

# What's a truck? No one else is sure, either

To the average consumer, a car and a truck are easily identified. For instance, the car doesn't let rain in the trunk unless you leave it open, while the truck has a bumper sticker with a handgun on it.

But today the hot subject among marketing types is the so-called "crossover" market, which means that sometimes a truck falls into the hands of the wrong sort — a woman, for instance, or some guy who arrives at a date parking at the Rattlesnake Club.

Actually, the difference between a car and a truck would be nothing more than an exercise in semantics save for the fact that language has a way of altering even the best of intentions.

West German chicken farmers, for instance, were not thinking of the crossover market when they felt threatened by imports from U.S. poultry farmers in the early 1960s.

In fact, there seemed to be little or no connection between their complaints and the auto business, with the possible exception of Carroll Shelby, who was in the poultry business at the time.

The Germans quickly slapped a tariff on chickens to stop the flood of fryers — and U.S. trade experts quickly sought retaliation by search of a product that was unique to West Germany. As it turned out, a elaborately imported in small numbers by Volkswagen filled the bill, and a 25 percent duty on "fully-assembled imported trucks" fell on its roof, which is why you rarely see a Volkswagen van today, even delivering chicken.

TEN YEARS passed, and the Japanese invented the tiny truck. Another dumb idea that ended up selling a half-million or so units a year in the United States to Californians, who



auto talk  
Dan McCosh

buy anything.

But the 25 percent chicken tariff stuck, despite the original reason being lost on everybody except the West German chicken farmers.

Then ways were found to play with the language. First, Toyota tried building truck beds in the United States, in what was the forerunner of U.S. assembly.

The beds were bolted on after "partially assembled" trucks were landed, so, technically . . .

Then GM got even trickier, merely leaving a couple of bolts loose and then tightening them after the trucks

were landed.

Even trickier than GM, Subaru tried bolting a couple of plastic seats in the beds and calling the truck a car.

Which led to a ruling that called a halt to all this nonsense, and all trucks had to pay the tariff — unless the truck was a passenger-carrying van, a multipurpose vehicle, or one of the other categories called "trucks" by other governmental agencies.

By now, the definition of a truck had entered into the debate over Japanese voluntary import re-

straints, since trucks, vans and MPVs were exempt from the quotas. A non-truck that wasn't a car could duck both the chicken tariff and the quota.

Until a couple of weeks ago, when a customs ruling extended the chicken tax to imported vans and utility vehicles, pending a court decision on the matter. Chrysler is particularly happy about the ruling, since it means any new Japanese competition for its best-selling minivan will have to pay a 25 percent duty.

By now, a separate definition of "truck" exists at the National Department for Highway Safety, another at U.S. Customs, and yet another at the Environmental Protection Agency.

THIS RESULTS in name games being played by both sides. Japanese minivans are exempt from voluntary quotas, and technically are

trucks, at least insofar as they don't meet certain safety regulations, including passive restraints, headrests and roof crush tests. Unless the new ruling holds up, they remain exempt from the truck tariff as well.

Domestic manufacturers like to count passenger-carrying minivans in car sales because it makes their reports look good. But the vans would pull down the fuel economy average for passenger cars, and therefore are classified as trucks.

To anyone trying to move his aunt's new sofa, the whole thing would be ridiculous, save for the fact that when you buy a "truck" today, you still end up paying the extra 25 percent for a vehicle that does not have to meet all the safety standards for passenger cars.

That's not chicken feed. Dan McCosh is the automotive editor of Popular Science.

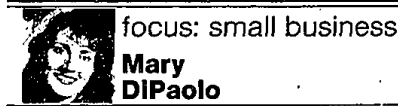
## Owners must decide whether they want debt or equity

Business owners can spend several months writing and rewriting a business plan, but the effort is wasted if the plan doesn't make its way into the hands of the most appropriate potential investors. To evaluate and subsequently approach the right backers, entrepreneurs must resolve these key issues.

First, they must decide if they are seeking investment or debt money. Second, they must direct their efforts to the investors or lending institutions most likely to support their type of enterprise. And third, they must find ways to reach targeted financiers effectively.

In the book, "Business Plans That Win \$\$\$," the authors agree that the most difficult issue to resolve is the decision to seek out investment vs. debt money. According to John Jenkins, a New York-based venture capital expert, many factors influence this decision.

