on the phone, the less they will have to do in the field. Observe their technique and identify the words and actions that may be reinforcing the customers' paying habits.

Of course, having two people working together for all delivery, pick-up and collection calls is always the best option. However, two people may not deter two or more robbers. The lure of easy cash or merchandise that can be turned into easy cash will be weighed against the risk.

rental-purchase store in America. If you are a rental dealer or manager, take a moment to consider the following:

- ▷ Who takes your daily receipts to the bank?
- ▷ Is there a clear, written process for handling money and assets?
- ▷ How many robberies, attempted robberies or other threats of violence has your company experienced in recent memory?
- ▷ Are you sure every potentially violent occurrence is properly reported?
- ▷ How could those situations have been prevented?
- ▷ What are your greatest security weaknesses?
- ▷ Do you have a written, no-tolerance policy regarding violence in your workplace?
- ▷ What has been done to train every employee to recognize and prevent violent confrontations or respond to them?

ger they face.

Train all employees to be alert in the store and in the field for people or situations that don't look or feel right. Anything that appears to be out of place or gives you a bad feeling should probably be viewed with caution.

Plan better to ensure more than one person is present in the store as much as possible. Leaving a male or female employee alone in your store in either daytime or night hours is probably an unnecessary risk.

As much as possible, eliminate the need to collect money in the field.

Find a way to have two employees involved in all field activities.

Make multiple bank deposits during the day when your cash drawer reaches a pre-determined cash level. Eliminate the practice of keeping excessive amounts of cash in the store.

All bank deposits should be made by management. Train those managers to be

SINCE EVERY RENTAL-PURCHASE STORE IS PERFECTLY DESCRIBED IN NIOSH'S LIST OF PRIME RISK FACTORS, MAYBE EACH RENTAL DEALER AND RENTAL STORE MANAGER SHOULD TAKE A NEW LOOK AT THE POTENTIAL DANGER THEY FACE.

- ▷ Does your operations program allow or instruct employees to walk away from threatening situations?

CREATING A SAFER WORKPLACE

Since every rental-purchase store is perfectly described in NIOSH's list of prime risk factors, maybe the industry as a whole and each rental dealer and rental store manager in particular, should take a new look at the potential dan-

especially

observant when counting the receipts in the store, leaving the store to go to the bank and when arriving at the bank. They should not routinely make bank deposits at the same time every day or night. You never know who might be watching.

Maintain all outside and inside lighting in peak operating condition. A brightly lit exterior and interior has been found to be a powerful deterrent.

Teach all employees never to try to be a hero, but comply with whatever demands a robber makes.

Immediately report any suspicious or threatening activity to the police.

Create and distribute a no tolerance weapons policy for all employees (see sample).

Train every store manager in the art of people management and conducting performance counseling and even how to properly terminate an employee.

Train every employee to:

- ▷ Always walk away from any escalating confrontation, immediately.
- ▷ Be prepared for anything when knocking on a stranger's door.
- ▷ Never respond in anger on the phone or in person, especially when they are on the customers' home turf.
- ▷ Never attempt to intimidate a customer just to get a payment or TV.
- ▷ Leave the premises immediately if the customer so orders or requests. ■

SUGGESTED TOLERANCE WEAPONS AND VIOLENCE POLICY

Under no circumstances will the company permit or condone any acts or threats of violence toward a customer, a coworker or a visitor in any company location. Possession or use of guns or other weapons such as clubs and knives other than small pocketknives, is prohibited at all times in all company vehicles and premises. Even

where state law permits carrying a concealed weapon, this policy will take precedence in prohibiting the possession and use of any type of weapons on company time and property, including parking lots, at all times. Violation of this policy can result in disciplinary action including immediate termination of employment.

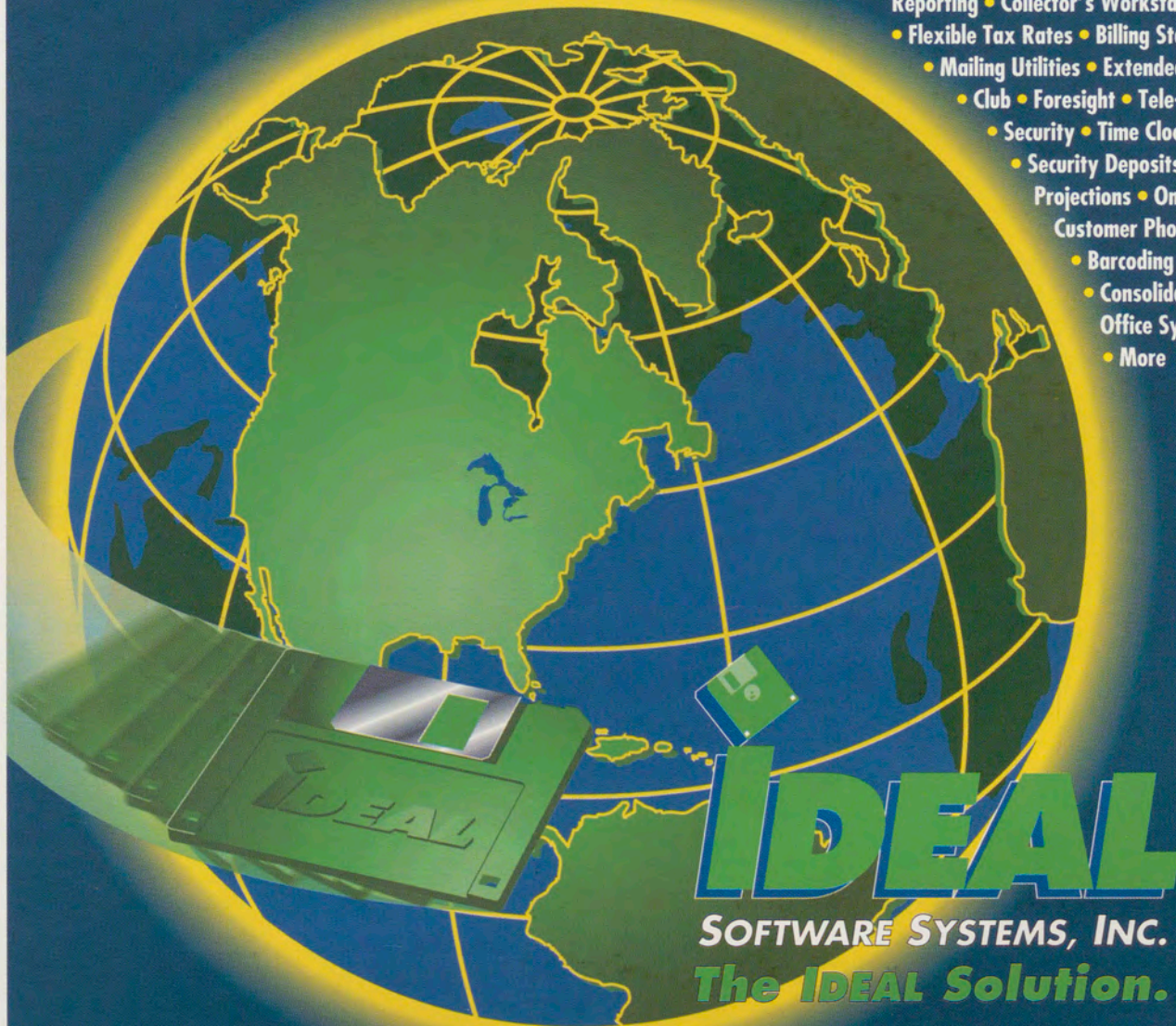
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NON-COMPETITIVE AGREEMENTS

