Trend of California watching is dying trend

By Dan McCosh
special writer

auto talk
Dan McCosh

The average speed on the freeways in Los Angeles is 17 mph and dropping. Rush "hour" traffic is a subject for nostalgia, since these days there are only five hours left in a 24-hour period during which traffic moves at all, and two of these are between three and five a.m.

Smog lays in the valley in a thick brown cloud, and it's 50 degrees after a week of rain, which is the kind of weather I usually get whenever I get a chance to go to some tepid spot in the middle of a Michigan winter. Which wouldn't seem so bad except that the radio keeps reminding me that it's warmer back home.

Adding to the aggravation is a special section in the Los Angeles Times on what "outsiders" think about Los Angeles. Los Angeles people worry a lot about what other people think of them, which makes them more or less like Detroit people.

This is mainly because nearly everybody in Los Angeles is from my old high school in Royal Oak. This westward migration started when a kid in my sister's class moved to Los Angeles and married Jane Fonda, without even having a regular job, which established the place firmly in the future fantasies of a generation.

NOW THEY are all stuck in traffic, since they all got a job on the other side of town from their house — now worth about a half million — with a view of an auto parts store.

Los Angles people feel all the important trends start here, which is why there are special trend-watching posts sponsored by all the auto companies in California. Trend-watching is not a new trend, however. GM Stylist Harley Earl, for example, was recruited from California where he had a hot business customizing cars for Hollywood types, which included putting a saddle on the roof of Tom Mix's car.

Actually, the most noticable trend today in California is an overall glut of old trends. Unlike Detroiters, who will build a trampoline center or two, then bulldoze it when it goes out of fashion, Californians hang on to their trends. It's not unusual to see a slightly pot-bellied, middle-aged skateboarder still perfecting his sport, for instance, although the flip turns are getting a little weak.

ALONG WITH a glut of old trends, there is a glut of old cars, since they haven't discovered the economic benefits of putting salt all over the roads to keep the new-car business going.

This includes the kind of wimpy imports that end up looking like an Upper Peninsula stop sign at the end of deer season after a Michigan winter or two, which still gleam until you look inside and discover all that sunlight has turned the interior into Dracula dust.

I keep looking for new trends on the road, but there's nothing much I haven't seen before on Telegraph: mainly short pickups and tall four-wheel drives, with the Koreans noticably replacing the Japanese.

Porsches and Mercedes are less in evidence, since I stick mainly to the east side of town, but maybe those house payments are finally taking their toll.

I BEGAN to realize it's possible we've made too much of this California thing, after years of worrying about what kind of cars Californians are going to be driving next. With a quarter of the cars sold in the United States on the left coast, and half of those imports, the trend watching is done in earnest.

But now the Japanese are announcing their new concentration will be on Midwest markets.

Then comes the announcements that Jim Perkins, who spent 20 years or so at Chevrolet and then moved to California and Toyota, was lured back to GM to become heir apparent to the general manager's slot at Chevrolet Division.

Was it money? Did he finally tire of struggling to speak the language? Or was he a mole in the heart of Calanese car culture, bringing inside information back to revitalize Chevrolet?

It may be the start of another trend, which I will look into as soon as my suntan wears off.

Even the pros can't understand IRS gobbledygook

finances and you
Sid Mittra

We are often told that the IRS tries very hard to simplify tax matters for us. While we would like to believe that the IRS does make an *attempt to simplify matters*, our experience suggests that it rarely succeeds in meeting its goal.

Incidentally, in my dealings with professional CPAs, I constantly hear complaints that the tax laws are become nearly unintelligible. Recently, I received the copy of a letter written to the IRS by the senior partner of a big firm. I am reproducing this letter (firm's name withheld) for your reading pleasure.

Happy reading.

Lawrence B. Gibbs
commissioner
Internal Revenue Service
1111 Constitution Ave.
Washington DC 20024

Dear Mr. Gibbs,

Congratulations on the first round of passive activity regulations! I do think you need a few more definitions to make the regulations unequivocally clear.

We really don't have enough categories of degrees of participation. I suggest:

1. Inactive and hyperactive below and above active.
2. Lessubstantial and extrasubstantial below and above substantial. Lesssubsdtantial (yes, three s's) is more than hyperactive but less than substantial.
3. Immaterial (not to be confused with not material) and ultramaterial below and above material.
4. Nirvana — tax heaven.

