

BUSINESS & FINANCE

EDITOR MARGARET O'BRIEN • 901-2568

SUNDAY, JULY 27, 1997 • PAGE 5 SECTION



SID MITTRA, PH.D.

Check your portfolio right asset mix

Editor's note: This is the last article in a seven part series on investment planning.

Two years ago John Klein placed 65 percent of his assets in stock funds, 30 percent in bond funds, and 5 percent in money market funds. Early in 1997 John recognized that he had been very lucky.

His stock funds had increased in value and represented 75 percent of his assets. John decided to get his portfolio back in line with his original allocation. Consequently, he sold 10 percent of the assets he invested in stock funds and moved the proceeds into bond funds and money market funds.

When John adjusted his portfolio, he was practicing the art of static asset allocation - an investment strategy frequently employed by professional money managers and experienced investors to try to limit the portfolio risk (see accompanying figure).

Rebalancing

Having the right asset mix in your portfolio can be essential to balancing risk and reward.

But, like John, if your asset mix gets off track, periodically checking your mix of holdings helps insure that you are pursuing the return that is consistent with your risk tolerance level.

I believe that you should consider rebalancing your portfolio regularly at specific times during the year. If you have a modest portfolio (less than \$50,000), an annual checkup may suffice. But if you have a six-figure portfolio, you may want to consider rebalancing your portfolio once every quarter.

Although rebalancing can be appropriate when the percentage of one asset class in your portfolio significantly changes, constant shifting between classes may be impractical and perhaps self-defeating for long-term goals.

In addition, rebalancing is generally associated with brokers' fees and taxes on gains. Above all, it is important to remember that the primary objective of rebalancing is to mitigate risk and not maximize return.

Another integral part of rebalancing is that it requires the liquidation of part of the appreciated assets and making additional investment in those assets that haven't done well.

Adding money to an investment that has declined in value may seem like a losing proposition.

However, if the investment still offers profit potential, you may wish to view a decline in the value of that class as an opportunity to buy more shares at lower prices.

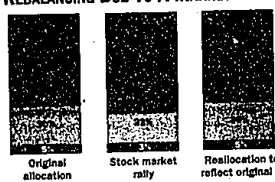
Reallocating

Reallocating is different from rebalancing in that the former should occur when a major change has taken place in your financial life.

If, for instance, you are within a year or two of achieving a specific long-term financial goal, like retirement, reallocating your portfolio to include

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REBALANCING DUE TO A MARKET RALLY



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 Jerrold Grossman of OU. You can e-mail questions or comments to Sid Mittra at smittra@oakline.com.

Solutions designing office of the future



Solutions@Work, formerly Gorman's is taking a new look at how we work in order to make it more homey.

By BARB PERT TEMPLTON
SPECIAL WRITER

The hot spot for businesses in the 90's may be inside the spare bedroom at home, but the trend for the next century is to take that homey atmosphere inside the corporate structure.

Warm colors, wide open spaces and conference rooms with sofas, recliners and big screen TVs will likely be the norm. Solutions@Work in Southfield recently hosted an open house to unveil just such a line of innovative office concepts.

Solutions, previously Gorman's Business Environment Solutions (GBES), welcomed more than 160 local business people to their learning laboratory that features a special line of Hawthorn office furniture called Creaings.

The inventive furnishings were specifically designed to accommodate the concepts of virtual office and hoteling.

"Reducing stress was the most important issue."

Carla Messer
Solutions@Work

"We have transformed our own work space into a learning laboratory," Solutions President John Anderson, said. "The open house was designed to demonstrate how the virtual office concept can be utilized to improve people's comfort and productivity level while they are at the work place."

Providing a fresh approach to the business environment is nothing new for the firm which was established in Detroit in 1915 under the name Sables Office Furniture. When the company moved to Southfield in 1987, they took on the new moniker, Gorman's Business Interiors and later GBES.

In May of this year, the firm changed its name to Solutions@Work. The change did not stop there. Entering a whole new face on office decor was also part of the firm's plan, Carla Messer, chief operating officer and sales manager, said. Messer was a consultant to Gorman's for several years before joining the firm in September of 1996. She has spent the bulk of the year planning the new laboratory concept for Solutions@Work.

This all started with a book called *Workplace by Design* that talked about the changing needs of today's work environment," Messer said. "It spurred us on to do lots of research to uncover just what those needs were for our customers and even for us."

Solutions staffers conducted a strategic workplace analysis that allowed them to review the



'Mobile' office design: This office design in Solutions@Work's laboratory would allow workers to use the open office space in unlimited combinations since each piece is on wheels.

location of certain office equipment and the logistics of the space they encompassed.

In many cases they found that file cabinets placed right next to employee desks in prime office space areas were only actually visited once or twice a month. Solutions followed up that study by conducting brainstorming sessions with their 23 employees in order to get ideas for office environments. No idea was too casual, to wild or to crazy to consider, Messer said.

"The three themes that emerged from those sessions were the need for environments that were stress free, innovative and educational," Messer said. "Reducing stress was the most important issue so we had our design department begin researching how we could meet those needs."

One of the first ideas called for a "living room." That space includes a comfortable couch, rocking recliners and a big screen TV just like home. Staff are welcome to relax in the room, conduct client meetings or join other employees for study sessions, Messer said.

"It's like the Japanese model really," Messer said. "They have that believe that business should be conducted in a comfortable environment as opposed to a stiff board room."

The next laboratory concept was created around the use of Creaings unique design of furniture on wheels. All of the tables, chairs, desks and cabinets in the office are mobile. There are no cubical or walls separating employees. The open non-traditional design can make privacy tough for staffers, but Solutions found the answer for that, too.

