Business

It's the great American chocolate dream

By DIANE ABRAMS
Photos: DICK KELLEY

Customized chocolates fit for jet setters or the President of the United States are the specialty of a new Birmingham business. Whether it be a life-size leg or a mouth-watering record album, Kron Chocolatier, 149 Pierce St., can now fill the order.

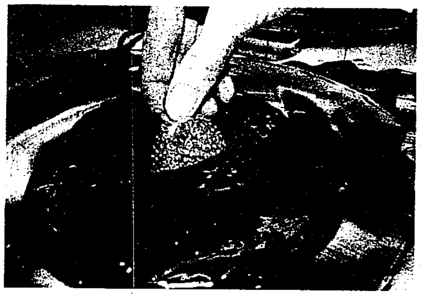
Kron's is an adult chocolate shop. It offers 65 proof cognac cherries. A unique concept of featuring customized chocolate adds yet another dimension to the already delicious products.

The mixture for Kron's famous dark chocolate is flown to Ruth Stromer, owner of the Birmingham shop, from the Kron manufacturing company in New York.

Thomas Kron was in town recently to demonstrate to his newest agent the same methods he uses in his tiny, but popular, second floor shop on New York's Madison Avenue. Cherries, strawberries and raspberries, among other fruits, are dipped daily in the chocolate mixture to ensure freshness.

The chocolates, which sell in 10 states, start at about $20 per pound. Both the intricate details in special orders, such as a life-size chocolate torso, and an individualized flavor, contribute to the value of the chocolates, Ms. Stromer said.

Claiming that Kron's is the Rolls Royce of chocolate, its originator, Thomas Kron warns, "Once you've had our chocolate, it ruins you for everything else. There is nothing like it around."



Ruth Stomer, owner of the new Birmingham chocolate shop, gets a little advice from the chocolate expert himself, Thomas Kron of New York.

Ruth Stromer mixes up a fresh batch of dark chocolate-covered strawberries.

From chocolate-covered cherries and chocolate records to life-sized chocolate torsos and full-length Rolls Royces, the Kron Chocolatier in Birmingham is ready to fill any order.

Expert details pitfalls of small businessman

LAHR: "After two or three years in operation, retailers believe they're ready to bloom and add more inventory. They buy on credit, growth eats up financial resources and small businesspersons do a beautiful job of going broke."

By JACKIE KLEIN

Small businesses in Michigan have a high mortality rate and many fail when they start to grow.

That's the contention of Leland A. Lahr, dean of Lawrence Institute of Technology's school of business and industrial management.

In 1975, Lahr said, 68 percent of small firms in the state folded. If a small business survives five years, it's established, he maintained. But 20-25 percent don't make it through the first two years.

"The great American dream often becomes a nightmare to the entrepreneur who starts a business on badly conceived ideas," Lahr said. "If there are four pizza parlors in an area and someone opens a fifth, that's a poorly developed project and a duplication of efforts.

"Even companies founded on well-developed ideas have problems growing in the adolescent period. Many small merchants don't have the time or resources to find sources of capital for expansion.

"After two or three years in operation, retailers believe they're ready to bloom and add more inventory. They buy on credit, growth eats up financial resources and small businesspersons do a beautiful job of going broke.

MANY FIRMS which go out of business aren't bankrupt, Lahr said. About half of the owners throw in the towel because they believe they have to work too hard to make the American dream come true.

"Maybe an owner toils 80 hours a week and he only worked 60 hours when he was employed by General Motors," Lahr said. "He wanted to go into business for himself, but he finds that customers are the toughest bosses. He might sell out a going firm."

The need for money grows in small businesses which survive the adolescent period, Lahr said. But many owners don't know where to get more capital, especially if they've used up their lines of credit in commercial banks.

Ventures loan organizations backed by the Small Business Association (SBA) loan money to small firms even though a risk may be involved, Lahr said. Banks won't loan money in risky situations because they'd be gambling customers' funds, he explained.

"Investors seeking long term capital gains pool their money in ventures loan organizations," Lahr said. "They won't buy wild ideas like selling jelly-covered pizzas, but they'll back firms with something new to offer and give them the opportunity to expand."

A number of small businesspeople who want to borrow money from banks in order to grow don't know how to put a financial statement package together, Lahr said.

MOST BANKERS feel confident in small business owners or managers who know how to run their shops and submit balance sheets and income statements, he said. That's half the battle in getting capital support from lending institutions, he contended.

Lahr maintained the myth that big business' chews up little business should be exploded. Big business actually fosters and promotes small firms, he contended.

"General Motors needs small businesses to supply its needs," Lahr said. "Small firms fill in the gaps that big companies don't want to be involved in. The more services required, the more opportunity for small businesses which can find a better way to help people.

