

BUSINESS

THURSDAY, DECEMBER 24, 1992

(F)5B

SUBURBAN BUSINESS LEADERS

Compass Group, Ltd., a Birmingham-based management consulting and retained executive search firm in Birmingham, has promoted Katherine T. Slaughter to executive search consultant. Prior to joining Compass Group in 1991, Slaughter was vice president of marketing for MMI Distributing.



Katherine T. Slaughter

Rick Sykes has been promoted to the newly created position of senior vice president at the Farmington Hills based public relations and advertising firm Hermanoff & Associates. In his new role as senior vice president, Sykes will assist the president and senior management team in charting the future growth of the agency.



Rick Sykes

Kathleen Kargula has been appointed senior art director at Kolon, Bittker & Desmond in Troy. Kargula is responsible for the development of creative materials for print and television advertising.



Kathleen Kargula

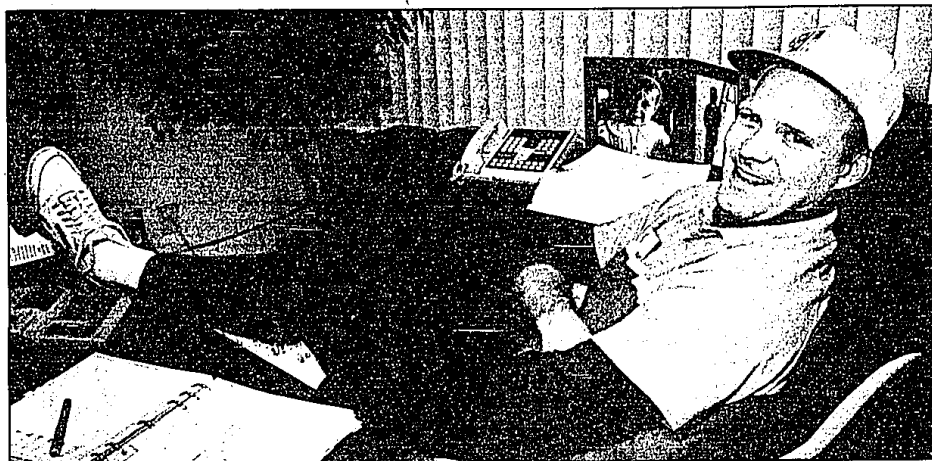
SelectCare Inc. in Troy has announced the appointment of Doug Turpin as director of data analysis and reporting. Turpin will be responsible for coordinating all corporate reporting activities for SelectCare clients, providers and internal management.



Doug Turpin

For more business people, see page 8B

To submit materials to this column, please send a brief biographical summary along with a black-and-white photo, if possible, to: Business Editor, Observer & Eccentric Newspapers, 36251 Schoolcraft, Livonia 48150.



JOHN STORME/STAFF PHOTOGRAPHER

Special delivery: After years of hard work learning the trade, building trust and a little bit of luck, Tim Brown, owner of Metro Detroit Pizza, has emerged as one of the major players in the pizza wars.

Brown puts pizza know-how to work

■ Tim Brown contends the pizza business is a fairly simple one, but running the second largest Domino's franchise in the country is not without its distractions.

BY GERALD FRAWLEY
STAFF WRITER

Few people could come out of nowhere and virtually overnight become a key player in metropolitan Detroit's pizza wars.

But then, Tim Brown of Farmington Hills isn't just anybody, and he really didn't come from nowhere.

Brown, who prefers the title owner/training director to president of Metro Detroit Pizza Inc. in Livonia, acquired 45 Domino's Pizza franchisees from Mississippi-based RPM Pizza in October to become the largest Domino's franchisee in Michigan and the second largest in the country. RPM Pizza, which owns more than

250 stores, including five in Michigan, remains the largest owner.

On the surface, Brown's good fortune seems like another case of being in the right place at the right time; even he admits "this whole opportunity for me was kind of a big surprise."

That would be oversimplification. Almost two years ago, when RPM made the decision to look for a buyer for its Detroit area stores, Brown transferred to Michigan to run the company's holdings here.

