

Building in a timely manner

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An untypical sense of "team work" and spirit grew as Storen instilled the project's importance on those involved. He had weekly meetings with corporate officers and field foremen from each firm and made attendance mandatory.

"What I started instilling was pride," he said. And apparently it was contagious.

"From the start deadlines were treated with reverence. No one wanted to be responsible for missing one, and delaying the project. It became almost a game. Nobody's gonna stop this whir!" Storen said.

In the end, the \$10 million project came in at \$1 million less than anticipated. Storen estimated that he saved the owners that much on interest for the construction loan and labor costs (there was no overtime paid).

Storen said he was able to do it with good old fashioned "hands on management" techniques involving a close relationship with workers and their project.

OWNER AND chief officer of Storen & Associates of Bloomfield Hills, Storen's firm is considered small by Detroit market standards, but he says "that's where I want to be."

to be." With vice president Bob Weingarten and secretary Slater, the firm employs only a handful. Working from a glass-enclosed office in the CMI Building, which he built, off Telegraph and Square Lake, the firm performed \$25 million worth of business last year.

Things weren't always this way. Today, he says, he enjoys being involved in key, everyday decisions of a small company, but he's had a taste of larger outfits.

Storen, youthful looking and energetic at 45 years, has worked in the construction business since he worked for Barton-Malow as a college student attending the University of Detroit. His father, William Storen, was a bridge builder and involved with the Davison Freeway.

Eventually Storen worked his way up to the presidency of an international construction firm called ASR Multi with offices in London and \$100 million in annual business. He later sold the stock and went back to a small company "by design." He formed his present company in 1984 and says he likes "picking and choosing projects I really want, that give us challenge and are really fun."

A colleague called Storen a man on the go, racing across town from meeting to meeting, and answering calls from his car telephone.

Storen is the father of six daughters, ranging in ages from 9 to 17 years. His wife, Mary Catherine, whom he met when she attended Immaculate High School in Detroit and he attended U-D High, is now attending the University of Detroit School of Law.

Active in the Catholic Youth Organization (CYO) league, Storen coaches girls' basketball at St. Hugo Catholic Church. Out of 400 teams last year his team lost the city championship and ended the year with a 27-1 record.

"Listen, there's not much difference sometimes coaching girls than coaching subcontractors."

As for the future, there's another "fast track" Republic project on the horizon. Storen will be the construction manager responsible for building a 25,000-square-foot flight kitchen at the Detroit airport. "I just got it three days ago and it's due Feb. 1," he said with excitement earlier in the week. Will he finish it?

"That's obvious," he answered.

Franchises breed success

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Franchises must file a statement of intent to do business with the state Attorney General's office but no other paperwork is required.

Previously, franchisees had to file with the state Department of Commerce, then sweat it out while commerce officials picked through their applications.

"One company waited 11 years," Bradley recalled. "They finally gave up."

FOR FRANCHISE holders, surviving doesn't necessarily mean prospering.

Big names cost big bucks. Start-up costs — including the franchise fee itself — range from \$290,000-\$480,000 for the top hamburger outlets. One luxury hotel chain reportedly offers franchisees at \$80,000 — per room.

"It's crazy to try to get into one of the

larger franchises," one potential applicant said.

SMALL-SCALE entrepreneurs must choose between newer, less-famous franchise offerings. But it's often difficult to tell the up-and-coming from the down-and-out.

Federal law requires that franchisees provide applicants with disclosure statements containing, among other items:

- Resumes of company officers.
- Franchise fees and other financial requirements including franchise fees, start-up costs, working capital requirements and "hidden" costs, including whether the franchise expects the applicant to purchase goods from the parent company.
- Description of lawsuits or previous bankruptcy proceedings involving the company.
- Basis for any earnings claims, including the number of franchises that have met the claim.

DESPITE THESE guarantees, experts say it can be difficult to determine whether a potential franchise will be a big winner.

