

Minor innovations can pay large dividends

Imitation may be the highest form of flattery, but innovation is the highest form of genius when it comes the developing successful competitive strategies for your business.

Being innovative does not suggest restructuring your entire operation in order to achieve or maintain long-term success and growth. Given identifiable customer needs and wants, a firm has control over which of those needs it will attempt to best satisfy on a regular basis.

The resulting action may involve no more than changing the package design for a product, offering seminars otherwise not made available by competitors or expanding your

store hours to promote the convenience aspect of doing business.

WILLIAM AND Andrew Smith were the first to offer their Smith Brothers Cough Drops in prepackaged boxes. By redesigning their package, the brothers were able to distinguish their product from its many imitators.

Prior to offering cough drops in boxes, they were sold in large glass bowls carrying the Smith Brothers' trademark at general stores and apothecary shops.

Soon unscrupulous competitors began capitalizing on the cough drops' popularity by filling the "Smith Brothers jar" with counterfeit drops



focus: small business

Mary DiPaolo

and passing them off as the real thing.

It wasn't until the brothers marketed their product in "factory-filled" packages that the problem was solved.

A MORE recent example of innovative competitive strategy involves

Nightingale-Conant Corp.'s offering of one- and two-day seminars throughout the country to its current and potential customer base.

As the largest audio cassette production facility in the country, the corporation was interested in breaking new ground to satisfy its customers' information needs.

"Our first test seminar is being held in Detroit in early June, and if we succeed in the Detroit market, we plan on sponsoring 5,000 seminars over the next five-year period," said Gregg Chappell, seminar director with NCC.

THE SEMINAR, "Power Communication and Persuasion" with Mike Wickett of Birmingham, reflects the needs of the market, according to Chappell.

"The Detroit market knows exactly what they want and where they're going both personally and professionally. When planning this first seminar, we knew how important it

was to provide what was needed, as opposed to what was easiest for us to offer."

For more information on the seminar, call 1-800-323-5552.

Next week, we will begin our series on cable television as a means available to promoting small businesses.

Mary DiPaolo is the owner of *MarketTrends*, a Farmington Hills-based business consulting firm. She is also producer and host of the cable television series, "Focus: The Small Business Environment."

Put money on individuals, not stock funds

I was looking at two different lists of stocks. One shows the most heavily traded stocks on the New York Stock Exchange. The other was the list of 100 most widely purchased stocks by individuals published by the National Association of Investors. I am reasoning that if a stock is widely bought by a lot of people, there must be a lot of people who think the stock is good and therefore I could not go wrong if I bought a stock from one of those lists. Do you think my ideas is a good one?

Not necessarily. The stocks on the two lists you are looking at, The Most Heavily Traded Stocks on the New York Stock Exchange and The Most Widely Owned Stocks by Individuals, can have very different characteristics.



today's investor

Thomas E. O'Hara

of the National Association of Investors Corp.

For instance, the companies listed on the New York Stock Exchange are generally the biggest in the country and, just because they are so large, are very heavily traded. In their favor is the fact that generally these companies — as very large organizations — are well managed and stable.

Because they are so large, generally they are not among the most rapidly growing companies in the country.

ANOTHER IMPORTANT fact to keep in mind is that 80 percent of the trading done on the New York Stock Exchange is done by institutions and not by individuals.

As a rule institutions tend to have a much shorter time frame in mind for an investment than most individuals do. On the average, institutions in recent years have sold their entire portfolios every year.

This means that the people who are buying many of the stocks on the

New York Stock Exchange are not planning on holding them very long. That, of course, is not true of every stock, but is a generality you should keep in mind.

THE LIST of most popular stocks bought by individuals who are members of the National Association of Investors is very different.

Most individuals whose holdings are shown in that list have bought because they expect to hold the stocks five years or longer and expect to see those stocks double in value at each successive stock market peak.

When I compare the New York Stock Exchange list as of April 27 with the NAIC Individual list, there is only one company on both lists — AT&T. This emphasizes the differ-

ence in the lists.

Whether either list can be of value to you as a source of investment ideas depends on your objective. If your purpose is to buy stocks that have prospects of increasing in value over a long period of time, the NAIC list would probably be the most valuable.

THE 15 TOP stocks in that list are Wal-Mart Stores, American Family Corp., AT&T, PepsiCo, Baxter Travenol Laboratories, Kinder-Care Learning Centers, Bruno's, Abbott Laboratories, Liz Claiborne, Pfizer, Shoney's, Wendy's, RPM Inc., Chyron Corp. and Walt Disney.

Thomas O'Hara of Bloomfield Hills welcomes your questions and comments but will answer them only through this column.

marketplace

Wade Capital Corp. has opened an office in Troy.

Builders Square, a subsidiary of the K mart Corp. of Troy, received six National Home Center Industry Advertising Awards for advertising.

Equifax Services Inc. signed a lease to occupy office space in 300 Galleria Officecentre of Southfield.

Shella Sloan Public Relations Inc. of Southfield was selected for public relations counsel for the Nelsen/Rosa Co. of Farmington Hills.

Soelling Temporaries have opened a new office at 1950 Livernois, Suite C, Troy.

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