

RTO and military commitments > APROfile: Mamie Harper > Getting the most out of APRO

PROGRESSIVE Rentals

THE VOICE OF THE
RENTAL-PURCHASE INDUSTRY
NOVEMBER-DECEMBER 2001

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are shaping the way
you do business

TECH KNOWLEDGE

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**PROGRESSIVE RENTALS
NOVEMBER-DECEMBER 2001**

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Dealers Association



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news

BREAK

COMPILED BY
JULIE SHERRIER

Mid-Year Conference set for sunny Savannah

Rental dealers everywhere are invited to experience the Deep South during the 2002 APRO Mid-Year Conference, scheduled for March 20–22 in Savannah, GA. Named by *Conde Nast Traveler* magazine as one of the top 10 U.S. cities to visit, Savannah offers an enchanting stroll back in time. Bits and pieces of the city's rich, colorful history adorn virtually every corner of the downtown area.

Known as one of the best walking cities in the nation, Savannah offers

the perfect environment for rental dealers to unwind and stroll along



historic squares, azalea-laden parks, 18th-century cemeteries and riverfront boardwalks.

In between strolls, rental dealers can attend meetings and seminars, including “A Well-Trained Workforce: Rental Training Online,” “Legal Issues in RTO Employment” and the annual “APRO Industry Update and Networking Session.” The APRO hospitality suite is scheduled for 5 p.m., Wednesday, March 20. Thursday and Friday evenings are open for attendees to explore the city.

Dealers interested in lugging along their golf clubs will be pleased to know that The Club at Savannah Harbor, a Robert Cupp and Sam Snead-designed and Troon Golf-managed

NEWS BREAK

championship golf course is in close range.

As a West- in Savannah Harbor guest, attendees can partake in a variety of luxuries, including privileges at The Greenbrier Spa,



the exercise facility (a fully equipped fitness center),

two lighted outdoor swimming pools, four Har-Tru tennis courts, a 400-foot floating dock, the Westin Kids Club,

CONFERENCE REGISTRATION

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

Registration fee is \$375 for members, \$525 for non-members for the entire conference; or \$150 for members, \$195 for non-members per individual session.

Please indicate appropriate registration below:

- MARCH 20: *A Well-Trained Workforce: Rental Training Online*, 1-5 p.m. [\$150/\$195]
- MARCH 21: *Legal Issues in RTO Employment*, 9 a.m.-12 p.m. [\$150/\$195]
- MARCH 22: *APRO Industry Update and Networking*, 9 a.m.-12 p.m. [\$150/\$195]
- All sessions [\$375/\$525]

Are you an APRO member? Yes No

Check enclosed

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Expiration date _____

Authorized signature _____

- ☞ Photocopy this form for additional registrants.
- ☞ Hotel registration is separate and must be made directly with the Westin Savannah Harbor Resort and Spa at 888/627-8457 or 912/201-2000. Reservation deadline is February 18 or when the APRO block has sold out, whichever comes first.
- ☞ Mail this form, with payment, to APRO, 1504 Robin Hood Trail, Austin, TX 78703. Preregistration for conference will be accepted until March 8. On-site conference registration will be available, but we recommend that you reserve your accommodations now.

[YOU CAN ALSO REGISTER ONLINE AT WWW.APRO-RTO.COM]

MID-YEAR CONFERENCE

MARCH 20

1-5 p.m. *A Well-Trained Workforce: Rental Training Online*, Keith Carrico, Edward L. Winn III and Shelley Martinek

5-7 p.m. *APRO Hospitality Suite* (sponsored by Central File, Ther-A-Pedic International, RES Marketing, John Lee Co. and High Touch)

MARCH 21

8-9 a.m. *APRO Political Action Committee Breakfast*, (complimentary— all rental dealers invited)

9 a.m.-12 p.m. *Legal Issues in RTO Employment*, Edward L. Winn III and panel

MARCH 22

9 a.m.-12 p.m. *APRO Industry Update and Networking Session*, Gary McDougal, Bill Keese and Edward L. Winn III

area tours arranged by the concierge and unlimited use of the water taxi.

Hotel reservations are separate and must be made by calling the Westin Savannah Harbor Resort and Spa at 888/627-8457 by February 18. The APRO rate is \$169 single/double (includes \$12 resort fee)

Discount airfare and car rentals are available

through Stellar Access at 800/929-4242. To avoid a service charge, you can book airfare through the APRO Web site at www.apro-rto.com (group #680).

Register today by completing the registration form on this page. Online registration and a brochure will be available in mid-December.



Rental dealers gear up for 2002 markets

APRO would like to invite all rental dealers to join us at the Consumer Electronics Show (CES) in Las Vegas January 8-11. John Lee Co.-Compaq will sponsor a rental dealer's hospitality suite 6-7:30 p.m., Wednesday, January 9, at



Is your state small-business friendly?

How entrepreneur-friendly is your state? According to *The Small Business Survival Index*, published by the Small Business Survival

Committee, the top 10 most entrepreneur-friendly states are Nevada, South Dakota, Washington, Wyoming, Florida, Texas, New Hampshire, Alabama, Mississippi and Tennessee.

The 10 most anti-entrepreneur policy environments are Vermont, New York, California, New Mexico, Minnesota, Kansas, Maine, Hawaii, Rhode Island and the District of Columbia.

"The best policy environment for entrepreneurship consists of low taxes, limited government, restrained regulation and government protecting life, limb and property. States following such a governing philosophy will reap great rewards from America's entrepreneurs, including faster economic growth and increased job creation," says SBSC chief economist Raymond J. Keating, who authored the study.

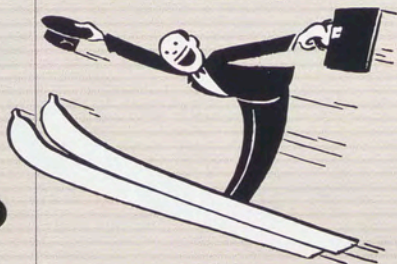
Of the three remaining states without rental-purchase laws on the books, they were ranked as follows: Wisconsin (30), North Carolina (35) and New Jersey (37).

will be in its usual location in the lobby of Hall B of the Mississippi Market Complex. There will

be two APRO hospitality events: one on Thursday, February 21, sponsored by Ashley Furniture in

SHELLEY MARTINEK

Man-dalay Bay. The APRO booth—always a popular gathering place for rental dealers—will be located in the lobby of the Las Vegas Convention Center, booth L-11. For more information on the winter CES show, call 703/907-7600 or visit the CES Web site at www.cesweb.org/.



Other markets of interest to rent-to-own dealers include the San Francisco Furniture Mart, January 18-21. APRO will not be attending this market, but for more information, call 514/552-2311 or visit www.sfmart.com/.

APRO will again be participating at the Tupelo Furniture Market being held February 21-24. The APRO booth

CALENDAR OF EVENTS

2002

JANUARY

8-11
CES Las Vegas, APRO Hospitality Suite at Mandalay Bay, 6-7:30 p.m., January 9, sponsored by John Lee Co./Compaq; APRO Booth LVCC L-11, 703/907-7600, www.cesweb.org

18-21
San Francisco Furniture Mart, 514/552-2311, www.sfmart.com

21
TARA Seminar—Lubbock 940/497-1150, www.taramembers.com

22-23
TARA Seminar and Board Meeting—Austin, 940/497-1150, www.taramembers.com

FEBRUARY

13
Missouri Rental Dealers Association Annual Business Meeting and Seminar, Columbia, MO, 573/442-2963

21-24
Tupelo Furniture Market, APRO Booth Lobby Hall B Mississippi Market Complex, APRO Hospitalitys February 21, sponsored by Ashley Furniture, and February 22, sponsored by Benchcraft, both 5-7 p.m., 662/844-1473, www.tupelomarket.com

MARCH

5-6
TRIB Meeting of the Minds, Atlanta Airport Hilton, 770/451-4302, www.tribgroup.com

20-22
APRO 2002 Mid-Year Conference, Westin Savannah Harbor Resort & Spa, Savannah, GA, 800/204-2776, www.apro-rto.com

Rent-A-Center's Talley retires

It has been said that in Italy, all roads lead to Rome. In rent-to-own, it seems all roads led to Ernie Talley. That road has come to an end, once again, for Talley, when his retirement as chairman and CEO of the industry's largest chain, Rent-A-Center, was announced October 8.

This is the second time Talley, 66, has retired from the RTO business, having sold his first chain of RTO stores in the 1970s. Twenty years later, Talley re-entered RTO with what is now Rent-A-Center. Nearly every major dealer who has contributed to furthering the RTO industry sprang forth from Talley's employ.

"It is a tribute to his business acumen that 20 years later he came back and built what is now far and away the biggest chain in the industry," says APRO General Counsel Ed Winn III. "He proved a lot of people wrong because they didn't think he could compete in an industry that had changed so much in the 20 years that he was gone."

"Talley and his brother Willy invented the business in the late 1950s," says Winn. With Talley's reintroduction to the industry, he led the effort to bring rent-to-own into the public trading arena, another very significant milestone for the industry. His success running publicly traded company has turned the heads of Wall Street.

Talley's announcement of his second retirement called Mark Speese, 44, out of his retirement, to serve as the company's new chairman and CEO. Speese has

extensive experience in the industry with more than 22 years of service and has been an integral part of Rent-A-Center since it was started in 1986. He currently serves as a director of the company and has since 1990. Speese has served RAC in varying capacities, including vice chairman and president and COO.

"I think Ernie was just ready to retire," says Peter Bates, vice president of finance and director of investor relations. "He worked 9- to 10-hour days. He came in way before anyone else. His philosophy was that he had to work harder than anyone else in the company and when he decided that he didn't want to do that anymore, the natural progression was to retire. He gave a lot to the industry and built a great company. His perseverance and participation will be missed."

"We would like to thank Ernie for his many contributions to Rent-A-Center's success over the years," says Speese. "Ernie founded the rent-to-own concept in 1963 and has helped build the company into the sector's market leader. All of us at Rent-A-Center wish him much happiness in his retirement."



Tupelo Building 4 and a second on Friday, February 22, at the Benchcraft Showroom. Both will be held 5-7 p.m. More information on the Tupelo market can be obtained by calling 662/844-1473 or visiting www.tupelomarket.com/.

In early spring, APRO will have a booth at the High Point Furniture Market, April 18-25. Progressive Furniture will host the APRO hospitality for rental dealers 5-7 p.m., Friday, April 19, in their showroom, 212 Jacobs Place. The number for information on High Point is 336/888-3700 and the Web site is www.ihfc.com/.

Please stop by the APRO booth when visiting any of these markets!

"I'm online. What do I do next?"

The telephone lines at the APRO office have been very busy since the first Rental Training Online course went online October 15. The first course, *Rental Delivery and Safety*, is currently being used by new and longtime rental industry employees alike to learn new skills or sharpen old ones. But, how do you begin?

► Log on to APRO's Web site at www.apro-rto.com.

► Click on *Rental Training Online Virtual*

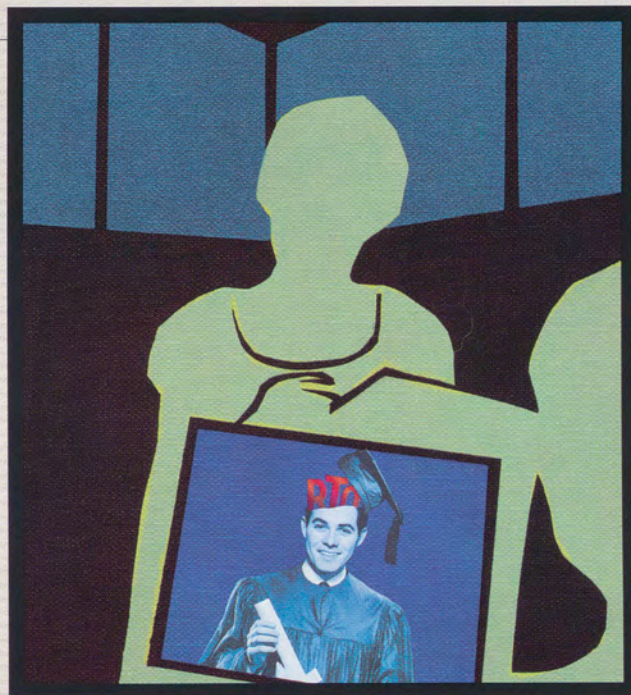
University.

▶ Click on *Enter APRO Online University Here.*

▶ Click on *Course Catalog.*

▶ Be sure and check with your management to find out if your company is a member of TRIB Group or a state rental dealers association before you begin as you may be qualified for a discount through these organizations. You will be instructed to click if your company is a state association and/or TRIB Group member next.

▶ Click on *System*



Requirements to make sure your computer has all the software needed to take the course. If not, you will be instructed on how to download these programs at no charge.

