# **Business**

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Alvie Smith: "Companies rise or fail based on how their employees do, how their em-

ployees think about the company, how com-mitted they are to high-level performance."

## Economists at U-M more upbeat than consumers

#### By Tim Richard

Michigan's economy has diversi-fied and is less likely to gyrate dur-ing the business cycle, say Universi-ty of Michigan economists. But it's still more cyclical than other states, they add. "We have less cyclical sensitivity in the last decade — relative to where we were," researcher George Fulcon told the annual Conference on the Economic Outlook Friday in Ann Arbor.

the Economic Guides, and Arbor. "But relative to other areas, we are still more sensitive. We'll need another recession to test that out, and we're not going to get one."

THE U-M OUTLOOK for 1990-91 was considerably more optimistic — or less pessimistic — than eastern seaboard economists or consumers, whose confidence has "plunged," ac-cording to U-M survey results.

"A mild recession or a near miss" was the phrase Fulton, Saui Hymans and Joan Crary used to describe the outlook for the end of 1999 and 1991. Crary said Michigan's economic performance "has stalled out" and will show "weaker growth" in the year ahead, with unemployment ris-ing from the current 7.5 percent to 8.1 next and down again to 7.7 in 1992.

1992. In an interview, Crary said coun-ties such as Oakland, Washtenaw (Ann Arbor) and Kent (Grand Rap-las) will condune to prosper. Crary gave three reasons for the group's view that Michigan's econo-my is less cyclical:

• There is less dependence on auto manufacturing, more on ser-vices and other kinds of manufactur-

American auto companies have become more competitive with Asi-an and European imports.

American auto companies are keeping production in line with sales, adjusting more rapidly, avoiding in-ventory buildups.

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ventory buildups. They forecast a loss of 29,000 manufacturing jobs over 1999-91, underscored by the closing of Finits GM truck and bus plant (1,700) and Pontiac's central truck plant (1,200) followed in 1992 by Pontiac's CPC plant (2,000). These will be offset by van production in Filint and reopen-ing of Chryster's Jefferson plant in Detroit in 92.

Detroit in '92. Non-manufacturing private em-ployment will rise by 16,000 in the same period. In the '92 recovery, to-tal employment will top 3.9 million, a shade ahead of the current level, they predicted

And personal income will grow by 5 percent in '90, 5 percent in '91 and 6.1 percent in '92.

# Employees relish simple communication from top

By Ralph R. Echtinaw staff writer

Sometimes the answer to a problem is just too sim-

Sometimes the answer to a problem is just too sim-ple and basic to be seen. When the answer means changing our underlying philosophy or intellectual infrastructure, rather than external minulae, brave men and women have been known to bury their heads deep in the sands of tradi-lonal methods.

Uonal methods. Yei in the global world of competitive business, somebody always finds a way to do it better, leaving competitors to follow suit or atroph and die, sunken heads and government ald notwikhstanding. In business, it has been ably demonstrated by the Japanese that simple communication, speaking and lis-tening if you will, can produce blue-collar employees who feel necessary, wanted and important to their companies.

Lablance that simple continuincation, speaking and lis-tening if you will, can produce blue-collar employees templet necessary, wanted and important to their continuing the the threat of increasingly productive for-ign competitors in the 1970s, American companies communicated with fevore of "unfair competition," but began to understand as well the deceptively simple philosophy of internal give and take with hourly em-ployees, formerly looked upon as children. They should be seen, but on heard. "More and more now, companies are saying," When it comes to disseminating news about this company, we must tell our employees first," I like to say that the employee audience should never be second to the me-dia," raid Alvie Smith, a Birmingham resident whose book, "innovalive Employee Cammunication," has just beok, "innovalive Employee Cammunication," has just "Doubland by Prentice Hail. "Constitue company, how committed employees think about the company, how committed employees that they effect the set of systematic states with the company how committed and relationship." A 1988 reture, the 67-year-old Smith worked more than 40 years in public relations, including 32 years at General Motors. "Thad 17 years working in the field of employee effort." I look is have the available to the expension of the said, "It seemed to me this was a unique expe-rience that I uoght to make available to the pro-

THE BOOK IS based on Smith's experience at Gen-eral Motors, but he fleshed it out by including input from 40 expects of 30 mogro business firms, universi-ules, consulting firms and professional organizations. In the last decade, Smith said, he was involved in a General Motors program that tried to teach the impor-tance of internal communications to plant managers. And it worked, "We got the toughest, meanest mana-

gers we could find," he said. "(And pretty soon) we found we had ambassadors out there. When these man-agers went back to their shops, they took back with them something they could do right away."

In fact, employee surveys taken in 1982, 1984 and 986 showed "definite improvement" in employee atti-1986 showed "defi tudes, Smith said.

But the old corporate structure wasn't easy to con-vince. Much of the opposition to enhanced internal communication, Smith said, has come surprisingly from public relations departments, traditionally domi-nated by media relations specialists.

There ought to be an equality in the recognition of (media relations and internal communications) so the employees area't left out or have to read information about their company in the newspaper or hear it on TV." Smith said. They ought to hear it first them-selves. No one who has their life interrupted wants to hear about if from an outside source. They want to hear it from the boss."

SMITH ALSO stresses the importance of seeing in

Books in Southfield Township, where 15 copies were ordered. The sole obstacle between Smith and the New York Times Beet Soller List, it would seem, is his subject matter: While he takes pride in a smooth conversation-al writing style, takes pride in a smooth conversation-al writing style. Takes any violence. It doesn't have any "This doesn't have any violence. It doesn't have any set in II. So consequently. I don't expect it to be fea-tured on the front page of newspapers."



#### staff writer

If clients don't come to the law firm, then bring the law firm to the

In ettens bring the law tirm to the clients. Hence for My Lawyer, Inc. (15 pt - 16 pt

FOLKS SHOULD view lawyers the way they do doctors, Bladen add-cd. "Everybody feels sick and they want to see a doctor. Unfortunately, they don't see a lawyer in the same way."

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So far, My Lawyer has signed up the Detroit Board of Education, Southeast Michigan Area Rapid Transit, and the city of Detroit. A program for state employees is ex-pected to begin Jan. 1. "It's our feeling that this is the new benefit to come for all Ameri-cans," My Lawyer spokeswoman Karen Zuleger said. "We feel that eventually this is going to be a nego-liated benefit. We're doing a tot of unique things that no other provider does. "Seventy percent of Americans don't have access to attorneys," she continued. "They're scared to death it's going to cost them an arm and a tegotierte." My Lawyer predict Joseph Spitzer agreed "We almost need to educate people to use lawyers," ho said. "They're intimidated by (inw-yers) really." "Spitzer reports good interest in his new comanava and said he expects to

Spieser reports good interest in his new company and said he expects to Please turn to Page 2



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