Business

BUSINESS PEOPLE


VARGO


MILLIGAN


WINTERS

MICHAEL K. VARGO of Rochester, has been named executive vice president of CMI Corporation in Troy. In addition to his previous assignment as vice-president — marketing, he will assume the additional responsibilities in long range planning. Vargo joined CMI in 1973.

BRUCE A. MILLIGAN of Birmingham, has been promoted to district manager by Michigan Bell. Formerly a product manager in the company's marketing department, Milligan will now head Michigan Bell's product and service management staff in Detroit. Milligan joined Michigan Bell in 1967 as a marketing trainee in Pontiac and has held a number of management positions since, including a three-year assignment as regional account manager for American Telegraph and Telephone Company.

The Southfield based Jon Greenberg & Associates, store designers and planners, appointed STANLEY J. WINTERS as vice-president in charge of company operations, and MICHAEL D. CROSSON as director of client relations. Winters, who has been with the Greenberg firm for three years, will be responsible for several company operations such as construction office and field supervision, architectural coordination and construction estimating. Crosson will represent the firm nationally, actively participating in on-site consultations with clients and handling meeting and trade show presentations.


CROSSON


O'CONNOR


JOHN

Thomas B. Adams, board chairman of Campbell-Ewald Company, announced that the agency's board of directors has selected RICHARD D. O'CONNOR of Birmingham, to the newly created post of vice chairman of the board and chief executive officer. O'Connor has been president of Cambell-Ewald since Jan. 23, 1976. Succeeding O'Connor as president is PAUL L. JOHN, who will also serve as chief operating officer. John has been executive vice-president and director of the agency's Chevrolet account.

O'Connor joined Campbell-Ewald in 1956 as a trainee on the Chevrolet account. In 20 years he rose through the ranks to the agency's presidency.

Paul John also joined Campbell-Ewald in 1956. He served in numerous capacities on the Chevrolet account and also as director of media. He has been director of the Chevrolet account since August, 1975.

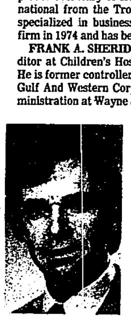
A. WILLIAM ROLF has been appointed to the position of general counsel and assistant secretary for Federal-Mogul Corporation in Southfield and JAMES M. EASTMAN has been named director of employee relations.

Rolf joins the company from Chrysler Corporation where he started in 1958 after graduation from Harvard Law School. He replaces PHILIP EMBURY, who will continue on the legal staff as associate general counsel, specializing in securities and exchange and anti-trust matters.

Eastman joined the company in 1965 as a divisional industrial relations manager and held several key positions prior to being named compensation and benefits manager in 1977. He replaces PAUL RICHMOND, vice-president of employee relations, who will remain with the company as a vice-president on special assignment to the chairman pending his retirement in September, 1979.

CHRISTOPHER M. JEFFRIES of Southfield, has been appointed Corporate Secretary of Key International, Inc. Jeffries comes to Key International from the Troy law firm of Keywell and Rosenfeld, where he specialized in business and tax planning and litigation. He joined the firm in 1974 and has been a partner since 1977.

FRANK A. SHERIDAN of Southfield, has been appointed General Auditor at Children's Hospital of Michigan in the Detroit Medical Center. He is former controller for Red Barns and auditor for Premier, Dura and Gulf And Western Corporations. Sheridan earned a B.S. in business administration at Wayne State University.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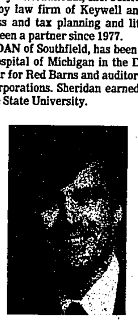
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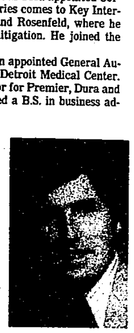
SANTIONI

Wilding Division of Bell & Howell in Southfield, announced the promotion of TONY GIBBS to sales manager for the company's national accounts group. Gibbs was formerly senior account executive on the Ford Motor Company account. He has been with the company for seven years after beginning his communications career in radio broadcasting and radio sales.

Detroitbank Corp., parent company of Detroit Bank & Trust and seven other banks, has announced that KENNETH J. SCHAD of Rochester has been appointed a tax officer in the controller department. The announcement was made by Rodney Craighead, corporation chairman.

Schad joined the bank in 1969 as an administrative trainee and has held positions of increasing responsibility since then.

Troy resident LEE J. SANTIONI has been promoted to account officer in the metropolitan loan division of Manufacturers National Bank of Detroit. Santioni joined the bank in 1972 and has worked in the auditing, operations and credit departments.

Realtors introduce 100% commission plan

A new concept in real estate selling was introduced to this area July 1 when a traditional real estate firm, Dunn & Dunn, changed to what is called a 100 per cent commission firm and became Re/Max of Birmingham and Re-Max of Troy.

