

Management team can mean success

datebook

● FUTURE OF INVESTING

Thursday, March 9 — "How Will the Bush Administration and Tax Reform Change Your Investment Strategy?" begins at 7:30 p.m. in Bloomfield Hills. Fee: \$10. Information: 645-3835. Sponsor: Cranbrook Schools.

● QUALITY CONTROL

Thursday, March 9 — American Society for Quality Control meets in Southfield. Non-member fee: none. Information: Bill Haral, 420-0122.

● THINKING AND SUCCESS

Thursday, March 9 — "How Successful People Think" offered 7-9:30 p.m. in Rochester. Fee: \$35. Information: 370-3120. Sponsor: Oakland University.

● PROFESSIONAL WOMEN

Monday, March 13 — Professional Women's Network meets in Southfield. Information: Diane Wilbur, 647-4480.

● VENTURE GROUP

Tuesday, March 14 — Southeastern Michigan Venture Group meets in Troy. Information: 779-9862.

● BUSINESS IN CHINA

Tuesday, March 14 — "Doing Business in China" offered 7:30-10 p.m. in Troy. Non-member fee: \$20. Information: 954-4000 Ext. 249. Sponsor: World Trade Club.

● FINANCES

Tuesday, March 14-28 — "Handling Your Finances" offered 6:30-9 p.m. in Detroit. Fee: \$60. Information: Pamela Goelling, 577-4850. Sponsor: Wayne State University.

● WHARTON ALUMNI

Wednesday, March 15 — Wharton Alumni Association entrepreneurial symposium in Detroit. Information: 473-0817.

● DP MANAGERS

Wednesday, March 15 — Data Processing Management Association meets in Southfield. Information: 535-4400.

● HISPANIC ECONOMIC

Wednesday, March 15 — "Franchising for Profit" seminar begins at 6 p.m. in Detroit. Non-member fee: \$17. Information: 974-8000. Sponsor: Hispanic Economic Club.

● SEPK/KEOGH SEMINAR

Wednesday, March 15 — A seminar on tax-deferred pension plans for small businesses begins at 7 p.m. in Rochester. Information: Jack Churilla, 656-4326. Sponsor: Merrill Lynch.

● TAX ADVICE

Wednesday, March 15 — Networking and small-business tax advice offered 5-7 p.m. in Southfield. Non-member fee: \$10. Information: 964-4000 Ext. 279. Sponsor: Greater Detroit Chamber of Commerce.

● CANADIAN FREE TRADE

Wednesday-Thursday, March 15-16 — U.S.-Canada Free Trade Agreement workshop offered in Detroit. Non-member fee: \$250. Information: 961-1408. Sponsor: Central Business District Association.

● PURCHASING MANAGEMENT

Thursday, March 16 — Purchasing Management Association of Detroit meets in Farmington. Information: 1-773-3737.

● TOASTMASTERS MEET

Thursday, March 16 — Wind Buggers Toastmaster Club meets in Farmington. Information: Cheryl Ellis, 479-2508.

● FINANCIAL PLANNING

Thursday, March 16 — Free financial planning seminar offered 7-9 p.m. in Farmington Hills. Information: David J. Baerwalde, 851-1001. Sponsor: PaineWebber Inc.

Successfully managing a business as a single entrepreneur is almost impossible. No matter how savvy or experienced, one person can accomplish only so much in a single day.

As the Small Business Administration has stressed, the primary reason for small business failure in our country is "lack of management capability and experience."

The key executive areas of most businesses include finance, marketing and production. To best carry out the planning, implementation and control activities of these and other major divisions, a co-management team of three or more business professionals is imperative.

PUTTING TOGETHER a winning management team isn't easy. A recent survey among 170 small business members of the Smaller Business Association of New England showed that two-thirds of existing partnerships had broken up by the time the survey was administered.

About 60 percent of these breakups were due to "changing business interests or interpersonal conflict" among management team members.



focus: small business

Mary DiPaolo

To avoid this type of situation, it has been found that firms managed by two or more people with complementary business skills and experience provide the highest growth potential.

INC. MAGAZINE confirmed this in their 1983 survey conducted among America's 100 fastest-growing public companies. Two-thirds of the business owners surveyed have at least one partner, three-fourths of whom were still in business together.

Finding and attracting the right people to help manage a new venture requires that the business owner

initially resolve two key issues tied to the recruitment effort.

First, the owner must decide how much stock to offer his or her team members.

Second, the owner must figure out how to compensate the members before receiving large-scale financing. Because new businesses are usually cash-poor, it is impossible to recruit key managers by offering a comparable level of pay and benefits as do older and more established companies.

AS A result, the incentives offered should reflect the owner's creativity, flexibility and skill.

Overall, entrepreneurs should consider potential investor requirements before becoming overly concerned with percentage ownership agreements or other stock allocation strategies. If money is needed from outside sources, investor support may require a 30-70 percent share in the company.

For business owners who give away too much stock too soon, the results can be devastating. But delaying the recruitment of all management team members for the sake of "stock savings" isn't advised either.

The amount of stock saved using their type of strategy isn't worth anything in the long run without investor support.

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, "Chamber Perspectives."

The pulse of your community • The pulse of your community •

HOW MUCH DID YOU LOSE LAST YEAR ON NON-DEDUCTIBLE INTEREST?

UNLESS YOU ACT QUICKLY, THIS YEAR COULD BE WORSE.

As you know, Congress is steadily phasing out interest deductions on most consumer loans. An exception is a loan secured by your home. Which makes it a great time to apply for a home equity line of credit at First of America Bank.

A Special Offer—

All Closing Costs Waived.

