

**BUSINESS Finance**

# Dynamic asset allocation wins again



**SID MITRA, PH.D.**

**Feeling vulnerable?**  
Sure, the stock market dropped 171 points in early March, but a sign of major concern is that the longest bull market since 1930 might finally be over. However, as has been the case throughout this long bull market, all predictions of doom and gloom have proven to be incorrect. Before the third week of March, the stock market recovered nicely from its 171-point plunge and re-established its 18th record of this year.

So it's possible that, given its wild up and downs, you feel like trading in your stocks for more secure investments like bonds or cash. That way, you may argue, you bullet-proof your portfolio.

DATE	POINT	PERCENT
10/21/87	18.24	1.01%
1/23/88	11.87	0.67%
3/1/88	117.26	6.52%
3/10/88	127.29	7.80%
3/19/88	102.53	5.71%
3/22/88	92.18	5.18%
3/29/88	113.1	6.54%
4/1/88	101.48	5.23%
4/2/88	101.10	5.02%
4/27/88	101.18	5.02%

DATE	POINT	PERCENT
10/21/87	18.24	1.01%
1/23/88	11.87	0.67%
3/1/88	117.26	6.52%
3/10/88	127.29	7.80%
3/19/88	102.53	5.71%
3/22/88	92.18	5.18%
3/29/88	113.1	6.54%
4/1/88	101.48	5.23%
4/2/88	101.10	5.02%
4/27/88	101.18	5.02%

**Not so fast.**  
Before you make a move, take a good look at Table 1 which lists the top 10 point and percentage gains for Dow Industrials. It reveals that since October 1987 the Dow has enjoyed some hefty gains in both point and percentage terms.

Table 2 entitled "Don't Be Short-Sighted" is even more revealing. It shows that, starting with December 1988, investors who stuck it out through various bear markets were handsomely

rewarded. For instance, during September '87 through November '87, the S&P 500 declined by a whopping 29.5%. And yet, S&P 500 grew by an impressive 23.2% over the next 12-month period. The same story is repeated when we examine the growth in S&P 500 during the year following the bottom of several bear markets.

So, the clear verdict appears to be that you should stay put and not try to have your portfolio managed.

Once again, not so fast. Take a good look at Table 3 entitled, "Getting Even With The Bears." If you had left your S&P 500 index fund portfolio untouched through these bear markets, then on average (bottom-line) you would have merely broken even. Also, in two instances (January '73 to September '74 and September '87 to November '87), you would have failed to make up for the previous losses.

So, the moral is this: Sitting tight is not a good idea. In fact, the best strategy is to have your portfolio managed by a manager who uses the Dynamic Asset Allocation Strategy.

*Sid Mitra, Ph.D., is professor of finance, OU, Rochester Hills, and owner, Mitra & Associates, a Troy financial consulting firm. This column was critically reviewed by Professor Jarrod Grossman, OU. You can*

## OEA picks executives of the year at banquet

The Troy-based Oakland Executives Association issued its Executive of the Year awards last week in retail, manufacturing and service categories.

The winners are:  
 •Retail: Richard Golden, D.O.C. Optics Corp., Southfield.  
 •Manufacturing: Lawrence Wisne, Progressive Tool & Industries Co., Southfield.  
 •Service: Thomas Landry, A. J. Etkin Construction Co., Farmington Hills.  
 Candidates were evaluated on the basis of their business, leadership, the financial performance of their companies and their community contributions.  
 The OEA is a network of business owners, CEOs and senior executives from companies headquartered in Oakland County.  
 A panel of independent judges chose this year's winners: Gaylin Houser, Kenneth Rogers and John Krieman.  
 Proceeds from the May 9 awards in Troy were earmarked for a business scholarship at Oakland University.

## Internet Explorer



Surfing the net: MacTempo staff member Susan Dailey (right) helps teens from Boysville use the Internet during the company's Cyberkids program. That is when a group of 20 disadvantaged urban youths were introduced to computer technology at the Big Surf Cyber Cafe in Birmingham. MacTempo hosted the session in honor of its fifth anniversary as a supplier of computer-skilled, temporary personnel. The event included easy-to-follow instructions for communicating on-line as well as a high-tech scavenger hunt where kids looked for computerized images and messages. Pamela Miller, market manager for MacTempo's Southfield branch, is working in conjunction with Boysville of Michigan and Southfield-based Big Brothers/Big Sisters to give kids a chance to experience the on-line world firsthand. "I think it will be a great opportunity to introduce children to this type of technology and increase their awareness of advanced communications," Boysville coordinator James Edwards said.

## First determine employer's needs

**JOB SEARCH Q&A**

**Q:** It seems like I'm giving stock answers to stock questions in interviews. How can I make my responses more powerful?

