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SEPTEMBER-OCTOBER 2000



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September October



20 Digital comes of age

The new digital technology is now available to mainstream consumers, so it's only a matter of time before rental customers will be clamoring for the enhanced experience that digital offers, says Kathy Wolfe, president of Zenith Sales Co. With the variety of new, eye-catching products being offered by some of the industry's big electronics suppliers today, it's sure to put some fun back into renting technology.

30 Leadership

Leadership and management are not synonymous, says Showplace Lease-Purchase President Gary Ferriman. A licensed Franklin-Covey facilitator, Ferriman "clears the path to success" for rental dealers by exploring some of the highlights of two Franklin-Covey leadership courses. Learn how to strike some balance between both your management and leadership responsibilities.



34 Hindsight is 20/2000

A look back at APRO's 20th anniversary convention celebration in Nashville.

42 The costly dangers of age bias

Age discrimination lawsuits have always been a scary prospect for employers. With a host of court cases under the nation's legal belt, it's becoming clear that business owners are making a number of common mistakes that spark costly litigation for age bias. Writer Philip Perry offers some salient advice from attorneys in the field.

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**COVER ILLUSTRATION
BY LYNN BENNETT**

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news

BREAK

COMPILED BY
JULIE SHERRIER

APRO moves to new headquarters

The rental-purchase industry's national association will be settling into its new home in downtown Austin, TX, by the end of October. After years of leasing office space and

moving several times, APRO purchased a 3,500-square-foot office building that will now serve as its permanent headquarters.

"Leasing office space in Austin has almost become prohibitive and irresponsible," says

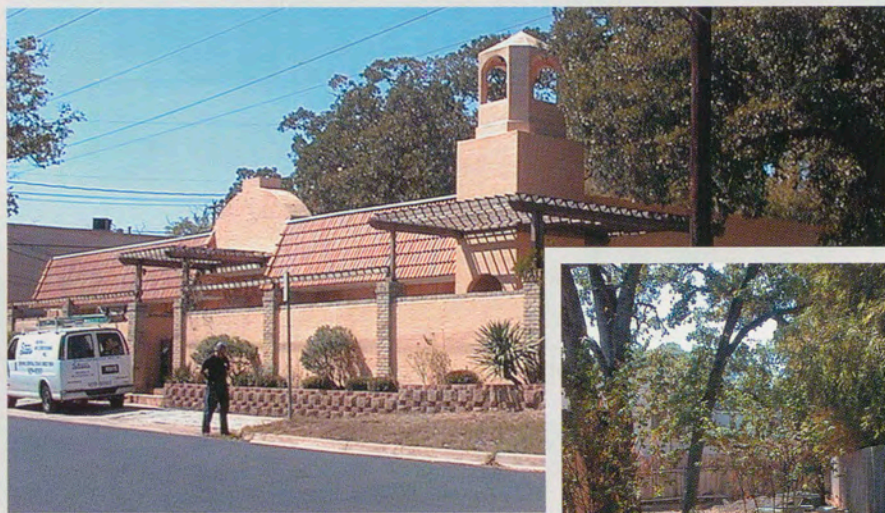
APRO Executive Director Bill Keese. Keese has spent the better part of this year looking for available office buildings to purchase.

"This purchase allows APRO to put some of its surplus revenue in a higher return investment vehicle because buildings in this area have been appreciating an average of 19 percent over the past three years. APRO will be shoring up equity and our office expenses will be reduced," says Keese.

The new address for APRO headquarters is 1504 Robin Hood Trail, Austin, TX, 78703. The phone numbers will remain the same: 800/204-2776 and 512/794-0095.

"APRO finally has a permanent home," says Keese. Construction on the one-story, Spanish-style building updated the interior to meet current regulations and the needs of the APRO staff and took a little over a month.

APRO would like to express its deepest gratitude to Al Zagorniak of Sears Contract Sales and Don Julson of Zenith Electronics Corp. for their companies' very generous donation of state-of-art appliances and electronics for the new building.



Above: 1504 Robin Hood Trail, located in a pleasant neighborhood near the heart of downtown Austin. Right: Behind the building, new landscaping offers greenery, shade, beauty and serenity.



Full-O-Pep expands to 33 stores

Full-O-Pep Appliances, based in Bloomington, IN, expanded its customer base with the

purchase of three Casey's rental-purchase stores earlier this year. The stores are based in larger markets than Full-O-Pep's traditional store markets, says General Manager David P. David.

The three stores are located in Evansville, IN, Henderson and Owensboro, KY. "We had to add another district to help with distribution of product and management," says David. Full-

O-Pep Appliances retained all the Casey's store's managers and personnel.

APRO elects new Vendor Advisory Committee

The APRO Vendor Advisory Committee, which assists in setting the direction of the Association's annual convention and trade show, and which provides an important link between vendors and dealers, nominated six new members to its 12-member board in Nashville, TN, during the 2000 convention. Half of the board comes up for re-election every two years. The current APRO Vendor Advisory Committee board members are Richard Anderson of The Fashion Craft Corp.; Dick Barrett of Benchcraft Inc.; John Blair of Jerry Bogo Co.; John Foster of Alliance Computing Technologies; Ken Gay of Philips/Magnavox; Mike Gerwe Jr. of RES Marketing Inc.; Karen Greenwald of Ther-A-Pedic International; Don Julson of Zenith; John Rogers of High Touch Inc.; Robert Saunders of Pilliod Furniture Inc.; Tim Shannon of Thomas Consumer Electronics/RCA; and Al Zagorniak of Sears Contract Sales.

Al Zagorniak is the vendor liaison serving on

RPDA raises \$120,000 for Children's Miracle Network

When it comes to raising awareness and funds for sick and/or disabled children, the Rental-Purchase Dealers Association in Indiana has demonstrated over the years that its members can be counted on to do just that. More than \$120,000 has been raised by RPDA members in the past several years for the Children's Miracle Network and next year's goal is to boost that benchmark by another \$25,000, says RPDA President and Full-O-Pep Appliances General Manager David P. David.

Children's Miracle Network, founded in 1983, is an international non-profit organization dedicated to helping children by raising funds and awareness for 170 children's hospitals throughout North America. Each year, these non-profit hospitals treat more than 14 million children afflicted with diseases, injuries and birth defects of every kind, regardless of the child's affliction or the family's ability to pay for treatment.

The hallmark of Children's Miracle Network is that 100 percent of every dollar

raised in a community stays there to help children served by participating hospitals in the local area. The funds raised by RPDA are earmarked for Riley Children's Hospital in Indianapolis, IN—the state's only comprehensive pediatric hospital and largest intensive care children's hospital in the country.

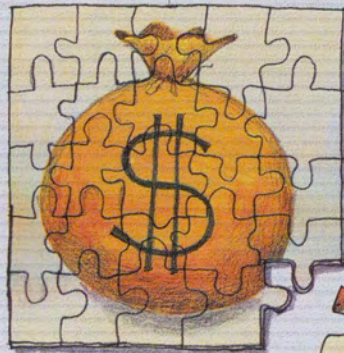
"Our fund-raising efforts are truly beneficial," says David. "It is a wonderful way to give back to the community as we see the children of our customers and employees go

there from time to time."

RPDA member stores raise funds in a variety of ways, from donating a percentage of rental income on electronics to installing the charity's gum machines in the stores. "Different stores have different programs," says David. "One store

donated \$1 for each delivery in a particular month. Another store had a Beanie Baby drawing."

To find out more about the Children's Miracle Network, visit www.cmn.org/.

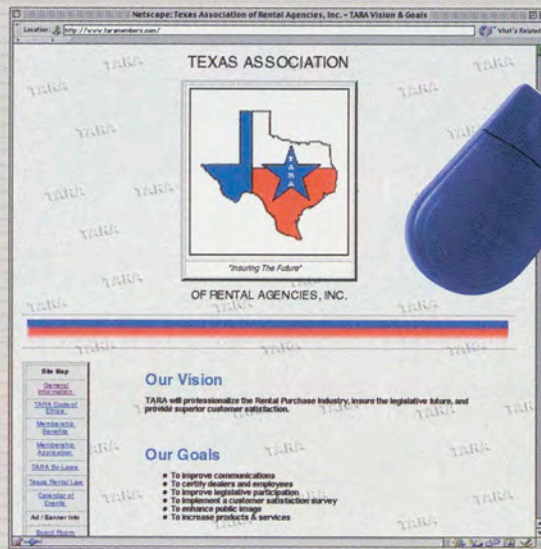


the APRO board of directors and Vendor Advisory Committee vice chairman. APRO President Gary McDougal serves as chairman.

Arkansas Rental Dealer Association hires executive director

ARDA President Geron R. Vail of Furniture & Appliances Now in Jonesboro, AR, announced the hiring of Ken Steiner of Steiner and Associates as the state association's new executive director. In a letter to ARDA members, Vail wrote, "Through the years, the leaders of this association have led us through many battles and brought us to the point of a fairly safe operating environment in Arkansas. The question for us today might be, 'Where do we go from here?' I suggest that while we maintain vigilance over those who regulate us at the state and federal level, we now look at promoting this great industry with a more positive emphasis."

Vail's vision for ARDA includes the development of an agenda to raise the level of professionalism through training and education. Secondly, he wants to develop an industry culture that is "outwardly focused through the sharing of



TARA debuts Web site

The Texas Association of Rental Agencies' official member Web site is up and running. The site is fully accessible, chock full of content and can be found on the Internet at www.taramembers.com/. Intended to boost communication efforts, the site includes a calendar, general information, membership benefits and application forms, the Texas rental laws and a list of TARA board members and staff personnel.

"We wanted to have a presence on the Web that would be informative to our members and, at the same time, show our industry in a positive light," says TARA Executive Director Lynn Clark. "I think there is a world of information on the site that the average member may not even realize is available through TARA. The more connected people feel, the more value they will find in their membership."

The initial cost of the site, domain name registration, design and Web space ran the state association approximately \$1,500. While Clark provides the information that goes on the site, Mack Webster of A-Design Co. in San Antonio actually does the updates and maintains the site.

Another state association, the Illinois Rental-Purchase Dealers Association, also has a Web site up and is in the process of incorporating content at www.rpda.org/. If your state association is interested in having an Internet presence, please contact Julie Sherrier at APRO at jsherrier@apro-rto.com or 800/204-2776.

2000 2001

OCTOBER

26
Tennessee Rental Dealers meeting, Nashville, TN

JANUARY

6-9
Consumer Electronics Show—
APRO Hospitality Suite
6-8 p.m., January 7 (sponsored
by Thomson Consumer
Electronics), Las Vegas,
703/907-7600

19-23
San Francisco Furniture Mart—
APRO Hospitality Suite
5-7 p.m., January 20 (sponsored
by Emeralds), 514/552-2311

FEBRUARY

15-20
Tupelo Furniture Market—
APRO Hospitality 5-7 p.m.,
February 15 (sponsored by
Ashley Furniture) and 5-7 p.m.,
February 16 (sponsored by
Benchcraft), 601/844-1473

MARCH

TBA
APRO Mid-Year Conference,
800/204-2776

APRIL

19-26
High Point Furniture Market—
APRO Hospitality Suite 5-7 p.m.,
April 20 (sponsored by
Emeralds), 336/888-3700

MAY

1-3
APRO 2001 Legislative
Conference, Washington, D.C.,
800/204-2776



APRO produces more generic footage for advertising

Sequels are popular in Hollywood and at APRO. To complement last year's television production program, APRO will produce more footage for rental-purchase dealers to use in their television advertisements. This year, however, the emphasis will be on message and creative concept.

