

## THE PRESIDENT'S MESSAGE

You've heard it often but I'm here to say it one more time, "Time goes fast when you're having fun." It's hard to believe that I've served as President of the ARA of New Jersey for two years already. It's been both a wonderful experience and a learning experience. The seminars I attended at ARA National will serve me well throughout my working life.

Don't think me prejudiced (even though I am) when I say that our ARA state organization stands head and shoulders above most others. Our Web page (one of the first) serves as a model for other affiliates. I'm proud of the seminars we've held and the education programs we've gotten underway.

This will be the last message you'll get from me in my capacity as President and I would be remiss if I let it pass without acknowledging the people who are the backbone of this organization, those who did the work and got things done. I tip my hat first to our officers: to Vice President, Brian Higgins - special thanks for taking the reins and pinch hitting for me when it was needed; to our Treasurer, Tom Lade, who kept our spending on the straight and narrow and never allowed us to get frivolous; and our Secretary, Megan Jones, who handled a seemingly thankless job so well.

It goes without saying that this organization could not function without its Committee Chairmen. The folks who put together anything and everything that was required of them and always pitched in when needed. I'll acknowledge them here in no special order: Steve Kohn, Joe Mihalko, Dave Hinck, John Futcher, Howard Heller, Roy Peragallo, and Kalki Joisier. Thanks, too, to Carl Sparacio, who did his best to make me look good.

At the next meeting you will elect new officers. When they are in place I can guarantee they will do a great job because they will have behind them, just as I did, the flesh that covers the backbones of this organization: our regular and associate membership. Face it, without you there would be no organization.

I'll take advantage of my space here to give you a last piece of advice: Support your organization, it needs all of you in order to be viable and to accomplish its goals, goals designed to help you and me and our businesses. The best way to show support is to become involved, to be active and, above all, attend meetings and social functions.

As I ride off into the sunset I'll leave you with a few more words from a grateful, soon to be "ex," President:

A sincere thank you to all of you!

..... Tony Perrotta

# JERSEY TALK

Tim Voss, *Tri-state Rentals*, reports that he not only has a brand new building, but has added the Kubota line to his product line. If anyone needs Kubota information, give Tim a call.

David VanDenburgh and Rob Fisher are breathing a little easier since their recent move of *Adams Party Rentals* to their new and larger Trenton location.

Kristen Avolio has joined Mike and Marie in the party end of *United Rent-All*, Hillsborough.

Congratulations to Mike Mihalko (*Party Pleasing*) and his bride Andee! When does she start work in the party business?

Home Depot, Dover has no definite opening date for their rental operation - but probably the year 2000.

Villager's Hardware, East Brunswick, is open and not renting equipment. the next store will be in Garwood.

..... Howard Heller

*For contributions to Jersey Talk, call or FAX Howard Heller.*

## HELPING THE LITTLE GUY FIGHT THE BIG GUY

Editors note: This excerpted from an article by Joel Kotkin appeared in the Oct. 24th New York Sunday Times. We think it would be as relevant if "**Starbucks**" read "**Home Depot**" instead.

Long Beach, Calif.

For two decades, Michael Sheldrake was the coffee king of Second Street here. With virtually no competition within 20 miles, his **Polly's Gourmet Coffee** dominated the market in the affluent Belmont Shores section of the city.

But Mr. Sheldrake's idyll, like those of many other small-businesses owners, was disrupted by the coming of the "category killer" chains. In his case, he found himself up against arguably the most formidable mass retailer of this decade, **Starbucks**. Polly's sales

fell 10 to 15 percent when a Starbucks store appeared a few blocks away in Long Beach in 1994. And in 1998, another Starbucks opened just 78 yards away from Polly's.

"We were getting despondent," Mr. Sheldrake said. "We were just trying to hang on. We had a chain problem and didn't know what to do."

Perhaps no phenomenon has more profoundly transformed American Main Streets than the "chain problem." From tony Annapolis, Md., to the Melrose district of Hollywood to bohemian Harvard Square in Cambridge, Mass., retail streetscapes have been steadily homogenized as heavily marketed national chains have outgunned and displaced locally owned rivals, whose resources and organization generally pale in comparison with the likes of Starbucks.

