

PROGRESSIVE

# Rentals

THE VOICE OF THE RENT-TO-OWN INDUSTRY | AUGUST-SEPTEMBER 2006



## RTO IN THE NEWS

During the past year, almost 300 articles were published about rent-to-own — good, bad and ugly. An analysis of that news reveals how RTO dealers can best utilize the media to help paint a clearer picture of the industry and attract more customers.

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Tattoos in the workplace  
Assessing property assets  
APROfile: Chris Bolin

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*As former accountants, my wife Holley and I know a good deal when we see one. In 1991, we left thriving accounting practices to begin again in RTO. And what began as a casual conversation with a friend at a fish fry grew to eight independent RTO stores in five years.*



**Charles & Holley Hobbs**

*By 2004, things changed for our company. We required*

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**Bruce Emory**

*In my 20 years in RTO I have learned that finding the right company*

*and people that believe in you is as important as determination and hard work.*

*My career in RTO started in 1986, by way of a temporary job when I was just 20 years old. Dedication to my work lead to quick success and opportunity. But in 1992, when I approached my company to become a franchisee, the door of opportunity closed – I wasn't taken seriously.*

*So I did it on my own, with the help of my family, and built a solid business over the next 10 years. For a time, we had eight stores but were limited financially – unable to carry the big ticket items my customers wanted. In the summer of 2005, I decided to streamline the business down to our top three performing stores and in November of 2005, converted to ColorTyme.*

*Now we have access to Rent-A-Center's financial power and product pricing and ColorTyme's training programs – which are some of the most intensive in the industry. We have seen a dramatic turn in our stores and staff and can plan for significant growth which used to be beyond our reach.*

*Sales are up 5.3% and revenue is up over 10% since the conversion. Equally as important, we have the continued, hands-on support from Bob Bloom, Pat Sumner and all the folks at ColorTyme who made the transition easy and the inventory available for our customers.*

*People, financing, product and training – four reasons I know I have found the right company – for myself, my family and my team.*

*Bruce Emory, Franchisee*

*Like so many of us in the RTO industry, I've been in this business a long time – working in many roles with several companies since 1988. I guess you could say that*



**Joe Huck**

*RTO is in my blood. I love what I do—I love our customers and always wanted to have my own store. So in 2002, I opened up Big House Rentals and watched our independent store grow. By October 2005, I needed more inventory but didn't have near enough capital to get the job done.*

*I considered several franchises, but ultimately was drawn to ColorTyme for their 100 percent inventory financing program – including a nice discount on my franchise fee based on my RTO experience. Almost overnight, I had access to the inventory I needed and complete support from the ColorTyme team.*

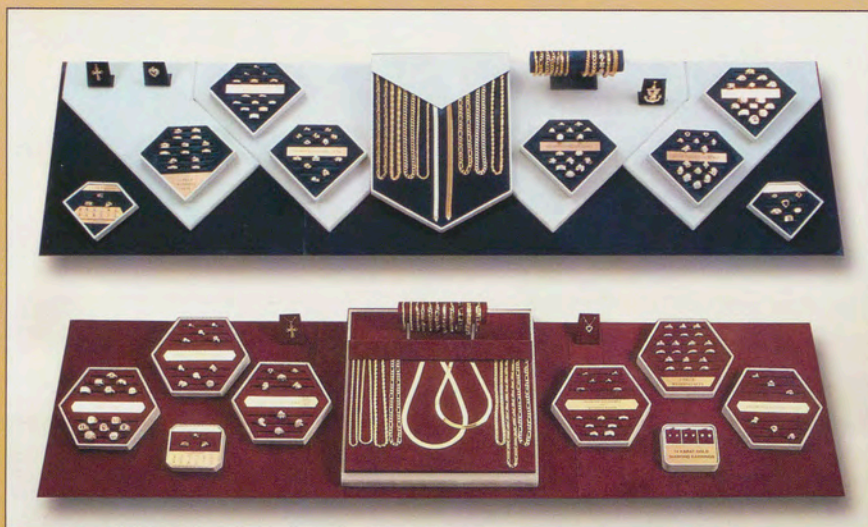
*Today, my business is thriving! I count my decision to convert my store to ColorTyme as one of the best choices I've made. And while change is good, some things have changed very little. I still run my store like a family business and I intend to keep it that way.*

*Joe Huck, Franchisee*

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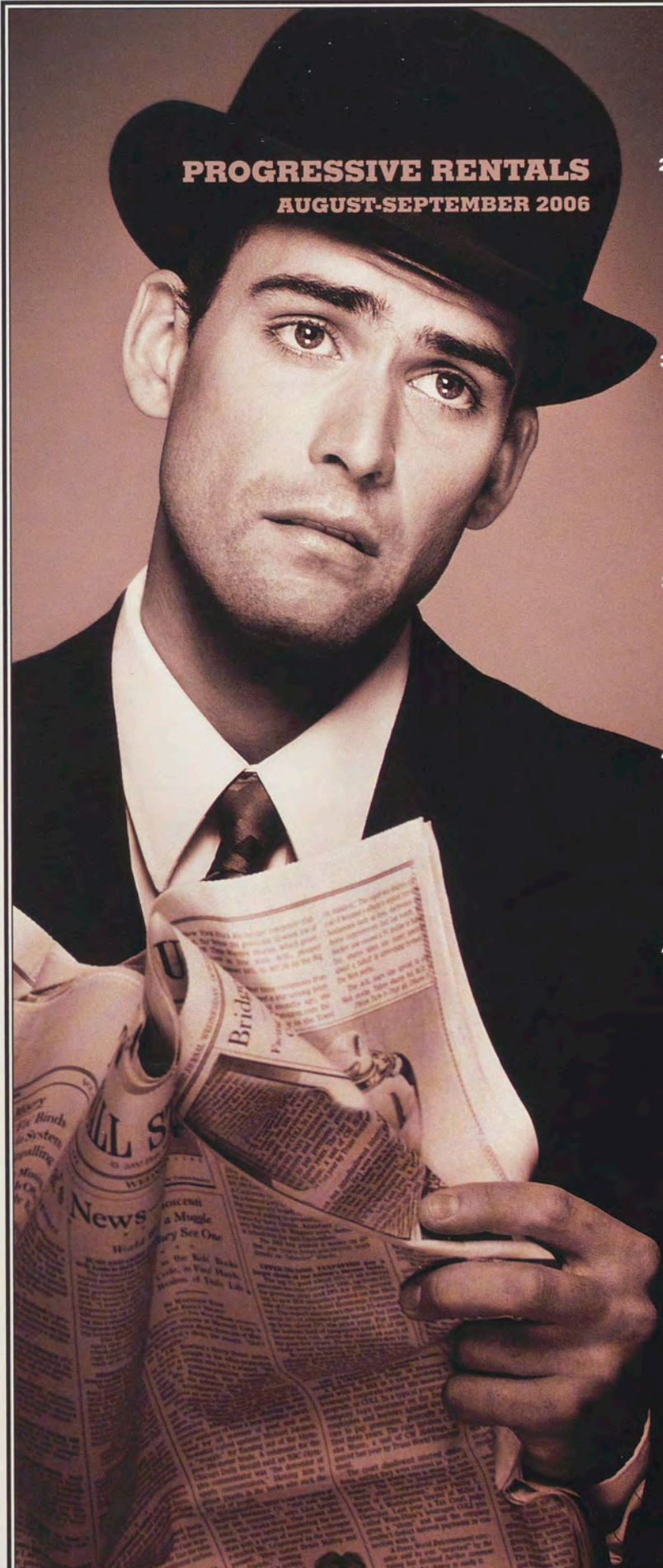
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A man in a dark suit, white shirt, and patterned tie, wearing a black fedora hat, is looking upwards and to the right while holding a newspaper. The newspaper is open, showing various articles and headlines. The background is a dark, textured wall.

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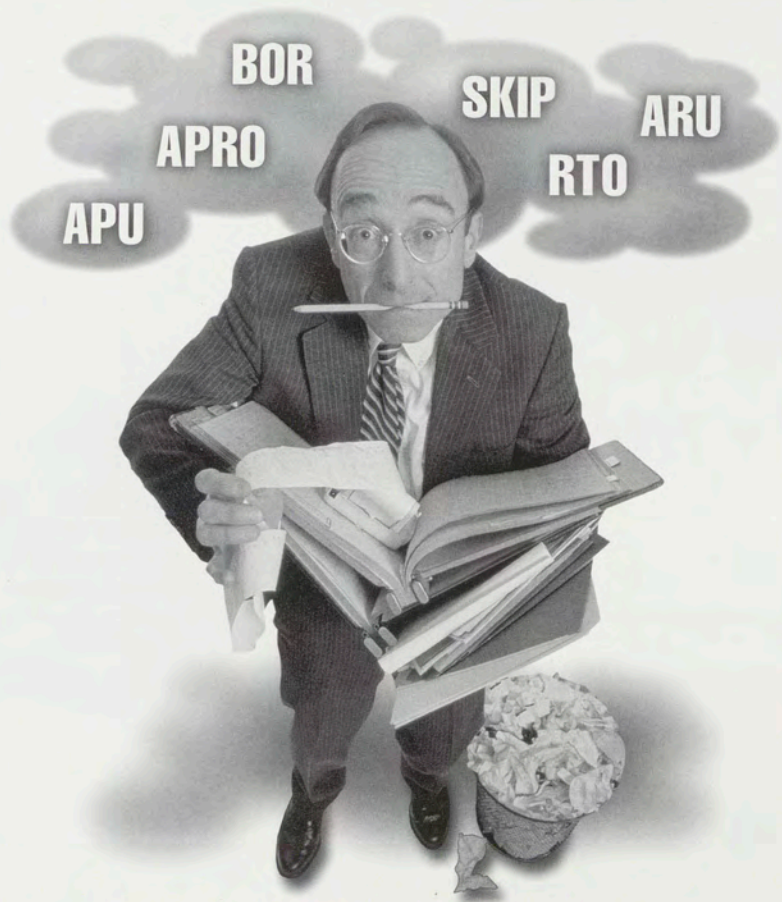
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# news

**B R E A K**

COMPILED BY  
RICHARD MAY,  
LAURIE HILL, BILL KEESE  
AND NEIL FERGUSON

## APRO launches permanent relief fund

**I**n 2005, APRO members contributed more than \$190,000 to help rent-to-own employees get back on their feet after the devastation caused by hurricanes Katrina and Rita. The rent-to-own community helped 159 employees survive and recover from these natural disasters.

To address the continuing needs of those affected by natural disasters, APRO has established a permanent disaster relief fund: RTO

[Relief To Our] Employees Disaster Relief Fund. It will be administered through APRO's charitable foundation so that all contributions are tax exempt. Every dollar raised will go directly to rent-to-own employees in need.

APRO hopes to make this program available to all APRO-member rent-to-own employees through a simple payroll deduction plan where contributions are small enough not to be missed and the program will attract universal support. The fund organizers recom-

mend asking each owner to implement a voluntary payroll-deduction plan within his/her company—suggesting a small donation per month from each employee. In addition, organizers are asking that each company match its employees' monthly contributions. APRO is providing a template for paycheck stuffers to encourage employees to participate.

Rent-n-Roll and Buddy's Home Furnishings are two of the first rent-to-own companies to make a commitment to the fund. Rent-n-Roll



owner Larry Sutton is encouraging his franchisees to make similar commitments to the fund and help develop the effort as one of the most effective relief funds in America.

"While I realize that the majority of RTO dealers support many different charities on a regular basis, I urge every rent-to-own dealer and employee to join their RTO brethren in this most worthy cause," Sutton says.

Please contribute to the RTO Employees Disaster Relief Fund and encourage your employees to do the same. A small contribution will make a big difference and will prove—once



## New York's rent-to-own law focus of public scrutiny

**N**ew York legislators and candidates continue to criticize the New York state rent-to-own law. Politicians are committed to addressing the law in the next state legislative session and through public hearings scheduled for later in the summer. Most damaging has been recent statements by New York Attorney General and gubernatorial front-runner Mark Spitzer, who includes revisiting rent-to-own legislation as a part of his consumer protection election platform.

"You look at what people end up paying to get clear title to a home appliance or anything else, and you look at the underlying value, and they've been taken to the cleaners," he says. "It is horrific. These are areas where consumer protections need to be beefed up."

Spitzer currently has a 70 percent lead over the Republican candidate, so his threats carry weight and should be taken seriously by the RTO industry. When considered along with New York RTO opponents Assembly Majority Leader Paul A. Tokasz (D-Cheektowaga), Buffalo Mayor Byron Brown and a host of other elected officials, RTO dealers in that state face a tough legislative battle—more so than the legislation that was introduced in the past three sessions.

APRO, Aaron's, Rent-A-Center and RentWay recently held a conference call to begin the state rent-to-own organizational process to help defend RTO during next year's New York state legislative session. A state association meeting being scheduled for August while APRO and industry leaders monitor the proposed interim legislative investigative hearings on rent-to-own being held by the New York Assembly this summer.

New York dealers are encouraged to get involved in the upcoming RTO state organizational meeting in Albany as well as the upcoming state elections. For more information regarding the New York legislative issues and the pending New York state association meeting, contact Richard May at [rmay@aprovision.org](mailto:rmay@aprovision.org) or by calling 512/225-1051.



again—that the rent-to-own industry strives to secure the good of others.

For more information on APRO's RTO Employees Disaster Relief Fund program, please contact Bill Keese by e-mail at [bkeese@aprovision.org](mailto:bkeese@aprovision.org) or by calling 800/204-2776, ext. 101.

## Rent-to-own criticized in national press campaign to aid the poor

The Brookings Institution criticizes rent-to-own in a recently published study, *From Poverty, Opportunity: Putting the Market to Work for Lower Income Families*. While rent-to-own is only briefly addressed in two paragraphs and two charts in the 76-page report, RTO is one of the nine featured "key findings" in a Brookings Institution's press release stating that "high-priced rent-to-own stores are densely concentrated in lower income neighborhoods." The press release, issued on July 18, has already generated a number of news articles in the U.S.

