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# School bells ringing for entrepreneurs

Craig Smith says he can't work within the framework of regimentation and discipline that is required in corporate life. His mission as co-chairman of the private-sector advisory board of the new Center for Entrepreneurship at Eastern Michigan University, is to show others like himself how to channel their talent and energy.

By Carolyn Smith  
special writer

While entrepreneur may be the latest business buzzword, Craig Smith of Bloomfield Township has worked as one for 40 years.

He is executive vice president and director of the Berger-Lewiston-Smith Realty Corp. in Southfield and chairman of Gov. James J. Blanchard's Task Force on Entrepreneurial Education. He also co-chairs the private-sector advisory board of the new Center for Entrepreneurship at Eastern Michigan University.

Smith sees "enormous potential" for the center that will begin this month to offer limited classes and weekend seminars to existing and aspiring self-employed people.

"Recent polls show that 80 percent of all college students want to go into business for themselves," Smith said. "And the U.S. Chamber of Commerce says that 80 percent of all new jobs have been created in the small-business sector. We can afford to ignore small businesspersons."

Smith, 60, is a second-generation

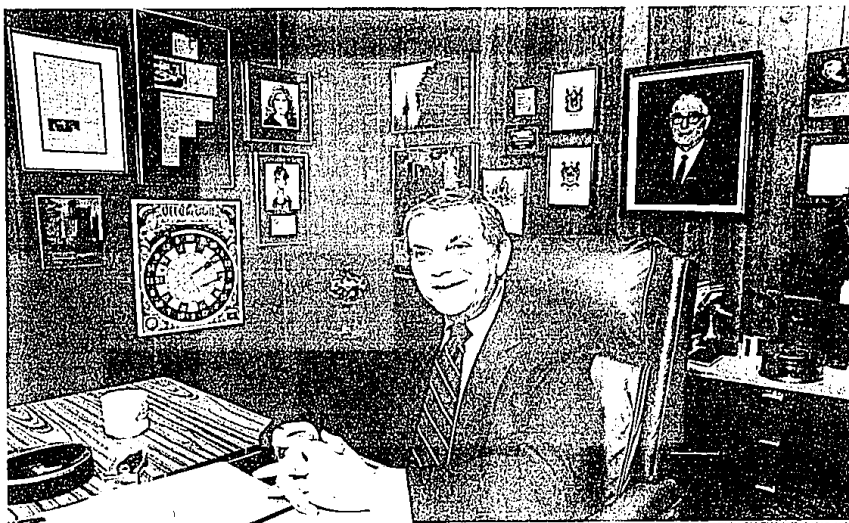
real estate investor with current interests in apartments, hotels and small shopping centers.

"I'm an entrepreneur. I can't work within the framework of regimentation and discipline," he admitted. "There are lots of others like me out there. They only have to be shown how to channel their talents and energies."

**SMITH DEFINES** the entrepreneur: "He or she is the type of individual who takes financial risks and refuses to be regimented. That person is expressive, imaginative, inventive and independent, and will build the business into the biggest enterprise possible."

The successful entrepreneur, Smith said, is "creative, hyperactive and driven." A good model, he said, is John Psarouthakis, head of the Ann Arbor-based J.P. Industries, which had \$133 million in sales last year and expects to top \$200 million this year.

Psarouthakis, with whom Smith co-chairs the EMU advisory board, is involved in the manufacture of building accessories and automotive



Craig Smith views real estate as "the cornerstone and heart of entrepreneurship" because of its risk-taking characteristics. He

is executive vice president and director of the Berger-Lewiston-Smith Realty Corp. in Southfield.

parts. The November 1985 issue of Forbes magazine names J.P. Industries one of the 200 best American companies with sales under \$300 million.

"John is one of the main reasons I decided to see the EMU center through to success," Smith said. "He's a man of unparalleled vision, drive and determination."

Smith also praises Dr. Patricia Weber, associate dean of EMU's College of Business for being "astute and aggressive" and Dr. John Porter, EMU president, who announced that "the emphasis of the center will

be on teachable, trainable skills, not on theory or personality."