"The original plan was for Tom Monaghan to buy them (from RPM Pizza)," said Brown, who at the time was vice president of operations for RPM Pizza.

Brown had agreed to take over operations of the store while RPM Pizza and Monaghan worked out a purchase.

RPM Pizza chief executive officer Richard Mueller, president Glenn Mueller and Brown scheduled a

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Temporary help firms take on outsourcing

BY R.J. KING
SPECIAL WRITER

Mail room employees, long stereotyped as know-it-alls who sit around reading the CEO's mail, are fast becoming models of efficiency.

The cause is outsourcing, where an outside vendor is brought in to perform the tasks of an in-house department. "Outsourcing allows companies to concentrate on their core business without having to worry about when to send mail out first-class or Federal Express," said Mike Usher, manager of EmploymentGroup in Troy, which specializes in outsourcing. "That process is left to us. We take the beat of each mail room or data processing staff and incorporate that into all of our assignments. It's really a very efficient way to do business."

But there are drawbacks. In many cases, an outsourcer like EmploymentGroup brings in its own staff, meaning long-time employees may find themselves without jobs. If handled incorrectly, the switch can lead to internal morale problems, as employees who remain may harbor ill feelings toward an outsourcer and the company.

An administrative services manager for a large automotive

supplier in Farmington Hills, who requested anonymity, said he was concerned a recent outsourcing venture wouldn't work.

"Eighteen months ago we outsourced our mail department (of five employees), and my feeling at the time was that if this didn't pan out, we'd have to build it back up again," he said.

What's more, soon after the new staff was on board, a survey of employees revealed some were upset that jobs had been taken from local people, a common reaction when companies outsource support functions.

"We're trying to save money, but at the same time you realize some people had to be let go in order for this to work," said the manager. "When we did a second survey, people were more apt to comment on better distribution and efficiency."

The manager added, that by outsourcing, the company was able to reduce its annual mail-distribution costs by 20 percent. And while one mail-room employee switched to the new staff, four others were offered help in landing new jobs.

Founded in 1958, EmploymentGroup has been a regional player in the temporary service industry, with seven offices

spread throughout Michigan. The company, which had revenues of \$15 million last year, also operates a branch in Louisville, Ky. In the last 10 years, the firm has slowly built up its outsourcing placement, especially in mail rooms, copy centers and data processing departments.

Today 12 to 14 percent of the firm's 4,000 temporary employees work in outsourcing capacities. Kelly Services, a large temporary help firm in Troy, is also offering outsourcing services, though the company is a recent player.

The clearest benefit of outsourcing is cost reduction. A firm with a mail-room department of five to seven employees, making three delivery/pick-up rounds and handling 15,000 pieces of incoming mail a day, can save anywhere from \$30,000 to \$50,000 a year by outsourcing.

The majority of those savings stem from lower personnel costs. Not only do companies save on the eliminated hourly wages and salaries, but also on employee benefits. Specialization also leads to cost savings. An outsourcer, through different assignments, can transfer any efficiencies it comes across — like pre-sorting mail by ZIP code — from client to client.

claim with those claimed by other taxpayers in your income category. Each tax return is then given a score. Ten percent of all tax returns — those with the highest scores — are reviewed by IRS examiners who are responsible for deciding which returns would be audited.

The CPAs point out that there are no sure-fire ways to avoid an IRS audit of your tax return. But you can reduce your chances of an audit if you report all income, attach to your return an explanation about any unusual items and review your return and all schedules to be certain they are completed properly.

Chances of audit: 10 percent

If the New Year is just around the corner, tax time mustn't be far behind.

The Farmington Hills-based Michigan Association of CPAs recommends that even before you start your tax forms you take the time to understand who gets audited and why. Here's a few facts regarding audits:

■ The higher your income, the greater the likelihood of your tax return being among the million that are audited out of the 100 million that are filed.

■ Although two-thirds of all tax returns filed are in the 1040 family, the IRS allocates more of its resources to looking at non-1040

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