

Business

The home terminal boom

Computers forge into new markets

By LOUISE OKRUTSKY

Home computers have yet to take over the world but they are making steady inroads into the business and education communities.

A university professor researching the human nervous system plugs his notes into a computer system for easy reference.

An elementary school student inserts a program into his home computer which throws a video display onto the television screen. The first few bars of a music lesson are heard as well as seen on the screen.

A small textile factory in Detroit uses a computer to keep track of its payroll.

Using computers such as these aren't part of a vignette from a mid-1950's science fiction movie. Home units are being used to store research information and teach languages, maths and bits of other subjects.

And the boon in home computers is benefitting businesses such as Computerland in Southfield and Rochester.

A few years ago, the Southfield store was servicing other businesses who needed help in setting up computer systems on the job. While the store still fills that capacity for the business community, about 60 per cent of its business is

devoted to selling home units. They sell one or two business systems in a month. Between 15 and 30 home units are sold during the same period.

ITS BUSINESS serves enterprising persons such as the dog show breeder who uses his computer to predict the outcome of competitions. He programs into the unit the biases and quirks of each dog show judge. Then he uses the machine to compute the probability of his animals winning the show. If the computer gives the high sign, the breeder enters. If it computes less than fair percentages of winning, the breeder passes up the show.

It is the realization that such home usage is possible that pushed the computer industry into the gradual but steady business increase it's experiencing, according to Judy Fischette, co-owner of the Computerlands. Together with

six other persons, Ms. Fischette is part of the Computerland franchise which has more than 100 stores in Europe, the East and Australia as well as across the United States and Canada.

Within the last 10 years, the industry has developed the means to miniaturize its wares and produce them at a lower cost.

The Apple II home computer, advertised as the top of the line model sells for \$1,195. It's the size of a typewriter and hooks up to a television set. Ten years ago the computer would have filled an entire room with hardware, according to Ms. Fischette.

The same computer will give language instructions, balance the checkbook and keep an appointment calendar.

IT HAS its own keyboard and can be used to produce music as well as a typographical maps. Each category of intelligence is put into the

computer through program chips. Two years ago the research department of Apple developed a method of producing the chips at a lower cost. Thus, while the cost of many items rose, the cost of a home computer decreased. The decrease has settled into a steady price range and another change in cost isn't expected by the industry for at least a year, according to Ms. Fischette.

With the decreased cost and the use of home computers for practical tasks as well as games, the outlets have run into a problem receiving stock. The manufacturers of many of the parts are basically small companies catering to a few businesses with machines, according to Ms. Fischette. When the boom hit, the businesses scrambled to fill orders and receiving new parts and computers can take a while. Computerland tries to stay about two months ahead of itself with orders as home users elbow out hobbyists among consumers.

The big boom in home computers is still about five years away, she predicts.

While computer games such as Boris play chess with owners, other computers are developing into the backbone of record-keeping departments for small businesses.

market place

LIBERTY State Bank & Trust announced record earnings of \$2,012,393 for 1979. This represents a 13.5 percent increase over 1978 earnings of \$1,773,319, according to bank officials. Pre-tax income rose from \$2,081,319 in 1978 to \$2,412,393 in 1979. Earnings per share after preferred dividends rose from 3.32 per share to 3.61 per share.

THE FEB. 6 noon luncheon meeting of the Financial Analysts Society of Detroit will feature Kess Schager, vice president and director of foreign research of Arnhold and S. Bleichroeder, Inc. His firm is a member of the principal securities exchanges and does a broad institutional business as well as providing research on domestic and foreign securities. Reservations should be made through Robert Swaney at 963-5060 before Monday.

A SLUMP in food sales for major supermarket chains and restaurants reported for the fourth quarter of 1979 is expected to continue until July, according to the Retail Merchants Association of the Greater Detroit Chamber of Commerce. Supermarket food sales were down 1.5 percent, except for one food chain reporting a seven percent increase, for the last quarter of 1979. Food sales in white-linen restaurants and dinner clubs also were down five percent in the fourth quarter of 1979 over 1978.

Fast food establishments are picking up some of the business lost by major restaurants. Taverns reported a seven percent increase in food sales. The association credits the downward trend in sales to inflation, car sale slumps, auto industry layoffs, increases in theft and the downgrading of product mix, but it predicts a mild upswing with the Republican convention in July. The association doesn't expect sales to reach the levels of 1977-78 for another two years.