**A:** Try to find out what the employer's needs or hot buttons are. Early in the interview, ask probing questions to clarify the skills or personal style the company is really seeking in a person. Once you have identified the need or, better yet, emotional issue behind the opening, tailor make your answers to show that you are the solution incarnate.

This is neither manipulative nor deceptive. Selling, in fact, is articulating how a product's features meet perceived needs. In this case, you are the product.

The most convincing way to answer a question is through use of the mini-story technique. "Something like that came up at my last company. The solution I developed involved..." A real-life anecdote demonstrates your ability to handle a problem important to the interviewer.

**Q:** The letters I write to request networking meetings don't seem to be working. Can't I just call?

**A:** It largely depends upon the person you are approaching. Strangers sometimes need a little softening up and frequently request some paperwork anyway. A well-worded letter explaining who you are and what you want can actually expedite matters. However, if you write a similar letter to your Uncle Bob to request a meeting, he will think you've finally snapped.

Remember these points when drafting an approach letter:  
 • Connect with the reader by citing a mutual acquaintance, membership in an organization or shared interest. The difference between cold calling and networking is that you have something in common.  
 • Assure your contact that you are not asking him or her for a job. Rather, you are making some career decisions and need some advice or information.

## BUSINESS MILESTONES

This column highlights promotions, transfers, hirings and other key personnel moves within the Oakland County business community.

**Lorraine Pohl** of Bloomfield Hills was named vice president of sales at BenPro Inc., a Royal Oak employee benefits management firm. She previously served as assistant regional sales director at Fortis Benefits, Troy.

**David Bozynski** of Birmingham was named vice president and treasurer of Federal-Mogul Corp., Southfield. Bozynski comes there after a 21-year career with Unisys Corp., where he was vice president and assistant treasurer.

**Geoffrey Phillips** was appointed to vice president at Gall & Rice Productions headquartered in Southfield. He has worked on a variety of programs at the booking and production company since he joined it in 1987.

**Alan Ducastral** of Richmond was named account development manager at Weaver Ladd Harries McGowan of Troy. He has primary responsibility for planning and introducing the agency's new-business programs.

**Kevin Berry** of Royal Oak was named senior associate at Conway MacKone & Dunleavy, a Birmingham financial and management consulting firm, specializing in turnaround and crisis management, profit enhancement, merger and acquisitions and litigation support.

