

Business

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Michael Poniatowski, right, president of Micro-Rental USA, is consolidating Detroit area operations to new offices and a warehouse in Southfield.

A need for computer rentals?

Yes, former teacher finds

By Doug Funke
staff writer

Michael Poniatowski, a former school administrator who saw a market in short-term computer rentals, said he still can't believe how much his company has grown since he launched it nearly seven years ago from the basement of his home.

Micro-Rental USA, which then consisted of four Apple IIe computers owned by Poniatowski, his father, his father-in-law and a teaching colleague, recorded rental revenues of \$1.1 million last year, he said.

Revenues this year are projected to top out at approximately \$2.4 million, Poniatowski said, due in great part to a merger in May with Biz-Tech of Livonia/Ann Arbor.

"I still don't believe where we are," said Poniatowski, 38, president and majority stockholder of the privately held company.

Last week, he was supervising a consolidation of Detroit operations to Southfield from Livonia and Bloomfield Hills.

Micro-Rental USA also has branch offices in Grand Rapids, Chicago, Indianapolis, Cleveland and Cincinnati.

"NOW WE'VE grown so much our goal for at least the next year is to

develop the market to its fullest. This is a very cash-intensive business. We've expanded as far as we can afford to," Poniatowski said.

The company, strictly involved in hardware rental, has earned a profit every year since its birth, Poniatowski said. Approximately 95 percent of its rentals now are to business clients.

It all started in fall 1982 when Poniatowski, then supervisor of the talented and gifted program for the Troy School District, began pursuing an advanced degree in computer education at Oakland University.

"We found out people were fighting to get on computers. There wasn't enough time or systems available," he said.

"I said maybe there's a need for people to rent at home," he said. "I tried to rent myself, but couldn't find anyone to do it."

A MARKETING study by a sister-in-law as part of a master's degree program confirmed the need, Poniatowski said.

He took the plunge in December. "I set the business up as a management company, rented the computers out and paid them (owners) a percentage of the rental," Poniatowski said.

"In January, I got permission to put signs up at Oakland U. in the computer lab. I rented all the first four out the first week signs were out," he said.

At first, most renters were non-traditional college students — home-makers and working people pursuing a degree. Some rented for a week, some a month.

By March 1983, friends and relatives had boosted the inventory to 17 computers and Poniatowski had a couple of students working out of his Auburn Hills basement.

Business rentals soon surpassed rentals to students when IBM introduced a personal computer with business applications.

TWO EVENTS eventually propelled Poniatowski out of his basement into what he called the legitimate business world.

Ray Okonski, who was to become Poniatowski's business mentor and whom Poniatowski termed "an entrepreneur's entrepreneur," rented from him in June 1983. The Better Business Bureau, acting on an inquiry, checked him out in June 1984.

"Ray said this has the potential to get big. To get the right financing, you're going to have to get out of the basement," Poniatowski said.

The BBB recommended the same. In a reorganization engineered by Okonski, the original individual

investors were given stock in exchange for their computers and the company relocated to the Bloomfield Towne Square.

Okonski, through his contacts, secured loans for expansion. Now chairman of Micro-Rental, Okonski

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Contractors show goods at exhibition

By Doug Funke
staff writer

Call it networking for the manufacturing subcontracting set.

Upwards of 500 job shoppers, many from the Observer & Eccentric area, were expected to participate in the sixth annual Contract Manufacturers Expo this week at Cobo Conference/Exhibition Center.

"It's strictly subcontractors — all those shops you see around everywhere who do stamping, who do custom work, prototype work," said Patrick Witherspoon, executive director for the Contract Manufacturers Association.

"It's like a big market. It brings buyers and sellers together," he said. "They'll meet more people in three days than they normally would in five years. It's an inexpensive way to make contacts and gives them exposure they normally wouldn't get."

Exhibitors make components for the Big Three automakers, aerospace industry and appliance manufacturers. They produce building materials and parts for toys. They're government contractors.

THE BUYERS include major manufacturers, but exhibitors often do business with each other, too.