But the way Polly's responded to the chain problem demonstrates that resistance is not futile. In a turn of events that suggests some hope for small-scale retailers, Polly's fought back, and has managed to grow and thrive even with two Starbucks in its neighborhood. Sales rose 40 percent in 1998 and are on a pace for a 30% rise this year.

With help from a retail consultant, Bob Phibbs, who specializes in helping independent businesses cope with chain-store competitors, Polly's decided to take aim at Starbucks in two ways: beating the chain at its own game by operating even more efficiently, and exploiting the inherent vulnerability of many chains: "The problem with a chain is that it's like a mall: it's all mechanical, and there's no relationship with the customers," said Mr. Phibbs, 41, whose other clients have included independent hotels and pet stores.. "I think people are getting sick of the megastores. People are disaffected."

In the case of Polly's, Mr. Phibbs advised the company to stress the fact that the store roasts its own coffee on site, which is impractical for a sprawling chain like Starbucks, considered trendy by many of its customers, was derided in Polly's local advertising as a mere purveyor of "ordinary" coffee.

But Polly's resurgence was built on more than positioning. Mr. Phibbs urged the store's management to adopt the chains' best organizational and management ideas, like putting an end to a plethora of special arrangements between employees and long time customers for free or cutrate services and tightening cash management procedures. Employee's attended mandatory classes to improve their sales skills.

"The advantages of the chains are their procedures and administration, Mr. Phibbs said. "If an independent doesn't learn how to be just as efficient, they're going to be dead fast.

Starbucks' sales at stores open at least a year were 8 percent higher in September than they were in September 1998, and it has bought out one smaller competitor after another; it now has 2,500 stores, up from just 11 a decade ago. Starbucks' chief executive, Howard Schulz, has spoken of growing to 20,000 outlets, rivaling McDonald's 25,000 stores for sheer ubiquity.

Yet it is Starbucks concentration on growth, Mr. Phibbs said, that gives companies like Polly's their opportunity. the bigger Starbucks gets, he said, and the further afield it goes, the more trouble it will have maintaining consistent high quality in its product and in customer service.

The chains expansion into other kinds of drinks, including sweetened iced coffees, and Mr. Schulz's Internet ambitions to turn Starbucks' Web

site into a dominant "premier life style portal" have not yet excited much enthusiasm on Wall Street, where analysts are concerned about a conceived lack of focus. Translated into Main Street terms, Mr. Phibbs said, Starbucks risks squandering its cachet as an upscale coffee house. "Starbucks is not a coffee business anymore," Mr. Phibbs said. "It's a drinks business - a McDonald's of the 1990's."

Starbucks doesn't see itself as Goliath to the independents' David. It says it doesn't look at competition on a neighborhood-by-neighborhood basis. "We couldn't be happier that this guy is doing great business," Arthur Rubinfeld, Starbucks' president for store development said of Mr. Sheldrake and Polly's, because it enlarges the market for everyone: "more people are on the street looking for a coffee experience, and the higher end coffee ends up doing better." But he took issue with the claim that in-store roasting gives Polly's a quality advantage over Starbucks. "It's not relevant in this day and age. We source and roast the best quality beans," he said.

Still, for entrepreneurs like Mr. Sheldrake, any weakness that might appear in the strategic focus of a powerful chain represents a chance to survive and thrive. But, given the chain's marketing muscle, Mr. Sheldrake said, he knows that independents like Polly's can never afford to backslide or become lazy.

"A small business can stand up to a chain," Mr. Sheldrake said. "But you can only do it if you have procedures as good as theirs - and better coffee, too."

## ODDS & ENDS

### PARENTS DICTIONARY

**Amnesia** - Condition that enables a woman who has gone through labor to make love again.

**Impregnable** - A woman whose memory of labor is still vivid.

## YOUR ARA-NJ CALENDAR

**November 17th** - Regular ARA-NJ meeting.

Annual "Roundtable" Night. To be held at Tom Lades, All County Rentals in Morristown.

**January 23, 2000!**

# CASINO NIGHT!

Details elsewhere in this issue.

