

# Childtime from page 1F

Local centers can be found in Canton, Southfield, Troy and Westland. Corporate work sites include William Beaumont Hospital, Royal Oak, and Blue Cross/Blue Shield of Michigan, Southfield.

Childtime employs some 3,000 care providers, educators and administrators.

Gerber Products started the business in 1970, but sold in 1990 after deciding to concentrate exclusively on infant food/care products.

Harold A. Lewis, president and CEO, was hired to run Childtime about three years ago. Bill Van Huis is marketing director.

Following are edited excerpts from a recent interview with the two.

**How big is your business?**

Lewis: As of now, we have 136 centers across the country. Between now and the end of the calendar year, we will be adding 14. All are company owned. There are no franchisees.

Last fiscal year (ending March 31), our revenue was about \$45 million. In the fiscal year we're in now, we expect about \$55 million. We are profitable. Obviously, we don't disclose the magnitude.

**What about current ownership?**

Lewis: The company was initially acquired (from Gerber) with a combination of equity

and bank financing. K.D. Equities, a New York investment firm, is the primary shareholder. In addition, senior management has some equity in the company.

We have a line of credit with Bank of America for acquisitions. Centers open now are built-to-suit. Someone builds them for us and we lease for a period, usually 15 years. We own about 60 buildings.

At some point, we are contemplating a public (stock) offering.

**What are the pluses and minuses of that strategy?**

Lewis: From our perspective, the up side is additional capital to grow the business. The down side is control. For the foreseeable future, the primary shareholder will continue to be the majority stockholder.

You mentioned that you don't franchise. Why is that?

Lewis: We have a very strong belief that to maintain control, you cannot and won't do that through franchising.

**What are your keys to success?**

Van Huis: You'll find in any multi-unit business, location and reputation are going to be two major reasons why you're successful. We can't sit back and hope people will come. We talk to 15,000 to 20,000 through ad-

vertising two or three times a year. It's a combination of direct mass mail, some newspaper ads, etc.

We're selling parents we have a safe and secure environment where children feel comfortable about learning.

Parents expect a learning environment, especially for three, four and five-year-olds. We've gone to great lengths to prove this isn't daycare or babysitting.

This isn't a cookie-cutter operation. We won't send out to teachers a curriculum on Wednesday and say, "Every teacher will do this." It reflects cultural differences.

Lewis: We survey parents. We want to know if there's a hint of a problem so we can deal with it immediately. When someone enrolls in a center, we have the potential to keep a child here for five years. That's our goal.

**How do you stand out from the competition?**

Van Huis: We're catering mostly to working parents who have to depend on a quality operation on a consistent basis. If an employee here gets sick, we have a back-up system. You'll always be able to walk in the front door and the program will be open.

**What did you do when you took over in 1991 to turn an unprofitable enterprise into a successful one?**

Lewis: Keep in mind that each of these centers does an average of \$500,000 in business each year. The person who runs each is responsible for hiring staff, developing staff and the bottom (financial) line of the center.

We kind of look at them as being the CEO of their business. We're a very decentralized operation.

Most came here with a strong educational background. We embellish that with business skills — how to read a financial statement, how to prepare a budget, human resources issues.

Every single center has a budget. Every single director knows what expectations are.

Van Huis: A good point is incentives go along with that. It's nice not only setting goals, but rewards, too.

**What do you pay your staff?**

Lewis: If you take a caregiver (in this market), it will be in the vicinity of \$6.75 per hour. For a preschool-K teacher, it will be significantly more than that. For a director, significantly more than that.

We have a significant (enrollment) discount for employees. We have a 401(k) and the company contributes, too. Paid vacation. Directors get health care benefits. Staff below do not.

# Choices from page 1F

crowns moldings and whirlpool tubs.

"The thing they (buyers) are impressed with is the quality of houses," said Marcello Veneziano, president of MV Building in West Bloomfield. "They're impressed with the site, too. In Canton, it's uncommon to have so many trees."

"It's very affordable," added Walter Masciulli, Veneziano's partner.

MV Building will construct 88 houses on the 40-acre parcel at the end of the existing Forest Brook Subdivision east of Sheldon south of Palmer. About a third of the lots already have sold, Veneziano said.

Prices range from \$159,900 for a 2,200-square-foot colonial with four bedrooms and 2½ baths to \$129,800 for a 1,650-square-foot colonial with three bedrooms and 2½ baths.

A ranch, 1,500 square feet with three bedrooms and two baths, is priced at \$140,500.

Standard features in all four models include full basement, two-car attached garage, range and dishwasher and fireplace.

Exteriors are brick and wood siding/trim. The subdivision will contain sidewalks and be serviced by city water and sewer.

There are a couple of reasons for mature trees on site.

"We had to donate to the DNR a nature preserve (wetlands) so you have a 15-acre park in the middle," Veneziano said. "South of us is a wooded nature preserve, too, 30 acres, another company donated in a (land-use) mitigation process."

"When we open phase two next year, some of the most beautiful lots in Canton will be lots with woods on both sides," he added.

The most popular model with buyers to date is Hillcrest II — a three-bedroom colonial of 1,650 square feet with three bedrooms and 2½ baths.

The first floor contains a den, kitchen/feeding nook, gathering room with fireplace and powder

room. The bedrooms and two full baths are upstairs. The laundry is in the basement.

The price tag is \$129,800.

"A couple just starting out with \$50,000-60,000 income combined can afford it," Veneziano said. "It's not difficult if both are working to make that income."

The second-time home buyer usually has equity he turns over," Masciulli added.

The larger four-bedroom colonial, the Parkview, draws a lot of attention but at \$169,900 is out of the price range of most prospects, Veneziano said.

The Parkview has a living room, formal dining room, kitchen/entertaining nook and family room with fireplace. The laundry and powder room are on either side of the garage entrance on the main floor.

The family room and the master suite upstairs each feature cathedral ceilings.

A bridge at the upper level opens to the family room below. It can be used as a loft, sitting area or computer room.

Parkview Estates is in the Wayne/Westland Community Schools. The property tax rate is about \$31 per \$1,000 of state equalized valuation, half of market value.

That means the owner of a \$130,000 house there annually would pay about \$2,015 for township, school and county services.

Giuliana Colombi is sales manager at Parkview Estates.

"They (buyers) really like it because of space, openness . . . (and) especially because they're very well priced," she said.

Greg and Lori Monteith are building a Hillcrest II model.

"Right off the bat we liked the looks of the models and we felt it was priced right for first-time buyers," Greg said. "They're very spacious homes. The builder is easy to work with."

"The location is great, the area is growing and we're excited," Monteith said.

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