"Some guys at the show get business right at the show, some six to

eight months later," Witherspoon said.

Craftsmen and shop owners often are much better and more comfortable doing work than drumming up business, Witherspoon said. The expo was set up for them.

"It's hard to go to a cocktail party and talk about it," he said. "These guys are craftsmen. They just don't go out and advertise. There's a lot of business out there. We bring them together."

Witherspoon described the average association member and exhibitor as a company that has been around for at least 20 years, employs 50-100 and has gross sales of \$4-45 million per year.

H&H Tube & Mfg. Co., with administrative offices in Southfield and three factories around Michigan, attended the expo for the second year in a row.

"WE GET a lot of good leads," said Hugh Thompson, sales manager. "We're there to get new and different business. You never sit back and say business is great so I'm not going to look for more business."

H&H makes tubes used for faucet spouts and tire pressure gauges as well as parts for the auto industry.

"Some of the best customers you

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Tire account lucrative

By Doug Funke
staff writer

A 20-foot inflatable tire and a banner in front of W.B. Doner & Co. headquarters on Northwestern Highway Monday told the story.

The Southfield-based advertising company had acquired the BF Goodrich (tire) national advertising account. Grey Advertising of New York had the account for 17 years.

The BF Goodrich account is expected to generate upwards of \$25 million in billings over the next year, according to AdWeek Magazine.

Between 15 and 25 jobs will be created at Doner to service the Goodrich account and several others the agency has acquired in recent months, said W.B. "Brod" Doner, chairman of the executive committee.

"I guess you'd have to say they (Goodrich) just liked the way we think," Doner said. "There's no question it automatically is in the top three or four of our accounts."

Doner declined to give specifics about the campaign.

The account will be managed by Steve LaGatta in Doner's Southfield office and Jerry Preyas in the Cleveland office.

Other key people involved with the account are John DeCicco, Mike Sullivan, Dan Hackett, Mike Rutka and Gary Wolfson in creative and John Considine in research, Doner said.

GOODRICH'S APPEAL to consumers by comparing the need for special performance tires on sport cars to the need for special shoes for



W.B. Doner

athletic success will continue, said John Hargrave, spokesman for Goodrich.

Doner's campaign probably will be introduced to dealers in late January and hit the national airwaves in March, Hargrave said.

"We're in a very competitive industry and feel that W.B. Doner can give us the edge," Hargrave said. "Doner demonstrated to us their complete understanding of our target market and a unique way to communicate with that customer."

Hargrave identified the target market as owners of new sports cars that originally came with performance tires, and car buyers who acquire sporty cars to make a statement about lifestyle.

He also declined comment on the specifics of Doner's campaign.

"Grey had served us well. We were delighted with their efforts but

decided we weren't maximizing impact with that theme," Hargrave said.

Doner was one of four finalists to pitch a TV campaign to Goodrich. The others were Chiat/Day/Mojo of Los Angeles, Saatchi & Saatchi of New York and Grey.

"IN THE ADVERTISING community, these are heavyweight, creative agencies," Hargrave said. "It's not so much they did anything wrong. Doner out-performed them."

Doner said he has no plans to use the Goodrich account to land the account of a major auto manufacturer. Doner unsuccessfully pursued the GM Saturn account.

"This is such a wonderful account in itself, we can't think of it as a springboard," Doner said.

W.B. Doner & Co., privately-owned, was founded by Doner in 1937.

More than 500 are employed in offices in Southfield, Baltimore, Boston, Chicago, Cleveland, St. Petersburg, Montreal, Toronto and London, England. The Southfield office is the largest.

Local accounts handled by Doner include Highland Appliance, Perry Drugs, the Detroit Free Press, WDIV-TV and the Michigan State Lottery.

Doner won best of show honors at the Detroit Caddy Awards this year for radio ads promoting the Greater Michigan Ford Dealers and Mothers Against Drunk Driving.

Corporate billings through July of this year were estimated at \$320 million, said Pat Simpson, spokeswoman for Doner.



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