**SMITH SAID** the training offered by the center is not intended to replace traditional courses at the business college. But it could be more practical in the long run.

"Business administration is great, but you can't always make a living off it," he said, citing the growing number of employers seeking job candidates with master's degrees in business administration.

Aside from EMU's dedication to the entrepreneur program, Smith of-

ferred another reason for his interest in the program.

"I'm tired of the swings in the economy and being tied in with the auto industry. It's good we're rapidly becoming a service-oriented economy, but we simply have to diversify."

There is a bright future for computers and computer technology, plastics and pollution control, robotics and machine-vision technology, Smith said. He also predicts improvements in labor relations and manufacturing techniques, and a wider use of profit-sharing to stimulate better product quality.

But at the core of the state's success is the ability to train future entrepreneurs and to improve the performance of existing ones. Smith said the University of Michigan, Oakland University and Grand Valley State College have pledged support of the program through future development of their own entrepreneurship centers.

"They're just waiting to see how EMU does it. Then they'll play follow the leader," he said.

ALTHOUGH SMITH views real

estate as "the cornerstone and heart of entrepreneurship" because a developer is "constantly taking risks," he is pleased to see conservative big-business leaders acknowledge the value of the independent, free spirit.

Smith leafs through a copy of a speech given by General Motors Chairman Roger B. Smith on being named "executive of the year" by the University of Arizona.

"There is a spirit sweeping American industry today," Roger Smith said. The whirlwind of change is blowing out old thinking and blowing in new ideas as we throw open our doors to new opportunity.

"By giving people the environment and the freedom to put their ideas to use and their plans to action, we will successfully harness the entrepreneurial energy and aggressiveness we need to keep our businesses young and vital. We will create true 21st-century corporations."

Craig Smith smiles and points to the passage before saying: "It's this kind of endorsement and sense of awareness that will place Michigan on the threshold of becoming the technology center of the world. We're going to do it."

## Changing work ethic marks '80s

A "wholly revitalized work ethic" in the '80s is just one of the trends influencing the business world, according to Rohrer, Hibler and Replege, a Southfield management consulting firm.

RHR calls the new work ethic a "full circle shift in individual and cultural values" away from "total alienation from the free enterprise system in the '60s." But while workers more welcome the new manner in which workers relate to their jobs, workers are also expected to demand more of management in terms of human values. RHR recently polished its crystal ball to predict what will round out the restructuring of American business. Their findings include:

- The emergence of a new sense of ownership. Look for a "new sophistication in terms of one's personal and financial investment in one's company. People are more aware of their employment alternatives (including self-employment) they want greater 'ownership' of the decision-making and problem-solving processes in their companies."

RHR warns chief executive officers not to be defensive about the "new ownership." Rather they should turn it to their advantage by using the increasing sophistication people have in their desire to contribute. "Neither should CEOs allow lower and middle managers to get in the way of this new developing identification with ownership."

- The reaction to dehumanizing business trends. Employees will demand leadership, more freedom from rigid work schedules and locations, more training, sabbaticals and will search for employment alternatives such as early retirement, second careers, moonlighting and self-employment.

And whose responsibility is it to "accept re-

**CEOs 'must seek out ways of giving recognition to people at lower levels. We are convinced it is up to the CEO to introduce humanity back into his organization.'**

sponsibility for personalizing their company's relationships" with its employees?

The CEOs.

"They must seek out ways of giving recognition to people at lower levels. We are convinced it is up to the CEO to introduce humanity back into his organization."

- The return of the renaissance manager. "The CEO needs to recognize that the people who are going to succeed him must have some very humanistic qualities that were not at a premium in years past: greater oral and written skills, more cross-cultural awareness, higher sensitivity to ethics and values, and skilled use of second and even third languages. All these skills point back to the kind of university liberal arts education that was forgotten in our race to produce MBAs in the '60s and '70s."

- The mushrooming of age discrimination as the most sensitive business/social issue. Business will have to hold onto older workers at a time when the emphasis is on "flexibility, change and computer literacy," which puts older workers at a "disadvantage."

