

Business

American here, Englishman there compare nation's business sectors

By TOM PANZENHAGEN

Chrysler Corp. may soon find itself the recipient of some \$1 billion in federal aid. Chrysler employees who are members of the UAW, however, probably will find themselves taking home less money and receiving fewer benefits than their brothers who work for one of the Big Two auto makers.

The government will make demands of Chrysler. For instance, the firm may be forced to sell some of the assets it had hoped to retain.

Employees, meanwhile, will see pension fund payments deferred.

Doug Fraser, president of the United Auto Workers, may wind up on the board of directors of the Chrysler Corp. To top it off, the issue of government support for Chrysler has become more of a political football than a serious attempt to salvage jobs and buoy a sinking economy.

IN THE UNITED STATES, government intervention in the business sector is uncommon. That sort of thing smacks of socialism in the minds of many a politician.

Just as uncommon may be the concessions the UAW has made, and will continue to make, to the company.

In Great Britain, the situation is nearly reversed. In the words of an American businessman who divides his time between offices in the United States, Germany, Australia and England, "the United States does not permit mediocre companies to exist." That is not necessarily the case in Britain, he said.

According to an English businessman, unions in England are too powerful and directly responsible for many of the financial woes that currently plague that nation. There is little cooperation, he said, between labor and management.

The American who labeled Chrysler a "mediocre" business is Russ Bears. He is vice president in charge of manufacturing with the Transportation Equipment Group of the Borg-Warner Corp. The Englishman is Ronald V. Gorlin, commercial audit partner in Arthur Andersen & Co.

Gorlin spoke at a business seminar in the Renaissance Center last month. Bears was reached by phone in his London office recently.



BEARSS: "The American workforce is a helluva lot better trained, they're more knowledgeable and they want to succeed more. But they get no advantage from the government."

"THE U.S. is so far behind the Europeans and the Japanese in creating an environment of government-business cooperation that it's frightening," Bears said.

He said the British government is "much more prone to aid industry than the U.S. government is," then he called that an ironic situation.

"The American workforce is a helluva lot better trained, they're more knowledgeable and they want to succeed more," Bears said. "But they get no advantages from the government."

Bears called U.S. government regulations "so short-term that only the strong, well-financed companies can survive," and added, "it's goddamn criminal in my mind."

"We (corporations) can't all be stars," Bears said.

Bears said he supports government aid for Chrysler as well as for other struggling corporations that don't command the political attention that Chrysler does.

He also said that if Chrysler fails, Ford and General Motors in the long run would probably absorb the number of employees who would lose jobs at Chrysler, as well as make up for the loss in automobile production. But he suggested that such a transformation would only come after a tumultuous five-year transitory period.

GORLIN PAINTED a dismal picture of the current British financial climate. He said that when the Conservative Party came to power in May, it cut the income tax by a third while doubling the value added tax.

He said the government of Margaret Thatcher also increased the lending rate to nearly 20 percent — all in an effort to squeeze the economy and lessen inflation.

Whether the Conservative plan will work remains to be seen. "If I knew now, I'd be in number 10 Downing," Gorlin said in reference to the address of the Prime Minister.

But he went on to say that labor unions in the United Kingdom must adopt a more compromising stance in economic-related matters.

"Last year the average wage increase was 15 percent," Gorlin said. "Next year it has to be less."

Saying that things will get worse before they get better — production continues to taper off while inventories grow, Gorlin said — the Englishman suggested that there are too many wildcat strikes in his country.

"Shop stewards decide when to strike," Gorlin said. "Not the union leaders." He said that more strikes seem imminent.

THE SPEAKER CONCLUDED that it is time "to hold course" in the U.K., meaning that the Conservative government ought to be given a chance to resolve the nation's financial problems.

BUSINESS PEOPLE

JACK RYAN of Birmingham has been promoted to executive vice president and plans board chairman on the General Motors account at the Leo Burnett Agency. He continues as head of the Detroit office.

JOHN J. CONDNE Jr., ROBERT H. JOHR and DAVID C. FEHLAND were appointed to the newly-created posts of divisional controllers for the Machine Tool Group of Troy's Ex-Cell-O Corp. Condne will serve as controller for the Standard Machine Tool Division. Condne was on special assignment to the corporate controller and was formerly controller for the Machine Tool Products Division. Johr was named controller for the Machinery Division. Fehland will serve as controller for the North America Special Machinery Division. Fehland also assumes the responsibility of financial manager for Greenlee Special Machinery of the division.



