



Rental Works

SEPT 2009

A PUBLICATION OF [THE ARA OF NEW JERSEY](#)

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President's message

Well, the summer is almost over ... and we've survived. Albeit, we still have September and October to get through (and that can get pretty crazy, too, whether you are party, tool or both.) So, how'd you do?

If you're a party business, the general consensus is that business seems to be holding its own; pretty much flat. Tool businesses seem to be a mixed bag. I don't know anyone who is up. (If you are, please share your secret!) But how far down you are varies.

I recently had a chance to talk with Whitney Carnahan over at **RENTAL MANAGEMENT** — she was curious about how New Jersey has been faring in this economy. I told her exactly what I just explained (party is flat and tools are flat or down). She also asked me whether I felt the rental industry would have to change going forward.

This question really stumped me. My gut answer was, "Heck no!" This is just a downturn in the market; everything is cyclical and should be expected every few years. But then I started thinking: How could this downturn not change the rental industry — for the better?

As I wrote about in Rental Works a few months back, it's time to get back to the basics and remember what brought us here: customer service, maintaining equipment (to look and be excellent) and controlling our overhead. These are things that I took for granted for many years. Boy, has that changed — I have become one well-oiled machine; always trying to find out how to do everything better and more cost-efficient!

So don't miss the next meeting to get all the latest and greatest! We'll see you Oct. 21 at 6 p.m. at [Ocean Tents & Party Rentals](#). Don't miss it.

Kristen Redmond, United Rent All, Hillsborough, N.J.

Economic cycle gets spinning (eventually)

I'm getting tired of the recession we're in. It's been almost two years now and it's starting to wear me out.

You might think that the insurance industry is immune to this market, right? Wrong. Our business is feeling the pinch due to companies doing less business and having fewer employees. We are returning premiums for prior year workers' compensation and general liability audits and reducing the premiums for lower-estimated payroll and receipts. Some companies have gone out of business. In addition, the market has become more competitive, and we've had to reduce rates to keep clients.

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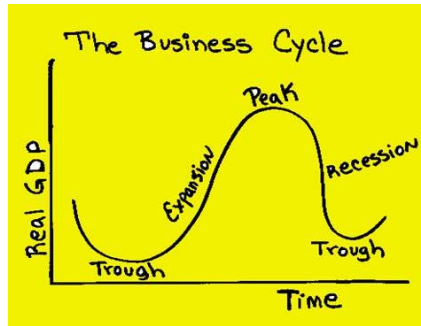


Upcoming meeting dates:

Oct. 21
Ocean Tents
& Party
Rentals
Mt. Holly, N.J.

Dec. 2
Prestige
Party Rental
Hawthorne,
N.J.

Mark your
calendars.



Does this sound at all familiar? I find that in talking with my clients about their businesses that their clients are demanding more service at a reduced price. It's a vicious cycle and nobody really wins. We're basically all in survival mode.

How do you cope with these conditions and what can you do to deal with these trying times?

It helps to realize that you are not in this alone and everyone is struggling to some extent. Talk with other rental operators and businesspeople; it helps to have someone else who is experiencing the same problems as you to help you get through this.

Look at this as a way to become better and more competitive at what you do. This might mean finding new ways to do things — be creative. This is a time of challenge and opportunity. Try to remain positive.

Take care of yourself. Exercise and eat well. Make sure to get plenty of rest.

Remember that this is just part of the economic cycle we go through regularly and it will get better again. It just might take some time.

Brian Higgins, HUB Insurance

Caterer's corner



Just because the economy is tanking doesn't mean we can't find advantages.

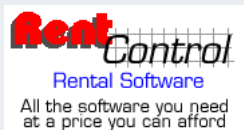
Here is your silver lining: Buildings are cheaper than ever for rent and leasing options. Some landlords are even off-loading properties that they can no longer afford to hold on to. Take this as an opportunity to reorganize your business and make that big move that you have needed to do for the past five years.

Don't forget the lessons that our clients have taught us all these years ... the price right now is **not** always final. Time to hone your negotiation skills and remember you are in control of the situation.