the good

the bad

and the

the ugly

BY ED WINN III



As the labor market tightens and competition among rental stores increases, there is a growing trend among rental dealers to require written non-competition agreements as a condition of employment. The prevalence of these agreements can increase the friction between employer and employee, between competing rental companies and, additionally, raises a number of legal issues for all concerned. Who should sign them? What happens if an employee refuses to sign an agreement? Are they enforceable? How does an employer enforce them? How can a rental dealer determine if an applicant has signed one with another company? These are just a few of the questions that non-competition agreements raise.

ENTS



Non-competition agreements are found most often in more comprehensive contracts of employment, but may occasionally be stand-alone documents. Here is how a typical non-competition clause might read:

“While the Employee is employed by the Company, Employee agrees that he will not engage in any activities that compete with the business of the Company, directly or indirectly. Employee further agrees that for a period of _____ months after the termination of this agreement, with or without cause, he shall not be employed in a management position or own an interest greater than 5 percent in any company or other entity or own or operate a sole proprietorship which engages in the rental of household goods similar to those being rented by Employer at the present time. This covenant not to compete shall be limited to a geographic area equal to a radius of _____ miles from the location where the Employee is working or has worked [from any present location in which Employer presently owns or operates a rental store].”

In addition to this language, there are other contractual provisions that employers use to seek to control post-employment behavior, which are all loosely referred to as non-competes. Nondisclosure agreements prevent an employee from disclosing an employer's confidential information, which would include customer lists, to anyone outside the company. As a practical matter, there are state and federal statutes that protect a company's confidential information and there are criminal statutes prohibiting the theft

of trade secrets, which, in most states, would include customer lists.

There are also non-solicitation agreements that prohibit former employees from contacting existing customers to try to lure them to start doing business with a new company. There are also non-raiding agreements which prevent employees from trying to hire former co-workers to come to work for the new company. An employer might ask a new employee to sign some or all of these agreements as a condition of employment.

WILL THE LAW UPHOLD YOUR NON-COMPETE AGREEMENT?

There can be legal consideration issues if an employer requests existing employees to sign a non-competes agreement. The employee can argue that he did not get anything in exchange for agreeing

to the non-competes and contract law provides that consideration must flow both ways for a contract to be enforceable. The employer can argue that the employee is getting continued employment in exchange for signing the non-competes, although in some states, refusing to sign a non-competes may not be grounds for termination. It is safer for employers to have employees sign

non-competes agreements when they begin work, when they get a raise, promotion or some other new employment benefit which can then be exchanged for the non-competes.

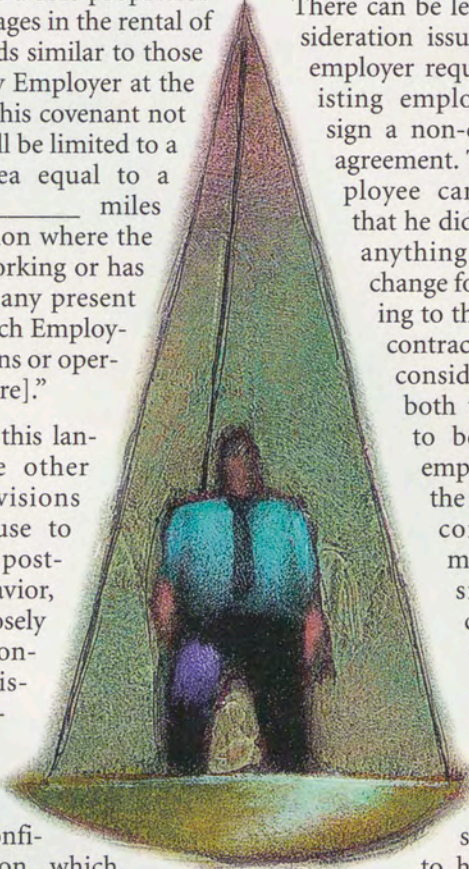
Rental dealers want employees to

sign non-competition agreements to keep them from running off to the competition one day with the company's secrets and know-how. For mid- and upper-management employees, such information might include marketing strategies, proposed new store locations, new product lines and other sensitive information that give the company its competitive edge.

In a rental store, there is real value in the relationships built between store employees and the customer base over time; more so, perhaps, than in most other businesses. Most retail stores remain product oriented. The rental business has always been much more relationship oriented; the employer wants those relationships protected.

At the store level, it is knowledge of the customer base that a dealer wants to protect. It is only through a store manager's employment in a rental store that the employee learns who the customers are, where they live, how they pay, who the bad customers have been and the habits, generally, of the customer base. In the rental business, that is valuable information. From an employer's point of view, an employee should never be able to take information learned on the job to a competing company and use it against the company where this information was obtained.

The employer's interest is in protecting the business and making it as competitive and valuable as possible. In the rental industry, a long-standing store manager could go across the street and a certain number of customers loyal to that manager would follow, assuming products and rental rates were competitive at the new



store. In a rental store, there is real value in the relationships built between store employees and the customer base over time, more so, perhaps, than in most other businesses. If Best Buy loses a salesman to a Sears across the street, it is relatively less important to the value of the enterprise than if it happens in the rental industry. Most retail stores remain product oriented. The rental business has always been much more relationship oriented; the employer wants those relationships protected.

THE FREEDOM TO ASSOCIATE FREELY

From the employee's point of view, it would be unfair to require him to change careers every time he changes jobs, which would be the case if non-competes were absolutely enforceable. At the same time, the employee has an interest in being able to pursue freely his employment opportunities wherever and whenever they might arise. The constitution protects an individual's right to associate freely and, more vaguely, to pursue happiness, which most people would agree includes working at the most fulfilling, best paying job available. Society has an interest in fostering competition that brings the greatest good to the most people at the lowest prices. Competition is fostered when ideas and people as well as goods and services can be exchanged with as few restrictions as possible.