In most real estate companies a portion of the sales commission goes to the real estate salesman and a portion to the broker/owner. In a 100 per cent commission firm the salesperson pays a monthly management fee, shares office expenses and pays his own personal expenses. After these expenses are met, the salesperson pockets all of the commission.

Veteran Realtors John and Ola Dunn are the new owners of the Re-Max local franchises. Re-Max's headquarters is in Denver, Colo. and now has franchises in 39 states.

The Dunns have owned Dunn & Dunn since 1970. Prior to that they both worked for Hall and Young and Manuel and Snyder.

"In most real estate firms about 20 per cent of the salesmen do most of the selling," John Dunn said. "So the bulk of a broker's time is spent trying to train new salespeople or trying to motivate those who aren't motivated. In traditional firms the good salespeople end up carrying the poor salespeople."

Under the Re-Max concept a salesman signs a contract to work in an office for a year — which can be cancelled with two weeks notice on either the part of the manager or salesman. He agrees to pay a $300 per month management fee. For this amount he is provided with office space, multiple listing service, secretarial services and professional sales aids.

He also shares in the expenses of running the office with other salespeople. In addition, he must pay his own personal expenses including advertising and mailings.

THE DUNNS BELIEVE that all highly-motivated salespeople should be attracted to the 100 per cent commission concept. But it hasn't always happened that way.

For instance, when John and Ola Dunn told their sales force about the changeover to Re-Max 16 of the 20 salespeople decided to quit.

"A salesman must have confidence and believe in himself if he is going to join us," John Dunn said. "This is not the place for part-timers or beginners. Some people have been reluctant to join us because they think it is too good to be true."

But the Dunns believe it is true.

This week they announced the hiring of James Leahy as manager of their Troy office. Leahy is now president of the Birmingham-Bloomfield Board of Realtors.

They feel it will be a while before the 100 per cent commission catches on in this area. The Dunns maintain that the same thing happened in Denver when Re-Max started seven years ago. They say that Re-Max is now number three in real estate sales in the Denver metropolitan area.

John Dunn says that the Re-Max concept completely changes the relationship between the broker and individual salesman.

"Before it was based strictly on the amount of money the salesman could bring in," Dunn said. "If one man caused a disturbance in the office but brought in $3 million in sales, the broker would look the other way. But under the Re-Max system the other salespeople in the office would get together and bring this man back in line. The sales force democratically runs the office."

RE-MAX IS a franchise operation. John Dunn owns the franchise rights from Adams Road east to Dequinder. He runs Re-Max of Troy in an office at 3525 Rochester Road. Ola Dunn owns Re-Max of Birmingham with rights from Adams Road west to Lahser Road. Her office is at 296 S. Hunter.

They own two of 350 Re-Max offices throughout the country. Re-Max is taken from the formal title of the firm, Real Estate Maximum of America. Other Re-Max offices in Michigan are in Clarkston, Waterford and Ann Arbor.

Grand Traverse Hilton and Conference Center is the focal point of the $100 million, 411-acre Grand Traverse Village resort planned by a group of local businessmen.

Midwest convention site

Northern resort readied

A group of businessmen, headed by Bloomfield Hills attorney Paul L. Nine, is spearheading the development of a $100 million northern Michigan resort complex.

The Grand Traverse Hilton Hotel, heart of the planned Grand Village complex, will begin operation in November, according to Nine, president of the Grand Traverse Development Company.

The project is being developed as a Midwestern United States meeting and convention facility. Construction totaling $19 million has been started, according to developers.

Three miles east of Traverse City, the 411-acre development is taking shape in a former cherry orchard at M-72 and U.S. 31 overlooking the east arm of Grand Traverse Bay.

The twin-towered, six-story hotel will be situated atop a 180-foot ridge on the bay.

It will be surrounded on three sides by an 18-hole, 6840-yard golf course designed by former University of Michigan golf coach William K. Newcomb Jr.

The first nine holes are completed and the back nine are expected to be playable by late summer. A nine-hole executive course also is being planned.

THE HOTEL provides 250 rooms, six suites, banquet facilities for up to 1,000 and 11 meeting rooms.

Planned are a gourmet restaurant, informal cafe, two bars, a disco, five indoor and two outdoor tennis courts, four indoor raquetball courts, an indoor swimming pool, and a health club with sauna, whirlpool and exercise equipment.

The property includes portions of Acme Creek, a year-round trout and salmon stream.

The project is also slated to include condominiums and apartments.

Some 24 condominiums in the $55-60,000 price range have been built and sold to date. An additional 18 in the $125-150,000 price range are expected to be built in 1979 with others at approximately $35-40,000 also planned.

Developers claim the project represents the largest single development ever in the Grand Traverse region.

Financial backing for the project, handled through National Bank and Trust of Traverse City and Manufacturer's Hanover Mortgage Corp., was guaranteed to $11.5 million by the Farmers Home Administration of the federal government, according to developers.

