



When heavy duty machines break down, they're sent to Wolverine's back shop for repair. (Staff photos by Harry Mauthe)



Ronald Kirch stands in the middle of repair shop. In front of the mechanic is a front-end loader. Behind him is a backhoe.

## Backhoes help businessmen dig into suburban life

Tractors and combines have city slicker cousins.

Tough urbanized machinery such as backhoes and crawlers are clearing fields in the suburbs. Instead of plowing the back 40, these machines are being used to construct highways and subdivisions.

Although equipment can range in price from \$24,000 for a backhoe to \$65,000 for an excavator, the industry is coming out of a slump it suffered when construction in the suburbs lagged during 1975-76.

That's the way Jim Willman, operations manager of Wolverine Industrial Sales, Farmington, assesses the situation. Wolverine is an independent dealer that carries International Harvester products.

"It's very easy to sell in the suburbs," said Willman.

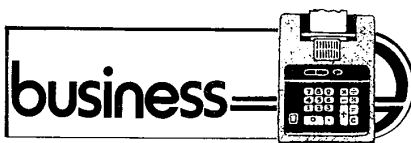
Instead of selling tractors to farmers, the company is making way for urbanization by dealing in heavy construction equipment.

"THERE isn't that much farm equipment sold around here," Willman said.

The company's Lansing and Flint offices carry the traditional farm equipment. Other offices, such as Farmington, and Grand Rapids cater to small or medium sized contracting firms.

As the suburbs expand, so does business for the firm.

"Building has picked up during 1977 and so has our business. When they



started building highways and homes again, things picked up," Willman said.

"Now, we're back to the way it was before the slump," he said.

Last year, the company totaled \$3 1/2 million in sales, according to Wolverine manager Dick Kimball.

This year, Kimball is expecting to increase his sales by 25 per cent.

Building and heavy equipment sales are booming. About 60 per cent of Wolverine's sales will be new equipment. Used equipment sales will make up another 25 per cent of the business. Spare parts and repair services will constitute the remainder of the business transactions.

BACKHOES sell the most in the Farmington branch, according to Willman. Less expensive than larger excavators, the backhoe can be used to dig underground to prepare for the installation of sewers or utility lines. It can be used to dig out basements and building foundations.

Another advantage is its size. While the larger excavator can dig faster, lift more dirt and has more power, it also is larger. It's size makes it more suitable for open area construction jobs rather than to dig basements in a subdivision.

"You wouldn't get it into a subdivision that has been built up a little," Willman explained. "But a backhoe would be able to get in there and do the job."

"It can be used in more facets of construction," he said.

Small contractors who use backhoes are less likely to switch to larger excavators.

"A small contractor couldn't afford a machine like this for himself. Bigger firms have the capital for it," Willman said.

To help small contractors afford their machines, Wolverine allows them to lease a piece of equipment with an option to buy.

"LEASING with an option to buy is

becoming more popular. It's convenient for the customer. He might not know if he'll have work for the machine. This way, he has the machine when he needs it," Willman said.

While sales are increasing, the repair shop is breaking even. The shop started out 1 1/2 years ago with three mechanics. Although International Harvester had been in Farmington for several years, it sold its branch to Wolverine 1 1/2 years ago. The repair shop then began its search for qualified heavy equipment mechanics.

"It's hard to find qualified mechanics—somebody who knows something about equipment. There aren't that many mechanics who know construction equipment repair. Those who do don't move around. Once they find a place, they stay there," he said.

Wolverine, which now employs seven mechanics, quit searching for fully trained employees and began its own training program.

Repair work is a large portion of the services that Wolverine offers its customers. Repair work done on warranty garners a repayment from International Harvester.

REPAYMENT covers the cost of parts for the equipment. Costs generated by driving out into the field to repair a downed machine are not covered by the manufacturer. That, in itself, is one reason the department

didn't generate a profit last year, according to Willman.

Extra trouble stemming from going after a broken down machine in 95 degree or 5 degree weather can turn

into profit, eventually.

"If you know you're going to keep a customer happy, especially if you know he'll buy more, than it's worth it," Willman said.



Dave Good, mechanic, hauls a sleeve puller from the tool supply.

## BUSINESS PEOPLE



**DEBORAH CERRONE** of Birmingham has been named a national broadcast media buyer at BBDO, Inc.

**BELLE MULLIGAN** of Franklin has been appointed assistant vice-president of the National Bank of Detroit's financial communications department. Mrs. Mulligan, in her three years at NBD, has been assistant director of public relations and a public relations officer.

**DONALD VOORHEES** of Beverly Hills has joined Peschke Packing Co. as the retail marketing director. Voorhees most recently was a vice-president and general manager of Hygrade.

**KEVIN FLINT** of Troy has been appointed credit officer in the credit administration department of National Bank of Detroit. Flint has been a credit analyst, an assistant credit officer and a loan review analyst for NBD.

**DONALD DAVIDSON** of Bloomfield Hills has been appointed director of marketing and sales for transportation/industrial/aerospace products for RM Industrial Products Co. Davidson has been director of automotive marketing.

**DONN FASBENDER** of Troy has been made second vice-president in the regional banking division of the National Bank of Detroit.

Fasbender formerly was operations manager of the bank's Center City regional banking center.