"We realize people want to make private calls at times so we put in two phone booths," Messer said. "There's pen and paper right there and they can just go in, close the door and make their call."

The "hotelings" design in the Solutions laboratory is another unique approach to getting maximum use of premium office space. The idea is for employees to give up the traditional "designated work space" scenario and simply utilize whatever spot suits them in the office each day. "They use carts - like a library cart on wheels - that have all the things they would have at their desk," Messer said. "They come in every morning and get their cart and head for a work table that meets their needs for that day."

At Solutions employees have adorned their carts with their names and baby pictures just to

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Lear gives to Southfield Millennium Fund

Lear Corporation, based in Southfield, announced plans this week to support the Southfield Community Foundation's new Millennium Fund with a grant of \$250,000, to be paid over a five-year period.

Lear's grant is the first major corporate contribution toward building the endowment fund, which will be in place by 2000.

Kenneth L. Way, Chairman and CEO of Lear Corporation, in making the announcement stated, "We believe that Lear Corporation has a commitment to the community of Southfield, home to our world headquarters. Southfield deserves a permanent fund to meet the changing needs of the community, and we consider it an honor to be

able to help out the Southfield Community Foundation."

"The Southfield Community Foundation supports innovative programs benefiting both the nearly 80,000 Southfield residents, as well as the quarter million employees who come to Southfield each work day," James B. Zick, Chairman of the Board of

the Southfield Community Foundation, said. "The Millennium Fund will provide a permanent legacy for Southfield's children and the future of our community. We are sincerely appreciative of Lear Corporation's generous gift, since it demonstrates both good will and a willingness to actively support its corporate home."

Kelly Services reports record sales in second quarter

Troy-based Kelly Services, Inc., a global provider of staffing services, announced July 23 record sales and earnings for the second quarter of 1997.

Terence E. Adderley, Kelly Services President and Chief Executive Officer, announced that sales

for the quarter ended June 30, 1997 reached \$960 million, a 19 percent increase over the \$804 million reported for the corresponding period in 1996.

Earnings from operations were \$32.5 million, 14 percent greater than the \$28.5 million earned

from operations in the second quarter of 1996.

Net earnings of \$19.4 million were 11.4 percent higher than the \$17.4 million reported for the second quarter of 1996. Earnings per share in the second quarter were 51 cents versus second quarter

1996 earnings of 46 cents per share.

"In the second quarter we continued our steady growth around the world," said Adderley. "All of our business lines and locations contributed to our excellent performance in the second quarter."

ODD JOBS



Heather Sellick

Diver teaches exploration of other 75% of the planet

By BARB PERT TEMPLTON
SPECIAL WRITER

The chance to observe and be part of "another world" that happens to be under water is what diving enthusiast Heather Sellick loves most about her career.

Sellick and her husband, Bud Uren, own the US Scuba Center in Rochester. When she's not enjoying her own private excursions below the surface, Sellick is thrilled to share her knowledge and skill as a diving instructor for her business.

US Scuba is the largest center in Michigan training more than 1,000 students each year. The company also operates two other businesses within its offices. US Travel Center takes area scuba enthusiasts on diving expeditions around the world. US Helicopter Services, Inc., provides site seeing trips, aerial photography and search and rescue training courses.

A former business professor at Oakland University, Sellick has a bachelor's degree from Michigan State University, a masters from Tufts University in Boston and a

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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 residence and employment - and a photo, if desired, to Business Milestones, Observer & Eccentric Newspapers, 805 E. Maple, Birmingham, MI 48009. Our fax number is (810) 644-1314.

Bob Alexander of Royal Oak was promoted to account supervisor on the Chrysler/Plymouth and Jeep/Eagle Dealer Advertising Association account at the Detroit office of Bozell Worldwide. Alexander supervises the daily account activities in the Detroit out-state zone.

Janet Burch of Grosse Pointe Park joined Plante & Moran



Burch

As a corporate real estate consultant, Burch specializes in the Detroit Central Business District office market.



Champion

served as head of secondary marketing for Farmington Hills-based Source One Mort-

Gress, LLC in Southfield, a Plante & Moran, LLP affiliate providing corporate real estate consulting and exclusive tenant representation.

Bill Champion of Northville joined Southfield-based Homestead Mortgage Co. to head secondary marketing operations. Champion formerly served as head of secondary marketing for Farmington Hills-based Source One Mort-

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page Services.



Diggs

Lawrence Diggs of Livonia was elevated from executive vice president and chief operating officer to chairman chief operating officer and chief quality officer at Southfield-based Willis Corroon Corp. of Michigan. David Labbe of Northville, executive vice president and risk management services manager, has assumed additional responsibilities in the area of production and production management. Labbe's principal focus is

on new business development.



Friedman

Pola Friedman of Farmington Hills was named vice president-development for Southfield-based Orchards Children's Services. Friedman is responsible for the initiation and creation of fund raising programs, oversight of board education and coordination of volunteer services.



Hobart

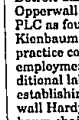
Lisa Hobart of Birmingham joined BDO Seidman, LLP in Troy as senior associate with the multistate tax group. Hobart is responsible for

property tax-related issues.



Ives

James Ives of Troy was named vice president of Rose Exterminator Co. in Troy. Ives most recently served the company as district manager of the Detroit Metro North District.



Kienbaum

Thomas Kienbaum of Franklin Village joined Detroit-based Kienbaum Oppenwall Hardy & Pelton, PLC as founding principal. Kienbaum has a nationwide practice covering all facets of employment litigation and traditional labor law. Prior to establishing Kienbaum Oppenwall Hardy & Pelton, Kienbaum chaired the labor and

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