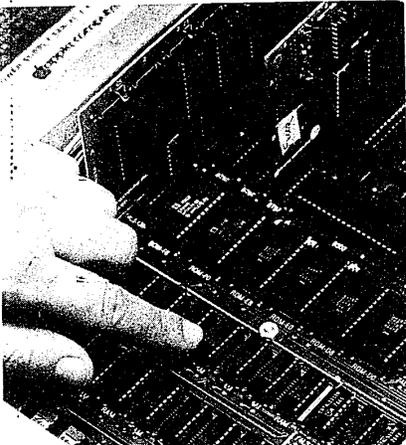
SCHWEITZER Real Estate/Better Homes & Gardens will open its 15 office at 21023 Farmington Road north of Eight Mile. Schweitzer was selected by Better Homes & Gardens in 1978 and in 1979 recorded sales of more than \$192,000,000.

THE B'NAI B'rith Accounting Group will meet Feb. 6 at 7:30 p.m. in the board room of Temple Bethel. Stephen Epstein, CPA, will speak and those attending will qualify for two hours of CPE credit. Guests are invited. For more details, contact Steven Lepsetz at 353-1150.

STANDARD Federal Savings leads all lenders in the four county area - Wayne, Macomb, Oakland and Washtenaw - for the sixth consecutive year in residential mortgages of \$150,000 or less. It recorded \$565,393,569 in residential mortgage loans for the past 12 month period. This is an increase of 7 percent over the record mortgage lending year of 1978. Total market of the four county area experienced a record high of \$3,313,136,500 in mortgage recordings. Seventeen percent of all residential mortgages in the four-county area were provided by Standard Federal. First Federal rated second with \$541,445,265 for 1979, National Bank of Detroit had \$379,910,288 and Detroit Bank & Trust had \$107,901,895 for 1979, according to Lawyers Title Insurance Insurance Co.

THE FEB. 5 meeting of the Detroit Section, Society of Automotive Engineers will host Duane Miller, vice president of engineering for Volkswagen of America, and Don Buser, executive engineer of chassis design and overall vehicle development for Volkswagen, at 8 p.m. at Roma's of Bloomfield. Miller will talk on the evolution of the Volkswagen engineering organization compact Rabbit pick-up and Buser will discuss the Rabbit body design. The meeting is open to the public starting with cocktails at 5:45 p.m. and dinner at 6:30. There is a charge for dinner.

BUSINESSES wishing to submit items for Marketplace should send them to Ron Garbinski, Observer & Eccentric Newspapers, 1225 Bowers, Birmingham 48012. Notices of meetings must be received by the Monday preceding our Thursday publication date. Please include a contact person and telephone number.



Computers have decreased in size over the past 10 years. What once occupied an entire room back in the 60s now can fit onto your desk. The computer chips above show the memory of one of the new home computers.



Alan Leaf, a regular customer at the computer store, works with one of the latest home computer models, the Apple II. (Staff photos by Randy Borst)

BUSINESS PEOPLE

Southfield radio station WXYZ's new ombudsman service, The Action Bureau for Consumers, is directed by **JANE PRESOTT, JOE MARTELLE** has joined WXYZ Talkradio as assistant operation manager.

RICHARD A. BANFIELD was named director of manufacturing and **JAMES C. DELLARIPA** of Bloomfield Hills was named director of finance and business planning for Rockwell International's Truck Axle Division.

ROGER E. MAUGH was appointed director of Ford Motor Company's Automotive Safety Office replacing John C. Eckhold, who retired in 1979. **HELEN O. PETRUASKAS** of Southfield replaces Maugh.

RALPH W. SCHNEIDER was appointed vice president, government contracts for American Motors General Corp.

JULIE MILLER was promoted to vice president and corporate controller at the Metropolitan Savings Association.

BRUCE A. GRAHAM, of Troy, was appointed account executive, by the Simons Michelson Zieve, Inc. Advertising, Troy.

JOSEPH PLANZ has been named sales manager at Stouffer's Northland Inn in Southfield.

Peterson & Vaughan Inc., a Farmington based food brokerage firm, promoted **LOU KOWALSKI** to director of Food Service Sales.

America's energy future depends on conservation and compromise

By JACKIE KLEIN

America's fuel supply for the 1980s will depend on the availability of crude oil, conservation and some compromise in quality. Beyond 1980, it will depend on alternative energy sources.