Have you made a reservation? If not, FAX, e-mail, call or write to Carl **ASAP**

FAX: 201-236-8934 e-mail: poppicarl @ msn.com

Phone: 201-327-2495

Write: ARA-NJ  
c/o Carl Sparacio  
28 Refy Avenue  
Ramsey, NJ 07446

## SIGNS OF BECOMING A RENTAL WORKAHOLIC

Owners and employees of rental stores are particularly prone to overwork. Perhaps this is because we are naturally overachievers who set high standards, or because the pace of business is becoming faster year by year. Hard work is usually thought of as productive and leading to increased success. But overwork is often associated with upcoming mental and physical difficulties.

Common signs of overwork include: infrequent time spent with family and friends, which can lead to family difficulties; feeling the constant need to work evening after evening and on the weekends; thinking of relaxation as wasted time; anxiety about being away from phone, FAX, or e-mail; furiously trying to put as much work as possible into every business day and often missing family appointments because of work; undue anxiety during simple, everyday situations such as waiting in line at the post office or when in slow traffic; health changes, such as insomnia, lingering flu's or colds, or sudden weight loss or gain; onset of memory difficulty or forgetfulness.

Constant overwork, and the stress accompanying such pressure can take its toll on mental and physical health. If stress persists, the system will begin to rebel and break down, resulting in the possibility of serious illness.

To reduce the drive to overwork, a person must first realize that it is a problem. When business associates comment over and over about a coworkers overloaded work schedule,

the person should listen. The same is true when a person's family members complain that he or she is always absent from family activities.

Often, an over achiever needs to re-prioritize goals and methods of achieving them. They should realize that overwork is counterproductive in the long run; it will lead only to stress and illness. A more steady, manageable schedule is best suited for long-term success in any field.

A Rental store person should take breaks during the workday. If he or she sits at a desk, they should get up and stretch. Or better yet, they should step outside and take a few deep breaths. the old saying, "take time to smell the roses," contains a lot of good common sense. Often we get so wrapped up in work that we take no time to appreciate the world around us. Too often, this includes family and friends.

On the weekends, an overachiever should take time to engage in activity that totally changes the everyday pace. they should watch TV (I don't recommend the Jets - this could cause additional stress), play with the kids, read a book, meditate, jog or walk vigorously, or simply take an afternoon nap. Avoid putting up tents, taking apart a chain saw or wood chipper. These "schedule-busters" will help a person slow down, and will set the tone for a more relaxed, and perhaps even more productive, workweek.

Hobbies for overachievers should be easy going. Competitive golf, for instance, plays into the same edge that a workaholic has at the office. And light tinkering with tools in the basement shouldn't lead to building and addition on the house.

Overachievers obviously need to relax a bit and take life a bit more leisurely, but for many workaholics this can be as difficult to accomplish as it is for an alcoholic to stop drinking. When this is the case, professional help may be needed. They should consider consulting a psychologist or psychiatrist experienced in the field.

Think about it. .... Steve Kohn

## **FROM THE "VEEP"**

### **HURRICANE FLOYD HITS NEW JERSEY AREA MEMBERS HARD**

Remember the drought of '99? Reservoirs were 15 to 20 percent below normal levels and crops dried up, lawns burned out and water restrictions were put into effect.

On September 16th Hurricane Floyd swept up the east coast and right across New Jersey dumping up to fifteen inches of rain in some areas. Several ARA-NJ members were

affected either at work or home with damages topping \$250,000. Fortunately nobody was injured and everything is almost back to normal.

Improving drainage, placing pumps in basements, and grading land to divert water away from a structure can minimize the effects of flooding. In the case of Floyd, there was little that could be done because the amount of water was so great.

The best way to protect yourself (besides moving) is to have adequate insurance coverage. Most rental dealers cover damage by flood to their rental equipment but exclude or limit coverage for damage to Buildings and Contents.

If you live in an area that is susceptible to flood, your bank or mortgage company probably required you to purchase flood insurance before they closed on your loan. that covers your house but not the contents unless you bought coverage for them. And, since most Homeowners policies exclude flood damage to building and contents, now is a good time to check your coverage while Floyd is still fresh in your mind.

Contact your agent or the National Flood Insurance program at 1-800-638-6620 for more information.

..... Brian Higgins

# THE NEXT MEETING

**7 PM**

**Nov 17, 1999**

**at**

**All County Rentals  
2 Lackawanna Place  
Morristown, NJ**

**Host: Tom Lade**

**Tel : 973-267-1255**

This ARA-NJ meeting is our annual **Roundtable**. Three subjects are covered, each by a discussion leader with members (who will have the opportunity to participate in all three topics). Topics under discussion will be:

**Proposals and Presentations (stores are asked to bring copies of their brochures).**

**How to Keep From Getting Beat.**

**Keeping Yesterday's, Dealing with Today's, and finding Tomorrow's Customers.**

Food will be available at 7 PM, prior to the meeting.