▶ Then you may click on the course you wish to take and *Enroll Now* or click *Sample* if you wish to preview the course before taking it. This will let you com-

plete the first lesson in the course before actually signing up or paying for the course. When you are ready to sign up, click on *Enroll Now* and you will be asked to enter your registration information. You can choose to pay by credit card, checking account or have the course billed to your company if your company has set up an authorization account with APRO (for an account application, call Shelley Martinek at 800/204-2776).

▶ You will then be taken through a "tutori-



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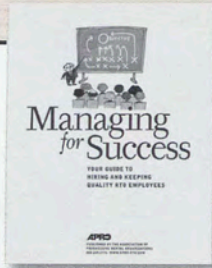
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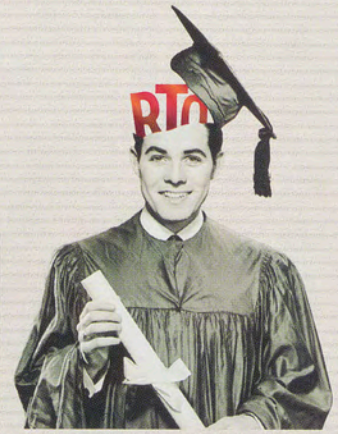
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NEWS BREAK



al” to show you how to navigate the course.

▶ Begin the course. You can stop and start at any time and have 90 days to complete the course.

▶ Upon passing your final exam, you will be issued a certificate of completion for that course.

APRO’s Rental Training Online Virtual University was designed to provide basic, specialized training for store-level RTO employees. The program is very flexible and allows students to learn at their own pace, when and where it is convenient for them and their companies. The five basic courses that will be available during the first year are:

Rent-To-Own Industry Orientation (target date: November 2001)

Rental Delivery and Safety (now online)

Management of the Rent-To-Own Account (target date: January 2002)

Communicating With Your Customers and Your Company (target date: March 2002)

Customer Service in the Rent-To-Own Environment (target date: June 2002)

Several companies are planning to offer all five online courses to all of



McDougals on “Today”

APRO President Gary McDougal and his wife, Mary, were part of the “Today” show scene in New York City recently. The show’s weatherman, Al Roker, offered forth the microphone, giving the McDougals the opportunity to tout the great state of Tennessee. Can Hollywood be far behind?

industry for employers and employees alike.

We hope you will take advantage of the APRO Rental Training Online Virtual University and welcome your questions and comments. Call Shelley Martinek, APRO's education director, at 800/204-2776 for more information. Her e-mail address is smartinek@apro-rto.com.

AVB launches new rental-purchase buying group

Associated Volume Buyers, a not-for-profit retail buying group, recently launched a specialized division within its organization called Home Rental Source, an exclusive buying and merchandising group dedicated to serving RTO dealers.

Brand Source, the national identity of this buying group, was introduced in 1998, along with Home Entertainment Source, which consists of 200 home theater custom dealers and introduced in 2000.

"The rent-to-own business is a dormant giant that is now waking," says Mark Taylor, manager of HRS. "Home Rental Source provides dealers that do rent-to-own business with marketing support, increased co-op funds and, like

Brand Source, a national identity for these dealers."

HRS echoes the business philosophy of AVB: to use the collective buying power of independent dealers to provide

increased total return to their bottom lines, says Taylor. "The combined volume will allow HRS to purchase like the larger RTO chains. HRS will provide tools vital to success: greater access to

brands and suppliers, education and training and powerful advertising programs.

For more information, contact Mark Taylor at 734/483-5400.



APRO members contribute charitable works

- ▶ Rental dealers in Indiana (Full-O-Pep Appliances, Mr. Steve's, Rarick's and others) are trying to raise 1 million pennies per company (\$10,000) to reach a goal of \$30,000 by next June for the Children's Miracle Network. Full-O-Pep Appliances, based in Bloomington, IN, has already begun its campaign and raised \$1,000 worth of pennies to date.
- ▶ Full-O-Pep Appliances also sponsored a food drive in October where customers who donated one canned food item received a free week's rental. The donations went to area food banks.
- ▶ In response to the September 11 attacks, RTO appliance distributor and APRO associate member Crosley Corp. Inc., based in Winston-Salem, NC, sent all of its outside salesmen \$100 with the understanding that they were to spend it immediately to help the country out of its recession. Crosley President and CEO Buddy Dixson Sr. urged his outside sales force to "help President Bush fight the recession and spend the money at once to help America. It is our patriotic duty to do so."
- ▶ ShowPlace Lease/Purchase, based in Marion, OH, held its annual golf outing September 23 at Pine Lakes Golf Club in Mt. Gilead, OH. The company raised almost \$1,600 for the APRO Political Action Committee. APRO PAC expresses its thanks for the generous contribution.

Ohio rental dealers hold annual meeting

The Ohio Rental Dealers Association held its annual meeting in Columbus on September 25. "This was one of the best-attended meetings in several years," says ORDA President Ernie Lewallen. Although the weather was unusually cold and damp for September, rental dealers and vendors enjoyed the golf tournament held the previous day.

APRO Executive Director Bill Keese was the first speaker for the Tuesday meeting. Keese gave an industry update and presented details on APRO's Rental Training Online program. ORDA was one of the state associations to commit \$5,000 to the development of this innovative program, ensuring its members the best rate available for the offered courses.

After a complimentary lunch, attendees were treated to descriptions of three vendor product programs by the sponsors of the meeting: Benchcraft, Welton Techwood and Bradlin and Associates. After the vendor presentations, Jay Rogers of National TV Sales and Rentals of Missouri conducted an informative seminar on store operations.

Congratulations to Lewallen and the entire Ohio board for organizing an outstanding meeting.

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As so many of us try to look toward the future after the tragedy of September 11, we are forced to reflect on what we can do, as individuals, to help our country's call to preserve and protect our freedom. As rent-to-own dealers and as employers, we may have had to lose some employees who have been called up to serve in our country's military efforts. Please review carefully APRO General Counsel Ed Winn's article on page 36 as he details the legalities surrounding both employees and customers who are

gone as it was scheduled to be held September 12. Committee meetings were held by conference call instead.

The APRO Education Committee has made tremendous progress with its RTO Online training program. The first of five courses became available last month. The second course should be up by the time you get this issue of the magazine. If you haven't had a chance to check out what all the fuss is about, go to the APRO Web site at www.apro-rto.com/. This is a marvelous opportunity to educate employees for almost nothing. You owe it to yourself, your business and the industry to take advantage of online education. I urge you to check it out. You won't be disappointed.

Your government relations committee continues to work with the powers that be in Washington, D.C., to move HR 1701 forward. The bill was in the middle of a subcommittee markup—the furthest the industry has gotten with federal legislation—when the terrorist attacks occurred. We continue to gently encourage members of Congress to resume its normal order of business and wait patiently until that time occurs.

The membership committee issued a short survey to APRO members to measure the popularity and effectiveness of the Association's current member services. If you haven't done so, please take a moment to fill this out so that we can better meet your needs.

I wish us all courage and strength to meet the challenges ahead. Godspeed. ■

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

.....
"APRO members across the country have stepped up to the plate with a variety of charitable acts in response to the terrorist attacks."

This is a time for heroes

called upon to serve in the military under the Soldier's and Sailor's Civil Relief Act. There are some of us who have stores near military bases that rent directly to various branches of the military. Please provide these dedicated customers all the extra service you can and take care of their needs. This is a time for everyone to be a hero and go that extra mile to help those in need.

APRO members across the country—both rental dealers and industry suppliers—have stepped up to the plate with a variety of charitable acts in response to the terrorist attacks. Some larger RTO companies have had blood drives while some smaller dealers gave employees paid time off to donate blood. Money has been raised and donated to the American Red Cross and refrigerators have been donated to assist with

blood storage. As we move to see how this long war on terror will affect our everyday lives in the time to come, I am confident that rental dealers everywhere will rise to any occasion where help is needed.

And many of us have been touched very personally by this crisis with the loss of innocent lives. I just want to let you know that you have been included in my prayers.

President Bush urged us to get back to business, so the APRO board got down to business. The fall board meeting was cancelled due the attacks on the World Trade Center and the Penta-



By GARY McDOUGAL
 APRO's President

re·li·a·bil·i·ty

reliability

experience

support

dependable

flexible

control

definition:

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In 1794, the first golf course in American was created. Do you know in which city this occurred? Please allow me to give you some clues. It is a city of 150,000 that has 6.5 million annual visitors. *The New York Times* has listed this city as one of the country's "Top 12 Trendy Travel Spots." *LeMonde* newspaper of Paris says this is the most beautiful city in North America. This city boasts the second largest St. Patrick's Day parade in America, just behind the New York City parade. During the Civil War, General Sherman was so struck with the beauty of this city, he decided not to burn it like so many others in the South, but

vived and have been restored, including the Pirates' House built in 1754, which is an old seaman's inn mentioned in writer Robert Louis Stevenson's *Treasure Island*. The Herb House was built in 1734 and is the oldest existing building in Georgia and the Pink House was built in 1789, the site of Georgia's first bank.

.....
 "The New York Times has listed this city as one of the country's 'Top 12 Trendy Travel Spots.' *LeMonde* newspaper of Paris says this is the most beautiful city in North America."

A city not to be missed

instead gave it to President Abraham Lincoln as a "Christmas gift." This city is also the location of APRO's Mid-Year Conference for 2002.

If you guessed Savannah, GA, you win the proverbial cupie doll. Yes, APRO will be in Savannah March 20-22 at the Westin Savannah Harbor Resort and Spa. The Westin has an 18-hole championship golf course designed by Bob Cupp and golf legend Sam Snead, along with the famous 12,000-square-foot Greenbrier Spa. Attendees will be across the harbor from Savannah, but the Westin has water taxis to and from River Street, the historic district.

General James Edward Oglethorpe and the 120 travelers of the good ship Anne landed on a bluff high along the Savannah River in February 1733.



By BILL KEESE
 APRO's Executive Director

Oglethorpe named the thirteenth and final American colony Georgia, after England's King George II. Savannah became its first city. Under the original charter, individuals were free to worship as they pleased and rum, lawyers and slavery were forbidden.

Savannah is credited as being America's first planned city. Oglethorpe laid the city out in a series of grids that allowed for wide open streets intertwined with shady public squares and parks that served as town meeting places and centers of business. Savannah had 24 original squares with 21 still in existence.

Many of Savannah's old buildings have sur-

As luck would have it, while attending APRO's 2002 Mid-Year Conference, you will be able to attend the 67th Annual Tour of Homes and Gardens, which one of the most spectacular tours of historic homes in America.

There is much more to see and do in Savannah. There are ghost tours, Civil War tours, dolphin watches, midnight cruises on the riverboats, great restaurants, unique shopping and, since the city is on the water, there is also some great fishing to be had. Hilton Head is only 25 miles from Savannah.

APRO has never held a conference in any city quite like Savannah. If you like golf, fishing and beautiful surroundings, plan on coming to Savannah in March. This will be a Mid-Year Conference you will always remember. For more information regarding registration for the conference, see page 5. ■

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



truce, a concept of Dispute Systems, Inc., offers dispute resolution services to APRO members

The Association of Progressive Rental Organizations (APRO) has joined with Dispute Systems, Inc. (DSI) to provide its **truce** system to all members at deep-discounted prices. The **truce** system is designed to resolve disputes, including employment disputes, out of court. It includes efforts to resolve controversies in-house. If a resolve is not obtained, two processes are used for settling disputes: **mediation**, which is informal, confidential, and non-binding (unless a voluntary settlement is reached); and **arbitration**, which is formal, private and binding.

Alternative dispute resolution offers a quick, confidential, cost-effective manner to resolve employer-employee disputes. Most cases settle in mediation. Those that do not are disposed of through arbitration — a process which is a fair alternative to court litigation. The **truce** system is a benefit to both employee and employer and provides a more stable employment environment.

The **truce** service package will cover all disputes, including termination, sexual harassment, performance evaluation, wage and compensation, constitutional-statutory-common law claims, benefits and failure to hire. DSI provides all the necessary tools to implement and carry out the program, such as forms, updates, training, implementation assistance and continuing support, as well as the supplying of qualified mediators and the administration of all proceedings. If the dispute does not settle in mediation, DSI notifies the National Arbitration Forum to end the dispute with binding arbitration.

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For more information, call APRO's Carolyn May at 512.794.0095 or contact DSI directly:

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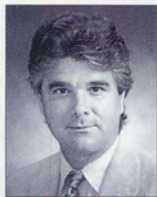
It is hard to write about the aftermath of September 11. Life in America has changed since then. We have read it. We have heard it. We have felt it, all of us, one way or another. We feel differently now about airplanes and airports and maybe travel in general. We feel differently about Arabic males. We feel differently about our country, our president, our government and our institutions. We feel differently about our families and our friends.