The full report echoes the rent-to-own industry's current position in the



## What's new on RTOHQ?

- ▶ It's not too late to participate in APRO's annual rent-to-own statistical survey. It's been significantly overhauled, making it easier than ever to complete! And it's produced by a third-party, so all your company information will remain secure. You can access the survey via APRO's homepage at [www.rtohq.org](http://www.rtohq.org).
- ▶ There are interesting discussions in RTOHQ's E-Communities, including a forum on credit card interchange fees, charges and vendors. Best Way's Steve Kruse has provided a great resource for reviewing your credit card company and/or shopping for a new one. Kruse drafted a comprehensive list of questions to ask prospective credit card companies, offering his observations on the process and examining the wide range of fees that get tacked on to companies like yours. His document, entitled "Top Questions to ask a Credit Card Provider," is available to APRO members by logging in to RTOHQ's E-Communities.

costs associated with the rent-to-own transaction. More important, every successful rent-to-own dealer has learned that an informed and empowered customer will likely be a satisfied—and returning—customer. Therefore, rent-to-own dealers promote full disclosure and communication of prices and payments as the best way of preventing returns, complaints and/or legal issues.

The Brookings Institution is unknowingly advocating legislative

remedies that will slow the current RTO industry trend of lowering cash prices and payment terms by advocating caps.

For advice on how to handle the media, APRO members should refer to the association's recently published *Advertising, Public Relations and Media Relations Handbook for the Rent-to-Own Industry*, which is available free to APRO members in the E-Communities section of the association's Web site at [www.RTOHQ.org](http://www.RTOHQ.org).

marketplace, reflecting good news, bad news and—what is common in news regarding the rent-to-own industry—misinformation. For example, while the report and press release state that rent-to-own is concentrated in lower-income neighborhoods, a chart in the report shows that "most rent-to-own businesses are located in moderate-income neighborhoods." The Brookings Institution's statistic that rent-to-own stores are located in mostly moderate-income neighborhoods reflects the decade-long shift of rent-to-own dealers.

The report encourages private and public leaders to address its recommendation to "give lower-income families a powerful tool to lift themselves out of poverty." The report's specific recommendations regarding rent-to-own state that "leaders can bring down prices for consumers by implementing stricter caps on fees and interest charged by rent-to-own establishments and by requiring these companies to fully disclose their pricing."

The flawed report doesn't recognize that most states and the Internal Revenue Service have already ruled that rent-to-own transactions are leases and therefore interest does not apply to such transactions. Also, 47 state laws mandate complete disclosure of all

# 2006

## AUGUST 2006

8-9  
Midwest RTO Training Expo 2006, Columbus, Ohio. For more information, contact Mike Tissot, 740/634-2666, [www.rtohq.org](http://www.rtohq.org)

16-19  
Tupelo Furniture Market Summer Market 2006, Tupelo, Mississippi, 662/844-1473, [www.tupelomarket.com](http://www.tupelomarket.com)

20-23  
RentDirect Nationwide Buying Show, The Venetian, Las Vegas, Nevada. For more information, contact James MacAlpine, 336/714-8802, [www.gorentsmart.com](http://www.gorentsmart.com)

27-31  
AVB Brandsource National Convention and Buy Fair, Paris Hotel, Las Vegas, Nevada. For more information, contact Jennifer Maloney, 714/502-9620, [www.brandsource.com](http://www.brandsource.com)

## SEPTEMBER 2006

20-23  
Association of Progressive Rental Organizations 2006 Convention and Buying Show, Gaylord Palms Resort and Convention Center, Orlando, Florida. For more information, contact Shelley Martinek, 800/204-2776, ext. 109, [www.rtohq.org](http://www.rtohq.org)

## OCTOBER 2006

4-5  
Florida Rental Dealers Association Meeting, Golf Tournament and Vendor Mingle, Seminole Hard Rock Hotel and Casino, Tampa, Florida. For more information, contact Chris Kale, 813/241-0607, [www.frda-rto.com](http://www.frda-rto.com)

16-22  
High Point Furniture Market Fall 2006, High Point, North Carolina. For more information, contact Dawn Smith, 336/869-1000, ext. 31, [www.ihfc.com](http://www.ihfc.com)

## New Jersey Supreme Court limits damages in recent decision

The rent-to-own industry got some good news from the New Jersey Supreme Court in June. In reaction to a recent ruling against Rent-A-Center in that state, APRO filed a brief on May 24 to persuade that court to limit the terms of liability RTO dealers would face in light of the decision. The court has taken APRO's plea into consideration, ruling that its recent decision will not apply retroactive-

ly to other rent-to-own companies in the state, which would have been a severe blow to them.

In the case, *Perez v. Rent-A-Center*, the court ruled that rent-to-own transactions in the state were conditional sales contracts covered by the New Jersey Retail Installment Sales Act and the criminal usury statute, which caps interest rates at 30 percent. The court further ruled that the entire amount between the cash price and the total rent-to-own price was to be deemed interest.

Rent-A-Center asked

the New Jersey Supreme Court to reconsider its ruling in a motion filed shortly after the decision was handed down, requesting that the court make its ruling prospective only—not retroactive—in light of the dramatic change in the law that resulted from the court's recharacterization of rent-to-own transactions in the state. Rent-A-Center argued that it would be manifestly unfair to make the ruling retroactive, allowing the plaintiffs' lawyers to bring into the class of injured parties all New Jersey cus-

tomers of Rent-A-Center going back six years.

As Rent-A-Center sought a reconsideration of the case, APRO filed an *amicus curiae* ("friend of the court") brief at the request of Aaron Rents, which has stores in New Jersey and has lately been sued by the same set of plaintiffs' attorneys that attacked Rent-A-Center. APRO weighed in on behalf of all other rent-to-own companies in the state, many of whom are small dealers with only one or two stores and whose fortunes would be devastated if the ruling in

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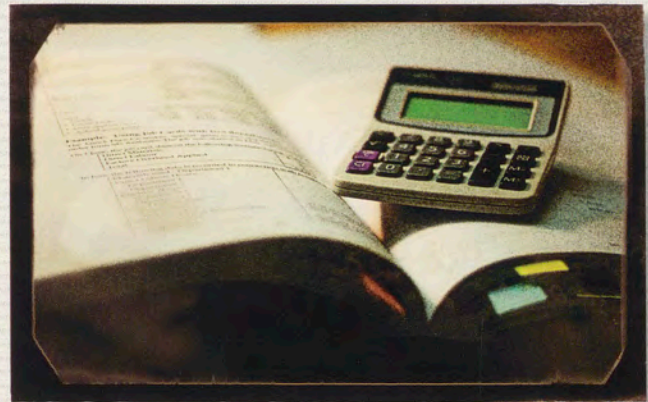
Perez were also applied to them retroactively. APRO asked the court to consider all of these other companies that thought they were doing business legally in the state when considering the Rent-A-Center motion to review its decision.

In a ruling handed down June 21, the New Jersey Supreme Court held that the law announced in *Perez* would only apply prospectively and also ruled that the decision would apply to Perez herself and others who may be included in the proposed class action lawsuit—in other words, other cus-

tomers of Rent-A-Center. Procedurally, the case will go back to the trial court and that court will decide whether to certify a class and if so, who will qualify to be in that class. No timetable has been announced for any rulings on class action certification in the trial court.

### RTO research to be presented at financial conference

The Financial Management Association International (FMA) has invited



a team of academics who have studied rent-to-own to its conference in Salt Lake City, Utah, in October. At the conference, Mike Anderson, Ray Jackson and Sanjiv Jaggia will present their academic research on the rent-to-own transaction. Anderson, Jackson and Jaggia are finance and economics

professors who have been in the process of analyzing the econometrics of the rent-to-own transaction, customer and industry in the American economy. This is the first financial academic team to research rent-to-own and, as a consequence, it is generating notoriety in financial arenas.

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## Rent City takes a fresh look at RTO pricing

Sometimes competition in the marketplace favors the bigger players and forces the smaller businesses out. But that isn't always the case. The small-business owner can retool his business and not only stay on track, but exceed expectations. Call it competition meets innovation. When faced with such competition, APRO



member Robert Briley of Rent City in Abilene, Texas, decided to change his business' pricing structure—and he's glad he did. Last year, Briley incorporated an Aaron's-based pricing structure, lowering cash prices. This, in turn, necessitated a shift in marketing, inventory purchases and payment schedules.

"Aaron's came into our market and kicked our butts," says Briley. "We lost 30 percent to 40 percent of our business and had no choice. Now after a year's worth of accounting from the shift, we

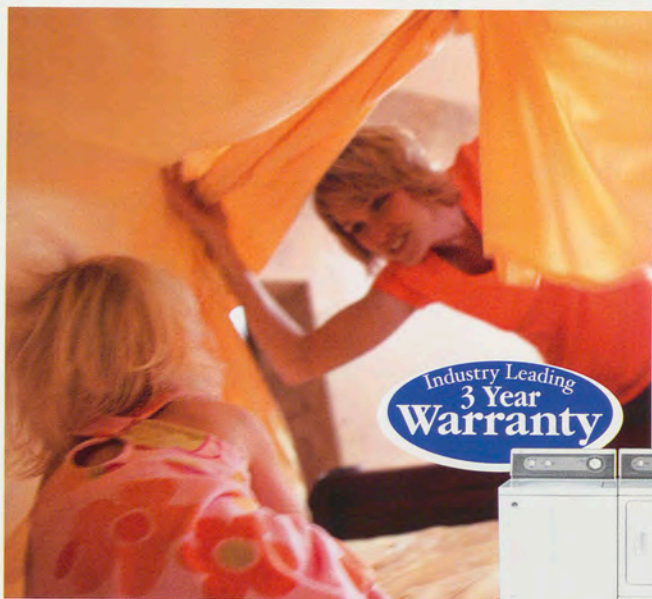
have documented that our new pricing models have increased our net profit an average of \$20,000 per store per month."

Briley says that changing to the Aaron's pricing model creates a greater marketing advantage and better public image. The move shifts accounts to more monthly business, generates a positive public image with the ability to advertise prices that are more in line with retail pricing and that, in turn, brings in more customers to his stores.

"The average American is on a monthly

schedule. You pay your rent monthly, your telephone bill monthly and now your furniture bill monthly," says Briley. "It's much more mainstream and is attracting more customers to every one of our stores. Each of our stores now average more than 100 additional customers per month with this pricing structure versus the traditional RTO pricing model."

Briley admits there is a fear factor involved in such a change because return on assets is less, gross margins go down and more money must be



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spent on inventory. But for Rent City, the return on store is an average of \$20,000 more due to the increased business and customers. Briley is proud of his new model. Competition and innovation forced him to change.

"Everybody has to sharpen their swords every day. We had to shift to stay competitive—and we are."

## Cleek celebrates 50 years of business

APRO board member "Tiger" John Cleek is



celebrating the 50th anniversary of his family-owned

business by opening two new rent-to-own stores this year. In addition to the seven stores currently operating in central Missouri, Cleek's Rent-to-Own, based in Columbia, Missouri, is opening stores in Sedalia and Marshall.

"It's very exciting and something my dad would be proud of," Cleek told the *Columbia Tribune* in July. "I'm glad I can do it

with my son and family."

Cleek's Appliance and Home Furnishings was founded in 1956 by Cleek's parents, Elmo and Wilma. After Elmo's tragic death in a plane crash in 1973, "Tiger" took over the family business, eventually transforming it from retail to rent-to-own in the 1980s.

One tradition Cleek has held onto for the past 50 years has been his family's enthusiasm for University of Missouri football. The team is dubbed the Tigers, hence John's nickname. Cleek is

known throughout central Missouri for posting weekly predictions for Mizzou football games on posters—usually predicting that the Tigers will win—in one of his Columbia stores and for his overall enthusiasm for the team. There aren't many people in central Missouri who do not know the name "Tiger" Cleek.

Cleek, along with son, John Jr., and other family members, opened the Sedalia location in July and plans to open the Marshall store in September.

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## Sutton addresses Heartland of America Regional Trade Show

On June 21, Larry Sutton, president of Rent-n-Roll in Tampa, Florida, presented an inspiring-seminar on "Passion for Purpose" to more than 125 rent-to-own dealers and vendors at the Heartland of America Regional Trade Show in Lake Ozark, Missouri. The event was sponsored by the Missouri Rental Dealers Association. Sutton's seminar offered

a "sure-fire method of adding 30 customers in six weeks."

"Everyone who knows Larry and has heard him speak knows of his dynamic delivery and his life-long passion for the rent-to-own industry," says Bill Keese, APRO's executive director.

"It is an honor to be with such an outstanding group of RTO professionals in this beautiful setting," says Sutton. "I was originally scheduled to speak in Missouri shortly before the 9-11 tragedy hit our country."

This year's three-day

Heartland of America event was the largest show so far for the Missouri Rental Dealers Association. The trade show featured 70 booths representing 50 different companies and more than 250 industry professionals from six states in attendance.

## Tennessee rental dealers meet at Opryland

Under the skillful guidance of Tennessee Rental Dealers Association President Larry

Goad, that state's dealers had another successful meeting June 8 and 9 at the Opryland Hotel in Nashville. Thirty-five dealers from the Volunteer State met last year in downtown Nashville and this year's event at Opryland saw 55 dealers in attendance, nearly doubling attendance in one year. This is an extraordinary accomplishment considering that TRDA has been holding meetings for just the past two years.

Dealers began their meeting with a vendor table-top exhibit on June

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8. Exhibitors were delighted with the turn-out and a significant number of orders were taken. After a banquet that evening, Goad outlined for attendees his goals for the association.

On June 9, dealers revisited vendors and then attended a full day of seminars with some of the most notable speakers in the rent-to-own industry: Terry Beville of Buddy's Home Furnishings in Tampa, Florida; Mike Tissot of Countryside Rentals in Ohio; Sidney Burton of Hometown Ventures in Michi-

gan; and APRO's General Counsel Ed Winn III.

"We nearly doubled the attendance from the last year," says Goad, "and I expect for the Tennessee association to keep growing. It is a good group and they like to get together to talk about RTO store issues."

### Aaron's scores marketing, racing coup

Call it a brilliant marketing campaign, luck, a publicity stunt or a combination thereof,

but Aaron's has turned the racing world on its ears with its July 22 race featuring Darrell Waltrip's return to the NASCAR Busch series after a 14-year hiatus. Aaron's, a prominent supporter of NASCAR, features racing brothers Darrell and Michael Waltrip in its advertisements, with the hook that Michael always asks brother Darrell when he will return to the series. Every commercial so far has featured Darrell coming up with another excuse for why he wouldn't return—until now.

Two months ago, the

Waltrips surprised the racing world when Darrell finally accepted the invitation to race again. As a consequence, the Aaron's ads featuring Michael's continual nagging of his brother have been featured in hundreds of sports articles, talk shows and blogs throughout the racing community for the past two months.