WHAT'S ENFORCEABLE AND WHAT'S NOT

The law must grapple with these competing interests when confronted with non-competes. The law in this country, which has been developed to favor competition, generally has been crafted so that non-compete agreements are only enforceable as long as they involve "reasonable" restrictions on an employee's ability to go to work for another company. What is reasonable depends, unsurprisingly, on the circumstances of the employment. There is a difference in the law, for example,

between non-compete agreements entered into by the seller of a business and made a part of the sales transaction and those entered into between an employer and an employee. The former are more enforceable since sellers and buyers have a more equal bargaining position than employers and employees and, finally, employees must be able to make a living in their chosen line of work.

In some jurisdictions, employee non-competition agreements are likely not enforceable at all, regardless of consideration issues on public policy grounds. Courts and sometimes legislatures in these states have determined that the interests in personal freedom and free market goals outweigh an employer's interests in preserving the value of the enterprise by restricting what employees can do after they leave the company. In other jurisdictions, employee non-competition agreements are enforceable as long as they are "reasonable" in terms of the geographic limits and time restrictions placed on the employee. Rental dealers seeking enforceable non-competes need to be careful in considering what is reasonable to protect the business. If they reach too far, courts may declare the non-compete to be unenforceable. Other courts may be willing to restructure an unreasonable agreement to make it reasonable by rewriting the geographic scope or the time limits. State law primarily controls non-compete agreements, but results may vary within a state depending on the district where the action is brought and the views of individual judges.

A recent article in *Workforce* magazine (www.workforce.com) declared employee non-competes unenforceable in California, Montana, North Dakota and Oklahoma and suspect in Connecticut, Minnesota and Illinois.

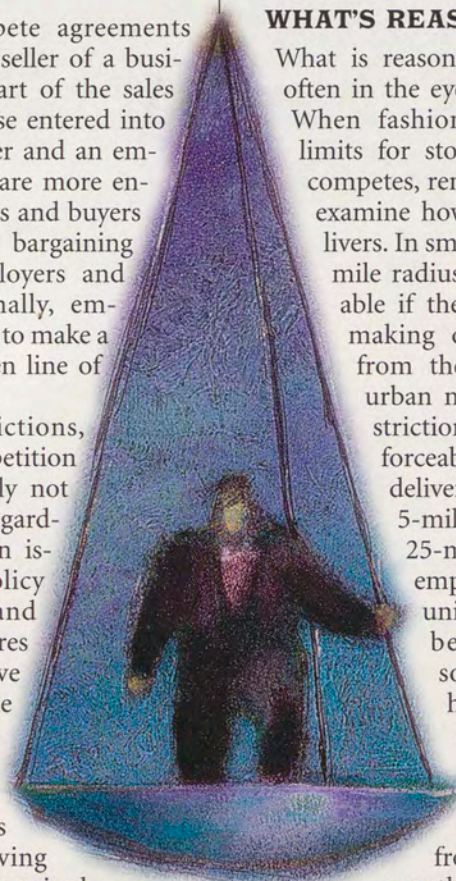
WHAT'S REASONABLE?

What is reasonable, of course, is often in the eyes of the beholder. When fashioning geographical limits for store employee non-competes, rental dealers need to examine how far the store delivers. In smaller markets, a 25-mile radius might be reasonable if the store is regularly making deliveries that far from the store. In major urban markets, such a restriction may not be enforceable if there are no deliveries beyond a 3- or 5-mile radius. A blanket 25-mile restriction for employees in a multi-unit rental chain has been enforced in some markets and held to be unreasonable in other markets.

Restrictions on time may vary from a little as six months to as much as three to five years. The longer the time, the greater the risk that a court will rule the restriction unreasonable as "too long." A court will look at such factors as age of the store, tenure of the employee with the company and in the store, how long the store has been open and how long customers have been on the books in the store. Six months may be all that an employer can enforce against an employee of a new store. Given the turnover in rental stores, both of employees and customers alike, it is hard to imagine a court enforcing a non-compete beyond 18 to 24 months.

ENFORCING A NON-COMPETE AGREEMENT

A rental dealer seeking to enforce a non-compete against a former employee will typically seek an injunction—a direct court order for the employee to comply with a court order or risk being held in contempt of court. An employer might also seek money damages if the breach has been



going on for a while and the employer can prove some quantifiable losses. The dealer may also sue the new employer for interfering with contractual relations and conspiracy.

One way to reduce litigation is for rental dealers to ask all potential new hires if they have signed or are subject to any non-compete, non-solicitation or non-raiding agreements with another rental company. Dealers can ask these questions as part of the employment application process. Such questions will at least get the issue on the table and the hiring company will have a chance to determine whether the non-compete in question is reasonable. Then, the hiring company can ask for a waiver, pay some form of consideration for a release or move the new employee outside the territorial restriction area for a period of time.

There are still a number of rental companies that do not use non-compete agreements at all. They are aware

of the uncertain enforceability of such agreements and the time and expense associated with such enforcement actions. They have concluded that employees will work for companies where they are respected, valued, treated fairly and are well compensated. Some owners have determined that they do not want to deter their employees from being able to improve themselves by taking any job the employee thinks is a better one.

Whatever a given company's philosophy about non-competes, they are a fact of life in the rental marketplace today. Good employees have always been hard to find and keep. Employees should not be surprised to have the issue arise when interviewing with a new company. They should review the provisions carefully and measure whether the employer's non-compete

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demands are reasonable and are something that the employee can live with. If not, the time to negotiate the particulars is when being courted for a job, not when the matter has landed in court for enforcement. ■

*Ed Winn is APRO's general counsel.
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YESTERDAY