We feel differently about the future. It is, perhaps, less certain that it used to be. It is a feeling that we all are going to have to get used to. That

Life after September 11

life is suddenly less certain gives us the opportunity to examine what we are doing with our lives. It may be a good time to ask why you do the work that you do. Why are you in this business, anyway? What do you want to do in this business in the now uncertain future? Have you thought hard about what you want to get out of your business over, say, the next five years? Do you have a strategic plan? Have you looked at it since September 11? Some of your assumptions surely have been changed.

Have you thought lately about your customers? Could you accurately describe a day in the life of one of your customers? Do you understand why they choose to do business with you? Bill Gates, in his book, *Business at the Speed of*



By ED WINN III
APRO's General Counsel

Thought, wrote about getting customers to tell you what is wrong with your company. You do that by actually encouraging customers to complain and then making it easy for them to do so. What will happen is that they will complain, and you must then listen carefully and patiently to their complaints. Only then will you have the opportunity to make your company better.

What Bill Gates suggests takes guts—to open your company up to criticism. But the times demand that we all show fortitude or risk losing our very way of life. If we must be strong and brave to survive, we might as well make better

companies along the way.

What about your employees? Do you have the right people working for the company? If not, then you know what needs to be done, which also takes those same human qualities that the times demand of us. Do your employees share your values? Are the company's core values defined? Are you treating your employees the way you would want to be treated as an employee? Do your employees like working for the company? Can they tell others why? Do you have a good feel for your employees qualities—their honesty, work ethic, positive attitude toward life, energy level, understanding of the business, respect for customers? Are you sharing the wealth of the company appropriately?


The uncertainty created by the September 11 tragedies has changed the world as we know it. We all have the responsibility, finally, to make our lives that have been changed into better ones. And we can. We can start with our own companies and we can make them better.

Our industry, after all, is made for uncertain times. Customers worried about their economic futures find the rental business an attractive choice because the flexibility of the business easily accommodates changed circumstances. Renting something ought to mean one less worry.

The September 11 tragedies brought us all a little closer together in our common sense of horror and our apprehension over what might happen next. Now, we must continue living in a place made forevermore less secure by the acts of terrorists. In this new world, though, we can choose to live better or we can live worse. It is an easy choice, but it requires both courage and strength. We can move forward, making our businesses and ourselves better. We owe the civilization of which we are a part no less than that. ■

Ed Winn's e-mail address is edwinn@e-bylaw.com.

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“The uncertainty created by the tragedies has changed the world as we know it. We all have the responsibility to make our lives that have been changed into better ones. We can start with our own companies and make them better.”

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One of the most disturbing things I have ever seen and heard in this industry is the propensity of dealers to use less than complimentary terms to describe their customers. "Deadbeats," "dirtbags," "low income," "high school dropouts" and "those type of people" are just a few of the terms I have heard used by rental dealers or rental employees to identify rental customers. This stereotyping is not only unethical, but also immoral and horribly damaging to rental businesses and the industry at large.

We, as rental dealers, should be proud to serve

Let's ban name-calling

all of our customers and our attitude toward them should be positive and complimentary. Not a day goes by that I don't give thanks for the opportunity to serve the fine people who shop in our rental stores. I believe that the rental customer is the backbone of America; good people who work hard to make a living, just like us.

We serve the people in America who help manufacture the products we all use. We serve the people who build our buildings and protect us as police officers and as rescue personnel. We serve elderly people who have spent years as productive members of our communities. In fact, with the way the rental industry has evolved in the past decade, the rental customer cannot and should not be stereotyped in any way.



By **LYN LEACH**

Our company slogan is "We Make Friends." We use this slogan to support our goal of treating every one of our customers as we would treat our best friends. When we make collection telephone calls, we don't threaten our customers by telling them we will be out to pick up our merchandise if they don't pay today. Rather, we tell them that we don't want to lose them as a valued customer and are grateful for their business.

One of the goals we set for ourselves is to make certain every customer goes away with something to show for his or her money. If we have to pick up the rented merchandise and the customer

loses the rent he or she has invested, we have failed that customer.

Using nasty terms to describe customers is one of the most damaging things you can allow to happen in your company. None of that should be allowed in any company. We all have an obligation to correct any employee who does not understand how damaging such behavior can be. We have a program in our company called "The Customer is Gold" Program. There are three parts to this: 1) every product must be carried to the customer's vehicle. If the customer is taking the rented item with him or her, we carry it out and load it up, no matter how big or small; 2) at least once during every transaction, use the term "sir" or "ma'am" when addressing the customer. Even if the customer is someone you have grown to know quite well, they still deserve professional formal courtesies; 3) always thank the customer for his or her business at the end of the transaction. Don't say, "there you go" or "here you are." Say "thank you"—and mean it.

Lately, we have started using the term "client" in place of "customer" because the nature of our business relationship is long term and repetitive in nature. Sixty percent of our business every month comes from repeat clients.

Do not ever allow anyone in your company to use disparaging terms to describe your customers! For you to be as successful as you can be, you have to respect and enjoy serving your customers, not bad-mouth them. Make your customers your friends and treat them with the utmost of respect. By doing so, you can then watch the impact it has on your bottom line. ■

Lyn Leach is owner of Ace Furniture & TV Inc. in Malcolm, NE, and is an APRO board member.

"For you to be as successful as you can be, you have to respect and enjoy serving your customers, not bad-mouth them."

Sometimes You Can't Help But Toot Your Own Horn!

Rental & Sales Software Systems provides superior support that is second to none in the Rental Purchase Industry. Our technical, training, and support specialists all come from a rental purchase background and use the latest Internet technology. From the West coast to the East coast, RSSS has a support technician in your time zone. No matter where you are, RSSS has you covered 24 hours a day, 7 days a week. The RSSS Integrated Rental Purchase and Retail Sales system accumulates each location's data at the home office, giving you all of the valuable information you need in one place. This guides you in making the most profitable decisions for your business. While other systems just promise to deliver this information and support, RSSS has actually been delivering quality solutions and creating satisfied, profitable customers since 1979.

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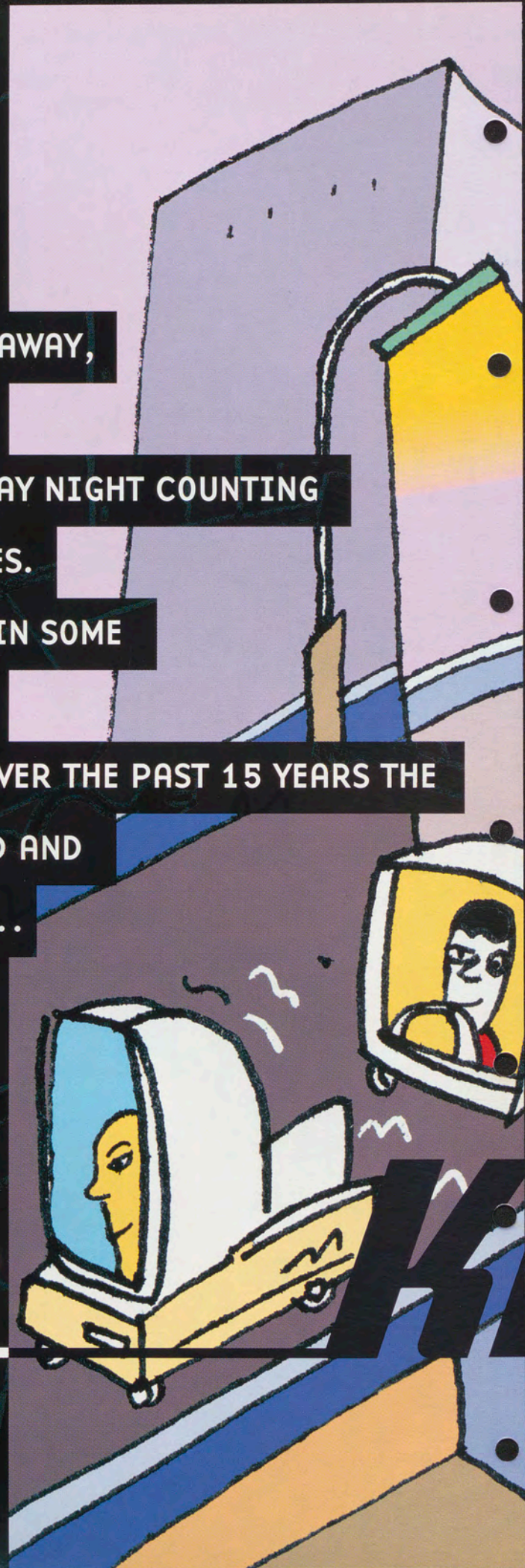
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OUT-OF-THE-WAY
MOM-AND-POP STORES, BUT OVER THE PAST 15 YEARS THE
INDUSTRY HAS WELCOMED AND
EMBRACED COMPUTERIZATION...

Tech





knowledge

BY ELLISON CRIDER

And it's been a happy marriage as there are so many

things to count and keep track of in an RTO business. For example, inventory, contracts, customers, products, parts, cash flow, skips, stolens, loaners and units in for repair are all essential measuring devices that determine a store's performance. Computerization has played a critical role in the rapid expansion and success of the industry as it has made stores more efficient, paved the way for bigger stores, more BOR per employee per square foot and, overall, increased the level of efficiency. ☺ For most stores, being "computerized" means using one of the off-the-shelf software programs developed specifically to control the inventory, accounts and customer records of rental purchase stores, while some other companies have spent dearly to develop their own programs. ☺ Regardless of how a store is computerized, improvements in technology continue to progress at a rapid speed and the cost to acquire and implement technology is coming down. This article will briefly explore some of those new technologies that rental-purchase companies could use to improve their productivity and efficiency.

Bar coding and wireless technology increase efficiency

One of the "new" technologies that has been around for years is the concept of bar-coding merchandise. A bar-coding system is an effective, popular tool with other industries to transmit data to a computer system and permits faster, more accurate data entry, better tracking and reduced inventory costs, yet most furniture manufacturers have yet to apply bar codes to their products.



Even though it has been available for a long time, rental-purchase dealers have been slow to take advantage of bar coding. A wide range of businesses are now experiencing

savings through the use of bar codes, primarily through reductions in working hours spent in gathering and recording data. More and more rental dealers are adopting the concept of bar coding rental products and using it to track inventory efficiently and accurately, some with wireless inventory tracking devices.

Wireless is another prevalent buzzword in the computing world today. There are many ways in which wireless technology can be used in RTO. Among those are wireless data collection, in which a portable reader is used to check inventory instead of printing out and manually marking that printout. Using a portable reader, dealers can scan in the inventory, download it to the computer system and then run a program that instantly reconciles the inventory in the system against the inventory that was downloaded to the reader. After the reconciliation, an exception list prints out telling the user what items are missing, what is in the store that should not be and any other discrepancies. Combined with bar coding technology, the tracking, transferring and checking inventory is quicker and more efficient.

One company that has been using bar coding and wireless tracking devices for more than eight years is Express Rent & Own based in Tacoma, WA.

"We can take and totally reconcile a complete inventory in our stores in four hours," says Ron Hollyoke, the company's owner. "There is no mistake as to what each item we rent is. Serial numbers are taken off the bar code on the merchandise and entered directly into the agreement. There is not much reconciliation of inventory—it is either on an agreement or in the store. You know what happened to it! We also use the bar code label to price the merchandise. I don't understand why more people don't bar code their merchandise."

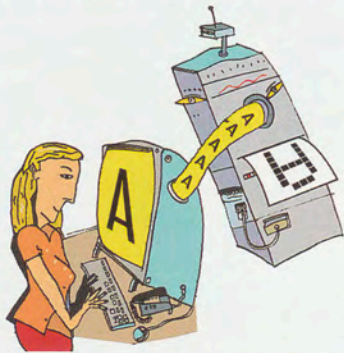
Wireless networking

Another use of wireless technology is wireless networking. Wireless networking has several benefits. For example, a dealer can have a number of workstations that can be simply picked up and moved anywhere within the location, eliminating a wired connection to the main computer. On a busy Saturday, a store manager can move a workstation from the back to the front of the store without having to disconnect wires. Another example is the account manager who is issued a portable device such as a Palm Pilot with a wireless cell phone card installed. This account manager can now call the home office PC and verify a customer's account history, access the correct payment amount or even record a payment while in the field. This can lead to easier tracking of field receipts and address a host of other problems that rental-purchase dealers encounter when trying to keep track of account managers and delivery people.



Say goodbye to dot matrix printers.

The bad news for dot matrix printers is that another innovation is slowly beginning to take hold in the rental-purchase business—laser printing of documents, primarily agreements. There are three main advantages of dumping your old dot matrix printers. Legally, a dealer is protected because every agreement will print computer-calculated numbers without an alignment problem. Also, there is no need to keep an inventory of pre-printed agreements on hand at every location, thus saving on storage and printing costs. Finally, a laser



document projects a very professional image for businesses that use them.