Aaron's exposure through FoxSports television networks, cable sports shows, sports radio and print periodicals featuring Darrell's return has given the rent-to-own giant added name recog-

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**NEWS BREAK**

nition worth millions of dollars. But Aaron's didn't pay a dime for the additional exposure brought on by the event. In this case, advertising became news—and Aaron's reaped the benefits.

Aaron's understood that Darrell's absence was a hot topic in the racing community and exploited that situation, making it a continual storyline for its advertising. Through the recent publicity, Aaron's can bask in the success of a smartly executed advertising campaign.

For more informa-

tion on advertising and branding, APRO members can log onto the RTOHQ's E-Communities ([www.login.rtohq.org](http://www.login.rtohq.org)) and download APRO's *Advertising, Public Relations and Media Relations manual for the Rent-to-Own Industry*.

**Speed Queen re-establishes ties to RTO**

After a 14-year absence from rent-to-own, Alliance Laundry Systems is re-introducing the durable Speed Queen

washer and dryer to the RTO industry. Now in the second year of Speed Queen's return to RTO, Alliance is determined to make consumers more aware of the brand.

In 1991, when Amana took over the marketing arm of Speed Queen, it decided to emphasize the Amana washer and dryer to the rent-to-own industry and play down the Speed Queen brand. In 2000, when Amana divested, the agreement stipulated that Speed Queen could not market to the retail industry for five years, therefore

removing Speed Queen from the rent-to-own market for legal reasons.

Once the five-year stipulation had expired, Alliance Laundry Systems re-introduced the Speed Queen name to the rent-to-own industry.

"Most rent-to-own owners are very familiar and comfortable with the Speed Queen name so our re-introduction has been very successful," says Chuck Melton, North American sales manager for Alliance. "We had great success at last year's APRO convention, so we want to

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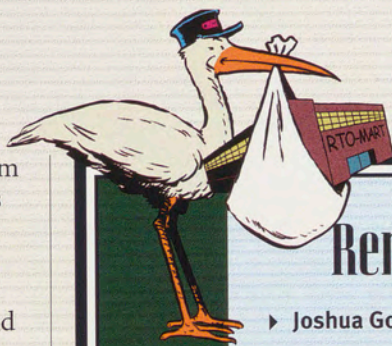


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continue the momentum and let APRO members know we're here for the long haul."

Alliance supplies commercial washers and dryers to laundromats, apartments, motels, etc. The Speed Queen consumer line is built with the same industrial durability as its commercial line, creating a great match for the rental business. Alliance's confidence in its Speed Queen line is also reflected in the recent addition of another year to its warranty, which is now at three years.



## Rent-to-own store openings

- ▶ Joshua Goss, Premier Rental-Purchase, Bradenton, Florida
- ▶ Eric Friedland, RTO and Wheel Rentals Superstore, Pompano Beach, Florida
- ▶ Rose Tomilloso, Premier Home Furnishings, Rialto, California
- ▶ Paul Bottomley, Midwest Rentals, dba Premier Rental-Purchase, Rochester, Indiana
- ▶ John Spangle, Rent-n-Roll Custom Wheels & Tires, Houston, Texas (his sixth location)
- ▶ Doug Pint, ColorTyme, Michigan City, Indiana
- ▶ Mike and Jill Houseworth, ColorTyme, Irving, Texas

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**A**s I reflect on my experiences in the rent-to-own industry, I remember key moments and important events that have led to significant changes in the way I do business. Meeting with and listening to other rent-to-own dealers and paying attention to the interchange of ideas has made me a better businessman and helped me grow my company.

In the beginning of my rent-to-own education, when I was a store manager, I remember going to my first state association meeting and feeling completely inferior and afraid to speak to anyone. However, in that meeting I received valuable in-

ety of responses to see how various companies, big and small, deal with those same issues. For example, recently many members have responded to questions about selecting the best credit card provider and what services and

costs should be expected from them. It has been a very lively online discussion.

Once members get used to logging on to the E-Communities—using their personal log-in information provided by the APRO office—the wealth of information that accumulates will provide an unparalleled rent-to-own resource for all APRO members, this associa-

tion and the industry as a whole. If you need help getting started with the process, please don't hesitate to contact APRO's Membership Director, Laurie Hill, at [lhill@aprovision.org](mailto:lhill@aprovision.org).

I'm proud to be a part of a progressive board that encourages the APRO staff to provide fantastic tools such as APRO's E-Communities—tools to help our members grow and prosper. What is so powerful about this new tool, besides providing immediate answers to questions about today's issues, is that the information does not go away! It is cataloged and available for retrieval at any time. In the months and years to come, you'll be able to research topics and issues that have been discussed, find answers and add your opinions and information to make the forums continually pertinent to the times.

I will continue attending live meetings and events for the wealth of information and invaluable camaraderie I always receive. But I also know that with this new technology and member service, APRO members now have an electronic forum that is ongoing and provides up-to-date information to help us run our businesses.

I am excited about the E-Communities and look forward to meeting new and old members online and learn more to build my business. I hope that I will be able to offer information to others in return! ■

*Shannon Strunk is the president of Baber's Inc. in Pascagoula, Mississippi.*

.....  
 "It's rare that a trade association can provide a membership benefit such as exposure to top-quality information from the best people in the industry."

## A new kind of community

formation from other rental dealers that helped me run my store better.

Today, the experience is still the same. I go to every gathering of rental dealers I can, not knowing what to expect, but knowing that I will probably get a tidbit of information from fellow rent-to-own dealers that will change the way we, at Baber's, operate. And these tidbits will either increase revenues or significantly reduce expenses.

It's rare that a trade association can provide a membership benefit such as exposure to top-quality information from the best people in the industry. But such is the case with APRO. And now the association has launched a revolutionary new tool for its members that's as significant as the introduction of this magazine 23 years ago:

E-Communities.

The APRO staff has been working feverishly and diligently to roll out the industry's new Web site, [www.rtohq.org](http://www.rtohq.org). The new site is loaded with information about the association, the industry, business practices and articles published in *Progressive Rentals* magazine. But with the addition of the site's E-Communities, APRO has provided a

new way for members to communicate with each other in real time.

Using the E-Communities forums to ask fellow members, vendors and staff questions about operations, accounting issues or any other business related issue, APRO members can get a vari-



By **SHANNON STRUNK**  
 APRO's president

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**I** have attended at least one Missouri Rental Dealers Association meeting a year for as long as I can remember. At this June's annual meeting at the Lodge of the Four Seasons on Lake of the Ozarks, I was visiting with Barb Keller and "Tiger" John Cleek, two founding members of MRDA, and I asked how many years the Missouri dealers have been meeting. They both drew a blank, but suffice it to say, MRDA has held quite a few meetings—and successful ones at that. For the purposes of this column, you'll just have to take my word that I have attended pretty much every year.

On one of my first visits to a Missouri meeting,

# One of life's winners

I noticed a young man in the crowd who was listening to everything I said. If you have ever given a speech before a group and observed someone in the audience paying attention to what you are saying, you'll agree that you take notice of such an individual.

At the first break, I went up to this man and introduced myself. I noticed he was wearing a Cleek's Rent-to-Own shirt and had a small crowd around him. My first thought was that this was a very friendly sort and possibly a leader. He stuck out his hand, welcomed me to Missouri and told me his name was Darryl Darling.

Over the years, as I have attended MRDA events, I always made a point to visit with Darryl. He has been with the Cleek's for 14 years now.

I've known Darryl for almost all those years and I want you to get to know a little about him.

Some say that leaders are born; others say leaders are made. I can't tell you when Darryl became a leader, but I'm certain he is one now and has been for a long time. He first came to Columbia, Missouri, from Florida—Broward County, just outside of Miami. There

were troubled kids in that area, involved in bad activities. But Darryl chose a different path, focusing on football, linebacker to be exact. His high school coach, Dennis Cove, took him under his wing and told Darryl that he could be somebody.

Offering advice on where Darryl should con-

sider going to college, Cove told him that of all the college football programs in the country, he should go to Missouri, where, according to Cove, Darryl would prosper.

Cove was right and, although Darryl wasn't overwhelmed with Missouri on his first visit, he enrolled at the University of Missouri in Columbia and began his college football career. Darryl switched to defensive tackle and was a starter for four years. With his engaging personality, talent in football and leadership qualities, Darryl was named a captain of the team.

It was a very good time for Darryl and he received honorable mention in the Big Eight. He was drafted by the New England Patriots and looked forward to a professional football career. But in his first year of pro ball, he blew out his knee and was unable to continue one of his dreams.

Philosophical about his future, Darryl returned to Columbia to build a new life for himself. He married Sally, a fellow Mizzou graduate. Today, they have a 12-year-old son, Darryl Jr., who's more interested in soccer than football.

Darryl has been a store manager for Cleek's for nine years. Today, he is the manager of its largest store, in which he takes great pride. He's also an enthusiastic bass fisherman. He and Tiger have a nearly unbeatable bass fishing team. Each year, the Missouri Rental Dealers Association holds a fishing tournament and the team of Cleek and Darling has won it six of the past eight years.

Getting to know people like Darryl Darling helps me remember that we are in a fascinating industry. There are many wonderful people who work day in and day out to provide quality products and top-notch service to millions of Americans—and they do it with a smile on their face. My friend Darryl is one of the finest examples of the quality of people who work in rent-to-own. I hope more of you will get an opportunity to meet him. He is the kind of guy you can spot across the room and tell he is a real winner in life. ■

*Bill Keese's e-mail address is [bkeese@aprovision.org](mailto:bkeese@aprovision.org).*

.....  
 "Some say that  
 leaders are born;  
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 tell you when Darryl  
 Darling became  
 a leader, but I'm  
 certain he is one now  
 and has been for a  
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**By BILL KEESE**  
*APRO's executive director*



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**W**arning labels on products have become the subject of some richly deserved ridicule over the years. The Michigan Lawsuit Abuse Watch group ([www.mlaw.org](http://www.mlaw.org)) has run a contest for the past eight years awarding prizes for the stupidest warning labels sent in by consumers. Prize winners last year included this warning on a heat gun: "Do Not Use This Tool as a Hair Dryer." Second place went to this warning on a kitchen knife: "Never try to catch a falling knife." I Googled "stupid warning labels on consumer products" and came up with more than 500,000 Web references. The first few dozen stupid warn-

tial trouble whenever I can—and I saw some.

Many of the products offered in RTO stores come with instruction manuals. Some of these manuals are long and detailed and in multiple languages. Some are pithy. Most come with a page or two of "Safety Instructions." There

may also be special warning inserts and labels in addition to the safety instructions in the manual.

I am confident that the first time a unit is delivered from a rent-to-own business, it goes out with all of the paperwork included. A really good delivery person will even go over the information with the customer and make sure that the customer understands how to operate the product safely. I am less certain that upon subsequent deliveries of that unit the customer is getting all of that original paperwork.

Rental stores are busy places. Not all pick-ups are friendly encounters. Customers lose manuals and remotes all the time.

I am not so concerned that every rental customer get every piece of paper that came with the new unit, although that would be nice and is a worthy goal toward which to encourage store personnel to strive. Instruction manuals can usually be downloaded from manufacturers' Web sites, so it is easier than it used to be. I am more concerned, however, that every customer get the safety instructions and whatever product warnings came with the new unit.

We rent things that can and do cause injuries from time to time. Stove tipping is a now well-known danger in the industry. But we also rent dryers and they have occasionally caused fires. We rent microwaves and they have occasionally exploded. We rent lawn mowers and they have occasionally eaten fingers and toes.

I am sadly persuaded that no amount of warning labeling is finally going to save stupid people from doing stupid things. That is why we call them stupid. From time to time, no matter what, some of the products that we rent are going to cause injuries.

My real concern, then, lies with rental deal-

.....  
 "I am sadly persuaded that no amount of warning labeling is going to save stupid people from doing stupid things. My real concern, then, lies with rental dealer liability."

# Warning: don't forget the product paperwork

ing labels made me laugh. On a curling iron: "For External Use Only." On a box of nails: "Do Not Swallow Nails. May Cause Irritation." On a stroller: "Remove Child Before Folding." On a Swedish chain saw: "Do Not Attempt to Stop Chain With Your Hands or Genitals."

After the laughter came the tears. Tears shed over the apparent ingrained, genetic stupidity of my fellow human beings who must be told, "Do Not Store Beverages in Empty Container" on a can of Drano. Tears shed over the nanny state

that deems it necessary and important to force the manufacturer of a child's Superman costume to attach this sticker: "Warning. This garment does not enable you to fly." (The Consumer Product Safety Commission probably insisted that the warning be written in plain English.) And tears shed over a legal system run amuck that will reward abject stupidity by redistributing wealth

from the producers of that wealth to the stupid people and whose goal is to absolve everyone of any personal responsibility whatsoever.

When the tears dried, I began to ruminate on the implications of the warning label madness on rent-to-own. As a lawyer, I am paid to foresee poten-



By **ED WINN III**  
*APRO's general counsel*

er liability. When such inevitable injuries do occur, I want to minimize rental dealer legal exposure as much as possible, given the current legal environment in which we live. If a customer rents a dryer and uses it to heat his home and never cleans the lint filter and the exhaust duct finally catches fire and burns down the house, it will be easier for the customer to tag the dealer for a new house if the customer can prove that he never got the "Important Safety Instructions" for the dryer that provide, among other things, "Never Use Your Appliance for Warming or Heating the Room."

I will not try to tell you that providing the customer with the safety instructions would have prevented the fire or that it will serve as an absolute bar against any liability. Neither is true. That is why you have insurance. But the failure to provide the safety instructions is another arrow in the customer's lawyer's quiver that he will surely shoot at you in a lawsuit.

It is some amount of trouble to make copies of the safety instructions and warning labels on new products when they hit the store. It is more trouble still to add to delivery procedures a process for ensuring that all used product gets delivered with that information. But it is trouble worth taking from where I sit—a rent-to-own lawyer's office—and I hope that you will do it despite the trouble.

We cannot do away with all accidents involving our products. We might be able to lessen our exposure to liability for those accidents when they do occur. ■

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

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**E**thics roll downhill. It starts with the leadership of the company and rolls downhill to its employees. "Do as I say and not as I do," as in almost every situation, does not apply here. If your employees observe your good ethics day in and day out, they are more apt to follow your company's ethics policies. I'm a firm believer that the biggest troublemaker you'll ever encounter watches you from your mirror every morning!

