

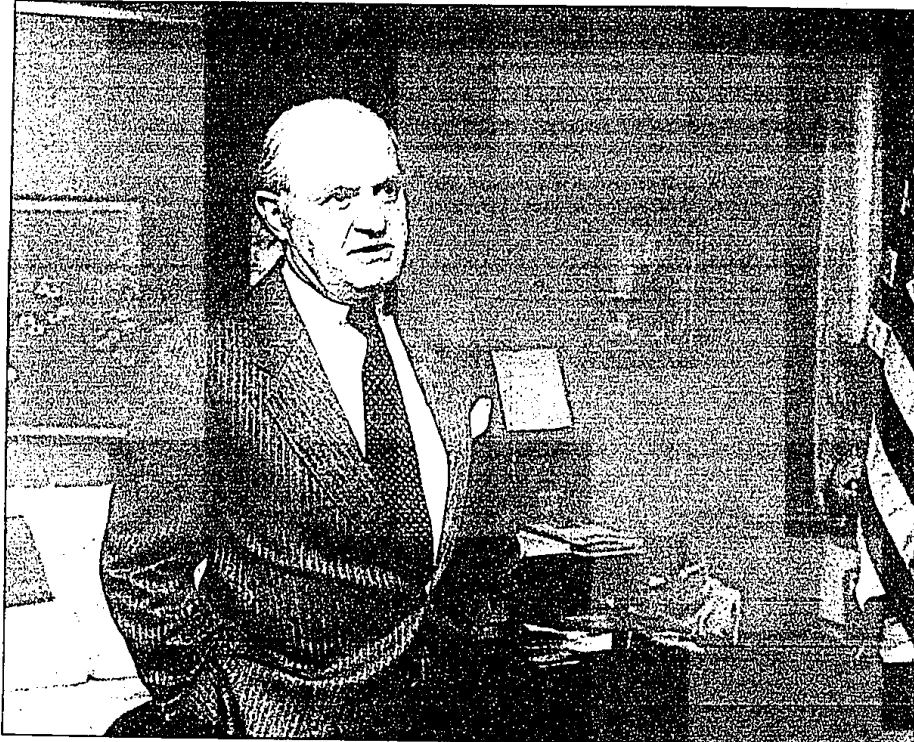
# Business

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Stanford C. Stoddard: "Money is the one form of language that doesn't restrict itself to state boundaries. A dollar is a dollar. There's nothing wrong with states' rights — except in money and banking."

## Stoddard: banking's maverick innovator

Despite his current problems, Stanford C. Stoddard has a place in history as one who changed the face of banking.

"My father saw the despair and trauma of the Great Depression," said Stoddard in an interview last week. "I can't say I experienced the trauma," he added, but he learned a lot of banking from the late Howard C. Stoddard, founder of Michigan National Bank, and he learned about the economic trauma of the 1930s.

Following his father as chairman of Michigan National from 1973-84, Stoddard, now 57, was unconventional — a "maverick" who advocated consumer banking, statewide branch banking, nationwide banking, consumer credit cards, Saturday hours and electronic banking.

And he predicted a marriage between banks, travel agents and utilities.

He spoke admiringly of the late G. Mennen Williams, liberal Democratic governor from 1949-60, and chuckled at his own heresy: "Bankers are supposed to be conservative Republicans, aren't they?"

STODDARD IS free on bond pending appeal of his federal court conviction for defrauding Michigan National's Jackson subsidiary. But the interview topic was change in banking — what the company he headed had done, and what he sees ahead.

He was forced to resign 3½ years ago and recently was forbidden by the Federal Reserve Board to have any role in banking because of the administrative law judge's finding that he misapplied funds. Stoddard contends the charges weren't substantiated. Currently he has a business in the American Center in Southfield where he handles franchise financing.

His father had worked for the Reconstruction Finance Corporation, a federal agency, and believed many area banks failed because they did too much underwriting of investments.