“Laser printing of the entire rental agreement as opposed to making the printer in the store fill in the blanks will avoid the kinds of misalignment problems we see recurring in a number of rental companies,” says APRO General Counsel Ed Winn III. “These alignment problems have resulted in at least one class-action lawsuit that I am aware of and that settled, finally, for several million dollars.”

Laser printing is also being used to print other forms used everyday in the business. Some examples are rental order forms, price tags, pick-up forms, daily cash reports, petty cash receipts and vehicle inspection forms. The main advantage of doing this is to eliminate storage and to have these forms available on demand.

Data warehousing = profit.

Data warehousing is also taking hold in the rental-purchase industry. This is a concept where data from a dealer's current software program is transmitted to an open database compliant (ODBC) program like Microsoft Access, Excel and Crystal Reports. Inevitably, businesses



will want to look at information in their system in ways not allowed by their current in-house systems. What data warehousing allows these businesses to do is organize data into an easily understandable form such as graphs and charts. Ultimately, dealers who take advantage of these analysis options find hidden profit opportunities not noticed in a store's daily routine.

Another use for mining data is to provide marketing companies with information on customers and accounts so that they can then take that data and use it for target marketing. Tom Weirich, sales manager for Central File, a direct-mail marketer who caters to the rental industry, uses this data to create preferred customer mailing lists.

“This maximizes the opportunity available to the user to target a specific audience and ensure the best return on marketing dollars spent. The bottom line is achieving maximum results in direct mail marketing,” says Weirich.

And what about the Internet?

No technology update would be complete without some mention of how the Internet figures into the equation. Many rental-purchase companies already have Web sites that promote their companies and the products they offer.

In addition to a company establishing and maintaining a presence on the Web, there are other practical uses for the Internet. For example, Sam's Furniture of Ft. Worth, TX, allows its customers to make rental payments through its Web site using a credit card or checking account. This system has been in place for just a few months, but Herb Weisblatt, president of Sam's, says that

“a surprising number of customers make their payments using this convenient method and they like it.” Also, a few companies like Aaron's Rental Purchase are allowing prospective customers to enter order information into its Web site and then have that information transmitted to the nearest location for approval and follow-up.

Some companies are using Internet-based technology to connect their stores together to one central data depository. One such example is Rent Rite Rental Purchase, a 50-store company based in Boca Raton, FL. Rent Rite uses a TCP/IP platform to connect all of its stores to a central home office system. The advantages of this form of communication are real time communication and data sharing. For example, any store can take a payment for any other store and all stores in a geographical area can share inventory, thus allowing for more efficiency throughout the company.

Rent Rite also uses an Intranet in its operation. What is an Intranet? According to www.intrack.com, “An Intranet is the use of Internet technologies within an organization [or company] to achieve better results than the conventional means of data access and transfer. Intranets help in cutting costs and provide easy and fast accessibility of day-to-day information.”

An Intranet can work with the Internet but not vice-versa. It is a good way to get messages out to employees

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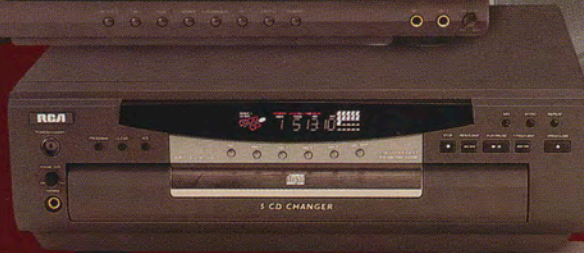
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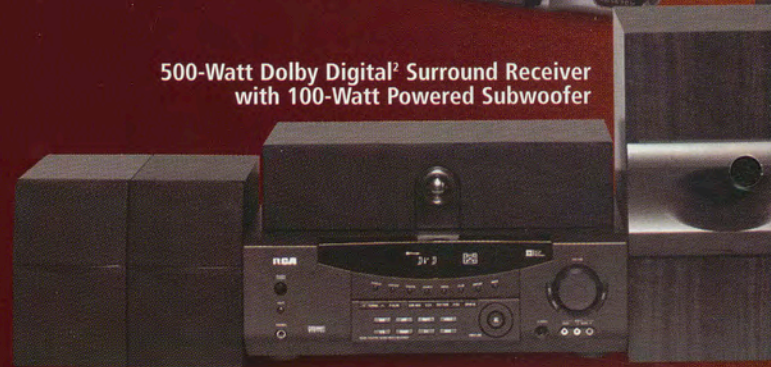
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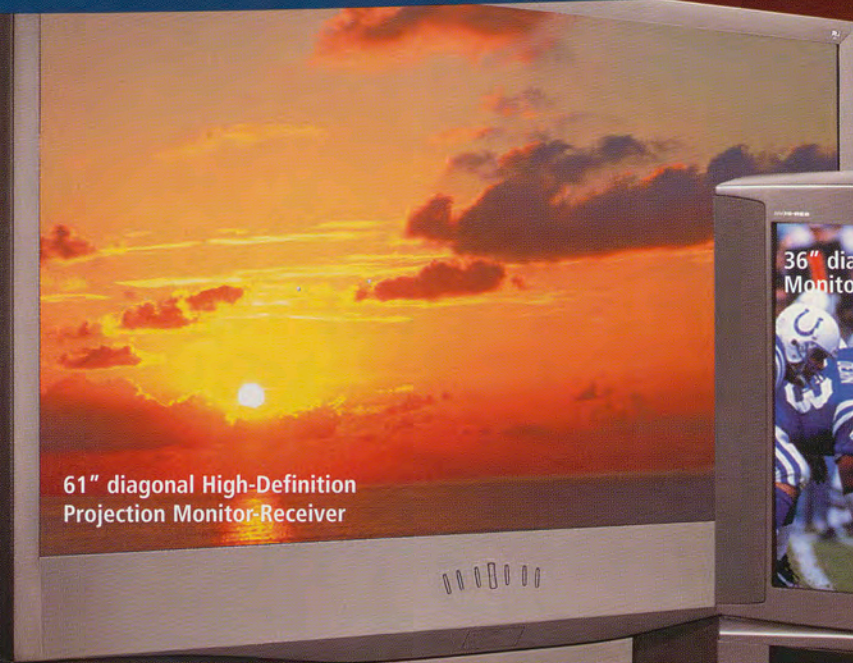
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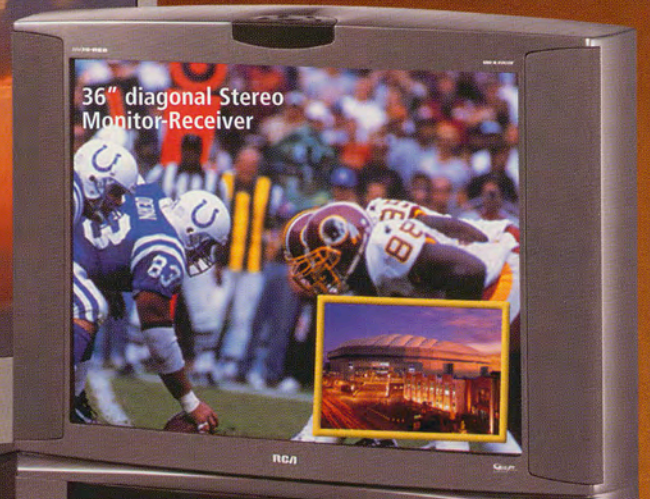
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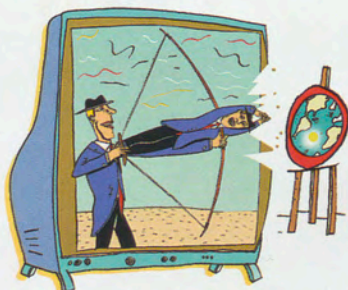
Questions? Contact **Timothy Shannon** National Sales Manager-Special Markets
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and other important clients using Internet technology while not opening up a company's communications to the outside world. An Intranet will cut costs while increasing staff productivity. Information is power in today's economy. The benefits of incorporating an Intranet into an organization are far reaching and many have not even been discovered.

What does the future hold?

Like a speeding, unstoppable locomotive, technology continues to develop at a rapid pace. If past experience holds true, the rental-purchase industry will take a while to catch up. It is, however, worth looking at one new technology starting to catch on—mobile computing.

Mobile computing will become more and more prevalent as time goes on. As previously discussed, wireless



technology is growing at a rapid pace. Mobile commerce is any transaction with a monetary value that is conducted via a mobile wireless telecommunications network (i.e. Palm Pilots, mobile phones and pagers). Mobile commerce is most

commonly referred to as mCommerce, Mobile Electronic Commerce or Wireless Electronic Commerce. While the business models for mCommerce were derived in the United States, Europe has adopted a definite lead in usage

and application development.

One aspect of mCommerce is wireless Internet. Wireless Internet, or "wireless.net," is generally thought of as wireless access to the Internet, which also includes the extension of a company's software application or data to mobile devices. The wireless.net concept extends the possible functions of a software program by enhancing customer satisfaction and delivering value-added services to consumers. The following examples are several wireless.net applications:

- ❖ *Business to Consumer (B2C):* Yahoo, eBay, portals, messaging. This application allows a business to keep customers informed of company news, business information (e.g. sales and discounts) and allows customers to purchase online.
- ❖ *Business to Business (B2B):* digital marketplace, procurement, supply chain, fee-based subscription services. This application allows businesses to wirelessly communicate with suppliers and distributors.
- ❖ *Business to Worker (B2W):* enterprise, e-mail, Intranet, operational applications (field services, sales force automation). This application allows for easy distribution of internal company information, electronic distribution of pay stubs and remote training.

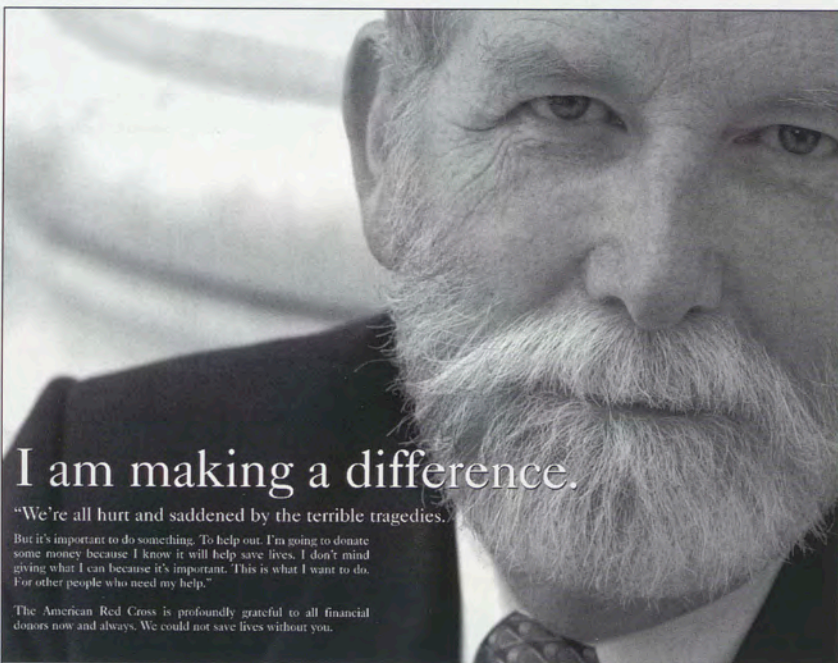
Unlike the traditional desktop Internet environment, where users can browse through thousands of pages, the wireless Internet is currently limited to text data for the following reasons:

- ❖ Wireless networks currently lack the bandwidth to effectively transmit graphics-rich images.
- ❖ The small screens of mobile phones and hand-held devices are only sufficient to display text data.
- ❖ Wireless devices have limited computing power.

Doing business in new ways

Regardless of how technology develops, the basics of rental-purchase, rent and collect, will always be the same, but as rental-purchase dealers accept and adopt new technologies to assist in renting products and collecting payments, increased profit opportunities emerge from increased efficiencies. ■

Ellison Crider was hired by Rental and Sales Software Systems (RSSS) in 1990 to market a software program designed to completely control rental-purchase stores and home offices. Crider is currently vice president of marketing for RSSS and can be reached at 800/334-5224, ext. 2119 or by e-mail at ellison@rsss.com.



I am making a difference.

"We're all hurt and saddened by the terrible tragedies.

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An update by
Elizabeth Winn**



THE GROWING PAINS OF COMPUTER RENTALS

With the surge in Internet usage during the past five years, computer rentals have been a rising star on the rent-to-own horizon. Industry statistics show a growth in computer rentals from 0.8 percent of BOR in 1997 to 4.2 percent of BOR in 2001, representing a growth of 425 percent in a four-year period. No other product category comes close.

