

Business

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OU business club devises winning plan

By Mary DiPaolo
special writer

They planned to create "real world" marketing perspectives and experiences for the marketing students of Oakland University.

What the 60-member student chapter hadn't planned was winning the American Marketing Association's International Collegiate Chapter of the Year award. Marketing professor John W. Henke Jr. also received an honorable mention for the Hugh G. Wales Award, a distinction given to North America's top four advisers for superior leadership and support of the AMA collegiate chapter.

"It is an incredible honor to have received this award," says Henke, who was quick to credit the students active in last year's chapter. "I knew they were capable of winning some high honors, but the top award was indeed a pleasant surprise particularly since we are the first university in Michigan to do so."

Competing with 95 AMA chapters from the U.S., Canada, Mexico and Puerto Rico, the competition was designed to promote professionalism within local collegiate chapters by requiring a business planning approach from a chapter plan through an annual report to running the chapter.



Members of Oakland University's American Marketing Association chapter display the plaque they received for being named International Chapter of the Year. Back row: chapter adviser and marketing professor John Henke and Karen Argano. Front row: business school dean George Stevens, chapter president Debbi Cheney and Dawnaree DeBoer.

OU Chapter president Debbi Cheney explained that the documentation required "defined programs and activities, financial status, a recognition of the chapter strength and weaknesses and development and implementation of strategies to achieve chapter goals.

"THE BOTTOM line in this competition is pretty straightforward," Henke said. "The judges were simply looking for the best-run chapter that accomplished what it set out to do."

He added that the development of each chapter plan, early in the academic year, most closely resembles the strategic plan a well-run business would develop and implement. Months later, the annual report is compiled to describe what took place relative to the chapter plan. "The chapter plan is the recipe, while the annual report tells the AMA how it turned out."

Initially receiving honors as one of the top three chapters in the Midwest at the AMA Conference, OU's chapter was then selected as best Midwest Chapter before facing three other regional winners to compete for the international award.

OU conference attendees were stunned to find themselves facing Texas A&M University with an AMA membership of 350 students and a \$29,000 budget, the University of Northern Colorado with 57 members and a \$36,000 budget and New York's Bernard Baruch College with 150 members and a \$19,000 budget.

Karen Argano, OU chapter vice president, said that with their \$9,600 budget no one expected OU to be in the running.

"To say we all felt like David facing Goliath is the supreme understatement," she said.

HENKE ADDED that the Goliaths of the Big 10 universities tend to overshadow smaller schools in such competition.

"It is awards such as this one that demonstrate the capabilities of schools such as Oakland University," he said.

The OU chapter activities included a lecture series that featured business executives and owners, off-site company tours, attendance at the Detroit's professional AMA chapter meetings and OU's first marketing career day seminar.

Dawnaree DeBoer, special projects coordinator for career day, chapter president Debbi Cheney and Argano also teamed to boost membership in the OU chapter. Their "Make the Move" logo borrows its design concept from the pedestrian crossing traffic sign with OU's "pedestrian" clutching a briefcase.

Argano said the theme took most of the last summer to develop and succeeded as a strong marketing tool for the group.

"We plastered our logo on everything from T-shirts to keychains and pencils," Argano said. "So we were very happy when non-member student support exceeded our expectations."

Earlier this month the marketing chapter won OU's Student Organization of the Year award.

Awrey pastry to disappear from stores

By Doug Funke
staff writer

Cookies, cakes and other sweets produced by Awrey Bakery will be available in only one retail location — the company's thrift store in Livonia — after Saturday.

Plans announced by Awrey in March to freeze pastry as it came off the line, then wholesale to an independent distributor for delivery to 800 retail outlets in Michigan never materialized.

"In exploring the economics of the whole program, it wasn't feasible for the distributor, retailer or us," said Rick Pedit, Awrey president.

No additional job losses beyond the 95 announced in March will result from plans to cease retail operations, said Betty Jean Awrey, spokeswoman for the family-owned company. More than 400 will continue to work at the bakery.

Upwards of 80 percent of Awrey's sales in recent years has been to national chains in the hospitality industry. Major customers include Marriott Foodservice Management Corp. and American Airlines.

AWREY HAS been looking for ways to streamline its production process and better incorporate its local business into an expanding national line. A distribution change was a big part of that strategy.