That's the assessment of G.H. Unzelman of Ethyl Corp. He addressed the 21st forum sponsored by the American Petroleum Institute's Committee in Southfield.

Unzelman and G.W. Michalski, also of the Ethyl Corp., have published a paper entitled "Fuel Supply for the 1980s - At the Crossroads."

Petroleum industry experts were able to forecast the decade when U.S. oil production would peak and start to decline, according to Unzelman.

But, he contended, the country took very few steps to maintain the status of energy independence.

"After the 1973-74 embargo, the U.S. had to recognize a new value for crude oil because of the less of energy independence in 1970," Unzelman said. "When new values were established and the price was high enough, America got the oil."

"Experts can forecast that world oil production will no longer meet demand sometime in this decade, Russia, once thought to be energy independent for at least this century, now admits the need for crude oil imports. The massive oil fields of the Middle East are 30-40 years old. The decline of production is predictable."

THE DEVELOPED countries continue to increase total energy requirements at a steady rate, according to Unzelman.

The crude oil suppliers of the world are getting edgy and Iran, Venezuela, Nigeria and Saudi Arabia indicate they will decrease production, he said. "Crude oil is becoming a bargaining tool, not only to get today's highest prices but to buy insurance for the future," he maintained.

for Mexican oil.

"For the last 20 years, the approach to commercial synthetic crudes from oil and shales or synthetic fuels from any source has been like walking toward a rainbow. Each time the rainbow has appeared, it has faded in regulatory and economic haze."

Before synthetic oils can emerge in commercial quantities, an economic incentive must be provided for synthetics to compete with imported oil, Unzelman said.

Some environmental roadblocks must be viewed in better perspective and then adjusted. Both requirements hinge directly on action by the federal government, he added.

Production of synthetic crude would require a capital investment of about \$50,000 a barrel of capacity, he said.

President Jimmy Carter's goal for 500,000 barrels of crude oil a day by 1985 would mean a capital investment of \$15-\$25 billion, Unzelman said.

"VOLUMES CAN be written about the environmental and regulatory hurdles of developing synthetic crude oil," he said. "They exist at all levels of government. The only hope is compromise at any set of rational economies. Yet the federal government is targeting for 10 percent of all U.S. unleaded gasoline as gasohol by Jan. 1, 1981."

"Gasohol is a shining example that government action can bring mountains. The use of ethyl alcohol as a blending agent in gas can't be justified by federal executive and legislative level to clear the way for reasonable balance between energy and environment."

"Not only will crude oil shortages affect the U.S. refinery product slate, but the trend to heavier and higher-sulfur crudes will add to processing problems," Unzelman predicted. "With a serious and sustained crude shortfall, the influx of heavier crudes as imports will increase."

"THERE WOULD be greater pressure to produce more marginal crudes domestically. The result would be greater pressure on the light oil product volume and on the quality of both light and heavy oil products."

It's difficult to take an optimistic view of the crude oil outlook for the 1980s, according to Unzelman. It's certain there won't be enough crude oil to continue the type of growth the country has enjoyed in past decades, he maintained.

The problems of meeting high gasoline quality will become increasingly difficult because of restrictions imposed by the lead anti-knock phase-down and the ban on using manganese in unleaded gasoline.

"If there's plenty of crude oil, most things are possible for product volume and quality," he said. "A shortage of crude oil will limit both."

D.L. Dimick of the General Motors engineering staff also spoke at the meeting about the prospects for diesel passenger cars and the need for improved fuel.

The diesel engine will play an important part in helping with the nation's energy shortage, he maintained.

The diesel engine, according to Dimick, offers improved fuel economy.

G.M., he said, is maintaining a margin of fuel economy above that required by law. This has been achieved by down-sizing and weight reduction in each car line.

IN 1980, he said, GM cars will get 22 miles per gallon and in 1985, 27.5 miles per gallon.

"There ain't no free lunch," Dimick said. "The diesel engine didn't come to the passenger car without a number of disadvantages compared to the gasoline engine. The diesel engine is larger and heavier. We're working on reduced weight, but approaching the power of the gas engine will always be a difficult target."

The diesel engine costs more than \$800 in most installations. We hope to see this cost reduced in the future because we expect increased manufacturing volumes. We hope new emission standards for diesels won't rule this out.