"Businesses are successful if they satisfy the needs of a portion of society, respond to the demand and develop something significantly different from what someone else does. Firms which overspecialize and fail to provide what many customers want and need don't make it past the first or second year."

Restaurant owners, for example, who spend a lot of money on decor don't survive. Fixed costs are high whether the establishment draws many customers or few, he said. And some restaurants suffer from the public's changing tastes and whims, he said.

"Fast food chains are more apt to make it because they stress location, not decor, and are aimed to serve a larger market," Lahr said. "In the retail business, the three most important factors are location, location and location.

"The best advice I can give someone going into business is that he shouldn't think he was better off working from 9 a.m. to 5 p.m. and being on someone else's payroll instead of making his own. Don't go into small business to get away from work. If you build a better mousetrap and fill a unique need for society, you've got it made."

BUSINESS PEOPLE

OTIS BURGE, of Rochester has been named personnel director of Lear Siegler's National Twist Drill & Tool Division in Rochester. Burge had been associated with LSI's Instrument Division in Grand Rapids since 1958. He began his career as an instrument assembler and later became an inspector. He joined management in 1965 as production control dispatcher and in 1966 was promoted to a production supervisor position. In 1971 he was appointed supervisor of plant employment for the Instrument Division. He became labor relations representative in 1975.

BURGE

WHITE

The Board of Directors of Community National Bank elected new officers and promoted several others. Appointed to the post of vice president and general counsel was James R. Pheley. MARK T. WHITE of West Bloomfield was named vice president and controller of the bank. Other promotions to the office of vice president were: Peter J. Beale, commercial loans; Daryl L. Donaldson, building and purchasing; Robert A. Gottschalk, investments; Burton R. Hairwell, records; V. Michael Morotich, commercial loans and Donald L. Morrow, airport office. The board also approved the appointment of three assistant vice presidents: Michael J. Dengate, mall office; John H. Kurtti, Walled Lake Office and William G. Rollo, personnel. In addition, six new assistant cashiers were elected: Terrence L. Bunt, Milford office; Stephen J. Gulyas, Bloomfield office, Kendel M. Jensen, Keego office; William W. Minke, Woodward office; Marie M. Siemicki, installment loans and Michael J. Tindall, EDP.

The Copperweld Corporation Tubing Group has announced a significant realignment of its Detroit District Sales Office, lated in Bloomfield Hills. MELVIN G. BLEITZ will continue as manager of sales–Detroit; STEPHEN J. RENN is promoted from sales representative to automotive sales manager, and RICHARD J. JOHNSTON, JR. is promoted from office manager to sales representative. Director customer inside sales and service will be transferred to the company's Chicago and Ohio plants. Copperweld Tubing Group manufactures DOM, Seamless, and hollow Structural tubing in a complete range of grades and sizes.

The Board of Directors of First Federal Savings of Detroit has elected JAMES A. ALIBER to the post of chairman of the board and chief executive officer to succeed HANS GEHRKE, JR., who retired Jan. 1. Gehrke, who has been with First Federal for 38 years, has been chairman since 1969. He will continue as a director and chairman of the audit committee. Aliber has served as president since 1969. He has been with First Federal for 21 years. DONALD H. MITZEL has been elected president. He has been with First Federal since 1964, where he has served as senior vice president and manager of the mortgage loan department.

Hinchman & Grylls Associates, Inc., Detroit architects/engineers/planners has announced the appointment of HENRY J. GUTHARD of Bloomfield Hills and JOHN E. RODGER as vice presidents of the firm. Mr. Guthard is a registered engineer and director of the SH&G Education & Commerce and Transportation Divisions, both of which responsibilities he will retain. Mr. Rodger, also an engineer, will continue his duties as assistant division director of the Industrial Division.

NBD Troy Bank, N. A., has announced the appointment of Dorris M. Rife as assistant banking officer. NBD Troy Bank is a subsidiary of National Detroit Corporation, holding company parent of National Bank of Detroit, Michigan's largest bank. As manager of the main office of NBD Troy Bank, Mrs. Rife oversees all teller and bookkeeping operations for the bank.

RIFE

MILLER

DR. JOHN E. MILLER of Farmington Hills has joined the financial development firm of Peterson, Rounding and Schouman, Inc., of Birmingham, as a vice president with special responsibilities for assisting nonprofit institutions in accomplishing their optimum growth. Among the clients with whom he is working are the Lawrence Institute of Technology, the Orchard Lake Schools, Madonna College of Livonia, Siena Heights College of Adrian, the Detroit Science Center, the Catholic Youth Organization of Detroit, the Western Wisconsin Technical Institute in LaCross, the Shelby State Community College of Memphis, Regis College of Denver and the Washtenaw Community College of Ann Arbor. In his new position, Miller assists institutions in defining their needs, and analyzing their problems, and in designing and implementing solutions. He provides specific assistance in goal setting, planning, fiscal and personnel management, proposal writing and in-service training.