When you sign up for a home equity line by May 31, 1989, we'll waive your closing costs—a savings of up to \$400. But you must act by May 31.

Put The Deduction

Back In Your Interest.

The Federal tax laws allow you to use your home equity line of credit for any purpose you want. And in most cases, on loans all the way up to \$100,000, you still get to take a 100 percent tax deduction.

You also may pay a lower interest rate along with those lower taxes.

Take Advantage Of Your Tax Break.

Get your tax break with our home equity line of credit. You can use this line instead of other loans that are no longer fully tax deductible.

You can also access your credit line simply by writing a check. And the payment schedule is flexible, too.

However, using the equity in your home is not something you should do without careful consideration. Furthermore, there are some items—like normal living expenses, for example—for which a home equity line of credit is definitely not appropriate.

So stop by your nearest First of America office, or call 1-800-544-6155 for more information. We'll provide you with a free information brochure and an application. We'll also help you determine if a home equity line of credit is right for you.

In no time, we can have your good credit working in your favor.

FIRST OF AMERICA Bank

Member FDIC. An Equal Housing Lender.

*Information is based on current federal tax laws. Consult your tax advisor regarding your personal tax situation.

marketplace

Janet Krakowski, CFP, moved her office to Rochester in the building of Crissman & Silver, Attorneys at Law.

Paradata Computer Networks Inc. made Inc. Magazine's top 500 list for the third consecutive year.

Melzer Inc. is selling its Sagebrush stores to Colonel Day's of St. Louis, Mo.

Standard Federal Bank of Troy will acquire all of the outstanding shares of People's Savings Bank common stock for \$20 per share in cash.

Chelsea Corp. sold the Willow Tree, which was at 215 W. Maple in downtown Birmingham, to The Limited Inc.

Perry Drug Store Inc. changed the name of Flint Medical to Perry ComfortCare, a retail outlet that sells and leases home medical equipment and supplies. Perry Drugs also changed the name of Norton Surgical and Respiratory to Perry ComfortCare.

Harley Ellington Pierce Yee Associates Inc. in Southfield was awarded a contract to conduct a space needs study for the city of Southfield's governmental offices.

Eye-of-the-Tiger Gym is opening in Farmington. It is in Nielsen's Plaza on Orchard Lake Road between 10 Mile and Grand River.

Arbor Drugs Inc. is relocating and expanding its corporate headquarters. Its new location is 3331 W. Big Beaver Road in Troy.

Federal-Mogul Corp.'s board of directors approved a series of actions that will reorganize the corporation to optimize the effectiveness between the company's manufacturing, sales and distribution operations. The actions will result in establishing two product lines, eliminating three product lines and maintaining three product lines.

Ferraro relocated its headquarters to Troy.

Hermanoff & Associates Inc. has expanded its offices at 31700 W. 13 Mile, Suite 112, Farmington Hills. The telephone number, 851-3993, remains the same.

Arthur Young & Co. announced the opening of a new office in Southfield dedicated primarily to serving the needs of entrepreneurial companies.

Moran Mitsubishi announced the grand opening of its new dealership on Telegraph Road, just north of 12 Mile in Southfield.

Sakmar & Associates of Rochester joined Century 21 of Michigan.

Society of Manufacturing Engineers chose Stone, August, Baker Communications to be its advertising agency of record.

PRMI moved to larger offices at

17348 W. 12 Mile Road, Suite 202, Southfield, Michigan 48076.

Great Western Financial Corp. opened a Great Western Mortgage office in Bloomfield Hills.

Geller, Herbach, Shapero, Grossbard & Carter and Gerald A. Kirschner announced the merger under the new name of Geller, Herbach, Shapero, Grossbard, Carter & Kirschner in Southfield.

DeVlieg Inc. completed the acquisition of Lyons Integrated Systems Inc. in December. The new subsidiary will operate as DeVlieg-Lyons Inc.

Construction Association of Michigan honored top construction projects for its 1989 Construction Showcase. The following were honored:

Crystal Glenn Office Centre in Novi; Michigan National Corp. headquarters in Farmington Hills; Monsanto Chemical Co. in Auburn Hills; Palace of Auburn Hills in Auburn Hills; Ross Roy Headquarters, Bloomfield Hills; Somerset Place in Troy and Townsend Hotel in Birmingham.

Ray Lighting Centers of Troy won top honors in the radio category of the annual advertising competition sponsored by "The Electrical Distributor."

Shelia Sloan Public Relations Inc. will handle the Clarion Hotel in Farmington Hills account.

Paine Webber Inc. opened a new office in Birmingham, 210 S. Woodward, Suite 250.

Ray D. Elsbrenner & Co. will handle public relations for Rockwell International Corp. in Troy.

Grant Thornton International formed a joint venture with Shinko Management Services Inc. of Tokyo to provide international trade consulting and foreign investment assistance to Japanese and American firms.

Haden Co. of Southfield hired Casey Communications Management Inc. as its public relations counsel.

National Satellite Paging Inc. opened a new office in Farmington, 31800 Northwestern Highway.

Homesitters Inc., based in Southfield, opened in Detroit. Homesitters provides for individuals or couples to live in the homes of customers out of town for plant and animal care and light housekeeping.

Connecting Point of America established the Connecting Point Leasing Program. It was developed by the National Account Group of Dana Commercial Credit Corp. of Troy.

Minuteman Press International opened two new stores: 131 W. Auburn-Gala Plaza in Rochester Hills and 32859 Northwestern Highway in Farmington Hills.

Michigan Inn in Southfield is listed as a franchise hotel to Sheraton Corp. in Boston, Mass. The new name is Sheraton Southfield Hotel.