I know this isn't a food-related topic for a chef to be writing about, but this is the brass tacks of business. It's time we remembered that in a bad economy demand for things is down and that brings prices down along with it. Remind your customers this year that if they are not satisfied with their current caterers they do not have to settle. There are a lot of caterers who are very "hungry" for work and are available last minute.

Now back to food ... beef prices are at a yearly low. The top menu items for hot barbecues are beef short-rib burgers. Ask your local butcher to make fresh ground boneless beef short ribs for burgers and you will have the greatest burger of all time. This is not the lean meal for those watching their waists, but it is a palate

Our supporting vendors



pleaser. Preparation is simple. Dust with salt and pepper and place on a hot grill. At \$2.79 per pound, this will be a big winner. Make sure that all of your grills are in tip-top shape because this is the year of the barbecue. People still have to party but their budgets are much tighter than normal so casual barbecues are the big winner.

Hot topics for décor are all about lighting this year. And LEDs are “HOT!” But are they really? Battery-operated LED lights use less electricity without the heat that is generated with all producing the same output of light. There are 16 million color options to provide customers more options than ever before with little effort from us. Gone are the days of running wires and blowing circuit breakers. Fear not the initial cost of some of these fixtures for you will make it up in labor savings and life of the units. For more information, see our member, David Hinck, at A Party Center or go to www.apartycenter.com.

That’s all for now. Let me get back to the kitchen.

Jeff Hinck, A Party Center

Preparing games and inflatables

Each year during the spring and summer season, rental stores are inundated with customer events of all kinds. Whether it’s a backyard birthday party or a corporate event, many call for carnival games and inflatables. Finding the time for major maintenance during the busy season is often impossible, so it makes sense to use the off-season to get ready for the influx of rentals.

During the off-season, we prepare our carnival games and inflatables by doing any necessary repairs and cleaning. We wash the inflatables, sew any areas that may be loose and test them. For the carnival games, we usually repaint, update logos and vinyl lettering, and tighten any loose parts.



Even if you do repairs during the off-season, rental store employees should make sure each game is clean and in good working order before renting equipment to customers. If it looks good and works well, clients are happy.

The next step is to educate the client on what the game will require as far as space needed and operation. We supply customers with the dimensions or area required per game. We also remind them to account for the space needed for lines of people or extra room for tossing a ball. If possible, we like to show them the actual piece of equipment beforehand so they know exactly what they are ordering. If clients know what to expect before their event, the events seem to go much smoother.

Asking clients about the event will help determine what kind of and how many games they need. Clients need to take into consideration the type of event, what other activities may be going on during the event, the age group of the participants and the logistics of the event. Many of the games are geared toward all ages, but if you have interactive inflatables that small children will not be able to participate in, they will be upset if there is nothing similar that they can use. We try and keep that in mind when recommending games to clients for their events.

Judy Boelhauer, Friendly Rental Center



Reply from President Obama

By Steve Kohn

In the last issue of Rental Works, I posted a letter to the president concerning the economic conditions facing the rental industry. It took about two months, but I did receive a reply.

[Click here to read.](#)

La Cucina

Tangy Barbecue Chicken



Simmer 1 cup ketchup, ½ cup cider vinegar, 3 tablespoons each molasses and brown sugar, 1 tablespoon each dried mustard and soy sauce, 2 teaspoons Worcestershire

Personal reflections

My year of living dangerously: I quit a job, lost a job, was unemployed and started a consulting business along with re-establishing myself by selling a product I truly love to sell in a market one cannot get arrested in.

All of these changes have cost me both professionally and personally. I truly represent what America and Americans have been going through. Companies have laid off longtime employees and made changes in how they do business. They may have never had to do so before.