BY RICHARD MAY

Last year's production concept focused on products and in-store scenes with and without customers. The customers were silent and usually in the background. This year, the production will focus on customers and employees, using testimonials and creative messaging concepts. Using the same production techniques in this year's footage will allow dealers to integrate elements from both last year's and this year's footage. By doing so, dealers can combine the product and in-store scenes with talking customers and employees to customize their ads.

APRO began its television production campaign in 1998 with three concept television advertisements where members could add a five-second tag for local store information at the end of the commercial. In 1999, members received generic production footage, which provided 22 minutes of quality shots of in-store scenes with and without customers to customize at the owners' and advertisers' discretion.

Last year's footage included 87 scenes, 12 to 25 seconds long, so members could not only use different scenes with each spot, but also use different parts of scenes. This allowed a creative owner or advertiser the ability to assemble numerous, individual ads that carried a similar look to promote a more unified advertising concept throughout the year.

Adding to the existing footage, the upcoming production will allow dealers to advertise throughout the year with fresh ads that include all the advertising tools necessary to attract attention and deliver a message and allow for customized, timely and seasonal specials. The final production should be six to eight minutes long and completed by the end of October.

ideas with fellow dealers as well as sharing time, energy and money with those who are less fortunate and who need help." The ARDA board felt the time was right to hire an executive director to help the association attain these goals.

Steiner is president and owner of Steiner & Associates, a meetings and association management consulting company based in Columbia, MO. For the past five years, Steiner has helped manage the Missouri Rental Dealers Association. In addition, Steiner and his company manage several other associations, including the Missouri chapter of the American Physical Therapy Association and the Missouri Peer Helpers Association.

With an executive director on board, ARDA proposed an aggressive agenda for the year and includes possible spring and fall training seminars, a quarterly newsletter and the endorsement of a state association charity.

Free Internet access on Rainbow Rentals PCs

Publicly traded Rainbow Rentals joined forces with NetZero, a leading provider of advertising and commerce-supported Internet access, to offer free



Internet services on computers available for rent or purchase at Rainbow's 112 stores and online at www.rainbowrentals.com.

The alliance between the two companies is designed to enhance the competitiveness of Rainbow's computers while broadening the distribution of NetZero's free Internet services. Other rental companies offering Internet services are currently charging customers for access.

"We're confident that the addition of NetZero's free, unlimited Internet access and e-mail services will make our computers more attractive to a wider range of users," says Michael J. Viveiros, president of Rainbow Rentals. "Through this agreement, customers who rent our computers will find the NetZero service already loaded and ready to use. In addition, Rainbow associates will be trained to provide startup assistance."

Some of the larger rental-purchase chains began offering Internet access to customers on rental computers earlier this year, but for an additional fee.

Glenn Davis joins Smoke Signal

Glenn Davis, a former APRO president (1985) and one of the founders of APRO, has teamed up

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ture and Steve Silver Co.

Smoke Signal Communications was founded in 1996 in Houston, TX, as a competitive local exchange

with celebrity Eric Estrada and the Smoke Signal Communications team to sell prepaid home phone service. This new appointment is in addition to Davis' work as a rep for Comfort Furni-

carrier. By 1999, Smoke Signal had grown exponentially as a reseller of prepaid local dial tone service. Currently, the company is doing business in 18 states and 71 demographic market

areas, with an aggressive rollout schedule in place to expand to more than 150 markets by 2001.

To contact Davis at Smoke Signal, call 800/362-0507.

RPDA convention breaks records

The Midwest Rental Purchase Dealers Association's annual convention and trade expo, held July 18-20, turned out to be the most successful convention in its 12-year history. More than 300

attended and the exhibit hall packed in 57 vendors.

A kick-off golf scramble was played at Eagle Creek Golf Course. The winning team was Josh Smith and Josh Hammond from Full-O-Pep, Art Druckamiller from Dorrance Supply and Bobby Greddy from Bright and Williamson.

Dealers and their employees enjoyed two seminar sessions by Dr. Larry Helms as well. Dr. Helms addressed stress and "Achieving goals through your employees."

Gary McDougal, APRO president,

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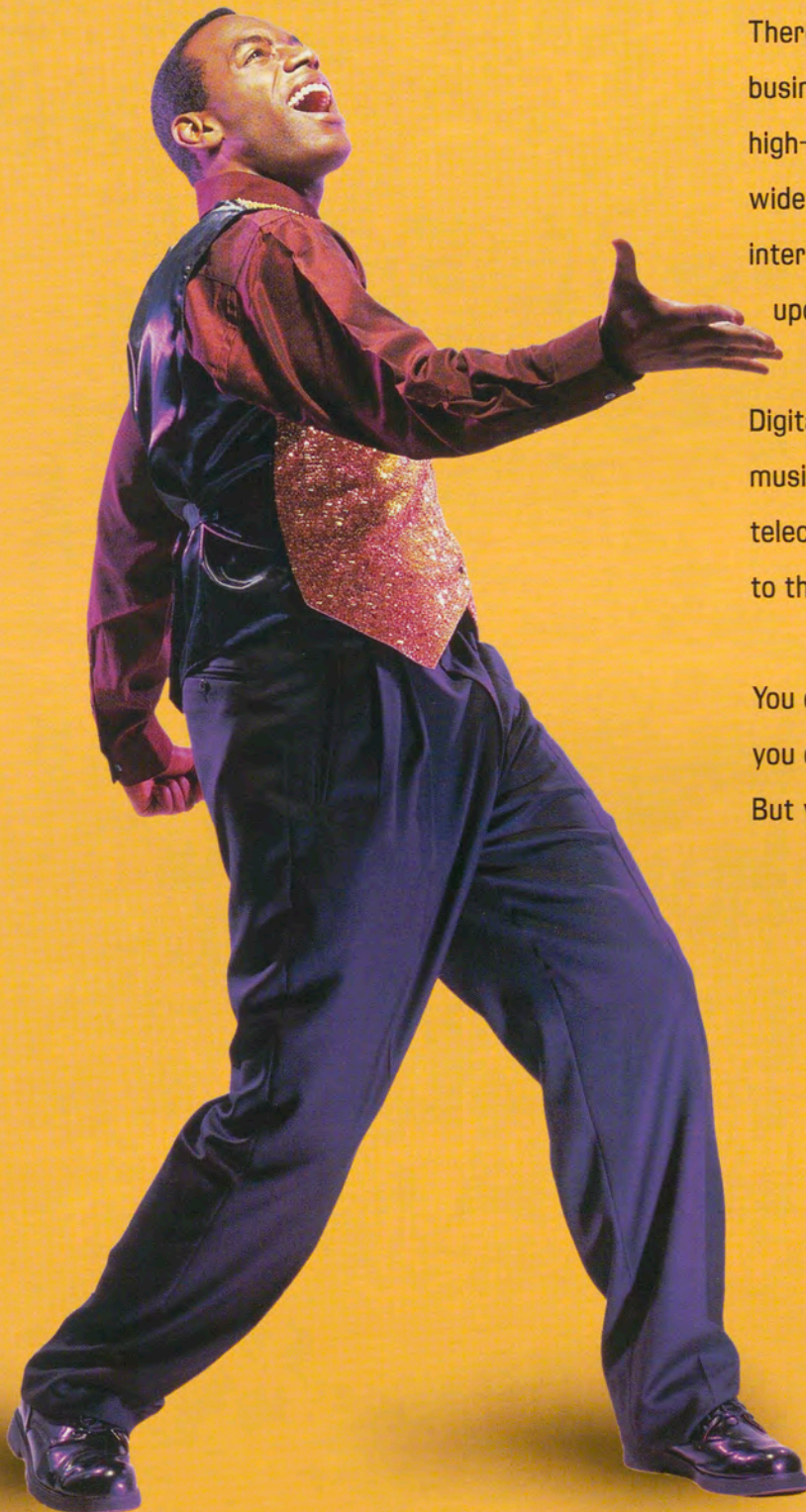
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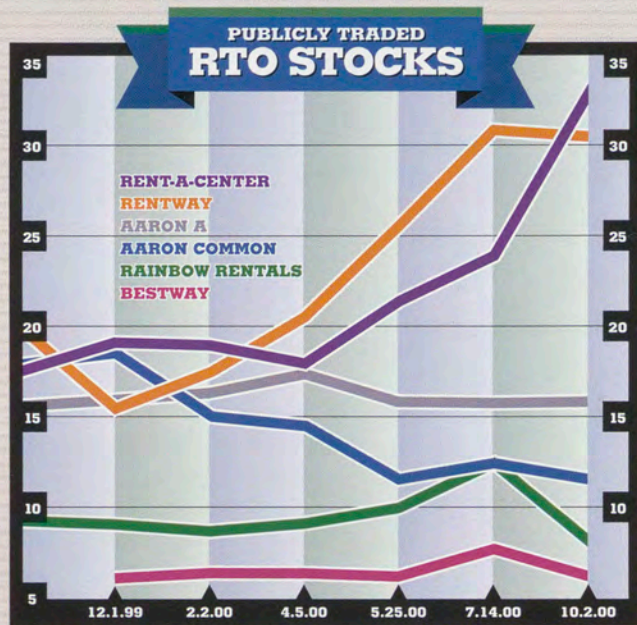
NEWS BREAK

addressed the group during a banquet dinner and cocktail reception. Also, a Positive Image Award was awarded to Debbie McQueen of Mr. Steve's Rent To Own for her continued efforts to help Riley Children's Hospital. The keynote speakers were Karen Campbell of Riley Children's Hospital and Doug Taylor from Habitat for Humanity.

After dinner, attendees enjoyed a casino night where Las Vegas-style gaming tables were set up and everyone had the chance to win door prizes donated by vendors.

Show organizers Tamara Gregory, Christy Kuntz and Bill Howard would like to thank the vendors and dealers for their past and continued support of the RPDA convention and trade expo. David David, RPDA president, deserves recognition for his leadership. As a result, the association received the 2000 Continued Excellence Award for Sustaining High Performance among State Rental Dealer Associations at this year's APRO convention.

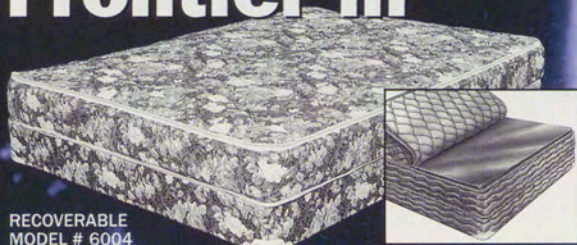
The RPDA 2001 con-



vention and trade expo is set for July 16-18 at the Adam's Mark Hotel in Indianapolis, IN. For membership in the

RPDA or show information, please contact Tamara Gregory or Christy Kuntz at 765/477-6000. ■

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 Website: www.therapedic.com

Iwould like to begin my message by saying how proud I am to be a member of APRO and to have been re-elected as your president for the 2000-01 year. This position will be a challenge that I welcome and one in which I will do my utmost to perform to the best of my ability. I also want to acknowledge and congratulate the new board of directors. I know you all will do a great job for your Association.

The 2000 APRO convention and trade show in Nashville was the sixteenth show I have attended. I must say it always gives me a thrill to participate in this great event. My wife, Mary, and I want to

with the new APRO headquarters (see page 7 in "News Break"), our strong position pushing forward the industry's federal legislation, a healthy financial position and a APRO PAC budget that brought in more funds in the past

year alone than the past 19 years, the future is bright. With this solid foundation, we are now able to step forward with assistance in many areas from your generous contributions. I will do all that I can to keep you updated on the activities and issues facing the industry. Likewise, please feel free to keep me informed of any legislative problems you see developing in your area and we'll see that it gets attention. ■

"This is a new era for APRO. I feel we have much to look forward to in the upcoming year. I will do all that I can to keep you updated on the activities and issues facing the industry."