ED WINN III TAKES A LOOK AT THE RENTAL-PURCHASE INDUSTRY—PAST, PRESENT AND FUTURE

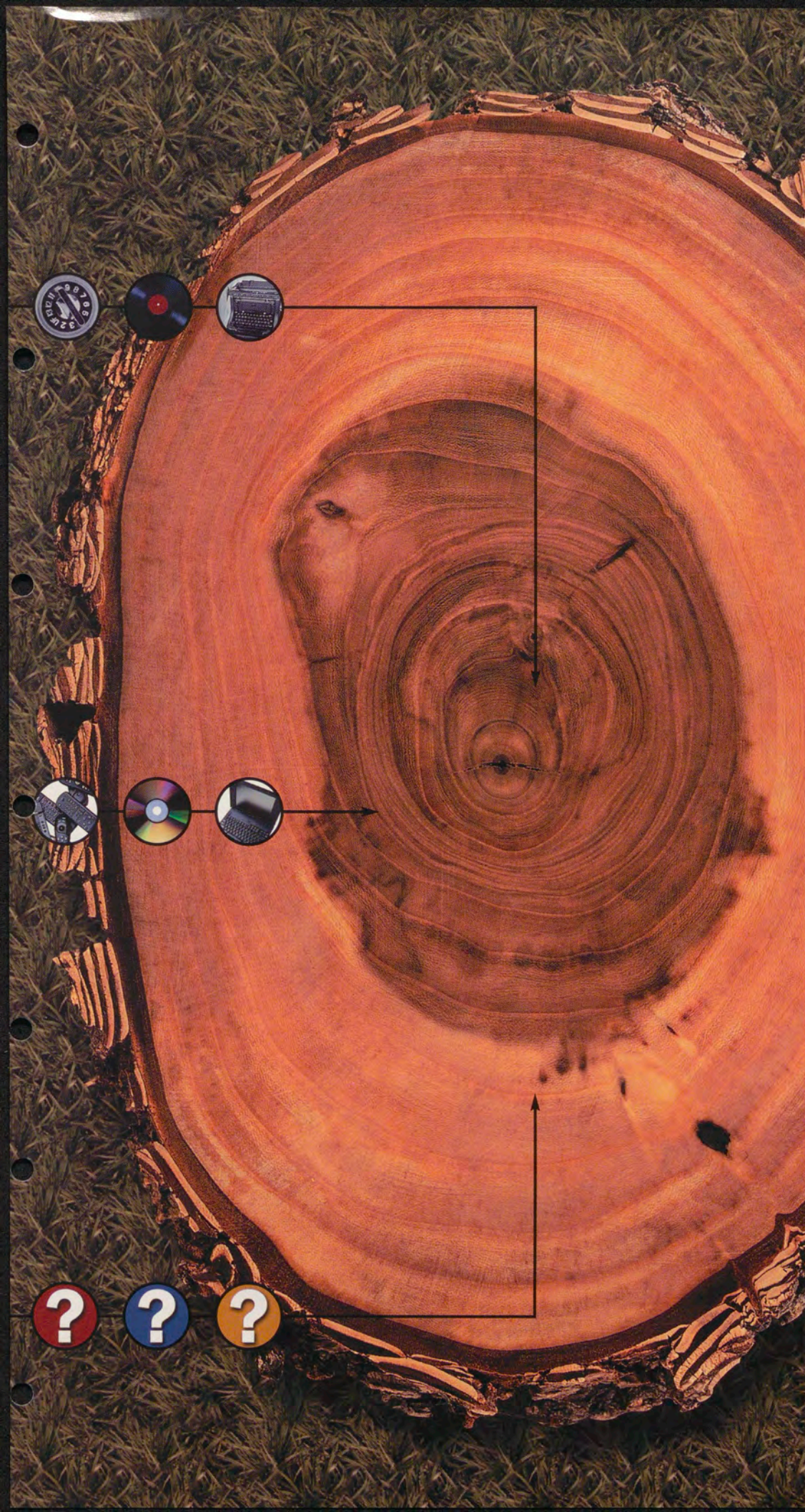
2000

TODAY

WHAT HAS CHANGED IN THE PAST 20 YEARS? AND WHAT CAN WE EXPECT 20 YEARS FROM NOW?

2020

& TOMORROW



There is an old French aphorism which, loosely translated, reads, "The more things change, the more things stay the same." At the millennium, it is worth a look back and a look forward to see what has changed and what might change in the future for the rental industry. Going back 20 years, there was no trade association and there were only a handful of rental dealers across the country. When the trade association was born in 1981, the industry giant was Remco with 50 stores. There were no laws relating to the business and it was rare for rental dealers to disclose either the cash price of the property or the total rental-purchase price to customers in the agreements. Legal aid lawyers sued rental companies occasionally, usually when a customer was provoked. Suits were filed in federal court alleging violations of Truth-In-Lending. The industry won these early cases or it might not have grown like it did.

Curtis Mathes was one of the major TV brands, popular in rental stores, and billed itself as “the most expensive TV in America and darn well worth it.” The company hyped its 25-inch console, which was the largest TV available at the time. TVs were the mainstay of the rental business. In some stores, it was the only product. There were no remote controls. VCRs had not been invented yet. Furniture was being rented, but mainly to apartment complexes and not through rental-purchase stores.

Showrooms were tiny by today's standards, maybe 1,000 to 1,500 square feet. Early stores carried TVs and stereos. Progressive stores might have had a few white goods. The standard rental term was 18 months and the average monthly yield per unit was \$60. There was no leased property insurance and no damage waivers. The common wisdom was that if such add-ons were offered, soon a dealer would have no inventory left. There were maybe 400 stores in the entire country, each with an average BOR of 500 units. Rental dealers occasionally swapped stores in those days for four to six times monthly revenues. The weekly/monthly mix was probably more weekly in those days.

There were no personal computers in 1980. Remco had a creaky mainframe in its home office with big spools of tape. Otherwise, there were no computers in any rental stores or home offices. Rental dealers counted payment history cards by hand every Saturday night.

A few visionary dealers saw the industry's potential even then. Tom Devlin rolled up 300 rental-purchase stores as quickly as he could and went public in 1983. By 1986, Bud Gates was telling people that he intended to be the head of a \$1-billion company. It is easy today to wonder who would ever have thought in those early days that a single rental-purchase company would have more than 2,000 stores in the year 2000, but there were some ambitious rental dealers with dreams of empire 20 years ago. Even with these dreamers, it is probably fair to say that few 1980 rental dealers thought that they would still be renting TVs in the year 2000. And only a handful of those 1980 dealers are still at it.

Business as usual?

What can we expect 20 years from now? Will there still be a viable, healthy rental-purchase industry? The certain prediction is yes. Whatever the economic circumstances of the country over the next 20 years, there are still going to be consumers going through abrupt and unexpected life changes, consumers with short-term needs, consumers who want the flexibility and choices that rental-purchase offers and consumers without credit.

This conclusion assumes that traditional retailing will still be around in 20 years and will not have been totally supplanted by e-commerce. In support of this assumption, social commentators have noted lately that shopping in malls and other brick-and-mortar stores, in addition to being a quest for goods and services, is also an important social occasion. People, especially young people, go shopping to see and to be seen. The predication is that even if e-commerce

becomes the most efficient means of acquiring goods, consumers will still go out and shop for the social aspects of the undertaking. If that is the case, then rental stores can play an even larger role in American commerce, since the traditional weekly visit to the rental store is often as warm and friendly a social experience as rental customers have anywhere except maybe at church or at the backyard barbecue. Rental dealers can watch this trend and profit from it by continually ensuring that customers' experiences in the store satisfy the socializing aspects of shopping as completely as possible.

