

OU creates Center for Family Business

BY CATHERINE M. PACINI
SPECIAL WRITER

Approximately 90 percent of all businesses in the U.S. are family owned, generating an estimated 60 percent of the gross national product and 60 percent of the total payroll in this country, according to Robert Kleiman, associate professor of finance at Oakland University's School of Business Administration.

The new Center for Family Business sponsored by Oakland University and eight corporate partners is devoted to providing educational and financial services for the survival of the family business. Kleiman, the center's director, said less than 30 percent of family businesses ever make the transition to a second generation and less than half of those will be transferred to a third generation.

"The top three problems facing family businesses are succession, inter-family dynamics, and estate planning," said Kleiman. "Our program is primarily oriented toward the established, \$2 (million)-\$3 million, family-controlled enterprise. We are not attempting to duplicate the efforts of other institutions like Wayne State University or Walsh College. They have small business development centers that focus on start-up entities."

The Center for Family Business provides a variety of educational and informational services to family business owners and their advisers, as well as create access to resources to serve the needs of the principals of family business. With a \$500 membership, businesses will be offered information on issues such as:



In the forefront: The major problems facing family businesses are succession, inter-family dynamics, and estate planning, says Robert Kleiman, Center for Family Business director.

personal financial planning, strategic planning, employment practices, family business relationships, government regulation updates, and tax law changes. Meetings and seminars will include topics such as: succession, valuation, estate planning and more. Private counsel and specific family plans will require an additional fee.

Mitch Newman, of G-M Underwriters Agency in Rochester, attended the opening reception. He said his concerns "deal with passing the business to the next generation, or, if something happened to me suddenly and the business went to my wife and

children, the tax ramifications." Bernie Cipa of TCT Stainless Steel Service Center in Sterling Heights said, "In a family business, you're working with people that you've grown up with and love, but in a business situation, it can sometimes be difficult. Having this kind of center that can offer educational programs, including sibling rivalry, would be very helpful."

Corporate sponsors of the new center are: Derderian, Kann, Seyferth & Salucci, P.C., accounting services; Troy Concrete Inc., commercial banking; Birmingham; Great Lakes Strategies, L.L.C., employee benefits, Bir-



STAFF PHOTOS BY WILLIAM HANSEN

All in the family: Mitch Newman, of G-M Underwriters Agency in Rochester, is interested in the tax ramifications of passing a family business to the next generation.

mingham; Massachusetts Mutual Life Insurance Co.; Life Insurance, Farmington Hills; Meadowbrook Insurance Group, property and casualty insurer, Southfield; Merrill Lynch, Pierce, Fenner and Smith Inc., money management, Dearborn; Perpet Hamilton & Scheetz, legal services, Detroit; and Seidman & Co., investment banking, Ann Arbor.

"Sponsors will assist in developing appropriate content and programming. They have been carefully chosen based upon their expertise in the established family business market. We have taken people from a wide variety of disciplines among the sponsor list," said Kleiman.

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Inquiries regarding the Center for Family Business can be directed to Robert Kleiman at (810) 370-3509.

The Center for Family Business

Executives serve up insight into sales, marketing

BY JANCIE LEFKOWITZ
SPECIAL WRITER

Business concerns ranging from the impact of demographics on the global economy were discussed at the Sales and Marketing Roundtable held at the MSU Management Center in Troy Sept. 13.

Sharing their ideas with moderators Tom Walsh, business editor of the Detroit Free Press, and Rich May, co-anchor of Detroit-based WDIV-TV, were: Lee Gardner, president, MascoTech, Inc., Auburn Hills; Donald Holmes, president, Johnson & Higgins of Michigan Inc., Detroit; Robert DeMattia, president, F.A. DeMattia Co., Plymouth; and Stephen Strome, president, Handlemans Co., Troy.

Initially, each executive was asked a specific question regarding his particular industry. As president of Handlemans, a company involved in the distribution of audio and video to mass retailers, Strome was asked about the impact of direct delivery on his products. "By 2010 or 2020," he said, "direct delivery may be more viable than it is today, but

presently, a number of technical factors have not yet been harnessed. Long term, we'll need to change our business which we're doing presently by buying 'rights' to various products."

