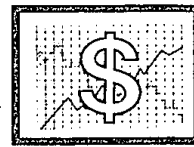


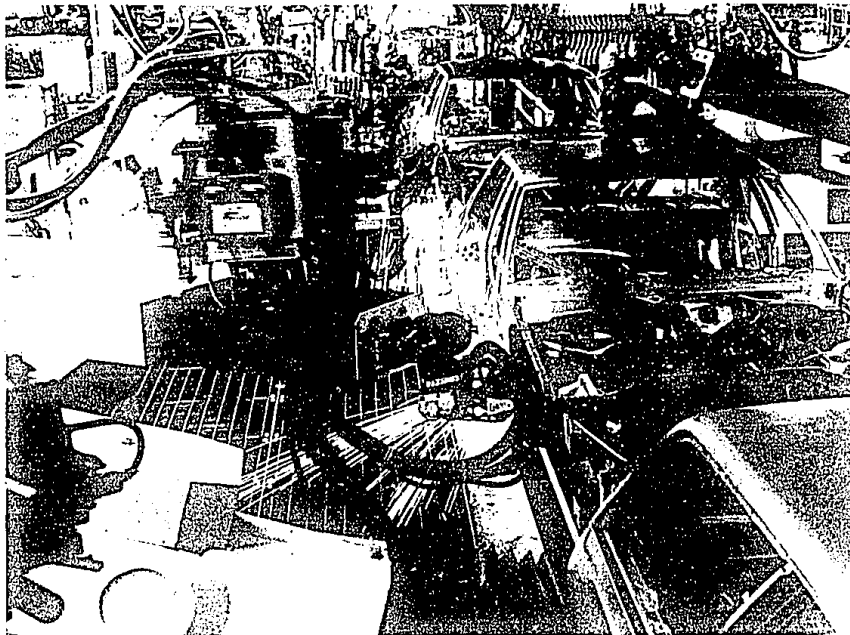
Business

Marilyn Fitchett editor/591-2300



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With the robotics industry heavily reliant on the automotive industry, the recent auto sales slump has given robotics manufacturers some cause for alarm. Robots in photo are spot welding automobile frames.

Robotics industry sales rising

By Gerald Frawley
staff writer

Twenty years ago, people thought robots would either improve the quality of life or put them out of a job. A few years ago, both possibilities were unthinkable.

After years of growth, the U.S. robotics industry was slumping. In 1985 and early 1986, robotics manufacturing was riding a crest of success with sales of almost \$600 million a year. A year later sales had plunged to nearly \$300 million.

For Michigan's newfound robotics industry — in the early 1980s state officials hoped robotics would help the state diversify its auto-dependent economy — the slump was bad news.

Today, although still below 1985 and 1986 levels, the robotics manufacturing industry is on a rebound, according to the Ann Arbor-based Robotic Industries Association (RIA).

Approximately 36,000 robots are in use throughout the United States, according to RIA figures. Recent sales have been heaviest in applications for welding, painting/coating, materials handling and assembly. In the first three quarters of 1989, U.S. robotics manufacturers logged \$369.1 million in orders — up 82 per-

cent from the third quarter of 1988 when sales were \$202.7 million.

Carleen Calabrese, vice president and general manager of Troy-based ABB Robotics Inc., said many people are unaware of the mid-decade decline — mainly because other areas of the economy were thriving.

"A couple of years ago, there was almost a moratorium on flexible automation purchases — and robotics is a major part of that," he said. "But all at once, about a year and half ago, it turned around."

GMF ROBOTICS, in Auburn Hills, one of the area's largest robotics manufacturers, wasn't immune from the slump. GMF Robotics communications manager Joanne Morino said, "Business is good today, but it wasn't a few years ago."

GMF sales reached a peak in 1985 with \$187 million in sales and started 1986 on a good note before a slow fourth quarter. Still, the firm finished off the year with \$186 million in sales.

But sales fell sharply in 1987, when GMF finished the year with \$103 million in sales. The firm was forced to include greater emphasis on soliciting non-automotive markets and splitting the firm into two divisions: one to address the automotive industry and another to address

other industrial needs.

Why the robot industry went sour, ABB Robotics' Calabrese said, is more difficult to guess than why the industry is bouncing back. "There have been many solutions (offered) on that, but we still don't have all the answers."

Calabrese speculated the enormous automobile inventories during the mid-1980s might have been a factor. Then, manufacturers built huge inventories of automobiles and sold from the inventory.

Today, manufacturers produce automobiles almost on an as-needed basis, he said, and with just-in-time manufacturing, speed and accuracy is more important than ever before, he said.

"You can't have on-time manufacturing without robots," Calabrese said. "They perform repetitive tasks flawlessly and efficiently."

GMF Robotics' Morino said it is doubtful the industry will see a return to 1986 levels soon because the attitude about robotics has changed.