"Our primary objective was to merge production systems," Pedit said. "It's a bittersweet decision. Obviously, it is difficult to leave behind our retail tradition, but the market has changed."

"Our national foodservice and contract manufacturing businesses have evolved to the point where they represent a majority of our overall business. We are now

'Our primary objective was to merge production systems. It's a bittersweet decision. Obviously, it is difficult to leave behind our retail tradition, but the market has changed.'

— Rick Pedit
Awrey president

ready to focus all of our efforts and resources on these areas," he said.

Only products Awrey bakes for foodservice clients will be available in the thrift store. The keepers include Long John Coffee Cake and Date Nut Bars. Sugar cookies, oatmeal cookies and fruit coffee cakes will be discontinued.

AWREY IS checking into the possibility of selling its most popular products in in-store sections of retailers' stores.

Pedit declined to comment on specifics under consideration.

Gilbert Borman, spokesman for A&P/Farmer Jack, said that while displaying Awrey brands in-store

wouldn't be consistent with that company's practice of baking from scratch internally, he wouldn't speculate on what the future might hold.

"I know there's a demand for Awrey products. It's a good name in the marketplace," Borman said. "We've only done business with them for 60 years. There's a strong relationship there."

Veri-Best of Ferndale has been producing, marketing and distributing bread and bun products with the Awrey label since November after acquiring licensing rights.

"The company is profitable, and has been for 15 or 20 years and today (Monday) as we speak," Pedit said. He declined to reveal sales or income figures, but Crain's Detroit Business reported 1989 sales of \$53 million.

Treat quality as total package, not end goal, expert maintains

By Doug Funke
staff writer

Quality is more than the sum of the parts.

That's the philosophy of John J. Knappenberger, a Birmingham resident who's president of the American Society for Quality Control.

"Quality used to be defined in most people's minds as form, fit and function — meeting the customer's expectation," he said. "The whole idea now is total quality management, focusing on a total company approach — everybody — not only satisfying customers but delighting them."

Quality involves first establishing a mind set, then a process, Knappenberger said.

"It's a strategic issue. Everybody in a company is an external and internal customer. We're all customers and suppliers. Quality is an enabler for a company. To be very good at what you do, you shouldn't be able to dissect it (quality) out."

That's why Knappenberger prefers the word quality to the term quality control.

HE ILLUSTRATES some of his points with stories.

"Take a restaurant dinner. If you're satisfied and pay a fair price, by the old definition, it was good quality. By the new definition, it must not only satisfy you, but you must go out and tell your friends."

"The whole issue in quality is not to just satisfy the customer, but take it one, two or three steps beyond to delight. That's the best sales model to future business."

He offered an example involving



John J. Knappenberger
eye on quality

the baking of bread. Some manufacturers anxious to stand out from the pack, may get the idea that icing the product is the way to go. So quality control and marketing efforts are geared toward the end part of the process.

All wrong, Knappenberger said. "It looks good, but when you eat it, it's the same old stuff. Good quality companies today are defining quality as yeast. You know it's there in the bread, but you can't really taste it."

Then there are the sports metaphors that apply across the board. "Baseball teams are buying superstars, but whatever sport, you need total team involvement to win," he said.

Empowering workers at all levels to solve problems rather than mandating procedures from on high is the best way to get everyone on the quality bandwagon, Knappenberger

said. An experience of the ASQC illustrates his point.

Those operators not only suggested working hours to accommodate clients on both coasts, but also received permission to devise a staffing schedule that would please everyone.

"People don't understand how actions way upstream can affect customers," he said of pronouncements.

Words used in dealing with people reflect a mind set and probably behavior patterns as well, Knappenberger said. He was stunned — and delighted — recently to hear himself referred to as a customer rather than a passenger on an airline flight.

On another occasion, he suggested that a public official would enjoy better relations with his constituents by referring to them as customers rather than taxpayers.

"THE WAY we treat people is what we can expect from people. That's part of quality," he said.

Knappenberger, 44, until recently was vice president of quality for TRW automotive operations. He learned about the ASQC in the mid-1970s when directed to join by his boss and became active several years later as he progressed through management training.

"The more I looked at it, the more I saw quality touched everything," he said.

The ASQC was founded in 1946 to bring standards required by the war effort to general industry. Knappenberger said. The professional, non-profit organization serves some 80,000 individual and 700 corporate members from its headquarters in Milwaukee.

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