New board, new ideas

express our gratitude to everyone who attended for making this event in Tennessee, my home state, a down home, hospitable convention. We will forever remember the fine people of our Association and how well we have been treated. Thank you all.

My heartfelt thanks to Joe Arnette, Rich Bartel, Tom Neyhart and Dan Weiss—our departing board members—for their relentless hard work and input during their tenure on the board. We all hope to see you back someday. I want to welcome the new board members elected during the convention: Brad Denison of Rent-



By **GARY McDOUGAL**
APRO's President

A-Center, Lyn Leach of Ace Furniture & TV Inc., Michael J. Viveiros of Rainbow Rentals and Amy Zeller of City Rentals Inc. Getting new people to serve on the board with fresh ideas is critical to the longevity and continued success of our Association.

I look forward to working with everyone.

This is a new era for APRO. I feel we have much to look forward to in the upcoming year. As you can see,

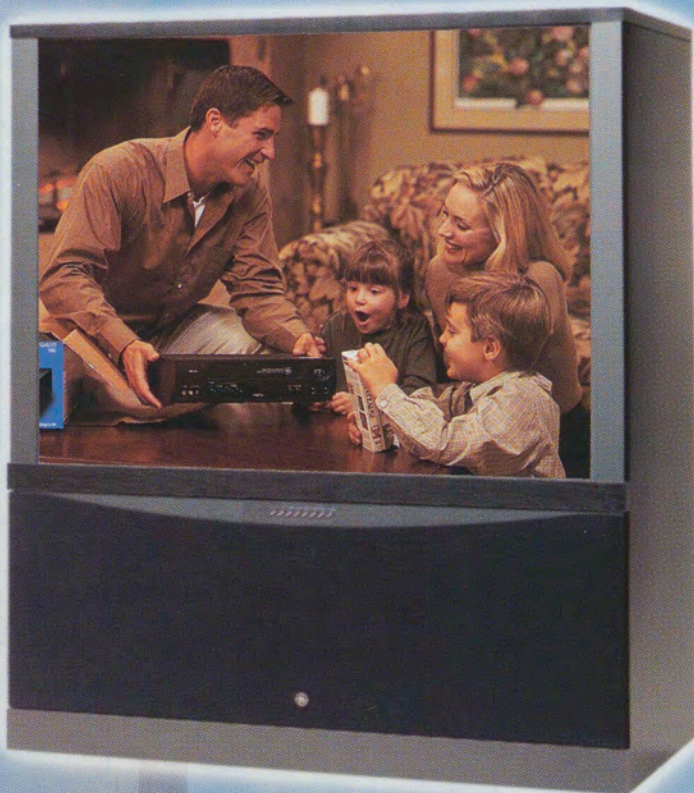
Gary McDougal is owner of American Rentals in Hixson, TN.

2000-01 committee chairs

These dedicated people will make it their duty that your interests will be best represented over the ensuing year.

- ▷ **Budget Committee:** "Tiger" John Cleek of Cleek's Rent to Own
- ▷ **Public Relations Committee:** Gary Romine of Show Me Rent-To-Own; Vice Chairperson: Shannon Strunk of Baber's Leasing Inc.
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Idare say most people today are disillusioned with politics and politicians. I'll bet most feel that this attitude is a recent phenomenon, dating back to the end of Camelot in the early 1960s. After Kennedy challenged his generation to get involved with government, millions of people responded.

Then all went south with the Vietnam War, the assassinations of the president, his brother and Martin Luther King and an overburdened economy. Since then, more and more people appear to either dislike or distrust our government, have no respect for our political leaders and their policies,

Of the people, for the people

and generally want government off their backs.

This disillusionment didn't begin in the 1960s, however. Since the American Revolution, people have felt corruption existed in government. For example, the Virginians didn't trust the New Englanders. When John Adams was elected to be our second president, the Virginians (who had the largest state delegation to the continental Congress) believed they would come under the heavy-handed yoke of the New Englanders.

This distrust was further agitated in the presidential election of 1800. If you remember from your civics classes, our founding fathers didn't trust "the people" to select the president; hence, the creation of the Electoral College. Thomas Jefferson and Aaron Burr (a Virginian and a New Yorker) actually tied in Electoral College votes, forcing the U.S. House of Representatives to select the new president. The House chose Jefferson since there were more Southern congressmen than Northern congressmen. Each group was convinced the other was corrupt and would lead the country into disarray.

Politicians have had quite a history of corruption and immorality. Congress tried Aaron Burr for treason. Jefferson's opponents whispered he had fathered children by one of his slaves. Andrew Jackson was accused of being a bigamist during his presidential campaigns. Many have had mistresses, including but not limited to Kennedy, Eisenhower and Franklin Roosevelt.



By **BILL KEESE**
APRO's Executive Director

"I hope you won't dismiss our governmental institutions and political leaders because of disillusionment with the system."

Some revisionist historians now believe that Warren G. Harding didn't die of natural causes when he was president in the 1920s, but was poisoned by his wife when she found out about his mistress.

Have you heard about Tammany Hall? This was the political machine in New York City that was about as corrupt as you can imagine. Cash payoffs were common to get anything done in the city during this time. Tammany Hall bosses told politicians what to do and how to do it. You couldn't even get a job without the "bosses" blessings. The Progressive era ushered in

reforms to abolish governmental corruption. This took place between 1895 and 1915. People wanted to "clean up the government and get rid of the corrupt politicians."

Even with all this, our nation has achieved greatness and has prospered unlike any other.

While today's perception of government and politicians may appear to be as bad as it can get, most political observers note that what we see today isn't nearly as bad as governmental abuse and political corruption of the past.

I hope no reader of this column will dismiss our governmental institutions and political leaders because of disillusionment with the system. Don't forget the voters are the government. The vast majority of our political leaders are honest, honorable men and women trying to represent their constituencies. We have hard working men and women who dedicate their lives to serving America.

This is the political season that comes around once every four years. You not only have the right to vote—you have a duty. Don't just vote. Get involved with a candidate. Make a donation of time or money to a Democrat or a Republican of your choice. By doing so, you will be making our country just a little stronger. ■

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

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I came across a bankruptcy opinion the other day from Kentucky dated from 1990. It was not a reported decision, which means that it doesn't show up in any legal books or reports. An unreported decision means that the judge writes it up, mails it to the parties and then sticks it in the file. The good news is that the rental company won the case. The judge ruled that the rental-purchase transaction was a true lease under Kentucky law. The bad news is that for 10 years, that decision has been unknown to other Kentucky dealers who might have been able to use it to persuade a customer's attorney, a bank-

ated with such an admission, especially if the allegations in the suit present the company in an unfavorable light.

I like to think that at APRO we know how to be discreet. We do not ordinarily share sensitive information about a dealer

except on a need-to-know basis. But sometimes there is a need to know. Sometimes, others in your part of the rental world may want to help. Sometimes they may want to run for cover. Sometimes a discreet word of caution can alert dealers

"I like to think that at APRO we know how to be discreet. We do not ordinarily share sensitive information about a dealer except on a need-to-know basis. But sometimes there is a need to know."

when an assistant attorney general or other authority is on the warpath. The industry has been able to join together at the local city level more than once to redress a grievance with a local district attorney, but the dealers could not have done so without communicating the existence of the issue with one another.

A few years ago, a small dealer in New Jersey had a lawsuit and didn't tell anyone in the industry what was going on. He ended up losing a trial and an appeal. Several companies would have helped defend that lawsuit if they had known about it. The ultimate result has been several multimillion-dollar judgments against rental companies in the state and a political environment so poisoned that there still is no law in New Jersey and no immediate prospects for one.

So tell us what you are doing. Don't tell us what makes your company better than the others, but tell us about your lawsuits—the good, the bad and ugly. Tell us about your political involvement. You and your Association have made great strides toward gaining respect for this industry over the past 20 years. Our work is still far from being complete. You owe it to your company and, oddly, to your competitors, to help your Association continue the industry's march toward mainstream and main street respectability. We can all help with that goal by communicating better. ■

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

Improving communication

ruptcy trustee or even a bankruptcy judge, to rule in favor of a rental-purchase company.

This find brought home a larger issue in association life—that of communication among members. Communication is the lifeblood in your rental company; it is not less so within the Association. At APRO, we don't want to communicate everything we know, nor should we. We are a loose confederation of competitors, after all, and we will never knowingly share the kinds of information that we think gives some a competitive advantage over others.

But we joined together originally and have remained together primarily for legal, political and, more than than now, educational, purposes. (Today, we also have social, public relations and humanitarian purposes for being together.)

Insofar as I know, we are all pretty good at sharing political intelligence, although some of you are far more active politically than we at APRO know. It would help us if we knew about every dollar and hour you spent on political matters. It is the nature of political coin that we could leverage for the good of

the industry, without devaluing in the least your original, personal intentions. But we cannot do so unless you tell us what you are doing.

Likewise with legal matters. It is not much fun to tell someone that you have been sued, for example. Some dealers may feel some shame associ-



By ED WINN III
APRO's General Counsel

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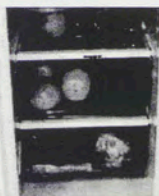
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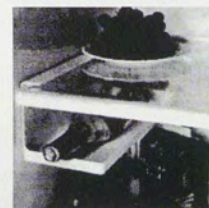
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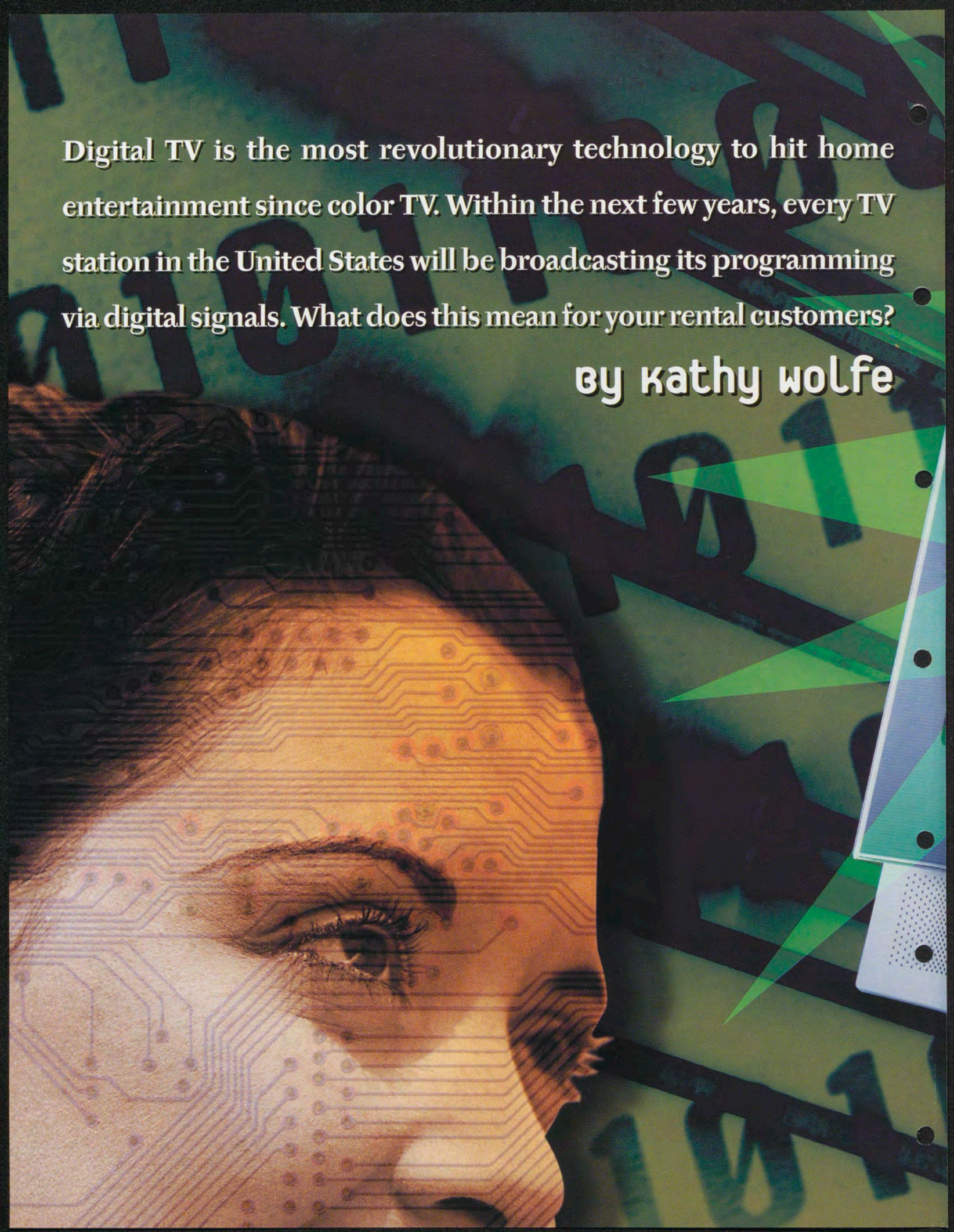
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A woman's face is shown in profile, looking towards the right. Her face is overlaid with a glowing orange and yellow circuit board pattern. The background is a dark green and blue gradient with large, stylized binary code (0s and 1s) scattered throughout. On the right side, there is a partial view of a laptop screen and keyboard, also overlaid with the circuit board pattern.

