

SUBURBAN
BUSINESS
LEADERS

Sarah Wolk, president of Sarah Wolk Associates public relations/marketing firm is pleased to announce the promotions of Jennifer McMillan, who was previously account coordinator, to senior account coordinator and Johanne Blinette, who was previously office manager, to executive assistant.



McMillan

Gerald Lundy, senior vice president at Casey Communications Management Inc. in Southfield, has been elected to the College of Fellows of the Public Relations Society of America, the national association for public relations practitioners.



Lundy

Cindy Carr has been promoted to senior account executive for Stone August Baker Communication Companies, a position in which she will be responsible for serving such accounts as Weight Watchers franchise groups and NBD Banks - Eastern Region.



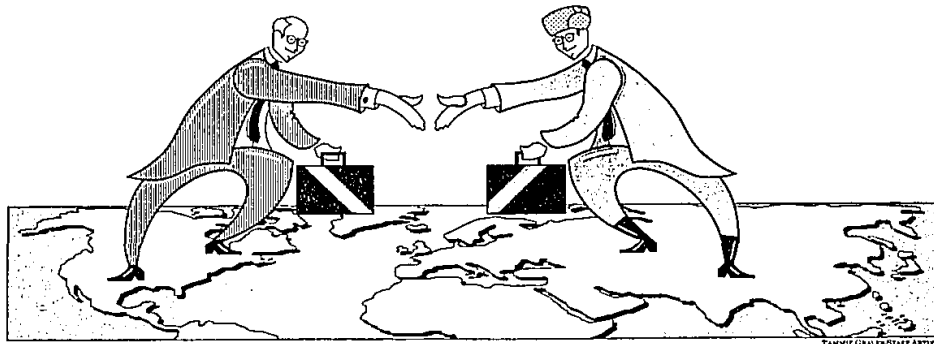
Carr

John Packwood of Bloomfield Hills has been appointed Michigan executive vice president and member of the executive committee for Modern Engineering, a leader in the international technical and engineering services for automotive, aircraft, supplier and related industries. Modern Engineering is a subsidiary of the CDI Corporation of Philadelphia.



Packwood

To submit materials to this column, please send a brief biographical summary along with a black-and-white photo, if possible, to: Business Editor, Observer & Eccentric Newspapers, 36251 Schoolcraft, Livonia 48150



Trade mission: getting to know you

■ The U.S. lags behind Europe when it comes to taking advantage of opportunities to export goods to the former Soviet Union. But some area businesses are getting their feet wet, laying the foundation for future deals.

Progressive Tool & Industries Co., Southfield-based automation, welding and assembly systems designer and manufacturer, knew it was the right time to go to the former Soviet Union.

By GERALD FRAWLEY
STAFF WRITER

With a capitalist version of the Marshall Plan in mind, North American business people are descending on the countries of the former Soviet Union with privatization in their hearts, but an eye firmly planted on the bottom line.

Anthony Vulman, who heads the engineering division at Progressive Tool & Industries Co. said his company saw an

opportunity after the breakup of the Soviet Union.

The question is: Will businesses from the West take advantage of the opportunity?

"American businesses are like the country itself — they're very conservative," Vulman said. While he was there, he said he noticed numerous representatives from German, Japanese and Korean businesses.

"We have to start getting our feet wet over there," he said.

Vulman said he found the people to be very accommodating to North American businesses. If given a choice, he believes they would choose North American business as partners.

"It's from history and tradition," he

said. Despite the difference between the East and West, the people there have long admired our way of life, he said.

The law offices of Miller, Canfield Paddock and Stone in Detroit and the accounting firm of Deloitte & Touche, along with the travel group Travel Key/U.S. Exchanges are sponsoring a trade mission to Moscow in Russia, and Minsk in Byelorussia Oct. 10-21.

Eugene W. Pyatenko, a partner at Miller, Canfield Paddock and Stone said there are more than 300 million consumers in need of practically everything in the republics of the former Soviet Union.

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Trade agreement to spur new ways of doing business

By R.J. KING
SPECIAL WRITER

Lower food prices, a reduction of transportation costs and increased trade are the most telling benefits of the recently announced North American Free Trade Agreement between the United States, Canada and Mexico.

"Once the free-trade pact is ratified, it will eliminate tariffs on goods and services, leading to a net gain for the U.S.," said David Victor, president of the Human Resources Advisory Council, an international management and consulting firm in Bloomfield Hills.

Victor, who also is an associate professor of international management at the Gary Owens School of Business at Eastern Michigan University in Ypsilanti, recently spent two months in Mexico scouting business opportunities.

"As tariffs fall, Mexican companies looking to expand will be hiring U.S. service firms — in management, insurance, law, accounting and labor relations — to help them along. But there will also be a displacement of jobs, especially for lower-level manufacturing jobs like line workers."

The pact, which must be ratified by all three governments, would bring together 360 million consumers in a \$6-trillion market, creating the largest and richest trading bloc in the world. The treaty, if ratified, would take effect on Jan. 1, 1994.

Important for Michigan

Since 1987, exports of Michigan-made products south of the border have increased 51 percent, positioning the state as the third-largest exporter of goods to Mexico, behind California and Texas, respectively.

Victor said Mexico is already dotted with American-owned factories that pay workers \$5 a day. At that rate, Michigan manufacturers will likely open new plants in Mexico to supply emerging markets, largely filling labor ranks with local resi-

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David Victor
Human Resources Advisory Council

dents and management positions with U.S. personnel.

The net effect will be promotions within U.S. companies dealing with more management jobs at home. Already, the U.S. automakers have sizable operations along the northern border of Mexico, as do large auto suppliers like Lear Seating Corp. in Southfield and Douglas & Lunason in Farmington Hills, both of which produce car seats for the Big Three.

"If the treaty is ratified, we'll begin to see middle- and smaller-level automotive suppliers open factories in Mexico, but it will depend on the product and whether it's feasible," said James Harbour, president of Harbour Associates, an automotive consulting firm in Troy.

"If your company makes transmissions, you're going to need a lot of capital to get something going, but for someone in the sewing business, setting up a number of sewing machines isn't going to be that expensive. My best advice is to have all your boxes covered before you make a move."

But area unions, especially the United Auto Workers, worry lower labor costs south of the border will be so enticing to American manufacturers that Mexican plants will soon supply U.S. markets, leading to a loss of jobs at home.

"This deal in its present form will vaporize thousands and thousands of more good-paying U.S. jobs," said Owen Bieber, president of the UAW. In a prepared statement, Michigan manufacturers will meet released after the free trade pact agreement was announced.

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