

Business

Music while you wait

Say bye to soundless hold

By STEVE RADDOCK

A red, square button is pressed. Lights flash. And then, by remote control, you're automatically suspended in a soundless environment.

A futuristic weapon? No.
A gimmick on "Star Trek"? No.
This technological scenario is already an accepted and routine part of business life—that is, putting a telephone caller on hold.

The hold feature has gotten mixed reviews since its inception in 1938. Bell Laboratories, at that time, introduced the first key set featuring multiple phone lines and a hold button as a convenience to business customers.

For business users with multiple line systems, the hold is an indispensable tool. For large service operations fielding a volume of daily calls with a fixed number of answering personnel, it has become mandatory.

At the other end of the receiver, it's a slightly different story.

To the caller, being put on hold can

often be irritating and, in the case of long-distance calls, costly. And that irritation turns into outrage when the silent limbo transcends the caller's tolerance level.

The consequences are obvious. Long holds can often turn off clients and prospects, with ill will, frayed nerves, abandoned calls and lost sales as end results.

IN THIS RESPECT, holds—especially long, uninterrupted ones—constitute a public relations problem for many businesses.

It is estimated that the average business with a five-line phone system has calls on hold for more than two hours a day. That figure tends to increase proportionately with the size of the business.

If dead air's a crime, then an Oakland County firm may have come up with a way of transforming it into a productive business commodity.

According to Russ Kohlman, vice president of Nationwide Communica-

tions (a Troy-based marketer of telephone answering systems), his company will turn your business phone into your own private radio station—to entertain, inform and sell to your customers. All this takes place while their calls are on hold.

The logic behind this tele-relations-themed concept would warm the cockles of P.T. Barnum's heart: instead of letting dead air rest in peace, program it. Since you already have a semi-captive audience, the conditions are ideal for advertising and promotion.

"The idea is to put the caller in a sound environment that'll provide him with a pleasant experience," said Kohlman. Making holds tolerable, he added, will make callers less likely to snap off someone's head when they're finally put through.

TO THAT END, Nationwide will outfit its clients' answering systems with taped messages that occupy on-hold callers with anecdotes, trivia, institutional plugs, commercial blurbs and

psychologically programmed music.

It is the first company, said Kohlman, to offer this service using professional announcers.

Although Nationwide uses Detroit radio personalities to do the recordings, the company will try to secure the services of any celebrity their clients opt for.

"We'll do our best to get Howard Cosell or Farrah Fawcett-Majors, if that's what our clients want and if they're willing to invest the extra money," he said.

The fee for producing a program of up to six messages with Nationwide's local talent is \$125. The firm handles the writing and production aspects, and contracts with a recording studio for taping.

This programmed hold has already produced tangible results for Nationwide's accounts, said Kohlman.

In one case, an on-hold caller phoning a muffler shop was informed by a taped message that the dealer also services other parts of cars. A \$200 transaction, said Kohlman, turned into a \$600 one.

AN AUTO DEALER plugging his service department in the tele-relations tapes reported a boost in tune-ups.

Another major application of these taped interludes is to screen-out callers who, for example, should be calling another number to get the information they want.

Having to refer callers to other offices or to answering personnel and consequently increases the number and lengths of holds, said Kohlman.

One of Nationwide's clients, a mortgage company with several regional offices, experienced this problem. Calls intended for the branches were being received at the central office.

At one point, in fact, holds at this firm averaged between 10 and 12 minutes. Nationwide slashed this hold time by installing a system that automatically answers calls with a taped message referring callers to the proper office.

Nationwide employed this same device with Oakland County Friend of the Court, which received more than 84,000 calls in 1976. A goodly number of these calls pertained to alimony payments and child visitations—matters that have to be handled in writing or in person.



Nationwide Communication's Jackie Harbin (right) adjusts a monitoring component on one of the firm's hold cutting telephone answering service systems with the aid of technical engineer Howard Deitch. (Staff photo by Mindy Saunders)

Liberty Bank, parent show growth

Liberty State Bank & Trust reached new record growth levels in 1978, according to Gerald Salkowski president of the West Bloomfield financial institution.