Inflation hits engineers' paychecks

Petroleum engineering, one of the highest paid professions in the U.S., has fallen victim of inflation.

A survey compiled by the Society of Petroleum Engineers states the average salary for the petroleum engineer has risen 29 percent, from $2,298 a month to $2,951 since the survey began in 1975.

But this increase evaporates when compared to the U.S. inflation rate, which has spiraled 28 percent over the past four years, according to the Bureau of Labor Statistics.

A petroleum engineer is involved in the drilling and producing of oil and gas. He works to achieve maximum recovery of them by determining and developing the best and most efficient drilling methods.

The employment of petroleum engineers is expected to grow faster than the average of all occupations during the 1980s due to the nation's efforts to attain energy self-sufficiency.

The petroleum engineer in a management position recorded the most significant salary increase with management salaries rising 34 percent since 1975.

Positions in marketing matched the inflation rate of 28 percent, while engineering rose 26 percent, research and development 20 percent, and education only with 14 percent salary increase.

'Teddy' comes to dinner

Do people really notice television commercials?

Mel Pearl and his staff at the Elias Brothers Restaurant in West Bloomfield's Old Orchard Mall say yes.

Mel and his staff were visited by six friends carrying teddy bears — all because of a television commercial.

Elizabeth Strain, Irene Fiedler, Kathleen O'Callaghan, Chris Benefield, Teresa Medley and Gary Hilsen — all with West Bloomfield's Liberty State Bank & Trust, had decided to follow the example of a popular Elias Brothers commercial.

In the commercial, produced by the Simons Michelson Zieve, Inc. advertising agency, with funny men Dick and Bert, a man brings his "Teddy" to dinner.

The six bank employees went one step further. They decided to bring not one teddy bear, but a whole family of teddy bears. And after elaborate planning, the Teddy Bear Brigade assembled secretly and marched unannounced into the restaurant.

Laughter from employees and customers filled the restaurant as the pranksters were lead to their place.

Briefs

Core sets record

Core Industries Inc. of Birmingham report record earnings for its third quarter ending May 31. Earnings were $3,173,000, or 75 cents per share. That's a 56 percent per share increase over the $2,068,000, or 48 cents per share, reported for the comparable quarter in 1978. Company officials also are predicting record fourth quarter earnings which will be the ninth consecutive year of record earnings for the firm. Core Industries is a manufacturer of speciality products for electronic, farm equipment, fluid controls and construction products and vehicles product industries.

Market grows

The nation's secondary market for conventional home mortgages — a device by which local lenders recycle housing funds back into their communities — is growing and promises even greater growth in the future. Since 1970, the annual volume nationally has grown from $4 billion to nearly $39 billion as of 1978. Such conventional mortgages have Private Mortgage Insurance (PMI) covering the top portion of the loan, in effect replacing such insurance as provided by the Federal Housing Administration for the lender. Conventionals with PMI insurance have taken an increasingly large share of the home mortgage business annually since PMI's became available in the 1960s. The effect of the secondary market has been to encourage conventional lending by offering local lenders the opportunity to sell approved loans and pariticipations and thereby replenish their funds for further loans for housings.

Kmart sales up

The Troy-based Kmart Corp. recorded an 11.8 percent increase in sales for the five-week period ended June 27. The June increase produced record sales of $1,197,345,000 compared with $1,071,305,000 for June 1978. Sales were adversely affected early in the period by poor weather over the Memorial Day holiday, according to Kmart Chairman Robert Dewar.

Number 1 lender

Standard Federal Savings recorded $64,395,938 in mortgages to lead all residential lenders in the $150,000 or less category during May, according to the latest figures compiled by the Lawyers Title Insurance Corp. These recordings were responsible for 21.2 percent of the total market's output of $201,724,973 in the four-county area. Next in line was First Federal Savings of Detroit at $54,812,500; Michigan National Bank at $20,071,153; and American Federal Savings with $12,364,250. Assets of Standard Federal Savings and Loan Association reached a record high of $2,763,543,443 as of June 30. This represents a 12 percent gain for the first six months of 1979 over 1978. Standard Federal is one of the largest savings and loan institutions in the nation and has been the No. 1 lender of residential mortgages in the Wayne, Oakland, Macomb and Washtenaw counties area for the past 5½ years.

Renters' relief

InsurRent is a new national service which provides cash relief for Michigan tenants. It bonds tenants for a small fee, freeing them from the security deposit required by rental units. The program also benefits landlords by screening reliable prospects from potential risks through an extenisve credit evaluation procedure. The program is available in Michigan through the Grand Blanc based Pollock-Beckwith Agency. If prospects pass the InsurRent evaluation, they pay a premium of only 20 percent of the normal security deposit and the landlord is protected for the full amount. Current participants in the metro area are: Sullivan-Smith Management, Four Seasons Management, McKinley Properties and JR Management. Pollock-Beckwith Agency can be reached at 694-1020.

O&E