So how do you know if you *truly* have good ethics? Try this little test that the George S. May International Co. administers. In the past few months, have you:

# Trickle-down ethics

- ▶ Conducted personal business on company time?
- ▶ Used or taken company resources for personal purposes?
- ▶ Called in sick when you really weren't?
- ▶ Bad-mouthed the company or management to co-workers?
- ▶ Knowingly ignored or violated an organizational rule or procedure?
- ▶ Fudged on a time sheet, billing sheet or other company documents?
- ▶ Knowingly delivered a poor-quality goods or services?
- ▶ Been less than honest—lied or manipulated the truth—to make a sale?

Probably all of us have been guilty of one or more of these deeds in the past. But by periodically looking at ourselves and asking ourselves the tough questions—and being honest with ourself—we can stay in check. And when we grasp this and start living our lives accordingly, it will be much easier to teach our people. Remember, the best sermons are lived, not preached.



**By LARRY GOAD**  
APRO board member

Having good ethics does not come naturally; it's an effort that we all must make everyday. Take toddlers, for example. If one has something that the other one wants, what happens? That's right; the one who wants will try to take from the one who has. Why? Because that child has yet to learn that taking from others isn't

**"If your employees observe your good ethics day in and day out, they are more apt to follow your company's ethics policies."**

the right thing to do. We don't come by good ethics naturally—we must learn them. And, just like avoiding teaching a room full of children good ethics will lead to chaos, not teaching your employees will render the same result. So teach, teach, teach your people good ethics.

To me, training employees begins with respect—respect *from* employees and respect *for* employees. But that's a whole other article in and of itself. You've heard of the Golden Rule? Well, I have recently adopted the "Platinum Rule": treat people the way they want to be treated. Once you've both demonstrated and gained respect, you have a clear path to share with employees your passion for operating your company with good ethics.

Here are three recommendations for running an ethical company, whether you're an owner or manager.

**MAKE IT SAFE TO BE ETHICAL.** Employees shouldn't face negative consequences for doing what they feel is right, questioning the decisions and actions of others (including yours) or reporting suspected ethics violations. You may not always agree with the allegations after the facts are weighed, but no one should fear surfacing concerns he/she perceives as legitimate.

**TAKE IMMEDIATE ACTION.** Respond quickly and thoroughly to all unethical behavior you see or hear about by immediately stopping any inappropriate activity and correcting the situation. Then, conduct an investigation, collecting all the facts. Finally, deal with the offender(s) according to your organizational procedures and guidelines. Demonstrate by your actions that you have zero tolerance for ethics violations.

**CELEBRATE GOOD ETHICS.** When an employee shows good ethics in certain situations, celebrate it! Let that person know that you appreciate his/her efforts.

The rent-to-own industry has enough problems with image as it is; bad ethics doesn't need to be added to the list. Practicing good ethics is easy. And it's the right thing to do. Period! ■

*Larry Goad is president of Zion's Television Showrooms in Harrogate, Tennessee.*

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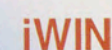
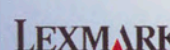
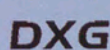
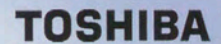
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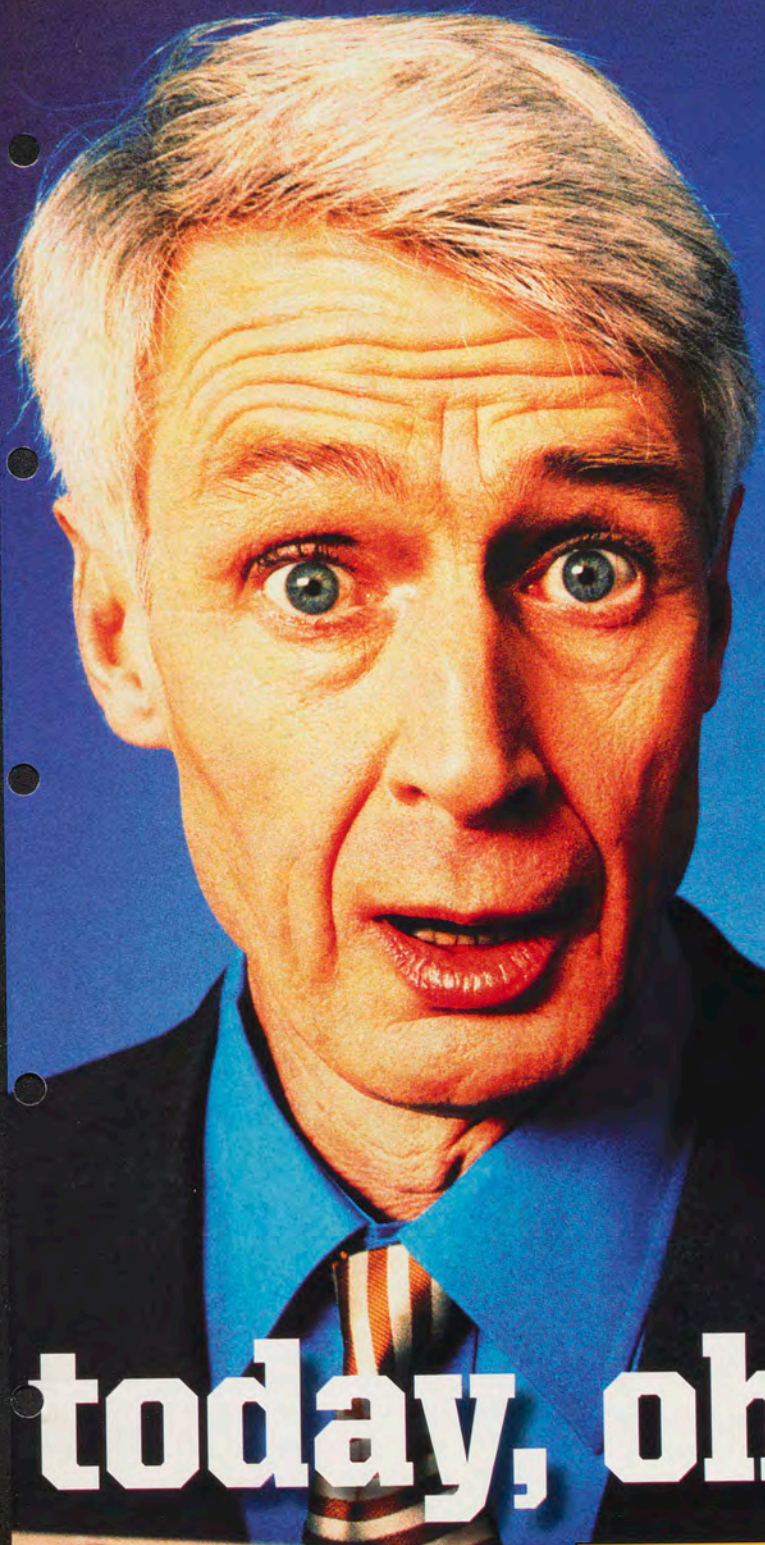
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**During the past year, almost 300 articles were published about rent-to-own – good, bad and ugly. An analysis of that news reveals how dealers can best utilize the media to help paint a clearer picture of the industry and attract more customers.**

**I read the news**



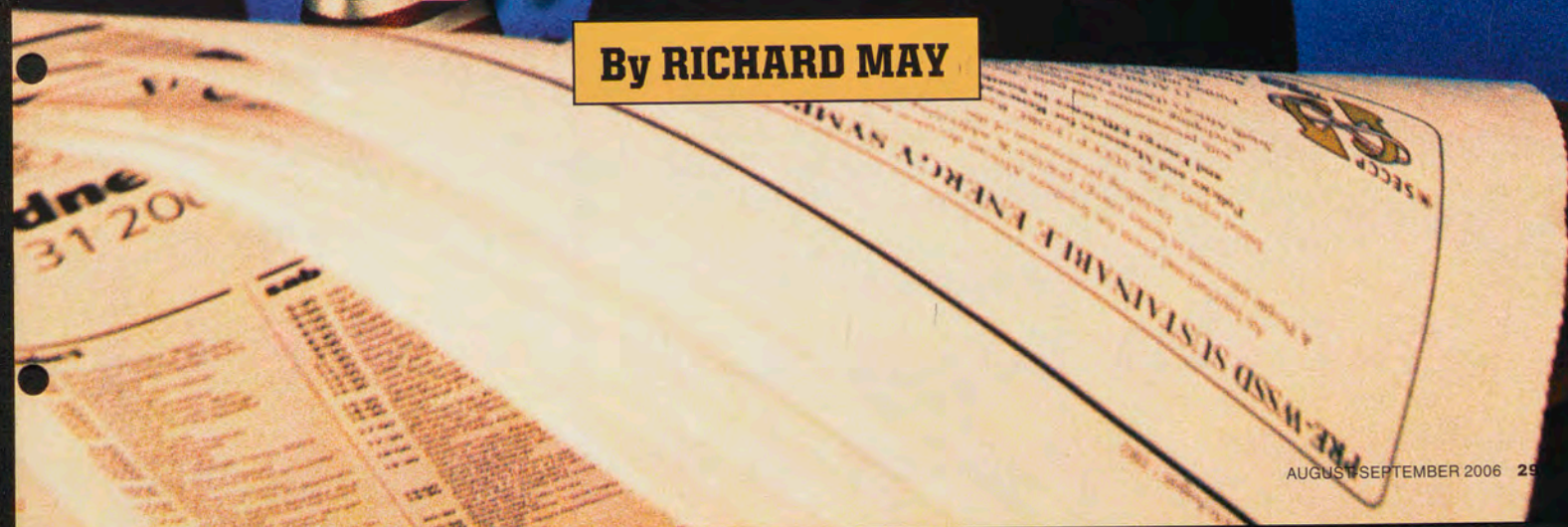
**R**ent-to-own's handling of media coverage and reporting of the industry has been one of the most challenging, pivotal and detrimental issues in its history. There have been periods where negative news headlines such as "\$5,000 VCR," "couch payments" and "RTO = Ripping Them Off" resulted in congressional action, national media scrutiny and a crippling effect on the industry's public policy and image. A series of recent negative newspaper articles throughout the country and, in particular, in the *Buffalo News* remind rent-to-own dealers that the media is a significant factor in the industry's marketing, growth and—more important—in the legislative and legal arenas.

The *Buffalo News* articles have prompted Buffalo, New York, city leaders to hold public hearings this summer to address companies that "target the poor," including rent-to-own. A recent report published by the Brookings Institution declares that public leaders can help the poor "by implementing stricter caps on fees and interest charged" through rent-to-own state laws. The articles have helped fuel criticism and potential advocacy against rent-to-own. New York's gubernatorial front-runner has stated that, if elected, he will use his power to address more stringent rent-to-own legislation.

As with every public aspect that touches rent-to-own, industry leaders are reminded that if we, as participants in this industry, do not control our public message and direction ourselves, outside entities will control the message instead. Again and again, the industry has found itself battling to uphold its reputation during legislative efforts, legal battles and public relations crises—and nowhere is this more damaging than in the media. Media relations is an ongoing effort that must be addressed not only by APRO, but by individual dealers as well.

# today, oh boy

By **RICHARD MAY**



**I**n the past, media relations for the individual dealer has meant damage control, and in cases such as the recent charges levied in the *Buffalo News*, damage control may be the necessary tactic for that area's RTO dealers. In the larger sense, however, rent-to-own companies should consider a more contemporary strategy: *proactive* media relations.

Research on potential rent-to-own customers consistently shows that the more familiarity potential customers have with RTO, the more likely they will become customers. That finding, in conjunction with analysis of the industry's more favorable media coverage over the past year, unveils a better climate for proactive media relations for RTO dealers. Rent-to-own critics in the media are still out there and dealers need to be ever watchful. But, the overall trend suggests that a more fine-tuned and proactive media strategy is in order.

During the past year, there were 293 news articles in which rent-to-own was featured or was a component to a news item. APRO compiled these articles, which were distributed through Internet services such as Google News and Yahoo, and categorized the news into four categories: general, negative, positive and business. Analysis of the types of rent-to-own news circulating across the country can help APRO members review their own media strategies, but more important, demonstrates how best to utilize the media for their company's promotions.

#### **BUSINESS NEWS:**

*Your business IS news*

**T**he majority of rent-to-own news items featured in local, state and national news fall into the business news category—items reported in the business sections of newspapers and online journals. Therefore, it is important to understand the necessity of a business media strategy to enhance marketing rent-to-own businesses as consisting of successful, independent dealers.

## **RTO in the news: key findings**

- ▶ 40 percent of news articles were business related, underscoring the need for a business news strategy for every rent-to-own company.
- ▶ 14 percent reported on the bad financial choice rent-to-own provides consumers. Less than 1 percent of the news featured rent-to-own's positive financial value—its flexible option in the marketplace. The industry and trade association need to continue to focus on the pricing issues and better promote the value of RTO.
- ▶ 45 percent of positive news reported was related to rent-to-own contributing or being involved in a charitable cause or event.
- ▶ 16 percent featured legal or legislative issues regarding rent-to-own, underscoring the importance of considering a media and public relations campaign in conjunction with a legislative campaign.

While many RTO dealers were featured throughout the year in business sections, 25 percent of the business articles covered one of the three rent-to-own public companies and their public stock reports and analysis. Equal to the RTO public company business news coverage was independent business news coverage regarding promotions and sponsorships by independent rent-to-own companies.

Most business sections of newspapers have a policy of free listings regarding store openings, closings or location changes. Many small newspapers will consider a store opening or moving as a news article. Also, many newspapers list or cover a business' anniversary, especially as the company grows and thrives in its community. Rental companies that do not celebrate store anniversaries with events are missing a positive public relations opportunity. Stores that *do* celebrate anniversary events should promote them to the business journals and business sections of local newspapers and media outlets.

#### **NEGATIVE NEWS:**

*Communicating the value of rent-to-own is the key to overcoming negative stigma*

**N**egative news coverage of rent-to-own is nearly twice as prevalent as positive coverage, according to the past year's compilation of coverage. The three predominant negative news categories were: articles reporting on how rent-to-own is a bad financial choice for consumers, articles critical of positive rent-to-own legislation and news items featuring specific rent-to-own stores.

While reports show that negative media coverage does not significantly affect customers and potential customers' response to rent-to-own, the most significant effect is demonstrated through governmental investigations, oversight and regulations that such news generates. A recent negative media campaign that affected public policy involved 21 news articles addressing the Wisconsin state rent-to-own legislation, 17 of which were specifically negative to the industry and legislation.

The articles featured critics of rent-to-own and, most damaging, headlines urging Wisconsin Governor Jim Doyle to veto the monumental rent-to-own legislation that passed the Wisconsin state legislature. The articles and editorials critical of rent-to-own obviously had an impact—Governor Doyle vetoed the legislation.