WHY RENTALS ARE GROWING SO FAST

The 2001 Rental-Purchase Industry Survey indicates computer rentals now exceed rentals of VCRs, living room tables, dining room furniture, decorative accessories, recliners, home entertainment centers and stoves. Computer rentals are now gaining on refrigerators as a percentage of BOR industrywide. These numbers should be starting to get dealers' attention.

When did all this begin? Jump back in time for a moment to the late 1970s in California. One of the rental industry's frontier-busting pioneers, Barry Gambini, saw potential in this newfangled "personal computer" called the Commodore 64, a veritable icon of computing power that armed the user with word processing and an electronic spreadsheet. Gambini opened the doors on CompuRent, a pilot storefront. After 18 months, with technological advances moving faster than a speeding bullet, Gambini determined that the computer environment wasn't yet stable enough for rental markets. That was then.

Soon after this foray into computers, the advent of another maverick machine, the VCR, came about. Eager to ride the tide of interest in popular, new products, Gambini was the first rental dealer to rent VCRs. His customers rented the hefty Sony Movie Machine and a four-movie weekend package and away they'd go. VCRs went on to be a cornerstone of BOR for years.

Renting innovative products in time with the times is great when the turns are there and consumer interest is high. Rental customers want what everyone else has, although they can't always access products when they first hit the market. When new products come out in the tech realm, who gets there first? The geeks and the "early adopters" who have to have the latest feature, are usually first. Next comes the upper middle-class who want the latest gadget, toy, status symbol. After that, middle-class America takes a look.

By now the price has dropped somewhat and the product has some visibility in the marketplace. It has proven to be a desirable and necessary thing to survive and, let's face it, if the Joneses have it, everyone's gotta have it. As more and more consumers buy in, it becomes downright necessary to plug into technology to keep up the pace in business, at home and at school. However, there are always those consumers who do not quite arrive on the scene. Zoom to the present and meet a newly defined and significant segment of our Information Age society—the Digital Divide.

WHAT AND WHO IS THE DIGITAL DIVIDE?

The Digital Divide represents consumers who haven't yet plugged into computers and the Internet due to lack of money, credit, education, physical access, confidence or just plain lack of interest. As the rest of the world speeds forward on the Information Superhighway, those already on the side of the road are getting left further behind. This lack of access translates to decreased opportunity to take part in our information-based economy.

As of September 2001, 168.6 million Americans are becoming increasingly dependent upon the communication, education, training, shopping and entertainment opportunities provided by the Internet. While these folks are getting ahead in a society already fractured by socioeconomic inequities, the gap widens, thus, the divide. What can this mean for rent-to-own?

More customers. The rental industry's customer base has remained stagnant for the past three years at three million customers. Some Digital Divide customers are already walking into rental stores. They are rental customers without the Internet. A significant base of new customers lies within the Digital Divide and can be reached with the right direct marketing message. Dealers who are not reaching them are missing an important opportunity. Digital Dividers are ready to embrace the Internet. They are starting to feel the effects of being left behind or left out. Yet, the lack of Internet and/or computer access due largely to cost, credit restrictions and fundamental lack of understanding of computers has kept many in this large group of consumers at bay with few or no options.

A study by the U.S. Department of Commerce cites that between 1998 and 2000, growth in households acquiring a computer for the first time or coming online was most dramatic among African-Americans and Hispanics, consumers bringing in under \$35,000 annually and those with a high school education or less. Hispanic households with computers grew by 32.2 percent from 1998 to 2000 while African-American households with computers grew by 40.5 percent. During this three-year period, Internet access among African-Americans more than doubled at 110 percent and Hispanic access almost doubled at 87 percent. Internet access increased in households within the \$15,000–\$24,999 income bracket by 93.6 percent. Americans coming online with less than a high



**The days
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Bundling
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an approach
whose time
has come.**



school education increased by a whopping 134 percent.

Even with growth in access rates well above the national average rate of 58.4 percent, there is plenty of room to grow with more than 100 million Americans currently not online. African-Americans and Hispanics are still far behind Caucasians and Asians with access to computers, especially at home. Currently, 70 percent of "Black and Brown America" is not connected, according to former Assistant Secretary of Commerce Larry Irving. This is a wide open market on the move, but it is a market with specific needs.

MEETING THE NEEDS OF THE DIGITAL DIVIDE CUSTOMER

Income and education levels of most Digital Divide customers demand the least complicated, least expensive and least frustrating experience in computer and Internet acquisition. They are motivated by four main things: easy access, low cost, online communication with friends and family and Internet content that is relevant to enhancing the quality of their lives.

First off, easy access means just that. It means no hassles in signing up for Internet service. This includes trying to compare what each service offers, whether a major or a local ISP, and then usually needing a credit card to pay for monthly service. Keeping up with yet another payment is discouraging to some. The days of free unlimited Internet are gone. Many potential customers have not gone online because of perceived expense, credit restrictions and lack of knowledge on how to get online. Making Internet access as simple as possible is key to getting customers to come in and rent hardware. Bundling Internet service with hardware is an approach whose time has come.

Second, cost is another consideration when attracting the Digital Divide customer. Presently, an average weekly rental rate on computers runs about \$28 (based on the lowest weekly rates of \$19.99 and the highest of \$39.99). Adding Internet service, which averages \$22 per month, on top of a monthly average expense (\$28 multiplied by 4.3 weeks per month equals \$120), the customer is looking at an average of \$142 per month to get a computer and to get online. This is a stretch for the Digital Divide customer, considering that the most dramatic expansion rate of 93.6 percent is occurring in income

brackets below \$25,000 where only 28 percent of homes have a computer and 19 percent are currently online. A lower weekly rate is more suited for acceptance by this newly entering customer base. This is in tune with what these customers really need—fewer bells and whistles for less money.

Third, getting online to communicate with friends and family is attracting Digital Dividers to the Internet. E-mail remains the No. 1 online activity among users at 84.8 percent, information searching at 59 percent, checking news, weather and sports at 46 percent and shopping and bill paying up to 33.6 percent.

Developments in instant messaging (IM), the increasingly popular online chat tool, have also sparked growth in Internet usage. While it has taken nearly a decade for e-mail to be fully embraced, most analysts believe it will take half that time for IM to become a way of life. Instant Messaging has virtually replaced phone chat among many teenagers and has literally begun to change the way people are doing business. It is estimated that by 2005, IM will surpass e-mail as the primary online communications tool.

Finally, meaningful content is extremely important to Digital Dividers coming online. Access alone will not bridge the divide. To attract and keep anyone on the Internet, regardless of

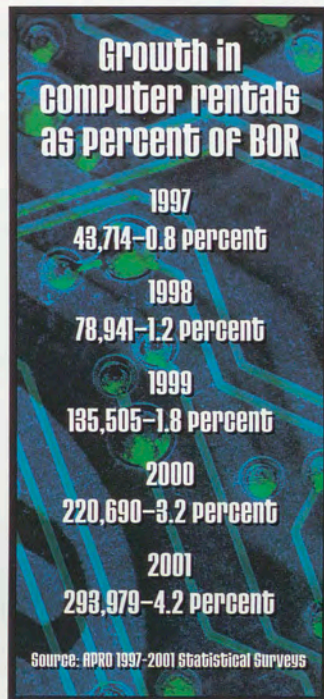
their cyber-sophistication, useful content is as important as hardware and Internet connections. For at least 50 million Americans—roughly 20 percent of the population—one or more content-related barriers stand between them and the benefits offered by the Internet.

QUALITY CONTENT ATTRACTS CUSTOMERS

Four specific barriers to quality content for Digital Dividers are lack of local information, literacy barriers, language barriers and lack of cultural diversity. Over and over, Digital Dividers remark that practical information about their local community is what they want most in the way of content. This includes information on local entry-level job listings, affordable local housing rentals and foreclosures, local transportation, child care, local government agencies, health care, educational opportunities, recreation and family events.

Low-literacy is a significant barrier, but one of the most motivating reasons for Digital Dividers to come online now. Forty-four million American adults do not have the reading and writing skills necessary for functioning in everyday life. Appropriate online content for limited-literacy Americans raises literacy levels as well as employment levels, saving business and taxpayers considerable dollars. American businesses lose \$60 billion in productivity every year due to employees' basic lack of skills. Preparation for high school GED online is vastly appealing to those needing to improve their earning potential.

Language barriers on the Internet affect an estimated 32 million Americans. Approximately 87 percent of documents on the Internet



are written in English. Non-English-speaking users want three things: online translation tools, online courses to improve English language skills and more information in their native language, especially about government efforts that affect them such as Medicare, taxes, voting and immigration rulings.

Cultural gathering places on the Internet hold strong attraction for Digital Dividers who want to maintain connections to their culture though they may be distanced. "Low-income groups don't have enough cultural spaces they can call their own; they need more environments dedicated to this," says Tamara Sturak, program director of The Interactive University of California, Berkeley.

Availability of desirable content and navigation assistance to get to it is the powerful magnet that will attract and keep this worthy and advancing market. Moreover, playing a part in bridging the Digital Divide in this country is a noble endeavor that would raise the bar in the public relations efforts for the rental industry.

As the Internet evolves, content development initiatives are spawning all over the country. Marketing partnerships are currently being developed for rental dealers to serve better this promising, emerging market and begin to grow a new, solid customer base while contributing to bridging the digital divide. This is a new twist in ISP delivery that is easily provided with the purpose of building loyalty within a customer base by providing quality, relevant content and link information targeted to rental customer needs and interests.

KEEPING IT SIMPLE

Those dealers who are already renting hardware know that it can be a profitable, albeit labyrinthine, endeavor. Some dealers who have tried to rent computers felt that they had to spend too much time and money to make a profit and got out. Many other dealers, however, have figured out how to do it to make it the fastest growing category in rentals. One common thread that dealers across the board want, however, is less hassle. Less maintenance, less idle inventory, easier set-up requiring less employee time, better warranties and service support and a higher stick rate are a few items on the wish list for this product category. And then there's that matter of finding new customers.

Fortunately, at a time when a virtual tsunami of emerging late adopters to the Internet is swelling, the folks in the back



Timing is everything. The arrival of late adopters to the Internet comes on the heels of a three-year drought in rental customer growth. Dealers have a wonderful opportunity to tap into what is fast becoming a needs-driven market. Attracting these customers requires thinking about their specific needs. Batter up?



rooms are aware and responding to the call. For some time now, the computer industry has been on a fast track with a focus on speed and storage. What has become apparent is that most home users don't use the maximum capacity of today's rocket-powered machines.

The tide of obsolescence has not made consumers happy when they are made to feel their investment is no good, that they are behind and must upgrade to a new machine to be able to run new software. This also plays havoc with inventories. It's the game of hype and it has gone on for a long time.

Software companies have supported hardware manufacturers by distributing the new version game and consumers have followed blindly along. Most of us have been a puppet in this scenario.

The PC industry has never needed new sales more than it does now. The industry is in its first decline since 1986. In the first full week after the terrorist attacks, retail PC sales were down nearly 50 percent from the same period a year ago, according to industry analysts. Prices continue to fall even as features improve.

In the past, the industry has pushed new features and capabilities—digital music, photography, gaming, more powerful software—as primary selling points. But massive advances in power and capabilities are lost on the average consumer and don't matter a whit to the newbies coming on board from the Digital Divide. They want e-mail and life-enhancing information which simply doesn't require 1 gigahertz of processing power or 256 megabytes of memory.

When technology reaches the point where it satisfies basic needs, improvements in technology lose their glamour. Customers seek efficiency, reliability, low cost and convenience. The entire nature of a product can change in a mature market. Late adopters are more conservative. They have waited for the technologies to mature, to prove themselves and to provide value for their money, value without hassle. Late adopters are the vast majority and far outnumber the early adopters—those who are enchanted by technology.

The PC industry has been through a period of enormous growth with profits reaching almost a fever pitch. New technologies have been hurled at the customer at a rate faster than even the early adopters can absorb. Suppliers must be aware of adapting to a mature market and an evolving customer base. Function-based devices geared to user abilities and

preferences have arrived. In the inimitable words of Bob Dylan, "the times, they are a changin'."

THE BIG PICTURE

American policy makers and opinion leaders are beginning to turn their attention to the untapped market potential in the low-income areas of the country where much of the Digital Divide resides. According to estimates, the inner-city portions of America represent more than \$300 billion in retail purchasing power. Much of this is untapped, despite the ready customer base, because of a gap in information about retail choices and options.

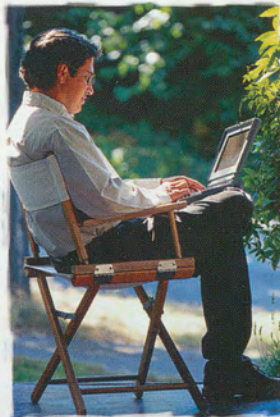
Although some questions arise whether the Internet will become a priority for underserved Americans on limited budgets, the example of cable television suggests that as long as the product is seen as valuable, price alone does not dictate a market for media products.