In addition, I'm confused about certain rental activities. Was the girl with the TV preacher engaged in a rental activity? Were those significant personal services, extraordinary personal services, or excluded services? I'm sure the answer depends upon the length of the rental period. On the other hand, depending upon which newspaper account you read, it could be a passive activity. We're not sure the property was every really used by the customer.

Finally, we need some objective standards. I suggest we quantify "regular," "continuous" and "substantial."

1. Each of these terms will be assigned a mathematical exponent from -1 to 5.
2. Then the cube root of the radius times the square of infinity must equal or exceed the national deficit. Then, and only then, can a taxpayer deduct a passive loss.

Very truly yours

Sid Mittra is a professor of finance, school of business at Oakland University and owner of Coordinated Financial Planning.

Successful plan to get money will follow these MIT guidelines

focus: small business
Mary DiPaolo

The MIT Enterprise Forum was organized under the direction of the Massachusetts Institute of Technology Alumni Association to provide assistance to emerging growth companies. Its primary activity consists of monthly evening sessions in which company business plans accepted for presentation are evaluated during "no-holds-barred" sessions.

Led by a panel of alumni experts and experienced business executives, the sessions allow entrepreneurs to obtain feedback and advice regarding their plan and their enterprise while being offered suggestions for improvement.

Through their experience, forum members have developed a list of requirements for winning business plans. As the most important tool used to obtain money from outside investors, the plan must be the best that can be written and packaged. The MIT Forum considers the following as essential elements of any successful plan:

- It must be arranged appropriately with an executive summary, a table of contents and its chapters in order.
- It must be the right length and appearance — neither too long, too short, too plain or too fancy.
- It must give a sense of what the founders and the company expect to accomplish three to seven years into the future.
- It must explain in quantitative and qualitative terms the benefit to the user of the company's products or services.
- It must present hard evidence of the marketability of the products or services.
- It must justify financially the means chosen to sell the products or services.
- It must explain and justify the level of product development that has been achieved and describe in appopriate detail the manufacturing process and associated costs.
- It must portray the partners as a team of experienced managers with complementary business skills.
- It must suggest as high an overall rating as possible of the venture's product development and team sophistication.
- It must contain believable financial projections with the key data explained and documented.
- It must show how investors can cash out in three to seven years, with appropriate capital appreciation.
- It must be presented to the most potentially receptive financiers possible.

Next week, we'll review the process of "shopping for funds."

Mary DiPaolo is the owner of MarkeTrends, a Farmington Hills-based business consulting firm. She is also producer and host of the cable television series, "Chamber Perspectives."

datebook

● **MARKETING PRIMER**
Friday, Jan. 27 — "A Marketing Primerfor Non-Marketing Professionals" seminar 9 a.m. to 4 p.m. in Southfield. Fee: $75. Information: 396-3472. Sponsor: Touche Ross.

● **STARTING A BUSINESS**
Saturday, Jan. 28 — "The Nuts and Bolts of Beginning Your Own Independent Business" offered 10:30 a.m. to 4:30 p.m. in Bloomfield Township. Fee: $195. Information: John Feeney, 335-1200. Sponsor: University of Detroit Center for Entrepreneurial Enterprise.

● **MOVING UP IN PR**
Tuesday, Jan. 31 — Seminar on moving from public relations to management begins at 6 p.m. in Troy. Fee: $35. Information: 545-6499. Sponsor: Public Relations Society of America.

● **INVESTING**
Wednesdays, Feb. 1 through March 8 — "Help Your Money Make Money — Invest Wisely" 7:30-9:30 p.m. in Birmingham. Fee: $12. Information: 644-5832. Sponsor: The Community House.

● **USING STATISTICS**
Thursday, Feb. 2 — "How to Provide Statistical Answers When Your Boss Asks" offered 8:30-11:30 a.m. in Southfield. Non-member fee: $55. Information: Janet Roberts, 362-2100. Sponsor: International Association of Business Communicators.

● **BUSINESS ECONOMISTS**
Thursday, Feb. 2 — Detroit Association of Business Economists hear state treasurer Robert Bowman. Information: 643-5053.