

OAKLAND BUSINESS Finance

Kelly marks 50 years of innovation

BY RENA FULKA SPECIAL WRITER

In a post-World War II effort to serve the growing needs of Detroit area businesses, William Russell Kelly opened his doors to serve customers needing clerical services.

Business was brisk. And within a year, Kelly found himself pioneering a staffing services company that sent his growing staff of temporary employees directly to his customers at their request.

As the scope of business skills grew with advancing technology, the thriving company evolved dramatically to meet the changing needs.

Through a half century of progress under the names Russell Kelly Office Service, Kelly Staff Services, Inc., and now Kelly Services, Inc., the company continues to provide a window of opportunities for employees and customers alike.

"Technology is helping companies to compete more effectively," said Robert Barranco, executive vice president of operations. "Companies have to manage all aspects of their business. They have to perform better and offer a service or product in the most cost effective way, or they won't survive."

And that's where Kelly Services, Inc. comes in. The Fortune 500 company sends more than 661,000 skilled employees to provide office, professional, technical, light industrial and electronic assembly services to customers annually. Worldwide, Kelly Services



Meeting needs: Kelly Services vice president of operations Robert Barranco said the company has continued to grow during the last 50 years by meeting the ever-changing needs of business.

operates more than 1,300 branch offices.

"The key to our success is our ability to innovate and change with the requirements of the business world," said Barranco, from his world headquarters office at 909 W. Big Beaver Road in Troy. "And we do this all over the world... We are totally a networking company."

Ten of the original 12 companies

Kelly served 50 years ago are still customers today. Many others have come to rely on Kelly Services exclusively when a specific business need arises.

"Companies today have unique needs that they did not have several years ago," said Barranco, a Bloomfield Hills resident. "We help them solve staffing-related problems, and we get more involved with customer needs. Our relationship becomes a partnership."

Kathy Purnell of Farmington Hills is a human resource manager for the University of Phoenix, Michigan Campus - which opened its doors in Southfield last October. "Only three of us were sent to open the campus," said Purnell. "We immediately used Kelly to provide us with two employees to help us get things off the ground."

Receptionists, secretaries, data entry workers and student greeters from Kelly Services, Inc. have brought their skills to the new campus, which currently enrolls 350 students.

"We had no idea we'd be received so well in the area," said Purnell. "We keep growing by leaps and bounds. And we use Kelly to keep our heads above

water." Employees choose to work for Kelly for reasons ranging from job flexibility and travel opportunities to the chance to experience a possible career change. Benefits are available depending on the assignment.

"We do a testing process to assess their skills," said Barranco, adding that employee records are kept in a data base for easy access. "And we do a tremendous amount of training daily."

Stacey Peters, a marketing major at Michigan State University, came to Kelly looking for summer work.

"Here, I'll make at least \$7 to \$8 an hour," said the Troy resident. "And I can still have time to enjoy myself in the summer."

An added bonus proved to be the computer training program, which allows employees to continuously upgrade their skills to acquire a higher earning level.

Based in Troy since 1978, the company owns and operates Kelly Temporary Services, Your Staff, The Wallace Law Registry, Kelly PinPoint and Kelly Scientific Resources.

Kelly Services, Inc. will mark its 50th anniversary in Troy with a 1940's-style celebration for employees in October.



Kelly Girl turns 50: Temporary employees like this 1946 'Kelly Girl' used steno pads and Royal typewriters. Now temps are trained in computers and electronics.

Charitable trusts a good option

MORE THAN MONEY Editor's note: This is the third installment of a four-part series on estate planning.



SID MITTRA, PH.D. A charitable remainder trust is created when a grantor places property in trust for the benefit of a qualified charity at some future date (i.e., "remainder interest") and retains a present interest in the trust corpus for the benefit of himself or herself and/or one or more other persons. It is generally exempt from income tax. In the year it is created, the grantor will receive a charitable deduction (subject to limitations) equal to the fair market value (FMV) of the charity's remainder interest. The deduction amount will be based on the age of each beneficiary and the percentage of the trust assets that will be paid to such beneficiaries annually.

Two types of trusts The charitable remainder annuity trust (CRAT) has fairly rigid formalities that must be followed to qualify as a charitable remainder trust. For example, a CRAT must pay to the income beneficiary (ies), at least annually, a sum certain of not less than 5% of the initial FMV of all property placed in the trust. Also, contributions may not be made to a CRAT after the initial contribution.

The charitable remainder unitrust (CRUT) must specify that the income beneficiary (ies) are to receive an annual distribution of either: • A fixed percentage (not

Table with 3 columns: End of Year 1, End of Year 2 and Subsequent Years, and a final column for totals. It shows income tax calculations for a trust, including items like 'Less Tax Payable on Capital Gain', 'Amount Available to Beneficiary', and 'Less Annual Deduction from CRAT'.

This schedule demonstrates how, under certain circumstances, the CRUT, coupled with an ILIT, can provide more income to Nancy during her lifetime, more to distribute to her heirs upon her death and a significant contribution to her favorite charity. It compares cash flow and income tax results - it does not consider gift or estate tax consequences. For simplicity, it assumes that Nancy spends all of her annual income.

less than 5% of the net FMV of the trust's annually valued assets or (2) the amount of the trust's current-year income (a variable payment provision).