Pre-tax income rose \$844,171, or 44.8 per cent, from the 1977 level of \$1,437,148 to \$2,081,319 in 1978.

Net income increased by \$476,311 or 36.7 per cent from the 1977 level of \$1,297,008 to \$1,773,319 in 1978. Earnings per share rose from \$2.42 in 1977 to \$3.32 in 1978. Total assets reached \$167,692,591 at the end of 1978, up 12.5 per cent from \$149,021,217 for 1977. Deposits at the 1978 year end totaled \$153,220,279, an increase of 17 per cent over 1977's \$141,000,722.

Both earnings and assets for United Midwest Equity, Inc., a holding company for Liberty State Bank, also reached record levels. The resources of United Midwest increased \$7,547,683, or 19.7 per cent, during 1978. Earnings increased 34.6 per cent from the 1977 level of \$1,196,755 or \$4.04 per share, to a new record level in 1978 of \$1,611,421, or \$5.44 per share.

Small Business workshop set

A two-day workshop on "Managing A Small Business" will be offered in Detroit Feb. 10-11 at the Renaissance Center. The workshop is sponsored by the University of Michigan Extension Service and the Michigan Department of Commerce Small Business Development Office. It is the second in a series of 10 workshops to help the small business owner or manager. Advanced registration is required for the workshop. For more details call the UM extension at 764-5302. Another workshop in the series is slated for March 10-11 in Dearborn.

CPAs host breakfast meeting

Dr. Patricia Shontz Long, professor of business administration at University of Michigan, and a board member of several area large corporations, will be the guest speaker at the Michigan Association of Certified Public Accountants, Metropolitan Detroit Chapter, Members in Industry, Government and Education Breakfast at the Somerset Inn in Troy Feb. 8. She will speak on economic forecasting.

Detroit Edison plans refunds

Detroit Edison will refund approximately \$19.8 million to its customers over a 12-month period beginning this month through credits on bills. The refund, which would be 26 cents per month for the average residential customer, is the result of the incorrect conversion of Canadian dollars to U.S. currency while paying for about \$350 million of fuel oil purchased from a Canadian supplier for use in Edison plants, during 1974-75.

State taxpayers bear burden

Michigan taxpayers will be required to pay some \$24.5 billion in federal taxes as their share of the cost of President Carter's \$532 billion federal budget proposal for fiscal 1980, according to an estimate by the Michigan State Chamber of Commerce.

This estimate is based on the state chamber's calculations that Michigan taxpayers bear 4.6 per cent of all federal taxes, seventh highest among all the states.

"The \$24.5 billion share which would be borne by Michigan taxpayers to support the president's proposed budget is more than 2.5 times the estimated \$9.5 billion state budget for fiscal 1980, which begins Oct. 1, 1979," explains Chamber President James Barrett.

He said the state chamber estimates that of the \$24.5 billion Michigan sends to Washington, only about 60 per cent — or 80 cents of each dollar — is returned to the state in the form of grants in aid to state and local governments, to colleges and for direct federal expenditures, including social security payments, salaries and wages of federal employees.

It's tax time: Don't overlook deductions

The various tax deductions, adjustments, exclusions, exemptions and credits available are so numerous that a short article like this could turn into a textbook.

Rather than try to cover all possibilities for reducing your tax bill, let's zero in on the common errors that lead to people paying more (or less) taxes than they owe.

One widely ignored source of deductions is business expenses. People who work for others tend to assume that such deductions are just for those who own companies, but there are a lot of small tradesmen, and even employees, who incur deductible job-related expenses such as union dues or the cost of tools, special work clothes and other items.

Even the investment credit available to businesses for investing in productive capacity can be available to self-employed individuals, such as the photographer who bought a new camera or the plumber who bought a new truck. It can be good for up to 10 per cent of the purchase price.

