



# Business

Marilyn Fitchett Editor

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## More products, outlets to chart Ziebart's future

By Doug Funke  
staff writer

Ziebart International can be seen as a classic example of a business that broadened its product line and distribution system rather than stagnate or shrivel when competition heated and the economy cooled.

Now, the privately owned company headquartered in Troy with a manufacturing/warehouse facility in Redford, is poised for explosive growth not only in the United States, but around the world.

"By having a broad range of services, we're not dependent on how well the car is made," said E.J. Hartmann, a Birmingham resident and Ziebart chairman. "We provide a service that adds value or more enjoyment to a car."

Ziebart used to be exclusively a rustproofing and probably still is perceived that way by most people, Hartmann said.

But in mid-1970s, Ziebart purchased Arald Palmer and started offering paint and fabric protection treatment for vehicles. In the early 1980s, the company began selling accessories like sunroofs, running boards and grill guards.

ZIEBART BOUGHT a rustproof-

ing competitor, Tuff-Kote Dinol, in 1988, and most recently purchased Tidy Car, whose franchises provide an elaborate interior and exterior cleaning service.

"We hope to communicate that Ziebart is more than a rustproofing company," Hartmann said. "We have a broader range of service we're offering, a cleaner image."

All Ziebart and Tidy Car franchises eventually will offer the services provided by the other, Hartmann said. Upwards of half of all dealers are expected to do so by the middle of this year. A successful test marketing was conducted last summer.

"We contemplated keeping them as two separate franchises, but as we looked at it, we saw more potential combined," he said. "Ziebart needed further diversification. Tidy Car needed diversification even more."

Convenience for customers, one-stop shopping, is a drawing card.

BUYERS OF new cars most likely would use the rustproofing and detail accessory part of the business. Professionals like lawyers, sales people and doctors are likely candidates for the car care line.

Handy Oliver converted Tuff-



E.J. Hartmann, chairman of Ziebart International, has presided over an expanding product line and a network of dealers since acquiring controlling interest in the company in 1970. Further growth is anticipated here and abroad.

Kote Dinol franchises in Livonia and Wadsworth to Ziebart about a year and a half ago.

"I think it (car cleaning) is a good area for us to expand into," he said. "I think it complements the first part of the business, rustproofing, making the car last longer. When it lasts longer, it needs to be cleaned."

Hartmann, 61, acquired controlling interest in Ziebart from a

group of owners in 1970. He had come aboard as a vice president in charge of administration the previous year and was impressed with growth potential.

"I found out after I was hired that the principal owner was interested in selling," Hartmann said. "I made presentations to interested parties. I found that if I wasn't successful, I would be out looking for a job again."

SO HE bought the company.

There were 150 franchises in the United States when Hartmann acquired Ziebart. Now, there are some 380 franchises and 20 company-owned dealerships. Tidy Car had about 100 franchises in the United States and another 100 in Europe and Canada when acquired by Ziebart, he said.

The goal is another 400 combined Ziebart, Tidy Car franchises

in the United States during the 1990s. The Southwest and Pacific Northwest will be especially targeted.

Potential also exists for advances in foreign markets, especially in Europe, and expansion of markets in the Far East.

For example, a Ziebart franchise in Jakarta, Indonesia, averages 500

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## Will diesel get another look?

By Gerald Frawley  
staff writer

Diesel. The word conjures images of sluggish, noisy and unreliable engines. But as far as today's diesel engines are concerned, nothing could be further from the truth.

In fact, if auto manufacturers are to succeed in meeting ever-restricting emission standards, brought on by the increased environmental awareness, the once-maligned diesel engine may be a best bet for the 1990s.

Maurice Wing, operations manager for diesel systems of Troy's Lucas Automotive Inc., said advances in the diesel engine and changes in the diesel industry and the world are so pronounced that the 1990s may well be the decade of the diesel.

Lucas Automotive, in addition to manufacturing conventional automotive parts, makes diesel fuel injection pumps.

Methanol, electricity, natural gas, solar powered, hydrogen and ethanol — cars powered by these alternative fuel sources have received the lion's share of attention even though there may be a better, proven alternative right under our very noses.

The diesel engine.

Although automotive research and development has focused almost exclusively on the gasoline engine for the last 100 years, the diesel engine has made great strides since the last energy crisis in the mid 1970s, Wing said.