"If anyone promises you're going to make a great deal of money, you should run from them as fast as possible," Cherkaski said.

Added Chuhman: "They don't allow a franchise to tell what you can earn, but they get around it by offering averages of stores in similar areas to yours."

But average profits don't necessarily mean that's what you're going to make, Chuhman added.

"I know of one company where the average looked pretty good until you found out the top seller was making \$1 million or more a year," he said. "I always advise people to ask for at the top and bottom figures as well."

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Franchising tips

The U.S. Department of Commerce lists 25 questions prospective franchise holders should ask before signing on the dotted line:

1. Does your lawyer approve the franchise contract?
2. Does the franchise require taking any unwise or illegal steps?
3. Does the franchise give you exclusive rights to the territory?
4. Is the franchise affiliated in any way with a company providing similar services?
5. If yes, what is your protection against the other organization?
6. How can you terminate the franchise and at what cost?
7. If you sell, will you be compensated for developing a clientele or developing the building?
8. How long has the company been in operation?
9. How good is its reputation?
10. Has the company shown you certified profit figures of an existing outlet? Have you checked figures with the franchise holder?
11. Will the company provide management and employee training, public relations, capital, credit and merchandising ideas?
12. Will the company assist in site selection?
13. Is the company adequately financed?
14. Is the company a one-man venture or a corporation?
15. What can the company do that you cannot do yourself?
16. How thorough is the company's investigation of yourself?
17. Has the company complied with state law?
18. How much equity capital is needed before income equals expenses? Where will it be obtained?
19. Are you prepared to give up independent actions to secure the advantages of franchising?
20. Are you certain you can handle the responsibilities of operating a franchise?
21. Will you be willing to spend the rest of your working life with the company?
22. Have you studied the market in which you intend to sell?
23. What will happen to the population within five years?
24. Will your product or service be in greater or lesser demand over that time period?
25. What competition exists from independents and other franchisees?

Employee leasing

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With better benefits, employees are more apt to stick with their small-business employer, Sullivan said. As it is, small-business owners lose 15-20 percent of their employees to larger firms with better benefits, he said.

The leasing package also gives the small-business owner a competitive advantage over other small businesses when recruiting employees, Sullivan maintained.

"We pull the cream of the crop when we place an ad," Sullivan said.

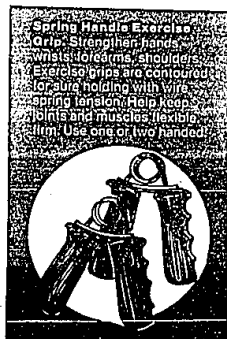
The first thing ESL asks prospective leasing customers to do is fill out a confidential work sheet detailing their overall employee costs.

Payroll makes up only about 50 percent of those costs, Sullivan said. Other, "hidden" costs include the insurance, unemployment compensation rates, even the time the owner spends talking to an insurance agent or filling out a tax form.

"We complete the same work sheet, project what it would cost if he leased from us," Sullivan said. "Generally it winds up, we're cheaper." He credits that to the volume buying ESL is able to do when investing in pension plans, insurance contracts and so.

The ESL staff uses its knowledge of pay scales throughout industry to let employers know if they are overpaying or underpaying an employee, Sullivan said.

The Ways And Means To Better Health And Fitness



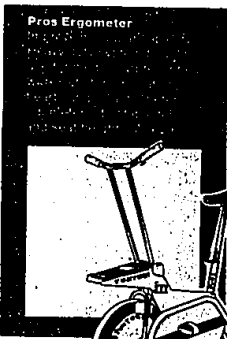
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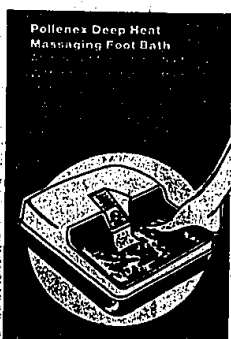
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