Digital TV is the most revolutionary technology to hit home entertainment since color TV. Within the next few years, every TV station in the United States will be broadcasting its programming via digital signals. What does this mean for your rental customers?

by kathy wolfe

zenith|inteq

DIGITAL COMES OF AGE



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- POWER

It means they will be able to experience TV in a whole new way, with a shift as dramatic as the one from the black-and-white picture to color. This viewing experience will be bigger, sharper and better than anything previously experienced in home entertainment. It also means that rental companies must be poised to capitalize on the new opportunities that digital equipment offers.

While the digital TV standard was being developed by seven companies in the digital HDTV Grand Alliance (see sidebar), exciting new products were also being developed so that consumers could experience everything this technology had to offer. Here are a few of the products that are available now:

Integrated High-Definition Television (HDTV): A high-resolution TV that is

capable of receiving and displaying both analog and digital signals. With a digital and an analog tuner built into the unit, these sets can receive both NTSC (analog) and ATSC (digital) signals. These TVs typically display images in a 16:9 aspect ratio (see sidebar on glossary of terms) in the highest resolution possible.

HDTV monitor: A high-resolution TV that can display both analog and digital images in either a 4:3 or 16:9 aspect ratio, but does not have a built-in digital tuner. This means that a set-top box (STB) must be added in order to receive the digital signal.

Digital TV set-top box (STB): An external device that receives and decompresses the digital signal and converts it to analog (if needed), so that it can be displayed on a digital or analog TV. Most STBs will receive analog, satellite

and HDTV satellite signals, as well as terrestrial (over the airwaves as opposed to satellite or cable) HDTV signals.

LCD computer monitor with video display capability: Formerly only available on laptop computers, these HD-capable thin film transistor (TFT) high-resolution displays are appearing as stand-alone units for the first time. Doubling as a computer monitor and a TV, these versatile units' sleek industrial designs make them a showpiece for any room or office.

For the consumer, the primary benefits of digital technology are an outstanding picture and enhanced sound. Digital transmission results in crisp, studio-quality pictures that are free from the interference of snow, ghosts and interference. What's more, viewers get four to five times more picture information than with a conventional

HOW THREE RTO ELECTRONICS SUPPLIERS HELPED DESIGN OUR DIGITAL FUTURE

The Digital HDTV Grand Alliance was formed in May 1993 when developers of digital HDTV systems agreed to combine their technologies into a best-of-the-best digital TV (DTV) system for North America. Grand Alliance members were: AT&T (now Lucent Technologies), General Instrument Corp. (now Motorola Broadband) the Massachusetts

Institute of Technology, Philips Electronics North America, the David Sarnoff Research Center (now Sarnoff Corp.), Thomson Consumer Electronics and Zenith Electronics Corp.

Over the ensuing two years, the technology developed by the Grand Alliance was integrated and tested extensively in independent laboratory and field tests conducted for the FCC Advisory Committee for Advanced Television Service. The advisory committee unanimously recommended adoption of the Grand Alliance standard in November 1995.

Final FCC approval of the Grand Alliance-based standard on Christmas Eve 1996 marked a victory, not only for the Grand Alliance and for U.S. broadcasters but, more important, for America's 100 million TV households. For consumers, digital HDTV will deliver extremely clear, error-free images and CD-quality sound. This exciting technology—the most computer-friendly TV broadcast standard ever devised—will also enable a wide range of information-age applications, because each TV



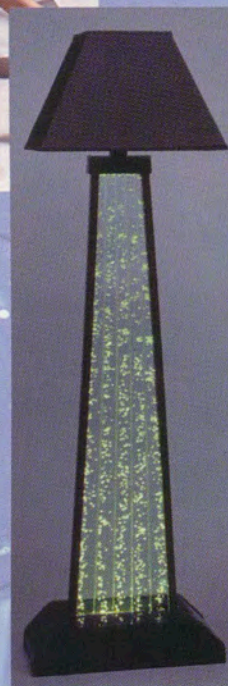
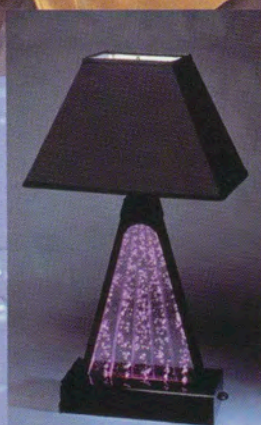
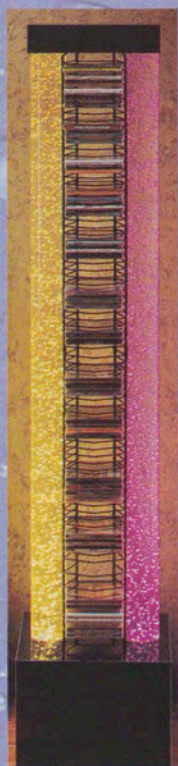
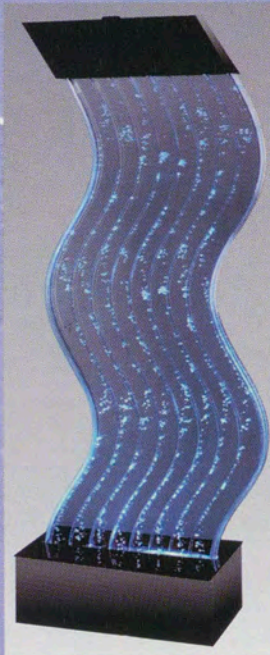
channel will be able to carry 19 megabits per second of data.

The FCC tentatively adopted the DTV standard based on Grand Alliance technology in May 1996, and took the rest of the year to complete its rulemaking process. An agreement in November 1996 among representatives of the broadcast, consumer electronics and computer industries—which retained all of the core technologies of the Grand Alliance system (and simply deleted the multiple video formats from the mandated standard)—paved the way for final FCC adoption of the Grand Alliance-based DTV standard.

Now known as the ATSC (Advanced Television Systems Committee) DTV Standard, the FCC-adopted system mandates core elements of the Grand Alliance system, including Dolby Digital (AC-3) audio, MPEG-2 video compression techniques, the MPEG-2 packetized data transport structure, and the Zenith VSB digital modulation and transmission system. In addition, the video formats specified in the ATSC DTV Standard have been adopted as a de facto standard by the nation's broadcasters and TV set manufacturers.

The Grand Alliance no longer exists. The agreement that formed the Grand Alliance in May 1993 expired with the FCC adoption of the ATSC standard in December 1996.

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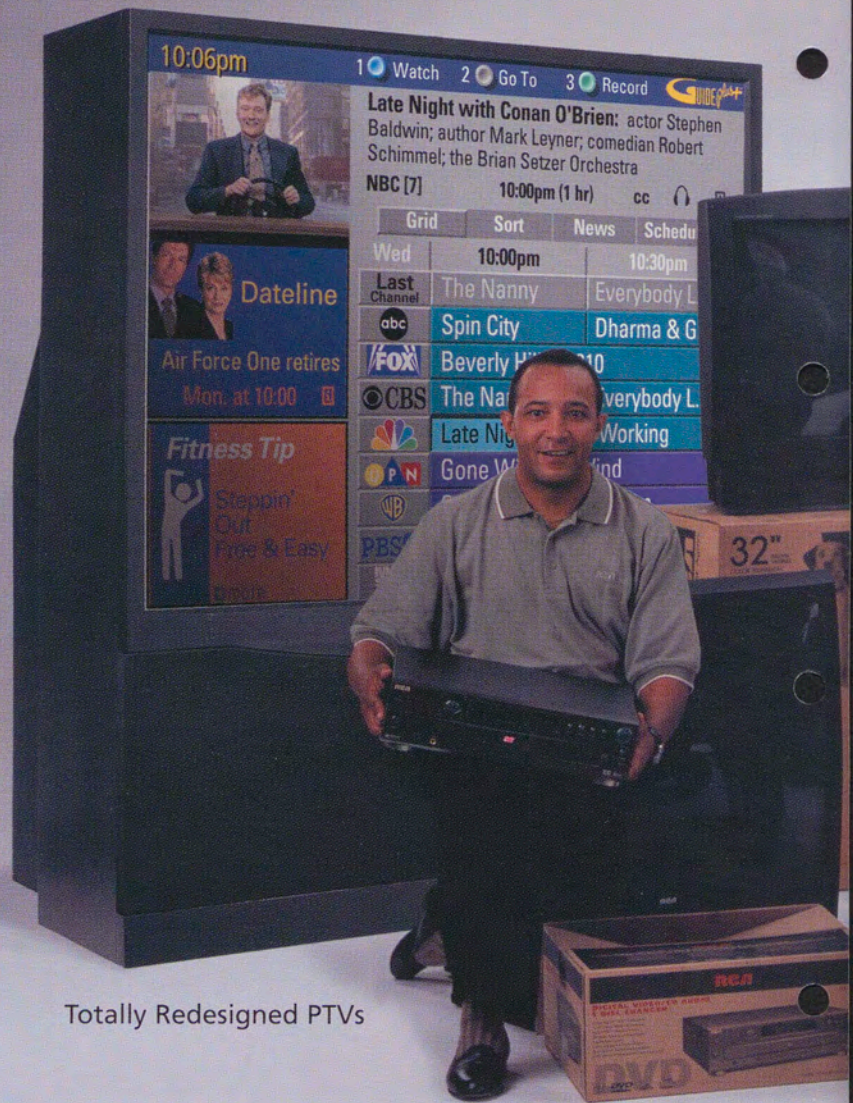
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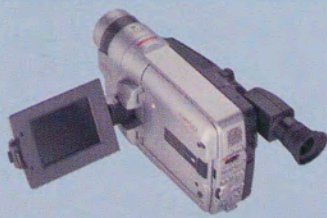
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TV picture. Combine that with CD-quality theater-like audio in the 5.1 channel Dolby Digital format and you've got the ultimate home theater viewing experience.

