

**PROGRESSIVE**

# Rentals

THE VOICE OF THE RENTAL-PURCHASE INDUSTRY | SEPTEMBER-OCTOBER 2002

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HOW BEST TO USE  
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YOU CONDUCT YOUR  
BUSINESS

PLUS

THE STATE OF STATE LAWS  
GARY HUGHES PROFILED  
APRO 2002 RECAP

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# PROGRESSIVE Rentals

SEPTEMBER-OCTOBER 2002

## FEATURES

### 22 | WHAT CAN THE INTERNET DO FOR YOUR BUSINESS?

The strength of the Internet is its ability to share large amounts of information efficiently and economically. By tapping this strength, rental dealers can improve productivity and profitability between two key audiences: the customer and the store employee. Discover ways to improve how to rent and collect and operate more efficiently and economically through the power of the Internet.

BY JOHN ROGERS

### 30 | THE STATE OF THE STATES

The degree of regulation varies considerably from state to state and while there are fundamental similarities among state RTO statutes, it can be fairly said that there is truly a patchwork of laws across the country. Find out how state laws differ and what states are more RTO-friendly.

BY ED WINN III

### 36 | A PROFILE: GARY HUGHES, GOING GLOBAL

APRO's 2002 Rental Dealer of the Year is a goal-setter. As owner/operator of 24 ColorTyme stores, Gary Hughes attempts to measure the performance of his stores and employees on a regular basis while meeting his personal goal of visiting 100 countries by 2003. Hughes shares the success he has had at home and abroad.

BY KATIE GARZA

### 42 | REMEMBERING MANDALAY BAY

APRO 2002: Road to Mandalay, the Association of Progressive Rental Organization's annual convention and trade show, welcomed more than 1,000 rental dealers and vendors to the Mandalay Bay Hotel and Resort in Las Vegas in July. Take a look at some of this year's show highlights.

## DEPARTMENTS

### 5 | NEWS BREAK

### 14 | PRESIDENT'S VIEW

BY GARY ROMINE

### 16 | RTO PERSPECTIVE

BY BILL KEESE

### 18 | THINKING RTO

BY ED WINN III

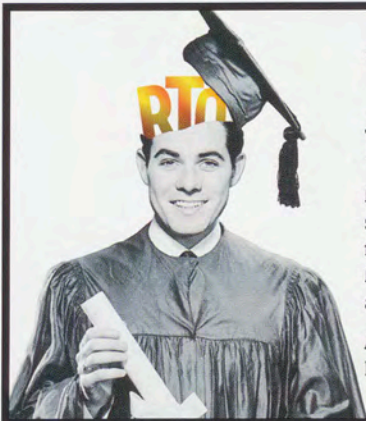
### 20 | ON ETHICS

BY MICHAEL J. VIVEIROS

### 51 | WHO'S WHO IN COMPUTERS

### 52 | STATE ASSOCIATIONS

Focus on the Indiana Rental-Purchase Dealers Association



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ColorTyme, Inc. ranked in Success Magazine's top 200 Gold Franchises in America in 2000 and is a subsidiary of Rent-A-Center, Inc (Nasdaq: RCII). Check out our website at [www.colortyme.com](http://www.colortyme.com).

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- Accurate Depreciation Tracking
- Purchase Order

# news

## BREAK

COMPILED BY  
JULIE SHERRIER

### C-SPAN covers recent RTO House debate

**A**fter a four-hour debate on September 18, the U.S. House of Representatives passed the Consumer Rental-Purchase Act (HR 1701) by a vote of 215–201. Forty-six Democrats voted in favor of the bill, while 43 Republicans voted against it.



“This is a landmark occasion when a majority of the House has learned enough about the industry and the transaction to adopt federal legislation that is similar to legislation that currently exists in 47 states,” says Gary Romine, APRO president.

The debate was televised nationwide by C-SPAN. During the first 40 minutes, the House debated on the rules of debate of the actual legislation. Subsequently, two amendments by John LaFalce (D-New York) and Maxine Waters (D-Calif.), which dealt with cash price limitations and product liability, were defeated. Waters then attempted to send HR 1701 back to the

Financial Services Committee, which also failed.

Vocal proponents of HR 1701 included Spencer Bachus (AL), Walter Jones (NC), Max Sandlin (TX), Sue Kelly (NY) and James Maloney (CT). Vocal opponents to the industry included Waters, LaFalce, James Sensenbrenner (WI), Stephanie Tubbs Jones (OH) and Barbara Lee (CA). To get a complete list of votes, visit <http://clerkweb.house.gov/cgi-bin/vote.exe?year=2002&rollnumber=395> on the Internet.

U.S. Senator Mary Landrieu, (D-La.), introduced the Senate version of HR 1701 along with seven other co-sponsors on September 18. The Senate version of the bill is S2947. The bill has been referred to the Senate Banking Committee. APRO is encouraging all APRO members to contact their U.S. senator to co-sponsor S2947. To do so, just visit the APRO grassroots Web site at [www.capitolconnect.com/APRO/](http://www.capitolconnect.com/APRO/).

### APRO's online training offers special prices

The APRO Rental Training Online Program continues to exceed all expectations. Since its inception last October, more than 1,000 courses have been taken. It has been such a success that APRO—in conjunction

with 360Training—will be instituting some improvements to the APRO Virtual University. Due to the program's high demand, APRO has had problems issuing Certificates of Completion in a timely manner. Soon students will be able to print their own certificates upon completion of a course and use them for verification with their employers. They will also have the option of requesting their certificate from APRO, if they have no means to print at their location.

In addition, APRO is working to make Rental Training Online even better by making a new

corporate report available to companies that have an account set up with APRO. This report will be issued monthly, before any charges are made to the company credit card, allowing companies to make corrections in advance and therefore minimizing any errors in charges.

During these upgrades to the system, APRO is offering a special \$9.95 price to anyone who takes courses between now and December 15, 2002. At that time, a new pricing structure will be put in place. A flat fee per course



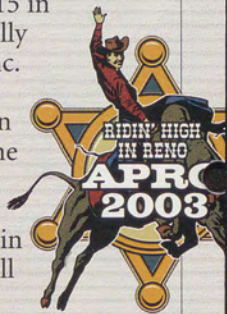
will be charged for all courses and sponsors of the program will be credited the appropriate amount based on their level of sponsorship. These credits will be issued prior to the charges being put through to eliminate overcharges. With this simplified pricing structure, we hope to make the accounting side of the online training program easier and more accurate.

Be sure to watch for the latest course. The target date for "Customer Satisfaction in Rent To Own" is December 15. If you have any questions; contact Shelley Martinek, APRO education director, at 800/204-2776 or smartinek@apro-rto.com.

### "Name that Convention" winner

The winner of the "Name that Convention" contest for the 2003

APRO Convention and Trade Show, scheduled for August 12–15 in Reno, NV, is Kelly Sayre of Ioni Inc. dba Alliance Rental Center in Denton, TX. The theme Sayre came up with is "Ridin' High in Reno." Sayre will be issued a full complimentary registration for the 2003 show.



### Aaron Rents to purchase Oklahoma retail chain

With the pending purchase of home furnishings retailer Sight'n Sound Appliance Center, based in Oklahoma City, Atlanta-based Aaron Rents is setting the stage to "open up much larger opportunities for the company's future expansion," says Gilbert Danielson, Aaron Rents chief financial officer.

## APRO'S 2002-03 Board of Directors

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

#### EXECUTIVE COMMITTEE

- President: Gary Romine, Farmington, MO
- First Vice President: Mamie Salazar-Harper, El Paso, TX
- Second Vice President: "Tiger" John Cleek, Columbia, MO
- Secretary: Lyn Leach, Malcolm, NE
- Treasurer: Robert Briley, Abilene, TX
- Immediate Past President: Gary McDougal, Hixson, TN

#### BOARD OF DIRECTORS

- Larry Carrico, Mt. Vernon, IL
- David P. David, Bloomington, IN
- Gary Hughes, Clarkston, WA
- Chris Korst, Plano, TX
- Jeff Lebakken, Chippewa Falls, WI
- Mark Peterson, Yakima, WA
- John Rogers, Wichita, KS
- Kelly Sayre, Denton, TX
- James Strong, Delhi, LA
- Shannon Strunk, Pascagoula, MS
- Michael Viveiros, Canfield, OH
- Amy Zeller-Fankhauser, Defiance, OH



## APRO creates online community at [www.APROvision.org](http://www.APROvision.org)

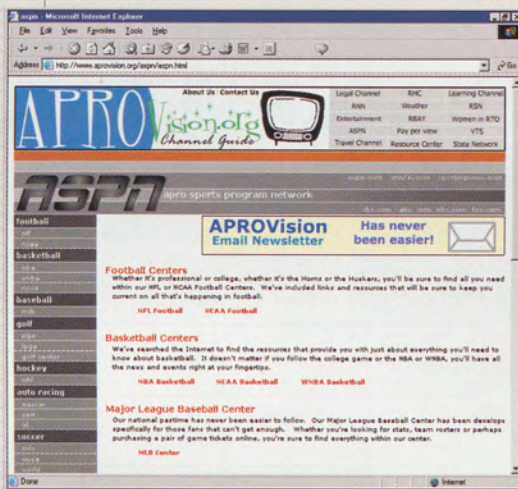
**J**ust having a Web site today is not enough to accomplish what's needed on the Internet," writes John Rogers, director of sales for High Touch Inc., in his article on page 22 on "What the Internet Can Do for You." There's a new concept emerging known as "community of interest."

To meet the growing needs of the APRO membership, the Association, in conjunction with High Touch Inc., unveiled a new online community for rent-to-own professionals at [www.APROvision.org/](http://www.APROvision.org/). The new site went live in October and includes not only all the elements of the previous APRO Web site, but also a wealth of links and news that considerably broadens the scope of the old site. High Touch is a company that develops of point-of-sale and accounting software for the rent-to-own industry.

Based on a television format, [www.APROvision.org](http://www.APROvision.org) currently has 14 channels, including the Rental News Network, APRO Sports News Network (ASPN), Rbay (a dealer-to-dealer product and service exchange), the Legal Channel, an Entertainment Channel, a Travel Channel, Pay Per View (a member's-only section), Rental Shopping Network, the Weather Center, the Learning Channel (including APRO's Rental Training Online), the State Network (for state associations), the Rental History Channel, a Resource Center and the Virtual Trade Show.

"We wanted to create a Web site that

would become a common gathering point for rental dealers," says Rogers. "Every PC connected to the Internet has a default Web page. We thought, why not have the PC's browser point to the APRO Web site?" The idea behind the new site was to create a "community of interest" for those in the industry.



"Community of interest" is the foundation of many new or redesigned Web sites, says Rogers. The new Web site will feature links to industry news, dates, times and calendars of events, links to national news services, travel and discount airfare/car rentals, links to industry educational opportunities, business advisors, surplus merchandise availability, sports scores, search engines and many other useful resources.

"We hope that with APROvision.org, rental dealers everywhere will find all they need and more and will consider the APRO site an Internet 'home,'" says APRO Executive Director Bill Keese.

### CALENDAR OF EVENTS

# 2003

#### JANUARY

9-12  
CES Las Vegas, 703/907-7600,  
[www.cesweb.org](http://www.cesweb.org)

17-20  
San Francisco Furniture Mart,  
415/552-2311, [www.sfmart.com](http://www.sfmart.com)

TBA  
TARA Seminar and Board Meeting, 940/497-1150,  
[www.taramembers.com](http://www.taramembers.com)

#### FEBRUARY

TBA  
Missouri Rental Dealers Meeting Annual Business Meeting and Seminar, Columbia, MO, 573/442-2963, Ken Steiner

20-23  
Tupelo Furniture Market, APRO booth will be located in Lobby Hall B, Mississippi Market Complex, 662/844-1473, [www.tupelomarket.com](http://www.tupelomarket.com)

#### MARCH

3-5  
TRIB Group Meeting of the Minds, 770/451-4302,  
[www.tribgroup.com](http://www.tribgroup.com)

TBA  
APRO 2003 Mid-Year Conference, 800/204-2776,  
[www.aprovision.org](http://www.aprovision.org)

#### APRIL

3-9  
High Point Furniture Market, 336/888-3700, [www.ihfc.com](http://www.ihfc.com)

#### MAY

7-10  
TRIB Group Annual Meeting, Atlanta, 770/451-4302,  
[www.tribgroup.com](http://www.tribgroup.com)

20-23  
APRO Legislative Conference, Washington, D.C., 800/204-2776,  
[www.aprovision.org](http://www.aprovision.org)

## NEWS BREAK

"Our plan is to operate these stores as a separate unit of the company," says Danielson. According to the company, the Sight'n Sound employees and corporate offices will remain once the transaction is processed. One of the changes that will be made will include adding a leasing option for customers of Sight'n Sound merchandise, a move that could capture more of the business that previously might have been turned away.

"If you look at the people who look for financing [at Sight'n

Sound], 40 percent to 50 percent would be turned down," says Danielson. "We want to take those who are turned down for credit and turn that business into revenue."

Company management says that if the purchase of Sight'n Sound and the implementation of the new leasing alternative prove successful, the deal in Oklahoma might serve as a model for additional growth through acquisitions for Aaron Rents.

Sight'n Sound operates 26 stores in Oklahoma and Kansas and

## Rent One raises \$10,000 for local Habitat chapter

**F**or the eighth consecutive year, Rent One in Mt. Vernon, IL, held its Vendor Appreciation Golf Outing at the end of June. To date, this annual event has raised more than \$40,000 for the Jefferson County Chapter of Habitat for Humanity. This year, the participants raised approximately \$10,000.

In addition to the tournament sponsorships, vendor donations of more than \$2,500 in merchandise was raffled away, including a 42-inch big-screen television provided by BDI Laguna. Though the \$1,000 grand prize went to Zenith representative Mike Wood, the real winner was Habitat for Humanity as Wood donated half of his winnings to the charity.

Tournament winners took home or also donated their winnings to Habitat for Humanity. The winners were Bob Scott, Starr Payne, Sharon Carrico and Bob Thomason.



## WE NEED YOUR E-MAIL ADDRESS

In early 2003, APRO will be posting a new electronic newsletter, *Rental ViewPoint*, to all members. It will feature late-breaking industry news and valuable information you won't want to be without. Please make sure we have your correct e-mail address so that you won't miss out on *Rental ViewPoint*. Send your e-mail address to [lhll@apro-rto.com](mailto:lhll@apro-rto.com).

has current annual sales volume of about \$60 million. Aaron Rents has more than 650 company-operated and franchised stores nationwide and in Puerto Rico and reported revenues of \$546.7 million last year.

"We consider this a test as to whether we can acquire a traditional retailer and expand its business through offering to cus-

tomers the sales and lease ownership options," says Danielson.

In other Aaron Rents news, Chairman and CEO R. Charles Loudermilk

Sr. made the *Atlanta Business Chronicle's* "Superstars worth \$100 million to \$199 million" list in August. Loudermilk ranked No. 19 with \$119.2 million. According to the article and the company's proxy statement, "Loudermilk received \$771,241 in salary, bonus and other compensation in 2001. He also owned 2,381,612 shares of the company's Class A stock, valued at \$62,517,315 on May 31 and approximately 2,234,306 shares of its common stock, valued at \$56,639,657."

Loudermilk has served as chairman/CEO of Aaron Rents since the company began in 1962.