Lee Gardner represented MascoTech, a major automotive supplier of components and technical services. When asked about the impact of globalization on today's manufacturers, Gardner responded by saying that this was indeed a significant issue. "Our competitors are changing rapidly," he said, "and the travel, the languages, the cultures, all these things are impacting on the way we do business. Globalization has given the phrase 'world class' a new perspective."

DeMattia, president of a commercial property and development business, had his opening question focus on where a company comes and the concept of shareholder value. Similarly, when DeMattia was asked about his company doing commercial development work in Detroit, he hedged and explained, "If residential development comes back

approximately 15 minutes from his or her new home. On a more serious note, he said "the city of Detroit is really a jewel, but most people are waiting for infrastructure changes to occur before they jump in and support redevelopment."

Holmes, president of a firm specializing in risk management and insurance, said that although the big health care proposals of last year have vanished, the issue was not dead. He believes, however, that "since health care has begun to be reasonably contained, the next major issue on the horizon is harnessing worker's compensation costs."

When asked about the situation at Chrysler, Gardner refused to take sides. Instead, he carefully explained the issues, breaking the situation down into two parts: the day-to-day operation of the business and the separate concept of shareholder value. Similarly, when DeMattia was asked about his company doing commercial development work in Detroit, he hedged and explained, "If residential development comes back

to the city, commercial development will follow."

Looking to the future, Strome sees big changes in retailing as computers and technology become an integral part of consumers' lives. In the day far off when we scan UPC codes into our home computer to keep an up-to-the minute inventory of our pantry? Likewise, Holmes sees a highly technological future for the insurance industry, with paperless transactions a likely scenario. "The biggest thing in the future," Holmes said, "will be the re-engineering of an industry that currently has enormous waste built into its systems. Presently, the entire delivery system of claims and policies has nothing to do with value added service."

When panel members were asked to respond to the impact of an aging population on their respective industries, the answers were quite varied. Holmes said an increasingly older population would put additional pressures on his industry to become more efficient, and there would be greater concerns regarding retirement

All of the panelists commented on the new professionalism of sales. They mentioned the importance of training their salespeople to accurately listen and communicate problems back to their respective headquarters.

benefits. Strome said an aging population helped increase sales of music. Although music was traditionally a younger person's purchase back in the '60s and '70s, once people had begun listening and buying, they continued this pattern as they got older. Gardner stated the aging population would cause manufacturers to pay more attention to the needs of their employees.

The final question of the evening revolved around the changing role of sales and marketing personnel. Gardner feels "a salesman's role has changed dramatically, and now includes a relationship responsibility, a program management responsibility, and often a technical responsibility. Sales and marketing must involve a critical interface between

you and your customer," he told the audience. "Today's salesmen must be professional and well-informed, and subsequently, a whole different skill set is needed for marketing personnel." Strome said his environment offers unique challenges. "Our sales force doesn't just deal with a buyer. They may be dealing with accounting, finance or even computer people, so they need a broad base of skills. They must truly try and integrate the relationship between the buyer and the seller."

All the panelists commented on the new professionalism of sales. They mentioned the importance of training their salespeople to accurately listen and communicate problems back to their respective headquarters.

International Websites spotlight indepth coverage

O&E ONLINE

The Internet is truly an international medium, not only because it reaches so many countries but because of the content available on so many countries and on the earth itself.

EMORY DANIELS

A global climate World Wide Web (WWW) page offers information on the world's climate, solar and earth radiation. At this site, you will find information on aerosols, clouds and the hydrological cycle, rainfall, and remote sensing. There's a page to search for publications and abstracts, a list of other Websites related to global climate, and links to NASA data centers. Visit this site at <http://climate.gate.nasa.gov/>.