The future is in electronics

What will the products be? In an age of technological explosion, conjecture about the products of the future may be the most difficult. Furniture probably won't change much. It hasn't changed all that much over the past 20 years. The prediction is that people will still be sitting on sofas, sleeping in beds and eating at dinettes 20 years hence. Electronics is another matter altogether, however. In 1980, wholesale volume of consumer electronics in the United States was just under \$11 billion. In 1998, the figure was more than \$75 billion. Remember that in 1980 there were no VCRs, no DVDs, no MP3s, no cellular phones and no personal computers. Today there are TVs that are 3 inches thick that hang on the wall. They are certain to get flatter still and bigger and rental customers are going to want them, just like everybody else.

Watch for the notion of “cocooning” to expand. American consumers are increasingly finding their entertainment at home. Few people today can afford hundred thousand dollar top-of-the-line home theater systems, but already in 1998, 20 percent of American households owned a home theater system with an average retail cost of \$3,000. Watch for the whole concept of home entertainment to expand with the continued evolution of existing machines and the inventions of new machines to bring all aspects of entertainment and information into consumers' homes. TVs and VCRs and DVDs and stereos and computers will all get joined together, somehow, and without wires.

Watch for the advent of Internet appliances, which the Consumer Electronics Manufacturers Association estimates will be how 50 percent of Americans connect to the Internet as early as 2002. It will not be too long before Internet access is as ubiquitous as the telephone is today; it will soon be available literally to everyone on Earth. Watch for personal devices, so small and versatile that people carry them all the time to stay in constant contact with all that is going on in the world. Some, perhaps many, consumers will want to rent them. Whatever technological developments occur for consumers, the rental industry will have the chance to package those products for their rental customers.

Some things never change

What will the rental purchase stores look like in 20 years? Will the superstore concept finally take hold of the rental industry or will e-commerce do away with the

need for real stores altogether? Will the industry consolidate itself into one mega-rental chain or will "mom-and-pop" operators retain their viability?

Rental stores from 20 years ago are still recognizable as rental stores. The windows may be cleaner today, the signage snappier, the interiors larger, the product mix wider, the displays more imaginative, but they are still rental stores. They all still have rental counters and back rooms. The prediction is that rental stores will still be recognizable in the year 2020. After all, Ernie Talley left

the business for nearly 30 years and came back and picked it up again fairly well and fairly quickly the second time around. He had to rent and collect in the '60s. He is renting and collecting in the '90s; whoever it is that is in the business in 2020 will still have to rent and collect. They will still need rental counters and back rooms.

The need for technological expertise

The technological changes over the next 20 years will be exciting and challenging for the rental industry. Rental dealers will have to keep up, and the changes are occurring so fast that keeping up is not easy and will not get any easier. The industry will have to bring in some technical experts in addition to the good people-oriented employees that the industry hires today. It is going to take more than showing a customer how to click through the channels on a remote to explain and rent the products of tomorrow. Today, teenagers, the rental customers of tomorrow, want computer software that will download MP3 music from the Internet and then play it through their headphones.

The advent of personal computers and how the rental industry handled them over the past 20 years is a useful history to help project how the industry might handle vast technological change over the next 20 years.

The industry was quick to adopt computer technology for business purposes. Computer systems were developed early and at considerable expense to streamline record keeping at the store level and communications with the home office. Early computer systems were expensive and twitchy, but rental dealers embraced the technology and bought the early machines and software and upgraded them and generally were in the vanguard of small business computer development in the country.

Some systems in use today are sophisticated examples of what personal computers can do in and for a company, keeping and manipulating information about the enterprise and providing it quickly to those who can interpret it and

affect operations accordingly. Few, if any, rental companies attempt to run the business today without heavy dependence on computer systems.

If the use of personal computers by rental dealers as a business tool is a history of innovation, vision and courage, the story of the rental of personal computers by the industry to customers is less compelling. While there are stores and even companies today with 20 percent of BOR in computers, they are the exceptions, as the industry overall last year had less than 2 percent of BOR in computers.

Whole retail industries have sprung up to build, market, install and service personal computers while the rental industry has struggled to figure out how to rent them successfully.

One cannot ignore some lack of demand from traditional rental customers who have not yet placed personal computers on the list of must-have items for the house. But watch. Soon, and it will not take any-

where close to 20 years, everyone will be on the Internet. Rental dealers will have to figure out how to offer this service and the computer or other product that rents along with the service or lose the business to someone else—Internet stores, maybe, that will dot the malls like cellular telephone stores do today. Everybody that is on the Internet today is renting that service. The service companies are just entrepreneurial concerns. They are not regulated industries like the telephone company was for so many years.

Computers, and likely the new generation of Internet appliances, are such eminently rental items. They change rapidly compared to any other product. Owning products that quickly become obsolete is far less preferable to renting those kinds of products. If the entrepreneurial fire keeps burning in the industry, then rental dealers will capture their fair share or more of what is already a huge market and one that is going to get a lot bigger.

Predictions about the future are always chancy and predictors are often wrong. The entrepreneurial drive that has propelled this industry for the past 20 years is a real phenomenon, however, and it is fairly safe to predict that this industry will continue to attract people with this spirit and drive. If that prediction is correct, it is then safe to predict that whatever external changes occur and however rapidly the rental marketplace evolves, rental dealers will move right along with those changes. The business has always been a resilient one, adapting to meet the wants and needs of its customers. It would be hard not to predict that the industry of the future will continue to be as resilient and light on its feet as it has been to date. ■

Ed Winn is APRO's general counsel.

