

Ad agencies find 'best of both worlds' here

In the years following World War II, the population grew and shifted further from the central cities, creating new and expanded business opportunities.

New businesses sprang up and old businesses relocated to serve the new suburban market.

The movement created special problems for some firms, particularly advertising and public relations agencies, which have to serve two masters.

It was always taken for granted that the PR and ad people needed a location in downtown Detroit, close to the Detroit News and Detroit Free Press, within walking distance of WJZ-TV, the Press Club and the London Chop House.

But that notion is no longer adhered

to, as the new addresses for many of the area's largest advertising agencies will attest.

D'Arcy-MacManus made the tending move of leaving downtown Detroit in 1952, when the company moved headquarters from the Fisher Building to Bloomfield Hills.

The nation's 12th largest agency built the world's first office building used exclusively for advertising at Long Lake and Woodward.

Milton Colson, an executive vice-president with the firm, said the move was made only after careful deliberation and surveys of the employee's needs.

"WE HAD A SURVEY done that indicated that 90 per cent of our people

already lived north of Eight Mile at that time," Colson said.

"And we weren't really putting any distance between us and our major clients, because Pontiac Motors is headquartered in Pontiac. Dow Chemical is in Midland, and Cadillac was on the west side of Detroit."

Still, the move was viewed with skepticism by others in the business, and it has only been in the past years that many other ad agencies have relocated outside of downtown Detroit.

McCann-Erickson Inc., another former Fisher Building occupant, relocated in Troy in 1972, and now has headquarters in the Top of Troy Building, near Big Beaver and I-75.

Batten, Barton, Durstine & Osborne, now housed in the Northfield Office Building in Troy, ended a 40-year association with downtown Detroit in 1974, said company spokesman Glenn Campbell.

The firm's major client, Chrysler Corp., built the Northfield office, and the company relocated for easy accessibility, Campbell said.

"But we still consider ourselves part of the metropolitan area — a Detroit firm," Campbell said.

That view is shared by Fred Doner, of the W.B. Doner & Co. advertising agency on Northwestern Highway in Southfield.

"We were located in downtown Detroit from 1936 to 1972, but still consid-

er ourselves a Detroit company," Doner said.

"I used to be in the old days that ad agents could walk into the composition rooms of newspapers and change or add copy if they wanted to, but that stopped.

"Then there was no further need to be real close to the newspapers, because cars and especially expressway systems cut down on travel time when you need to go downtown."

Doner said that the advertisements for radio and television are no longer prepared at the stations, but handled by the advertising firms, and sent to the stations before they are broadcast.

Technological advances with com-

puters, telecopiers, telephones and other areas have also reduced the need for person-to-person contact that formerly existed in the advertising business, Doner said.

"We're a national advertising agency with Pillsbury Corp., Viscic Pickles, Hygrades Food Products and other products," Doner said. "We have another office in Baltimore."

The downtown location did not centralize such a wide-spread organization, Doner said.

"We really have the best of both worlds, part of the excitement in the metropolitan Detroit area, and sharing in the natural beauty and more relaxed atmosphere in the suburbs."

Construction outlook is 'good, but erratic'

By DELL McCLOY

What does 1979 hold in the area of construction?

At best, the outlook is mixed.

Realtors and builders alike are generating an air of qualified optimism, tempered with some cautious "ifs" and "buts."

The two factors which are clouding the construction picture for both residential and commercial building — are rising interest rates and ever-spiraling inflation.

And no one seems to have a handle on either problem, a fact which gives rise to the general uncertainty being voiced by those in the construction business.

"GOOD, BUT ERRATIC" were the words used recently by a spokesman

for the Builders Exchange of Detroit and Michigan to describe the outlook for the year's construction season.

The spokesman was John A. Boll, executive vice president of the exchange, who said the board's optimism covers most nonresidential construction categories.

The main problem, as viewed by Boll, is "lender interest rates escalating for another quarter or so." During periods of uncertainty, he said, owners normally defer borrowing for construction until interest rates become more reasonable.

"However, the exchange board feels that there is sufficient work in the majority of construction categories now in the planning pipeline to sustain Michigan's construction industry through the upcoming construction season."

In a more optimistic reference, he said the construction picture could improve dramatically if interest rates do drop and the inflationary pressures are controlled.

Another viewpoint on 1979 building was offered by Robert Johnson, president of the Detroit chapter of Associated General Contractors.

"If the economy remains stable, I am forecasting another excellent year for the construction industry — particularly in the commercial and industrial sector," he said.

THE OUTLOOK FOR residential construction is not quite in the same league, Johnson admitted, pointing out that the U.S. Department of Commerce expects new housing starts to decline from about two million in 1978 to 1.65 million in 1979, a drop of 17.5 percent.

"Unless long-term interest rates decline drastically, new housing in the metropolitan area of Detroit will decline approximately 11 percent," he said.

If it can be called good news, there is good news from the Western Wayne Oakland County Board of Realtors.

The board said the annual rate of increase in the price of homes is expected to slow to about 10 percent this year, following record-setting increases in 1978.