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## 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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[trucedsi@aol.com](mailto:trucedsi@aol.com), [www.truceonline.com](http://www.truceonline.com)

# truce

## RentWay subsidiary DPI Teleconnect signs celebrity spokesman

DPI Teleconnect, a subsidiary of RentWay Inc., and one of the nation's largest providers of pre-paid home telephone service, entered into an exclusive relationship with sports legend Herschel Walker. Walker will become DPI's national spokesperson in connection with a new marketing campaign for the company.

DPI Teleconnect's strategy for new customer acquisition is based on a significant, consistent television presence. Hundreds of agent locations have been added throughout several store chains, including Cash America International, Winn-Dixie, EZ Pawn and Flash Markets.

## Kraemer assumes new post at Bestway

Former Rent-A-Center executive vice president



Meanwhile, in Ohio, members of the Ohio Rental Dealers Association met in September to celebrate ORDA's 15th anniversary. Above: ORDA President Ernie Lewallen awards Greatest Soldier honors to RTO advocate Sam Choate. Also honored at the meeting was first ORDA President Pete Bush. Right: APRO PAC co-chairman Lyn Leach speaks to the group on how to love a career in rent-to-own.



David A. Kraemer was appointed to president and CEO of Bestway Inc. in July. Kraemer has 19 years experience in the rent-to-own industry. He was with Rent-A-Cen-

ter/Renters Choice since 1995. As executive vice president, he was responsible for the operation of more than 1,000 stores.

Bestway's Teresa A. Sheffield has left the

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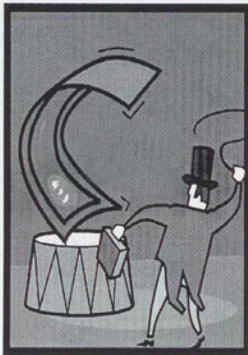


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## NEWS BREAK

company and R. Brooks Reid will remain as chairman of the board.

Bestway owns and operates 69 stores in Alabama, Arkansas, Georgia, Mississippi, North Carolina, South Carolina and Tennessee.

### **BDI-Laguna adds HP to RTO line**

Consumer technology supplier BDI-Laguna will be adding Hewlett-Packard PCs and printers to its product line in the near future. The company announced on September 18 that it would be HP's distribution arm supplying PCs, printers and notebooks to the growing rent-to-own market. Previously, BDI-Laguna was Compaq's exclusive distributor for the RTO channel.

Now that HP and Compaq have merged, "BDI-Laguna is very excited about its new relationship with HP," says Joel Blank, executive vice president of BDI-Laguna. "I am confident HP and Compaq brands will become the leading lines of personal computers within RTO."

HP plans to market both the Compaq Presario and HP Pavilion brands to RTO. "By partnering with BDI-Laguna, HP expects to capture significant market share within the RTO channel, providing incremental revenue opportunities

for the HP Pavilion product line," says Leslie Hertford, district sales manager of HP's Imaging and Printing Group.

### APRO Web site wins award

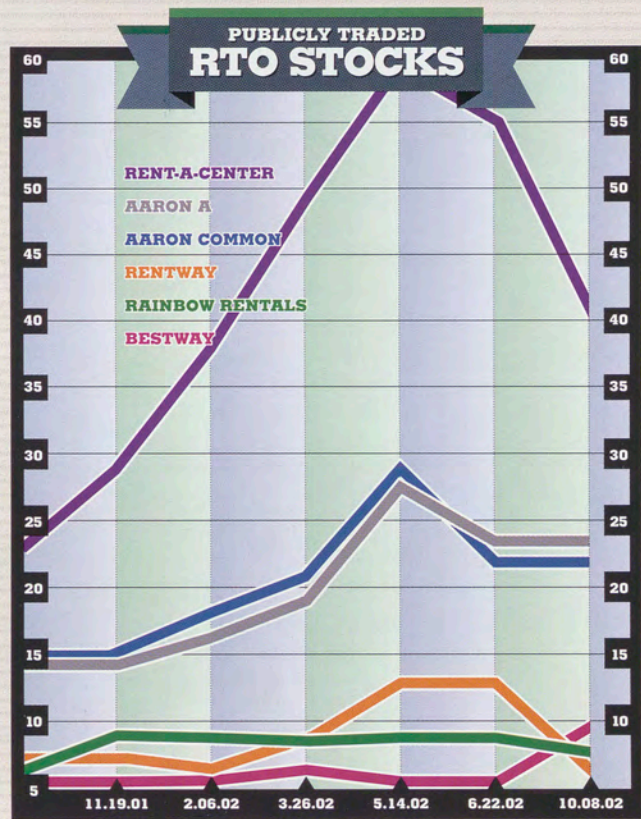
While APRO is currently working in conjunction with High Touch to create a "community of interest" Web site for the Association (see related story on page 7), the current APRO site at [www.apro-rto.com](http://www.apro-rto.com) recently received top

honors in the 2002 WebAward competition ([www.webaward.org](http://www.webaward.org)). APRO's recently completed site was named as one of the nation's outstanding Web sites.

Kudos to Faye Rougeau, APRO's Web designer, and Julie Sherrier, APRO's Web content editor, for striving to create an award-winning site. They are also working



with the High Touch team toward the upcoming APROvision site.



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**I**t is with great excitement that I am writing these words. After eight years of traveling to Washington, D.C., to push forward federal legislation for the rental-purchase industry, we are finally seeing some light at the end of the tunnel. On September 18, we witnessed a very successful vote on the industry-supported bill (HR 1701), passing it out of the House of Representatives. This truly has been an orchestrated effort by many individuals to accomplish this success.

I remember one of my first appointments with Congressman Dick Gephardt's office, the majority leader at the time. What an awesome experience

effort) across America who have made this happen. You guys are a one of kind.

As of this writing, we are launching our Senate effort with Senate Bill 2947. Sen. Mary Landrieu has introduced the Senate

bill with a strong bipartisan support from five Democratic senators and three Republicans. We now face the daunting task of getting a hearing from Sen. Paul Sarbanes and his Banking Committee.

Sarbanes' resistance to our legislative efforts has been ongoing for years. Even with the eloquent representation from our Maryland rental dealer, Tracey Morgan, we always seem to fight an old image with Sarbanes' office. These legislative

obstacles remind me that the industry's story is as important, if not more important, than the industry's legislation. My point being that as in the congressman's office I mentioned earlier, we had to educate him first on the importance and value of the industry and our transaction before we could then gain his legislative approval and support.

Sarbanes is only one senator, however, and we have many allies. Now that our legislative days are numbered, we turn to our House victory and our Senate allies to provide us with other legislative opportunities to include our bill in a legislative compromise that routinely happens at the end of the session.

I cannot stress enough the importance of our House victory. The significance of such a victory is historic. Less than 1 percent of all bills ever pass one house of the Congress. Without the passage of the House bill, we would not be able to have the credibility or leverage to include our bill in a potential conference-type bill. More important, watching the entire U.S. House pass a favorable judgment on our industry has justified our fight. I am proud of this industry and its hard work. Let's go finish what we started. ■

*Gary Romine is owner of Show-Me Rent-to-Own in Farmington, MO.*

.....  
 "We have to educate first on the importance and value of the industry and our transaction before we can then gain legislative support."  
 .....

# Educate, then legislate

that was. I was very nervous at first, but after a few minutes of visiting with the staff responsible for House Banking Services at that time, I realized the desire they had to understand the needs and concerns of their constituents.

The subsequent meetings were easier, except one. This individual was rude and felt that our industry should be ashamed of itself. I eventually got the message across that our transaction involved a lot of services to our customers. That office did a 180-degree turn and voted for our bill. As people understand what we do, it becomes easy for them to accept and support our industry. I had a hard time understanding how anyone could be so against our industry. Diligent education and time has changed that.



**By GARY ROMINE**  
*APRO's President*

As the years have gone by and the education process has taken place, I realize more than ever that persistence and consistency most certainly make an impact for a legitimate cause. The rent-to-own industry is an important and integral part of our economic market place.

There have been too many people involved to name them all individually, but I do want to say thank you to all those who have played a critical part in making this legislation happen. I am referring to our lobbyists, the attorneys from the large companies, the APRO staff and the numerous dealers (that grassroots



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**I** recently tuned in to a rerun of Ken Burns' famous documentary on the Civil War. There is a Southern writer by the name of Shelby Foote who provides the commentary throughout the film. There is one sequence where he says the people referred to the United States as "are" before the Civil war. After the war, the people referred to the United States as "is." In other words, before the Civil War, the American people referred to the United States as a collection of independent states and after the war the people viewed the states as a country with sovereignty. This was a major change in perspective and set the stage for our country to become the greatest in the world.

## All for one...

"All for one and one for all!"

I hope everyone reading this is familiar with the famous line attributed to Alexandre Dumas' characters in *The Three Musketeers*. If any motto holds true for our industry, it is my belief that this is it. Our attitude about ourselves is the reason we, as an industry, have been so successful over the years.

There are new rental dealers and new associates who may not have had the opportunity to experience this camaraderie. They may realize that there are state laws that regulate the rent-to-own transaction as a lease and not a sale. They may not know, however, the extraordinary efforts rental dealers put forth over the years and around the country that helped make these laws a reality.

Those new to the business may take for granted that the tax status on their businesses is classified as a lease and not a sale with the Internal Revenue Service. What they may not know is that in the early 1990s, the IRS tried to change the manner in which the transaction was treated for tax purposes. Had the industry not banded together in a unified manner, the rent-to-own transaction and rental companies would look much different today.



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

I suspect also that there may be rental dealers today who take for granted the very nature of the rent-to-own transaction and the fact that there are so many rental dealers in the business. The founding fathers, particularly Chuck Sims, Bud Holla-

day and Barry Gambini, made a point to teach interested people about the industry. They had the revolutionary idea that to grow their business, it would be best to grow the industry.

This year APRO is celebrating its 22-year anniversary as the "national" association of rent-to-own dealers. As our name implies, a national organization promotes and protects the best interests of everyone in the industry, not just part of the industry or part of the country.

Our industry has prospered and grown because, at many points in the past, rental dealers began perceiving this as an industry made up of many independent companies and that what was in their best interests was in the best interest for all. The rent-to-own industry "is" strong today. We have accomplished feats that few fledgling industries can boast of in such a short amount of time.

For the growth and prosperity of all rent-to-own companies, I hope we never slide back to the point where rental dealers perceive the industry to be just a collection of independent companies who just happen to make up an industry.

As long as we have the commonality of "is" and not "are," rental companies, owners and employees will prosper.

All for one and one for all, that is our motto. ■

*Bill Keese's e-mail address is [bkeese@apro-rto.com](mailto:bkeese@apro-rto.com).*

"I hope we never slide back to the point where rental dealers perceive the industry to be just a collection of independent companies who just happen to make up an industry."



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**H**ere is a radical, potentially industry-shaking marketing idea that I have just learned of from a rental dealer who tells me that he does not mind sharing it. It is an extension of a customer's reinstatement rights beyond all previous bounds. It is an effort not to disappoint customer expectations and, further, by not disappointing customers, the program aims to keep them as customers far longer than would otherwise be the case.

Here is how it works: all rental payments made in the store count toward ownership of rental

it, now he's got \$700 in the system that he can use the next time he comes in.

What does such a program do to operations? For one thing, it increases deliveries.

Former customers who have returned merchandise come back regularly to take advantage of the payments that they have in the system. The store has a higher mix of used idle inventory than in ordinary rental stores. Some customers become fickle with this program and there is some "churning" of product by customers. They try a sofa for a few weeks and then return it and choose another color, be-

cause they can. The store, while increasing deliveries, is also increasing pick-ups. There is more store activity, in general, and more interaction with customers because of the increased choices in the program; store employees are busier, almost all of the time. Product goes in and out of the store more with more wear and tear on vehicles and products. There are increased refurbishing costs.

But, oh, the customer loyalty! In the program that I reviewed, more than 70 percent of deliveries were to repeat customers. And talk about customer satisfaction! If we accept customer survey information about intent at the onset of the transaction, up to 90 percent of customers intend to rent long enough to own. If keep rates hover at 30 percent or less, then a lot of rental customers leave rental stores with their hopes dashed. They may have no one but themselves or bad luck to blame, but they are still disappointed. Many will return to rental stores anyway, determined to manage their money better the next time or perhaps hoping that their luck will change, but with a few hundred dollars in their store rental account, they will be eager to return and there is no reason to be disappointed anymore.

The dealer I spoke with has been doing this successfully for seven years. It may be an idea worth pondering by other dealers. ■

*Ed Winn's e-mail address is [edwinn@e-bylaw.com](mailto:edwinn@e-bylaw.com).*

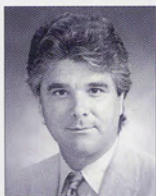
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**"In the program that I reviewed, more than 70 percent of deliveries were to repeat customers. And talk about customer satisfaction!"**

# A concept to retain customers

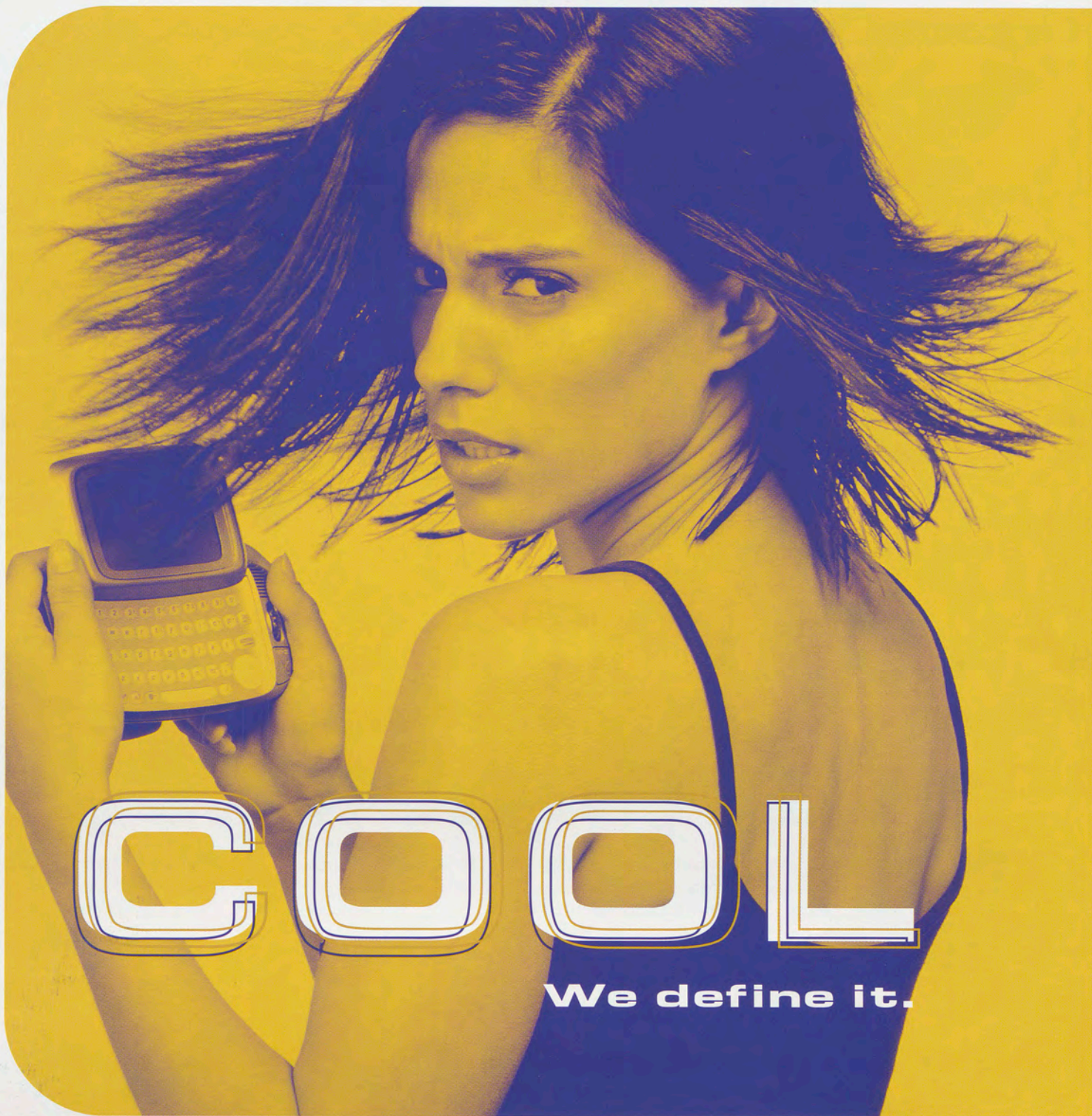
property—always. So far, it sounds like lifetime reinstatement. The extension is that the customer can apply the rental payments made to any item in the store—always. For example, if a customer rents a television for \$100 per month for six months and has to return the item, that customer now has six months worth of rental payment history in the store. That payment history can be used toward ownership of that television, of course, but can also be applied toward the purchase of anything else in the store. Talk about building customer loyalty and repeat business!