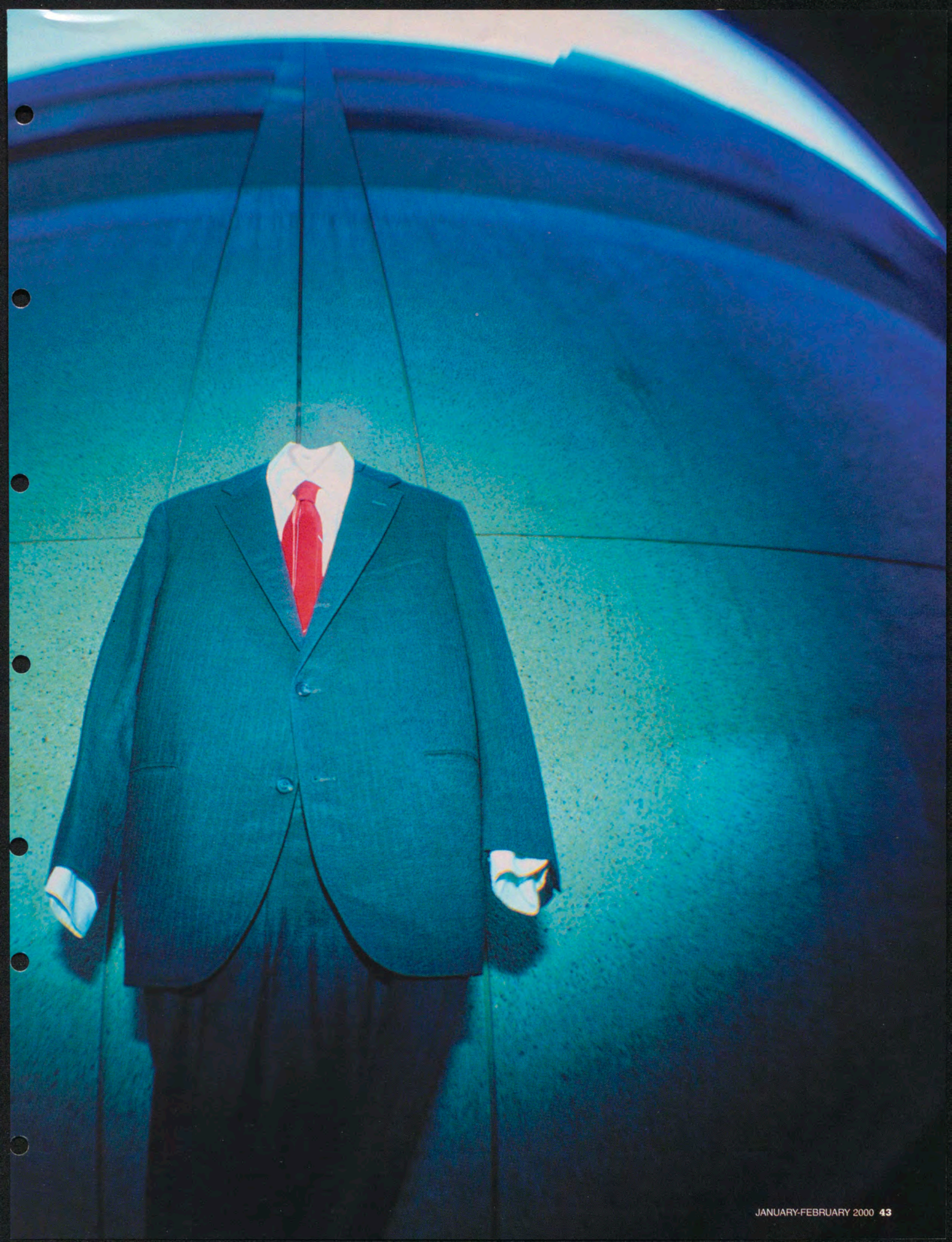
The industry will have to bring in some technical experts in addition to the good people-oriented employees that the industry hires today. It is going to take more than showing a customer how to click through the channels on a remote to explain and rent the products of tomorrow.

combating employee absenteeism

A PLAN THAT WORKS

BY RICHARD G. ENSMAN

DEPENDING ON HOW YOU MEASURE IT, EMPLOYEE ABSENCES COST NORTH AMERICAN BUSINESS FIRMS BETWEEN \$30 AND \$50 BILLION A YEAR. THAT DOESN'T EVEN INCLUDE THE INEFFICIENCY, AGGRAVATION AND CUSTOMER RELATIONS PROBLEMS THAT OCCUR AS THE RESULT OF REWORKED SCHEDULES OR LAST-MINUTE PINCH-HITTING.



ABSENCES DO OCCUR FOR LEGITIMATE REASONS, SUCH AS SERIOUS ILLNESS, DEATHS OR FAMILY EMERGENCIES. BUT THEY ALSO OCCUR BECAUSE OF MINOR ACHES AND PAINS, SLEEPLESS NIGHTS AND SUNNY DAYS, HANGOVERS AND THE MOMENTARY DESIRE TO BE SOMEPLACE OTHER THAN WORK.

As an employer, you can prevent many employee absences. The secret: motivate your people to be at work, on time and ready to go. Here's how:

- ▷ Establish a firm absence policy. Don't treat absence as a "benefit" or a "right." Your policy should hold out 100 percent attendance as the desired state of affairs.
- ▷ Follow up your policy with specific procedures. These procedures should outline the circumstances under which you'll allow an employee to be absent and the check-in steps employees should take to alert you to absences.
- ▷ Publicize your expectations. One hundred percent attendance should be promoted in your employee handbook and employee newsletter.
- ▷ Orient new employees. From the word go, set perfect attendance as the goal. Remind new hires that absence procedures must be followed in all cases and that failure to follow them is cause for disciplinary action.
- ▷ Pay attention to every absence. Some employers require employees to complete "claim forms" upon their return. Others informally talk over the absence. Large firms often refer absent employees to their in-house health service. The point is not to judge the validity of absences, but to impress upon employees that you're vitally interested in their attendance.
- ▷ Keep track. Maintain a simple information system which categorizes absences by employee, work unit and reason for absence. A review of the data every month or quarter will help you spot absence trends.

- ▷ Cost it out. Periodically, publish a chart detailing the documented costs of all employee absences. Employees with potentially serious attendance problems might receive customized charts detailing the economic consequences of their absences.
- ▷ Ask questions. If you've got an absentee problem, ask employees how they'd solve it.
- ▷ Encourage participation. Self-policing — in the form of attendance monitoring by peers and peer involvement in the rescheduling of absent employees' work — makes absent employees accountable to everyone. Alternatively, absent employees might be required to procure substitutes, switch shifts or ask other employees to assume their duties.



- ▷ Forget the physician notes. The "doctor's note" is still a popular requirement among employers, but much research suggests that it's ineffective in preventing absences. One exception: It's often a good idea to require seriously ill employees to receive permission from their physicians to return to work.

- ▷ Save the work. If you're running a busy workplace, absent employees might be encouraged to complete work that accumulated in their absence. This isn't a viable suggestion for every workplace, of course, but it can promote accountability when workloads are piling up.
- ▷ Watch the doldrums days. In many industries, absences skyrocket on Mondays and Fridays or just before or after vacation periods. You can bet that absence abuse is occurring here. While every absence deserves attention, "doldrums absences" deserve special attention.
- ▷ Fight absenteeism through performance appraisal. Set simple, but clear standards for attendance with your employees.
- ▷ Compensate unused sick days. If you provide sick leave, consider partially compensating employees for unused leave once a year—in the form of a cash bonus or extra vacation time.
- ▷ Abolish sick leave. If you're interested in a radical approach to absenteeism, simply give employees a fixed amount of general leave each year and require that sick days be credited against it. Whatever the balance, it can be used for vacation.
- ▷ Reward good attendance. Provide bonuses, "profit sharing," gifts or special holidays to recognize people with perfect or near-perfect attendance. Recognize them, too, on employee bulletin boards or in

employee publications. Another suggestion: Reward employees with sick leave allowances only after a period of perfect attendance.