One of the best ways to get news from other countries is to tap into the news services and newspapers of foreign nations. The Baltic News Service, for instance, recently opened its own home page at <http://www.bns.se>. Visit here and you'll find news from the Baltic states of Estonia, Latvia and Lithuania.

News from Poland can be accessed at <http://www.securitas.com.pl/>. This site contains broad general coverage plus news

with an economic emphasis. There is an extensive English daily news section offering access to extensive summaries and full text articles. Also available are news stories from the eastern Europe service.

Swiss news in German is available at <http://119.158.224.58/>. This site is a text feed from the Swiss TV station Inter-TV which provides news updates continuously throughout the day designed for a Swiss audience. Coverage may not always be extensive but it's always current. Don't visit, though, unless you know the German language.

Daily news reports from Greece, Turkey and the Balkans, often translated from Greek to English, are available at <http://austdesign.eas.sau.edu/places/Greece/>. A fully-searchable archive is maintained back to November 1993.

News on Panama is available at a Website maintained by El Panama America, one of Panama's largest daily newspapers. The online edition, in five sections updated daily, text feeds offer an alternative text version that O&E Online will find easy to read using Lynx. The Universal Resource Locator (URL) for Netscape users is <http://www.nando.net/int/EPA/index.html> and the URL for the

text-version is <http://www.nando.net/int/EPA/index.html>.

Daily news in Spanish from Monterey, Mexico, offers these sections on-line: Deportes, Política, Espectáculos, Finanzas, and Cultura. Access at <http://www.pixel.com.mx/diariotomy/news/>.

The Internet can get quite specialized. News on Korea is available from a weekly news magazine but it's only in the Korean language. The news and articles are from a magazine known as Hangoreh21 Weekly which can be accessed at <http://news.hani.co.kr/>.

News from the Australian Embassy in the United States is available at <http://aust.emb.nw.dc.us/news.htm>. This page offers a weekly summary of news from Australia along with embassy press releases.

Asahi Shimbun, said to be Japan's most important newspaper, offers daily news from that country. The site has an English button. American visitors can select and be taken to an extensive selection of items from today's papers. Visit at <http://www.asahi.com>.

The AFRO-American Newspapers home page at <http://www.afroam.org> opened on Sept. 6. It contains information on Africa and daily news.

There also is an exciting new site that offers very good informa-

tion about Africa. The design is not great but the content is very rich. Features include: a magazine rack found under "groups"; a fax service; background on Africa covering all countries and territories, found under "what's new," said to be more complete than CIA or State Department materials.

The news sources include Kenya news in English, Habari in Swahili, New Vision, Uganda News, African Technology Forum, the Ghana Drum, Zambian Post, Weekly Mail & Guardian, news from Africa, ANA, AfriNET, and much more. The links are as broad as the continent itself, but some interesting ones include reviews of African recordings at RootsWorld, Virtual Africa Home Page, selections from the African American Music, Rites University, and Virtual Zimbabwe. The URL is <http://www.africonline.com>.

Interested in learning about Brazil's culture, history, geography, etc.? There is a Virtual Tourism site on the state of Pernambuco which has links to other sites in Brazil. The URL is <http://www.cr-rnp.br>.

The International Federation of Red Cross and Red Crescent Societies has been on the Internet for a short time and can be accessed at <http://ifrc.org>. The federation's main task is to coordinate international relief among Red Cross

Societies around the world in case of natural disasters.

The global impact of the Internet can be appreciated by looking how the Intelligence Watch Report (IWR) operates. The IWR provides daily and priority updates on the changing events taking place in the world of public and private sector intelligence. The site offers reports in these languages: Arabic, Czech, English, Flemish, French, German, Portuguese, Russian, Slovak, and Spanish. It has links to Belgium, Canada, Denmark, Germany, Israel, Netherlands, Sweden and

the U.S. Among the topics are reports on the Belgium Security Service, German Intelligence agencies, an analysis of the Guatemalan case involving the CIA, reviews of books and products. Point to <http://www.iwr.com/IntWeb/> for a visit to the IntelWeb which offer free access to documents on intelligence agencies from around the world.

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