National figures obtained from the Federal Home Loan Bank Board show the average price of new homes rose from \$57,700 in December 1977, to \$67,600 a year later, a 17.1 percent increase. Average prices for existing homes in the same period jumped 17.4 percent — from \$49,400 to \$58,000.

Detroit metropolitan area housing

prices showed a slightly higher increase — a rate of 18.3 percent — but the average existing home price remained more than \$9,200 less than the nationwide figure.

THE ORGANIZATION said further increases in mortgage interest rates and some tightening of mortgage funds should combine in 1979 to check the rate of price increases.

Again, rising home mortgage interest is a major concern for realtors and buyers.

The Federal Home Loan Bank Board said the rate for both new and existing homes went over 10 percent in December for the first time in history.

An economist for the National Association of Home Builders predicted average interest rates may climb as high

as 11.25 or 11.50 before peaking in the third quarter of 1979.

Housing starts for the seven-county southeast Michigan area are expected to actually decline by eight percent, compared to 1978 — but not in the fast-growing suburban areas.

That's the prediction from the Builders' Association of Southeastern Michigan, which looks forward to housing increases in 20 active building communities in the area.

The author of the projection is Bruce W. Robinson, a Southfield housing analyst.

Communities which Robinson said will experience more housing starts in 1979 than they had in 1978 include Farmington, West Bloomfield, Novi, Farmington Hills, Plymouth, Northville and Salem.

Alloying process gives tools extended life

By SUZIE ROLLINS

Machine parts coated with a special alloy last longer, a Troy metallurgist claims.

A clamp that would ordinarily break after eight hours of use, can last up to six years if treated with SurfAlloy every three weeks, Richard Serlin, metallurgical consultant and president of SurfAlloy Inc. in Troy, says.

SurfAlloy is the patented name for the coating. The process is completed in only a few seconds, and the machine parts never have to be dismantled.

"The process is done through electrical energy. We use temperatures from 5,000 to 10,000 degrees and it melts the coating onto the tool in a fraction of a second," he said. "We can repair ma-

chines without having to shut them down."

Serlin owns the patent on the electronic and the technique used in surface alloying. He claims his process is the most efficient one on the market today because his treatment is done through a mechanical vapor deposition method, which is much quicker than the competing chemical vapor deposition method.

"What they do in hours, we do in seconds," he said.

Serlin will send a crew into a plant with a specially designed alloy applicator. Serlin charges about \$300 a day for the service.

Manufacturers can lease the equipment for \$250 a day and doing the process themselves, or they can buy the

equipment from Serlin for \$10,000 and treat their machines themselves.

"If a company owns a clamp that costs \$11.50, after several weeks of wear it needs to be retreated. It takes 30 seconds to treat and costs \$2 if the industrialist does it himself," Serlin said.

Serlin, 58, started his company in 1972. Prior to that he was a metallurgical engineer for Ford Motor Company and Great Lakes Steel. He left his job at Ford and went into semi-retirement in 1969.

"With nothing to do, I started looking around. I saw people in industry trying to solve surface problems and I worked on the problem with knowledge I gained about surface alloying at the University of Illinois in 1938," he said.

"I did the whole thing without advertising. In the beginning I knocked on doors trying to sell the idea," he says. "I asked companies to allow us to salvage a scrap piece. When we treated a scrap piece and it turned out to perform like a new one, we got their ears."

Today Serlin says his company does \$400,000 worth of business a year.

Cargill Detroit, a Clawson machine tool company, is a SurfAlloy client which uses the coating on its clamps and holdings.

"The coating gives them a better grip," Ron Ziegler, company representative, said. "In two years we haven't seen any replacement tooling. We've saved a lot of tools with it."

Another satisfied customer is Ed Balchunas, of Cross Fraser, a company

which builds machines for automobiles.

"We use the coating on jaws and rust pans," Balchunas said. "For a while we had problems with our seals and had oil leakages. We used the SurfAlloy process for our seals and eliminated that problem."

Ford Motor Company, General Motors, Chrysler Corp., Rockwell International, Eaton Corp., Dana Corp., and TRW are some of Serlin's other clients.

Serlin said SurfAlloy is popular because the process is cheaper than using industrial diamonds to sharpen parts.

"All these companies use SurfAlloy because it is harder than tungsten carbide and diamonds, but not brittle. It won't shatter," he says.



RICIARD SERLIN

HAMPTON

Hampton... nine years of planned development and still growing

Hampton, the planned community in Avon south of Rochester celebrates its ninth year of growth.

Conceived as a complete community, Hampton, is rapidly becoming what its designers envisioned — an attractive place to live combining the advantages of a country setting and the convenience of shopping, recreation and professional services located within the same complex. Additional office space and professional or commercial zoned building sites are still available. Golf course home sites are available for builders.

Single family homes, garden apartments, townhouses and condominiums are arranged on pleasant winding streets to satisfy a broad variety of lifestyles. A golf course, tennis courts and swimming pool located at the community center, plus several lakes and wooded picnic areas, provide for enjoyable evenings and weekends.

If you would like to see the Hampton approach to comfortable living, drop by for a visit. You may decide to stay.

Partners in Progress:
Hampton Square Company
& Aetna Life Insurance Company
852-3456