Let us suppose that the customer gave back the TV because he ran out of money. He may not be able to rent anything again for a while. But it does not matter. The payment history does not go away. When and if the customer wants to rent something again, be it the TV or something else, he has \$600 in the store system toward ownership.

The program that I looked at had a few limits, but only a few. The customer cannot come back in and grab something off the shelf that costs \$600. He must rent something with a remaining term of at least six months, although he does not have to rent another \$100 per month item. He can choose something with a higher or lower rental rate, depending on his circumstances and desires and needs at the moment. If he rents a \$50 item this time for two months and returns



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



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**T**here is a procedure at my company where store managers are required to contact our corporate offices to receive authorization before initiating any type of legal action against a customer.

The primary reason for this is to have an unbiased set of eyes look at the information submitted to see if “going legal” is a good business decision.

We do this because sometimes it is easy for store managers to let emotions cloud clear thinking, because sometimes there is a powerful feeling to “teach them a lesson” and to try to punish those customers who try to “rip us off.”

motivate customers to steal any more than the knowledge that you can shoplift a candy bar from the drugstore with little risk of getting caught.

Few customers steal from a store because they can. If someone told you there is a store a few blocks away that never closes the rear door and you can walk

in and take as many groceries as you could carry, would you do it? You would if you were a thief. The very few who do steal do so because they are dishonest in the first place. There is no “message” that

we can send them to change their behavior.

The decision to “go legal” is not always completely cut and dry, but offers a starting point to look at the numbers and see if they make sense. The same \$350 invested to try to recover a computer and a projection set from a house may make more sense than the original example above.

Also, if you find yourself evaluating this decision more than a few times each month, then you should look at the order taking and verification process in your store. A bad decision may have been made even before the delivery was made and the manager may be looking to the courts to bail him out.

Most of the time my advice is to write it off and spend the time and energy saved servicing the overwhelming majority of good, hardworking and honest customers who choose to do business with you. Say a prayer for the poor soul who kept the television without paying and move forward. That is the lesson I have learned. ■

*Michael J. Viveiros is president of Rainbow Rentals in Canfield, OH, and is an APRO board member.*

.....  
 “There is a corollary to ‘teaching them a lesson.’ It is called ‘sending a message.’ This is when the manager wants to ‘send a message’ to the community that ‘they just can’t rip us off and get away with it.’ There is a flaw with this argument.”

# Let’s teach them a lesson

Every business owner would love to have a group of managers who treat inventory as their own, who make every effort to protect the assets of the company, who passionately try to run the business as though their own name was on the sign out front. Problems arise, however, when a manager takes it too personally. This is when bad decisions are made. This is when we find someone willing to pay \$350 to file a Replevin action to recover an item with a book value of \$275.

We should fight the urge to try to punish customers who steal from us. After 21 years in the rent-to-own business, I believe I have evolved to a higher level. Hopefully, it won’t take you as long. As an account manager and also as a manager, I wanted to incarcerate every skip, stolen and bad account.



**By MICHAEL J. VIVEIROS**

Today, I feel sorry for people whose lives have reached a point where they now will not even be able to rent something.

There is also a corollary to “teaching them a lesson.” It is called “sending a message.” This is when the manager wants to “send a message” to the community or neighborhood that “they just can’t rip us off and get away with it.” There is a flaw with this argument as well. Most rental customers know they can keep the merchandise without paying for it and it is very unlikely that anything will happen to them. This knowledge does not

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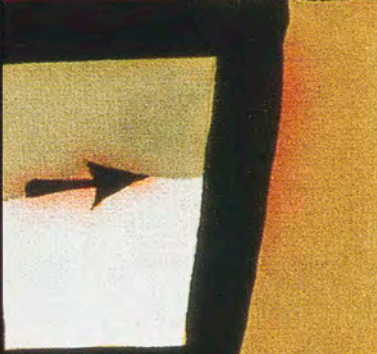
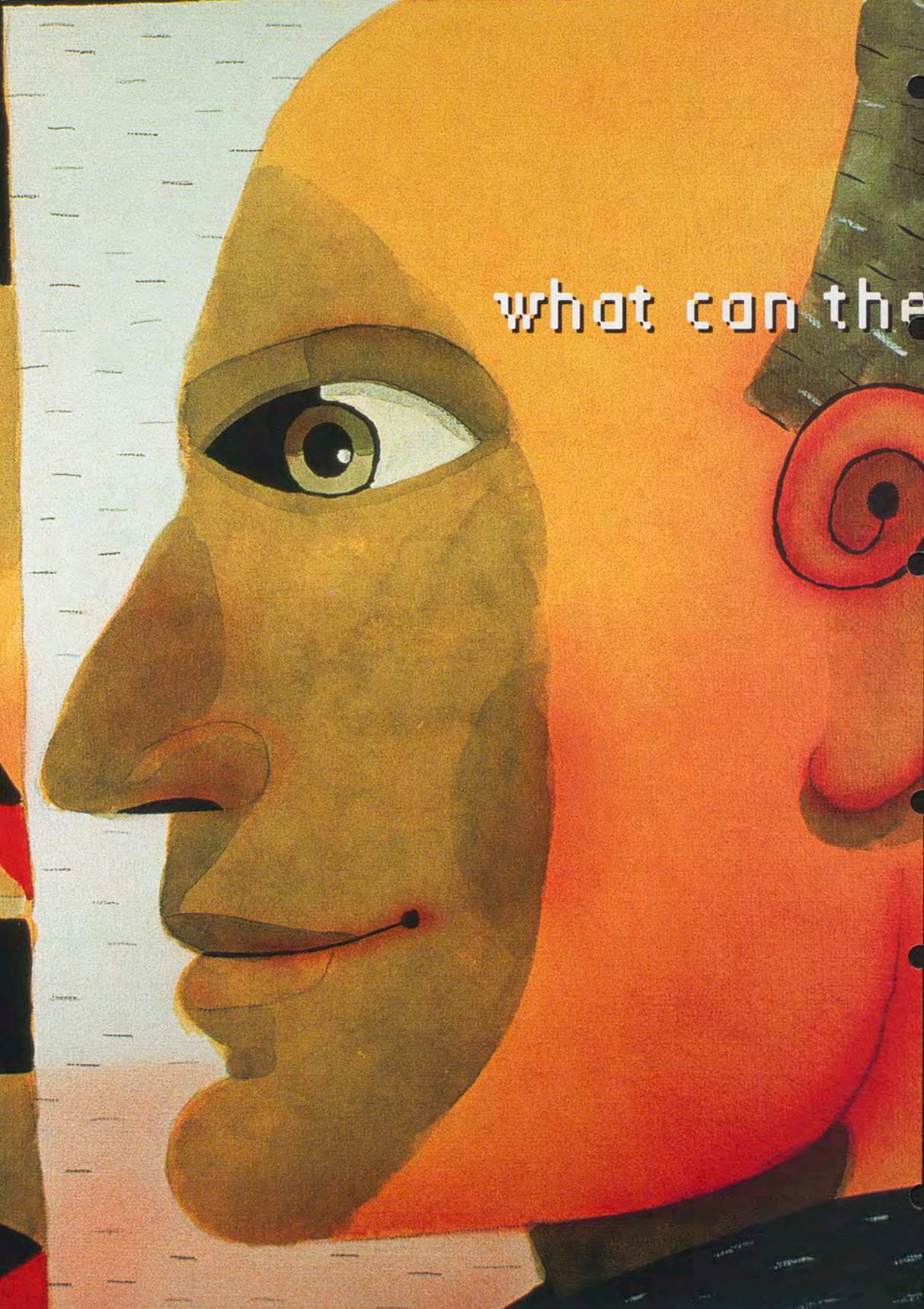
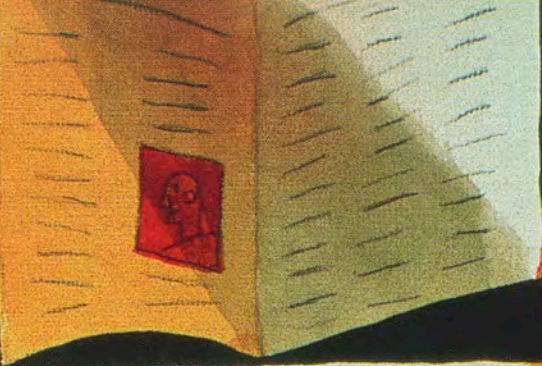
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what can the



# Internet do for your business?

## log on, key in and find out

by  
john rogers

raveling to an Ohio Rental Dealers Association meeting a while back, I sat on the plane next to a fairly heavy-set man whose hands showed a life of physical labor. His name was Chuck. †

He noticed my laptop and began talking about his new computer. He proudly described the “cadgillion” megahertz processor, the 17-inch color monitor, the High-Density hard drive, DVD/CD drive, the high-speed color scanner, the portable satellite dish for downloading movies and a coaxial, “anywhere” connection to the Internet. † Chuck’s a truck driver and a rent-to-own customer. All this high-tech gear travels with him on the road. † I thought about Chuck after reading the list of requested seminars for next year’s APRO convention. There wasn’t one listing for anything having to do with the Internet, which is so odd given how technically savvy rent-to-own customers are becoming. I wondered if this lack of a topic was because our industry already knows all there is to know about e-commerce or because it’s still so much a puzzle that we don’t know where to begin.

**T**he strength of the Internet is its ability to share large amounts of information efficiently and economically. This article attempts to show how the Internet can improve productivity and profitability between two key audiences: the customer and the store employee. Customer marketing, company communications, database management and hardware solutions are four key areas discussed below in which the Internet has a great effect. It's important to state that the Internet will not change the fundamentals of your business. You rent and you collect. However, the Internet can improve the way you rent and collect, allowing you to operate more efficiently and economically and take more revenue to the bottom line.

## CUSTOMER MARKETING

### e-mail promotions

**M**ore than 60 percent of the rent-to-own demographic today has e-mail access, according to statistics published by the Employment Policy Foundation in Washington, D.C. Also, the Employment Policy Foundation forecasts that by the end of next year, 95 percent of all U.S. households having a computer, regardless of income level, will have some type of Internet access.

The strength of e-mail marketing is the immediate ability it gives the customer to act. With more traditional forms of advertising, such as fliers or mailers, the customer is unable to act immediately on the demand you create. The customer must either call or visit the store. With an e-mail, it's possible to link to a convenient order form. And for existing customers, most of the rental agreement data is already complete.

In addition, an e-mail can link to your Web site, which allows the customer to browse your entire product catalog. Unlike a flier with a few products, an e-mail allows you to promote all of your products. If your e-mail doesn't include a product that the customer needs, they can quickly see all the other products you have for rent with just a click.

And with all the free e-mail services today (e.g., Yahoo, Hotmail, NetZero), more and more customers are going online each day. The advantage of free e-mail service is that customer e-mail addresses remain the same, regardless of how many times they move. This allows you to continue marketing to former customers for years to come, even if they move several times.

The low time and cost of e-mail communications is the key. A marketing e-mail can be formatted in just a few minutes and distributed to hundreds of customers at the touch of a button.

Marketing e-mails can be also targeted to specific customers—for example, an e-mail promoting an upcoming sale on DVD players to customers who are already renting a television.

What a great electronic salesperson! All the more so because it sells to the customer at his or her leisure, not just when he or she happens to be in the store. E-mails give you an in-home salesperson working 24 hours a day, seven days a week.

Direct mail and print media will always have their place—there's still something about having a piece of paper—but e-mails can increase the revenue from customer marketing because they are inexpensive to send, they allow your customers to act on impulse and include easy access to your entire product line.

Bringing supply to the point of demand—that's the emerging power of the Internet. Just ask eBay.

### payment reminders

**P**ayment reminders are another good use of e-mail communications. Friendly reminders of upcoming payments provide an easy and fast communication not only for the payment reminder, but also as a vehicle for special offers, company updates and other items of interest.

### past due notices

**P**ast due notices as well, where permitted by law, can be easily formatted and e-mailed out. Different e-mails and text messages can be sent based on the days past due from your store's integrated point-of-sale software system. And for dealers who accept credit/debit cards, what a great convenience to offer this option for paying the past due.

### price tags

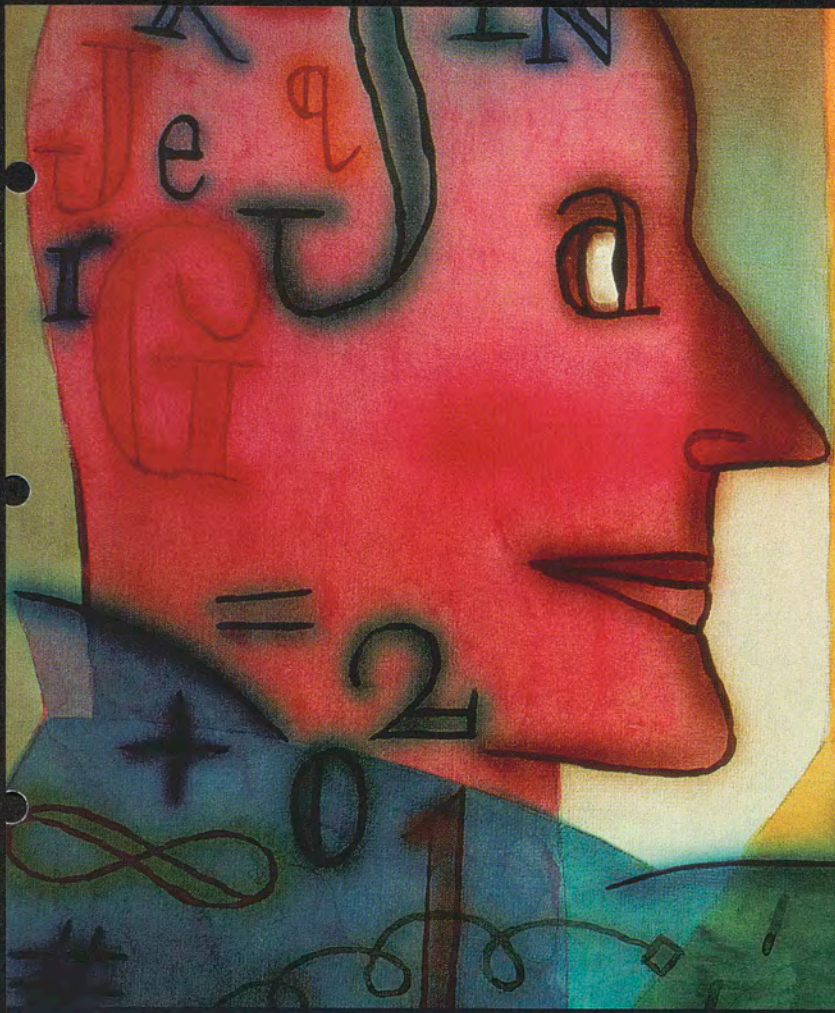
**N**ew price tags can be quickly and easily printed at the store from inventory data stored either at the store or the home office. Imagine no more illegible printing on the price tag or concerns about employees writing incorrect pricing information. An Internet-based price card system can reduce the time required to price your floor and create a professional and consistent appearance in your stores.

