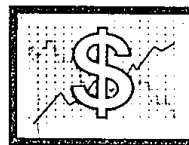


# Business

Marilyn Fitchett editor/591-2300



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## Pilot program offers free advice on exports

By R.J. King  
special writer

With dramatic social and political changes sweeping eastern Europe, the mood of corporate America is anything but lethargic.

General Motors, McDonald's and Levi Strauss recently have set up businesses behind the Iron Curtain, and the stream of larger American businesses seeking joint ventures is accelerating daily.

But for smaller area companies such as Concept Analysis Corp. in Plymouth and the Air Gage Co. in Livonia, getting into foreign markets is proving to be risky as well as enticing.

"We were the ultimate neophytes," said Dave Rourke, a research engineer for Concept Analysis, which designs and tests reinforced composites and plastics for use on everything from satellite antennas to patio furniture.

"We wanted to expand into Hungary, and we gave serious thought to sending a sales team over. But we didn't know where to go or who to see. Yet we knew if we could sell one contract for \$20,000 it would pay for the whole trip and we could build from there."

AND THEREIN lies the risk.

Whether to take a gamble and get a jump on the competition or play it safe and wonder what might have been. So where to turn for insight?

"That's where we come in," said John Chichester, director of the Community Export Alliance Office at Schoolcraft College in Livonia, which assists and evaluates area companies with exporting questions at no charge.

"We give companies straight talk about whether to export or not, and when we're finished, they haven't spent one dollar, they haven't gotten lost and they have an idea of where they stand."

Through a \$20,000 grant from the Michigan Department of Commerce



ART EMANUELE/staff photographer

John Chichester, director of the Community Export Alliance Office at Schoolcraft College in Livonia, uses a computer pro-

gram to evaluate the feasibility of area companies' exporting prospects.

Called CORE, for Company Readiness to Export, the process begins with a questionnaire, where companies detail the products to be exported, monetary commitment, management experience and market pro-

pects.

THE INFORMATION then is fed into the computer, where the numbers are crunched and sorted with demographic and population figures

indigenous to a certain country or region and, within a few minutes, an evaluation is ready.

In the case of Concept Analysis, which employs 20 people, the evaluation was to hold off exporting until

management experience came in line with expectations.

"The results surprised me a little bit," Rourke said. "While we had a high product rating for selling engineering software, we had a moderate organizational rating."

"Basically, it said we need to invest for the long term, not a short, quick in-and-out process that doesn't offer return sales. Consequently, we will not be exporting in the near future. It was the direct opposite of my gut feeling."

In retrospect, Rourke said he might have guessed at the outcome given the company's recent contract to sell software to a sealing company in Switzerland.

"It was just one contract two years ago which didn't amount to return sales," he said.

UP AND RUNNING since March, Chichester said CORE prepares companies in northwestern Wayne and Oakland counties for the stiff competition ahead, not only in the Eastern Bloc but against a unified Europe in 1992, Canada and the Japanese-dominated Pacific Rim.

"I think the Pacific Rim offers great growth potential. Canada is very attractive. But nine out of the 10 calls we get are interested in the European Community," Chichester said.

"I suppose that makes sense given the fact most companies who call us are industrial-service firms and automotive suppliers. Everyone wants to rebuild the second Europe, but companies shouldn't forget about Latin and South America, which is a huge marketplace."

Even for companies already established on foreign soils, Chichester said the Community Export Alliance Office could offer guidance with expansion plans or access different markets in the same country.

For instance, Dave Joslyn, executive vice president of Air Gage, which employs just under 200 people

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## Bank's value not reflected by stock price — chairman

By Tim Richard  
staff writer

Despite shareholder complaints about the skidding stock price, a two-year decline in earnings and a "Taj Mahal" of a new headquarters in Troy, the chairman of Standard Federal Bank sees "better days ahead."

Thomas W. Ricketts said core earnings — mortgage loans, consumer banking and credit cards — plus tight management make his thrift institution one of the best in the state and the nation.