A CRUT employing the variable payment provision also may have a "catch-up" provision" to compensate for years when the CRUT's current-year income is less than the fixed percentage of the trust's FMV, and many of them do.

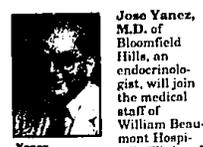
Thus, subject to certain limitations, these trusts may make distributions in excess of the set percentage in those years when trust income exceeds that percentage.

Life insurance trust In general, an ILIT can be used with a charitable remainder trust as a wealth replacement vehicle. The grantor contributes income received from the charitable remainder trust and/or the income tax savings arising from the charitable deduction received upon formation of the trust to fund an ILIT. The ILIT may purchase a life insurance policy on the grantor's life in any amount desired (perhaps equal in amount to the FMV of the assets placed in the trust). When the grantor dies, the insurance proceeds will be paid without tax to the ILIT for the benefit of the grantor's heirs, which may replace the value of the assets passing to charity. Such proceeds may either be distributed or held in trust.

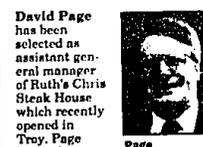
Sid Mittra, Ph.D., CFP, is professor of finance, Oakland University, Rochester Hills, and owner, Mittra & Associates, a Troy financial consulting firm. You can email questions or comments to Sid Mittra at smittra@oakline.com. Information supplied by Deloitte & Touche.

BUSINESS MILESTONES

This column highlights promotions, transfers, hirings and other key personnel moves within the Oakland County business community. Send a brief biographical summary - including the towns of residency and employment and a photo, if desired, to: Business Milestones, c/o Business Editor, Observer & Eccentric Newspapers, 205 E. Main, Birmingham, MI 48009. Our fax number is (810) 644-1314.



Jose Yanez, M.D., of Bloomfield Hills, an endocrinologist, will join the medical staff of William Benumof Hospital's Clinic of Preventive and Nutritional Medicine in Birmingham, July 1. Yanez will provide patient consultation and will manage research programs for patients with diabetes, high blood pressure, obesity and osteoporosis.



David Page has been selected as assistant general manager of the Mchus Red Fox in Bloomfield Hills to the 62nd restaurant in the chain. Page, who worked his way up from jobs as a bus boy, cashier, bartender and host to management, will be responsible for the daily operation of the restaurant.

Advertisement for 'ON-LINE! INTERNET ADDRESS DIRECTORY'. It features a logo with 'OE' and 'ON-LINE!' and lists various categories of businesses available online.

- APARTMENTS: Triangle Management, Hold Up Suspender Co.
ART MUSEUMS: The Detroit Institute of Arts.
ASSOCIATIONS: Suspender Workers of America, Audio Visual Services.
AUTOMOTIVE: The Tamaroff Group.
BUSINESS NEWS: Investor Business Journal.
CHAMBERS OF COMMERCE: Livonia Chamber of Commerce.
COMPUTER HARDWARE/SOFTWARE/PROGRAMMING: Starbox Systems, Mighty Systems Inc.
COMPUTER PRODUCT REVIEWS: Cybernews and Reviews.
DRUG STORES: Concord Drugs.
EDUCATION: Fordson High School, Global Village Project, Oakland #12 Ms. Reuther Middle School.
ENTERTAINMENT: View & Do Video Gallery.
EYE CARE/LASER SURGERY: Greenberg Laser Eye Center.
FOODS: Suvco Supermarkets.
FUNDRAISING: Coast to Coast Marketing.
GENEALOGY: Smith Ballard Publications.
HAIR SALONS: Heads You Win.
HYDRAULIC AND PNEUMATIC CYLINDERS: Hennells.
INDUSTRIAL FILTERS: Elcare Corporation.
INSURANCE: J J O'Connell & Assoc., Inc.
KEYCHAINS: Shop A Bargain.
MORTGAGE COMPANIES: Mortgage Market Information Services, Village Mortgage.
NATURAL PRODUCTS: Healthy Food Supplements, Nature's Better Way.
NOTARY SERVICES: Notary Service and Bonding Agency, Inc., National Garages, Inc.
PARKS & RECREATION: Huron-Clinton Metropolitan.
PSYCHOLOGICAL & ASTROLOGICAL PROFILES: Psychological Foundation.
REAL ESTATE: REAline, The Anderson Associates, Angel Financial Services, Birmingham Bloomfield Rochester, Century 21 at the Lakes, Chamberlain Real Estate, Coldwell Banker Schwitzer, ERA Griffin Realty, Hall & Hunter Realtors, Heritage Real Estate Better Homes and Gardens, Langard Realtors, Ralph Manuel Associates, Sellers First Choice, Bob Taylor.
RECYCLING: Resource Recovery and Recycling Authority of SW Oakland Co.
RESTAURANTS: Birmingham Restaurant Collection, City Grill, The Community House, Midtown Cafe, Norman's Elton Street Station, Ocean Grill, Old Woodward Grill, Phoenix, Rugby Grill, Steve's Backroom.
SHOPPING: Birmingham Principal Shopping District, The Somerses Collection.
SURPLUS FURNITURE: McCulloch Corporation.
SURPLUS PRODUCTS: McCulloch Corporation.
TECHNICAL EMPLOYMENT SERVICES: ACRO Service Corp, Dechert Associates.
WELD GUN PRODUCTS: C.M. Smile Co.
WINE: Fruit of the Woods Winery.