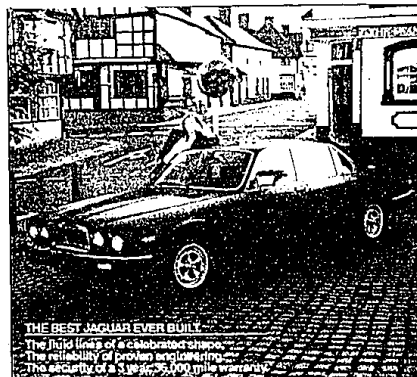
"The CEO needs to be aware that his professional and managerial staffs are aging and that he no longer has the luxury of starting a youth movement in management. While senior staffers may seem at a disadvantage in a rapidly changing environment, they're apt to be the ones most committed to holding onto their jobs and doing whatever's necessary to learn new skills. Thus training and development programs should be aimed at older employees as well as young (instead of just early retiring everybody over 55).

- The fall of "management empirics." Middle management will continue to shrink as computer technology permeates additional levels of the organization. "The personal computer will more and more allow individuals to tap expertise without the need of staff experts. Exotic technology will be bought on contract rather than added to staff."

"The CEO needs to take advantage of this new flexibility and to continue to pare redundant control staffs and systems made obsolete by better computer reporting."

- The cresting of the "entrepreneurial surge." RHR predicts that while the service sector will continue to "churn with an entrepreneurial opportunity, there will continue to be a lot of small firm failures. Because consulting and other entrepreneurial efforts are high stress and lonely things to do, many of the recently self-employed will begin drifting back into corporate jobs."

"As far as 'intrapreneurial' activity (entrepreneurial activity within the corporation) is concerned, acquisitions seem to be proving a quicker and more reliable way to grow."



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## Take stock in market investment advice

The position of the planets are consulted by some before they make a move in the stock market. But if you're really relying on more than just advice, here's a set of guidelines that may give you a winning advantage on Wall Street.

- Don't invest more than you can afford to lose. Keep enough money aside to meet your everyday needs as well as emergencies. Picking a winning stock won't help you if you are forced to sell before its price goes up. How much money to invest in the stock market depends on your financial situation, the nature of your other investments, your investment strategy and several other factors. To be sure, build a financial base by putting your money into low-risk stocks. Then move on to growth, aggressive growth and speculative stocks only when you feel comfortable doing so.

- Set goals. Do you want to invest for short-term profit or for long-term appreciation? Once you decide, buy only those stocks that fit your strategy. Don't hold on to losers. No one can invest without running into at least some disappointing deals. The trick is to cut your losses by getting out before you lose too much money. Many investors find this hard to do. After all, no one likes to take a loss, much less admit they picked a sour investment. Others become at-

**practically speaking**

tached to a favorite stock and won't sell it. Remember that if a stock loses half its value, its price will have to double for you to break even.

- Diversify. One basic rule for gaining in the stock market is to diversify your holdings. But too many investments of different types can be difficult to track. A good mutual fund is one way to diversify.

- Look to the future. Looking only at a stock's history is not the best way to measure future performance. You may find a clue in the past, but the business and economic forces the company faces in the next few years could hold much of the stock's fate.

- Don't take tips. Rumors abound in investment circles as individuals hunt for those rare deals that will double or triple their money. The

serious investor is not apt to act on questionable advice.

- Be patient. Don't be too quick to unload. Even the best investment takes time to pay off. Don't panic or react too quickly to adverse news unless it reflects serious problems at the company and in its industry. The company may very well survive bad headlines.

- Be realistic. If you are prudent, your goal will not be to make a lot of money in a short period of time. Those great buys that produce hefty overnight profits are rare. Better to follow your strategy closely, be patient and enjoy the profits when they come.

- Find a stockbroker you can trust. The personal chemistry between you and your broker, and subsequently how easy it is to communicate, can make the difference between success and failure. Find one who listens and understands your goals.

- Buy what you know. Many people fail to tap their own expertise and knowledge when choosing stocks. For instance, if you are a regular customer at a large company, you may already know enough about the company to evaluate the prospects for its securities.