When all is said and done, however, the most important thing to understand is the value proposition for rental companies and their customers. First, the consumer electronics world is changing rapidly. More than 400,000 digital TV products are expected to sell in the United States this year, according to the Consumer Electronics Association. It is believed that most projection TVs sold will be HDTVs or HD monitors in the near future.

This new technology is now available to mainstream consumers, so it's only a matter of time before rental customers will be clamoring for the enhanced experience that digital offers. They'll also be pleased to learn that they can have this experience for only a few dollars more than they now pay for analog products.

As the digital world becomes a reality, many new opportunities are emerging for rental companies to jump on. For instance:

✕ Alignment with and promotion of a new technology can reinvent the image of a rental company. Being viewed as a forward-looking company that understands digital technology—and can share this understanding with consumers—can differentiate a rental company from its competition.

✕ Digital products in rental stores will increase floor traffic because of their outstanding video quality. When rental customers realize that they can view cinema-quality images in their homes, they'll want to know more about digital products like HDTV and DVD.

✕ Unlike the mainstream consumer, rental customers will have the opportunity to "try before they buy."

✕ HDTV also gives rental companies new commercial business opportunities by supplying HDTV products for cross-promotional events with local DTV stations and other public venues, all of which help reposition a rental company as a digital leader. For example, a rental company can pitch a story to a local news station about

Digitale

THREE ATO SUPPLIERS AND CO-FOUNDERS OF THE DIGITAL HDTV GRAND ALLIANCE VISUALIZE THE FUTURE OF VIDEO ELECTRONICS

ZENITH

For more than eight decades, beginning with the advent of radio, Zenith has been a pioneer in electronics technology. The company has invented countless industry-leading developments, including the first wireless TV remote controls, the first portable and push-button radios and the first HDTV system using digital technology.

As one of HDTV's earliest proponents, Zenith developed a number of key digital technologies, including the VSB (vestigial sideband) digital transmission system adopted by the Federal Communications Commission as part of the ATSC (Advanced Television Systems Committee) digital TV broadcast standard. The company was the first to propose a partially digital signal, pioneered the use of the so-called "taboo" broadcast channels for the transition to HDTV and was the first to use computer-friendly progressive scanning.

In 1997, the members of the digital HDTV Grand Alliance, including Zenith, earned a technical Emmy for pioneering developments behind the ATSC standard. The company's first HDTV products, digital HDTV receiver/decoders, were introduced in 1998, followed by integrated digital HDTV sets in 1999.

Although Zenith's experience in digital HDTV technology had prepared the company for leadership in the digital age, the company needed a global partner with complementary skills. In November 1995, LG Electronics Inc. (LGE), a world leader in consumer electronics, acquired a majority interest in Zenith.

Zenith launched a major brand revitalization program in 1997, updating its famous lightning bolt logo and creating a new marketing campaign designed to introduce the company and its products to a new generation of consumers. Also in 1997, Zenith began shipments of digital set-top boxes to major telecommunications companies. In 1998, Zenith was recognized as the top consumer electronics brand in a massive customer satisfaction survey in Fortune magazine.

In 1999, Zenith completed a broad financial and operational restructuring plan designed to return the company to financial health and leverage its brand, distribution and technology strengths. In November, the company emerged as a wholly owned subsidiary of LG Electronics and a stronger competitor in the consumer electronics and digital technologies of the future.

Today, Zenith's leadership in digital technology continues. Now as in the past, rental companies can count on Zenith to be there with leading-edge, easy-to-use technology that will usher your customers into the digital age.



aders

THOMSON

Throughout the world, an information and entertainment transformation is under way as consumers purchase digital video and audio products and add broadband capability to their homes. Content creators are more readily using digital tools to create new shows and to edit, store and distribute programming. Leading the way in this technical revolution is Thomson Consumer Electronics, which has been at the forefront of the digital evolution since the early 1990s, when it, too, along with Zenith and five other companies, was an integral member of the digital HDTV Grand Alliance.

Thomson confirmed its position during the past decade as a primary digital decoder company and as a principal furnisher of digital satellite receivers for digital TV in the United States. In the context of the evolution towards digital TV for the year 2000, Thomson multimedia launched the RCA-brand DTC100 in August 1998. This device allows viewers to enjoy digital programming on an analog TV. In January 2000, the company presented a new generation of decoders that allow DirecTV subscribers to receive local digital TV programming.

Before the end of 2000, Thomson multimedia will launch a new RCA DirecTV satellite reception system in the United States that will support Microsoft's UltimateTV service. This new decoder is equipped with dual tuners as well as a hard drive allowing digital recording of programs broadcast on DirecTV.

With the recent creation of Thomson's Digital Media Solutions, the company will provide digital video networking systems for the secure delivery of the content from the studio to the consumer, along with a host of other digital media services. Microsoft, DirecTV and Alcatel are just a few of the companies that have endorsed Thomson's Digital Media Solutions strategies.

And if that wasn't enough, Thomson multimedia was the first major consumer electronics company to enter the emerging electronic book market with the introduction of the RCA-brand eBook line of dedicated electronic reading devices. An e-book is a 5.5-inch monochrome LCD touch-screen with nearly six times the screen resolution of a typical hand-held personal digital assistant that can store approximately 20 novels or 8,000 average paperback pages with 8MB of memory. It weighs just over a pound with a rechargeable battery that lasts up to 40 hours.

While the idea of marketing e-books to rental customers may seem just a little far-fetched, remember that the concept of renting from a store online

seemed impossible just a year ago. Sold under the RCA brand name, the new ebook devices will be the first products introduced at retail with technology licensed from Gemstar-TV Guide International Inc.



PHILIPS

Philips Electronics was also fully involved with the digital HDTV Grand Alliance, including the generation, implementation, testing and approval process for the ATSC standards recommendation. The company was pleased to be a part of shaping the current standards for the both the broadcast and manufacturing industry. Philips continues to make waves in the digital electronic sphere by introducing myriad digital products ranging from TVs, DVD players/recorders and digital receivers.

In addition to a wide selection of digital wide-screen TVs, ranging from its 64-inch rear projection TV to its new 30-inch HD-ready, direct view model, Philips is one of the leaders in design-conscious product design with its latest wide-screen digital-ready FlatTV.

Using an advanced plasma technology, the Philips FlatTV monitor is famous for its "painting-like" design. Less than 6-inches thick, the FlatTV monitor has a 160-degree viewing angle and advanced video display features that create a high-quality digital image that can be seen with a constant clarity and brightness from virtually anywhere in the room. The FlatTV frame comes in five designer colors (silver, crystal blue, crystal green, crystal rouge and champagne) that compliment any décor.



Another cutting-edge development is the announcement of Philips' new DVD-video recorder (DVD+RW), which will be available later next year in the United States and Europe. Developed from the start to be compatible with both existing and future DVD-video and DVD-ROM equipment, consumers will have the ability to create their own DVD and play the bare disc back on both existing and future DVD-video and DVD-ROM equipment. This means, for example, that consumers who record something on a camcorder can copy it onto a DVD+RW disc with the Philips DVD-video recorder, edit it on a PC and play it back on their own DVD-video player.

A leader in digital set-top boxes, Philips introduced a receiver offering DirecTV with TiVo service that combines an easy-to-use receiver with access to more than 210 digital-quality channels from DirecTV. With TiVo, the most advanced and easy Personal TV service available, consumers can digitally record TV shows without videotape, have full control of live TV programs with the ability to pause, instant replay, rewind, fast-forward and playback in normal speed, slow motion or frame-by-frame, backward and forward. Viewers can also create customized program searches and schedule recordings based on category, title, actor, director or even keyword combinations, plus much more.

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**ANALOG TV STILL OFFERS EXCITING
OPTIONS FOR RENT-TO-OWN CUSTOMERS. NICHE PRODUCTS
SUCH AS COLORFUL TRANSLUCENT TVs, SIMILAR TO THE
NEW IMAC COMPUTER DESIGN, HAVE HIT THE SHELVES**

these new digital products and provide demonstrations and then use that news story to pitch the products and the rental company to the public.

The future will bring other new display technologies ranging from flat, wide and thin HD-capable LCD and plasma displays in screen sizes from 10 inches all the way up to 60 inches and larger. Although these products are still not at mass market price points, considering the rapid changes occurring in this industry, they will become much more affordable in the near future.

And let's not forget that analog TV still offers exciting options for rent-to-own customers. Niche products such

as colorful translucent TVs, similar to the new iMac computer design, have hit the shelves with features such as front jacks for video games that make them ideal for children's rooms. Game TVs are another category that is booming. These types of products are highly desirable and affordable for owners and rental customers alike.

Best of all, these eye-catching products are sure to put the fun back into the marketing and the gusto back into the renting of a 50-year-old technology. Stay tuned! ■

Kathy Wolfe is president of Zenith Sales Co.

digitalingo

ASPECT RATIO >> Refers to the shape of the video image. Current analog TVs have a 4:3 aspect ratio, which means that the viewing area is 4 units wide by 3 units high. High-definition TVs have a 16:9 wide-screen aspect ratio, which simulates that seen in movie theaters.

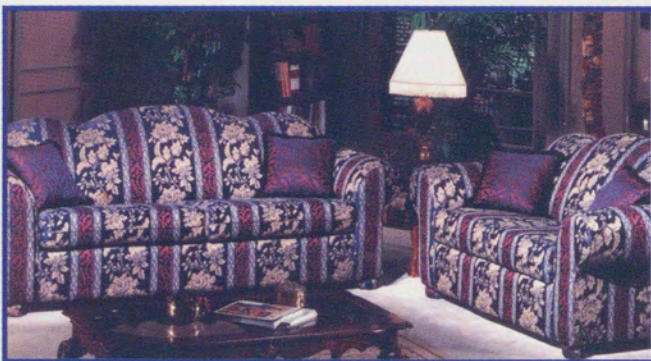
HDTV (HIGH-DEFINITION TELEVISION) >> Features a wide-screen format, crystal-clear images and CD-quality audio. To truly be high-definition, the TV must display images in a 16:9 aspect ratio, be able to decode and display all of the 18 ATSC (Advanced Television Systems Committee) formats and be capable of passing through/receiving the Dolby Digital 15.1-channel stereo signal.

HD-CAPABLE >> Televisions that are capable of decoding and displaying (with the help of a set-top Box) the HDTV signal. These units do not have a built-in digital tuner and, therefore, an STB is required.

LCD (LIQUID CRYSTAL DISPLAY) >> A device that displays text and graphics on a flat screen with no projected light or illumination. Since it doesn't use a traditional cathode ray tube (CRT), this type of display is very flat and very lightweight.



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LEADER SHIP

**Are you a true leader?
Or are you just managing to get by?**

By Gary Ferriman



Jay grinned as he read the final numbers on the report. "It's getting better every year...and think about the difference from just a couple of years ago," he said. ~ Keith was glad Jay was pleased. "Steady progress, Jay. Turnover was down again this year, people are happier, revenues are up and these staff meetings..." he stopped and began to laugh. "Remember some of our old staff meetings?"