Studies show 56 percent of low-income families have a cable subscription, typically paying about \$28 per month for basic service and additional monthly fees for premium service. The potential exists for far greater adoption of the Internet with access to valuable content relevant to enhancing daily lives. Yet financial and credit restrictions still make it difficult for a large segment of the Divide to join in.

Timing is everything. The arrival of late adopters to the Internet comes on the heels of a three-year drought in rental customer growth. Dealers have an extraordinary opportunity to tap into what is fast becoming a needs-driven market. Attracting these customers requires thinking about their specific needs. Departure from standard procedure by simplifying hardware offerings, targeting marketing efforts, bundling Internet service and forming partnerships with content managers will not only address existing logistical problems in computer rentals, it will serve the rental industry well by establishing a permanent and perpetual new level of customer. Meeting the challenge of ushering in the new rental customer will require new ways of thinking and willingness to try new methods. The potential of this ready market warrants stepping up to the plate. Batter up? ■

Elizabeth Winn is vice president of marketing at iQ Systems. Her e-mail address is etwinn@hotmail.com.

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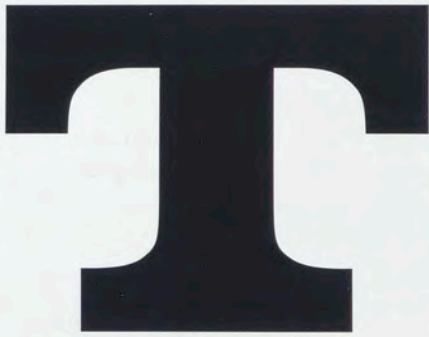
HOW WARTIME AFFECTS RENTAL-PURCHASE CUSTOMERS AND EMPLOYEES IN THE MILITARY

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

The country is at war and rental dealers need to refresh themselves about wartime rules that apply to customers and employees in the military reserves who are called to active duty. Since the September 11 atrocities, the president has called some 50,000 reservists to active duty in various branches (see sidebar for the U.S. military branches). It is certain to happen in stores around the country that some of those men and women who are called up are either customers or employees or both. These customers and employees may be called up as part of the effort to protect the homeland or for service overseas in the active attack on terrorism.

★ **BY ED WINN III** ★





here are two primary federal laws that apply under such circumstances, the Soldiers and Sailors Civil Relief Act (SSCRA), 50 U.S.C. app. Sections 501-548, which applies to customers and the Employment and Reemployment Rights of Members of the Uniformed Services Act (ERRMUSA), 38 U.S.C. Section 4301-4332, which covers employees.



With the American way of life under terrorist attack, most dealers are going to be as generous and big-hearted as they know how to be toward customers and employees who are defending the country and the dealers' freedom to live and work in America. Notwithstanding this attitude, however, rental dealers need to understand the basics of the laws that apply when customers and employees are called away to defend this country and what it stands for.

Customers

Dealers with customers on and around military bases will doubtless already be renting to military personnel on active duty. If these military customers are reassigned or shipped overseas, dealers may see a lot of units returned, which is how rental-purchase transactions work and how they are supposed to work. Changed circumstances allow customers to terminate rental-purchase transactions with no further obligations. The rules have not changed for rental customers who are full-time career military personnel.

A different situation exists when a customer in one of the military reserve forces enters into a rental-purchase transaction and then is called to active duty. Section 531 of the SSCRA reads in appropriate part as follows:

"No person who has received...under a lease...with a view to purchase [personal property]...an installment under such lease from a person...who, after the date of payment of such...installment, has entered [active] military service, shall exercise any right under such [lease] to...terminate the contract or resume possession of the property for nonpayment of any installment thereunder due or for any other breach of the terms thereof occurring prior to or during the period of such military service, except by action in a court of competent jurisdiction." Violations of this provision carry both civil and criminal penalties.

The interesting language in this statute is "lease with a view to purchase." The attempt is being made, once again, to distinguish between "true leases" and other kinds of leasing transactions where ownership is likely to transfer to the lessee. This phrasing in this military code is unique and has not been interpreted by any court.

The Act's purpose has been noted by a number of courts: "the purpose of the SSCRA is to suspend...transactions in order to enable [military service members] to devote their entire energy to the defense needs of the nation." The U.S. Supreme Court has noted that the statute should be interpreted "with an eye friendly to those who dropped their affairs to answer their country's call."

In light of such pronouncements, the tenor of the times and the popularity of the U.S. military response to the September 11 attacks, it can be fairly predicted that a typical rental-purchase transaction would be covered by this "lease-with-a-view-to-purchase" language in spite of any no-obligation arguments to the contrary.

The statute allows reservist rental customers who have rented a unit, made at least one payment and then been called to active duty, to keep rental units without having to continue making payments. The payments are not waived; they are merely deferred for up to 90 days after the tour of duty is over. The accumulating rent will become a debt the customer owes to the rental company, payable during a grace period equal to the period of active service. If, for example, the service person/customer was called to active duty for six months, then he or she would have those six months plus an additional 90 days to catch up on the six months of missed payments. Alternatively, a court could simply extend the rental term for a period of time equal to the period of active service.

Even so, there is risk to the rental dealer under this statute. The service member can keep the unit during the period of active service and the rental dealer has an asset in the field that by law is not generating any revenue.

MILITARY SERVICES

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When the soldier returns, he or she can still return the unit to the store and while there is a debt equal to the accrued rental charges during the period of active service, it may or may not finally be collectable.

In some cases, a customer called to active duty will not want a big screen or the new furniture left in an empty apartment while the soldier is overseas. But the rental company cannot make the customer return the unit and the company cannot sue to get the property back. All legal proceedings against a service person are stayed during the period of active duty and for 90 days thereafter. The statute also applies to any pending actions already filed when the soldier is called up.

This law generally is intended to prevent creditors and certain lessors from defaulting debtors who cannot make installment payments because they have been called to war. It also allows reservists to cancel real estate leases and certain other obligations when called to active duty. The Act also reduces interest on mortgage and certain other payments under certain circumstances and can affect child support and alimony payments as well. The policy decision behind this law was to guarantee the peace of mind of America's fighting forces in time of need and to favor this over ordinary commercial considerations.

The statute protects members of the armed services and probably anyone else who has signed a rental-purchase agreement as a co-lessee. The statute covers "sureties, guarantors...and others, whether primarily or secondarily subject to [an] obligation or liability." That means that if a reservist called to active duty has signed the rental-purchase agreement, the dealer cannot demand payment or recover the unit no matter who else may also have signed.

The statute has been interpreted to protect service members even when they are not parties to a contract. A woman signed a car note in an Arizona case and seven months later married an army reservist. He was called to active duty and when she defaulted on the note (which the husband had never signed), the credit union repossessed the car. The woman sued for wrongful repossession under the SSCRA and won.

The message for rental dealers is to listen to customers if they tell of spouses or other family members being called into active service as a reason for getting behind on rental payments. The SSCRA may protect a rental customer, even though the customer is not in the reserves and has not been called to active duty.

The law is not absolute. A rental dealer can ask a court to look at the facts and circumstances of a given situation and, if the court finds that military service is not materially affecting the service member's ability to pay,

the court may grant the dealer permission to pick up the unit.

Employees

Employees called to active duty have their jobs and all rights and benefits related to those jobs protected for up to five years. The purpose of the ERRMUS Act is to prevent employment discrimination against reserve military personnel and "to minimize the disruption to the lives of persons performing service in the uniformed services...by providing for the prompt reemployment of such persons..."

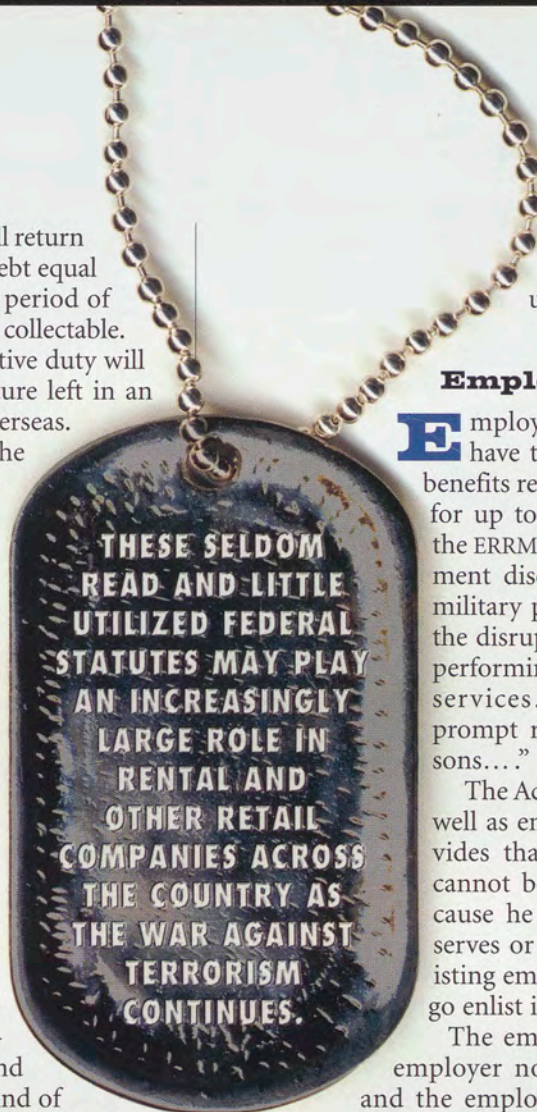
The Act applies to job applicants as well as employees and generally provides that a person in the reserves cannot be discriminated against because he or she is either in the reserves or is called to active duty. Existing employees are protected if they go enlist in the reserves.

The employees need only give the employer notice of impending service and the employer must hold the job the employee leaves for up to five years. If the employee had health insurance for him- or herself and family members through the employer, the employer must allow the employee to continue the coverage for up to 18 months after being called to active service. There are also rules that apply to maintaining an employee's status in a company's pension, profit sharing or 401(k) plan.

An employer is excused from the requirements of this statute if the employer can prove that circumstances have changed in the company to such an extent that reemployment would be impossible or unreasonable. An employer can also prove that reemployment would cause undue hardship and the Act does not cover temporary employment when the employee had no reasonable expectation that the employment would continue for a significant period of time. In all such situations when the employer is seeking to escape coverage and not rehire a former employee, the employer has the burden of proving these exceptions to coverage of the Act.

These seldom read and little utilized federal statutes may play an increasingly large role in rental and other retail companies across the country as the war against terrorism continues and especially if it escalates with the use of additional ground troops here or abroad. Copies of these statutes are available to APRO members upon request from the APRO office. ■

Ed Winn III is APRO's general counsel. His e-mail address is edwinn@e-bylaw.com



T

here was a time when Mamie Harper spent her days working in a restaurant, dealing with customers who ate every morsel on their plates and then brazenly demanded a refund because they weren't satisfied with their meals. As the food and beverage manager for a country club in a small Texas town, Harper felt stifled; she knew she wanted more out of life, but the opportunities in the restaurant industry were discouraging.

"The food business is tough," Harper says. "I wanted to have my own business, but I saw very quickly that you're only as good as the last meal you served and nobody really wants to finance a restaurant."

So Harper began looking around for other career opportunities. One of her sisters, who worked for a local ColorTyme franchisee, suggested that Harper get into the rent-to-own business. A couple of phone calls and an interview later, Harper was hired as the store manager for a new ColorTyme franchise in Beeville, TX.

the

RTO

ADVOCATE

SPREADING THE WORD



FROM WEST TEXAS TO WASHINGTON

AN APROFILE OF
MAMIE HARPER

BY KATIE GARZA
PHOTOGRAPHS BY
HENRY EDWARDS



R

ight away I felt that rent-to-own would be a good business to invest in long term,” Harper says. “I liked the fact that we were actually helping customers and building relationships. I started realizing that I not only knew the customers who came into the store, but I also knew their children too. Many times I saw them more often than my own relatives. There was a big bond there.”

A few years later, she became a regional store manager under Tom Chorn, another ColorTyme franchisee down in south Texas. “He told me that if I helped him achieve a certain level of success, when the time came, he would help me get into my own store or we would form a partnership,” she says. That opportunity arose only two years later when ColorTyme approached Chorn about taking over a store in the Texas/Mexico border town of El Paso.

“Geographically, it wasn’t a good move for Tom,” she says. So, true to his word, Chorn stepped up for his protégé and recommended that the offer be given to Harper, who speaks both English and Spanish. “The offer was no money down, just take over the payments. So I thought, ‘What do I have to lose?’”

Own because she “wanted it to be more Hispanic-friendly.”

It had taken an abundance of hard work and patience, but, much to Harper’s satisfaction, she now officially owned a business.