RYAN CONDNE JOHR FEHLAND

JOHN A. DOUGLAS of West Bloomfield has been named vice president of International Operations and JOHN W. SCHERER of Birmingham has been appointed vice president of marketing at Cadillac Plastic and Chemical Co., Birmingham. Cadillac Plastic is the world's largest manufacturer-distributor of plastic sheet, rod, tube and film, as well as a leading U.S. distributor of industrial safety products and graphic arts products. Douglas joined Cadillac Plastic in Toronto as a salesman in 1968, after three years in the plastic industry with a major injection molding firm. Scherer, who was east coast sales manager of LEXAN Sheet Products of General Electric, will be responsible for directing the marketing department activities.



DOUGLAS SCHERER ROBERTS SMITH

The Parke-Davis Division of Warner-Lambert Co., appointed S. A. SMITH to the newly created position of director-operations, Detroit Pharmaceutical Products. Smith joined Parke-Davis in 1966 as a senior engineer.

ALBERT O. ROBERTS, of Bloomfield Hills, vice president of engineering and research for Sperry Vickers North American Group, has been elected chairman of the board of the National Fluid Power Association for 1979-80. Roberts previously was the association's first vice chairman and convention committee chairman. He had also served in various capacities on the NFPA's board of directors and executive committee since 1977.



DOYLE MCCLURE REED SMITH

D'Arcy-MacManus & Masius has announced the promotion of JAMES T. DOYLE, vice president, to management supervisor of the Cadillac Motor Car Division, Kirsch and General Tire Chemical/Plastics account. JOHN MCCLURE of Rochester has been appointed to the new account, Florists' Transworld Delivery (F.T.D.), as vice president/account supervisor. For the last two years, he has also headed the DM&M team which developed the advertising campaigns for the Cancer Action Now program of the Michigan Cancer Foundation. ROBERT J. REED of Southfield has rejoined DM&M as the account supervisor on the Cadillac account. Reed has spent the past six years at J. Walter Thompson. Prior to that, Reed was employed at DM&M as a supervisor in the traffic department. ROBERT J. SMITH of Troy has joined the agency as project supervisor in the Media, Marketing and Research Services department. He began his marketing career at Proctor and Gamble Company as a field interviewer. Prior to joining DM&M Smith was affiliated with Sieber & McIntyre as an account research manager.

From minister to broker

Inflation sparks his new career

By JACKIE KLEIN

What's the 51-year-old minister of a small midwestern parish doing in a new career as stockbroker in a prestigious investment firm?

The answer in one word is "inflation," according to Rev. John Albrecht. For the past year he's been balancing his ministry of the 120-member St. Mary's-in-the-Hills parish in Lake Orion with the more profitable profession of investment executive with the Southfield-based firm of Shearson Hayden Stone, Inc.

Albrecht said he became a moonlighting priest to help out the church budget as well as his family. He manages to minister to his congregation evenings, weekends and holidays. He also serves on Gov. William Milliken's Board for Marriage Counselors.

"The church has been hit by inflation, and I decided to start a new career at the age of 50 as one solution to rising costs," he said. "This relieves the parish of the expense of my hospital insurance and other fringe benefits, and I can make contributions to the church. The two professions don't conflict."

Three of Albrecht's five children are in college and tuition bills overlap. His wife, Mary Louise, went back to law school and now serves as assistant attorney general for the state. This also helps the family wage its battle against inflation, Albrecht said.

THE REVEREND said he's been interested in the stock market as an avocation for 30 years. It didn't take him long to become a trained, registered investment counselor and the only Episcopalian stockbroker who's also a parish priest, he said.

Albrecht said he sees the worker-priest as the way of the future because many clergymen are caught in the same economic bind.

"I think my training as a clergyman is beneficial in the brokerage business," he said. "Both professions help people. As a theologian, I'm also an historian. I can't project what's going to happen, but I can get a fairly adequate feel of what the market will do."

"The stock market, like life, goes through cycles. Four-year cycles are historical and the market always gets better before elections. I don't call on the Lord for help because God won't do for me what I can't do for myself. He has three answers, yes, no and wait a while."

ALBRECHT CLAIMS the country will continue to have inflation as long as government keeps overspending and creating a deficit federal budget. The United States, he maintains, can't even afford a war.

A year ago he started two newsletters — "Albrecht's Weekly Selection of Outstanding Sermons," and the "Albrecht Investment Letter," which he sold to subscribers. His secular solution to rising costs has been covered in a number of publications.

