

Chrysler Corp. cans meaningless sales reports

When I was working in the payroll department at a GM plant a few years ago (OK, maybe 25 years ago) we pretty much got the guys paid by about 8 a.m., which was an hour and a half after we got to work. Then we started on the records.

There were lots and lots of records. In that pre-computer era they were carefully hand-lettered in squares on sheets of paper that went into black three-ring binders and put on dark green steel shelves.

WE KEPT records of time worked, parts made, parts made per hour, parts made per machine and time worked to make so many parts per machine. Then there were records of the materials inventory and so forth — all sitting on those steel shelves, waiting for us as soon as we finished the payroll.

Even my boss thought most of these were a waste of time, so one day (actually, long before I started working for him), he started an experiment. He took one of the black binders and put it in an empty filing cabinet. Then he waited.

NO ONE asked for the record for a month, then finally a year. He used this as a sort of personal evaluation of meaningless paperwork. If nobody asked for the records for more than a year, they stayed in the filing cabinet, and he quit filling out that book.

Eventually, the shelves started to empty, and the cabinet filled up with books full of records that nobody asked for. Eventually, only the payroll records and daily production seemed to stay on the shelves.

All this explained why when I first started to work, there were several



auto talk Dan McCosh

filling cabinets full of records that ended in 1957, 1959, and so forth. Which was fine with me, since by then somebody had asked for even more records that took most of the day to fill out, which we worked on after the guys got paid.

UNFORTUNATELY, my boss got promoted and was replaced by a senior clerk who once had made a name in the drugstore business by developing a method of weighing the con-

tents of every milkshake he served, a system eventually adopted by drugstore management for which he never received proper credit, he said.

Looking to make his mark at GM, he opened one of those filing cabinets. Seeing the hundreds of unfilled pages, some of the books gathering dust for a decade or more, his eyes glazed over.

FROM THEN on, he carefully

resurrected every one of those books and had us compute the back figures, getting them up to date — after we filled out the payroll and completed updating the new generation of silly records. He harbored a fantasy, that someone, some day, would come in and ask for a number out of one of the dust-covered volumes. And he would be ready.

I was long gone before that day came, but the announcement by Chrysler that they no longer would report 10-day sales figures brought the whole thing back to mind.

The auto industry, it seems, is the only business that routinely reports retail sales every 10 days, an odd number that doesn't coincide with either the weekly production reports or the monthly figures issued by importers.

CURRENTLY, IT is impossible to make any sense out of 10-day auto sales reports anyway, since the major publications are constantly changing the definition of imports, domestic cars and trucks, and report only a portion of sales on a 10-day basis, the rest monthly.

Chrysler should be congratulated for simplifying the paperwork, making everybody's life easier, etc. They even claim the move will save some money.

But I suspect the latter will never happen, since somewhere, deep in the bowels of the company, is the son of the guy I used to work for at GM.

Now he's hunched over a computer, working over 10-day sales records for 1974, catching up, filling the squares, working like a madman — in case somebody, someday, asks for the figure.

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Using a computer incorrectly can hurt quality of investing

Q. I have a new computer and want to use it to help me be a better investor. However, a couple of friends tell me that if I don't use my computer carefully, it's more likely to get me into trouble. I could become a stock trader rather than an investor. Can you suggest how to use my computer wisely to be a better investor?

A. Your friends have given you a good caution. Because computers crunch numbers so quickly and easily, investors tend to use them to check out statistical items and ignore the more fundamental features that require thinking and judgment.

In my experience, computers are a tremendous help in comparing stocks and sorting out ones with the characteristics I am interested in. I place a lot of emphasis on the rate at which a company has increased sales and earnings per share in the past five years.

I ALSO like to compare the company's current price-earnings ratio with its growth rate, since this gives me a clue as to whether its price is reasonable compared with its growth. In other words, if I divide the price-earnings ratio by the growth rate and it is less than 1, I have some assurance that the cur-



today's investor Thomas E. O'Hara

of the National Association of Investors Corp.

rent price is not out of line compared with that growth.

These figures are readily available for most stocks on the different computerized financial services, and a computer can help you sort out stocks very quickly.

FOR INSTANCE, Better Investing Magazine did a survey to see which were the most widely held stocks by individual investors. It came up with a list of the 200 most-popular stocks among individual investors.

With that list in hand, Phil Keating, an investor who is a director of the National Association of Investors Corp. Computer Group, decided to sort those stocks on his computer for three fundamental investment features. He wanted to know:

- Which of the 200 had doubled their earnings in the past five years.
- Which, by virtue of their past five-year record, were projected to double their earnings in the next five years.