**ON-LINE!**  
INTERNET ADDRESS DIRECTORY

313-953-2038

- APARTMENTS: Triangle Management - <http://oeonline.com/triangle>
- APPAREL: Hold Up Suspender Co. - <http://www.suspenders.com>
- ART MUSEUMS: The Detroit Institute of Arts - <http://www.dia.org>
- AUDIO VISUAL SERVICES: Sidelmasters - <http://www.sidelmasters.com>
- AUTOMOTIVE: The Tamarrif Group - <http://www.tamarrif.com>
- AUTOMOTIVE MANUFACTURERS REPRESENTATIVES: Mark Hight Services - <http://www.markhight.com>
- AUTOMOTIVE RELATED TRAINING: The High Performance Group, Inc. - <http://oeonline.com/hpg>
- BAKING/COOKING: Jiffy Mix - Chelsea Milling Company - <http://www.jiffymix.com>
- BOOKKEEPING PRODUCTS: BIG E-Z Bookkeeping Co. - <http://www.bigez.com>
- BOOKS: Apostolate Communications - <http://www.apostolate.com>
- BUSINESS NEWS: Inside Business Journal - <http://www.insidebiz.com>
- CHAMBERS OF COMMERCE: Livonia Chamber of Commerce - <http://oeonline.com/livoniachamber>
- COMMUNITIES: City of Livonia - <http://oeonline.com/livonia>
- COMPUTER HARDWARE/SOFTWARE/PROGRAMMING: Starlock Systems Inc. - <http://www.starlock.com>
- COMPUTER PRODUCT REVIEWS: Mighty Systems Inc. - <http://www.mightysystems.com>
- HORSE RACING HANDICAPPING SOFTWARE: CyberNews and Reviews - <http://oeonline.com/cybernews>
- DRUG STORES: Concord Drug Store - <http://www.concorddrugs.com>
- EDUCATION: Fordson High School - <http://oeonline.com/fordson>
- Global Village Project - <http://oeonline.com/globalvillage>
- Oakland School - <http://oakland.k12.mi.us>
- Ruher Middle School - <http://oeonline.com/rms>
- EYE CARE/LASER SURGERY: Greenberg Laser Eye Center - <http://www.greenberglaser.com>
- FROZEN DESERTS: Savory Foods - <http://www.comingsoon.com>
- FUNDRAISING: Coast to Coast Marketing - <http://oeonline.com/newcoast.html>
- GENEALOGY: Smith-Balard Publications - <http://oeonline.com/mcgeo>
- HAIR SALONS: Heads You Win - <http://www.headsyouwin.com>
- HYDRAULIC AND PNEUMATIC CYLINDERS: Hennes - <http://www.hennes.com>
- IMPRINTED PRODUCTS/MONODRUMMING: Monogram Products - <http://oeonline.com/monopus>
- INDUSTRIAL FILTERS: Elsaire Corporation - <http://www.elsaire.com>
- INSURANCE: J. J. O'Connell & Assoc., Inc. Insurance - <http://www.oconnellinsurance.com>
- KEYCHAINS: Shoy & Associates - <http://oeonline.com/keychains>
- MORTGAGE COMPANIES: Mortgage Marketing Information Services - <http://oeonline.com/mortnet.html>
- Village Mortgage - <http://www.comingsoon.com>
- NATURAL PRODUCTS: Healthy Food Supplements - <http://oeonline.com/healthyfoods>
- Nature's Best Herbs - <http://www.comingsoon.com>
- NOTARY SERVICES: Notary Service and Bonding Agency, Inc. - <http://www.comingsoon.com>
- PARKING MANAGEMENT SERVICES: National Garages, Inc. - <http://www.comingsoon.com>
- PARKS & RECREATION: The Anderson Associates - <http://oeonline.com/raahnet.html>
- Angel Financial Services - <http://oeonline.com/raahnet.html>
- Birmingham Bloomfield Rochester South Oakland Association of Realtors - <http://www.comingsoon.com>
- Century 21 at the Lakes - <http://oeonline.com/raahnet.html>
- Century 21 Town & Country - <http://oeonline.com/raahnet.html>
- Chamberlain Real Estate - <http://oeonline.com/raahnet.html>
- Coldwell Banker Preferred - <http://oeonline.com/raahnet.html>
- Coldwell Banker Schwitzer - <http://oeonline.com/raahnet.html>
- ERA Grifith Realty - <http://www.comingsoon.com>
- Hall & Hunter Realtors - <http://oeonline.com/hallhunter>
- Heritage Real Estate Better Homes and Gardens - <http://oeonline.com/raahnet.html>
- Langard Realtors - <http://www.langard.com>
- The Michigan Group - <http://oeonline.com/raahnet.html>
- Steve Neidman - <http://oeonline.com/raahnet.html>
- Keefe Maxwell Associates - <http://oeonline.com/raahnet.html>
- ReMax Partners - <http://oeonline.com/raahnet.html>
- Sellers First Choice - <http://www.storesellers.com>
- Woodward's Real Estate - <http://oeonline.com/raahnet.html>
- Bob Taylor - <http://www.bobtaylor.com>
- RESTAURANTS: Inn Season Cafe - <http://oeonline.com/innseason/>
- Birmingham Restaurant Collection - <http://oeonline.com/dineout/abrams.html>
- Aben's - <http://oeonline.com/dineout/abens.html>
- City Grill - <http://oeonline.com/dineout/citygrill.html>
- The Community House - <http://oeonline.com/dineout/communityhouse.html>
- Midtown Cafe - <http://oeonline.com/dineout/midtowncafe.html>
- Norman's Elton Street Station - <http://oeonline.com/dineout/normans.html>
- Old Woodford Grill - <http://oeonline.com/dineout/oldwoodford.html>
- Peabody's - <http://oeonline.com/dineout/peabodys.html>
- Phoenicia - <http://oeonline.com/dineout/phoenicia.html>
- Rugby Grill - <http://oeonline.com/dineout/rugbygrill.html>
- Steve's Backroom - <http://www.stevesbackroom.com>
- SHOPPING: Birmingham Principal Shopping District - <http://oeonline.com/birmingham/>
- The Smead Collection - <http://oeonline.com/smead/>
- SPECIALTY PERFORMANCE AUTOMOBILES: SPL Engineering - <http://www.splengineering.com>
- SURPLUS FOAM: McCullough Corporation - <http://www.mccollough.com>
- McCurry's Products - <http://www.mccurrys.com>
- McCurry Corporation - <http://www.mccurrys.com>
- TECHNICAL EMPLOYMENT SERVICES: ACRO Service Corp. - <http://oeonline.com/acro/acro.html>
- Dickson Associates - <http://www.comingsoon.com>
- C.M. Smille Co. - <http://www.smille.com>
- VIDEOS: View & Go Video Gallery - <http://www.viewandgo.com/gallery>
- WELD GUN PRODUCTS: C.M. Smille Co. - <http://www.smille.com>
- WINE: End of the World Winery - <http://oeonline.com/endoftheworldwinery.html>