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By Mary Rodriguez  
staff writer

## With new home, Ross Roy positions itself for the '90s

Before Ross Roy Inc. moved into new executive headquarters in Bloomfield Hills last September, the ad agency was sprawled out in five different buildings in downtown Detroit.

"We had so far outgrown our facility. We needed consolidation. We wanted to create an environment for productivity. We're prepared now," said Dan Lutzeier, vice president for public affairs.

Ross Roy's striking headquarters, a three-story, 220,000-square-foot building, befits its new image. Billing itself as "the agency of the '90s," it provides not only advertising, but merchandising, direct marketing, public relations, film production and research. The company believes the advertising and communications industries are headed toward the single source concept.

**'No longer can you be just an ad agency but a provider of complete marketing services.'**

— Dan Lutzeier

The figures provide justification for the forward thinking. Advertising Age pegs Ross Roy as the 22nd largest advertising agency in the nation, with \$475.3 million in 1987 billings, an increase of 14 percent over 1986. In Canada, Toronto- and Windsor-based offices put Ross Roy among Canada's top 20 agencies.

"The growth rate has been remarkable over the past five or six years," Lutzeier said.

The firm, with clients like Chrysler Corp., K mart, the state of Michigan and Blue Cross and Blue Shield, has grown from a \$191 million company in 1980 to its present standing under the leadership of CEO Glen Fortinberry.

FORTINBERRY, a J. Walter Thompson alumnus, has added clients like Clairol, Hoover and Toshiba



CEO Glen Fortinberry pauses in the atrium of Ross Roy's Bloomfield Hills headquarters, where the company has been

by buying ad agencies already handling these accounts. The latest Canadian acquisition is Toronto's Nathan Fraser Agency, which bills at least \$15 million annually. Fortinberry also has his eye on Ann Arbor-based Group 243, which has the \$50

million Domino's Pizza account.

Ross Roy spokesman Frank Wilberding says the company originally had an option on riverfront property for expansion, but the city gave away that option, offering the 52-

brought together under one roof with the exception of a production department located in downtown Detroit.

year-old company a less desirable site.

The company recently showed off its Bloomfield Hills building, which contains an advanced unified wiring plan capable of linking together tele-

phones, computers and all other telecommunications devices in every office. There are 19 conference rooms for brainstorming sessions, including a couple of particularly snazzy rooms for formal presentations.

Two hundred on-line computer terminals are presently operating, with 25 from remote subsidiary locations. More than half of current computer utilization is for Chrysler, processing 30,000 calls a month for Chrysler incentives, telemarketing and sales training. Workers track daily sales of more than 15,000 salespersons across the country.

THE 12½-ACRE site, near Woodward and Long Lake Road, has retained a "wetlands feel. We worked with the DNR to retain trees and save woods, to preserve ecology."

"It's really a woodlands paradise," Lutzeier added. "We're actually attracting wildlife out there."

Rather than level a large hill for an access road near the front of the building, the company decided to reroute the roadway and preserve the hill's mature stand of hardwood. Two wetland areas likewise were connected by the introduction of a new manmade riverbed flowing under the visitor parking area.

Most of the 550 permanent employees made the move north. A 35-person video unit is still housed in the Stroh Riverplace facility 1½ blocks from the old building.

The headquarters' central attraction is an atrium which provides views of glass-walled offices on all three levels. The main lobby features Italian marble floors, glass elevators and a brass railed staircase, mauve leather chairs, oak end tables and lots of plants.

"We want our creative people stimulated by the environment," Lutzeier said. "There's lots of natural light. It helps nurture the creative process."

Much of the ground floor is still vacant. Space is available for leasing to compatible businesses. Howard & Howard, a Kalamazoo-based law firm, leases about 40,000 square feet. The idea is to keep space available for expansion.

One Ross Roy division on the ground level is the incentives department, which is equipped to develop and carry out rebate programs.

"No longer can you be just an ad agency but a provider of complete marketing services," Lutzeier said.

## Bypass

### Mediation franchise courts off-the-docket settlements

By Filip Francesco  
special writer

Non-binding mediation services that serve as alternatives to litigation are helping a fledgling Southfield firm's client base grow while saving insurance companies thousands of dollars in legal fees.