**KAY HUBERTY** of Bloomfield Hills is now Area Manager for International Diet Centres Ltd.

**ANDREW SOFFEL** of Birmingham has been appointed vice-president - finance and chief financial officer and treasurer for the Detroit-based Crowley, Milner and Co. Soffel comes from Cook United, Inc., of Cleveland, Ohio.

**GLENN COUSE** of Birmingham has been made Regional Manager for the Original Equipment Division of Fram Corp. Couse has been associated with Fram since 1947.

**DIANE RIDER** of Bloomfield Hills is now loan officer in the commercial loans department for National Bank of Detroit.

**TOMMI ANN HINTZ** of Troy is now assistant administrative officer in the regional banking division of the National Bank of Detroit. Mrs. Hintz has been associated with the bank for six years.

**BARBARA MCINTOSH** of Farmington Hills has been elected as vice-president of Affiliated Models, Inc.

**THOMAS ETHER** of Troy has been appointed second vice-president in National Bank of Detroit's Warren regional banking center. Ether has also worked as a loan officer in his six years with NBD.

Promotion and retirement announcements for residents will be run as soon as possible after submission. Please include the hometown of any person whose name is submitted.

Send information and black and white photograph (if available) to Business Editor, Observer & Eccentric newspapers, 1225 Bowers, Birmingham 48012.

## Government policy blasted

### Healthy business needs confidence

Business expansion will be limited this year unless President Jimmy Carter establishes a coherent policy toward private industry. That is the opinion of William Weary, chairman of the Intergroup-Rand Company, which has a division in Farmington Hills.

During a speech at the corporation's headquarters in Woodcliff Lake, New Jersey, Weary said confusion over the Carter administration's intentions has caused businessmen to hold back on investment in new plants and equipment.

"A pivotal factor in what kind of economy we will see in 1978 is the level of capital spending. . . . The fact that a higher rate of growth in capital expenditures has not thus far occurred comes down to one primary obstacle—the lack of business confidence," he said.

"IF ONE now knew what specific programs affecting the economy the Carter Administration would offer and what Congress would approve then the outlook for 1978 would be reasonably easy to predict. Since no one has this information the plans of business and industry must include some flexibility until the rules are set," he said.

"Our economy doesn't need stimulation as much as it needs the certainty of an on-going government position. The present confusion and uncertainty are major restraints on business confidence and expansion."

The rate of profit and cash flow of American corporations has not gained

enough to match the demands of inflation, Weary said.

Moreover, the U.S. trade deficit is worsening. "It is regrettable that this year the U. S. trade deficit is expected to amount to between \$25 and \$30 billion—a new record and four times the previous record deficit registered last year," he said.

"Meanwhile Japan and West Germany, who also import a lot of oil, have managed to maintain positive trade balances with their governments cooperating with their industries."

Such has not been the case here, according to Weary.

"OUR government continues to take actions that seriously hamper American business in world markets. These include increased taxation on U. S. citizens working abroad, the reduction and threatened elimination of the Domestic International Sales Corporation export incentive, an amendment to the U. S. Export Act which contains controversial anti-boycott provisions, increased anti-trust measures and intervention by the U. S. government into the internal affairs of other countries in the name of human rights," said Weary.

"In 1950, U. S. business and industry had 18 per cent or \$12 billion of the world export market, versus about 12 per cent or \$120 billion this year. Thus, if we had retained our 18 per cent position, we would have received an additional \$60 billion in exports, more than enough to make up for the additional cost of our oil imports and the

unfavorable balance of trade," he said.

"Although the federal government thus far has failed to come forth with specific and consistent programs that assure the business community the nation's economic problems are going to be handled effectively, there seems

to be a growing awareness on the part of many of our public officials that our nation is lagging in capital investment. They know that something must be done to encourage more investments in new and improved machinery and other items that will increase productivity."

## U-M extension offers real estate course

A course in residential property valuation will be offered in Farmington this winter by the statewide real estate program of the University of Michigan.

The course is scheduled for 7-10 p.m., beginning Feb. 15. It will be conducted at the Western Wayne-Okland County Board of Realtors, 24125 Drake at Grand River, Farmington.

Instruction in the course will focus on the principles of real estate valuation and the appraisal process with the emphasis on the appraisal of the single family dwelling.

Advance registration for the course

is advised as enrollment is limited.

The University of Michigan Real Estate Program is in its 31st year. It offers courses for experienced and novice realtors. The U-M extension-service, the graduate school of business administration and the Michigan Association of Realtors cooperate in offering the state-certified courses.

FOR FURTHER information on this course and others scheduled this winter around the state, contact the Real Estate Program, University of Michigan Extension Service, 350 S. Thayer, Ann Arbor, or call 763-2170.

## Holiday Inn is a winner with Farmington staff

Farmington's Holiday Inn management personnel have been named among the top in their field for 1977 during the hotel's annual system-wide competition.

Award winners were chosen from more than 1,600 Holiday Inn properties throughout the world.

Patricia Fallon, sales director, placed among the top 60 sales directors for 1977. Her award was based primarily on planning, implementation

and profitability of local marketing programs for the inn and the subsequent increase in room, food and beverage sales over the previous year. Anne Verchem, executive housekeeper for the Farmington Inn, received an award of merit. She ranks among the top 100 Holiday Inn housekeepers in the world. Her award was based on outstanding efficiency, responsibility and high inspection ratings earned by the housekeeping area of the inn.