

Business

BUSINESS PEOPLE

WALTER McLEAN of Bloomfield Hills has been elected president of the Revere Club at the club's 50th annual election of officers. McLean is president of Mold Line Sales, Inc., and former executive vice president of the Campbell-Ewald Company.

Other new club officers include: GABRIEL DYPE, vice president, who is also vice president and manager of the Detroit office of Blair television; BEN ROUSE, secretary, who is vice president — financial region at Burroughs Corp.; and RICHARD O'CONNOR, treasurer, who is president of the Campbell-Ewald Co. The club's board of governors consists of: MICHAEL M. CAREY, RICHARD E. CHARLTON, ROBERT W. DECKER, FRED T. EHRLER, PAUL G. FLECK, THOMAS R. HAGUE, JAMES E. LONG, and JOHN L. SCOLARO.

EILEEN WEST, a resident of Bloomfield Township, is the Oakland County Road Commission's deputy secretary-clerk and director of the secretary-clerk department. She will also continue as Office Manager to the offices of Managing Director and County Highway Engineer. An eight-year road commission employee, she has been office manager for two years and was previously an engineering department stenographer and secretary to the transportation planning and environmental concerns department.



McLean



West



Richardson

MICHAEL E. RICHARDSON of South Lyon is the Oakland County Road Commission's director of citizen services. As such, he becomes the first director of a new department of citizen services, an ombudsman function that was successfully created under his direction in 1973 and which he has supervised as road commission secretary-clerk. Richardson will direct an expanded citizen services staff and also continue to administer the road commission's dust-control calcium chloride program in his new capacity. A 10-year road commission employee, Richardson has also served in the traffic department and the engineering department.

ALLAN EDWARDS of Orchard Lake has been elected senior vice president and RICHARD RYTEL of Farmington Hills vice president of automotive and industrial sales of Sheller-Globe Corp., a Toledo-based company. Both Edwards and Rytel will be headquartered in Sheller-Globe's Detroit office, which houses corporate sales personnel and the company's research and development center. Sheller-Globe is a major independent supplier of automotive parts and components for both original equipment and the after market.



Edwards



Rytel



Carlson

Troy resident RUSSELL CARLSON has been promoted to first vice president of Manufacturers National Corporation. Carlson joined the corporation as vice president and senior marketing officer in 1977. He was previously vice president and director of marketing of the Southeast First National Bank of Miami.

JAMES FITZPATRICK has been appointed comptroller of Pontiac Motor Division. Fitzpatrick succeeds WILLIAM HOGU, who was appointed comptroller of General Motors. Since 1976 he has been director of the corporate products planning group. Hougland was comptroller of the Pontiac Motor Division since 1974.



Fitzpatrick



Hougland



Gullen

GEORGE E. GULLEN, JR., of Rochester has been elected to a three-year term on the 29-member American Automobile Association's National Advisory Council. Gullen, second vice-chairman of Automobile Club of Michigan and a board member since 1973, is a labor arbitrator working through the American arbitration association and the Michigan employment relations commission and is the immediate past president of Wayne State University.

America Motors Corp., announced that University of Michigan professor of business administration PATRICIA SHONTZ LONGE has been nominated as a director of the corporation. Election of directors will take place at the company's annual meeting of stockholders Wednesday, Feb. 7, at the Detroit Plaza Hotel. DON MITCHELL, chairman emeritus of the executive committee of the American management associations, and an American Motors director since 1959, is retiring as provided by the directors' retirement policy. Dr. Longe is a director and consulting economist for the Manufacturers National Bank of Detroit and Manufacturers National Corp., and a director of Lambert Co., the Detroit Edison Co., the Kroger Co., and Jacobson Stores, Inc. If elected, she will be the first woman to serve on American Motors' board of directors. DON MITCHELL has been a director of the company for 19 years. He is chairman of the audit and of the finance & compensation committees of the board of directors. He is a member of the policy committees.

JOHN BRAYMAN of West Bloomfield has been promoted to division manager-residence marketing by Michigan Bell. Prior to his promotion, Brayman was district data processing manager in Saginaw and Southfield.

DAVID CARLSON, of Bloomfield Hills has been elected president and chief executive officer of ACT Systems, Inc. THOMAS MILLER was elected executive vice president. Prior to assuming his current position, he has been a marketing and management consultant and has held various executive positions in the supermarket and the data processing industries. Carlson is a resident of Bloomfield Hills. Miller, of Redford Township, is one of the founders of ACT Systems, Inc. Prior to his association with the company, he was manager of EFT Systems research for the Michigan Credit Union League.