For me, some changes I initiated and others were foisted upon me. It has been scary, uncertain and very hard. But I read somewhere once that fear stops more people from success than any one single thing. I got to thinking about the economy and for many people their lives changed very little, yet they allowed the attitude of the nation to dictate how they were living. Ninety percent of people are working, yet we only focus on the negative of 10 percent unemployed. Why? Because there but for the grace of God

Were there real concerns over our immediate future? Yes, but we reacted to how we were told to react. Everything's bad so we must protect ourselves. Now everything is turning around and is better so we can breathe easier. For many, little changed either way.

For months, I have been expanding my personal growth through instruction into many areas of life — spiritual, financial and physical. It doesn't matter which guru you follow; they all advocate the same thing — focus, plan, be determined and have a purpose. All educators take their own spin on it whether they say it is nature or science or positive thinking that determines the outcome. But the end result is they all say the same thing: The only thing you have control over is your attitude.

For most people, they stay stuck in jobs, relationships and anything else they aren't happy in because of fear. Fear rules more people than any other emotion. Fear of failure, fear of success, fear of the unknown, fear of living alone, fear of living with someone, fear of losing your job, fear of starting a business. **Fear, fear, fear.**

I don't know where this journey I am on will take me, but I have my own word, dream, which I wear on a pendant around my neck. Other words might inspire you, such as love, hope, faith and believe, but dream means just maybe I can create what I want.

So whatever your circumstance — dream your dream. Quit allowing fear to stop you from revamping your business, your life, your focus, your goals and your desires.

Life happens no matter what we do. For me, I know that I have talents uniquely mine that will somehow take me to a place where I will finally do what I was meant to. Maybe it's time for you, too!

Charlotte Sorrentino works for A-1 Tablecloth Co. Sales & Marketing and is owner of Store Envy—Showrooms Staged to Rent!

sauce and 1 cup water. Add kosher salt and pepper to taste until thickened (about 30 minutes). Preheat grill to medium-high on one side. Season four bone-in, skin-on chicken breast halves with salt and pepper. Grill over direct heat until golden and crisp on both sides, about 5 minutes. Transfer to bowl and toss with 1 cup of sauce. Place on the cooler side of the grill, cover and cook, basting once, until meat is glazed and reaches 165 degrees, 25 to 30 minutes.

*By Judy Boelhouwer
Friendly Rental
Center*

Tools of another kind

With today's economy, tool rentals (construction and homeowner) are way down.

Seeing nothing new or exciting in the marketplace, I'd like to touch on one of our other tools: our employees.

They can make us more money or lose us more money than the best hammer drill.

I have noticed in the beginning of this year that my vendors have been very helpful, even thanking me for my orders. With the economy down, "let's bring back

Safety comes first

It isn't easy getting through the day safely in this economy. Fortunately, our associate members are there for us. They have the safety and use instructions for their equipment that will help protect your customer and the equipment you put in your customer's hands. Anyone who has read my articles in the ARA of New Jersey publication over the years knows that I am a strong advocate of supplying customers with use-of-equipment instructions.

The benefits are clear:

- 1) An injured customer is not a happy one. That person's job may not get done, or done as well or as quickly, due to an accident and/or damaged equipment.
- 2) Injuries may mean liability claims and a loss of rental income while the customer convalesces or regains (if ever) the courage to finish the job with your rental tool.
- 3) The accident may not injure your customer but may leave your equipment damaged. Downtime for your equipment (especially seasonal items) means more repair expense and less income.

Make the best effort to instruct your customers on the safest way to use equipment with which they are not very familiar. They may not tell you they don't know how to use it.

Just remember, one of the most compelling reasons to rent a product is because it is not needed all of the time. It is easy to forget basic product safety steps. After the accident and damage is done, it is even easier for the customer to say, "I don't know why I did that, but you could have warned me." Forewarned is forearmed. Instructions may make the customer think twice before dangerous uses of your equipment. The written word carries more weight than speech.

Instruction is probably **most** important when the customer is identifiable as a "novice" with a piece of equipment. But, review is helpful, too! Instructions handed to a customer in line at the counter could give that person "valuable reading" while you complete the contract or get the equipment ready. It may even take some pressure off you while that person reads them. The customer and the equipment you protect also protects your time and profit.