"The collateral and expected rate of growth issues are just two areas that need to be critically analyzed



focus: small business  
Mary DiPaolo

and evaluated," Jenkins said.

"Because lenders are primarily concerned about the existence of collateral, companies that have equipment, property, inventory, orders or such tangibles . . . and which expect to grow at a slower annual rate . . . may want to consider obtaining loans."

NEW BUSINESS start-ups, on the other hand, may find that collateral is more difficult to come by and often takes the form of equity in the entrepreneur's home, stocks or life insurance cash value.

Because many new business owners are reluctant to risk personal assets for a business loan, they often

turn to investors. If growth is expected to be rapid among start-up firms, this may be another reason to consider the investment money alternative.

It's also possible for new businesses to obtain a combination of debt and equity money, which commonly comes from small-business investment companies.

Investors and lenders have preferences about the companies they are willing to support. The type of business, history, company status and amount of requested financing all contribute to the decision of "who gets what when." It is also important to note that financiers are increas-

ingly willing to get involved with new and smaller ventures.

GENERALLY SPEAKING, investors are divided into four broad classifications to include traditional venture capitalists, early-stage venture capital money, investment bankers and informal investors. Types of

investors can be further broken down according to the types of firms each prefers. Lenders include commercial and government lenders. The book, "Guide to Venture Capital Sources" (Stanley Pratt, Venture Economics, Wellesley Hills, Mass.), lists all venture capital firms, along with the kinds of businesses they

prefer to back. It is available in most bookstores.

Mary DiPaolo is the owner of MarkeTrends, a Farmington Hills-based business consulting firm. She is also producer and host of the cable television series, "Chamber Perspectives."

### marketplace

WXYZ Channel 7 won awards for medical reporting and best spot news coverage. Jerry Hodak was voted number-one medical reporter in the country. Channel 7 Action News won Best Spot News Coverage by the United Press International.

ITT Automotive has produced its 1-millionth antilock braking system.

Lois Wright Inc. has moved to 239 S. Woodward, Birmingham. The telephone number is 645-5030.

Cityfed Mortgage Co. has introduced its "Preferred Customer Program." The service will preapprove potential house buyers for primary residence financing.

Wilson, Carson & Associates in Southfield has merged with Computere. The new company will operate under the name Computer Resources Inc.

Walker Manufacturing of Southfield has renewed its contract with Hedge & Co. Inc. to handle public relations and motorsports promotions for DynoMax.

Image Express of Southfield a post production house was included in the D'Arcy, Masius, Benton & Bowles television campaign in Los Angeles, Calif.

Marketing Impact Inc. of Southfield will handle advertising for Texaco Express Lube.

Shella Sloan Public Relations Inc. of Southfield created a program to help new and small businesses in southeastern Michigan meet their budgets.

GTE Valente Corp. acquired the remaining interest in two Mexican subsidiaries after receiving Mexican government approval.

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McCann-Erickson won a Mobius Award for the "Drugs Are a Dead-End" campaign created for the Partnership for a Drug-Free America effort. It also won a Mobius Certificate for Outstanding Creativity for the "Great American Road" TV campaign for Buick Motor Division.

Michigan Bell is receiving the Voice Customer Access System, which will automate the process of reporting service problems.

Universal Engineering and DeVlieg Microbore will exhibit in the tooling systems division booth at the 1989 WESTEC Show, March 20-23, at the Los Angeles Convention Center.

EMRC of Troy exhibited its new products at the Winter Design Engineering Show and Conference in Anaheim, Calif. The principal subject discussed was U.S. space flights.

Akzo shares are available to U.S. investors in the form of sponsored American Depository Receipts.

Sterling Savings Bank finished its office center in Birmingham.

Max & Erma's opened a restaurant in Meadowbrook Village Mall in Rochester Hills.

Ross Roy Group earned top honors for a TV spot for K mart Corp. from the Father's Day Council.

Prudential Town Center and D & B Landscaping Inc. were awarded Metropolitan Detroit Landscape Association's 1988 Environmental Improvement Gold Award for outstanding achievement in commercial landscaping.

Ross Roy Advertising received three awards at the annual U.S. Television and Radio Commercials Festivals in Chicago. Ross Roy received two Gold Mobius trophies and one Certificate of Outstanding Creativity.

McCann-Erickson won an Athena Merit Award for the print ad "Go Ahead. You Deserve It" created to announce the 1988 Buick Reatta.

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