Shopping cart replacement costs eat away at the profits

By STEVE RADDOK

What has four solid rubber wheels, two-legged drive, a jump seat for Junior, one-handed maneuverability, leg holes, great mileage and can be found cruising the aisles of every supermarket in town?

If you guessed "shopping carts," you've earned the right to read on. On the other hand, if your mind registered a blank you probably do your food shopping by phone or mail.

Shopping carts have presented supermarket managers with a riddle of another sort. That is, figuring out a way to stop a long-term rash of cart vandalism and rip-offs that have led to high replacement costs.

These replacement costs, which have been chronically eating away at the supermarket industry's already minimal profits (the average supermarket makes about a one per cent profit per year), are being passed on, in turn, to anyone who passes through a market checkout.

Replacing shopping carts that have either been stolen, damaged or taken home by customers and never returned, has become a national problem that has been receiving growing attention in the industry's trade press and conventions.

And it isn't a question anymore of pegging the blame on kids who make off with the carts to turn them into go-carts. Organized rings of "cart-nappers" have gotten into the act.

PROFESSIONAL basket bandits usually hit supermarket parking lots at night and hoist carts away in trucks—in many cases across state lines. After the "hot" carts have been stripped of store identification, they are often sold to independent grocers.

With the price of steel going up, however, many stolen carts end up being sold for recycling.

Cart identification usually consists of a \$2 plastic handle bearing the store's name. Cartnappers break these off when they're fencing the carts.

Detroit-area supermarket chains have been feeling the financial sting of shopping cart replacement costs for years. Although some have experimented with preventive measures, most have bitten the bullet and pay the penalty.

Most acknowledge that they have yet to develop a foolproof system for minimizing losses.

Allied Supermarkets, which owns the Great Scott chain, purchased 1,573 replacement carts for its 58 Detroit stores in 1978. At an average price of \$82 per cart, the replacement cost per store was approximately \$17,000.

Based on the supermarket industry's one per cent profit history, each Great Scott store would have to sell almost \$174,000 in groceries to recoup the loss.

According to Cheryl Fourmant, Allied equipment purchasing manager, the company's cart outlays in 1978 were strictly for replacement of stolen and damaged carts. It didn't spend anything for new parts.

GREAT Scott did not open any new stores in 1978. It typically outfits each of its stores with a complement of 150-175 new carts.

Although Great Scott etches an identification code on the body of the cart, the store feels that being overcautious can produce negative results.

"The problem is that if you impose too many security measures you'll lose some of your customers," said Mrs. Fourmant.

She is careful, however, about the kind of carts the company buys.

A recent reject was a plastic basket that looked like a laundry cart. It came in a variety of bright colors.

"It was a perfect take-home candidate," Fourmant said.

Allied is paying about \$82 for a conventional cart this year. This is in comparison to \$58 last year and \$32 seven years ago.

Kroger's 106 Michigan stores lose an average of 200-250 cart carts every four weeks, according to district store operations manager Bill Bollman. In 1978, the chain replaced almost 3,000 carts in the state.

Losses, Bollman said, vary from area to area, with the largest number of cart thefts occurring in the fringe areas of the city of Detroit. "We have stores in the inner city that lose carts as fast as we can put them in," he said.

ONE Detroit store has lost 300 carts over the past two years. This translates to about \$7,500 a year, since Kroger pays about \$45-50 per cart.

On the other hand, Bollman knows of another Kroger store in a Detroit suburb that hasn't lost a cart in over four years.

While Kroger has been plagued by cartnappers, vandalism also looms as a big factor in causing high replacement costs.

Shopping cart vandals, according to Bollman, have their own methods of operation from store to store.

At one Detroit-area Kroger store, carts are smashed against parking lot light poles by four-wheel drive vehicles. In another neighborhood, carts have been lined-up on a railroad track to see how far they'll be hurled by oncoming trains.

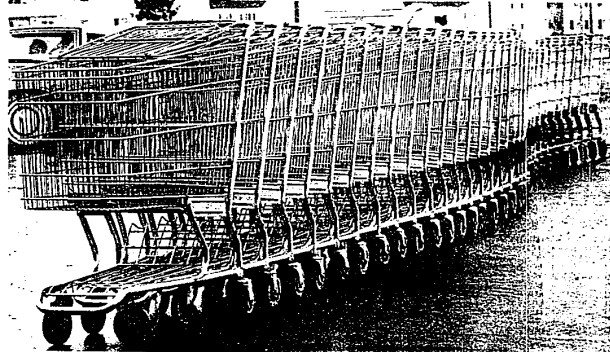
Well aware of the problems they've been having at certain stores, Kroger officials will only outfit those branches with old carts. "We wouldn't dare put new carts in some inner city stores, because they usually end up being used as barbecue grills and go-carts," said Bollman.