Which had favorably prices by virtue of the current price-earnings ratio being less than the projected five-year growth rate.

SEE ACCOMPANYING chart for the 37 stocks out of the 200 most widely held stocks by individual investors that met those three tests.

His computer quickly sorted through 200 stocks and gave him a much-smaller group with the features he most valued from which to make his investment.

Thomas O'Hara of Bloomfield Hills welcomes your questions and comments but will answer them only through this column. Readers who send in questions on a general investment subject or on a corporation with broad investor interest and whose questions are used will receive a free one-year subscription to the investment magazine Better Investing. For a sample copy of Better Investing Magazine or information about investment clubs, write Today's Investor, PO Box 220, Royal Oak, MI 48068.



focus: small business Mary DiPaolo

Talk to your bank to accept plastic

I own a retail business and have historically accepted cash and personal checks as payment. I am now ready to obtain credit card merchant status, but I understand that it isn't as easy as getting as I had previously assumed. What do I need to know?

As in applying for a loan (which is what you are doing), your best bet is to initially approach the bank you already do business with to get the best rates. If you prefer going elsewhere, the information you need to prepare includes:

- Your personal credit history if you are the sole proprietor.
- Sales and expense records or projections.
- Organizational and marketing-related information as taken from your business plan.
- Your industry track record.

All of this is necessary to help banks evaluate your overall creditworthiness in both the personal and professional sense. As a retailer, your chances of obtaining merchant status generally are quite good.

A high incidence of fraud have been much harder time. For companies that face resistance or are turned down, there are still several options available:

- Discussing the establishment of a "cash reserve" account that protects the bank against possible losses.
- Obtaining service through an Independent Service Organization that represents one or more banks.
- Approaching a fulfillment services company within your industry or creating your own company (private label) card.

We are always looking for new ways to boost employee morale while recognizing outstanding performance. Awards dinners have grown to become another "human" effort within an organization. Do you have any suggestions?

Why not try hosting a company-wide "brain-bowl" competition? The concept has caught on especially well for branch and franchise organizations throughout the country.

Weight Loss Surprises Researchers

WASHINGTON A nutrition organization was hoping that a nationally complete "fat test" food label would help ease world hunger problems, until a study revealed that one of the ingredients could cause significant weight loss.

Researchers in Europe found that an ingredient in the apple flavored protein food source they actually caused a loss of weight, even though specifically instructed not to alter normal eating patterns, according to one study published in the prestigious British Journal of Nutrition. Researchers in an earlier study had speculated that the weight loss was due to a decrease in intestinal absorption of calories.

While the development of food source that a project of National Dietary Research, would not be used to reduce body fat, the original goal, the discovery has been a wonderful bonus for weight

people. A Daytona Beach, Florida woman fighting a weight battle for 12 years used the product on the recommendation of her physician and lost 30 pounds. She stated, "Not only have I lost 30 pounds, but my cholesterol has dropped from 232 to 133. I have two closets full of clothes which have not fit me in two years that I can now wear." In a separate report, a telephone interview revealed that a Wilmington, North Carolina pharmacist lost 14 pounds in 13 days on the product and was over hungry.

Food Source One is available through physicians and pharmacies without a prescription because it is not a drug and contains only natural ingredients already known to be safe. Copies of the referenced study are available free from National Dietary Research, Suite 555, 1377 N. St., Washington, DC 20005. However, please include a \$2.00 postage and handling fee for each request.

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Celebrate Your Best New Year's Eve Ever!!!

It's a First for Southeast Michigan! Join us on December 31, from 4:00 p.m. to midnight, when the streets and many public buildings, churches and office buildings in downtown Birmingham come alive with music and song, comedy and drama, magic and mirth. It's "First Night Birmingham 91" — a non-stop festival of the performing and visual arts, with events occurring simultaneously in over 20 locations in a 10 block area. A surprise celebration in Shant Park rings in the New Year. You and everyone in your family can enjoy this unique, alcohol-free "Celebration of the Senses" for just \$5 each. Children 5 and under admitted free.

Here are just some of the acts who will be performing in the Community House, Baldwin Library, St. James Episcopal Church and other locations in downtown Birmingham:

Ursula Walker & Buddy Budson Contemporary Jazz	Prism Quartet 20th Century Classics	Vladimir Karminski Russian Folk Music
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