"In the early 1980s, everybody had to have a robot even if they didn't need them," she said. Robots were "in" and all the industry's big players — and those firms that wanted to be big players — were lining up to buy them, she said.

"We're done with that fat stage,"

Westinghouse Automation Division sales and marketing manager Mal Leininger said. "That 'we'd-better-get-on-the-bandwagon-and-buy-a-robot' syndrome is gone. I think that's

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Business woes generate good appliance buys

By Doug Funkhast writer



Highland Superstores, a retailer of home entertainment equipment and appliances, is heading toward its first unprofitable year since offering its stock to the public in 1985.

But that might be good news for consumers. Executives for the Plymouth-based corporation say they intend to remain the market leader in metropolitan Detroit.

Considering the local competition — Fretter, ABC Warehouse, Walter's Home Appliances, Adray Appliance and the major department stores — buyers can expect good prices for merchandise to hold.

"We're the market leader," said Yale Levin, chief financial officer for Highland. "We're going to have the lowest prices around to maintain market leadership. I think consumers are in for very low prices over the next year."

Things apparently have become so competitive recently that Ollie Fretter ("I'll give you five pounds of coffee if I can't beat your best deal") recently has reappeared on TV to tout products of his company.

"THE CONSUMERS are getting great prices. Competition is really kamikaze," said Steven DiMaggio, senior analyst for Roney & Co.

He termed the industry "dead" at this time.

"These guys (retailers) need a

new, hot product. That's what drives the market," DiMaggio said.

Highland reported a net loss of \$9.6 million on revenues of \$608 million through the first three quarters of its budget year which ends Jan. 31.

The company reported a profit of \$2.9 million on revenues of \$595 million for the first nine months of its 1988-89 budget year.

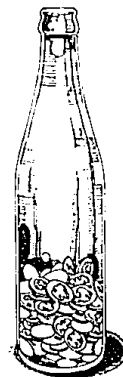
November 1989 sales of \$101.4 million were up 11 percent from the \$91.4 million recorded in November of 1988. Holiday sales during December haven't yet been announced.

DESPITE THE rebound, Eugene Mondry, Highland president, anticipates a net loss for the year.

He attributed the loss through three quarters to "a combination of a very highly-competitive environment" and a marketplace "somewhat lacking an appetite for consumer electronics."

"I think it's going to be very, very competitive, but a good future," Mondry said. "Camcorders, compact disc players, TVs are still selling. Major appliance business could be down."

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Clients beat trail to providers of self-improvement services

By Doug Funkhast
staff writer

If you made any resolutions for the new year, chances are they involved getting fit or finding a better job.

That's why these are very good times for weight loss clinics, health clubs, employment agencies and resume preparers.

"January and February traditionally are our best months," said Eve Nichol, director of the Weight Loss Clinic of Madison Heights. "It's a good time of year to start a weight program."

"There's a big gap between holidays. There's not a lot of other priority things going on. Summer's coming up and people start thinking about that right after Christmas," she said.

What specifically brings people in now?

"Some say it was their New Year's resolution, some said they were buying clothes for the holiday for themselves and decided it was something they needed to do," Nichol said.

SEENING RELATIVES during the holidays normally not seen the rest

of the year also can be a great motivating factor. Nichol added.

Florine Mark, president of Weight Watchers, isn't surprised that her classes are especially popular now.

"From Thanksgiving on it's holiday time," she said. "Everyone is kind of figuring, 'On Jan. 1, I'm going to go on a diet.'"

"They want to do something and rightfully so," Mark said. "In the 1990s, I think we're going to think about how we feel, what we eat and living longer."

"We're probably seeing now 60,000 to 70,000 people, half coming back or starting fresh," she said. "You don't have to be 50 pounds overweight. Half have less than 20 pounds to lose."

Both Weight Watchers and Weight Loss Clinics offer specials and discount memberships as added incentives for people to drop the excess baggage now.

January is a boom month for health clubs in terms of attracting new bodies and becoming reacquainted with inactive members, said Bill McDowell, a vice president for Vic Tanny.

"Attitude is directed in other ways in December. Even the best of us

gain weight in November and December," he said. "Even people who work out all the time tend to do that."

People do take stock of their lives during the holidays whether they make formal resolutions or not, McDowell said.

"A lot of people don't smoke, don't drink. Everybody has to exercise," he said. "You think of yourself more after the holidays."

THEN THERE are those who are unhappy in their jobs.

Renee McClain, who operates Lifetime Resumes as part of an answering service in Southfield, finds that she really does get busy on Jan. 2.

Upward of 80 percent of her clients already have a job but want something better.

Most are professional people like doctors, lawyers, subcontractors and executives in the auto industry "who know where they're heading and what they want to do," McClain said.

"It's just something they've wanted to do but didn't because of busyness of the holidays and a belief that

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