## DIRECTIONS

Take Route 287 (north or south,) to exit #36 in Morristown.

From South you will exit onto Lafayette Ave., From North, follow signs to Lafayette.

Go thru traffic light, past Mercedes dealership (on right) over a small hill. You will see a railroad overpass. Make a sharp left immediately before the overpass. This is Lackawanna Place. All County Rentals is directly in front of you (on the left). Make a left turn into the driveway.

## RENT-A-CELL PHONE

"Some Enchanted Evening, you may see a stranger acro-o-o-o-ss a crowded room ..."  
Can't you just picture the Broadway musical, "South Pacific," and Mary Martin and Ezio Pinza gazing at each other over a sea of heads? (Mary is on tiptoe, of course). Ezio communicates by singing to her at the top of his lungs. Not exactly a private conversation but it gets the job done even though Mary wishes the floor would open up and suck her to oblivion.

That was back in the '40s, let's fast forward to see how it's done today. Ezio spots Mary across a crowded room, he dials her number on his cell phone, she picks up and they engage in a long, steamy conversation made private by the noise of the cocktail party.

You think I made that up, right? Wrong. This is real and it is seen more and more frequently according to reports on cell phone use (or over-use). Cell phones are the in thing, not only here in the U.S.A., but around the world. They will soon surpass Beanie Babies in number and, undoubtedly, will surpass them in popularity as well. No surprise here, there's not much you can do with a Beanie Baby (though I've heard things that are not suitable to repeat in a family newsletter). Yet, for the price of just a couple of Beanie Babies, you can buy a cell phone and join the "in touch" generation.

We've all had experience with annoying cell phone users in restaurants, theaters and at the movies. Folks are chatting on the phone as they walk down the street today. It's wonderful to be in touch, I suppose, but I'm one who appreciates time spent away from the telephone - I count those times among my happiest. It follows, then, that those who feel so self important as to believe others have a need to be in touch with their wonderful selves at all times should pull off the road to make or receive calls. That way they have a better chance of staying alive for the people who need them.. And, speaking of self important, even doctors turn off their cell phones during Wednesday golf outings. Their services pick up their calls. Answering machines could do the same for the rest of us.

We have a cell phone. I bought it

for my wife to keep in her car for emergencies. We've had it for a year and a half and have used it only once. Not that there was an emergency then, we were just trying it out to see if it really worked. I understand now we've wasted a lot of money because we're paying for calls on our service that we never make. I will surely look into that.

Cell phones are mostly in the news because of their use in automobiles (and trucks and bicycles). There's a debate raging regarding their safety when used in a moving vehicle. People say ban them and others cite their first amendment rights (many people are convinced the first amendment gives them the right to do anything). After a few unnerving experiences, I'm leaning towards favoring banning both cell phones and the first amendment. Not too long ago I waited behind a car parked at a stoplight. The light changed but the car didn't move. I tried to be patient and I was - honest - until I realized the driver was holding a phone to his ear with one hand and gesturing wildly with his free arm. It was then I leaned on my horn to get the line moving.

You may say that the cell phone in this instance did not create a life threatening situation but you'd be wrong. Had he not moved I was prepared to take a tire iron to his windshield. In another instance I seethed when a woman with a phone to her ear and one hand on the wheel could not signal a turn when I could have proceeded had I known her intentions. We've all been on the road and seen cars driven erratically by cell phone users. Believe it or not, these usually are the same folks who can't walk and chew gum at the same time. I'm working on a device that will cause severe static on any cell phone in use within 500 feet of my car.

Of course situations may arise when using a cell phone is a necessity (like when you need to reach your bookie) even though circumstances may deem it improper. But, by and large, time on the phone should not be public. Like sex, phone calls should be a private thing between two people (or, if it's a conference call, private like group sex).

One thing is certain, given the proliferation of cell phones, we can no longer blame the ills of the world on a lack of communication.

..... Carl Sparacio..



**ARA of NJ**

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**Revised:**