Fifty-eight percent of the negative news focused on rent-to-own's pricing, which underscores the industry's continuing need to educate the public and media on the value of rent-to-own in the marketplace. Five percent of negative news regarded a consumer complaint that had risen to such a level that it was considered newsworthy. Negative news coverage of bad treatment or consumer complaints are dangerous as

these articles have pushed rent-to-own companies into the courts and forced legislation upon the rent-to-own industry many times.

"While the number is significantly better than during the years of Public Interest Research Group press conferences, a fourth of total news coverage being negative is still a figure that is a concern to every rent-to-own business owner and needs to be addressed," says APRO Executive Director Bill Keese.

## POSITIVE NEWS:

*Communicating the value of rent-to-own is the key to recruiting new customers*

While positive news reflects only 13 percent of total rent-to-own news coverage, rent-to-own dealers need to understand powerful and desired results that positive stories can generate and incorporate similar news for their companies' marketing campaigns.

Charitable donations and the "big game" are two of the most important reasons the media reported favorably on rent-to-own over the past year. Nearly half of the positive articles featured rent-to-own dealers contributing to, or participating in, local charities. Many of the charity articles focused on hurricane relief in which rent-to-own dealers participated. Another significant percentage of positive stories focused on the renting flexibility of name-brand, big-screen televisions for the Super Bowl or the college bowl games.

If your company participates in a charity, always make certain that the charity recognizes your company in its press releases and promotions. In addition, consider alerting the media yourself about your company's participation

in charitable causes. Research conducted by APRO reveals that 42 percent of your potential customers would feel more comfortable about rent-to-own if they knew the company was involved in a local charity. Be sure to factor in your charitable donations as a part of your media and marketing campaigns. If you are uncomfortable tooting your own horn, then at least be sure the charity includes you in its press and promotions.

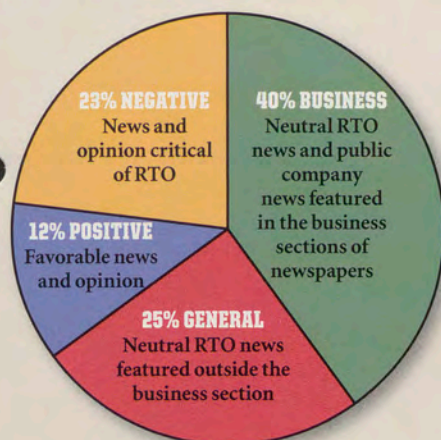
Less than 1 percent of all articles focused on the positive financial aspects of rent-to-own—e.g. rent-to-own is the most flexible transaction for consumers and it helps consumers build a credit history through regular payments. While that number is embarrassingly low, it does reflect potential opportunities and a fresh angle when approaching business reporters.

Reporters are constantly trying to find the new angle—and the flexibility of rent-to-own has historically proven to be a newsworthy angle. In 1997, when APRO launched its "Take a New Look at Rent-to-Own" advertising and media campaign, several major publications wrote positive feature articles on the flexibility of rent-to-own and renting. Those types of articles have long since gone and a new generation of business reporters are now primed for the new angle of rent-to-own.

If you do decide to approach a local business reporter, refer him/her to the *Trenholm Market Research Report* that demonstrates how powerful communicating rent-to-own's value and flexibility is in changing the public's mind. Reporters need statistical context to back up their angle and the *Trenholm* report is just a tool. The report is available to APRO members by calling 800/204-2776 or e-mailing Richard May at [rmay@aprovision.org](mailto:rmay@aprovision.org).

## What's the news?

How RTO news was disseminated in 334\* articles in one year



### POSITIVE NEWS

- ▶ Total number of positive news articles: 42
- ▶ Average number of articles per month: 3.5
- ▶ Average number of articles per week: 0.8
- ▶ 45 percent reported on rent-to-own contributing to, or being involved in, a charitable cause or event.
- ▶ 19 percent reported favorably on a rent-to-own company or operator—e.g., two articles featured APRO's Customer of the Year and Employee of the Year.
- ▶ 14 percent reported on renting big-screen televisions for the Super Bowl or college bowl football games.
- ▶ 7 percent reported on the financial value of rent-to-own—e.g., flexible option in marketplace.

### NEGATIVE NEWS

- ▶ Total number of negative news articles: 76
- ▶ Average number of articles per month: 6.3
- ▶ Average number of articles per week: 1.5
- ▶ 62 percent reported on the bad financial choice rent-to-own provides consumers.
- ▶ 39 percent focused on legal and legislative issues, predominantly in New Jersey and Wisconsin.
- ▶ 5 percent were news related—e.g., mistreatment of customers or consumer complaints.

### BUSINESS NEWS

- ▶ Total number of business news articles: 134
- ▶ Average number of articles per month: 11.1
- ▶ Average number of articles per week: 2.6
- ▶ 25 percent reported on one of the publicly traded companies.
- ▶ 25 percent reported on promotions and promotional events.
- ▶ 21 percent were general business news.
- ▶ 14 percent reported on store openings, closings or movings.
- ▶ 12 percent were in trade publications promoting business involvement with the RTO industry or a RTO company.

### GENERAL NEWS

- ▶ Total number of general news articles: 82
- ▶ Average number of articles per month: 6.8
- ▶ Average number of articles per week: 1.5
- ▶ 71 percent reported on rent-to-own legal and legislative issues.
- ▶ 25 percent reported on a specific rent-to-own store, company or owner.
- ▶ 4 percent reported on rent-to-own financial news that was not public company information.

\* Some articles were designated in more than one category—e.g., one article might be labeled both "positive news" and "general news."

## STOP THE PRESSES!

There are two significant trends rent-to-own dealers should consider when assessing or creating their company's media strategy. One is the Internet, which has revolutionized news coverage, giving RTO dealers a better opportunity to promote a positive image and additional outlets to present their side of the story. The news media is no longer governed by a small set of editors and, as a consequence, rent-to-own has a much better opportunity to promote its benefits.

The second trend is that the public's perception of RTO has changed—for the better. While many still know very little about rent-to-own, public perception has improved over the past several years. Rent-to-own dealers in the 1980s and 1990s had an unwritten rule that the media is to be avoided at all costs—the strategy being that no news is good news and any news will certainly be bad. In 2006, dealers need not fear the media and should incorporate a proactive media strategy in their marketing and promotion budgets and yearly campaigns. In 1997 and 1998, *NBC Nightly News* and ABC's *20/20* featured negative exposés of the industry, but the negative fall-out was minimal.

When two network television news programs featured negative reports on rent-to-own and the industry didn't suffer as a result, rent-to-own passed a milestone. APRO members and APRO's public relations programs have created enough education and information that the news media understand at least the basic necessity of the rent-to-own transaction in the marketplace.

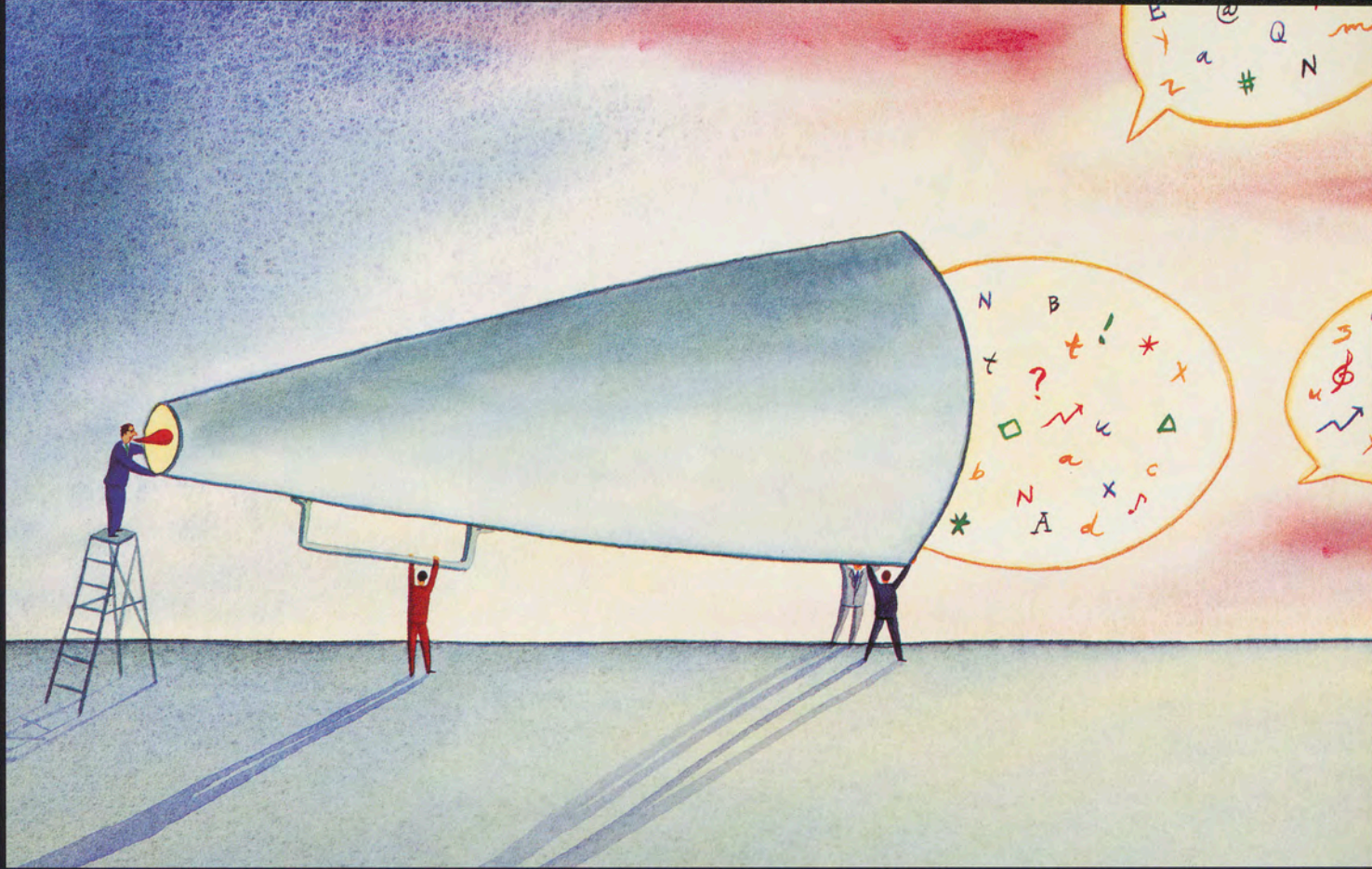
Reviewing the past decade of media activity, the headlines clearly show an evolution as rent-to-own has progressed from being portrayed as evil, then a necessary evil and on to its current evolution as a viable choice in the marketplace. Tomorrow's headlines can be rent-to-own as a *valuable* choice in the marketplace. RTO dealers need to take the next step and utilize the media to educate and communicate with the public on the value of rent-to-own and the role it serves for American consumers and the economy. Studies show that education about the value of rent-to-own will create new customers for your store—so let the media help you carry that message. Don't fear it; embrace it! ■

*Richard May is APRO's Public Affairs director. His e-mail address is [rmay@aprovision.org](mailto:rmay@aprovision.org).*

## What is your business news media strategy?

Every local media outlet has a business section that is responsible for covering your business. Be sure to find out who your local business reporter is and try to create a relationship with him or her. It is important to create and maintain a relationship because rent-to-own is afforded coverage as much as any other business. But reporters are bombarded with information on a daily basis so the responsibility is on the business to promote itself—not the reporters. The following are established story ideas that have created local press for APRO members.

- ▶ **Store openings.** Almost all publications have a policy for a free listing when a new store opens. A new store needs all the publicity it can get, so always use the new store opening as a hook with the local media.
- ▶ **Rent-to-own business involved in local charity.** Whether it's hurricane relief, educational scholarships or Habitat for Humanity, one of the most prominent story placements for the industry has been through charitable donations and/or involvement.
- ▶ **Local rent-to-own business celebrates anniversary.** One-year, five-year, 10-year (and so on) anniversaries serving the community are standard business stories that show community commitment, involvement and obvious business success for the number of years in operation. Do your stores hold their own birthday parties/sales events each year?
- ▶ **Rent-to-own and the "big game."** The most positive business articles featuring the flexibility of rent-to-own and the name-brand products it offers are from articles featuring rent-to-own's popularity for accommodating Super Bowl and the college bowl game parties.
- ▶ **APRO's RTO Customer of the Year and/or RTO Employee of the Year contests.** The industry received several positive human-interest stories highlighting the annual APRO Employee of the Year and Customer of the Year contest. As a consequence, your company should consider holding its own customer and employee contests to generate potential opportunities in your local newspaper.
- ▶ **RTO event/corporate sponsorship.** Many RTO dealers sponsor professional, amateur and little league sports teams and enjoy great marketing and branding success from those corporate sponsorships. An additional benefit to this strategy is logo placement, a common benefit to sponsorship. If a banner with your company's logo is included in the background of a newspaper photograph showing the winning home run, that baseball team won't be the only winner that day.
- ▶ **Rent-to-own isn't what it used to be.** The rent-to-own industry has grown up, offering brand names and customer service. It has become more fashionable and reasonable to the American consumer. The flexibility of payment options and the quality and choice of merchandise are found nowhere else in the marketplace. Let your public know this. Let your newspaper know this. Change their minds and help them dispense with outdated notions about rent-to-own.



## IS YOUR RENT-TO-OWN MESSAGE BEING HEARD?

**M**ake sure your advertising, media and public relations strategies are armed with the most current ammunition to recruit new customers and communicate effectively with the media. It's easy with APRO's *2006 Advertising, Public Relations and Media Relations Handbook for the Rent-to-Own Industry*—the most comprehensive public relations guide the rent-to-own industry has ever published. It features the stats and strategies you need to spread the word about rent-to-own. And it's *free* to APRO members.

