

BUSINESS & FINANCE

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Get an early start on your retirement

Editor's note: This is the fourth installment in an 11-part series on retirement planning. Next week's column will discuss retirement plans.

Regardless of your age, what do you really see when you look at the end of the rainbow? Do you see a secure future, or do you see something quite different?

When your parents' generation was starting to think about retirement, visions of gold watches and generous Social Security checks filled their heads. But your generation of retirees may not be so lucky.

Why? Because today, few people stay in the same job long enough to get a gold watch, and Social Security may not look like gold at the end of the rainbow.

Also, don't forget the other factors that push up the cost of retirement — such as, rising medical costs and longer life expectancies.

However, that does not mean that you should give up. In fact, you don't have to start rich to retire in comfort.

You just have to end up that way. And you can reach that goal by following three golden rules:

Retirement Series

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more than you think. If you save \$2,000 at the beginning of every year for 30 years at 7 percent interest, your nest egg will grow to \$202,146.

If you invest the same amount at the same rate for 15 years, you will have \$53,776. And for 10 years, the money will grow to only \$29,567 (Table 1).

Another example of how Rule #2 works is given in Figure 1 (Page E3). The chart clearly shows the great virtue of starting early.

Rule #3 — Follow a consistent investment discipline. Studies show that market timers would have needed to make a correct call at least 70 percent of the time to beat a buy and hold strategy over a 71-year period from 1926 to 1996. If there are pros who can lay claim to such a remarkable record, they have not stepped forward to receive acclaim.

I suggest that you begin your retirement investment program by using the Dollar Cost Investment Strategy.

This time-honored strategy of steady,

See MITTRA, E3

Table 1

Pay yourself first by investing regularly

30 Years	\$2,000 invested at the beginning of each year for 30 years would grow to \$202,146 with 7 percent interest.
15 Years	\$2,000 invested at the beginning of each year for 15 years would grow to \$53,776 with 7 percent interest.
10 Years	\$29,567 \$2,000 invested at the beginning of each year for 10 years would grow to \$29,567 with 7 percent interest.

Sid Mittra, Ph.D., CFP, is professor emeritus of finance, at Oakland University, and owner of Mittra & Associates, a Troy financial consulting firm. This column was critically reviewed by Professor Jerold Grossman of OU. You can e-mail questions or comments to Sid Mittra at smittra@oakline.com.

This column highlights promotions, transfers, hirings and other key personnel moves within the Oakland County business community. Send a brief biographical summary — including the towns of residency and employment — and a photo, if desired, to: Business Milestones, Observer & Eccentric Newspapers, 805 E. Maple, Birmingham, MI 48009. Our fax number is (810) 644-1334.



Peter Dodd of West Bloomfield was appointed manager, product engineering at Defiance Testing and Engineering Services, Inc. in Troy. Dodd is responsible for managing the company's product engineering programs and integrating its

Computer Aided Engineering and extensive testing services.



David Simonelli of Bloomfield Hills became a shareholder at Troy-based Bliss McGlynn, P.C., and Joseph Burgess of Lake Orion recently joined the firm as a full shareholder.

Tina Nyp was named program administrator for Farmington Hills-based Triad Performance Technologies, Inc. Nyp was formerly a human resources administrator at Amway Corp.

BUSINESS MILESTONES



Barbara Kennedy of Bloomfield Hills joined D'Arcy Masius Benton & Bowles/Detroit as an associate media director. Kennedy brings to the agency a background encompassing both the agency and sales sides of the business.

Dianne Marquard of Royal Oak joined Southfield-based Schmalz & Co., P.C. as a staff accountant in the taxation department. Marquard passed the state licensing exam for certified public accountants.



Bridget McGlynn of Bloomfield Hills joined the Metropolitan Detroit Convention and Visitors Bureau as vice president, business development. McGlynn is responsible for new product and service development and sponsorship programs. **Tim Schmitz** of Troy was named director of information technology services at MDCTV. In his new job, Schmitz is responsible for monitoring, maintaining and upgrading the information system to better serve the Bureau and its members.

Greg Stewart of Novi was named management information systems manager at Auburn Hills-based Inalfa Hollandia, Inc., a leading supplier of OEM electric-sliding sun-roofs to the worldwide automotive industry. Stewart is responsible for managing information resources, setting direction and policy for IHI computing and supervising and leading the MIS team.

Bloomfield Hills resident **Roger Winkelman** of Farmington Hills-based Couzens, Lansky, Feak, Ellis, Roeder & Lazar, P.C., was appointed by the State of Michigan as a public administrator for Oakland County.

Lori Davis of Ferndale joined MARS Advertising in Southfield as account executive for

See MORE MILESTONES, E2

Farmington firm top salon distributor



BY BARR PETER TEMPLETON
SPECIAL WRITER

Larry Gaynor is on a mission and its name is customer service. As the president and CEO of Nailco Salon Marketplace in Farmington Hills, Gaynor has watched his idea of

embracing customer requests blossom into an international business whose projected sales this year are \$30 million.

"When we first opened (in 1982), we put in the products we thought were going to sell and those products didn't

so I put surveys in every aisle and asked customers to fill it out with products they wanted," explained Gaynor, who initially offered walk-in sales to individuals and retailers. "So within a period of 12 months, the merchandise mix in the store switched 50 percent and that's how we've grown our business ever since."

Today Nailco, which carries 13,000 hair, nail, skin and tanning products, is the largest distributor of salon and beauty products in the country. The company's own nearly 400 page cata-

log Salon helps display items that are distributed to 200,000 independent salons, beauty schools, hotels and spas in the United States and abroad.