- ▷ Make provisions for physician and dental appointments. These appointments often create full days of leave. By making provisions for time off in small chunks, employees can keep these appointments-which are often preventative in nature anyway-without guilt or worry.
- ▷ Consider flex-time. If your employees face excessive demands on their time outside of work, consider flex-scheduling. This creative form of scheduling allows employees to schedule absences around a flexible work week.
- ▷ Use progressive discipline. When you spot an absence abuser-someone who hasn't followed attendance procedures or who is clearly absent with valid excuse-take the first appropriate disciplinary measure, usually verbal reprimand. If it happens again, graduate to a measure of greater severity. Accept no excuses and make no excuses for the actions you take.
- ▷ Foster wellness. Poor eating habits, lack of exercise and stress are leading causes of short-term illness. Occasional wellness seminars and health-related bulletin board information keep good health habits in front of your employees.
- ▷ Hold supervisors accountable. If your firm is large enough to accommodate several layers of management, hold supervisors accountable for the attendance of employees. Research studies suggest that the quality of supervision frequently affects attendance levels.
- ▷ Promote job satisfaction. Last but not least, study after study tell us that as job satisfaction increases, employee absences decline. Creating job satisfaction is another topic in itself, but the wise manager will promote job commitment, information sharing and involvement each and every day. Once these qualities pervade the workplace, employees have a tough time staying away. ■

Richard G. Ensmen is a freelance writer.



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The following list of management and miscellaneous service providers cater to the rental-purchase industry. All are either APRO Associate Members (*), advertisers (+) in APRO publications or APRO convention exhibitors (^). In addition, there are APRO-endorsed member benefit program providers (~).

MANAGEMENT SERVICES

ACCOUNTING SERVICES

Grant Thornton LLP *

Contact: Jon A. Wolkenstein
1717 Main St., Ste. 500
Dallas, TX 75201
214/855-7300

Kirkpatrick, Sprecker & Co. LLP *

Contact: Jay Cooper
311 S. Hillside St.
Wichita, KS 67211-2130
316/685-1411

White & Co. *

Contact: Michael S. White
1020 N. Main St., Ste. B
Wichita, KS 67203-3617
316/265-4877

Whitsell & Co. PC *

Contact: Daniel Whitsell
1275 Road to Six Flags E.
Arlington, TX 76011-5034
817/858-9830

ADVERTISING/PROMOTIONAL

Bagwell Agency **

Contact: John Bagwell
8131 LBJ Fwy., Ste. 370
Dallas, TX 75251
972/234-6223 ext. 2526

Bonnie The Flyer Specialist/ America On Hold **

Contact: Bonnie Nitzsche
10110 Cincinnati-Columbus Rd.
Cincinnati, OH 45241
800/83-PRINT

Central File **

Contact: Dan Chaudoir
5277 W. Beaver Creek Pkwy.
Milwaukee, WI 53223-2303
800/749-6245

G&G Graphics and Promotions **

Contact: Gene Pharis
6850 Shiloh Rd. E., Ste. A
Alpharetta, GA 30004
678/947-3700

Imagery Marketing **+

Contact: Rick Linton
2215 Broadway
Mt. Vernon, IL 62864
618/242-8448

Thompson Wells Advertising Ltd. *

Contact: O.J. Johnson
1601 S. Federal, Ste. 107
Denver, CO 80219
303/922-5571

Total Package Marketing *

Contact: Ed Brandhorst
122 Kings Hwy., Ste. 501
Kings Highway Commerce Center
Maple Shade, NJ 08052
609/722-1500

FINANCIAL SERVICES

Bear, Sterns & Co. *

Contact: Eileen Lucas
245 Park Ave., 12th Fl.
New York, NY 10167
212/272-5951

Comerica Bank—Texas *

Contact: Ed Curtis
P.O. Box 650282, Mail Code 6595
Dallas, TX 75265-0282
214/890-5367

Dain Rauscher Wessels *

Contact: George Sutton
60 S. 6th St., Mail Stop 4652
Minneapolis, MN 55402
612/313-1307

Finova Capital Corp. *

Contact: Paul Whitley
16633 Dallas Pkwy., Ste. 700
Addison, TX 75001
972/764-1100

First Union Securities *

Contact: John A. Baugh
901 E. Byrd St.
Richmond, VA 23219-4069
804/782-3297

Stephens Inc. *

Contact: Jerry L. Robinson CPA
950 E. Paces Ferry Rd., Ste. 2850
Atlanta, GA 30326
404/240-1258

SunTrust Equitable Securities *

Contact: Ed Ciskowski
511 Union St.
800 Nashville City Center
Nashville, TN 37219-1743
615/780-9300

Tele-Cash Inc. *

Contact: Richard Mickman
401 City Ave., Ste. 209
Bala Cynwyd, PA 19004
610/667-5500

The Robinson-Humphrey Co. *

Contact: Dennis C. Van Zelfden
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Atlanta, GA 30326
404/266-6152

FRANCHISING AND STORE LICENSING

ColorTyme Inc. **+

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5700 Tennyson Pkwy., Ste. 180
Plano, TX 75024
972/608-5376

Premier Rental-Purchase *

Contact: Trooper Earle
213 McLaws Circle, Ste. 2
Williamsburg, VA 23185-5649
757/229-1400

Rent-America Inc. *

Contact: Larry Tinney
5408 Yadkin Rd.
Fayetteville, NC 28303-3199
910/864-5778

INSURANCE

Blue Ridge Burke Insurance **

Contact: B. Craig Sparks
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Winston Salem, NC 27102-0168
800/466-0488

Mass Marketing Insurance Consultants ~

Contact: Ed Sterzcek
14616 John Humphrey Dr.
Orland Park, IL 60462-2642
800/349-1039

RTO Systems Inc./

Walter Clark & Associates **~
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Porterville, CA 93257
209/781-3466

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Norman, OK 73072-3639
800/773-0811

Nationwide Club Administrators **~

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Coral Springs, FL 33065-5054
954/753-5849

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Malvern, PA 19355
610/647-5535 ext. 197