### sales

**C**ustomers in your store who don't find what they're looking for on the showroom floor can be assisted via the Internet to view other available products. Instead of having customers look at outdated product catalogs filed under the front counter, customers can be taken online to see your entire product catalog. This system eliminates having to send product catalog updates to each store. Your product catalog is always accurate and complete.

### customer communications

**J**ust having a Web site today is not enough to accomplish what's needed on the Internet. There's a new concept



It's important to state that the Internet will not change the fundamentals of your business. You rent and you collect. However, the Internet can improve the way you rent and collect, allowing you to operate more efficiently and economically and take more revenue to the bottom line.

emerging known as "community of interest." This has to do with your Web site becoming a common gathering point for the folks who have something to do with your business. Every PC connected to the Internet has a default Web page. Why not have the PC's browser point to your Web site?

Why would your customers want to begin their day on your Web site or have your Web site pre-set on the PC's rented from your store? That's where the "community of interest" comes in. Your customers do so because they want to. The idea is that anything the customer could need or want to do is available at or through your Web site.

"Community of interest" is the foundation of many new or redesigned Web sites. APRO is currently creating a Web site that will serve as the "Internet home of rent-to-own" for dealers across the country. APROvision.org will feature links to industry news, dates, times and calendars of events, links to national news services, travel and discount airfare/car rentals, links to industry educational opportunities, business advisors, surplus merchandise availability, sports scores, search engines and many other useful resources.

The idea is that your customer may not know exactly what they want or what they're looking for, but whether for home furnishings or general things of life, your Web site can be the place to begin. Just having a Web site is not enough. It must become a gathering point for all those currently or potentially interested in being associated with you.

And, of course, a special "preferred customer" section on your Web site is another great way to communicate with your customer.

## employment opportunities

More and more potential employees are job hunting on the Internet. Whether on HotJobs.com or Monster.com, people are using the Internet to find their next job. Your Web site can become an efficient tool for posting, updating and archiving all aspects of the hiring process. An additional advantage is that you can post as much information as you want about the job, store location, company history and employment benefits. Unlike newspaper advertisements, you are not limited by space and, also, you can advertise the job until the job's filled for no additional cost.

Applications for open jobs are also more easily stored and managed electronically.



very one of these Internet-based marketing tools is available today. They don't change the fact that you rent and collect, but they change for the better the way you conduct your business by making you and your employees more productive.

Think of the time that your employees spend performing current marketing activities. Targeted e-mail promotions, payment reminders, past due notices, price tags, sales, customer communications and job postings can today be done in a fraction of that time.

What would your stores do with 2-3 extra hours per day? Would the stores look better? Would your employees sell more? Would they be better trained?

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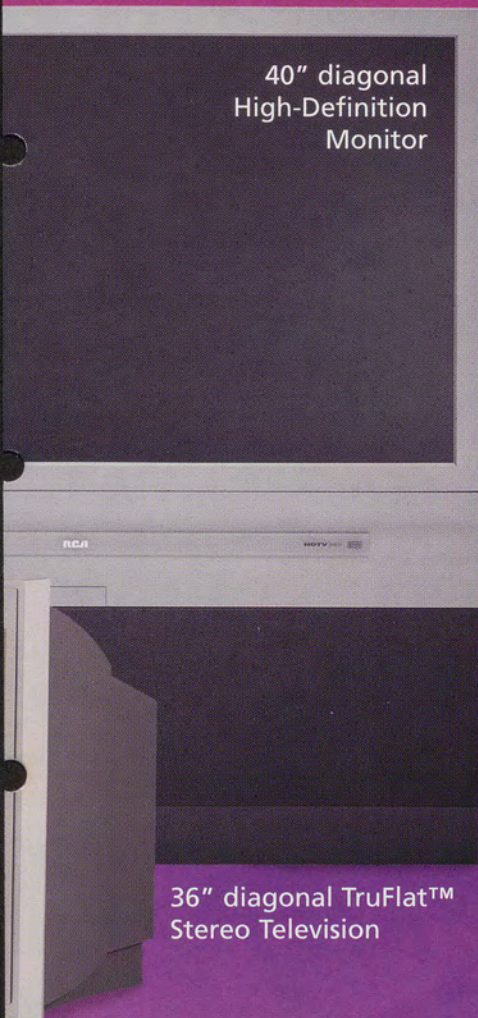
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## COMPANY COMMUNICATIONS

### training

**S**peaking of training, it's easy today for you and for your employees to take advantage of training products such as APRO's on-line training program. Do you also have your own training programs? Are they on pieces of paper or myriad notebooks scattered throughout your stores?

What if you could have one, concise, well organized, easily accessible, training program? What if that program's materials were easily kept up-to-date? What if employees accessing this training material always accessed the latest version available?

Consistency of training, consistency of training materials, consistency of scoring and grading, consistency of archiving—all of these are benefits of on-line training.

And employee skills testing is right in line with these benefits. Tests can be easily administered on-line and scored, graded and/or posted on-line as well.

### personnel documents

**L**et's take a look at today's employee handbooks. They're not likely up-to-date and where's the master copy? Is having a poorly managed and accessible handbook advisable in today's culture?

How much employee time is spent maintaining and processing insurance enrollment forms? Do the stores have current copies?

Are the new employee enrollment forms in the same condition?

What about forms in general? Petty cash forms, vacation request forms, personal leave forms. Who maintains and processes these forms?

There are numerous advantages to posting documents online, but the primary advantage is that employees will always have access to the correct document or form. They will never be out of a document and will never use an out-dated version.

From a maintenance standpoint, posting documents online also allows you never to have to print and distribute documents again. Simply post the document online and it's available to all employees. The use of login IDs and passwords allow you to control who has access to which documents, both by store and position.

### maintenance reminders

**M**aintenance of fixed assets is a problem area mentioned by so many owners. Oil changes in delivery trucks are continually forgotten. Computer system updates are continually overlooked.

With e-mail reminders, these important notices can be delivered automatically to the store manager, with return receipt e-mails to document the notice's opening. What is the cost of just one truck's diminished useful life due to poor maintenance? And how much time is currently expended ensuring the completion of fleet maintenance schedules?

### product orders

**D**o your employees still submit product orders to your home office by fax? An online ordering process will reduce the time required to order and eliminate unreadable faxes because the information is submitted via e-mail. You will never have to call a store to distinguish between an '8' or a "B." Online ordering is clean, quick, effective and cheap.

### daily business data

**H**ow much time do you spend currently on long distance phone calls gathering daily business data from your stores? Today this information can all be gathered via an Internet-based intranet.

Connection to the intranet at the store level can be via any of the emerging wireless technologies. Today, store employees can send/receive e-mails or check the company Web site via several models of handheld devices.

In time these devices will be used to document customer payments taken in the field, with receipts given at the point of payment.

### database management

**T**here are several advantages in the gathering and storing of data in a company-wide database for rental dealers across the country. For example:

### skip/stolen data

**W**ith a company-wide database, skip/stolen data is more readily accessible for inquiry by a dealer's stores. So many dealers have said that a competitor's skips/stolens are not so much a concern as the skips/stolens from their own stores. Customers know that turnover in the store is high and if they return to the same store 18 to 24 months later, they'll likely be waited on by someone having no idea of their account history.

Having skip/stolen data automatically posted to an internal company database can save thousands of dollars in rental risk and even alert to the recovery of stolen items.

Alerts can be returned to a dealer's inquiring store immediately after a "hit" on a particular Social Security number. Not only the notice, but the customer's name, last known address/phone number, item listed as skip/stolen and monetary value of the merchandise can all be immediately replied to the inquiring store employee.

Alerts can also be posted based on the number of inquiries on a particular Social Security number.

And along with skip/stolen data, customer pay histories can be immediately shared between stores during the creation of a rental agreement. Fast lookup can be made to see if this customer is or was a customer at any other dealer's store and, if so, whether he or she should be rented to again.

### idle inventory lookup

**P**reventing the over-ordering of merchandise is a time-consuming process. The ability to quickly search the inventory availability in each of a dealer's stores from a sin-

gle on-line site increases not only the productivity of the store employee, but also prevents needless merchandise expense.

#### customer payments anywhere

**W**ith a company-wide, online database, customer payments can be taken in any store and properly credited regardless of which store the customer's agreement is with.

#### hardware solutions (intranets)

**G**ood intranets can be installed today for about \$100 per month per store, including hardware, software, virus protection, content filtering and monthly service. Here are the key emerging benefits to these highly secure Internet-based connections:

#### no-call lists

**T**his new feature—resulting from several recent state legislative decisions—will present enormous tasks for store/home office employees. How will quarterly updates be received? How will existing databases be updated and maintained? Thousands of names will be on these lists. There will have to be an efficient method of incorporating the information into the store's daily tasks.

A central, online database hosting this information can be easily accessed from each store, without the store having to update/maintain this information on its own.

Twenty-four/seven access can be fast and convenient via the intranet, based as it should be on high-speed Internet circuits, e.g., DSL, from the phone company or via cable modem from the area cable TV provider.

#### voice-over-ip

**I**n the very near future, the capability to place voice calls over the Internet will be both easily installed and affordable. This will result in significant long-distance savings.



**T**he rent-to-own dealer enjoys a unique relationship with the customer, a relationship unlike a Sears or a Wal-Mart relationship. The rent-to-own dealer retains ownership of the products their customers take home and there is weekly or monthly contact between customer and dealer for as long as the rental agreement remains active.

The Internet gives store employees new ways to leverage increased productivity and higher frequency and lower cost customer contacts to add value and build customer loyalty. And that means increased profitability.

Renting and collecting—what a great business! And how much easier it can be today with the power of online tools over the Internet.

---

*John Rogers is director of sales for High Touch Inc., a developer of point-of-sale and accounting software for the rent-to-own industry.*





THE

# State

OF THE



# States

**F**or the moment, at least, rental dealers are regulated as rental dealers at the state level. They are not regulated as retail operators or as anything other than rental dealers. The degree of regulation varies considerably from state to state. While there are fundamental similarities among state rental-purchase statutes, it can be fairly said that there is truly a patchwork of laws across the country. In some states, rental dealers must have at least periodic contact with regulatory bodies. In others, the only time a rental dealer will come into contact with the government over the business is if something has gone badly wrong. It is worth examining the nature and state of those enduring relationships in the states where they exist, because they are much better in some states than in others.

**BY ED WINN III**

## Licensing states

**T**wo states, Oklahoma and Wyoming, actually require that rental dealers be licensed to do business there, much as pawnbrokers, barbers, funeral home directors, attorneys, doctors and other professions are licensed in most states. A state with the power to grant or withhold licenses has enormous power over the people who do business there. In Oklahoma, the Department of Consumer Affairs is in charge of licensing. In Wyoming, it is the Commissioner of Banking. In Oklahoma, the licensing authority

negotiated changes to the rental-purchase statute twice and have passed amendments through the Legislature to which both sides have agreed. One important change concerned damage waiver fees, which, for a while, were prohibited in the state.

More recently, Oklahoma rental dealers beat back a proposed amendment that would have made the licensing requirements more onerous. This amendment included a requirement that all rental-purchase license applicants be fingerprinted as part of the application process and an additional requirement that the Administrator

state's close oversight of the industry.

Importantly, while innately cumbersome and intrusive to a degree, the requirement to get a license in these two states does not seem to have affected either the level of competition or the fundamental economics of the transaction in these states.

## Registration states

**A**step down from the licensing states are those states that require rental dealers to register with the state before doing business. These states do not have the power to deny registration, but with the requirement in the statute, these states can keep a close record of everyone in the state who is in the rental-purchase business. The registration states are all "UCCC" states. These states have all adopted the Uniform Consumer Credit Code, a uniform act that regulates consumer credit transactions. Of the 10 or so UCCC states, only three require rental-purchase dealers to register: Colorado, Indiana and South Carolina.

Rental dealers must register with the government entity charged with enforcement of the rental-purchase statute. In Colorado, it is the attorney general's office. In Indiana, it is the Department of Financial Institutions; in South Carolina, it is the Department of Consumer Affairs.

In Indiana, re-

**Rental dealers do not relish such supervision, but relations between the licensing bodies and rental dealers have been businesslike and even cordial. Oklahoma rental dealers have remained well organized, in part because of the state's close oversight of the industry.**

allows the Administrator to collect information about the proposed business and rental dealer including the legal entity, address of the location, address of the registered agent and "such other relevant information as the Administrator may desire..."

An Oklahoma applicant must disclose where the applicant has lived during the past 10 years and all other businesses in which the applicant has been engaged during the same period. The application also inquires into any license refusals or revocations in any business anywhere, the bankruptcy history of the applicant and any felony or misdemeanor convictions. Once the application has been sworn to and filed, the Administrator has the right to conduct an investigation. Much of the same process exists in Wyoming.

Relations with the licensing authorities in both states, so far, have been good. APRO is unaware of any license applications that have been turned down or revoked in either state.

In Oklahoma, rental dealers and the Department of Consumer Affairs have

conduct a national criminal history check on all applicants.

In both states, the licensing authority has the power to and does regularly conduct audits of rental stores to measure compliance with the rental-purchase statute. Investigators armed with checklists and calculators visit stores and check rental agreements, payment histories and other company records. Rental dealers get reports showing alleged violations, which often include a requirement to make refunds to current and former customers. This can be especially painful when a dealer has to make a refund to a customer who returned merchandise with an account badly overdue.

Rental dealers do not relish such supervision over their business affairs, but relations between the licensing bodies and rental dealers have been businesslike and even cordial. Oklahoma rental dealers have remained well organized, in part because of the



lations between rental dealers and the Department of Financial Institutions have generally been good. Department representatives are regularly invited to state association meetings; contact between the Department and the state rental dealer association is ongoing. The Indiana rental-purchase statute has been amended seven times since its enactment in 1987. In every case, the Department and rental dealers have been in agreement with the changes enacted.

This is not to suggest that enforcement of the rental-purchase statute in Indiana has been lax. In fact, the audit process in Indiana—in which someone from the Department of Financial Institutions visits every rental store every year—is easily the most comprehensive in the country.

This contrasts sharply with the situation in South Carolina, where the rental-purchase statute has never been amended and a rental company and the Department of Consumer Affairs have been locked in a litigious struggle over damage waiver fees since 1991.

There has been a lot of finger pointing in South Carolina about the low level of cooperation between the Department of Consumer Affairs and rental dealers. The Department claims that the rental company with which it is litigating has been intransigent and uncompromising. The industry claims that the head of the Department dislikes the industry and loses no opportunity to criticize and attack it.

