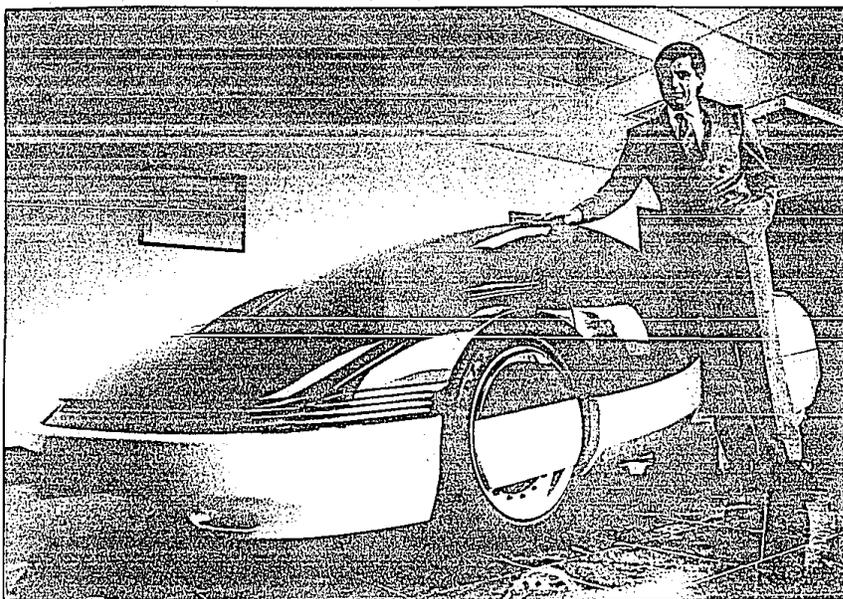




Marilyn Fitchett editor/591-2300

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JIM JACOFELD/Staff photographer

Victor Bogdan, design and marketing manager for International Automotive Design in Livonia, displays IAD's Alien.

Design studio sets sights as major player here and abroad

By R.J. King
Special writer

They have names like Impact, Alien, Hunter, Interstate and Royale. Concept cars designed for a future where adventure is standard.

But these cars of tomorrow are not built by Ford or General Motors or any automotive company, for that matter.

Rather, International Automotive Design, with three styling studios in Livonia, and world headquarters in Worthing, England, provides futuristic design and engineering services to an automotive industry that places a premium on appearance and individuality.

"Historically, automotive suppliers around town offered a particular service, but in the last 10 years, as the automakers have scaled back, we have grown to fill the particular niches," said Victor Bogdan, design

and marketing manager for International Automotive Design in Livonia. "As it stands now, the automotive companies will develop a car for the market, market the car, and all the work in between is done by companies like us. That's why the industry is growing."

IAD's revenues have tripled since 1985. Last year they were \$135 million. Bogdan, a Farmington Hills resident, said the company's annual sales grew roughly 20 percent in each of the last five years and should increase by that amount this year.

In addition, IAD was recently honored with the queen's award for Export Achievement by the British government, the company's third in the last four years. The award honors those British companies that maintain a high export level while exhibiting strong sales growth.

SO WHAT IS the company's se-

cret? And why is it building concept cars when the automakers, as Bogdan said, are developing cars of their own?

"We place our emphasis on design engineering and computer-aided design, and we can go from a clay model design to fiber glass prototypes right here."

Bogdan said IAD's 40,000-square-foot facility was built to serve the U.S. market better and avoid some of the penalties of the weak dollar.

"Essentially we offer our clients one-stop capabilities, where they don't have to travel around the world to check on this or see to that."

BOGDAN SAID IAD, which claims to be Europe's largest styling and engineering company, designs such futuristic cars as the Royale not only to gain international recognition, but to impress upon automotive clients

that the company is exploring and setting future design standards.

For example, the Royale, developed with the corporate business person or entrepreneur in mind, offers passengers a personal computer, a facsimile machine, a satellite navigation system, two televisions for rear passengers and front and rear telephones.

Among racing prototypes is the Hunter, a sports/leisure utility vehicle designed to appeal to scuba divers and the beach set. In addition to an interior upholstered with SORBOKIN, a material like that used in wet suits, and highlighted with a soft-touch, rubberized paint, the underfloor area is accessible through electrically operated doors, making it suitable for storing skis or scuba gear.

But while dramatic styling has its

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Good location not just a lucky choice

After saving for years, Sam opened a restaurant across from XYZ Corp. Although few businesses were in the area, the XYZ corporate offices housed more than 2,000 employees. The only other restaurant in the area was 10 miles away.

In his first six months, Sam did quite well. But then XYZ Corp. confirmed rumors that had been circulating for a long time: The company planned to relocate to another town, approximately 600 miles away. Within a year, Sam's restaurant folded.

Could Sam have prevented his business failure? Possibly. According to the Farmington Hills-based Michigan Association of CPAs, Sam should have researched the location more thoroughly and interviewed people from the community. If he had, he might have realized just how much his success depended on the fortunes of XYZ — and he might have gleaned hints about the company's relocation plans.