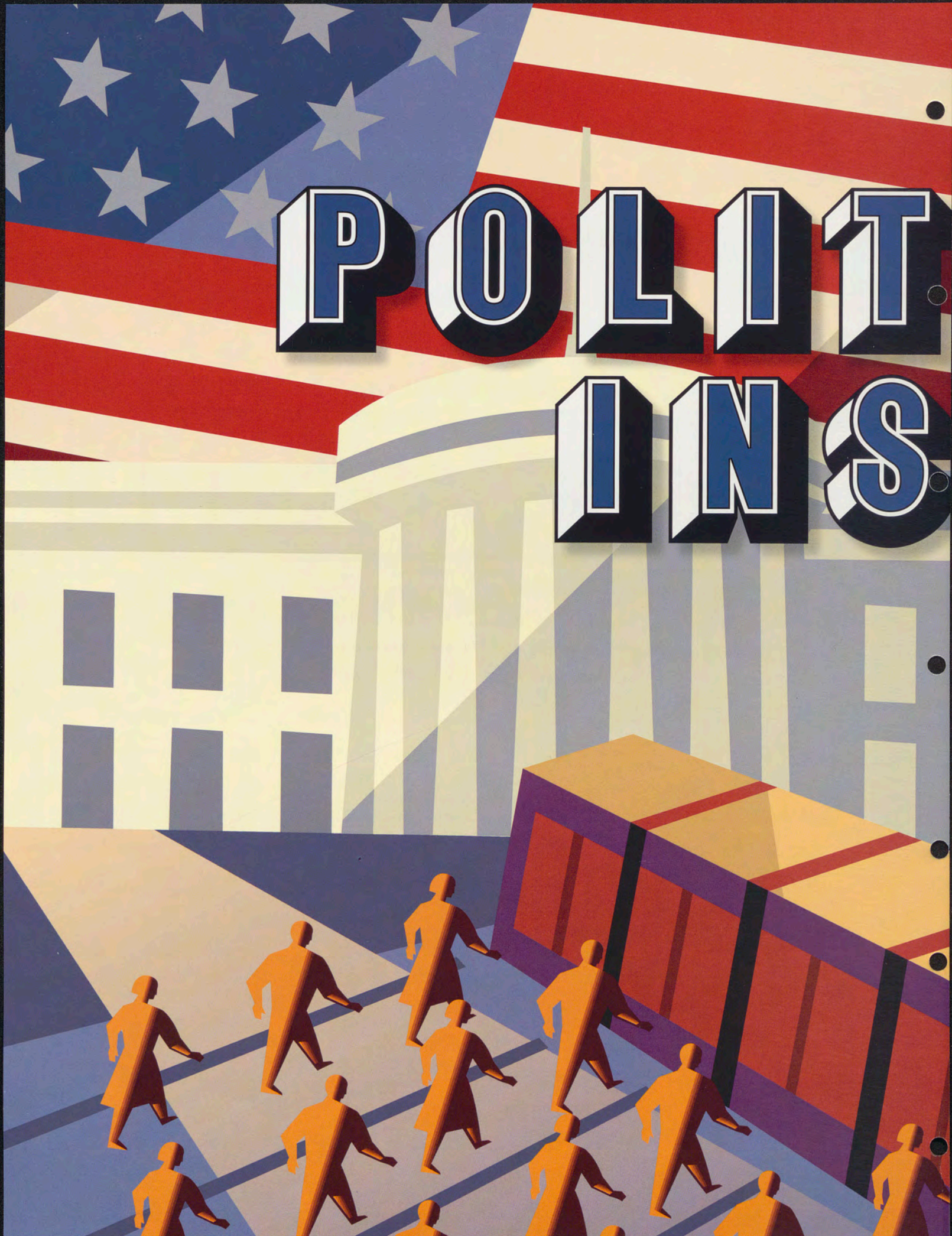
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# POLIT I N S





# POLITICAL INSURANCE

*How to make the most  
of your influence in the  
upcoming elections*

**E**very business pays insurance, be it health, casualty, life, property—the list goes on. But, as a small-business owner, are you also investing in your political insurance program? It's the one that may save your business as it has in the past when various legislative bodies have attempted to outlaw rent-to-own. In fact, when the mayor of a major city such as Buffalo, along with New York's attorney general and leading gubernatorial candidate, are currently calling for public hearings and proposing legal and legislative action for rent-to-own operators in their city and state, political insurance is just what is needed. ★ Elections are your political insurance. Elections are the one time when politicians need *you*—so take full advantage by helping out in elections and becoming more aware of the candidates and how their platforms may help or hinder your business. ★ The mid-term elections this November are significant for rent-to-own dealers in two arenas. First, as small-business dealers, most RTO owners support Republican candidates—and the current election analysis does not bode well for Republicans.

*By Richard May*



The elections are still a ways off, but here's what some of the polls and experts are predicting: 33 U.S. Senate seats and all U.S. House seats are up for grabs in the 2006 elections. According to a recent *USA Today* poll, Americans would elect 16 more Democrats than Republicans this fall, which would switch control in the House and potentially the Senate as well. According to the polls, there are five hotly contested U.S. Senate seats: Montana, Ohio, New Jersey, Pennsylvania and Rhode Island. Four of those are currently held by Republicans. In the U.S. House, the *National Journal* reports that 40 of the 50 most vulnerable U.S. House seats are held by Republicans.

### ***What can I do about it?***

You only have one vote in November, but you have more than one opportunity to help your desired candidates toward a victory. How can you make a difference? Well, consider your inventory, for starters. Furniture, televisions and refrigerators—every campaign office needs them to create a comfortable and effective campaign headquarters for the victory party or as a comfortable environment in which to commiserate should there be no victory.

Historically, rent-to-own has been a tremendous ally and much-needed asset in the election process. The home furnishings that rent-to-own provides are what every campaign office needs. Former APRO President Gary McDougal has used elections to the fullest, furnishing campaign offices for both Republican and Democratic candidates, thereby demonstrating support for the winner regardless of the outcome. Another former APRO President, Lyn Leach, first ensures that the candidate supports and understands the rent-to-own industry, then uses his stores and furnishings to help the candidates. Elections offer small businesses, corporations, associations and individuals an ideal opportunity to generate leverage with elected officials. So use the opportunity wisely.

### ***You have more to offer than you realize***

Here's how to best accommodate—and thus take advantage of—the upcoming elections:

**WHO NEEDS YOUR HELP?** Contact the state or local Republican and/or Democratic campaign offices to find out the election dynamics of the races of most concern to you. Tell them you want to help their candidates during the campaign and are wondering who

best to help. You'll likely get an immediate reply, as the contested races are where the political party's energy and money are spent. You also want to help politicians who need help. If you furnish Senator Kay Bailey Hutchison's (R-Texas) campaign offices, she may yawn when thanking you, as she is leading her Senate race in the polls at nearly 70 percent and, frankly, she's got all the help she needs at this time. But, if you offer your services to re-elect Senator Rick Santorum (R-Pennsylvania), you will be helping a senator potentially save his job for six more years and he and his campaign officials will be very grateful. So, choose your elections wisely.

**START AT THE BEGINNING.** An ideal strategy is to find open seats—be they state representatives or U.S. senators—and contact those

campaign offices with an offer to furnish their headquarters. If you can help a politician when he/she is at the beginning of a legislative career and is still unknown, you will create leverage and political insurance that can be very powerful if the candidate continues to win and move up the political ladder. APRO founding member Jim Brown learned that valuable lesson from his late partner, George Parsons, when Parsons helped out state legislator Sam Brownback in his early years. As Brownback rose to prominence, it was no surprise to see Parsons stroll through the U.S. senator's offices and receive welcome arms and support.

**OFFER YOUR PRODUCTS FOR ELECTION NIGHT.** When calling candidates' offices, offer to supply televisions, furniture and the like for election-night parties where the candidates gather to watch the returns. A big-screen television before a group of candidates on election night can give you a big bang for the buck. And the state Republican and Democratic candidates tend to assemble in one spot for the election-night coverage, so you may be able to cover much ground through such an event.

One drawback to this strategy, though, is that if you don't attend the election-night gathering for a higher profile and a chance to visit directly with the candidates you support, your political insurance doesn't cover you as well. Your show of support by supplying a big-screen television will be recognized by the Republican or Democratic party instead of directly by your candidates. In other words, it's your leverage with specific politicians that you may need down the road when those politicians are considering RTO legislation and not simply the party's gratitude for your election-night contributions. When it comes down to it, you'll profit more from the help of elected officials

than you will from political parties.

**VOLUNTEER AND CONTRIBUTE.** Candidates need money to promote their message and visibility. Attend a local fundraiser in the name of small business and rent-to-own. If you like a candidate, sponsor or host a fundraiser. Contributing money and/or time to a candidate's race is one of the most advantageous opportunities to create a real relationship with your elected official. ■

*Richard May is APRO's public affairs director. His e-mail address is [rmay@aprovision.org](mailto:rmay@aprovision.org)*

## What is your political influence?

If you have been in rent-to-own for any length of time, you know that small businesses are significantly affected by elected officials. How close are you to your elected officials? How much influence do you have? Here are some avenues for successfully influencing elected officials.

### ★ DO YOU VOTE?

On average, only 50 percent of an elected official's constituency votes. So, if you vote, you double your power with your elected official—and elected officials know if you vote. They have lists reflecting every person who voted in the past seven to 10 elections and they listen to those who vote—they typically don't waste their time or energy on those who do not. They don't know who you voted for, but they do know your party affiliation in the primaries.

### ★ DO YOU COMMUNICATE WITH ELECTED OFFICIALS?

Only 15 percent to 20 percent of an elected official's constituency communicates with the elected official through e-mails, phone calls and/or letters. By communicating with your elected official, you multiply your influence five to seven times. If you think you don't have a say in politics, think again.

### ★ DO YOU MEET WITH ELECTED OFFICIALS?

Only 5 percent of an elected official's constituency meet with him/her in person. This reason alone is why APRO's Legislative Conference is so important; it multiplies rent-to-own's influence 20 times for every meeting attended during the conference.

### ★ DO YOU CONTRIBUTE OR VOLUNTEER IN ELECTIONS?

Only 1 percent of an elected official's constituency contributes or volunteers in a candidate's elections. Elections are a golden opportunity to create a positive relationship with elected officials. Rent-to-own owners who offer to furnish campaign offices have an advantage that other industries don't.

## Who Can You Call About Disasters?



### The American Red Cross at 1-866-GET INFO

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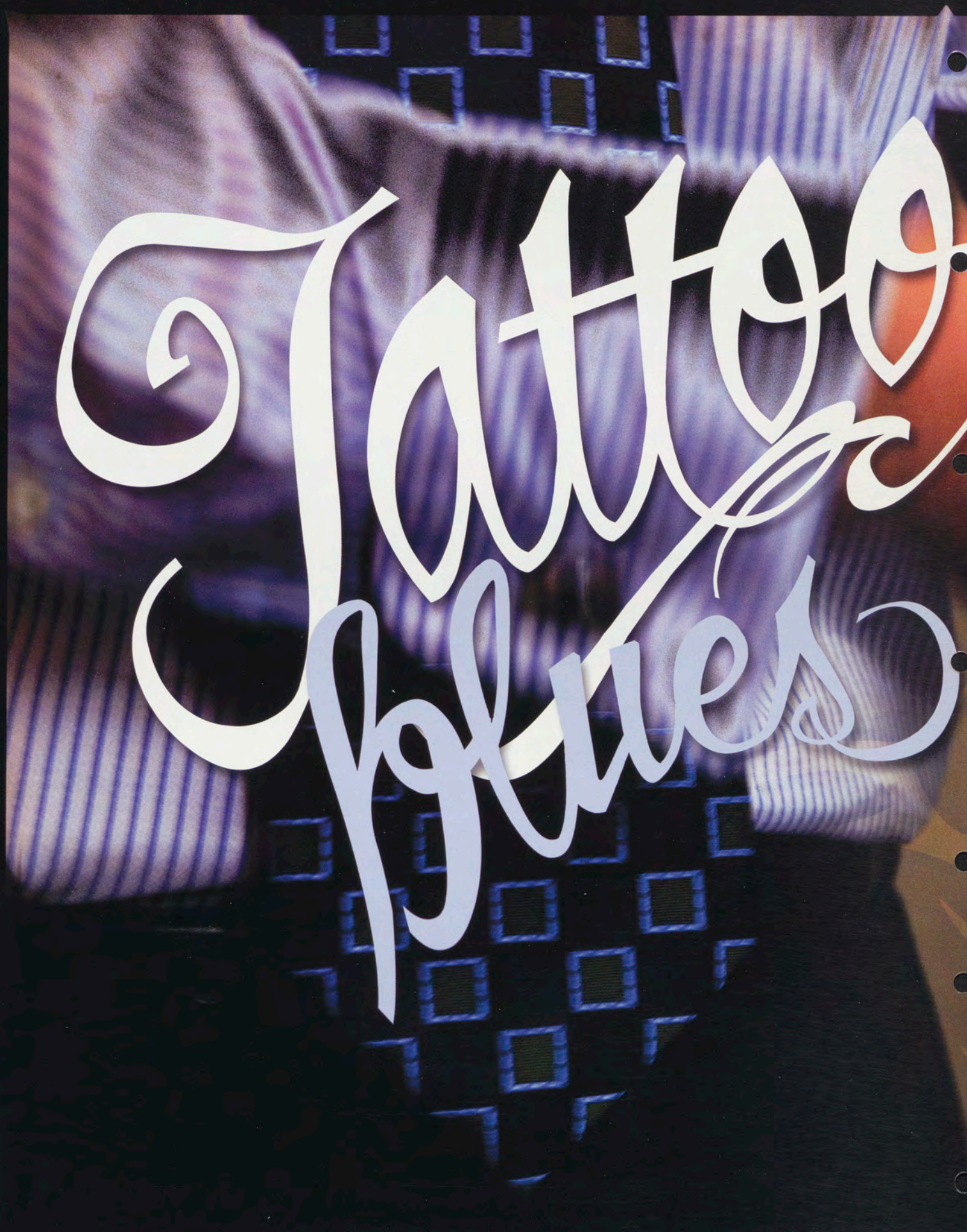



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# Tattoo glue





**THE RISING POPULARITY OF  
TATTOOS AND OTHER BODY  
MODIFICATIONS CAN LEAD TO  
FRICTION IN THE WORKPLACE.  
AS AN EMPLOYER, WHAT ARE  
YOUR RIGHTS IN LIMITING  
THOSE INDELIBLY STAMPED?**

The culture and employment policies are increasingly in conflict. The personal appearance of employees is of considerable concern to both employers and employees. At some point, employers, including rental dealers, have to assess their attitudes toward employees with tattoos, piercings or other voluntary body modifications. According to the Academy of Dermatology, nearly 25 percent of Americans between the ages of 18 and 50 and more than one-third of all 18- to 29-year-olds have a tattoo—and the percentage is on the rise.