Also frequently overlooked are the costs of trying to find a new job, especially when those efforts fail to materialize in a new position.

EASY TO LET slip by are the deductions for unreimbursed moving expenses. Sometimes a change of residences, although made primarily for reasons of personal preference, qualifies as well as a move prompted by a change of job locations. Any time a change of living quarters coincides with a change of job sites, look into the possibility of deducting moving expenses.

On the other hand, a business expense deduction that is frequently claimed but shouldn't be is the office in the home. For an employee with an office elsewhere, such a claim is almost certain to be denied.

Similarly, job training for professional education costs cannot be deducted if the courses prepared you for a new or better position; they're deductible only if they improve the skills of your present job.

Other common tax preparation errors include:

•Failing to deduct small interest charges paid on charge accounts and credit cards which can add up to a substantial amount.

•Failing to deduct interest previously reported as income, which you later forfeited because of a premature withdrawal from your account.

•Declaring as income so-called "dividends" on insurance policies, which are in effect, refunds of premiums.

•Failing to deduct state and local taxes applicable to prior years which were paid during the current tax year. Conversely, failing to declare as income state and local tax refunds from previous years if such were taken previously as deductions.

•Including drivers or auto license fees or taxes paid on alcohol or tobacco among deductible state and local taxes.

•Neglecting to claim an exemption for a child over 19 in your household who is in school for five months of the year and the taxpayer parent provided more than half of his support.

For persons who held two or more jobs during the year, failing to claim the refund of excess Social Security taxes withheld.

You can avoid problems if you remember that when filing your returns, it is not necessary to include the original receipts to verify your deductions. If you do wish to attach receipts or other supporting documentation, send a photocopy and keep the originals with your permanent records.

The saddest common error has been the failure of parents with incomes under \$8,000 to take the earned income credit which can put up to \$400 in their pockets. IRS is attempting to overcome this error by rewriting the tax forms so a taxpayer that qualifies will receive the credit without having to apply for it.

W-2 form deadline was Jan. 31

Whether or not you are required to file an income tax return, your employer should have provided you with a Wage and Tax Statement by Jan. 31.

Taxpayers who have not received their Wage and Tax Statements by that date, or a reasonable time thereafter, should notify an Internal Revenue Service office.

The Wage and Tax Statement provides a record of the wages you were paid, wages that were subject to income tax withholding, and the amount of Federal income tax withheld. It also shows the amount of social security (FICA) tax withheld from your pay and any uncollected employee tax on tips.

BUSINESS PEOPLE

FRANK J. WINCHELL of Orchard Lake, vice-president-engineering staff, General Motors Corp., was recently honored by the Society of Automotive Engineers (SAE) through election to SAE's Fellow grade of membership. His election will be formally recognized at ceremonies during the SAE Automotive Congress and Exposition in Detroit this month.

Winchell was cited for an exceptional career as an inventor, design engineer, and engineering executive. He holds numerous patents, principally in the automatic transmission field, which have found their way into commercial applications. Winchell played a key role in GM's development of tank transmissions and was a major contributor to the success of Chevrolet's Powerglide and Turbohydramatic transmissions. He initiated and managed development of a number of small passenger cars and experimental utility vehicles, such as the Vega and Chevette, along with a number of front-wheel drive concepts. Just established by the Society a few years ago, the Fellow grade of membership provides a means to recognize the outstanding engineering accomplishments of members. The Fellow grade is awarded to only a limited number each year. Winchell is one of 20 Fellows elected this year.



ERNEST R. MCCAMMAN of West Bloomfield was elected president and chairman of the board of Giffels Associates, Inc., a major natural and engineering firm headquartered in Southfield, with offices in Detroit, Washington, D.C. and Frankfurt, Germany. His successor, Fred M. Entenman, Jr., who will be special assistant to the president, McCamman had been executive vice president of the firm since September 1976. Giffels officers re-elected by the board are Arthur O. Moran, Jr., senior vice president/new business development; Vural Uygur, senior vice president/project management; Daniel J. Bohn, vice president/administrative services; Gerard J. Cottrell, vice president/market and corporate planning; Victor F. Leabu, vice president/design services; Donald J. Giffels, secretary and treasurer; and Takayuki Ikeda, assistant secretary and treasurer.