WOMEN, WASHINGTON AND THE WEST WING

Never one to sit idle, Harper’s professional interests eventually spread far beyond the border town of El Paso. A true believer in the power of small business in America, she became an advocate for the Small Business Administration, promoting its educational and outreach programs and even hosting a monthly one-hour television show on small business issues.

Harper also joined forces with a

dent international event.

“I want to make a dramatic push this year to encourage rental companies and groups to introduce more women to this business because it really is a perfect match,” she says. “Women can be very diplomatic in the collections part of our business, which is a good part of it, and it’s also the unique skills they bring to marketing, store presentation and customer relations. I think we’ve got to get over that myth that women can’t deliver furniture.”

Harper also has shown her enthusiasm for the industry on the national level. She is serving a second term as secretary on the Association of Progressive Rental Organizations’ board of directors and is in her fourth year as chairwoman of APRO’s political action committee (APRO-PAC)—a position



“I WANT TO MAKE A DRAMATIC PUSH THIS YEAR TO ENCOURAGE RENTAL COMPANIES AND GROUPS TO INTRODUCE MORE WOMEN TO THIS BUSINESS BECAUSE IT REALLY IS A PERFECT MATCH.”



With bigger dreams on the horizon, Harper drove out to El Paso. “It took me the first three years, six days a week, 12 to 14 hours a day, before I got to a point where I felt things were stable,” says Harper, who, one year after moving to El Paso, incorporated her business as M Rentals—“M” for Mamie, of course. And later, in 1995, when the original ColorTyme franchise agreement expired, Harper (whose maiden name is Salazar) personalized her store as well—renaming it Fiesta Rent-to-

civic group, El Paso Women in Business, to recruit more women into the rent-to-own industry and the business world in general. This year, the group will host its first international conference, which will include women from as far away as Chihuahua and Mexico City. Harper recently traveled down to Guadalajara on behalf of El Paso Women in Business to meet with José Fox, brother and personal aide to Mexican President Vicente Fox, to garner his support in promoting the unprece-

dent international event. Since her involvement, Harper has increased the fundraising totals from \$30,000 in 1997 to \$125,000 in 2001. Her secret? Education and perseverance.

“In the past, when people would ask me to donate money to APRO-PAC, it was always a mystery to me about how it really worked and why we should give money,” says Harper. “When I took over this position, my thoughts were that I was going to take the mystery out of it. If you can educate people about

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why you're doing it and why they should give and get them to commit just one time, they're more likely to keep on giving."

According to Harper, PAC money goes directly to the federal legislators who have shown support for rent-to-own industry causes—for instance, Rep. Walter Jones, R-N.C., and Rep. James Maloney, D-Conn., the cosponsors of HR 1701, the Consumer Rental Purchase Agreement Act.

"We're very careful about who we give our money to," she says. "Even though \$125,000 is substantially more than we started out with, it's still not much in the bigger scheme of things. There are so many people out there who we want to support, particularly the federal legislators of the states in which we don't have [pro-RTO] bills."

Harper says that she and APRO-PAC co-chair Lyn Leach, who has been instrumental in helping her reach potential donors through phone call campaigns, are prepared to top \$125,000 in 2002. "I would be really thrilled if we could raise \$150,000," she

says, adding that they will continue to target vendors whose livelihoods depend on the success of RTO businesses. "We've just scratched the surface on that segment."

Harper's ardent support for RTO business issues has made her a natural spokesperson for the industry. Her debut in the spotlight in 1993 was no small production. Harper was selected again in 2001 by APRO board members to testify in a hearing before the federal subcommittee of financial institutions and consumer credit, an organization established under the U.S. House of Representatives' Banking and Financial Services Committee. Her mission: to educate federal legislators on the finer points of RTO business transactions.

"A big part of my testimony was just simply explaining what we do and getting them to understand that, at any time, the customer can return the merchandise for any reason or no reason and that they are not incurring debt," she says. "You have to understand; eight years ago we weren't as readily

recognized or accepted. People didn't really know about us and what information they did have about us was mostly inaccurate."

Harper says that much of this "bad information" originated from campaigns launched by the late Rep. Henry B. Gonzalez, D-Texas. "He derailed any in-roads we had made to educate people about rent-to-own. Unfortunately, at that time, there had been some bad apples, let us say, and they had been doing transactions that the Association did not condone. And with that kind of information, [Gonzalez] just decided that the *whole barrel* was full of bad apples."

The forecast for the RTO industry might have looked stormy at that first Washington hearing, but Harper's most recent encounter in the nation's Capitol proved more encouraging. This past July, Dr. Lawrence Lindsey, assistant for economic affairs, invited Harper and five other chief business executives to the West Wing of the White House for a roundtable discussion on the current state of America's industries—from the

large conglomerates to the smaller mom-and-pops. Although she didn't meet with President Bush, who had left for London earlier that morning, Harper and the other roundtable participants were given a tour of the White House and presented with official White House lapel pins.

"I was in awe of the company I was in," says Harper. "There was Glenn Epstein, president and CEO of Inter-magnetics General Corp.; Dr. Vance Coffman, chairman of the board and CEO of Lockheed Martin Corp.; J.



◀ Harper with her son, Daniel

ceived from her fellow colleagues was much different than her experience at the subcommittee hearing in 1993.

"I WOULD LIKE TO BE REMEMBERED AS SOMEONE WHO HELPED EDUCATE THE NATION ABOUT WHAT RENT-TO-OWN IS ALL ABOUT AND WHO ENCOURAGED FEMALE PARTICIPATION IN OUR INDUSTRY. I'D LIKE TO THINK THAT I LET EVERY DEALER KNOW THAT THEY WERE AN INTEGRAL PART OF THE RTO PROCESS."

Carter Beese, president of Riggs Capital Partners and former commissioner of the Securities and Exchange Commission; Thomas Acheson, president and chairman of the board for Tameron Automotive Group; Robert Kurz, president and CEO of Keystone Shipping Co.; and then me!"

According to Harper, the participants were allotted 10 minutes each at the beginning of the meeting to share their views. Harper said that she was able to touch on several points regarding the rent-to-own industry, HR 1701 and general small-business concerns.

"My participation in the roundtable discussion was timely because I had just testified the week before [with James Byrd of Byrd's TV in Florence, SC] on HR 1701," she says. "I asked the Administration to consider the consumer benefits of this industry-supported bill and quoted industry statistics on the number of customers involved in rental-purchase transactions. I also stressed the renewed consumer protections that were included in the legislation, because we had really beefed those up in response to some of the consumer advocates."

Harper says the feedback she re-

"First of all, everyone knew about rent-to-own, including Dr. Lindsey. And I thought, 'Wow, we've come a long way in eight years,'" says Harper. "The questions they asked were educated questions. They specifically asked me about APR [annual percentage rate] disclosure and that was my opportunity to explain that APR is a component of debt and because our customers never incur debt, APR is not applicable.

"I was encouraged by their responses to the information I provided and have since talked to several of the participants on different business issues," she says.

BACK ON THE HOMEFRONT

Harper's pilgrimages to Washington and her experiences as the APRO-PAC committee chairwoman have inspired her to go back to college and pursue a bachelor's degree in political science. She is enrolled at the University of Texas at El Paso and plans to graduate in three years.

"Obviously, I'm there with a bunch of youngsters, but I feel good because I know why I'm there and I'm really

doing it for myself," she says.

And pro-RTO legislation isn't Harper's only political platform. She's also passionate about educating the Hispanic community on Republican interests and increasing the number of citizens who participate in the election process. At press time, Harper was running for chairperson of the Republican National Hispanic Assembly, an organization that reaches out to Hispanic voters. (The election had been delayed due to the terrorist attacks on Sept. 11.)

"I would be happy, of course, if

[Hispanic citizens] voted Republican, but really, I'd be just as thrilled if I could get more of them out to vote," she says.

Harper says that when she reaches the end of her career, she would like to think that she was a positive contributor to the RTO industry and to women in business.

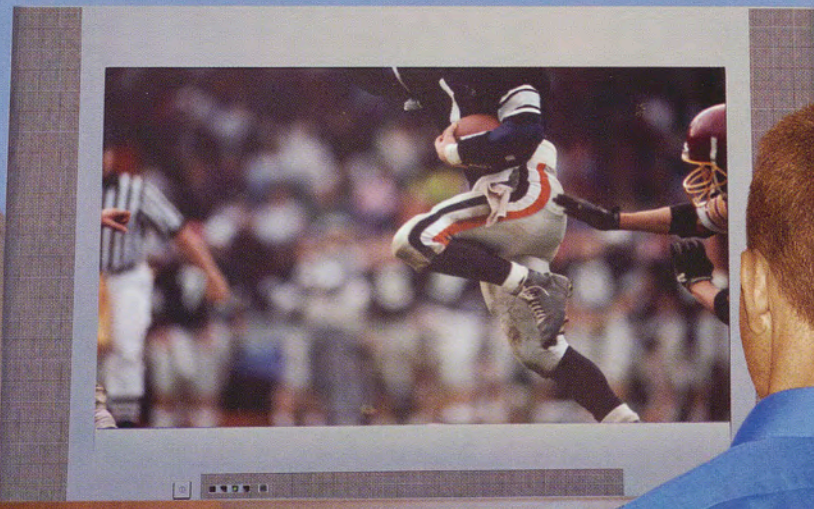
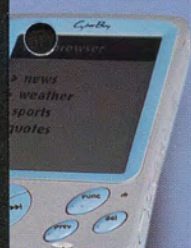
"I would like to be remembered as someone who helped educate the nation about what rent-to-own is all about and who encouraged more female participation in our industry," she says. "And I'd like to think that I let every dealer—no matter how large or how small—know that they were an integral part of the RTO process.

"That is particularly true when it comes to APRO-PAC," Harper says. "Only with everyone's cooperation will we ever really be successful in our legislative efforts."

From meetings with Mexican leaders to roundtable discussions in the West Wing, Harper's career already speaks for itself. With ambitions bigger than her home state of Texas, this RTO leader is bound to realize her dreams. ■

Katie Garza is a free-lance writer.

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Are you getting all you can out of APRO?

Association membership is a lot like learning how to swim. If you don't know how to keep your head above water, you run a pretty good chance of, well, sinking. Once you learn a few strokes, not only will you be able to survive longer, you can take advantage of all the fun swimming offers. APRO offers quite a few benefits that can help you keep you and your business afloat. There are plenty of programs, publications, products and events available to members to help rental-purchase store owners run their businesses more successfully. Are you taking advantage of all APRO has to offer? Here's a quick refresher course of all the programs and benefits offered to APRO members. These benefits are available to APRO associate members as well.

BY CAROLYN MAY

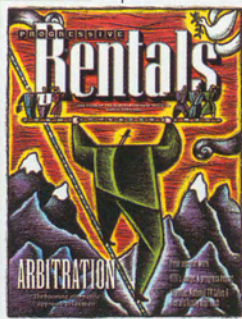
Publications

As part of membership, all stores receive *Progressive Rentals*, the magazine specifically geared to the rental-purchase industry. This bimonthly publication has received numerous awards over the years and is an invaluable source of news for the industry. APRO encourages members with timely information to pass on that information or newsworthy announcements to be included in future issues.

APRO's bimonthly newsletter, *View*, is sent to all addresses on our mailing list. This ensures that even non-members receive the latest updates on the status of our federal legislation, public relations efforts as well as articles of interest to the all levels of rental store personnel.

Other membership publications include the *Who's Who in Rental-Purchase*—an annual directory of members—the customer survey conducted by Amer-

ica's Research Group in 1999 and the latest survey, *Employee's Attitudes and Perceptions in the Rent-to-Own Industry*. Then there is the ever-popular



annual *Rental-Purchase Industry Statistical Survey*, which is free to participants and new members. The \$300 price is a strong incentive for members to fill out the questionnaire they receive each spring from Industry Insights.

Other helpful, industry-specific publications available to members include:

- ▶ *APRO RTO Legal Reference Index, 1997*—a comprehensive summary of laws affecting rental-purchase. Excellent source for industry attorneys.
- ▶ *APRO Grassroots Media Guide*—a guide for dealers to help “take the initiative” with local media.
- ▶ *APRO Publicity Handbook*—a practical guide to working with the media.

- ▶ *APRO Bankruptcy Manual*—a guide to assist in recovery of rental property from customers who have declared bankruptcy.
- ▶ *How to Locate Missing Persons: A Skip Trace Manual*—helpful advice

for easing the industry's biggest headache: skips and stolens.

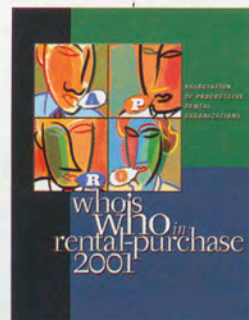
- ▶ *Collections Manual: Preventive Maintenance and Efficient Results*—outlines steps to eliminating collections as a problem source. Shows where prevention is easy and profitable.