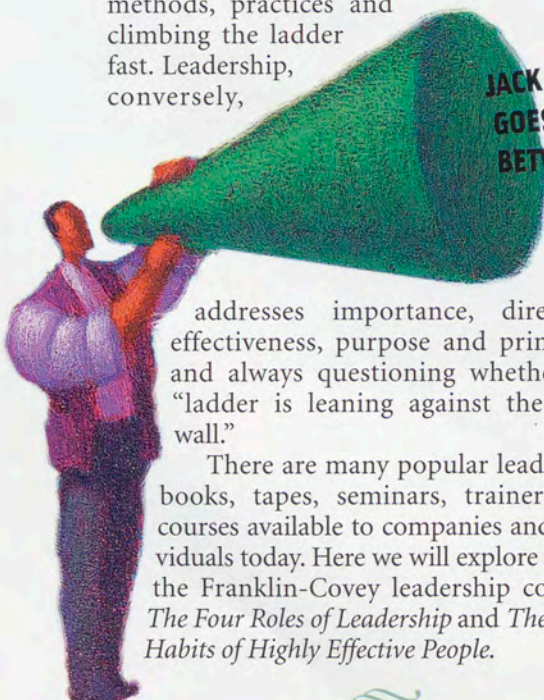


Jay laughed with him. "I could have used full pads and a helmet—they were as wild and unpredictable as hockey games." Both knew they had come a long way and still had much to do to bring about positive change at Something Special Rental-Purchase. Keith took special pride in his involvement in bringing about such change. He recalled the impact made on him when he attended a leadership-training course a few years back. He was so affected by what he had learned that he convinced Jay to offer it to many others at the store. When asked, Jay always pointed to Keith's initiative at teaching others what he had learned as the real turning point in company performance.

LEADERSHIP AND MANAGEMENT ARE NOT SYNONYMOUS

Jack Welch, the famous CEO of GE said, "Management is fine as far as it goes; but leadership is the way to win." You might ask, what is the difference between management and leadership? Are both necessary?

Like most of us, you probably play both parts in your company. As a manager, you work within the system and do things right. As a leader, you work on the system and do the right things. In management, you work on urgency, speed, bottom line, efficiency, methods, practices and climbing the ladder fast. Leadership, conversely,



JACK WELCH, THE FAMOUS CEO OF GE SAID, "MANAGEMENT IS FINE AS FAR AS IT GOES; BUT LEADERSHIP IS THE WAY TO WIN." YOU MIGHT ASK, WHAT IS THE DIFFERENCE BETWEEN MANAGEMENT AND LEADERSHIP? ARE BOTH NECESSARY?

addresses importance, direction, effectiveness, purpose and principles and always questioning whether the "ladder is leaning against the right wall."

There are many popular leadership books, tapes, seminars, trainers and courses available to companies and individuals today. Here we will explore two of the Franklin-Covey leadership courses, *The Four Roles of Leadership* and *The Seven Habits of Highly Effective People*.

EFFECTIVE LEADERSHIP

The Four Roles of Leadership is generally pre-

sented in a three-day intensive course that requires some homework, both prior to and at the conclusion of the course. The course covers a lot of the material covered in the book, *Principle Centered Leadership*, written by Stephen R. Covey, and details the elements critical to leading others effectively. The four roles identified are:

PATHFINDING. This is the ability to link what you are passionate about delivering to what your customers are passionate about getting. To do this, you need to understand what matters

most to your customers, then define your company's mission and values and, finally, create a vision and strategy that links the two passions. Pathfinding answers these three questions: 1) Who is important to us and what matters most to them? 2) What is our purpose, what matters most to us and how will we act toward one another? and 3) Where are we going and how will we get there?

The guiding principles for this role are: 1) Diagnose before you prescribe; 2) No involvement, no commitment; and 3) Begin with the end in mind.

ALIGNING. If pathfinding identifies a path, aligning paves it. Organizations are perfectly aligned to get the results they are getting. Even though you may not get the results you want, the processes, structure and systems lead to the results you are, in fact, getting. Therefore, as a

leader, you need to align with the results you want. This involves working on policies, programs and procedures. Aligning answers these three questions: 1) How does the whole system work together? 2) What are the parts of the system? and 3) How do we align the parts to achieve the vision and strategy?

The guiding principles here are: 1) The parts affect the whole and the whole affects the parts; and 2) Organizations are aligned perfectly to get the results they get.

EMPOWERING. This is about creating conditions that foster and release creative talent, ability and potential that exists in people so they can travel the right path for them. Unless the right conditions exist for people to make their greatest contribution, you cannot expect the best from them. Empowering answers these four questions: 1) How can we cultivate an environment where people can do their best and are committed? 2) What is the nature of the work being done? 3) How much responsibility and authority should people have? and 4) Who does what? How do they do it? What are their resources, how do we assign accountability and for what reasons?

The guiding principles here are: 1) Different needs, different approaches; and 2) Think win-win.

MODELING. Leadership is about more than telling people what to do. It is also about building your trustworthiness with others so they will have confidence to trust and follow you. Modeling means living and leading by principles. Only when you understand and live by principles will others trust you. Modeling answers these four questions: 1) Who would follow me? 2) Do I take responsibility? 3) Do I “walk my talk”? and 4) Am I trustworthy?

The guiding principle here is: Trust is built from the inside out.



CLEARING THE PATH TO SUCCESS

While all of these roles performed reasonably well will yield fine leadership of others, the modeling role is a particularly important one. Yet another principle is: “It is pretty hard to get others to follow unless they believe you know the way.” To find out how to get others to believe in you, the answers lie in Stephen Covey’s best-selling book, *The 7 Habits of Highly Effective People*. This three-day course—modeled after the book—chronicles the common traits of the most enduring and balanced successful people of the past 200 years. This book, published in 1989, continues to rank in the top 10 current business best sellers in paperback.

The “7 Habits” are foundational principles that lay out a framework of understanding of how people work together, how things work and how we think about things. Covey defines effectiveness as a balance between production (the desired results) and production capability (maintaining, enhancing and preserving the resources that produce the desired results).

The key elements of the “7 Habits” material include:

HABIT 1. Be proactive. Focus on 1) responding according to your values; 2) accepting responsibility; 3) focusing on your circle of influence; and 4) becoming a transition figure.

An underlying principle here is: Individuals are responsible for their own choices and have the freedom to choose.

HABIT 2. Begin with the end in mind. This chapter explores the principle that mental creation typically comes before physical creation. It helps you choose your life’s center and assists people in creating a personal mission statement. In Covey phraseology, this is, “What matters most.”

HABIT 3. Put first things first. If you understand you can choose your own way in Habit 1 and decide what matters most in Habit 2, Habit 3 implores you to prioritize what’s important and keep it first. This habit explores the six-step process of time (self) management that will help you live life your way.

The underlying principle here is: Effectiveness requires balancing important relationships, roles, and activities.

These three habits comprise what the author calls “Private Victory” (or self-mastery) and leads us from dependence to independence. The next three habits equal “Public Victory” and lead us from independence to interdependence, a much higher level.

HABIT 4. Think win-win. Stephen Covey says, “Win-win is a belief in the third alternative. It’s not your way or my way, it’s a better way.” Habit 4 seeks to get better results from relationships by cooperating interdependently, rather than competing independently. Many companies today are getting strong results by the use of the tool identified as a “win-win agreement.” This is typically written together by a supervisor and subordinate. The elements of this agreement are 1) desired results; 2) guidelines; 3) resources; 4) accountability; and 5) consequences.

The underlying principle here is: Effective long-term relationships require mutual benefit.

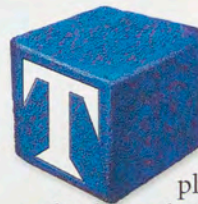
HABIT 5. Seek first to understand, then to be understood. This is the study of becoming a better listener through understanding the levels of listening and practicing the skills.

The underlying principles in Habit 5 are 1) true understanding comes through listening; and 2) diagnosis must precede prescription.

HABIT 6. The ability to synergize brings about the highest level of teamwork. “The essence of synergy is to value the differences—to respect them, to build on strengths, to compensate for weaknesses,” says Covey. A key component of this habit is that while working together cooperatively may take time, it produces better long-term results.

The underlying principle in Habit 6 is: The whole is greater than the sum of its parts.

HABIT 7. “Sharpening the saw” is a Covey phrase and means that you must make a habit of renewing yourself, of taking care of yourself so you can fulfill your mission. In this final habit, there are four areas of renewal necessary to keep us at our best. The first is physical, where you build physical wellness through proper nutrition, exercise, rest and stress management. Second, there is the mental aspect, where you increase mental capacity through reading, writing and thinking. Third, there is the spiritual, where you develop spiritually through reading inspiring literature, through meditating or praying and by spending time in nature. Last, there is the social/emotional arena where you mature socially and emotionally by making consistent, daily deposits in the “Emotional Bank Accounts” of your key relationships.



These are just two of the many courses offered by the Franklin-Covey Co. along with a wide array of planning materials, consulting and other value-added services. One of the services offered is a series of confidential surveys of customers and employees that may be used at your company to determine what matters most to each.

Whatever approach you use to lead your team into the 21st century, it is certain it will continue to be a challenge and, hopefully, a labor of love. ■

Gary Ferriman is a licensed Franklin-Covey facilitator and president of Showplace Lease-Purchase in Marion, OH.



HINDSIGHT



APRO celebrated a successful series of "firsts" at its 2000 convention and trade show. Not only was this year's show held in Nashville for the first time, the first Employee Day was held, the first Rental-Purchase Employee of the Year and Customer of the Year contest was held, but the industry's Association also celebrated its first 20-year milestone. More than 1,000 rental dealers attended APRO 2000: New Frontiers, with nearly 80 rental-purchase employees who signed up for APRO's first Employee Day, which included an afternoon of free seminars geared specifically toward store personnel. The response was so successful that Employee Day will be repeated at the 2001 APRO convention and tradeshow next year in Las Vegas. The tradeshow boasted more than 221 booths featuring 112 exhibitors showing the latest in electronics (including a slew of digital electronic devices such as HDTVs), furniture, appliances and special services. What was new this year on the exhibit floor was the presence of two Internet companies who cater specifically to the RTO industry, MasterRentals.com and RentalCorner.com, and a fitness equipment supply company, Icon Health and Fitness. There was also a construction company, Billco Construction Co., exhibiting that specializes in remodeling of RTO stores.

is 20/2000

**A LOOK BACK AT THE
ASSOCIATION'S 20TH ANNIVERSARY
CONVENTION CELEBRATION IN
NASHVILLE'S NEW FRONTIER**



BY JULIE SHERRIER





Winners of the Tom Kitchens/ Joe Eason Golf Tournament this year were Al Zagorniak, Wayland Russell, Randy Lewis and Michael Zagar. Right: Norm Smith, Fred Dehring and Gary Romine on the trade show floor.



The education seminars were very well received overall. Topics covered included many human resources issues, store design, advertising tips and more. The seminars that included several panelists were the most popular and more will be added to the seminar slate next year.

Football legend Larry Csonka proved to be a worthy keynote speaker as he opened the show with a



tion and the rental-purchase industry. The 20-year anniversary of APRO was celebrated in many ways throughout the three-day affair—including a standing ovation during the final awards banquet for previous APRO presidents who gathered to be honored for their dedication on stage. All in all, the APRO 2000: New Frontiers convention and trade show will be remembered for introducing a new era for the rental-purchase industry.

humorous historical account of his ascent to the top, all the while emphasizing the importance of teamwork. Prior to Csonka taking the stage, a 20-year video salute was shown that included interviews with many former APRO presidents and others involved in the growth and prosperity of the Associa-



Far left: Eric Ison, center, was honored as the first-ever Rental-Purchase Employee of the Year. Presenting the award were Ison's employer, Gary Ferriman, and APRO President Gary McDougal. Left: Mamie Harper accepted the Customer of the Year award on behalf of Maria Magdalena Estrada, who could not be in Nashville. The award was presented by APRO President Gary McDougal.





In celebration of APRO's 20th anniversary, the Association's past presidents were honored at the Awards Banquet in Nashville. APRO Presidents who attended were Glenn Davis, Wayne Chambers, Richard Grauel, Kevin Quinn, Darrell Tissot, Barry Gambini and Ernie Lewallen. APRO past presidents unable to attend were Bud Holladay, Mac Hennigan, Ted Wilson and Bill White.