**BY ED WINN III**



ental dealers may be more focused on the experience, honesty and work ethic than the appearance of prospective rental employees. Many might gladly hire an account manager with Maori facial tattoos à la Mike Tyson if he or she can deliver a refrigerator to a third-floor walk-up apartment single-handedly. But for dealers who do care about the appearance of the store's work force, what, exactly, are the rules?

There are no state or federal statutes guaranteeing the right to sport tattoos in the workplace. In fact, South Carolina still has a criminal statute on the books outlawing the giving of tattoos in the state. The District of Columbia has a municipal ordinance prohibiting discrimination based on "physical appearance" and the city of Santa Clara, California, prohibits discrimination based on "physical characteristics."

Courts, however, have generally allowed employers to dictate the dress and appearance of employees despite various constitutional challenges brought by employees who did not fit the employer's mold. As a general proposition, employers can have policies concerning dress codes, hair length, the wearing of jewelry for health and safety reasons, to promote a productive work environment and project a positive, professional image to customers and the public.

Employees have made discrimination claims based on the disparate treatment of males and females. Men have sued for not being allowed to wear earrings when the company policy allowed earrings for women. The Iowa Supreme Court in just such a case decided that the earring rule had a minimum impact on employment and did not rise to the level of sex-based discrimination. Several federal courts around the country have agreed. Those courts noted that most discrimination cases have focused on certain immutable characteristics of the employee, like race, sex and national origin—factors over which the employee has no control—and not on mutable characteristics, that is, aspects of a person that can and do change over time.

However, in a 2001 Massachusetts case, a woman sued her company for sex discrimination and won when the company told her that she had to wear long sleeves to cover the hearts tattooed on her arms while a male in the company was not required to cover his Navy tattoos on his arms. The company explained that the reason for the rule was that tattoos on a woman "symbolized that she was either a prostitute, on drugs or from a broken home." The man's tattoos identified him as a hero. The court ruled that the company's policy constituted an unlawful basis for treating men and women differently.

**A**ggrieved employees have argued that their tattoos are protected under the First Amendment's guarantee of freedom of expression, but courts have consistently ruled that tattoos are not protected speech under

the First Amendment. This is so even when the tattoo bears a political message. In an Ohio case, a nurse bore the tattoo "HIV Positive" and wanted to display it. The hospital said no and the nurse sued. The court ruled in favor of the hospital holding that the hospital's interest in not upsetting patients outweighed the employee's interest in showing the tattoo.

Courts have likewise consistently ruled that policies forbidding tattoos, body piercings and the like altogether or requiring them to be hidden at work do not violate an employee's freedom of expression or privacy rights.

Lately, and perhaps more promising for decorated employees, are claims brought by employees on freedom-of-religion grounds. An interesting example of such a claim comes from a 2004 Massachusetts case, *Cloutier v. Costco Inc.* When she was originally hired by Costco, Cloutier had 11 ear piercings and four tattoos on her upper arms, which she covered with a shirt. After she had worked there for a while, Cloutier joined the Church of Body Modification, which was founded in 1999 ([www.uscobm.com](http://www.uscobm.com)). Church members, who number about 1,000, believe in the practice of body modification and manipulation, piercing, tattooing, branding and flesh hook suspension as means of "strengthening the bond between mind, body and soul." Shortly after joining this "church," Cloutier came to work with several eyebrow rings. The Costco dress code provided that employees cannot have any visible jewelry on the face or tongue. Costco offered to let Cloutier cover the rings with a bandage during work or to replace the rings with clear plastic retainers so that the holes would not close up. Cloutier refused these offers, insisting that her religion required her piercings to be on display at all times. Costco fired her and she sued the company for \$2 million, arguing that Costco had discriminated against her on account of her religion.

Determining what is or what is not a religion is never an easy task and the United States First Circuit Court of Appeals admitted as much:

Determining whether a belief is religious is more often than not a difficult and delicate task, one to which courts are ill-suited. Fortunately...there is no need for us to delve into this thorny question in the present case. Even assuming, for argument's sake, that Cloutier established a *prima facie* [evidence that is sufficient, if not rebutted, to prove a particular proposition or fact] case, the facts here do not support a finding of impermissible religious discrimination.



CAMPDOWN/DREAMSTIME

*Courts have generally allowed employers to dictate the dress and appearance of employees despite various constitutional challenges brought by employees who did not fit the employer's mold.*

It was important to the court that Costco had been willing to accommodate Cloutier's "religious" practices. The court pointed to Title VII in the U.S. Code and noted that an employer need not waive dress codes as religious accommodation when another accommodation is available that balances religious observance with an employer's legitimate business interests.

Costco argued that it had a legitimate business interest in having its employees present a "neat, clean and professional" image and in catering to its customers' preferences. This might have been a harder case for the court had the employee not been so adamant in her refusal to cooperate with the company.



**A**dvice for employers for whom this issue is one of concern is to develop a policy that fits the company's desired image. Offer reasons for the rules so that

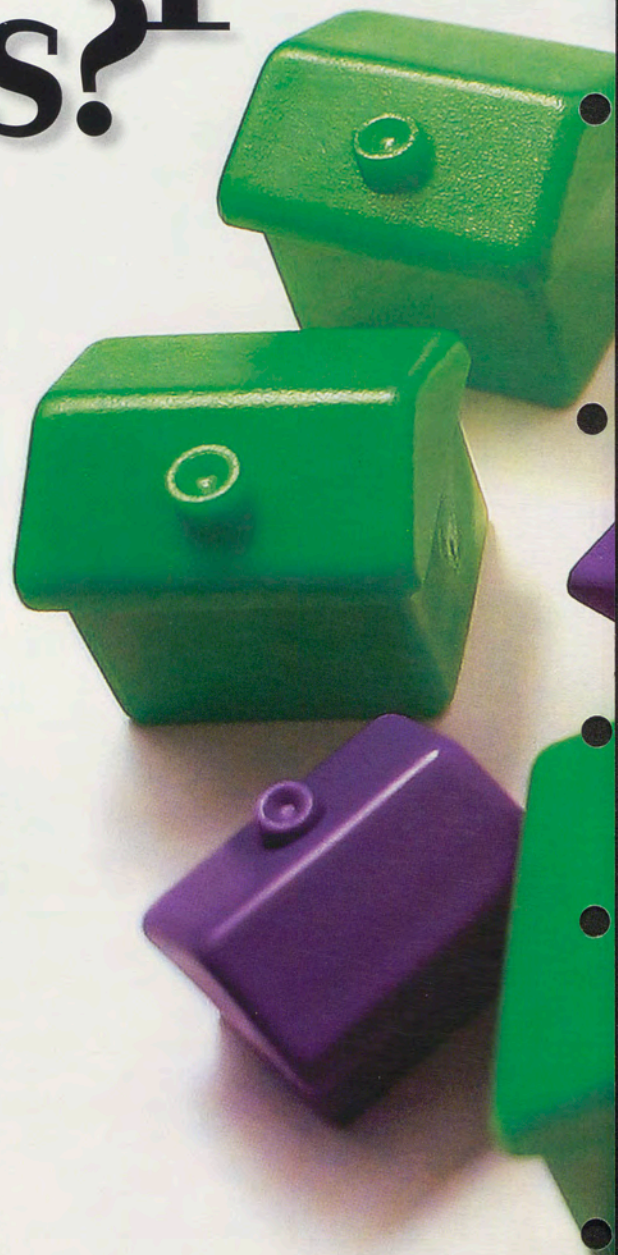
employees can understand the company's point of view. Develop the rules so that they focus on reasons like personal hygiene, safety, professional appearance or the company's image. Finally, be sure to apply the policy consistently to all employees.

As the desire to conform in Western culture wanes and the society continues to see the rise of personal expression in all of its occasionally aberrant forms, employers can expect to see candidates with unique and curious habits, modes of dress and lifestyles that employers do not want in their companies and employees do not want to leave at home. So far, employers can dictate reasonable rules for employees' appearance, but the attacks are mounting, the arguments are getting increasingly creative and they will certainly continue into the future. ■

*Ed Winn III is APRO's general counsel. His e-mail address is [edwinn@mwwmlaw.com](mailto:edwinn@mwwmlaw.com).*

# Are you neglecting your property assets?

**G**reat companies always provide excellent service to their customers and take exceptional care of their employees—that is what makes them great. But more often than not, great companies excel in *all* facets of their business, no matter how big or small. Every detail of their business is important to them. All businesses, whether they are great or mediocre, focus on critical assets such as cash, inventory and accounts receivable—these are the assets that allow the company to make payroll. Managing property or fixed-asset inventories is often an afterthought, falling way down on the priority list.



y



PHOTOGRAPH BY TOMD/DREAMSTIME

**When searching for ways to improve your bottom line, consider taking a closer look at one of the most overlooked assets of a business. What you find may surprise you.**

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***By Danny Wilbanks***

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**W**hy is it important to manage your property and equipment assets? Over time, mismanagement of these assets goes straight to your bottom line. For example, customers or employees may walk off with a laptop computer, trucks that are not maintained break down during critical deliveries or pickups, delivery personnel buy tools and dollies over and over and over...we have all seen the neglect.

My experience is likely similar to many other dealers. When I started my last business, I used an Excel spreadsheet once a year to keep track of the fixed assets of the business. Sound familiar? As we moved from the first five stores to ultimately 21 stores, my spreadsheet became unwieldy and inefficient. There are many hidden

accountant said, "What do you want it to be?"

As the joke points out, when it comes to valuing fixed assets, one must consider the purpose. For tax purposes, proper records allow you to report the highest deductible value. For property and casualty insurance purposes, you can save significant amounts by ensuring that you do not insure improper values, or that you do not duplicate some coverage. Some policies provide blanket coverage for computer hardware and software, eliminating the need for separate coverage for these items. Other policies may provide separate and specific coverage for signage and customer property in your store. Without good records, the dealer may purchase insurance on these items when they are already covered. Good records

**Go into your store with your spreadsheet—assuming you have one. Select 10 items from the list and find them in your showroom. Then select 10 items in your showroom and find them on your list. If your experience is as I expect, it will be clear to you that a little attention to these assets can save you money.**

costs associated with poor records. One significant cost is the unnecessary and expensive hours paid to your tax accountant to prepare your annual tax returns.

Another reality about fixed assets is that they are not truly fixed. Many times they are transferred from one location to another. Sometimes they "walk out of your stores" with aggressive employees or customers.

Try this simple experiment to determine if your experience is similar to mine. Go into your store with your spreadsheet—assuming you have one. Select 10 items from the list and find them in your showroom. Then select 10 items in your showroom and find them on your list. If your experience is as I expect, it will be clear to you that a little attention to these assets can save you money.

Maintaining good property records is important in several ways and assists you in:

- ▶ Tracking details, such as cost and age of significant assets;
- ▶ Accelerated deductions may be available for federal, state and franchise tax purposes;
- ▶ Some lenders use fixed assets as collateral for their loans;
- ▶ Property insurance costs are a function of the underlying property assets; and
- ▶ Property taxes are based on the assets on hand as of January 1.

An old joke points out another reason for managing these assets: Three applicants for one job were being interviewed—an Aggie, an engineer and an accountant. The employer asked each applicant the question, "What is the sum of 1 + 1?"

The Aggie said "3," the engineer said "2.000" and the

allow your insurance agent to scrutinize your assets and to report the correct values to the carrier.

Similarly, for property tax purposes, your objective is to report the lowest legitimate values to the authorities. There are many opportunities to minimize property tax values with the correct records. All too often, dealers simply turn in the values from their incorrect and unwieldy spreadsheets.

**I**t does not have to be this way. There are many inexpensive, PC-based software programs available today that make managing fixed assets simple. One product I discovered about the time we reached 10 stores is Fixed Asset Keeper. It is simple to use and tracks values for financial reporting purposes and for federal, state and AMT purposes. It has excellent reporting features and automatically provides all necessary year-end reports for your accountants, insurance agent and property tax purposes. This is not the only great fixed-asset software available, but it is a very efficient piece of software. With the abundance of good software available and their ease of use, there is really no longer an excuse for mismanaging your fixed asset inventory. ■

*Danny Wilbanks, CPA, is a partner in Wilbanks Christians PLLC, in Austin, Texas. His firm provides consulting and accounting services to entrepreneurs and small- to medium-sized rent-to-own dealers. He can be reached at [dawilbanks@aol.com](mailto:dawilbanks@aol.com) or by calling 512/997-9444.*

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Gala Cocktail Reception



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Gala Cocktail Reception



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Gala Cocktail Reception



Tote bags



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Complimentary beverages in the exhibit hall



Seminar breaks



Continental breakfast, Gala Cocktail Reception, complimentary ice cream, Convention Daily and Awards Dinner Reception







# The **Bolin** basics

## An APROfile of **Chris Bolin**

**A**fter years of dealing with the complexities of rent-to-own's big guns, Chris Bolin keeps it simple, on his own terms. For Bolin, owner and president of Bolin Rental-Purchase in Clarksville, Tennessee, his success boils down to one simple truth: "I know people," Bolin says. "I know how to talk to people, how to show respect for people. I got it from my dad and my grandfather and it's taken me a long way in life." ❁ Bolin is all about boiling it down. Born and raised in Clarksville—also home to the creator of the present-day supermarket concept and the inventor of the corn-sheller—the 42-year-old entrepreneur is a man who believes in the basics: hard work, good relationships and grit. In whatever direction the conversation begins, it seems to return to these core themes again and again. And why not? They've served, and continue to serve, this native Tennessean well as he climbs the ladder of rent-to-own success, rung by unpretentious rung.

**By Kristen Card**  
**Photographs by Teresa Cole**

# B

olin doesn't spend a lot of time delving into the details of his childhood and upbringing, so it's understood that when he does make mention of some event or person specifically, it must hold significance.

Bolin's quick to note that his parents, William and Patricia, were and are wonderful, and even quicker to mention the immense influence his maternal grandfather, John Powell Jr., had on him.

"He was a life-long, over-the-road truck driver," says Bolin. "And he had a wood business on the side. When he was in from the road, we'd go out and cut firewood for people to burn in their fireplaces and wood stoves. Boy, he kept me busy as a kid and that really stuck with me. That's where I got a lot of my work ethic from."

Powell and Bolin clearly shared a special cross-generational appreciation of one another. When Bolin expressed a liking for motorcycles, his grandfather signed for him to get his first motorcycle at the age of 16—which led to his first job, at Buddy Appleton's Harley-Davidson dealership.

Bolin also had a love for law enforcement and about five years after getting that bike, he earned his way onto the Clarksville Police Department. Bolin showed plenty of promise as an officer and at 25 was one of the department's youngest members to be promoted to sergeant. With the

101st Airborne Division located in nearby Fort Campbell, Kentucky, Bolin found his first experience as a supervisor a little intimidating.