One clear difference between relations in Indiana and South Carolina is the existence of a strong, well-organized state association in the one and the absence of any such organization in the other.

South Carolina rental dealers have not been especially well organized, even when they were working to get their rental-purchase statute enacted in 1985. For a while, South Carolina rental dealers had joint meetings with Georgia rental dealers, but they never managed to forge a strong dealer network in the state.

The result has meant often hostile relations with the Department of Consumer Affairs, an amendment to the criminal statutes deleting rental-purchase transac-

## Waive of the future?

**I**n 1990, the South Carolina Department of Consumer Affairs announced that damage waiver fees were both insurance and an impermissible charge under the rental-purchase statute and, furthermore, that the Department intended to begin enforcing this new interpretation immediately. At the time, some dealers in the state offered optional damage waivers and some sold optional leased property insurance underwritten by insurance companies. One of the rental companies offering damage waivers did not wait for the Department to start enforcement actions. Instead, the company sued the Department challenging its interpretation of the statute. The rental company won the first round when an administrative law judge issued a lengthy written opinion deciding that damage waivers were not prohibited by the state statute. The Department appealed. A state district court judge heard the case next. He agreed with the administrative law judge and ruled in favor of the rental company. Once again, the Department appealed—this time to the South Carolina Court of Appeals. A three-judge panel agreed with the previous rulings, holding for the rental company and, once again, in a quixotic spasm, the Department appealed again to the South Carolina Supreme Court. This highest court has agreed to consider the matter, although no schedule has been set for briefs or oral arguments. The case has been pending now for a dozen years in the state, during which time rental dealers have continued to offer optional damage waivers.

tions from coverage under the theft of rental services statute and, finally, a series of adverse bankruptcy rulings, including a decision on appeal to the federal district court holding that rental-purchase transactions are secured transactions, not leases, for bankruptcy purposes in the state.

South Carolina dealers did coalesce briefly in the late 1990s to fend off a potential attack against the industry from a state senate subcommittee on consumer affairs that was holding hearings across the state on the rental-purchase industry, car title loan companies, pawnshops and check-cashing companies.

The subject matter of the dispute that is currently at play in South Carolina is less important than the fact that the two sides find themselves in court over such a long period of time instead of being able to work out their differences. In nearly every other state with a rental-purchase statute, this has not been the case. The Department has been sporadic in its audits of rental

stores, which it has the authority to do under the statute. From time to time, South Carolina rental dealers have been subject to audits like those conducted in Indiana and Oklahoma. At other times, with no explanation, rental dealers have gone for years with no audits.

In all states where audits are conducted, rental dealers have the privilege of paying for the government to come in and look around—usually \$100 to \$200 per store.

### Other oversight

**A**t a lower level still, several state rental-purchase statutes imbue different government entities with the power to enforce the statute, this authority in addition to the right of an aggrieved customer to sue for violations.

In Michigan and Ohio, the attorney general has the authority to enforce the

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rental-purchase statute. The authority is spelled out in detail in Michigan, but less so in Ohio. In Delaware, the Division of Consumer Affairs enforces the rental-purchase statute. In Iowa, it is the Administrator of the UCCC; in Nebraska it is the Director of Banking and Finance.

In Vermont, the Legislature, after defining the rental-purchase transaction, abdicated its law-making responsibilities and gave them to the attorney general, who drafted onerous regulations giving that office enforcement authority. Vermont rental dealers thought that the attorney general overstepped his bounds in the regulations he promulgated and even sued to challenge the propriety of the regulations. The industry lost the argument in a state trial court. Relations with the attorney general in Vermont remain cool, at best.

In California and West Virginia, the attorney's general offices have the specific authority to monitor how rental dealers derive cash prices. The process of setting cash prices and the amounts are controlled by the statute. Rental dealers have certain record-keeping obligations concerning how cash prices are set and those records can be audited. To date there has been no rigorous enforcement in either state.

Not all states have a government entity specifically empowered to oversee the rental-purchase industry. Rental dealers in states without such supervision can be grateful that they have less government intrusion into their affairs. Dealers in states with such oversight, with the notable exceptions of South Carolina and Vermont, have learned to live more or less comfortably with the regulators. They have developed business practices that conform to the regulators' demands. There is no empirical evidence to suggest that such a strategy is costing the industry money in those states. Rather, one might argue that it is only good business and will cost less money in the long run to make every reasonable accommodation possible with state governments, which is what rental dealers have done and are doing. ■

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



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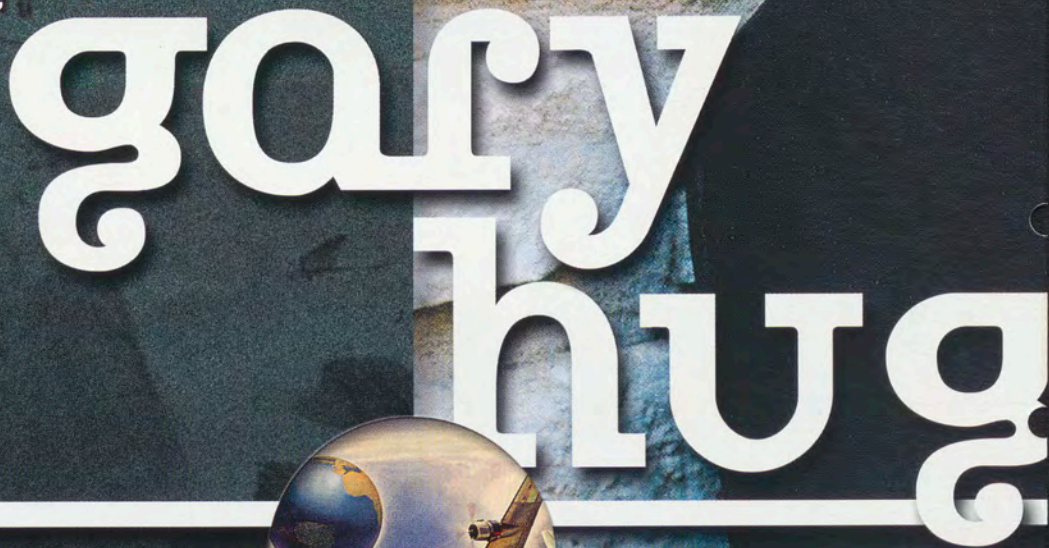
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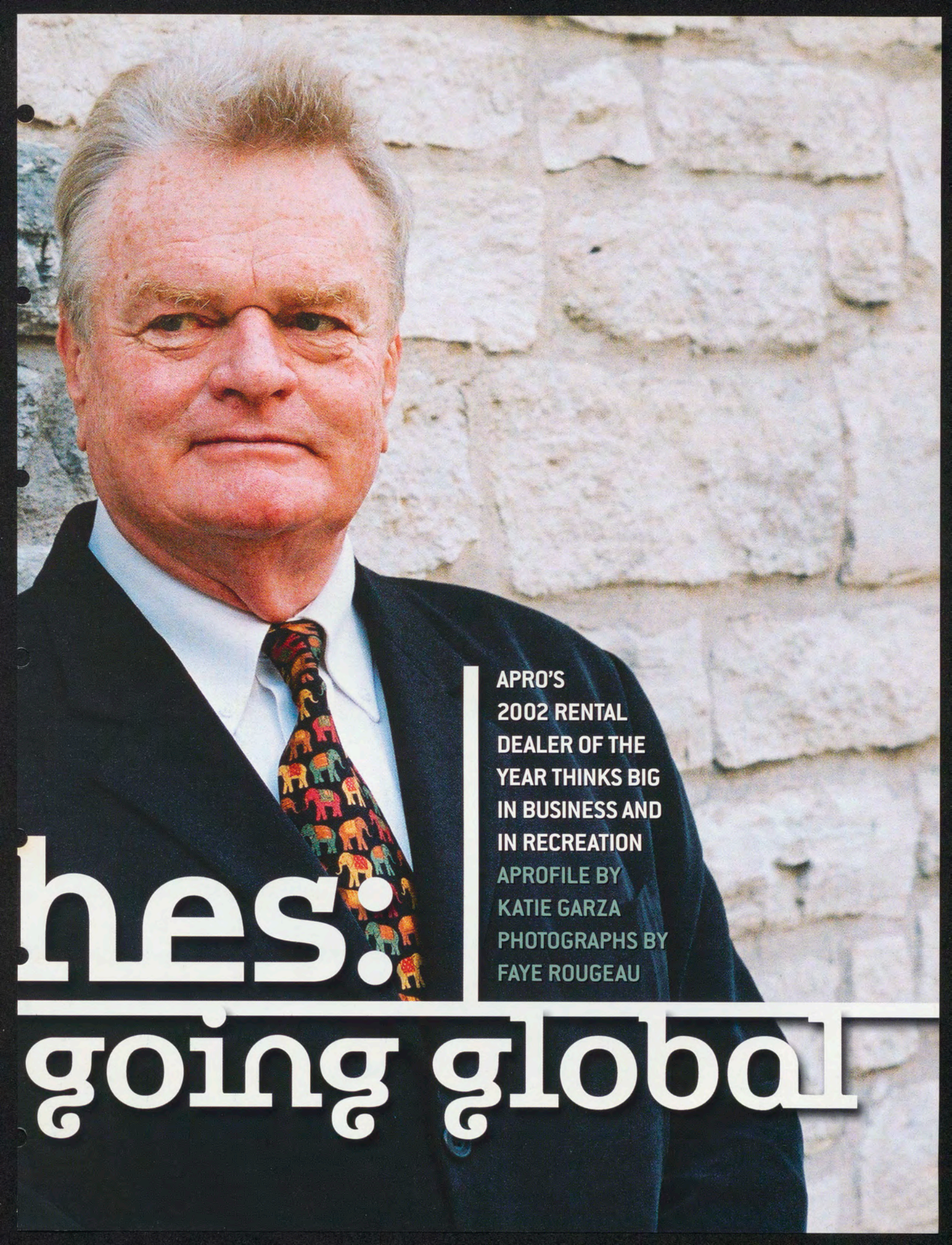
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FIVE YEARS AGO, GARY HUGHES DECIDED TO GO GLOBAL, IN A MANNER OF SPEAKING. ✂ "I SET A GOAL TO SEE 100 COUNTRIES BY 2003," SAYS HUGHES, PRESIDENT OF AAA RENT TO OWN, DBA COLORTYME. "IN NOVEMBER, WE'RE TAKING A CRUISE TO THE SOUTHERN AND WESTERN CARIBBEAN. I WILL BE VISITING ST. KITTS, DOMINICA, GRENADA, VENEZUELA, ARUBA, COLOMBIA AND GRAND CAYMAN." ✂ THOSE SEVEN COUNTRIES WILL BRING HUGHES' TALLY UP TO 80. YOU COULD SAY THAT WHEN THIS 63-YEAR-OLD BUSINESSMAN SETS A GOAL, HE MEANS IT. ✂ "I MAKE TRAVEL PLANS WITH THE SAME DILIGENCE AS I WOULD A BUSINESS MOVE," HE SAYS. "I MAKE RESERVATIONS EARLY TO GET THE LOWEST PRICES AND THE BEST ARRANGEMENTS, THEN I MAKE ALL OTHER PLANS AROUND MY SCHEDULED TRIP. BELIEVE IT OR NOT, EVERYTHING WILL STILL BE THERE WHEN YOU GET BACK." ✂ HUGHES KNOWS THIS TO BE TRUE FIRSTHAND. HE MAY TAKE TIME AWAY FROM COMPANY HEAD-QUARTERS IN CLARKSTON, WA, TO REALIZE HIS GLOBETROTTING GOALS, BUT HIS 24 STORES IN SEVEN STATES CONTINUE TO FLOURISH BACK HOME. FOR THE 12 YEARS THAT HE HAS BEEN IN THE RENT-TO-OWN BUSINESS, HIS COMPANY HAS RECEIVED COLORTYME'S "TOP 10 FRANCHISE" AWARD IN THE LAST NINE, CLAIMING THE "FRANCHISEE OF THE YEAR" TITLE TWICE. ADDITIONALLY, HE RECEIVED APRO'S RENTAL DEALER OF THE YEAR AWARD AT THE ANNUAL CONVENTION LAST SUMMER.





APRO'S  
2002 RENTAL  
DEALER OF THE  
YEAR THINKS BIG  
IN BUSINESS AND  
IN RECREATION

A PROFILE BY  
KATIE GARZA  
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hess:

going global

**T**he most important thing I have learned is how to hire, train, motivate and retain good people," says Hughes. "People are everything. We pay more than most, but the most important thing is letting people know that you care for them, appreciate them and want what is right for them."

Hughes relates how some years back his accounting department confessed that it was too difficult to turn in their statements by the 10th of the month; they needed until the 15th to get the job done. Hughes turned the department's obstacle into a personally profitable challenge: Get those statements in by the 10th and I'll give the accounting department a \$2,500 bonus each time.

"Never again did I receive statements later than the 10th," Hughes says, noting that some staffers have even driven over to his house on the weekends or late at night just to make sure the paperwork is submitted on time.

"The other big lesson is 'what gets measured gets done,'" he says. "We attempt to measure performance on a weekly to monthly basis for everyone in the company and publish the results for everyone to see where they stand."

"People have a right to know how well they are doing and where they stand in the overall operation."

Secret shoppers regularly test the various services within Hughes' stores. From telephone sales to delivery drivers to in-store clerks and banking services, AAA

Rent to Own employees are evaluated for their performances. Employees with stellar scores are rewarded with bonuses and

other fun incentives, such as gift certificates and getaways. Hughes also uses the secret shoppers' findings to determine whether or not company policies need to be amended or updated.

Yet keeping close tabs on personnel issues within a 24-store operation can be taxing, so Hughes also has a full-time human resources person to help his store managers stay on top of their game.

"Personnel policies and employee reviews are things that you know you should do, but don't always get done," he says, "but I think it's extremely important in today's environment to follow through on these things."

### Spreading the word

**W**hile Hughes focuses much of his attention on the inner workings of his company, the flipside of that coin is that he also makes strides to reach out to potential customers. Two years ago, Hughes decided that AAA Rent to Own needed its own ad agency to design and distribute direct-mail pieces and handle other print advertising projects. Yet Hughes quite possibly has made his company most visible through television.

"Over the years I've made some rather outlandish TV commercials," he says, citing instances in which he's imitated Clint Eastwood, a NASCAR driver and a WWF announcer. "Colortyme used my commercials nationally in 1999 and 2000."

Promoting the rent-to-own industry as a whole is also important to Hughes. He says he thinks that the industry is not properly understood by the general public or by lawmakers. After serving only one year as a board member for APRO, Hughes recruited more than 20 Colortyme franchisees to join the organization and speak out on behalf of the industry.

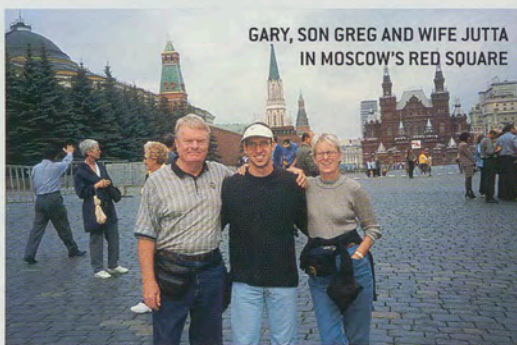
"I believe in APRO because we really need a political watchdog," Hughes says. "For me, serving on the board is like being a member of Rotary or the Chamber of Commerce; you're giving back to your community and the industry as you go."