AN ESTIMATED 45,000 businesses failed in the first nine months of 1988, many of them because the owners did not take the time to gather information about the location. Manufacturers, for instance, should make sure that their location has quick access to transportation routes and necessary supplies. Retailers need to pay attention to local traffic patterns, community trends and store visibility.

If you are planning to buy property for a small business, start by investigating the overall makeup of several target communities or locations. From the census bureau, find out if the community is growing or shrinking. If shrinking, find out why.

For example, Sara planned to open a children's bookstore in a small town. When she investigated the community, she realized she had selected the wrong location. Employment was hard to find in the town and many young adults and recent college graduates were moving away to find work. Sara still opened the bookstore, but with an emphasis on mature titles rather than children's books.

The census bureau can also provide the population's average income, predominant occupations and median age. By comparing this information with past figures, you can determine if and how a community is changing. You should also find out whether nearby residents tend to be college-educated or blue-collar workers. Do they rent or do they own their homes? Have local

property values increased or decreased?

CONSIDER THE community's future. For instance, does the town have any plans for construction that may affect your business?

Most background information can be easily obtained from local government agencies, chambers of commerce, the Small Business Administration (SBA), trade associations, census bureaus and local newspapers.

But in your paper chase, don't overlook an important resource: the residents and business owners in the community. Introduce yourself to people in the town and try to get a feel for the community's personality and values. Ask local shopkeepers about the history of stores in the area. What type of businesses does the community support and which types have failed?

After you decide on the general area in which you want to open a business, your next step is selecting a particular property. A top priority should be gathering in-depth information on the property's traffic patterns — the number of possible customers who pass by on a regular basis. The SBA has a number of publications that can tell you how to use traffic studies.

You should also take note of the proximity of possible competitors, both present and future. Bob and Ann, for instance, opened a small sporting goods store in a town just emerging as a major recreational center. Unfortunately, they failed to ask who had bought the empty lot a mile down the road. When a major sporting goods retailer moved in, the couple tried to compete, but to no avail.

ANOTHER MISTAKE small-business owners often make is ignoring a site's history. If the building has housed four different businesses in three years, it would be wise to take a second look at the property. You may have overlooked a subtle but important flaw in the building's location.

Once you are satisfied with the site, it's time to investigate the building's actual physical condition. Is the facility large enough to permit future expansion? Does the property need major modification to satisfy your business needs? Examine the building as closely as you would a new home, including the age of the plumbing and wiring. You should also consider such convenience factors as parking space availability and proximity to major roads or public transportation.

Limit unemployment claim before employee is hired

By Peggy Aulino
Staff writer

Your new employee isn't working out. It's obvious he doesn't have as much experience as his resume suggested — he just can't keep up with the work. And you've talked to him twice about tardiness. So you figure since he has only been in your employ for a few weeks, you can fire him without fear of having to face an unemployment tax claim.

Wrong.

He goes to the Michigan Employment Security Commission (MESCC), which sends you notification that a claim has been filed. Unsure of what to do, you call Quad C Co., a Troy consulting firm that helps small businesses control unemployment taxes. You figure you have a good case, and an expert will surely be able to win it for you.

Wrong again.

Josef D. Bruner, the company's president, said employers must practice what amounts to preventive medicine when it comes to unemployment tax management.

"They don't call us until it's too late," said Bruner. "When you hire people is when you want to limit your unemployment claim."

In the hypothetical situation above, the employer has no recourse if the employee embellished his resume. When it comes to Michigan's unemployment compensation laws, hiring someone is strictly a let-the-employer-be-ware proposition. If an applicant says he can work a lath



Josef D. Bruner

and you hire him based on his word, you can't fire him because he performs inadequately without being liable in an unemployment claim.

BRUNER'S ADVICE to that employer would have been simple: check references. Or at least lead the applicant to the shop and see if he can pick out the lath.

An employer can't assume the worker won't be eligible for unemployment benefits just because he is a new employee. If the worker left a job to take a new position and he has worked at one or the other place for a total of at least 26 weeks, he will

be eligible to collect unemployment.

"The law says you can transfer the claim from another employer into this employer's lap," said Bruner. "They can work for you one minute and still collect. The employers become liable because of that."

But what about the warnings you gave about the worker's tardiness? First of all, verbal warnings aren't going to stand up in the quasi-judicial proceedings of an MESCC appeal heard, said Bruner. Secondly, you can't fire someone for being late per se. The only infraction for which a worker can be fired and be ineligible for unemployment compensation is "misconduct," for which the MESCC has a five-paragraph definition. And to prove misconduct, you need written documentation of "progressive discipline" because the employer bears the burden of proof at the hearing.

Failing to keep adequate records on problem workers is one of the biggest mistakes employers make in the area of unemployment tax management, Bruner said.

"They are constantly reacting. They're never prepared in advance," he said. "They fire someone, probably for good reason, but they forget to document progressive discipline."

ALL THIS MAY sound simple enough, but most employers are at best vaguely familiar with unemployment compensation laws, said Bruner. He said in 11 years of con-

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