Albrecht said he has advised private educational institutions to increase the income from the school's endowment stock holdings by selling options. A widow increased her cash income by writing options on her portfolio.

An option, Albrecht explained, is the right to buy 100 shares of a certain common stock at a given price for a certain length of time.

"We can protect ourselves by writing options on some or all of the stocks we own," he said. "Preservation of capital is our first aim. Writing options is a simple, conservative way to possibly double or triple annual income from stock holdings."

"The best stocks for this strategy are the glamorous, middle-America, non-volatile companies



ALBRECHT: "Both professions help people. As a theologian, I'm also an historian. I can't project what's going to happen, but I can get a fairly adequate feel of what the market will do. I don't call on the Lord for help because God won't do for me what I can't do for myself. He has three answers, yes, no and wait a while."

Troy Plastics growing, proves statistics wrong

By SUE BURZYSKI



THOMAS DAVIS
Small business owner

When Thomas Davis began his own business, nearly four years ago, he had two employees.

"We each ran one shift and worked around the clock," said Davis, the owner of Troy Plastics, in a recent interview.

Now he has 129 employees working in two leased locations in Troy.

And Davis, an Avon Township resident, is moving ahead on construction of a new 25,000-square-foot facility in Avon.

Within two years, he expects to have more than 200 employees in his plastic injection molding manufacturing plant.

The 37-year-old Avon Township man can confidently say he beat the odds against success in a small business.

"We intended to have six machines in two years but we wound up with 10," Davis recalled. "Within two and a half years we had 16 machines."

"In those days, I was the mold setter, foreman, machine operator, secretary and floor sweeper," he said. "Leaning back in his paneled office on

Executive Drive in Troy, Davis acknowledged he has come a long way.

Statistics indicate the first year is the hardest for a small business. Sixty percent don't make it through that crucial year.

"Every year is a hard one. But we're closing in on our fourth year now and I don't think anyone has any doubts about whether we'll make it," Davis said.

Avon Township has given Davis preliminary approval for no more than \$1 million in tax-free revenue bonds through its Economic Development Corporation (EDC) to finance the project.

After his first building is completed in the Northfield Industrial Park on Crooks Road, south of M-59, Davis plans to add on a 10,000-square-foot building.

What's the secret of his success? Experience and good employees, Davis says.

A graduate of Central Michigan University with a bachelor of science degree, Davis began his career a dozen

years ago as a physical education teacher and coach in Warren.

"Teaching and coaching was gratifying," he said. "But I was discouraged with the way school systems were moving. I couldn't see a future in teaching."

His degree focused on plastics and he was sales oriented, so Davis left teaching to become a representative for a plastic manufacturer.

When the manufacturer sold his business, Davis decided to use the knowledge and contacts he gained to start his own firm.

TWO PEOPLE came with him. They are still an important part of Troy Plastics, Davis added.

Irene Henry was a quality control expert with his old company, and he recruited his brother, Dave, straight out of Ferris State College. Davis said.

"What I wanted to do was establish a house that was service-oriented and quality conscious," he said.

Apparently, it worked! Just recently, Davis enticed Gerry

McLaughlin, a long-time veteran of the plastics industry, to join his firm. At one time, McLaughlin was Davis' boss.

Originally, Troy Plastics manufactured plastic components, primarily for the automotive, toy and appliance industry.

Now, it offers a finished plastic product. Products include seat-belt parts and automotive dashboard knobs.

All the auto manufacturer has to do, Davis explained, is plug the product into the car.

According to Davis plastics is a competitive business. The only successful firms are those which can afford to grow.

Although 60 percent of his business is in the automotive industry, Davis is not overly concerned with the ailing plight of Chrysler.

"I think Chrysler's problems have inspired new leadership in the firm," Davis said. "I think they are going to take a fresh look at the needs of smaller cars. The best thing we can do

for them is cooperate in any way we can with pricing, delivery and quality."

ALTHOUGH DAVIS is no longer the chief floor sweeper for Troy Plastics, he still hasn't rid himself of long hours.

"I'm in here at 8 a.m. and many times I'm not finished until midnight," he said.

He uses a personal hobby — flying — to save time for business.

An experience pilot, Davis flies a four-seat Cherokee Arrow.

"Time is valuable," he said. "You have to make contact with the assembly plants and be able to solve any problems quickly."

Flying also allows him more time with his family. The Davises, who moved to Avon Township a year ago, have five children: Billy, 18; Julie, 11; twins Matthew and Heather, 3; and Benjamin, 1.

Once the business moves to Avon Township completely, Davis expects to have more time for his family.