Community spirit is what drew Hughes to Clarkston, WA, in the first place, which is where he first ventured into the rent-to-own industry at age 51. Prior to establishing AAA Rent to Own with the assistance of then Colortyme field trainer Mark Childers (now AAA's vice president of operations), Hughes pursued a diverse array of occupations. He calculated mathematical probabilities as a statistician for Boeing; worked in the tax preparation business managing 20-plus store locations and established a manufactured home sales business that eventually expanded to 89 locations in 12 states and turned more than \$100 million in sales.

"I sold the [manufactured home sales] business and became semi-

retired in 1988, moving to a small town to enjoy living and being part of a small community," he says. But two years into semi-retirement, Hughes wanted back in on the action, if on a smaller scale. "I wanted to do something where I could be part of the community and not travel much," he says. "But, as it turns out, I've ended up traveling about 200 days out of the year."

A percentage of his traveling, however, has nothing to do with AAA Rent to Own and everything to do with his goal of visiting 100 countries by 2003. Accompanied by his wife (and often his wife's sister and husband), Hughes has explored the far corners of the Earth, twice and back—and he's still going strong.



## Snapshots from abroad

**H**ughes has witnessed many memorable sights on his explorations, but he lists South Africa, Turkey and a train ride from Beijing, China, to Moscow, Russia, as some of the most remarkable trips to date.

Hughes' visit to Russia via train in the summer of 2001 wasn't his first experience in that part of the country. He had been there in 1986 when it was called the Soviet Union.

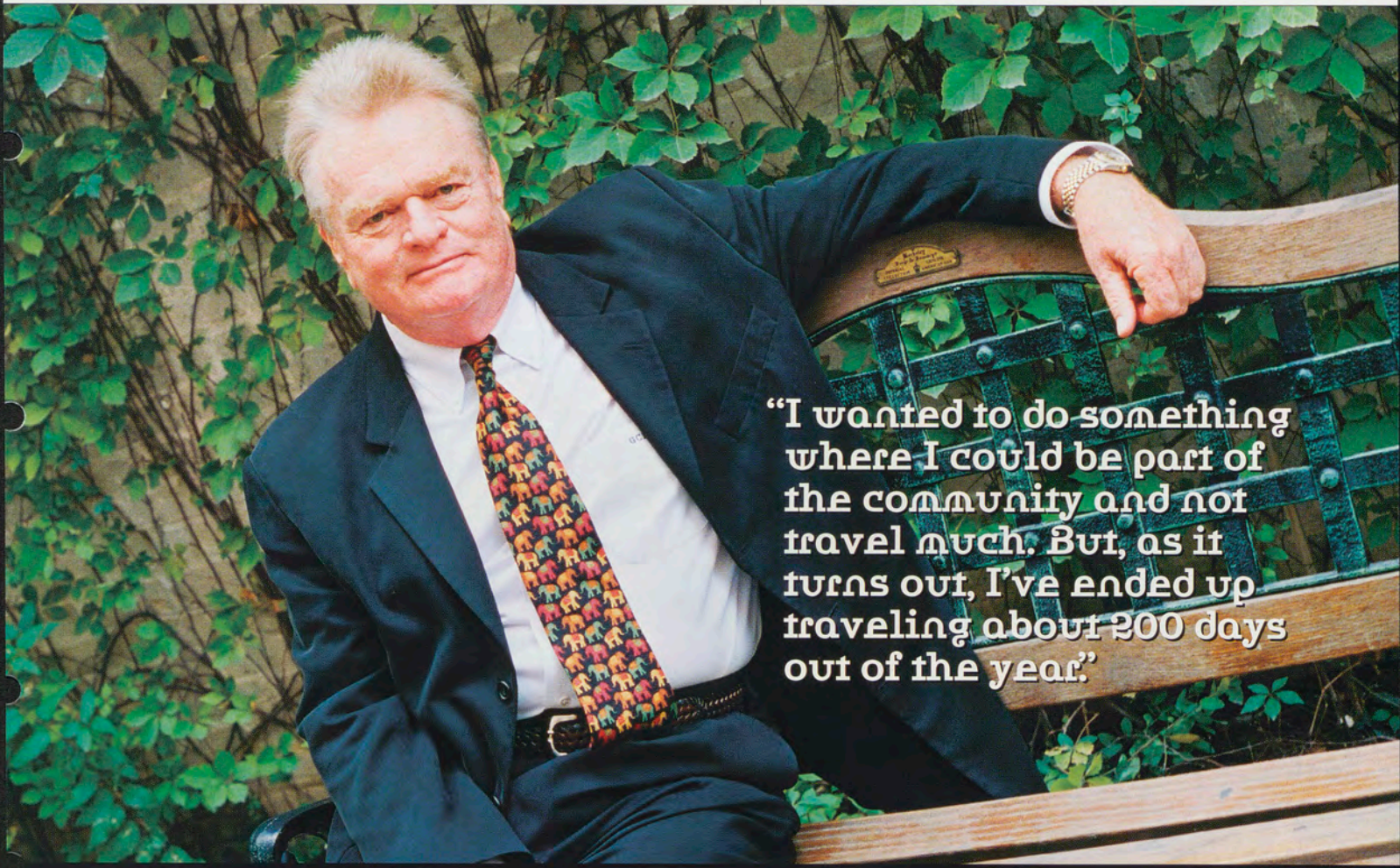
"Moscow is an exciting and vibrant city, not at all what the media had made it out to be," he says. "The Kremlin was absolutely beautiful, with colorful onion-domed churches everywhere. When we had visited during the Soviet Union era, everything was gray, including the people's faces. There were no consumer goods, no shops other than

agent in Windhoek, Namibia.

"My wife and I, with her sister and husband, took a four-week drive around South Central Africa, visiting Namibia, Botswana, Zambia, Zimbabwe and South Africa," he says, adding that most of the drive followed well-marked roads.

The group stayed in game camps, bed and breakfasts and hotels along the way.

"The animals were plentiful and we were able to get very close to them," Hughes says, then adds, "but one angry mother elephant let us know we were too close."



**"I wanted to do something where I could be part of the community and not travel much. But, as it turns out, I've ended up traveling about 200 days out of the year."**

the government store and very little that you could do without your official 'guide.'

"Now the city is open, free and rich with color," Hughes says. "There are well-dressed people, a wonderful, efficient subway system, fabulous designer shops, great restaurants and hotels, a circus and so much more. It was wonderful."

He says the landscapes in Siberia also surprised him. "It was nothing like I expected. It was beautiful, with rolling green hills, birch and pine forests, crystal clear streams and lakes and friendly people," he says.

Driving 2,000 miles through Africa in a rented Land Rover ranks at the top of Hughes' list as well. The trip was arranged through a travel

According to Hughes, their group was impressed with how easy their traveling was and that most people understood English. "The facilities, the food and the people were wonderful," he says. "Victoria Falls is one of the most impressive sights I have ever seen. Today some of the areas are having some political problems, but I feel that Botswana and Namibia are safe to visit."

On his trip to Turkey, Hughes found Istanbul to be "as mysterious as it is beauti-



ful." He explored bazaars, relaxed at a Turkish bath and was entertained by belly dancers. He said the city, which lies on two continents, is a true mix of cultures.

"Where else can you see a man from Iran with his eight wives, covered from head to foot, sitting next to the pool and then have two topless German girls sitting at the next table?" he muses. Following their jaunt through Istanbul, they spent a week on a chartered, 56-foot sailboat, which they boarded at Marmarus on the southern coast.

"The water was so clear that you could

FROM LEFT TO RIGHT: JUTTA AND GARY AT VICTORIA FALLS, AFRICA, CAMEL RIDING AT THE PYRAMIDS IN EGYPT AND WITH SON GREG AT THE GREAT WALL OF CHINA.

see the bottom [of the ocean] at 30 feet," he says, "and ancient ruins were all around to explore."

After completing the Caribbean Island tour this November, Hughes and his wife won't rest long before setting out again—this time for Delhi, India. From there, they will travel by train through Jaipur, Jaisalmer, Jodhpur, Swai Madhopur, Udaipur, Agara and Varanase, where they will catch a plane to Khajuraho and stay a few days.

Eventually they will come full circle, back to Delhi, for the return flight to Clarkston, where Hughes knows—quite well now—that AAA Rent to Own and everything else will still be there, awaiting his return. ■

*Katie Garza is a free-lance writer.*

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| Employee: John Doe                         | Emp. ID: JD   | Password: JDOEXX |
| "Allow inventory and agreement charge off" | <ALLOWED>     |                  |
| "Allow edit of term and rates"             | <NOT ALLOWED> |                  |
| "Edit Due Date"                            | <NOT ALLOWED> |                  |
| "Adjust Payment Amount Due"                | <NOT ALLOWED> |                  |

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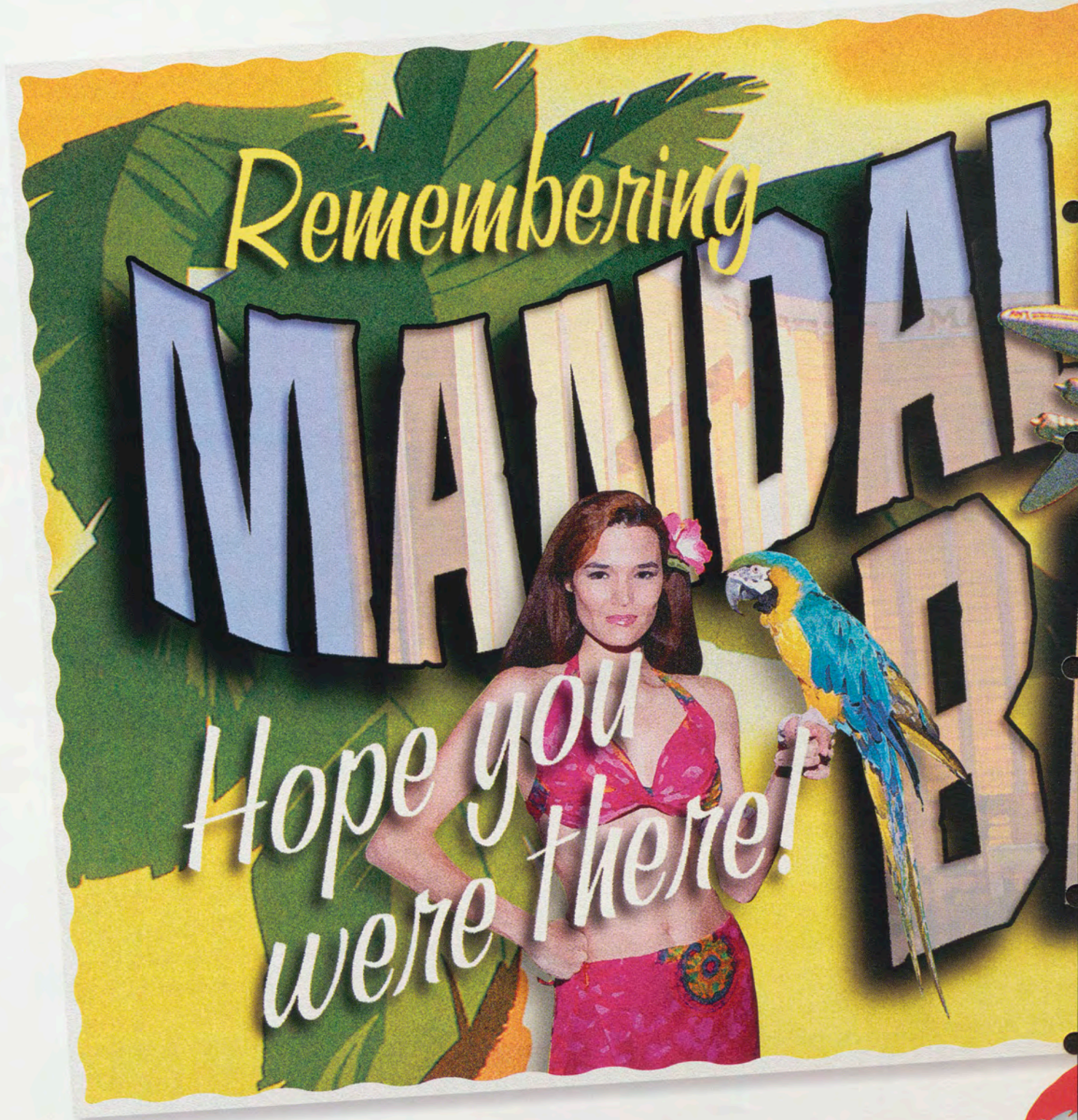
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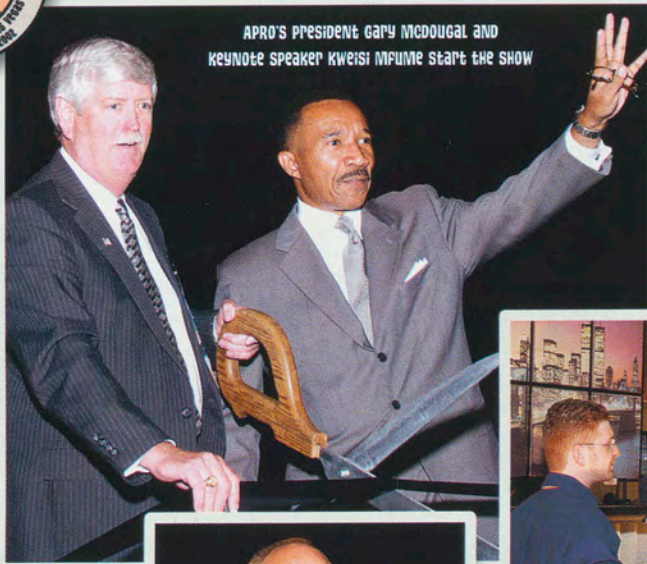
**A LOOK BACK AT APRO'S 2002  
CONVENTION AND TRADE SHOW AT  
MANDALAY BAY IN LAS VEGAS**



**A** PRO 2002: ROAD TO MANDALAY, THE ASSOCIATION OF PROGRESSIVE RENTAL ORGANIZATION'S ANNUAL CONVENTION AND TRADE SHOW, WELCOMED MORE THAN 1,000 RENTAL DEALERS AND VENDORS TO THE MANDALAY BAY HOTEL AND RESORT IN LAS VEGAS IN JULY. HERE ARE SOME OF THE HIGHLIGHTS OF THIS YEAR'S SHOW:

- 2001-02 APRO PRESIDENT GARY ROMINE TOOK OVER THE HELM FROM GARY MCDUGAL, WHO SERVED A CONSECUTIVE THREE-YEAR TERM AS APRO PRESIDENT.
- THERE WERE 218 BOOTHS IN THE EXHIBIT HALL REPRESENTING 110 COMPANIES. "MANDALAY BAY WAS A SOLD-OUT SHOW! THE EXHIBIT HALL WAS PACKED WITH EXHIBITORS FROM PREVIOUS YEARS, ALONG WITH NEW EXHIBITORS DISPLAYING PRODUCTS THAT THE ATTENDEES WERE HAPPY TO SEE. THE SHOW PROVIDES SUCH A GREAT OPPORTUNITY FOR THE DEALERS TO SEE WHAT IS NEW IN PRODUCTS AND SERVICES," SAYS APRO MARKETING DIRECTOR CINDY FERGUSON.
- WAYLAND RUSSELL OF RAINBOW RENTALS INC., LARRY CARRICO OF RENT ONE, GARY HUGHES OF AAA RENT TO OWN, JOHN ROGERS OF HIGH TOUCH INC. AND THE INDIANA RENTAL-PURCHASE DEALERS ASSOCIATION ALL RECEIVED "BUDDY" AWARDS FOR EXEMPLARY CONDUCT AND CONTRIBUTIONS TO THE INDUSTRY DURING THE 2002 AWARDS BANQUET (SEE PAGE 48 FOR DETAILS).
- THE NATIONAL ASSOCIATION FOR THE ADVANCEMENT OF COLORED PEOPLE PRESIDENT AND CEO KWEISI MFUME KICKED OFF THE SHOW WITH A KEYNOTE ADDRESS. MFUME SHARED WITH ATTENDEES HIS VIEWS OF RENT-TO-OWN AND WHAT THE INDUSTRY CAN DO TO IMPROVE ITS PUBLIC IMAGE.
- THE 2002 RENTAL-PURCHASE EMPLOYEE OF THE YEAR WAS AWARDED TO RONNIE D. WILLIAMS, AN ACCOUNT MANAGER AT THE HARRISBURG, IL, RENTWAY STORE (SEE PAGE 45 FOR DETAILS).