- ▶ *Legal Ease*—a compilation of state laws with annual updates available.)

- ▶ *The Future is Renting* poster and customer information cards—designed to keep your employees and customers informed and educated about the benefits of the rental-purchase transaction.)

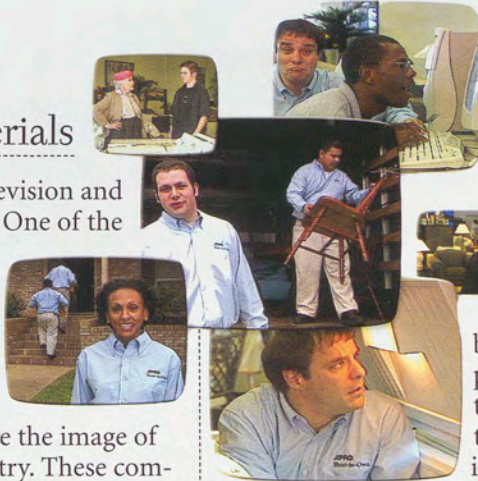
And the latest helpful tool APRO is offering is the *Managing for Success* manual, written by Frank L. Matthews, president of DecisionMaker Inc. and a widely recognized expert in the fields of hiring, recruiting and employee retention. *Managing for Success* addresses some of the more critical employee issues of the

upcoming decade. It deals with the subjects of employee recruiting, hiring, orientation, training, retention and termination. Correctly utilized, this manual will give you a competitive edge in today's marketplace.



Broadcast materials

Broadcast quality television and radio commercials. One of the best returns on your membership investment could be the various television and radio spots that APRO has produced to help dealers improve the image of the rent-to-own industry. These commercials were designed to promote brand name recognition of the products RTO stores carry as well as the flexibility of the transaction. These productions are free to members, who then only have to add their tag line and pay for the airtime.



Insurance programs

APRO has offered a group health plan since 1993. This plan is administered by Mass Marketing Insurance Consultants, company that specializes in association plans. They will provide a no-obligation, free, customized quote to any member who requests one. Members can choose between a standard indemnity or preferred provider plan. With a choice of deductibles and optional coverage, members can arrive at a premium cost they are comfortable with.

Our commercial insurance program is with Walter L. Clark & Associates, managed by Barry Gambini, a past APRO president, and Jeanette Willingham. Gambini and Willingham both have more than 15 years experience in multi-state RTO accounts. They provide auto, property, liability, workers compensation, employment practice coverage and use the group buying power of APRO.

Business support

Legal consultation is also available to members on a limited basis. APRO general counsel Ed Winn is the

foremost legal expert on the rental-purchase industry, having been in that position since the Association's inception in 1980.

Last March the Supreme Court of the United States handed down a landmark employment law decision in *Circuit City Stores v. Adams* which states that employers may now require employees, as a condition of employment, to agree to mandatory, binding arbitration of all federal and state employment claims.

APRO is pleased to offer a unique new service, alternative dispute resolution. Dispute Systems Inc. offers its Truce program for mediation and binding arbitration that can and does dramatically reduce attorneys' fees, long delays, unwanted publicity and all of the other uncertainties of court litigation. Think of it as a form of "legal insurance."

Truce provides for mediation first, which should settle 90 percent of the claims. It, of course, meets all of the legal requirements to enforce mandatory, binding arbitration, if necessary, to finally

dispose of a claim, without the requirement of court litigation. It is however, more user-friendly and addresses the changing trends in the human resource area, with documents that are short, readable and understandable by your employees.

▶ APRO also has an arrangement with Harry Weisbrod & Associates for wage-and-hour consultation. Contact Brian Ferrington with your wage and hour questions.

▶ In addition, APRO has negotiated discounted rates for Airborne Express deliveries and low per minute rates from Qwest Communications.

Employee training

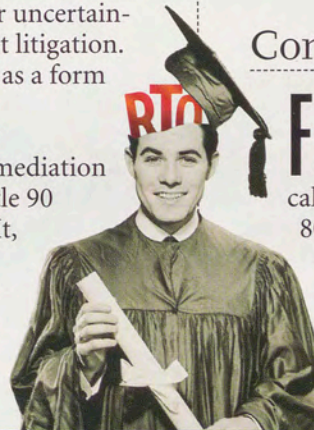
The long-awaited "Rental Training Online" educational program is now available. See details regarding this service on page 8.

Until the module for the online training program, "Rent-To-Own Industry Orientation," is ready, members can use the "Rent It" videotape for new employee orientation.

Contacting APRO

For contact information or more detailed descriptions of these member benefits, call the APRO offices at 800/204-2776. ■

Carolyn May is APRO's member services director. Her e-mail address is cmay@apro-rto.com.



Rate APRO's services

How do you rate the member benefits available to you through APRO? Now is your opportunity to tell us. A survey was e-mailed or mailed to members in early November to poll their attitudes about the existing benefits and to determine what programs or products they would like to see APRO offer in the future. Members who fill out the survey and return it, with identification, will be entered in a drawing to win a diamond necklace generously donated by the Jerry Bogo Co. of Chattanooga, TN.

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STATE ASSOCIATIONS

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Progressive Rentals is profiling each state rental dealers association. Without these organizations and grassroots activities on the state level, the industry would not be as successful as it is today. You may find ideas here that can be applied to your state association. We want to hear from you. Contact Julie Sherrier at APRO at 800/204-2776 or e-mail jsherrier@apro-rto.com/.

In 1987, rent-to-own dealers in Ohio awakened to the need for a strong legislative front when the Ohio State Senate introduced a bill that would have made it unprofitable for dealers to conduct business as usual. This crisis led to an informal gathering of independent and chain dealers in a law office in Columbus. Today, nearly 15 years later, the Ohio Rental Dealers Association is alive and kicking.

In the fall of 1987, ORDA came together as a group. Original members Pete Bush, Roger Sharp, Darrell Tissot, Ernie Lewallen, Zale Kohler, Bill Wendell, John Butts, Chris Korst, Bill Morgenstern and others formed the association and elected Pete Bush as its first president.

Under the guidance of industry counsel Sam Choate, this group worked day and night to write its own bill and sell it to members of the Ohio legislative body. Not many who were in attendance in those heady days could have predicted that one cold wintry evening, Choate carried the day with his persuasive message about what the RTO business was and how customers felt about the industry. A committee room that had been reserved for a lynching of the industry was turned instead into a sea of joy as Choate so eloquently delivered our message. His words and the strong show of support convinced lawmakers to support ORDA's bill, known as HB 421. In the fall of 1988, HB 421 was passed and then signed into law in early 1989.

After the passage of the Ohio RTO law, ORDA members felt compelled to remain together to serve as a watchdog for the state and to help make everyone better business people. Lewallen was elected as the second ORDA president in 1988. He served in this capacity until 1990.

ORDA became the first state RTO association to hire an executive director, but then decided it was more efficient to enlist the help of APRO to handle its monthly affairs such as dues collection, event planning, etc.

Butts served as third president, followed by Allen Haines, Dan Weiss, Amy Zeller Fankhauser and then Lewallen was elected again this past year to serve as ORDA president.

In 1987, ORDA hired its first and only lobbyist, Tom

Winters of Vory's, Satter, Pease & Associates, to keep members apprised of changing legislative environments. Ohio represents itself as the third largest state in terms of RTO dealers, employees and customers. Always making its voice heard, ORDA members have gone on to serve the industry at the national level as well.

Closely linked to APRO, seven current and former ORDA members (Tissot, Lewallen, Korst, Sharp, Weiss, Gary Ferriman and Fankhauser) have been elected to serve on the APRO board. Tissot and Lewallen also served as APRO presidents.

The group has been elected State Association of the Year twice. It has also received honors for its continued level of excellence. An employee of ORDA member Show-place Rentals was recognized in 2000 as the first "Rental-Purchase Employee of the Year."

Lewallen and Tissot also were presented with one of APRO's highest achievements: the Presidents Award for Excellence in 1996 and 2000, respectively. ORDA member Korst was honored with APRO's Lifetime Achievement Award in 1999.

ORDA meets twice each year in the spring and fall. Membership attendance stays strong due to the number of independent dealers from Ohio. Each year during APRO's annual Legislative Conference in Washington, D.C., there is never a shortage of men and women from Ohio who make the pilgrimage.

ORDA has always given from its heart and its wallet as it has long supported the APRO Task Force, APRO-PAC, Habitat for Humanity and was a founding supporter of APRO's new online training program. ORDA is also proud to have unveiled its Web site at www.ordaontheweb.com/. For more information on how to become an ORDA member, call Lewallen at 513/528-8364.

STATS:

2000-01 ORDA Board of Directors
President: Ernie Lewallen, UHR Rents, Cincinnati, OH
Vice President: Mike Tissot, Countryside Rentals, Bainbridge, OH
Treasurer: Amy Zeller Fankhauser, City Rentals Inc., Defiance, OH
Secretary: Rich Anderson, Valley Rentals Superstore, New Philadelphia, OH

Number of regular members: 15
Number of associate members: 31
State RTO law passed: 1989

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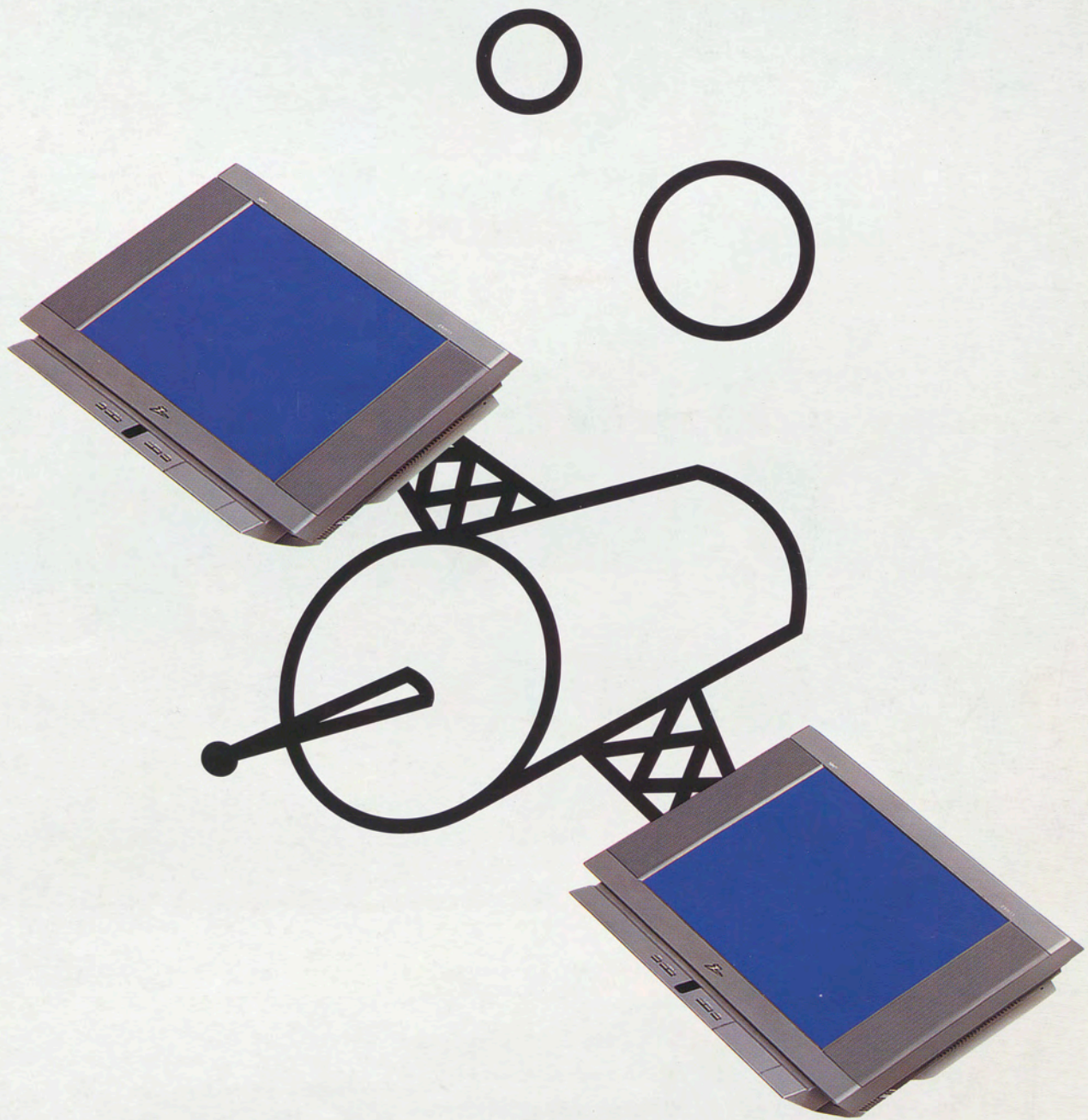
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