Who has time to write detailed and comprehensive instructions? How does one make his own written instructions in the course of a busy day when labor cutbacks leave even less time for you? Call an ARA of New Jersey associate member. You don't need to make your own. Many associate members have produced great material that is thoughtful and professional. Your safety concern shows your customer you care with a "value-added service" that can bring your customer back more often.

[See the attachment](#) from North Jersey Bobcat, which I offer as a great example of associate member safety material. Some safety issues are addressed that I would not have thought to tell a customer about a Bobcat. I will have hard copies available at a future ARA of New Jersey meeting. It is to the point. It demonstrates that it is a priority. Thanks, Pat Ryan.

Call an associate member today for safety's sake! Put safety in writing.

David Hinck, A Party Center

customer service." A quickly answered phone and a pleasant voice on the phone line are great starts. Every phone call is a potential new customer.

Clean stores, clean shops, nicely dressed employees and pleasant delivery staff will all help. With more of us fighting for the business out there, the ones who treat the customer the nicest will be better off.

In my last Rental Works article (Old Tools, New Problems), I said I would report on the measuring of diamond blades. Sorry to say, but only one company responded through the Forum. They measure their blades.

I know everybody is busy this time of the year, but when things slow down, check out our Forum, it's another tool. You can find our Forum at www.njara.org

*Michael Yamrock,
Tool SIG
Chairperson
Drakes Rental*

Health care insurance: a question of \$\$\$\$

Do all "Americans" want government health care with "the public plan option"? I, for one, **do not!** In a *Star Ledger* readers' forum article dated June 27, 2009, David Oscar, president-elect of the N.J. Association of Health Care Underwriters, offers his input on this question:

"I have been reading with great interest about the latest plans in Washington to create universal health care coverage. While I join most in saying that all Americans should have access to quality, affordable health coverage, I remind President Obama and Congress that taxpayers are not an open checkbook and our country is already buried in debt."



The plan being crafted in Washington is expected to cost \$1.6 trillion over 10 years. That is on top of the \$1.7 trillion expected to be spent in Iraq and Afghanistan by 2018, along with the \$787 billion known as the American Recovery and Reinvestment Act of 2009.

The outstanding public debt of our nation currently stands at more than \$11 trillion, equal to \$37,200 for every American. Our debt increased an average of \$3.8 billion a day since September 2007, and there is no relief in sight.

So the issue here is really not whether you support universal health coverage or not. The issue is about how much Americans are willing to drive themselves, their children and their grandchildren into debt.

And so, as people weigh the benefits of public vs. private insurance, I urge them to look at the bigger issue: Can the America we know be sustained under yet another \$1.6 trillion of debt?

A bigger issue (beyond the dollar cost) for me on this question is how do you respond to your loved ones who need medical attention, for instance, "keeping that eye" or "not disconnecting that kidney dialysis machine" because you're over 65 years of age? (Look at Canada and Europe's public health program.)

These governments' public insurance programs do not allow for either. Can anyone put a dollar value on these or like considerations?

In a July 5, 2009, column in the Newark, N.J., *Star-Ledger*, Maria Cheng stated:

- The role of government is at the heart of the debate. In Europe, free, state-run health care is a given. Health systems are built so inclusive that even illegal immigrants are entitled to free treatment beyond just emergency care.
- In Britain, France, Switzerland and elsewhere, public health systems have become political punching bags for opposition parties, costs have skyrocketed and, in some cases, patients have needlessly suffered and died.
- Many European health officials applaud Obama's attempt to provide health care to millions more Americans, but they also advise him to proceed with caution.
- When Britain's National Health System was founded 61 years ago, it pledged that, with few exceptions, patients would not be charged for anything.

Critics say these policies are often driven more by politics than science.