APRO'S PRESIDENT GARY MCDOUGAL AND KEYNOTE SPEAKER KWEISI MFUME START THE SHOW



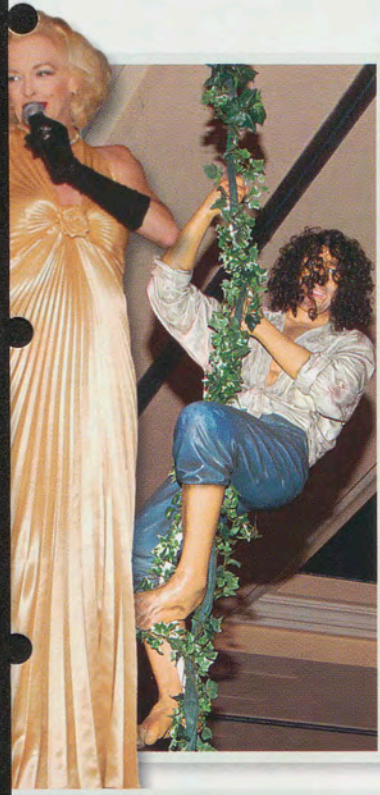
APRO'S LEGISLATIVE MUSCLE: CHRIS KORST, GARY MCDOUGAL, RON DEMOSS, MAMIE HARPER, LYN LEACH AND THE WASHINGTON GROUP'S JOHN RAFFAELLI, TANYA SAUNDERS AND MARK SCHNABEL



APRO'S NEW PRESIDENT GARY ROVINE



THE APRO GOLF TOURNAMENT'S FIRST-PLACE TEAM: JOHN D. RAFFAELLI AND MARK SCHNABEL FROM THE WASHINGTON GROUP, CHRIS KORST FROM RENT-A-CENTER AND CLIFF STONER FROM FORESIGHT



## APRO's 2002 Rental-Purchase Employee and Rental-Purchase Customer of the Year

Once again, this year's winners of the 2002 Rental-Purchase Employee and Rental-Purchase Customer of the Year are people who are exemplary. They give back to the communities in which they live and serve as examples for their peers, friends and families. They each deserve this special recognition for not only what they contribute to this industry, but also for their humanitarian deeds that have nothing to do with rent-to-own. These individuals truly characterize the many different types of people who work within the industry and the wide variety of compassionate customers we serve.

Ronnie D. Williams and Norma Burgenger have been named the 2002 Rental-Purchase Employee and Rental-Purchase Customer of the Year, respectively. Store managers, owners and supervisors submitted nominations for both categories either online or by mail. The finalists were chosen for the exemplary contributions to the industry and to society at large.

The 2002 Rental-Purchase Employee of the Year, Williams has been an account manager for the Harrisburg, IL, RentWay store for more than three years. He was nominated by Jason Casteel, his store manager, for not only maintaining an exemplary card close, but also for being reliable, dedicated and working well with all of his customers.

What stands Williams apart from the rest is that he is also very involved in filling the needs of his community. A father of six, Williams is the son of a preacher and manages the Harvest Deliverance Center and spends a lot of his time assisting there. The center is a homeless shelter and provides food and clothing for the needy. Every holiday, Williams and his father prepare and serve meals for the men and women who are unfortunate enough to find themselves without a home or family with whom to spend the holidays.

"Ronnie also organizes food drives," says Casteel. "With his caring attitude and outstanding professional performance, I think Ronnie deserves the recognition as

the 2002 Rental-Purchase Employee of the Year."

The 2002 Rental-Purchase Customer of the Year is Norma Burgenger of Vinita, OK. Burgenger was nominated by Bobby Pierce of Stanley's Rent To Own, also of Vinita, situated in the far northeast corner of Oklahoma,

Burgenger has turned to Stanley's Rent To Own to assist her as she opens her home to strangers in need through a local center for the needy.

"Norma is a non-biased person who takes in boarders in times of need," says Pierce. "Even though she lives on a fixed income, she takes in people who need a temporary place to stay regardless of their background or current situation. We think she is extraordinary because



she is on a fixed income, but manages to help others get them on their feet again."

To accommodate her boarders, Burgenger turns to Stanley's for items ranging from a dishwasher, extra televisions and furniture. "Norma is a very caring person who does whatever it takes to help someone out. Without us, however, she might not be able to assist these folks in the manner she would like to," says Pierce.

Both Williams and Burgenger exemplify the wonderful individuals associated with this industry. With employees and customers like them, the industry has more than enough reason to celebrate and honor those who bring just that little bit of extra care and concern to those in need in their communities.



# 2002 state association awards

## State Association of the Year: Indiana Rental-Purchase Dealers Association

The State Association of the Year award was presented to the Indiana Rental-Purchase Dealers Association. The criteria for this award includes the following: the state association has a well-defined leadership structure, including periodic election of officers; a continuity of organizational structure with

Under the guidance and leadership of RPDA President David P. David of Full-O-Pep Appliances in Bloomington, IN, this state association has seen a tremendous success with its annual Mid West RPDA Trade Expo. The sold-out 72-booth show attracts dealers from Indiana, Illinois, Ohio, Kentucky, Michigan and Wisconsin.

Also this year, with the assistance of software vendor High Touch, RPDA kicked off a new Web site at [www.rpda.org/](http://www.rpda.org/). The site



"TIGER" JOHN CLEEK, RIGHT, PRESENTS THE STATE ASSOCIATION OF THE YEAR AWARD TO INDIANA REPRESENTATIVES CHRISTY KOONTZ, DAVID P. DAVID AND TAMMY GREGORY.

annual or regularly scheduled meetings; and, most importantly, the State Association of the Year must have sustained membership support over time and demonstrated strong legislative and educational performance.

is not only informative, but also is a cut above the rest. RPDA also boasts a very active and loyal membership. As for charitable activities, the state association raised more than \$15,000 for the Children's Miracle Network in 2002.

In 1991, RPDA was honored with this award. To recognize its growth and increased level of activity, RPDA was bestowed again with the 2002 State Association of the Year.

### 2002 Continued Excellence Awards:

Arkansas Rental Dealers Association  
 Florida Rental Dealers Association  
 Illinois Rental Dealers Association  
 Missouri Rental Dealers Association  
 Nebraska Rental Dealers Association  
 Ohio Rental Dealers Association  
 Texas Association of Rental Agencies



BILL KEESE, SECOND FROM LEFT, AND "TIGER" JOHN CLEEK, RIGHT, PRESENT THE MOST-IMPROVED STATE ASSOCIATION AWARD TO CALIFORNIA'S PAUL AND MAY DAVIS.

## Most-Improved State Association of the Year: California Association of Progressive Rental Organizations

California rental dealers Paul and May Davis took the initiative to reorganize and reactive CAL-APRO, which had been a non-functioning state association for several years. They designed a Web site, printed a new membership kit, culled through membership lists and held the state association's first meeting

## Firefighter of the Year: Wisconsin Rental Dealers Association

Wisconsin rental dealers have had to put out several fires in the past year with the state attorney general's incessant litigation against rental dealers, the governor's last-minute veto of RTO legislation last summer and a continuing barrage of anti-industry press in Milwaukee and elsewhere in the state.

Several rental companies have pulled up stakes and quit doing business in



JEFF LEBAKKEN, LEFT, RECEIVES THE "FIREFIGHTER" AWARD ON BEHALF OF THE WISCONSIN RENTAL DEALERS ASSOCIATION FROM BILL KEESE, CENTER, AND "TIGER" JOHN CLEEK, RIGHT.

this year. With this award, APRO recognized their efforts for assuming leadership of this large state network of rental dealers.

the state altogether. Those who remain, however, are united and tireless in their determination to validate the industry's rights.

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(Note: If you're on a centralized purchasing plan, let your Corporate office know of your interest in Rug Doctor).



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APRO Associate Member since 2002



## 2002 Buddy Award winners

**T**HE APRO "BUDDY" AWARDS ARE PRESENTED EVERY YEAR TO THOSE OUTSTANDING INDIVIDUALS AND ORGANIZATIONS THAT HAVE RAISED THE LEVEL OF WHAT CAN BE DONE TO BETTER THE INDUSTRY FOR EVERYONE. AT THE ANNUAL APRO AWARDS BANQUET, HELD JULY 25 AT THE MANDALAY BAY RESORT IN LAS VEGAS DURING THE 2002 APRO CONVENTION AND TRADE SHOW, THE RECIPIENTS OF THE LIFETIME ACHIEVEMENT AWARD, THE PRESIDENT'S AWARD OF EXCELLENCE, THE RENTAL DEALER OF THE YEAR, THE NORM SMITH VENDOR OF THE YEAR AND THE STATE ASSOCIATION OF THE YEAR WERE NAMED. HERE ARE THIS YEAR'S WINNERS:

### **APRO Lifetime Achievement Award: Wayland J. Russell, Rainbow Rentals**

**N**ot many rental dealers have gone from riding a Harley-Davidson in a biker gang to Wall Street mogul, but this year's recipient of the APRO Lifetime Achievement Award, Wayland Russell, has.

Today, Russell is the CEO and chairman of the board of Rainbow Rentals Inc., one of the five pub-

licly traded RTO companies in the country. As leader of Rainbow, Russell has not removed himself at all from the fray. He still prides himself as being a "great account manager" within his company. He is still in great demand as a speaker at Rainbow training seminars. In fact, the Rainbow Rental Account Management Program, based on the concept of "respect and dignity" for the customer, was developed by Russell and is the cornerstone of Rainbow Rentals operations.

Russell has spent 26 years in the industry. He started out his career in RTO under the tutelage of Chuck Sims as a Remco store manager in

Houston, TX, in 1977. From there, he went to RAC as operations manager in 1980. He then opened his own rental store in Cleveland, OH, with his father and wife. He sold that store a few years later to Bob White at Crown Leasing and went to work for that company where he rose through the ranks becoming vice president of personnel and operations before leaving to start his own company.

Rainbow Rentals started with one store in 1986 and went public in 1998. Today, the company is the fourth largest RTO chain

with 113 stores and is the market leader in annual revenue per store. Rainbow Rentals is also the industry leader in computer rentals. In 1999 and again in 2000, the company was named in *Forbes* magazine's list as one of the 200 Best Small Companies.

Russell also finds the time to serve on the regional board in Ohio for the Fellowship of Christian Athletes and is on the missions committee at his local church, Highway Tabernacle. He is on the board of directors of Hope for Youngstown and an honorary chairman for the American Cancer Society. Both Russell and his company are actively involved with Heartreach Ministries, a ministry for inner-city youths, and with Grace Place, an inner-city hospital in Youngstown.

For more than two decades, Russell has been a force for good and a champion of integrity for this industry. He exerts that same influence in his company, his family, his church and his community. His quiet walk along the paths of righteousness makes Wayland Russell a rare, special and valuable

member of the community of rental dealers.

### **President's Award of Excellence: Larry Carrico, Rent One**

**O**ne of the highest honors an APRO member can achieve is the President's Award of Excellence. This is presented to the person who exemplifies the best of the industry through store operations, involvement and support of industry goals. This award can go



to anyone who represents what the industry strives to be as a whole. Larry Carrico, owner/operator of Rent One stores, based in Mt. Vernon, IL, was presented with the 2002 President's Award of Excellence.

An APRO member since 1990, a current APRO board member and chairman of the APRO Education Committee, Carrico was instrumental in getting the Rental Training Online interactive education program off the ground. Today, rental-purchase employees have completed more than 1,000 sessions of the three courses currently offered.



lily traded RTO companies in the country. As leader of Rainbow, Russell has not removed himself at all from the fray. He still prides himself as being a "great account

Carrico has served as president and treasurer of the Illinois Rental Dealers Association. His company, Rent One, is a frequent and generous contributor to United Way and Habitat for Humanity. Rent One has stores located in Alabama, Arkansas, Illinois, Missouri and Tennessee.

Carrico has been in the business for 21 years. After four years as a rental employee, he became an owner in 1985. Before his career in RTO, he grew up with a blue-collar background, which has given him empathy and understanding in dealing with his rental customers and has contributed significantly to the success of his business.

He values education and before taking on the APRO Rental Training Online program, he developed a volunteer tutoring program in the public schools where he lives. This program has become very successful and well established.

As a recipient of the Association's president's award, Carrico is the only rental dealer to have received the "Rental Dealer of the Year" distinction as well. Carrico was named "Rental Dealer of the Year" in 1998.

**Rental Dealer of the Year: Gary Hughes, AAA Rent To Own**

The 2002 APRO Rental Dealer of the Year was awarded to Gary Hughes of AAA Rent To Own dba ColorTyme in Clarkston, WA.

Hughes has served on the APRO board of direc-

tors during the past year. He has focused his efforts toward APRO in the advancement of the rent-to-own industry. Since his election to the APRO board, Hughes has single-handedly recruited more than 20 ColorTyme (a national rental-purchase chain of stores) franchisees to join APRO, tripling the number of ColorTyme APRO members.

Currently, Hughes operates 24 ColorTyme locations in seven states: Washington, Idaho, Montana, Utah, Oregon, Nevada and Hawaii. He opened his first ColorTyme store in 1990. In 1995 and 2001, Hughes was honored with ColorTyme's "Franchisee of the Year" award. He has been elected to the ColorTyme Franchise Advisory Council for five consecutive two-year terms and has been elected council chairman twice. Hughes also has been awarded a Top Ten Franchise Award for the past nine consecutive years.

As the 2002 Rental Dealer of the Year, Hughes joins an elite group of rent-to-own owners/operators who exemplify the dedication to furthering the interests of the industry, superior customer

relations and ethical business practices.

**Vendor of the Year: John Rogers, High Touch**

The Norm Smith Vendor of the Year award is given to an outstanding associate member who has supported the Association and its activities. This year, John Rogers, director of sales for High Touch Inc., received this award. Rogers has been an active member of APRO since joining in 1984 and has served on the APRO Vendor Advisory Committee since 1997. Rogers is currently the committee's vice chairman and an APRO board member.

High Touch Inc. is one of the premier point-of-sale, accounting and Internet software companies servicing the rent-to-own industry. Due to Rogers' involvement, High Touch has provided invaluable services to several state associations and APRO in designing and maintaining their Web sites. In addition, Rogers has worked to improve the promotion of new



vendor membership in the industry. He has been successful in getting more vendors involved in important industry initiatives, such as the federal legislative efforts in Washington, D.C.