"It was a unique experience being a supervisor for officers who were either retired or had done military

service. Many of them had seen combat duty," Bolin recalls. "It really gave me a distinctive perspective on managing people."

With seven years on the force under his belt, Bolin says he left the CPD under "unfortunate circumstances," again, not providing much detail, except to relate it to the next phase of his life.

"I just sat down and thought to myself, 'I can either file bankruptcy and sit here in misery,'" says Bolin, "'or I can get out there and find a job.'" Little did the dejected young man know he was about to discover not just a job, but a whole new career.

Bolin's first job as a civilian came as an account representative for Alrenco. Ambitious as ever, Bolin was promoted within only three months to assistant manager. In another three months he was dubbed store manager and, by his own account, became one of Alrenco's top managers.

Bolin was considering becoming a multi-unit manager when he accepted an offer from his former boss, Mike Foley, to work in Chicago for a Michigan-based ColorTyme franchise. Bolin moved on up to the Windy City to run five stores—and learned some hard lessons in rent-to-own.

"If you're very naïve, boy, that place will wake you up," Bolin says. "What a great, dynamic city. It's great, but it's a very, very competitive, tough market there. Fixed costs are high, labor costs are high and it's just plain hard to find good help.

"When I got there, the stores were in terrible condition, with no bench," he continues. "So I had to hire, train and develop people and, at the same time, reconcile inventories and get managers to practice the policies and procedures of the company. Boy, was it a challenge. But it made me a much better supervisor, a much more dynamic leader, for sure.

"I had all kinds of experiences and very little close supervision, so I had to make a lot of decisions on my own," Bolin says. "Some of them were wrong, but a lot of them were right. We really improved that operation there a great deal."



**Above:**  
Clarksville's  
Officer Bolin.  
**Right: Chris**  
with his wife,  
Zulima.

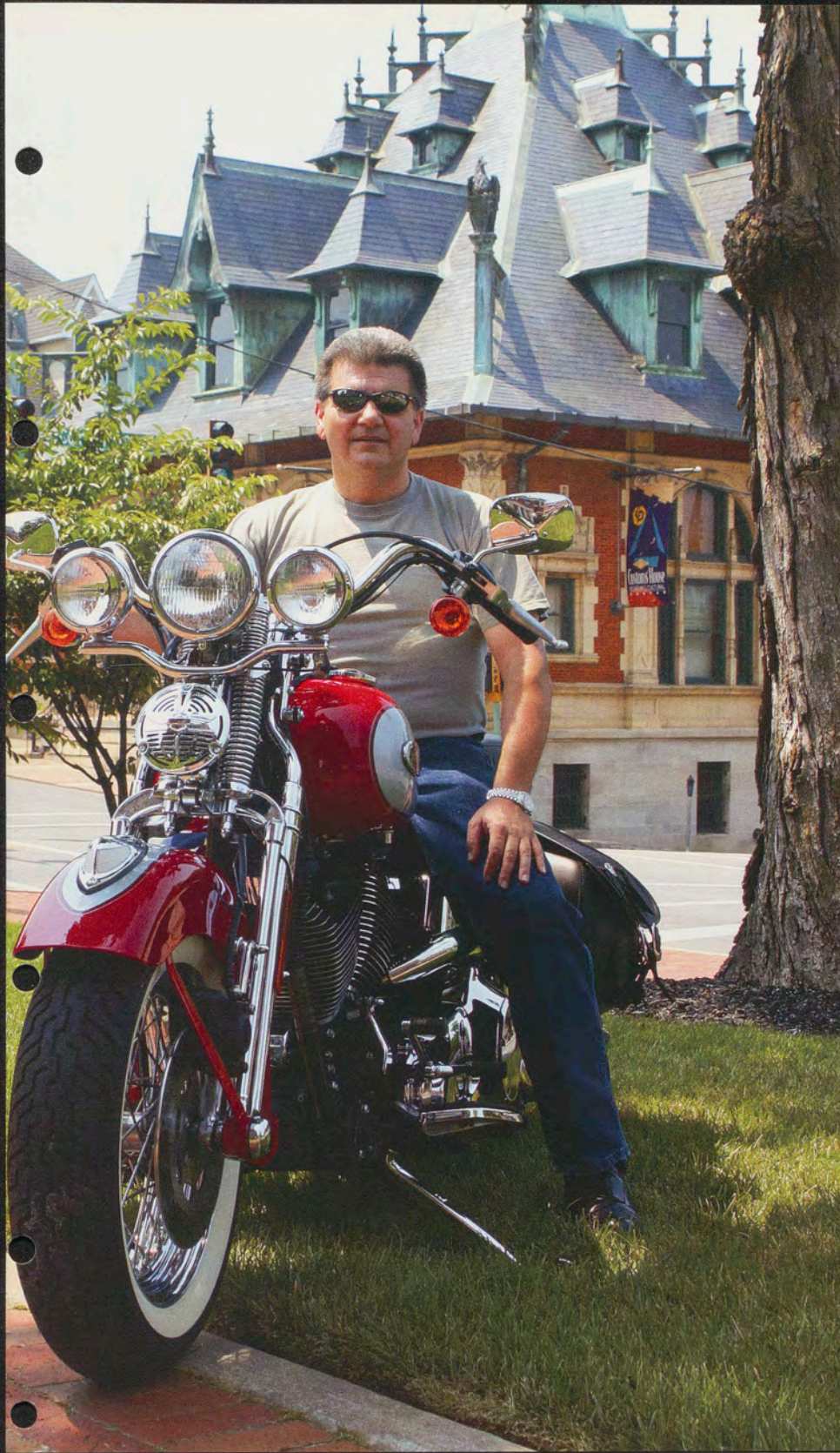


# H

e had been in Chicago less than two years when Bolin got a call from Alrenco Chief Operating Officer Bud Holladay, wanting him to return at Alrenco. "He said if I was happy, then that was fine," says Bolin, "that he'd just call me again next winter." But Bolin had already had his fill of the big city and definitely didn't need an engraved invitation to escape another bitter Chicago winter. He returned to Alrenco as a multi-store manager, working from a Nashville base.

Bolin rode the wave as Alrenco went public, merged with Home Choice, which then merged with RentWay.

"I changed companies three times in six years, but kept the same job," says Bolin. Despite supervising



**“You’ve got to persevere. Instead of feeling sorry for myself, I sought something new and different, something I could be good at, and I can try to make my life better and make the lives of those around me better, too.”**

stores in Lexington, Kentucky. By that time, though, he was already thinking ahead.

“I didn’t see myself being promoted by the current RentWay bosses, so I thought, ‘Maybe I should do something for myself,’” he says. “I knew how to select sites, negotiate leases, set up software, control expenses, buy product and advertise effectively, so I figured, ‘Why not?’”

So Bolin came full circle, going home to Clarksville to open up his new store, named, simply, Bolin Rental-Purchase. It was February 2004 and Bolin says he hasn’t regretted a moment since.

“Boy, what a home run,” says Bolin. “It’s been great. I got so much upfront help and support from owners and operators like Brownie Calvin, Bill Kelly, Eric Marlin and Jeff White. The only real concern I’ve had was back between about month six and month 10—I still don’t know how all the checks cleared, all the

as many as 13 stores at once and working in six different states, Bolin just couldn’t seem to get that elusive next promotion.

So in 2000, when Bestway Rent-To-Own made him an offer to be a regional manager—with the potential of becoming a vice president for the company—Bolin accepted and went to work overseeing 10 stores in Middle Tennessee.

The bottom unexpectedly fell out of that deal when structural changes eliminated the promise of promotion for Bolin. He briefly returned to RentWay to run eight

invoices got paid on time and the store stayed full of inventory. It was just a miracle that all that happened, because our cash flow was just virtually nothing.”

However it happened, it doesn’t seem likely to need repeating. Today, Bolin Rental-Purchase has a healthy cash flow with minimal advertising and myriad referrals. The company still consists of only the flagship store with four full-time employees renting computers, electronics, appliances and furniture. Bolin says that while he plans to expand his business, he wants to pay off debt first.

Meanwhile, Bolin claims the bulk of his business success to date can be tied to a single underlying and recurring concept: strong, positive relationships—with colleagues, employees and customers.

“Our showroom looks and feels crisp and clean, it has a good feel about it, and our product looks good, feels good, is priced reasonably,” says Bolin. “But really, it’s about the people. Our employees have a terrific attitude and we just take care of our customers. We just love our customers. My employees know if you don’t love our customers, then you just can’t work here. I make sure my employees treat my customers the way I want to be treated when I’m standing on the other side of the counter.”

Bolin’s customer-is-king philosophy is clearly working. Within the first half of the year, Bolin Rental-Purchase had more than 200 rental agreements pay out, while continuing to increase rental revenue. But while customer relationships are the company’s top priority, Bolin understands it takes happy employees to make happy customers.

“One of the things I knew would help me build a great organization was taking care of my employees,” Bolin says. “I pay very competitively, I offer health and dental plans—which the company pays half of—I pay for life insurance, they receive holiday and vacation pay. Trying to treat people right and give them a job with perceived value has helped me retain good people who treat our customers really well.”

Bolin says his approach to people is somewhat instinctive, but was naturally shaped by his family and raising,



and has been dramatically refined by many mentors during his dual careers—people like Alreco’s Bud Holladay.

“Bud was really tough,” says Bolin. “But if you did the right thing, if you worked smart, focused on your job and did what you were supposed to do, then he made sure you weren’t overlooked. He was very inspirational to me.

“I’ve made a lot of relationships in this industry,” Bolin continues, “And a lot of those people I still go to today for advice, information, encouragement. I’ve had some relationships for five, 10 years or more, and it’s still an excellent exchange. As long as you’re honest with people, shoot straight and treat people like you want to be treated, generally, you’re going to do okay.”

Bolin says one of the most valuable pieces of wisdom he has gleaned from industry cohorts is to find other people like himself and teach them everything he knows.

“I think too many times, managers are very reluctant to share information with other people because they’re insecure, and that, I think, is a fatal flaw,” says Bolin. “If you don’t try to find people as sharp or sharper than you are and show them everything, then you’re failing at your job and you’re failing at developing that other person. Especially in larger companies, you see managers keep their cards very close to the vest, because that information is their special thing, their security. But they’re really hurting only themselves—the person they’re supposedly training, yes, but ultimately, themselves. When you share information, a whole new dynamic opens up and you’re able to accomplish twice the work in the same time, as well as motivate people and develop careers.”

Bolin believes this type of information-sharing is essential to success; he also believes it’s the single greatest value in industry trade organizations. A member of the Association of Progressive Rental Organizations since the day his doors opened and vice president of the slowly-and-steadily-blooming Tennessee Rental Dealers Association, Bolin is continually awed by the overwhelming knowledge among these groups’ members and their utter openness to impart it all.

“Wow!” he exclaims. “This industry is so different from so many other industries in that owners and managers and vice presidents will tell you all sorts of information and share it with you freely. That doesn’t happen much in other businesses.





**“Too many times, managers are very reluctant to share information with other people because they’re insecure, and that, I think, is a fatal flaw. If you don’t try to find people as sharp or sharper than you are and show them everything, then you’re failing.”**

**BOLIN’S TEAM.** Standing: Brandon Wilkes, Chris Bolin and Keith Williams. Seated: Gene Mealey and Ronald Hayes

“Every time I go to an association conference, someone comes up to me and says, ‘I didn’t know this,’ or ‘I didn’t realize that and I’m really glad to have gotten this information today,’” Bolin says. “There’s a ton of information you’ve got to have to run your business and it’s freely available at these member events. It’s really good; I think it really makes rent-to-own unique and dynamic.”

**B**olin, inspired, is happy to share his own nuggets of advice with would-be rent-to-own entrepreneurs, gleaned from that iffy premier year of his now-flourishing store.

“Don’t plan on paying yourself much money, at least for that first year or so,” he counsels. “Plan on working sun up to sundown, six or seven days a week. Plan on that being your only focus. And if you’re married or have children, make sure your family understands and supports what you’re doing.”

Luckily, Bolin’s wife, Zulima—a native of Medellin, Colombia, whom Bolin met via the Internet—understood and supported the intensity of both Bolin’s dream and the demands associated with launching a new business.

“I think back now on some of the stress and pressure—even though it was a good sort of pressure, I was doing something really good for myself,” says Bolin, “and I realize, if I’d had a wife who didn’t get it, or was upset or angry whenever I was gone all day and half the night,

or who didn’t come into the store sometimes and bring me lunch or other things like that, boy...then that would have been a super-tough time for us. Thinking back at it now, though, this is probably the single best decision I’ve ever made in my life.”

The couple have been married for more than four years. Today, with a little more flexibility in Bolin’s work schedule, he and Zulima enjoy gardening together and frequent trips to Colombia. Bolin also searches for opportunities to scuba dive and water ski whenever possible, and retains his love of motorcycles.

Hard work, good relationships, grit. Elements that seem so simple, so basic, yet seem to cover so much ground in Chris Bolin’s life and success. While the first two are evident to those around Bolin from day to day, the third—the grit, the determination, the tenacity—might escape those unfamiliar with the continual pullings of the proverbial rug from beneath him. But it isn’t lost on Bolin.

“You’ve got to persevere,” Bolin says. “There have been lots of obstacles in my life and if I would have just sat down and given up, then nothing good would have happened. Instead, I found ways to go around and instead of feeling sorry for myself, I sought something new and different, something I could be good at and I can try to make my life better and make the lives of those around me better, too.” ■

*Kristen Card is an independent business writer in Austin, Texas.*

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Ste. B  
Atlanta, GA 30329-3920  
404/636-6143; fax 404/320-1490  
[absartistic@bellsouth.net](mailto:absartistic@bellsouth.net)

**Bryce Co. \* ^**  
Contact: Bryan Collins  
1612 2nd Ave. S.W., #232  
Cullman, AL 35055  
800/880-9434; fax 800/881-0194  
[bryan@brycejewelry.com](mailto:bryan@brycejewelry.com)  
[www.brycejewelry.com](http://www.brycejewelry.com)

**M&B Jewelry \* ^ +**  
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Chattanooga, TN 37416  
423/894-4480, ext. 227;  
fax 423/894-5122  
[rtyson@mbjlry.com](mailto:rtyson@mbjlry.com)  
[www.mbjlry.com](http://www.mbjlry.com)

**Motivated Marketing \* ^**  
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