Launched as an adjunct to Goldsmith & Schavrien law firm, Michigan Arbitration Services has resolved more than 80 percent of its cases as an impartial mediator within 45 days and without going to court.

In two years of operation, the firm has gone from a handful to 40 clients.

Disputes have involved insurers, family squabbles and partnership, construction and landlord-tenant disputes.

Joel Schavrien, executive director of Michigan Arbitration and a partner in the law firm, said businesses can save \$1,000 a day in court costs and legal fees by solving disputes with consumers through his company.

"I figure we save the company about 500 percent in legal fees when we're successful," he said. "And we usually are. The consumer benefits from quick resolution."

The idea of a privately-owned mediation company wasn't Schavrien's. He bought the Michigan franchise from Seattle-based U.S. Arbitration Inc., which has 25 affiliates across the country that provide binding arbitration and non-binding mediation services.

Other services at the Michigan franchise include development of custom programs, providing volunteer arbitrators to social service agencies, making educational presentations and carrying out consumer class-action suits brought by the state attorney general's office.

"IT IS USUALLY in everybody's best interest to resolve cases we hear without formal litigation," said Schavrien, whose chief clients are insurers whose customers are unhappy with settlement offers on claims.

"We're brought in when claims are filed and there's an impasse, which is more often than you might think. We mediate or negotiate as an informal third party between the two disputing parties. Or we can make a binding arbitration decision."

Michigan cases are settled 84 percent of the time without going to court. National cases had an 88-percent settlement rate during Michigan Arbitration's first year of operation.

The firm has four mediators, all of them lawyers or retired judges, and Schavrien has a bank of 200 lawyers statewide willing to mediate and arbitrate for the company as independent contractors. Annual revenues have been under \$100,000 during

**'Court costs and other expenses associated with litigation are outrageous.'**

— Joel Schavrien

Michigan Arbitration Services' first two years in the market, but Schavrien expects at least a threefold surge in the next five years.

The company's growth rests on marketing, which is done statewide through seminars, conferences and referrals.

"The public is frustrated with our courts today," said Schavrien. "Court costs and other expenses associated with litigation are outrageous, so we're betting most people and companies will want an impartial mediator or arbitrator who can do the job inexpensively and swiftly."

Schavrien insists his firm is impartial even though the company always pays the \$700-\$800 fee for each mediation or arbitration.

"We're primarily here in most cases to negotiate, to open the line of communication," he said. "We're able to accomplish this in many cases when it couldn't have been accomplished in a courtroom. There's less pressure because of our informal approach."

Michael Gillette, founder of the U.S. Arbitration in Seattle, believes there's plenty of room for growth for firms such as Michigan Arbitration Services.

"TWENTY YEARS from now, most civil cases will go right to mediation and arbitration, bypassing the court system entirely. Arbitration is becoming a mainstream legal process and has a lot of room for growth. "People are ready for this because they're tired of waiting forever for their dispute to get to court. Time is money, and faster resolution of a problem saves money for consumers and for companies."

Added Schavrien: "Mediation is being utilized by major insurance carriers to expedite resolution of their liability claims . . . and is proving to be an effective way for disputing parties to explore all possible settlement opportunities."

According to Schavrien, the mediator cannot impose a settlement on either party.

"The mediator helps the parties organize and structure negotiations," said Schavrien, "and because each party's settlement positions are known only to the mediator and are not revealed to the other side until authorized, the mediator can lead the parties to a realistic assessment of their cases."

## NBD's IRA

# RATE UPDATE:

IRAs are still a good idea. Many people are still eligible for an IRA tax deduction, and you can defer paying taxes on the interest you earn until you retire, when you'll probably be in a lower tax bracket. Consult your tax advisor.

TERM	ANNUAL RATE	EFFECTIVE ANNUAL YIELD
2-YEAR	7.55%	7.81%
5-YEAR	8.40%	8.73%

Rates for both the 2-year and 5-year Fixed Rate IRA are subject to change weekly. Interest will be compounded monthly. A \$500 minimum deposit is required. Rates available at NBD Detroit; rates may vary at other NBD affiliate banks. Substantial penalty for early withdrawal.

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