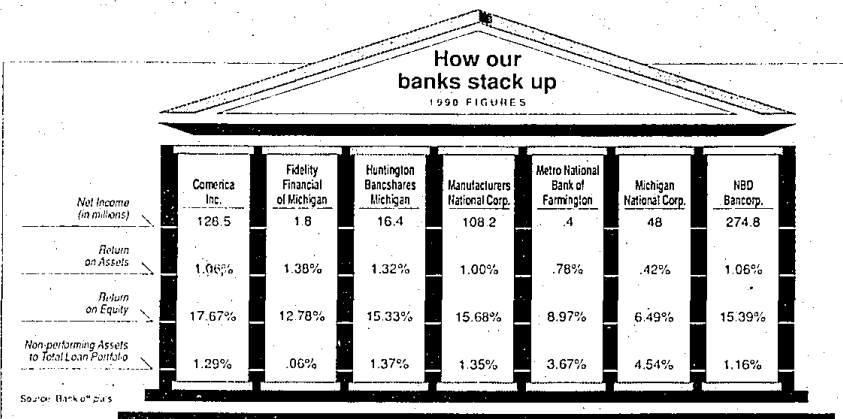


Thursday, March 14, 1991/12E

(F1C)



TAMM E. GRAVE, SODENBERG & CO.

New focus for '90s is customer service

By R.J. King
special writer

How can businesses bolster their bottom line?

In the 1960s marketing was the answer. In the 1970s it was management. During the 1980s everyone strived for excellence. Now, in the 1990s, customer service is king. Why customer service? Companies figure they can score big gains in sales and profits by satisfying customers first. Another reason: The Japanese have built up entire industries by accommodating buyer needs.

"If you could sit in on a meeting of a company's marketing staff today, there's almost a craze among planners now that close, strong relationships with customers is the way to do business," said Ramon Pisharodi, associate professor of marketing at Oakland University in Rochester.

"Companies are starting to recognize that once customer service becomes second hand to clients, other opportunities open up. Perhaps more orders are placed or prices can be raised without the client feeling they are unjustified. It's one thing feeding off another."

Competition, said Pisharodi, is behind the recent service craze, especially in the manufacturing sector. For the last two decades American companies have watched foreign competitors, mostly Japanese, walk off with many of their best customers. It wasn't that Americans were doing a poor job, he said. Rather, foreign companies in their quest for new orders, were doing a better job - not only on price and quality, but overall service.

"In looking from '82 forward, we didn't have a glorious recovery here or a boom. Our growth has been stable and steady. That has built a strong economy in the region," Puh said.

"AGAIN, we have to look at the environment Michigan banks are used to operating in," Burger said. "They typically are prudent in lending activity during robust times."

Please turn to Page 2

'American companies are noting the success of the Japanese... and then trying to take it another step.'

— Ramon Pisharodi

to fix the problem. "When the Japanese first entered the U.S. market in the 1970s, they basically started at square one, but because they served the customer first, offered quality products, and at competitive prices, they were able to make serious inroads into domestic markets," Pisharodi said.

Further still, according to a recent study by Deloitte & Touche, one of the Big Six accounting firms, American companies are starting to view superior service as a potentially powerful weapon in their business arsenal. Over half of the 750 U.S. manufacturing executives who responded to the study are taking their lead from the success of overseas competitors - cited customer service as the new competitive battleground for the '90s.

"It's really customer service as a revolution," said Randall Miller, senior manager of management consulting at Deloitte & Touche in Detroit. "American companies are noting the success of the Japanese, incorporating that into their own operations, and then trying to take it another step."

As proof that customer service works, consider the recent success of Ford Motor Co. To develop the auto maker's popular Taurus and Sable models in the early '80s, design engineers asked more customers

Please turn to Page 2

Hearts of banks here tick soundly

By Doug Funk
staff writer

In a series of articles, the Observer & Eccentric examines banking. Today, an overview of the industry in this area.

Banks in southeast Michigan are among the healthiest in the nation. That's the conclusion of Justin L. Moran, an analyst and consultant to the industry and a spokesman for the Michigan Bankers Association.

"In the industrial states, we're the safest and soundest of any around... based on earnings, capital position and not having bad loans," Moran said.