APRO NAMES 2000 EMPLOYEE AND CUSTOMER OF THE YEAR

To celebrate APRO's 20th anniversary, two new award programs were added to help illustrate and acknowledge just how far the rental-purchase industry has come. Two outstanding individuals were recognized during the general session on August 3 for their unwavering support of and involvement with the rental-purchase industry. Maria Magdalena Estrada and Eric Ison were awarded the 2000 APRO Rental-Purchase Customer of the Year and Employee of the Year, respectively.

Both Maria Estrada and Eric Ison exemplify just what is right about this industry. For example, El Paso's Fiesta Rent To Own customer Estrada said in



Davy Crockett III presented keynote speaker Larry Csonka with a Tennessee token of appreciation.



Above: Dancin' at the Wildhorse Saloon. Far left: Ivory tickler Jason D. Williams gave Jerry Lee Lewis a run for his money during his Awards Banquet performance. Near left: Awards Banquet emcee/jokster Mark Mayfield.

her letter of application for the award that, "I rely on the employees of Fiesta Rent To Own to provide me with the quality products and services I need." Estrada is a single mother of four boys who has relied on the service and convenience of her local store for many years. "I have acquired home furnishings, appliances and electronics to create a warm and stable



Left: Smoke Signal's spokesman and former CHIPs television star Eric Estrada welcomes the trade show traffic. Below and bottom: Trade show vendors showing off the latest in art and technology.



environment for all of my boys..." said Estrada.

Eric Ison, store manager for Showplace Inc. in Marion, OH, was nominated for the Rental-Purchase Employee of the Year award by his district manager for being a "valued high performance manager." Ison not only has become one of the compa-

ny's leading trainers in all aspects of the business, including developing a computer training class for employees, but also has "blazed trails into community involvement." Ison started a food drive, helped build a new school playground, participates in United Way fund-raisers as well as the Adopt-A-Family program, the Salvation Army and the American Red Cross.

With customers and employees like Estrada and Ison, the industry has more than enough reason to celebrate. Both winners were

awarded trophies and a free trip and accommodations for the Nashville convention.

APRO'S 2000-01 LEADERSHIP

The following members were elected to serve APRO for the next year during the convention:

- ▶ APRO President Gary McDougal was re-elected to serve in his role for another upcoming year.
- ▶ The 2000-01 APRO Executive Committee is as follows: President Gary McDougal, American Rentals, Hixson, TN; First Vice President Ron DeMoss, RentWay Inc., Erie, PA; Second Vice President Gary Romine, Show-Me Rent-To-Own Inc., Farmington, MO; Secretary Mamie Harper, Fiesta Rent to Own, El Paso, TX; and Treasurer "Tiger" John Cleek, Cleek's Appliances, Columbia, MO.

▶ The 2000-01 APRO board of directors are: Larry Carrico, SKC Enterprises, Mt. Vernon, IL; David P. David, Full-O-Pep

RELAX-R CORP. WINS "SUPERIOR BOOTH" CONTEST

Larry Helms, "The Trade Show Doctor," selected Butch McCracken of Relax-R Corp. as the winner of the 2000 "Superior Booth" contest at this year's convention and trade show. Helms' comments on the Relax-R trade show booth was that the signage was exemplary, displaying clean and easy-to-read graphics. The booth had an open, airy feel to it, good lighting and included live plants. The Relax-R Corp. will receive \$1,000 off its booth price for the 2001 convention, August 6-9, at the Paris Resort in Las Vegas.



Appliances Inc., Bloomington, IN; Brad Denison, Rent-A-Center, Dallas, TX; Gary Ferriman, Showplace Inc., Marion, OH; Lyn Leach, Ace Furniture & TV Inc., Lincoln, NE; Ernie Lewallen, UHR Rents, Cincinnati, OH; Kim Slatton, Bi-Rite Inc., Tampa, FL; Jimmy Strong, Easy Way Inc., Delhi, LA; Shannon Strunk, Baber's Leasing, Pascaguola, MS; Michael J. Viveiros, Rainbow Rentals, Canfield, OH; Al Zagorniak, Sears Contract Sales, Kansas City, MO; and Amy Zeller, City Rentals Inc., Defiance, OH.

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THE BUDDY 2000 AWARDS

The APRO "Buddy" awards are presented every year to those outstanding individuals and organizations that have raised the level of what can be done to better the industry for everyone. At the annual APRO awards banquet, held August 5 during the 2000 APRO convention and trade show in Nashville, the recipients of the Lifetime Achievement Award, the President's Award of Excellence, the Rental Dealer of the Year, the State Association of the Year and the Norm Smith Vendor the Year were named. Here are this year's winners:



APRO President Gary McDougal, left, and APRO General Counsel Ed Winn III, right, present the Lifetime Achievement Award to Chuck Sims

Lifetime achievement award: Chuck Sims

Every so often, APRO recognizes those achievers whose contributions to the industry span a lifetime. This year, APRO presented its Lifetime Achievement Award to Chuck Sims, the former founder of Remco and whom many call "the grandfather of rent-to-own."

Chuck Sims attended the very first meeting of APRO in 1980, after already having worked in the industry since 1962. He started working for Ernie Talley at Mr. T's Rental Inc. and, after several career jumps, started his own company in 1968 called Action TV Rental in Houston. Eventually, Sims bought out Mr.

T's, which was the beginning of Remco, in the 1970s. Over the ensuing years, Remco expanded to almost 50 stores throughout the country. Then in 1983, a Colortyme franchisee bought Remco in a multi-million dollar deal, which expanded the chain to nearly 100 stores. Two years later, Sims bought back the chain and sold it to Rent-A-Center in the early 1990s.

What makes Sims stand above the rest was his determination and his role as the great educator in the industry. He shared with other dealers and people who wanted to learn the business techniques and standards he developed that serve our industry today. Despite some opposition from other dealers, Sims shared

the "secrets" of rental-purchase in seminars and offered his expertise to APRO. And during the Association's early years, when money was tight, Sims' interest-free loans helped keep APRO afloat.

And it was Sims' public relations agency that coined the term, "rent to own."

Today, Sims keeps busy managing his investments and, until recently, ran a fish farm just outside of Houston in Waller, TX. He is currently between entrepreneurial endeavors and always has his eyes open for the next great idea.

President's award of excellence: Darrell Tissot

One of the highest honors an APRO member can achieve is the President's Award of Excellence. This is presented to the person

who exemplifies the best of the industry through operations, involvement and support of industry goals. This award can go to anyone who represents what the industry strives to be as a whole. Darrell Tissot of Countryside Rentals in Bainbridge, OH, was presented with the 2000 President's Award of Excellence.

"Darrell is one of the quiet giants of this industry," says APRO Executive Director Bill Keese. "He never sought publicity, but served as APRO president, as president of TRIB and has built one of the best medium-sized rental-purchase companies operating today."

Tissot served as APRO president from 1997-98, during a period in which there was increased tension between smaller rental dealers and the larger chains. "As a small dealer, he sought to settle the issues at hand

and effectively represented the smaller dealer point of view," says Keese. Tissot is a regular APRO Legislative Conference attendee and has worked very hard to secure federal legislation on the industry's behalf.



Rich Bartel presents the President's Award of Excellence to Darrell Tissot



Tom Neyhart, center, and Gary McDougal present the Dealer of the Year Award to David P. David

Tissot has been an APRO member since 1986. He is also a charter member of the Ohio Rental Dealers Association and has served on the board of directors for TRIB. Tissot has served on the APRO education and government relations committees and has served as an APRO convention seminar speaker. Today, Tissot owns 13 Rent-2-Own stores in Ohio and Kentucky.

Rental Dealer of the Year: David P. David

The APRO Rental Dealer of the Year was awarded to David P. David, general manager for the 33-store Full-O-Pep Appliances chain based in Bloomington, IN. David has served on the APRO board of directors and executive committee for 12 years, most recently having served as the Association's secretary in 1999.

Under David's leadership, the Rental-Purchase Dealers Association in Indiana has grown to become one of the strongest and most active state associations. He is currently serving as RPDA's president.

"David's dedication to the industry is profound," says APRO President Gary McDougal. Among his many accomplishments this year includes his participation in the completion of APRO's house that was built in Austin for Habitat for Humanity International. David has also



Al Zagorniak presents the Vendor of the Year Award to Bob Saunders

been instrumental in coordinating efforts with rental dealers in the Midwest to raise more than \$120,000 for the Children's Miracle Network.

"There are so many people who deserve this award," says David. "To be singled out means more than I could ever say. The members of APRO have motivated as well as inspired me to do my best, to make a difference, to be involved."

Vendor of the Year: Bob Saunders

The Norm Smith Vendor of the Year award is presented to an outstanding associate member who has supported the Association and its activities. This year, Bob Saunders, national sales manager for rental accounts and alternate distribution for Pilliod Furniture, received this award. Saunders has been an active member of the APRO Vendor Advisory Committee and, most recently, was instrumental in

helping the rental-purchase industry defend itself against negative legislation in Kentucky.

With more than 18 years of experience in the rental industry, Saunders has worked for Pilliod for the past 10 years. Pilliod is a LADD/La-Z-Boy furniture company and manufactures promotional master bedroom, dining room, junior bedroom, entertainment centers and walls and is headquartered in Greensboro, NC.

Saunders joins an elite group of vendors supplying rent-to-own who commit their time and energy in furthering the professionalism in the industry.

"Bob's dedication to our industry is exemplary," says APRO President

Gary McDougal. "He serves with distinction on our Vendor Relations Committee and gives vital assistance to the industry's legislative efforts."

State Association of the Year: Texas Association of Rental Agencies

The State Association of the Year award was presented to the Texas Association of Rental Agencies. The criteria for this award includes that the state association has a well-defined leadership structure, including the periodic election of officers, a continuity of organizational structure with annual or regularly scheduled meetings and, most importantly, the State Association of the Year must have sustained membership support over time and demonstrated strong legislative and educational performance.

TARA not only has a paid executive director to coordinate and monitor the organization's myriad activities, it also has

shown continued growth and holds regular meetings and can boast of the largest attendance at a state rental-purchase association trade show. TARA has adopted Habitat for Humanity as its charitable organization. In June this year, many TARA members showed their invaluable support through the donation of manpower and appliances for the Habitat for Humanity build in Austin.

Every year, TARA sends a large delegation to the annual APRO legislative conference in Washington, D.C. TARA's Executive Director, Lynn Clark, also participates in both state and national lobbying efforts.

Additional state rental dealers association awards presented this year:

- ▶ Most-Improved State Association of the Year: New York
- ▶ Firefighter of the Year: Kentucky
- ▶ Continued Excellence: Indiana



The costly dangers of

Age bias



*A*ge discrimination lawsuits have always been a scary prospect for employers. Costly settlements and compensatory damages have traditionally been based on the anticipated wages forfeited by aggrieved workers enjoying upper income salaries prior to termination. With a host of court cases under the nation's legal belt, though, it's becoming clear that business owners are making a number of common mistakes that spark costly litigation for age bias. Here's some salient advice from attorneys in the field.

By Phillip M. Perry



Consciously or not, employees continually fall into legal quicksand when they fire more than one worker at a time—and the terminated workers are over the age of 40. “Group terminations have become a real battleground,” says Joseph P. Harkins, a partner at Washington, D.C.-based Littler Mendelson, the nation’s largest employment law firm. He warns of the importance of making sure the proportion of terminated workers over 40 does not skew too highly.

“When you lay off people, ask how much of your current workforce is over 40 and how many of the people being laid off are over 40. For bulletproof terminations, make the two figures as close as you can possibly can,” says Harkins.