Bankers of the 1930s and '40s believed in local, unit banking because "only the local banker knew what to do. He didn't provide a lot of credit sometimes to the consumer because he thought the consumer was a risk type of person."

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## Here's the fax: transmitting changes business operations

By Philip Sherman  
special writer

Richard Leland of Mailboxes Etc. in Livonia tells the story of a local client who closed a real estate deal in Traverse City.

The client didn't have to leave Livonia. All the paperwork necessary for closing the deal was beamed back and forth via fax machine, in less than an hour, for under \$2 per page.

"It shouldn't have even taken that long. Pages can transmit in under 30 seconds, but there were other considerations that had nothing to do with the technology," Leland said.

Mailboxes Etc., a packaging and shipping service, is one of the many franchises adding fax capabilities to photocopying, printing and, in some cases, convenience services such as film processing. The franchises are gearing for a growing market that requires rapid document transmission but doesn't want to invest in a fax machine.

On the flip side, the cost of fax machines has dropped so substantially during the past four years that small businesses once locked out of the technology by cost alone now can afford a cost-effective, high-quality machine, according to Arnie Rautbort, regional sales manager for Fax Express in Farmington Hills. His company sells only fax machines.

Fax is short for facsimile transmission. A document, photograph or anything that can be photocopied can be fed into a fax machine, which transmits the information, via ordi-

**'Customers can fax information for immediate approval and follow up with regular mail for file copies.'**

— Arnie Rautbort

nary telephone lines, to any other compatible fax machine in the world. The information rolls out of the receiving fax machine in the same format as it was sent. Quality varies, depending on the machine and the type of paper used.

LELAND SAID Mailboxes Etc. is installing fax machines throughout its stores so customers with infrequent fax needs can beam documents from one Mailbox to the next, or to an office. The process can be reversed so a person waiting in any Mailbox store can receive a document from any office, much the way Western Union telegraph offices sent messages before phones were available.

"There's no confusion, no misunderstandings like on a telephone — it's clean because it's written," Leland said. "You can send anything anywhere. We still have to use Telex for the Third World, for getting into places like Zimbabwe, because fax is just getting there," he added. "But it won't take long." Telex is direct, terminal-to-terminal word communication.

It hasn't taken long for lawyers in particular to realize the advantages of moving documents via fax, according to Rautbort. "Customers of mine can fax information for immediate approval and follow up with regular mail for file copies," he said. Legal briefs, leases — "anything legal that needs to be approved" — is being sent in a matter of seconds, taking much of the allure out of overnight mail services.

Armand Schneider, a Federal Express representative, said "We know it (fax) will take away from the document business" but added the company plans to compensate for its document mail service with a heavier emphasis on packages.

He also said the company's now-defunct Zap Mail service, which offered fax-on-wheels convenience to businesses, "was an idea before its time. But we were going into international expansion and that combined with the losses on Zap forced its closing." The service ran from 1984 to September 1986.

Popularity of the half-pound overnight letter should not be underestimated, Schneider said, noting it was 16 percent above projections as of November 1986. The five-pound Courier envelope also was relatively unharmed by fax because "people are using it for the larger, 50-60 page documents you wouldn't want to send through a fax," Schneider added.

RAUTBORT ALSO said doctors with multiple offices but one set of patient records are seeing the advantages of fax transmission. "If someone is in one office and their records are in another, they can be faxed. Doctors involved in international research projects are also sending information via fax because it is faster and less expensive, he said.

"In general the market isn't as specific as it used to be. Any office now can use fax due to price drops," he said. A November 1987 Business Week article said the average cost of a full-featured fax machine is about \$2,300, down from \$4,700 in 1980. It cited figures from Dataquest, that said 330,000 fax machines were sold last year, compared to 50,000 in 1980. Even with the price drop, American Speedy Print, headquartered in Birmingham, still is studying the idea of installing fax machines in its 462 franchise outlets, according to Linda Suneson, purchasing director.



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Richard Leland of Mailboxes Etc. gets ready to send a document via fax machine.