- Last week, Prime Minister Gordon Brown promised that patients unable to see cancer experts within two weeks would get cash to pay for private care. Brown had previously argued against paying private providers and some say the reversal may be a gimmick to boost his sagging popularity.
- More serious problems in Britain's health care were reported last month when cancer researchers announced that as many as 15,000 people over age 75 were dying prematurely from cancer every year.
- The U.S. already spends the most worldwide on health care. According to the Organization for Economic Co-operation and Development, the U.S. spent \$7,290 per person in 2007, while Britain spent \$2,992 and France spent \$3,601.
- "I would warn Americans that once the government gets its nose into health care, it's hard to stop the dangerous effects later," said Valentin Pelkontchin, of the Institut Economique Molinari in France.
- Government influence in health care may also stifle innovation, other experts warn. Bureaucracies are slow to adopt new medical technologies.

One-term members of the U.S. Congress retire with 90 percent of their salary paid for life. Additionally, their health care plan is one "to die for." Everything is paid.

Why not ask these officials to voluntarily refuse to participate in their "free government health insurance." This isn't an option any of them will take you up on.

It is true, that the current system allows insurance companies to charge higher rates to some customers because it has stifled competition and state regulation has allowed ratings rules that penalize individuals with pre-existing conditions and older individuals.

The main problem with the uninsured is that they access health care and that care is often uncompensated or under-compensated. When doctors and hospitals provide uncompensated care to the uninsured, they are forced to raise their prices to all of those who have insurance and provide compensation for their care. This "cost-shifting" makes insurance premiums increase for those who purchase health insurance. One proposal to get more people insured is to require all "Americans" to have health insurance. This is a good reason to have that question answered: "Who is considered to be an American?"

Public plan insurance has a huge effect on the private market through cost-shifting from under-compensated care. When a Medicare patient accesses care, the government has a set reimbursement rate that is paid to the provider. When care is under-compensated, providers shift the costs to those in the private insurance market.

Bottom Line:

I support health care reform for "Americans."

I strongly oppose a public plan option.

I strongly oppose an employer mandate to provide coverage.

[Tony Perrotta](#), *TP Rental Services, New York City, N.Y.*

Save on Event Rental Training Courses during September

Looking for training tools focused on party and event topics that provide rental-specific knowledge for an in-depth understanding of a particular area?

The American Rental Association's (ARA) Event Rental Training Courses (ERTC) can meet that need. They offer the same content and information as found in the Certified Event Rental Professional (CERP) program, but they are designed for general and associate members who want training in only a specific area or who may consider certification at a later time.

Courses include:

- *Everyday Warewashing* (available in English and Spanish)
- *Introduction to Sales: From Closing to Upselling*
- *Linen Processing Specialist*
- *Tabletop Design*
- *Tenting*
- *Warehouse Management*
- *Driver Delivery Operations*

An upgrade credit is offered to those who purchase an ERTC book and later enroll in ARA's certification program. This credit applies for a maximum of two courses that are selected as elective disciplines in the CERP program.

ARA is featuring the Event Rental Training Courses as September's Product of the Month — pay only \$75 per course, thanks to this promotion. The regular member price is \$99 per course. The nonmember price remains \$239 per course.

To order go to www.ARArental.org or call ARA Member Services at 800-334-2177.

Will it ever be the same?

As many of you know, I spend some time serving as a County Freeholder in Hunterdon County. While many, and at times I include myself, do not know what Freeholders do, we are essentially a financial body, responsible for all duties prescribed under statute for counties in New Jersey.

So what does the title of this article in a rental newsletter have to do with the finances of a county? Under the current economic pressures, like all businesses, we have seen decreases in our revenue and overall assessed values. Last year in Hunterdon, our assessed property values dropped an average of more than 3 percent, and while that may not seem like much, it immediately decreases anticipated revenues. In my opinion, we will not see increases in assessed values for a few years, certainly not while there is an excess of housing inventory in the pipeline and more waiting for the slightest uptick to be placed on the market.