Depositors who had some \$76.8 billion in commercial banks around the state as of Dec. 31 probably would be delighted to hear that. Especially considering that 168 banks nationally - but none in Michigan - failed last year.

EYE ON BANKS

Banks, like any business, are in the business of making money. They're different in the sense that money is their business.

"A bank essentially makes money on the spread between what it's paying on deposits and what it's getting paid on loans. That's core earnings," said Paul Burger, an analyst with First of Michigan Corp.

Loan portfolios have come under increasing scrutiny because they're such an important part of the profitability equation.

IN AGGREGATE, Michigan banks last year had the third lowest non-performing real estate loan rate in the nation at 2.18 percent, according to Mark Burneko, spokesman for the American Bankers Association. That compares to 14.6 percent for

banks in Arizona, 13.75 percent for banks in Massachusetts and 12.15 percent for banks in Texas.

"Michigan banks got beat up when times were good for not taking chances," Moran said. "When things turned bad, we reaped the benefits. People who ran banks (here) learned to do it in a cyclical economy. They learned to be careful of cycles."

"We did not have explosive growth in the 1980s like other parts of the country," Moran continued. "Since we never had the real estate boom, we never had the real estate bust."

"BOTH CONSUMERS and business people have had some bad experiences and are a little quicker to save, a little slower to borrow and a little more conservative," he said.

Stephen Puh, a banking analyst for Honey and Co., concurred with many of Moran's conclusions. "Actually five of the top six banks

Top secretary grows with job

By David F. Stein
special writer

Sharpening pencils, typing letters, brewing coffee. Hardly the job description for today's secretary, as new responsibilities and titles have brought new opportunities and goals.

Norma McKay represents this new breed. An administrative assistant at D'Arcy Masius Benton and Bowles in Bloomfield Hills, McKay has been named 1991 Secretary of the Year for the Oakland County Chapter of Professional Secretaries International.

"The award is the culmination of 20 years in the secretarial field," said McKay, who lives in West Bloomfield. "Being a secretary was originally a job to make some extra money but now it is a career."

McKay supports Norman Smith, DMBB's director of corporate management information services. With a budget of \$4.5 million, the department provides computer and information systems for DMBB's U.S. and international operations.

"It's almost like an umbilical cord. I know she's there," Smith said. "We communicate so effectively. Norma, Norma, it's almost like we're connected."

"I've never seen her lose her composure. She's a dedicated professional. I can't say how much I enjoy working with her."

McKay's job includes budgeting and planning for corporate MIS with Smith, accounts payable, computer purchases and maintenance for all North American client offices and human resources supervisor for more than 50 employees.

McKAY'S SELECTION by the Oakland Professional Secretaries International chapter was based on education, work experience, chapter activities and a videotaped interview with local media people, including Mary Kramer, editor of Crain's Detroit Business.

"I was impressed with her grasp of how the secretarial profession fits in with what is currently going on in the business world, especially downsizing," Kramer said.

McKay advances to PSI's Michigan competition in Midland in May, with that winner moving on to regional and possibly international contests.

McKay's interest in the secretarial field began in

Please turn to Page 2



"The award is the culmination of 20 years in the secretarial field. Being a secretary was originally a job to make some extra money but now it is a career."

Norma McKay
Secretary of the Year

Refinance Your Home At No Out of Pocket Cost to You* And Save Money Every Month

At today's lower interest rates, refinancing your home mortgage may save you thousands in lowered monthly payments. And refinancing your current fixed rate or adjustable rate mortgage may get you cash to use for any worthwhile purpose like remodeling your home, starting a college fund, buying a car, or simply investing.

One call to our Refinance Center can start you on your way to saving thousands of dollars in mortgage payments. As the nation's second largest mortgage banker, we're fully qualified to help you analyze your specific situation and then let you decide what's best for you.

Call our Refinance Center today for a no obligation, no cost analysis

In Southeast Michigan:
1-800-488-4103



Fireman's
Fund

Fireman's Fund
Member, FDIC

Financing the Future for America's Homeowners

10000 E. River Road, Farmington Hills, Michigan 48334



EQUAL
HOUSING
LENDER