Using a processing system and business management software created by Nailco, the company processes 1,200 orders a day in its Farmington Hills facility.

"I've always believed in technology, and our distribution center is very technology driven," said Gaynor.

Approaching business with an open See NAILCO, E3

Rescued

Oakland group breathes new life into hospital

BY RENA FULKA
SPECIAL WRITER

When Linda Carroll of Rochester Hills stumbled upon a small, inner-city hospital left vacant through bankruptcy, she knew it might just be the window of opportunity that her Oakland County affiliates were looking for.

Once she brought North General Hospital to the attention of Dr. Soon Kim and Dr. Orekonde Ganesh, they decided to buck the trend of consolidated health care centers and purchase the stand-alone, decades-old facility in Hamtramck for \$2.2 million.

"I believed it was a risk," admitted Korean-born Kim, the hospital's president and principal owner. "On the other hand, it was an opportunity to provide affordable psychiatric care."

Re-opened in 1994 under the name Greater Detroit Hospital/Medical Centers, Inc., the thriving facility has 225 beds — nine in intensive care, 63 in mental health and the remainder in medical/surgical. Carroll is the chief executive who also holds an interest in the hospital. Ganesh, the other partner, died last year in a drowning accident.



PHOTO BY BILL HANSEN

From vacant to viable: Bloomfield Hills psychiatrist, Dr. Soon Kim, helped to turn a bankrupt, inner-city hospital in Hamtramck into the thriving Greater Detroit Hospital/Medical Center, Inc., which now serves patients in the tri-county area.

In January, Greater Detroit Hospital was granted a three-year accreditation from the Joint Commission on Accreditation of Health Care Organizations after passing a rigorous evaluation.

"A hospital should have two functions, technological and nurturing," said Kim, who began his career in psychiatry and became a medical director along the way. "We want to stay small

and provide all the human services at the same cost."

A resident of Bloomfield Hills since 1976, Kim is medical director and president of Geriatric Consultants, P.C. He is also president and principal of Quali-Med, L.L.C. and ProMed, Inc., which operate Warren-based Arbor View Hospital and Birmingham-based Evergreen

See HOSPITAL, E3

Kmart 1996 results show partial increase

Troy-based Kmart Corp. reported net income from continuing operations of \$231 million, or \$48 per share for the full year ended Jan. 29, 1997, compared to a net loss of \$80 million, or \$18 per share for the full year ended Jan. 31, 1996.

"One year ago, we pledged a major financial and strategic restructuring

of the company," said Floyd Hall, chairman, president and CEO.

"We indicated that the financial decline of Kmart had bottomed and that we would return the company to profitability in 1996. These results, which are the best earnings from continuing operations in the past four years, make good on that promise to

our shareholders," Hall added.

"We made tremendous inroads in reducing costs. Our selling, general and administrative expenses (SG&A) in 1996 were \$802 million below the prior year. As a percent of sales, SG&A was under 20 percent for the first time in more than 25 years. Sales performance and

gross margin rate improvement also represent progress in the right direction, but at a pace below our expectations," he noted.

"The challenge for 1997 is clear. We must improve our marketing and operational initiatives to drive increased sales. In the coming year, Kmart will

See Kmart, E2

Finalists announced for third annual Franklin Award

A panel of judges selected nine finalists in the third annual Franklin Award competition, honoring outstanding family-owned businesses in the area.

Finalists are chosen in three categories based on number of employees. Finalists in category one (1-10 employees) are Conn Fine Arts International, Hi-Tex and Spartan Building. Category two (11-49 employees) finalists are David Wachler and

Sons, The Irvine Group and Harcon Engineering. And in category three (over 50 employees) the finalists are Stroh Brewery, Gage Products and Rose Chrysler Plymouth Jeep Eagle.

Finalists are notified soon after being selected. However, whether they are bronze, silver or gold winners is kept secret until the awards banquet on Thursday, March 27. The banquet is at the Radisson Plaza Hotel in Southfield and

includes a welcoming cocktail reception sponsored by Plante & Moran beginning at 6 p.m. Other sponsors of the event include Franklin Bank, the Franklin Award and Scholarship Committee, WWJ 950 Nowradio and Corporate Detroit.

Tickets to the awards banquet are \$100 and are available by calling (810) 368-6462. The banquet appeals to anyone interested in serving family-owned businesses.

ODD JOBS



STAFF PHOTO BY LARRY MCKEE
Violin repairer Robert Wilson.

B'ham smith repairs elderly instruments

BY BARR PETER TEMPLETON
SPECIAL WRITER

Beautiful handmade violins have been around for centuries and restoring them can be a delicate task but Robert Wilson, 27, welcomes the challenge.

"When I go to conventions, I listen to the crackpots no one else wants to talk to because I figure they all know things," said Wilson, smiling. "This has been around for 400 or 500 years so I figure I've got a lot to learn."

Wilson is a partner in Lake & Wilson Fine Violins in Birmingham. He began working with the stringed instruments eight years ago and formed a partnership with Dennis Lake in 1993.

The pair met when Wilson was a student in a class taught by Lake's wife. Once Wilson agreed to help Lake repair a few instruments, he decided he had found his future.

The duo's Fine Violins shop specializes in sales, rentals, repairs and restorations for a variety of string instruments. Violins, cellos, mandolins and guitars are among the pieces passed from Wilson and Lake's hands to both accomplished

See ODD JOBS, E3