



## INSERTS

### Valassis reigns as national coupon king

By Carolyn Carman  
Special writer

Since they were introduced to households in the late 1800s, coupons have become part of the American shopping ritual. So much so that about 40 percent of all U.S. households now use them.

Valassis Inserts, the low-profile company that publishes the color coupon booklets found in Sunday newspapers, is the largest producer of coupon inserts in the country.

With sales last year of about \$320 million, Valassis penetrates about 55 percent of all U.S. households.

"We are in the business of promoting other people's products," said David A. Brandon, executive vice president and chief operating officer of Valassis. "Our product goes into about 48.5 million households just about every week of the year which is a household penetration unlike most any other product you can think of in the U.S."

But the name of the company is in four-point type on the spine of the book because "we are too busy promoting General Foods, Procter & Gamble and other companies to really hype the fact that it is us," he added.

THE COMPANY was founded in 1972 by George F. Valassis. An American success story, Valassis began doing business from his Farmington Hills home on a shoestring budget.

In early 1986, Valassis was the leader among companies producing coupon inserts with a market share of 40 percent. Valassis purchased a major competitor and added another 10 percent to its market share.

The company now operates the nation's largest program for black and white co-op couponing in weekday papers along with occupying the top position in color insert coupons.

In December 1986, Valassis was purchased by Australian Kerry Packer, owner of Consolidated Press Holdings, a major media conglomerate based in Sydney, CPH is a diversified international company with yearly revenues in excess of \$600 million.

Brandon says average, annual compounded growth for Valassis has been about 35 percent over the last 10 years. Sales for 1986 were about \$260 million and for 1984 \$204 million.

Employee ranks have been growing at a 20 percent clip annually, Brandon said. The com-

pany employs more than 550 people in its 225,000-square-foot Livonia warehouse and Farmington Hills offices in addition to another 500 employees nationwide.

Plans are under way to hire about 100 people for the Livonia facility at all levels of employment, including manufacturing, secretarial, supervisory and administrative personnel.

"We are growing tremendously as a company in terms of what we do," Brandon said. "We represent our own products to our customers so we do not use brokers or agencies to sell space in our publication."

"We are definitely a very sales-driven organization with all of our own sales people. We have our own marketing department that basically makes us self-sufficient in marketing our own products."

Valassis does its own printing and owns millions of dollars in printing equipment across the country. Equipment is state of the art; everything is computerized from scheduling of presses and publication layout to managing the sales force.

Projections call for 40 percent growth over last year.

THE LIVONIA WAREHOUSE, one of three major production plants, supplies about one-third of the country with inserts. Other production centers are in Wichita, Kan., and Durham, N.C.

Valassis offices occupy 80,000 square feet of space in West Hills Office Park on 12 Mile in Farmington Hills. Construction of two buildings totaling 50,000 square feet is under way next to the Livonia warehouse. The Farmington Hills work force will move to Livonia in the fall.

Brandon says the company is proud of its Michigan roots and location even though there has been pressure occasionally to move to where its competitors are — New York City.

"We're basically in the sales, promotion, advertising business," he said. "Typically, companies in our kind of business are in New York. Michigan is really important to us so we have made a commitment to stay here."

Valassis also has sales offices in Connecticut, New York, Atlanta, Chicago, Minneapolis and Los Angeles.

"We are everywhere now with significant human resources at our disposal," Brandon said.

## Ad agencies to fund WSU professorship

By Tom Henderson  
Staff writer

The Adcraft Club of Detroit is closing in on its goal of raising \$280,000 to endow an advertising professorship at Wayne State University, but Dr. Edward Riordan, the chairman of the school's Department of Marketing, isn't about to sit back and relax.

The club, the largest advertising club in the country with 2,700 members, has raised some \$230,000 of the goal it announced last fall, Riordan said. He said the campaign will continue through the summer, even if

the goal is reached.

"I want to use the summer to go to the agencies and see the guys who haven't given enough or who haven't given at all," Riordan said.

"We're doing it in a bad year, when all the ad companies are squeezing the ad agencies' commissions from 15 percent to 9. This (program) is coming out in absolutely the worst year possible."

RIORDAN, A RESIDENT of West Bloomfield, said the campaign is unique in the country.

"Here you have a bunch of guys who fight together every day, and

here they are banding together for this. That's the fascinating part of it. And it's not a philanthropic organization, it's a social organization."

Adcraft Club members, with urging from Riordan and Thomas Campbell-Ewald and a past president of the club, joined in the endowment campaign as a way to support Wayne State and, ultimately, their own profession.

Riordan said the money raised will be invested, with the interest used to supplement existing school funds to go into the national marketplace and hire the best advertising

professor available.

"Let's say we realize \$15,000 from an interest-bearing account," Riordan said. "That makes you much more competitive when you go recruiting nationwide."

He said the money would be invested for a year to accrue interest, with the search for a professor to begin in the fall of 1988.

WAYNE STATE was chosen for the fund-raising campaign because the school is a major artery in the lifeblood of the local advertising

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## Business owners pool talents as consultants

By Tom Henderson  
Staff writer

Ask The Consultant is not the latest in phone-in radio shows. It is a non-profit, 14-member support group of consultants for fledgling small businesses and would-be entrepreneurs.

Do you need legal advice about incorporating? Or someone with an eye for graphics who can help you with your logo? Or maybe you have a great idea but so little experience that you don't even know what questions you should seek answers to? Then Ask The Consultant may be for you.

ASK THE CONSULTANT was the brainchild of Colleen Milligan more than a year ago and is a formalization of what had been a loose network of friendships and contacts.

Milligan has a master of business administration degree who owns her own company in Livonia, Market Planning and Programming. Like others in her coalition of business people and consultants, she learned enough from the mistakes she made in starting her business that she felt



JERRY ZOLYNSKY/staff photographer

If you want to Ask The Consultant, you may talk to Colleen Milligan (left, front row), Susan Slattery, Judy Cameron (left, back row) or Beverly Helm.

others could prosper from her advice.

an advertising and graphic design firm in Southfield, MI, Unlimited.

Judith Cameron is another member of Ask The Consultant. She owns

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## UNDER NEW MANAGEMENT

Crestview Cadillac (formerly Arnold Jerome Cadillac) has recently purchased the entire new car inventory of Arnold Jerome Cadillac.

We must clear the existing inventory from the previous management to make room for our summer inventory!

**YOU WILL NEVER OWN A CADILLAC FOR LESS!**

If you have not visited us before, maybe it's time. Come visit us and see the changes we are making.

**"BIRMINGHAM & BLOOMFIELD'S NEWEST ALTERNATIVE"**

# Crestview

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