WILLIAM J. SMALLWOOD of Birmingham has been appointed director of labor relations and DANIEL G. DEPUYDT of Troy has been named manager of labor relations on the president's staff of Sperry-Vickers in Troy. Smallwood had been manager of labor relations since February, 1978. Previously he had been personnel manager at the company's Mississauga manufacturing facility for four years. He joined Sperry-Vickers in 1967 as a personnel representative. DePuydt joined the company in 1968 as a co-op student. He was sales engineer from 1970 through 1975 and joined the firm's industrial relations department early in 1976 upon earning a juris doctorate from the Detroit College of Law.



The Board of Directors of K mart Corp. elected GEORGE A. CARNE of Birmingham vice president, distribution and transportation. Carne succeeds Kenneth L. Dunkel who retired Jan. 31 completing 40 years with the firm. Prior to his election, Carne was co-director of distribution center operations and transportation. Previously he had been general manager of K mart's distribution center in Sparks, Nev. He has been with the corporation for 39 years.

ROBERT M. DUFFY of Auburn Heights recently celebrated 25 years at D'Arcy-MacMann & Masius Advertising in Bloomfield Hills. A service manager, Duffy joined the agency when it was known as MacMannus, John & Adams shortly after he came to this country from Scotland. In acknowledgement of his many contributions to the company during his years of service, Duffy was hosted to a special party in his honor.

W. B. HOFFMAN has been appointed executive vice president of the Southfield-based Cement Division, National Gypsum Co. Hoffman joined National Gypsum in 1956. He has moved through positions of increasing responsibility in the National Gypsum organization and most recently has been vice president of manufacturing operations of the building products division in North Carolina.

The Ken Lawrence Film Co., a licensed Michigan production and advertising firm registered in Oakland County, is being re-organized into a new corporation to be known as Lawrence-Coler, Advertising, Investment & Counseling. The Principals are KENARD LAWRENCE and RON COLON. The new company will be working out of temporary quarters at 2711 W. Huron, Pontiac, 48238-7798.

GEORGE L. HETTICH, JR. joins Vlasic Foods, Inc. of West Bloomfield as vice president-operations. Mr. Hettich has extensive experience with Campbell Soup Co., including corporate director of engineering and maintenance. His responsibilities at Vlasic will include management of all plants and manufacturing operations, technical services, engineering and distribution.

The Chemical and Allied Industries Association of Michigan announced its newly elected officers for 1979: Fred F. Boehle of Southfield, president; Boehle Chemicals, Inc.; Roderick W. Kallgren of Farmington Hills, vice-president; Dow Chemical Co.; William Crawford of Novi, treasurer; Brockway Glass Co.; Paul E. Dochow of Northville, secretary; Eastman Chemical Prod., Inc.

Sycor, Inc. has named GEORGE PAPULA to the post of branch manager of the company's Detroit office, located at 2460 Northwestern Highway, Suite 214B, in Southfield. In his new position, Papula will be responsible for marketing Sycor distributed data processing equipment in Michigan and part of northwest Ohio. Prior to joining Sycor, Papula worked for Burroughs Corp. as branch manager of their Cleveland office in governmental, education and medical systems. Before that, he held other marketing positions at Burroughs.

Lapp-Habel Inc., a press relations service and counseling firm in Southfield, has changed its name to Lapp Associates, Inc. This change came about with the resignation of Arthur A. Habel, who is now employed by a major industrial supplier on the East Coast. Earl Lapp and Howard C. Tuttle, vice president of Lapp Associates, will continue to specialize in offering their clients the particular engineering and business knowledge, experience and editorial services that are required in working with the editors of industrial/business publications.