Not one to sit idle, Rogers has attended many state association meetings, conventions and trade shows and has actively vendors' marketing efforts to the industry. Today, High Touch Inc. serves more than 3,000 rental-purchase stores across the country.

Rogers and High Touch always seems willing to go that extra mile for whatever RTO industry group or cause that needs them. For that, he was honored with the 2002 Vendor of the Year award.





# Imposters!



THE AWARDS BANQUET ENTERTAINMENT INCLUDED SOME FAMOUS (ALBET FAUX) VEGAS LEGENDS: BETTE MIDLER, MADONNA, MARILYN MONROE, TINA TURNER AND FRANK SINATRA.

## Treasure Hunt winners

EVERY YEAR DURING THE APRO CONVENTION AND TRADE SHOW, A TREASURE HUNT IS CONDUCTED IN THE EXHIBIT HALL FOR ATTENDEES. PRIZES RANGE FROM CASH TO ELECTRONICS. HERE ARE THIS YEAR'S WINNERS:

### PRIZE

- Optical mouse (two) for computers
- HP digital camera
- Leather reclining rocking chair
- 1.3 cf microwave oven
- Butcher block knife set
- Butcher block knife set
- 1,000 collection door hangers
- 1,000 collection door hangers
- 11-piece Classicor cookware set
- Taylor graphite driver
- Silk floral arrangement
- Three-piece pillow pack
- Diamond pendant
- Two "Freedom Pad" utility blankets
- Ladies diamond and amethyst ring
- Personal CD player
- DVD/VCR/MP3 Zenith combo deck
- Portable television entertainment center
- RAC 20" Tru Flat stereo TV/DVD combo
- Choice of picture from show samples
- "Rock 'N Fold" video chair
- Career direction assessment
- Three applicant assessments
- Potential manager assessment
- Potential manager assessment
- Diamond pendant
- Progressive scan five-disc DVD player

### DONATED BY:

- Fleet Lease Disposal
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- Klaussner Furniture
- GE Appliances
- Ultra Shield
- Ultra Shield
- Inform Business Services
- Inform Business Services
- Innova
- Central File
- Botanical Silk Accents
- Royal Sleep Products
- Continental Diamond
- United Distributors
- Jerry Bogo Co.
- RES Marketing
- Zenith Electronics Corp.
- Coventry Furniture
- Thomson multimedia
- Mirror Dynamics
- The Step2 Co.
- Achievement Tec
- Achievement Tec
- Achievement Tec
- Achievement Tec
- ABS Jewelry
- Toshiba

### WINNER

- Jeff Sebors, Gizmo's Lease Purchase
- Trent Agin, Rent One
- Richard VanCleave, Rent It Right
- Jen Mitchell, Majik RTO
- Ben Moore, Central Rent To Own
- Terri Chapman, Chappy's RTO
- Robert Wilson, Mustang Enterprises
- Vince Nelson, Show-Me Rent-To-Own
- Noel Salazar, Central Rent To Own
- Bev Baechler, Show-Me Rent-To-Own
- Cynthia Baber-Strunk, Babers
- Paul Hasty, Show-Me Rent-To-Own
- Cindy Evans, Hometown Brand Center
- Steve Puryear, Transcendant Holdings
- Jim Percival, Jimani LC
- Shannon Strunk, Babers
- Joey Sisson, Rent One
- Rodger Poteet, Economy Rentals
- Bryan Yakel, Lebakkens
- Cindy Nelson, Show-Me Rent-To-Own
- Mike Little, Quality Rentals
- Tom Mitchell, Rent Rite
- Courtney Chapman, Chappy's RTO
- Carrie Peterson, H&H Furniture
- Diane Marsh, Customer's Choice
- Mike Howerter, Howerter Appliance
- Pat McGee, Partners Rental

Cash prizes were donated by Alliance Computing Technologies, American On Hold, Jerry Bogo Co., Central File, The Crosley Corp., Essex Street Products, High Touch, Innova, Klaussner Furniture, Mirror Dynamics and Royal Sleep Products. The cash prize winners were Brian Knight of Central Rent To Own (\$75), Bob White of Babers (\$185) and Suzy Rainey of Central Rent To Own (\$500).

# Computers

The following list of computer suppliers cater to the rental-purchase industry. All are either APRO associate members (\*), advertisers in APRO publications (+), APRO convention exhibitors (^) or APRO-endorsed member benefit program providers (~).

## COMPUTER HARDWARE

### Alliance Computing

**Technologies Inc. \*+^**  
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 813/936-0165, ext. 312;  
 fax 813/209-0184  
 jfooster@actsmart.com  
 www.actsmart.com

### BDI-Laguna \*+^

Contact: Jay Nardone  
 3655 Atlanta Industrial Dr., Ste. 100  
 Atlanta, GA 30331  
 404/696-9996, ext. 137;  
 fax 404/696-4870  
 jnardone@esend.com  
 www.bdilaguna.com/rto

### Computer Spectrum Inc. \*+^

Contact: Mick Walts  
 908 S. 8th St., Ste. 100  
 Louisville, KY 40203  
 502/585-8866; fax 502/585-8869  
 mick@computerspectrum.com  
 www.computerspectrum.com

### Dell Computer Corp. \*+

Contact: Rex Herron  
 One Dell Way  
 Round Rock, TX 78682  
 512/728-5401; fax 512/283-2117  
 rex\_herron@dell.com  
 www.dell.com

### RTO Systems Inc./

### iQ Entertainment Center \*

Contact: Barry Gambini  
 145 S. D St.  
 Exeter, CA 93221  
 866/594-4964  
 www.iQinternetcomputer.com

### Vance Baldwin Inc. \*

Contact: Robert Coolidge  
 7060 State Rd. 84, #12  
 Davie, FL 33317  
 954/723-9191, ext. 131;  
 fax 800/552-1431  
 robertc@vancebaldwin.com

## COMPUTER SOFTWARE

### High Touch Inc. \*+^

Contact: John Rogers  
 2020 N. Amidon St.  
 Wichita, KS 67203  
 316/832-1611; fax 316/831-5555  
 johnr@hightouchinc.com  
 www.hightouchinc.com

### Ideal Software Systems Inc. \*+^

Contact: Steve Lenhart  
 905 22nd Ave., P.O. Box 110  
 Meridian, MS 39302  
 601/693-1673, ext. 156;  
 fax 601/693-2302  
 www.idealss.com

### Rental & Sales Software Systems \*+^

Contact: Ellison Crider  
 457 Robert Dr.  
 Corpus Christi, TX 78412-2454  
 361/993-1790, ext. 4;  
 fax 361/993-1731  
 ellison@rsss.com  
 www.rsss.com

### Rental Information Systems Inc. \*+^

Contact: Larry Burns  
 P.O. Box 1165, 834 Jeanette  
 Magnolia, AR 71754-1165  
 800/863-7394; fax 870/234-3797  
 sales@rentinfo.com  
 www.rentinfo.com

### RTO Plus for Windows \*+

Contact: Bob Yarbrough  
 1240 Maxwell St.  
 Salisbury, NC 28144  
 704/636-2528; fax 704/642-0901  
 rtoplus@rtoplus.com  
 www.rtoplus.com

### RTO PRO Software \*+^

Contact: Ron Ganus  
 5026 Gall Blvd.  
 Zephyrhills, FL 33541  
 813/782-6299; fax 813/788-1711  
 sales@rtopro.com  
 www.rtopro.com

|                                      |       |
|--------------------------------------|-------|
| Alliance Computing Technologies..... | 35    |
| BDI-Laguna .....                     | 9     |
| ColorTyme .....                      | 2     |
| Computer Spectrum .....              | 47    |
| Consumer Electronics Show.....       | 19    |
| Crosley.....                         | 21    |
| Dell Computers .....                 | IFC   |
| Fouts Brothers .....                 | 13    |
| FutureWare .....                     | 12    |
| G.E. Appliances .....                | IBC   |
| High Touch .....                     | 17    |
| Ideal Software .....                 | 41    |
| McNamara Isuzu .....                 | 34    |
| Rental Information Systems .....     | 11    |
| RES Accessories .....                | 40    |
| RSSS .....                           | 4     |
| Rug Doctor .....                     | 47    |
| Tele-Track.....                      | 3     |
| Thomson/RCA .....                    | 26-27 |
| TRIB Group .....                     | 12    |
| Truce/Dispute Systems .....          | 10    |
| Whirlpool.....                       | 15    |
| Zenith.....                          | BC    |

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# STATE ASSOCIATIONS

By Julie Sherrier

**Indiana Rental-Purchase  
Dealer's Association**  
5109 N. Highway 37  
Bloomington, IN 47404  
812/333-7496; fax 812/331-5527  
www.rpda.org

The Indiana Rental-Purchase Dealers Association is one of only three state rental dealer associations that has been recognized twice as the State Association of the Year. Presented with the award in 1991 and again this year, RPDA members—an active and loyal group—serve as a model for other state associations to emulate.

Indiana rental dealers formed their state association in 1987, with the help of Sam Choate and Laura Neff. Harry Krause served as the first president, says David P. David of Full-O-Pep Appliances and current president of the association. “Laura Neff put the association’s charter together and filed all the paperwork,” says David. “Once we went through our legislative hearing on the Indiana rental-purchase laws and the law was passed, I was asked if I had any ideas to keep interest going.”

After the first year, Harry Krause dropped out and David was elected president. Terry Mullins and Bill Kelly each served a term as RPDA president. During his first of eight terms as president, David decided the rental industry needed training and educational seminars. For the past 14 years, RPDA has held a trade show called the Mid-West RPDA Trade Expo. “Our first show had 20 vendors. This year, the show was sold-out with 75 vendors. We are still growing,” says David. “With the expert help of RPDA members Tammy Gregory and Christy Koontz, we’ve had as many as 300 attendees from Indiana, Illinois, Michigan, Kentucky and Ohio. We have about 80-100 attendees for our seminars, which address the needs of floor-level personnel as well as owner-operators.”

In March 2003, David is planning a legisla-

tive conference at the Indiana State House to get rental-purchase dealers together to educate their elected representatives. “Currently, Indiana hasn’t any issues before the Legislature, but we want our representatives to know who we are in case something does come up,” says David.

One of the most rewarding projects of RPDA is its involvement in the Children’s Miracle Network charity. With money raised in a variety of ways—from donating \$1 for each delivery to selling paper balloons, candy bars and holding an annual golf tournament at the Mid West RPDA Trade Expo—rental dealers in Indiana have donated anywhere from \$10,000 to \$20,000 a year for Riley Hospital (a local children’s hospital). “Our efforts to raise money for Children’s Miracle Network benefits everyone. It benefits the children of our customers and our employees,” says David.

“With a spring meeting, a summer trade show and a fall meeting, we’re constantly looking for ways to keep our network of dealers educated and connected,” says David. To help with that effort, RPDA kicked off a new Web site and design this past summer at [www.rpda.org/](http://www.rpda.org/). With the help of software vendor High Touch, RPDA members can now look forward to keeping in touch a little better with the advent of technology through its Web site, which has a member’s only section as well as general information about upcoming events and the association as a whole.

“We are lucky in that we have been graced with a very active, loyal and involved membership,” says David. “That’s what keeps us going.”

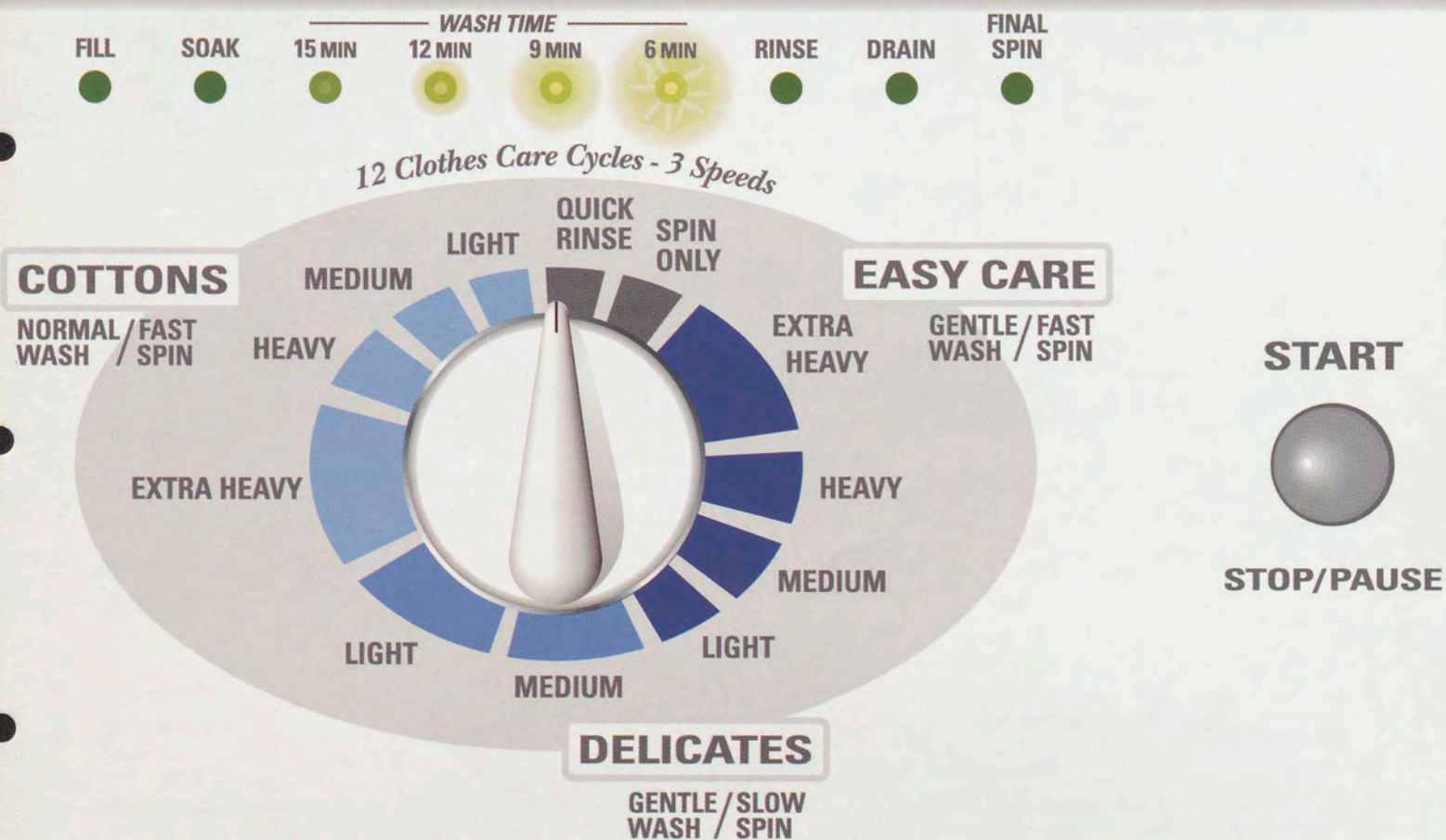
Progressive Rentals is profiling each state rental dealers association. Without these organizations and grassroots activities on the state level, the industry would not be as successful as it is today. You may find ideas here that can be applied to your state association. We want to hear from you. Contact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

## STATS:

President: David P. David,  
Full-O-Pep Appliances Inc., Bloomington, IN  
Vice President: Ken Chapman,  
Chappy’s Rent To Own, Muncie, IN  
Secretary: Bill Howard, Full-O-Pep, Bloomington, IN  
Treasurer: Tammy Gregory

Number of regular members: 23  
State RTO law passed: 1987

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