MEDIATION/ARBITRATION PROGRAM FOR APRO MEMBERS

National Association for Dispute Resolution Inc. ~

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Ft. Worth, TX 76147
800/685-0999

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Shoppers View **

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960 Scribner Ave. N.W.
Grand Rapids, MI 49504
616/356-2588

ON-HOLD MESSAGE PROVIDER

Sold on Hold **

Contact: Nathan Jones
12700 Park Central Dr., #1401
Dallas, TX 75251-1502
972/404-1000

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Inform Business Services **

Contact: Chet Pensak
1209 S. Ridgewood Ave.
Daytona Beach, FL 32114-6127
888/786-3676

RTO CONSULTING/TRAINING

RTO Consulting & Management **+

Contact: Lindsey Semon
P.O. Box 17188
Charlotte, NC 28227
704/844-9227

Triad Learning Systems Inc. *

Contact: Larry Randolph
P.O. Box 450392
Garland, TX 75045-0392
972/530-1260

RTO LEGAL SERVICES

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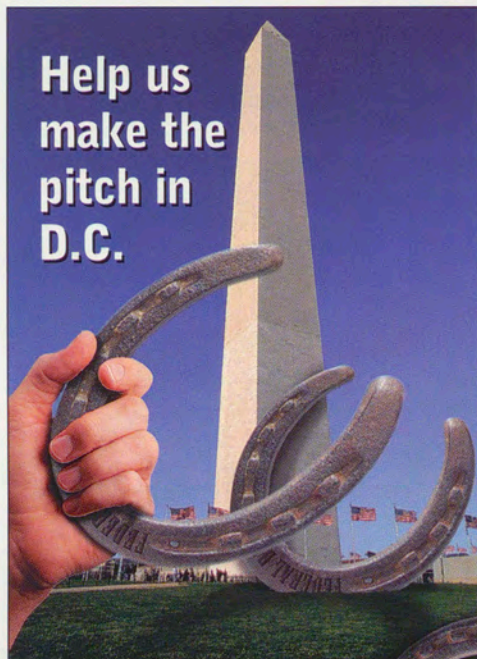
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What is your hottest rental item?

William Pagel

TRI COUNTY HOME CENTERS
PORT HURON, MI

I see the RTO industry returning to appliance and furniture rentals as its focus because it isn't flooded with no-margin products. There is no real margin on the retail end of electronic rentals, because of the dramatic technological changes taking place and the price drops. We've actually seen more of a decrease rather than an increase in new products. Computers have been about the only merchandise that is new and available to customers at a good price at this point.

James Patterson

CONTINENTAL RENTAL INC.
BAY CITY, MI

The most popular item we have had this year is computers. We didn't carry them until this year and they have taken off. Basic computers, printers and systems have been very popular; however, we still do very well with white goods. Electronics rentals have fallen off because everybody has what we have. Everyone has four TVs and two VCRs. Once HDTV takes off, we will start renting TVs again. Right now, TVs are built so they don't break and our customers don't have to replace them. Until new technology, like HDTV, becomes available at reasonable prices, electronics will be slow for us. You can go down to ABC Warehouse and buy a VCR for under a \$100, so basic video

equipment rentals will be slow, except for the high-end projection TVs in the \$3,500 price range and other pricier products.

Patrick Parker

UTICA RENTAL SYSTEMS INC.
DBA COLORTYME
MANDEVILLE, LA

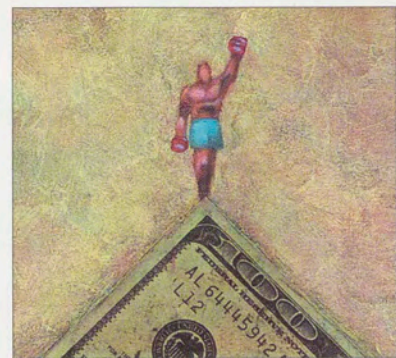
Computers have been very popular with us lately. We quit carrying computers until recently when we started carrying Compaq computers. We rent those fairly regularly. We will bring in six a week and get down to two and bring in another six, so they have been great for us. Also, the DVDs have done well. I imagine that in about a year or so, our VCR rentals will drop to almost nothing. Televisions have always been a large part of our electronic business until recently, but they will pick up in a couple of years with the growth of the interactive market. Once interactive televisions reach the market, we will see sales skyrocket. RTO stores are going to have a huge impact in the television multimedia market in the very, very near future.

Kale Zohler

WOODVILLE RENTAL CO.
OREGON, OH

Computers have done really well for us lately. We started with Packard Bell and then switched over to Compaq and are actually doing better than our normal margin with our computer line.

It's difficult to say what prod-



ucts are going to be the most popular, but digital products will probably do well, especially after the production increases and prices go down. Digital video cameras and high definition television will most likely do very well.

Paul Berube

X-PRESS RENTALS INC.
WEARE, NH

We introduced jewelry about three or four months ago. It seems to be doing much better than it used to do. I do an online jewelry program and the investment is very minimal. It costs \$1,500 to stock a store and we have someone here to size the customer on the spot and place the order online. Appliances will be fairly strong because of necessity and right now were running about 48 percent in furniture. Computers were our No. 1 product in 1999; we continue to rent out of our stock. DVDs have not done as well as we had hoped, but much of that is because we are located in a rural market and don't have the big video stores. However, I foresee DVDs being pretty hot in the near future. ■

Stephen Schenck is a student intern attending the University of Texas at Austin.

COMPILED BY
**STEPHEN
SCHENCK**

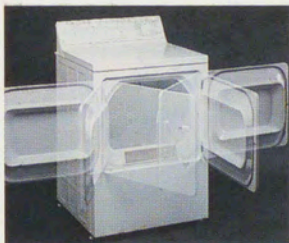
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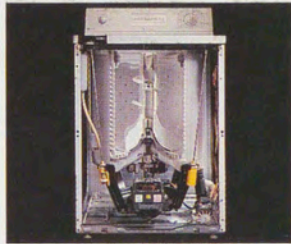
The GentlePower™ Agitator is two agitators in one—specifically designed to get clothes 33% cleaner.



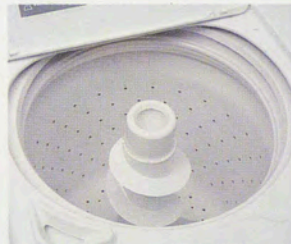
Reverse-A-Door dryers will adapt to either right or left-hand swing.



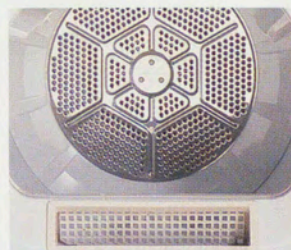
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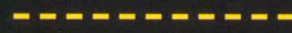
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