As we all should be doing in our business models, we are breaking down each and every segment of our responsibilities and determining what items are mandatory by statute and what are elective. One example is our transportation system. I am currently sitting on our transportation committee undertaking a five-month review of each and every transportation segment, current and projected revenues, current and projected future costs, and seeking out efficiencies, as well as compiling a list of recommendations for suggested changes. Nothing is off the table. No suggestion is not worth looking into, and most importantly, taking the time to properly evaluate, recognizing that the intent is to bring about attainable and sustainable changes that

will reduce costs, but still address the needs of the folks we serve.

In a similar fashion, rental businesses must recognize that it is highly likely that business as we **knew** it may cease to exist or, at the very least, be substantially different. Those who succeed will be forced to be leaner, more efficient, seek higher equipment utilization, increase ROI on what remains on our shelves and actually market our products or services. It boils down to evaluating what you are, what you want to be and deciding whether what you are doing allows you to differentiate and diversify your business, or is it simply a distraction.

If the phones are not ringing, there is no excuse not to undertake the exercise of figuring out where you want to be 12, 24 and 36 months from now. Look at capital purchases that can reduce future labor. Can you warehouse better and create efficiency in loading and unloading? Do you have excess inventory gathering dust? Can you change your scope of services without distracting from the actual core of your business model? Or perhaps you should simply take a vacation, and I know a great way to do that cheaply.

Matthew Holt, Adams Party Rental

"So how is business?"

I've grown to hate that question. We all know the state of the economy and we are all in the same boat. Even those individuals who are busy aren't as busy as they used to be. People are just more conscious of where their dollars are being spent.

I'm the first to admit that I like to shop. I'm also a woman who knows the value of the dollar and one who values quality. Our retail location is known for its quality merchandise and it's also known that we are not a discount store. So with that in mind, how has our business been affected? Like everyone else, our sales are down. We've also had to lay some people off and our buying dollar is lower than ever before. This makes serving the customers' needs a little bit trickier.



Our customers are still coming in the door. They are still celebrating birthdays, weddings, graduations and anniversaries. People also are still partying just to have fun; however, the dollar figures aren't what they used to be. So, whereas maybe last year we had sales for 40 parties the last week in August and this year sales are also for 40 parties, the money is not the same.

We have a lot of merchandise in our retail store. There is a large room that is Halloween year-round. In July, our new merchandise for the Halloween season started to arrive and we busily checked it in and got it out on the shelves. These are all items that were ordered in January with sales projections for a Saturday Halloween in a down economy. We listened to our vendors, checked out what movies will be in the theaters and watched the trends. Hopefully, our dollars have been spent correctly and the customers will continue to shop with us.

As the everyday items sell out and the shelves start to look a little sparse, we will spread out what's left and rearrange — until the next season's merchandise can be put out in the current spaces. We get creative. We ask employees to brainstorm — to work with what we've got rather than spending more money. Keeping our

customers happy without breaking the bank is our No.1 priority. We may be working harder than we were last year. We may be putting in more hours than we expected to at this stage of the game, but if that's what it takes to keep the doors open, then that's what we will do.

"So how's business?" It's a new day. Our doors are open, and we are happy to have you in our store.

Valerie Ruch, The Party Corner

Did you know ARA offers a members-only Merchant Services program?

Why pay more for your transaction fees when you don't have to? Let ARA's Merchant Services program provide you with a competitive alternative.

ARA Merchant Services program

This ARA program, offered through the partnership with Veracity Payment Solutions, provides ARA members:

- Competitive processing rates for MasterCard, Visa, American Express and the Discover Network.
- Better cash flow.
- Easy-to-reconcile statements.
- Price transparency with Veracity's Truth in Processing.™
- Customer data protection services.
- Point-of-sale solutions.
- No cost to sign up or switch.

See how your current program compares with ARA's Merchant Services program

Visit www.ARArental.org. Log in as a member and visit the "Members Only" section of the Web site. Click on the "Business Resources" option and then "ARA Merchant Services." Here you will find the basic information about the program and a form to fill out to request a complimentary analysis to compare your current program. This is the best way to find out whether this program is right for you.

Not currently a member? Call ARA Member Services at 800-334-2177. ARA member services representatives will be glad to show you how to cut business expenses through membership in ARA.