You will want to be in compliance with the Older Workers Benefit Protection Act (OWBPA) when you lay off more than one worker at a time. (In the eyes of the law, a “group” refers to more than one person.) “If you cut a deal with an individual, you can do whatever you want,” says Harkins. “But in the case of a group, everyone has to be treated the same in how you calculate their package.”

Try as you might to avoid it, you may nonetheless discover that individuals going out the door will be skewed as older. How can you protect yourself from litigation? “The only thing you can do is give more generous pack-

ages,” says Harkins. “Getting involved in litigation is simply not worth it.”

In exchange for the generous termination packages, have the older workers sign waivers of their rights under the Age Discrimination in Employment Act. But these waivers must be done properly to be sustained in court.

In particular, the waivers must:

- ▶ be voluntary
- ▶ use understandable language
- ▶ mention the ADEA specifically
- ▶ confer compensation to which the employee is not already entitled
 - ▶ advise the individual to consult an attorney
 - ▶ provide 21 days for an individual to consider the waiver, 45 days if it is a group offer
 - ▶ allow the individual seven days to revoke the waiver

These conditions, mandated by the OWBPA, are intended to protect the terminated workers from unfair practices. Following these guidelines will go far

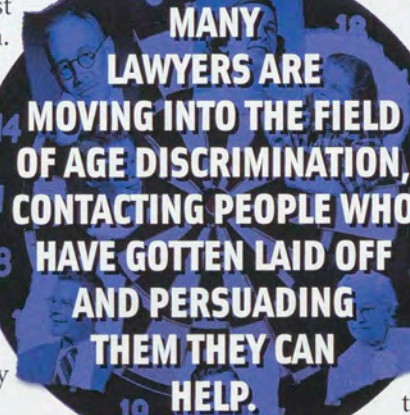
toward protecting you against court action. This lesson was brought home recently in *Oubre vs. Entergy Operations*. In this case, the Supreme Court ruled that a terminated worker was free to sue her former employer under the ADEA, even though she had accepted \$6,258 in severance pay and she had signed a waiver. The problem was that the waiver did not fully comply with the above rules.

“The case is significant because it places the burden on the employer to ensure that it has fully complied with the OWBPA when drafting a release intended to waive ADEA claims,” says Harkins. “Complying in the real world can be more difficult than courts think. Be we advise to err on the side of literally following the statute. We advise employers to go with the literal interpretation of the statute and jump through the required hoops.”

Most employees will not be unreasonable in their requirements for monetary compensation for signing the waivers, says Harkins. “Most people are looking for payments to last until their next job.”

Establish paper trails

The increasing risk of age discrimination lawsuits makes it more vital than ever to maintain records of negative performance



MANY LAWYERS ARE MOVING INTO THE FIELD OF AGE DISCRIMINATION, CONTACTING PEOPLE WHO HAVE GOTTEN LAID OFF AND PERSUADING THEM THEY CAN HELP.

Keeping age discrimination lawsuits at bay

- ▶ Establish internal policies that prohibit age discrimination. Supervisors must be trained to avoid bias in recruiting, hiring, compensating, training, promoting or terminating employees.
- ▶ Document performance problems. Maintain detailed accounts of performance assessments, warnings and training programs undertaken.
- ▶ Eliminate age bias from training programs. Every program must be open to employees regardless of age.
- ▶ Balance the demographics of all employee practices. Starting a new department, compensation program or other employee-related program? Make sure participants are not filtered by age.
- ▶ Consider whether older workers can be reassigned rather than terminated.

evaluations. "If you terminate someone over 40, you want objective evaluations of strengths and weaknesses going as far back as you can," says Harkins. "It used to be the custom to gloss over problems, but all this has changed in recent years." When you terminate someone for poor performance and the paper trail does not back you up, the firing looks like age discrimination even when it's not.

Suppose that an employee has not performed well over the years. You have maintained a good set of negative performance evaluations that detail the steps you took to set performance benchmarks and the shortfall in the worker's execution. Are you justified in terminating the employee without paying extra compensation for signing the waiver?

Maybe. But Harkins warns that you may be opening yourself up for unnecessary trouble. "With a decent paper trail, you might not ask for a release," he says. "Even so, I still say give them something and get a release out of them. It's more cost effective for employers since the person won't sue and will pursue another job quickly."

Don't hire young for longevity

To avoid wasting time and resources on personnel who jump ship for other employers, businesses are yearning to hire workers who stay a while. That can cause problems, however, when employers consciously avoid older applicants believing them more likely to leave before younger people.

"We are seeing an increasing problem where businesses are worried about getting good executives and consciously trying to find individuals 45 years old or younger," says Lawrence R. Levin, a partner at Levin & Funkhouser, a Chicago-based firm that is a veteran in discrimination law. "But although younger people say they will be there forever, after two years or so many are already moving on for higher pay. So companies aren't getting the longevity they want and, at the same time, they are running the risk of lawsuits for discriminatory hiring. This is becoming an increasingly serious issue."

And litigation proceeds apace. "At one time, older workers would refrain from suing because of the stigma," says Levin. "They were afraid no one else would want to hire someone who sued a former employer. Now they say the chance of getting another job is so slim they might as well sue." This attracts attorneys. "Many lawyers are moving into the field of age discrimination, contacting people who have gotten laid off and persuading them they can help," says Levin.

The prudent employer will follow the mandates of federal and state law and apply some of the lessons learned in the school of hard lawsuits to create workplace policies that reduce the risk of litigation. ■

Philip Perry is a free-lance business writer based in New York City.



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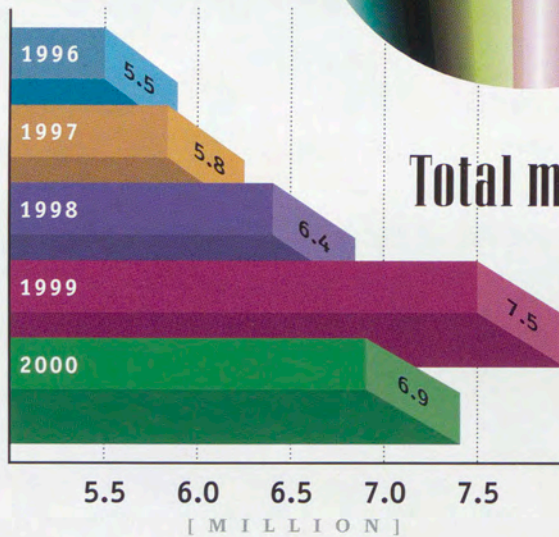
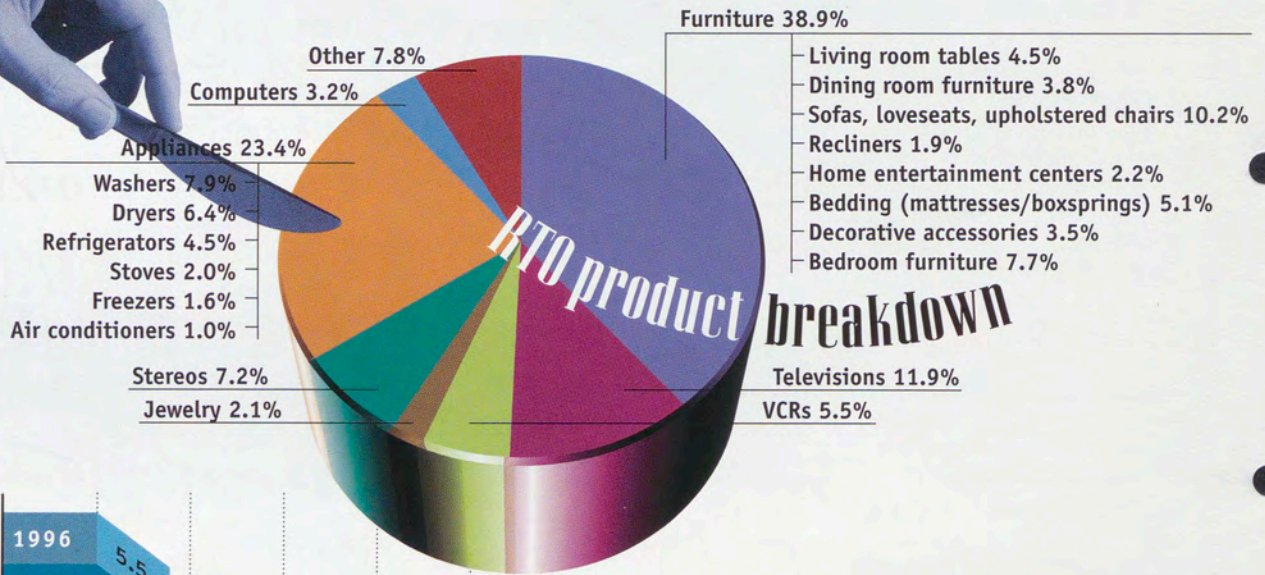
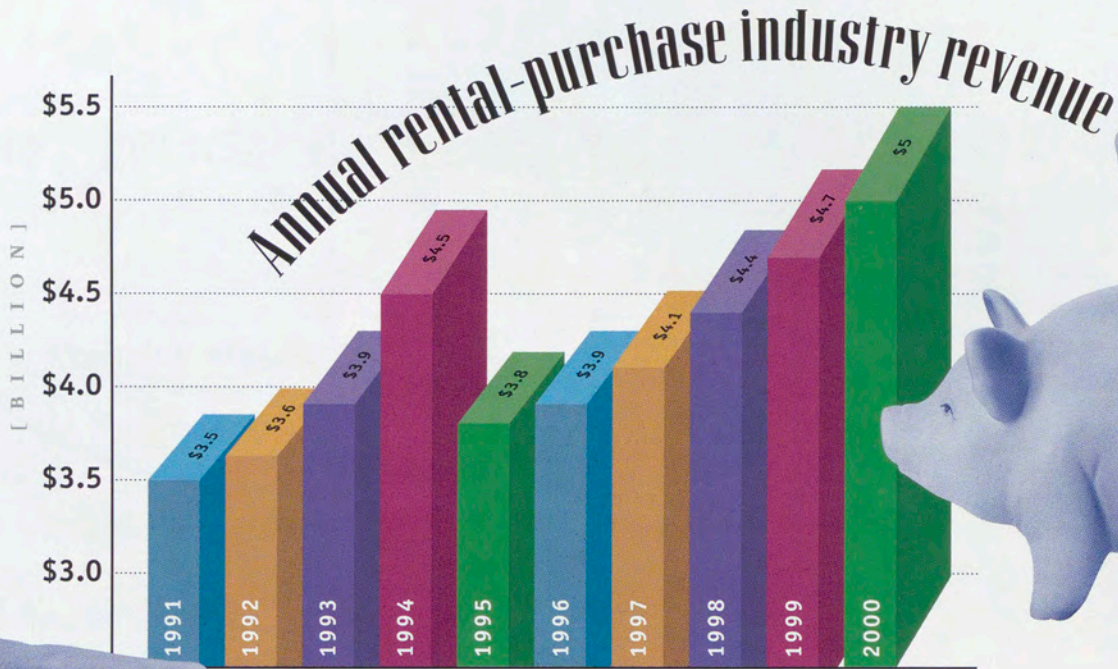
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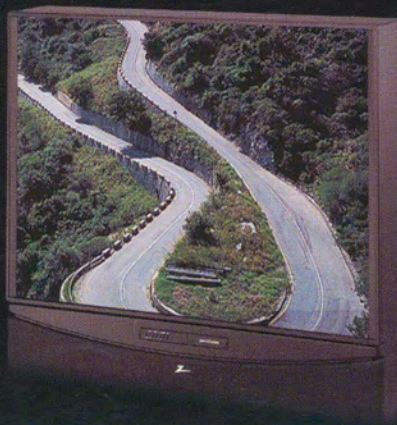
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