Kroger hasn't developed a foolproof system either. Not that it isn't trying.

The company has bought shopping carts that are dipped in red plastic and are easily recognizable. The plastic coating, however, has added \$10-15 to the cost of the cart.

"We've even thought of building fences, but carts can probably be lifted over them," Bollman said.

"If I had a system for preventing shopping cart loss, I wouldn't be here. I'd be a rich man and down by the South Seas on my own private island," Bollman said.



Replacement costs for vandalized and stolen shopping carts have been chronically eating away at the supermarket industry's profits. These high replacement costs are being passed on to anyone who passes through the market's checkout. (Staff photo by Mindy Saunders)

Southfield's Franklin Terrace

'It's the ultimate in senior living'

By JACKIE KLEIN

Franklin Terrace is an adult community which offers unstructured living in luxury, comfort, security and freedom of choice.

That's how owner Donald Haney describes the three-story, 92-unit senior citizen housing complex adjoining his convalescent home on Eleven Mile and Franklin Road in Southfield.

The facility, which opened three weeks ago, contains 77 one-bedroom units renting for \$650 a month and 15 efficiencies at \$680.

Haney, former Southfield fire chief who has operated the adjoining Franklin Manor Convalescent Center for 15 years, said the new apartment building is for seniors who can function on their own.

"Some residents in our convalescent home could use a facility like Franklin Terrace," Haney said. "Husbands and wives of our nursing home patients benefit from the apartment complex because it's next door to Franklin Manor."

"We believe we offer the ultimate in retirement living for our residents who

want the freedom to go or stay, work a few days or spend an afternoon playing with their grandchildren. Franklin Terrace is a middle ground alternative to institutionalizing the elderly who may need only limited help."

RENT INCLUDES two meals a day in a central dining room. But each unit has a small kitchen so residents can enjoy the independence of entertaining or fixing their own breakfasts. Haney said.

"We're equipped to serve 150 persons including guests, because we have a

restaurant kitchen. Diners can choose from a varied menu and meals are served by waitresses. We also have registered dietitians. Meal times are special occasions for seniors who enjoy socializing with one another," he said.

Franklin Terrace has a room for arts and crafts enthusiasts and an activities director. An association of residents plan bridge tournaments, checkers, cribbage and mahjong games, travel, agues, musical performances and trips to civic and cultural events. A mini-bus is provided for shopping tours.

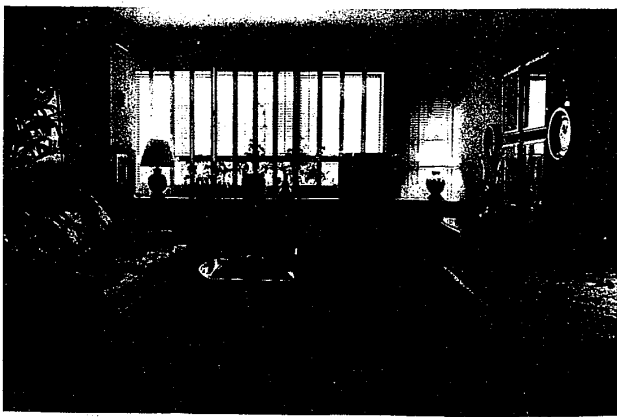
"In emergencies, residents can push a call button for a nurse next door," Haney said. "Three nurses who work at the convalescent center are moving into the apartment complex. Residents can go to the nursing home for occupational and physical therapy. Franklin Terrace is really a logical progression of our existing services for seniors."

"OUR EXPERIENCE in management, quality food service, activities, housekeeping and laundry facilities at Franklin Manor enhances the operation of Franklin Terrace. And we realize that many elderly persons are inappropriately placed in nursing homes. These seniors need more independence and dignity."

Residents of the apartment get twice-weekly heavy cleaning service, flat laundry service and all utilities except telephones at no extra cost, Haney said.

"Besides the fact that seniors can live more cheaply here than in their own homes, they don't have to worry about raking leaves, removing snow, painting eaves and fixing faucets," Haney said. "They can leave all that to someone else while they're enjoying activities or catching a nap. Elderly persons want to wind down."

A very important feature in Franklin Terrace, said the former fire chief, is a smoke detection system. "I sure didn't have to be talked into installing that."



Here's a one bedroom model at the Franklin Terrace, an adult community which offers a middle ground alternative for senior citizens starting at \$650 per month. (Staff photo)