ENGINE NOISE, sluggishness, reliability — all problems when automobile manufacturers first began touting the diesel engine — have been largely resolved, Wing said.

"I could put you inside a car with a diesel engine today and you wouldn't know it," Wing said.

Significant research on direct injection diesel engines — in which fuel is burned inside the cylinder instead of in a separate chamber — has significantly improved the performance of diesels, Wing said.

Two spring fuel injectors, which introduce fuel in two stages, and turbo-charged engines also offer hope for higher-performance diesel engines.

"You haven't heard about the major players doing a lot of research, but that European counter parts are," Wing said.

In the 1970s, he said, diesel engines were rushed onto the market before they were ready for widespread auto use. "Before the product, before the market, before the oil

*'I could put you inside a car with a diesel engine today and you wouldn't know it.'*

— Maurice Wing  
Lucas Automotive

companies — no one was ready for the diesel.

"(And) that's unfortunate, because (the industry) is going to have to sell the idea of the diesel all over again."

JAMES BRITTON, director of services for the Association of Diesel Specialists, said that while diesel engines have several advantages over the conventional gasoline engine, the price of diesel fuel — which can range anywhere from 20 to 50 cents above the price of gasoline — will prevent its widespread use.

The initial purchase cost of a diesel engine — generally \$2,000 to \$4,000 more — is also an obstacle to wider use of the diesel.

"I'm a confirmed diesel addict myself, but in light of these two points, even I'm hard pressed to purchase a diesel."

"There is growth in the North American diesel industry, but most of it's coming from offshore buyers," Britton added. Italy, France, Germany and England are all seeing an increase in the use of diesel engines in passenger cars.

But Lucas' Wing said other factors will force the automotive industry to take a second look at the diesel. In addition to changes that have improved the reliability of the diesel engine, modern diesels are more efficient and burn cleaner than the gasoline engines.

Conventionally powered gasoline engine cars will have a difficult time meeting the corporate average fuel economy (CAFE) ratings currently under review by the government, he said. Under proposed (but not adopted) requirements, some cars would be required to exceed 50 miles per gallon.

Modern diesel engines are more fuel efficient, burning 25 to 30 percent less fuel than conventional engines, Wing said.

In the United States, where gasoline has been consistently cheaper than diesel fuel, this hasn't been as great a concern. But in Europe, where the two fuels are comparably priced (between \$3.75 and \$4 per gallon) that 25 to 30 percent is substantial, Wing said.

"We will be seeing, in the future, a significant penetration by diesel engines in the (passenger car) market — more in Europe at first, but the United States will follow," he said.

DIESEL POWERED cars already comprise 25 percent of the automobile market in Europe, he said. In the United States market, the diesel engine has captured less than 1 percent.

Another accelerating factor in the acceptance of the diesel engine is a growing consumer awareness of the environment brought on by acid rain, global warming and ozone depletion, Wing said.

Automobile manufacturers can expect increasingly strict auto emission standards — standards today's gasoline powered cars are already hard pressed to meet, Wing said.

Similar standards designed to upgrade European air quality have also been enacted.

The diesel, Wings said, is inherently cleaner than its gasoline counterparts and does not require the expensive catalytic systems to remove pollutants.

Today's diesel engines, he added, would fare quite well against ever-restrictive emission standards that conventional gasoline engines struggle to meet.

"What you have to remember is that it's not what you see that is necessarily harmful to the environment," Wing said.

CARBON DIOXIDE and carbon monoxide emissions from a diesel engine are 30 percent less than those of a similarly sized gasoline engine fitted with a catalytic converter, he said.

Britton, of the association of diesel specialists, said emissions and minimum mileage requirement regulations may not be enough to spur a significant increase in the use of diesels.

Automobile manufacturers will resist stricter regulations, and in fact, several cars already exceed 50 miles per gallon — and technological advancements may help the diesel gasoline engines.

There will continue to be a market for diesel trucks. Ford, General Motors and Chrysler all offer full-sized, diesel-powered trucks.

But to convince the mainstream public to make a residential switch to diesels, fuel prices are going to have to come down, he said. Diesel fuel prices are typically higher because of federal taxes — which are higher than gasoline taxes — and higher refining costs.

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