Ricketts called the recent \$7.50 stock price "goofy," adding that the 113-branch bank in Michigan and Indiana is on the federal list of approved buyers of troubled thrifts. A former mutual bank, Standard Federal converted to stock at about \$10 three years ago and has been priced as high as \$12.50 on the market.

"TERRIBLE PUBLICITY" has been partly to blame, Ricketts told the annual meeting Tuesday, citing the failure of thrifts in Texas and had commercial real estate investments by New England thrifts.

"The thrifts in Michigan have not been tainted. Nobody in Michigan

has been indicted," he said.

In the first quarter of 1990, Standard Fed's net income dropped 24 percent, from 42 cents (\$12.9 million) to 32 cents (\$9.7 million).

But he said four cents of that drop was due to a single factor — the federal Financial Institutions Reform, Recovery and Enforcement Act, which took effect last fall.

FIRREA means higher premiums on deposits, higher examination costs and a lower dividend on Standard Fed's Federal Home Loan Bank investments.

"It's costing us 16 cents (per share annually) to bail out those bums in Texas, although we had nothing to do with it," Ricketts said.

Here are other shareholder questions and Ricketts' answers:

Q. Why are you "so glowingly optimistic in a company that seems to be sliding off"? Net income fell from \$67.4 million in 1987 to \$63.3 million in '88 to \$45.7 million last year.

A. Look at the middle lines and notice there are no flash in the pan earnings from sale of assets. For example, gains on sales of originated loans dropped from \$6.6 million to

\$1.1 million to \$410,000 in those years.

"We've been trying to build core earnings. We have a marvelous branch network. We dominate the home lending field. We have no troubled loans," setting another state mortgage lending record.

Q. What is the cost of this Taj Mahal of a new building?

A. \$95 million for the land and building at 2600 W. Big Beaver Road, and it could be sold at a gain but won't be. SF has its operations and headquarters in a single building, in contrast to Comerica, First Federal and NBD, which have separate operations buildings.

"We're in the golden corridor, near Somerset Mall, Kmart and VW. We have no country club memberships, no chauffeurs."

Besides being efficient to heat, cool and light, the "no nonsense, state-of-the-art" building helps attract employees.

Q. Are you planning any more acquisitions and mergers after the 1989 acquisitions in Kalamazoo and Monroe?

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## Dates set for 1991 auto show

The North American Auto Show, which drew some 658,000 spectators during a nine-day run this year at the Cobo Exhibition and Convention Center, will begin one week later next year to better accommodate the foreign media.

Next year's show will run Jan. 12-20. Public viewing started Jan. 6 this year.

"Putting the show on so close to New Year's the first two years has affected the ability of European and Asian automotive journalists to cover the show," said Robert Thibodeau, co-chairman of the event.

"This extra week will allow them to comfortably cover our show while not giving up vacation time or time with their families."

"We had 182 international automotive writers from 15 countries other than the U.S. at the 1990 show

and 1,386 media credentialed in all," said Gordon Stewart, co-chairman of the show.

"We would hope to improve upon those numbers and selecting this late week in January should help us achieve that," he added.

Detroit's auto show keeps getting bigger.

More than 700 vehicles were displayed this year.

There were 47 worldwide or North American production/concept car introductions compared to 24 in 1989. Attendance for the charity preview increased by more than a third, while general attendance was up 3 percent.

An exhibit of an assembly line in action jointly sponsored by Buick and the United Auto Workers union proved to be a big crowd favorite.

"That had more attendance than anything at the show," said Daniel Hayes, executive director of the Detroit Auto Dealers Association, sponsor of the show. "It would appear that the UAW will be well represented at the show next year."

Show organizers will meet over the next few months to come up with fresh ideas to keep the show's momentum going.

"We're still working on some new things. They're not solidified yet," Hayes said.

A decision hasn't yet been made on ticket prices for 1991. Admission this year was \$5, with children under 12 admitted by adults and people at least 65 years of age admitted free.

"It's a relatively inexpensive public show," Hayes said. "We'd like to hold the line."



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