

# How 'Joshua' Expands From Here

By TIM RICHARD

in Livonia last week and revealed that the division's main offices will be in the new outlet.

"We'll have about 20 non-store staff here -- merchandising, advertising, new store openings," he said.

In just five months, with aggressive advertising, Leach and Reuben have made the division's name practically a household word. Outlets have been opened in Warren and Taylor; Livonia is the third; Grand Rapids has one under construction; Flint will be next; three others will follow out of the state in 1973 for a total of eight in just 1 1/2 years.

THE LIVONIA outlet cost \$3.5 million to build, and a company statement puts the inventory and showrooms' value at \$2.5 million; figure

another \$500,000 for land, and you get a total investment at \$6.5 million; multiply that by eight and you can see something like \$50 million poured into the fictitious New Englander name in a very short time.

Some investors have a lot of faith in Leach and Reuben. For the first nine months of 1972, Robinson sales were \$11.9 million compared to \$8.9 million in the same period of 1971. Net operating income rose to \$29,000 or 45 cents a common share compared to \$23,000 or 41 cents a share in the same three quarters of the previous year.

With so many openings, one would think that start-up costs would cut deeply into profits. Not so with Robinson. Vice President Jules Gossiaux said a new accounting policy

amortizes pre-opening costs over a 12-month period.

GETTING STARTED in Livonia wasn't easy.

The Schoolcraft Rd. site is the city's "golden mile" industrial belt along the railroad, and city fathers disliked the proposal to allow a retail business into an industrial area.

They simply couldn't visualize what Leach and Reuben had in mind, said Dan J. Gilmartin, city industrial coordinator. The furniture supermarket concept had been tried successfully in other states but was unknown in Michigan.

Gilmartin took a camera to the Cleveland area -- and got himself thrown out of several such stores for taking pictures. But he produced enough photos to get across the idea, which is this:

The outlet is both a five-story warehouse and a set of 300 showrooms. The customer picks out his furniture and, instead of waiting weeks for delivery, takes it home himself, immediately because it's in stock. It saves 20 per cent or more.

"The average furniture store turns its stock over 1 1/2 or two times a year," says the company, "but Joshua Doore will turn over its stock 10 to 12 times a year."

To operate such a facility, they need both high visibility, which they will get from the I-96 Jeffries Freeway, and the industrial advantage of a railroad spur.

Gilmartin tapped a toe on the warehouse floor: "This is a nine-inch industrial concrete floor." If for some reason Leach and Reuben fail to make the store go, there's still an excellent 156,000 square foot industrial building left

behind. That made the project more palatable, and the city council approved the appropriate zoning.

HARVEY LEACH's official biographical sketch leaves some things to the imagination. He was born in Detroit and attended Central High School, Wayne State University and the University of Michigan. Then:

"Leach joined the Robinson Furniture Co. as a cashier in the Linwood store in 1958. A year later he was promoted to assistant manager and subsequently held positions as buyer, and merchandising manager."

"In 1967 he was appointed vice president and a year later became president. He was appointed chairman of the board in 1971." Just like that.

Spencer Reuben also was born in Detroit, graduated from Oak Park High School and joined Robinson as a salesman in 1961. Then:

"A year later, Reuben was transferred to stock control. In 1965, he became a buyer and two years later was named merchandise manager. After serving as vice president for three years, he was appointed president in 1971."

Both are married and have two children each. Leach resides in Harper Woods, Reuben in Franklin Village.

WHAT HAPPENED is that Robinson Furniture went into voluntary bankruptcy in about 1964. Another owner took over and moved up Leach and Reuben, who offered to work for low salaries but big stock options. One day, Leach and Reuben had control.

Who's Joshua Doore? Leach and Reuben, say associates, aren't personal glory hogs. Rather, they and an advertising agency cooked up the friendly image of the uncle, a door knocker makes a dandy coat of arms, too.



TWO OFFICE employees of Ford Parts Division in Livonia competed in the auto maker's "Miss Torchy" contest to promote United Ford contributions. With Walter S. Walla, division general manager, are Colleen Norwood (left) of Ecorse and Carolyn Buckley of Redford Township.

## Holding Company Parent Of LNB

Michigan National Corp. became the bank holding company, parent of five Michigan banks, effective Monday. The announcement was made today by Stanford C. Stoddard, president of the new bank holding company.

Preliminary tabulations of the results of the tender offer indicates that the following percentages of the stocks of each of the banks have been tendered and are being exchanged for Michigan National Corp. shares.

Michigan National Bank, 97 per cent; Michigan Bank, N.A., 99 per cent, preferred, 100 per cent; Livonia National Bank, 99 per cent; Oakland

National Bank, 98 per cent; and Troy National Bank, 100 per cent.

The new holding company, which will have consolidated assets of approximately \$2.5 billion, is negotiating for the sale of \$38 million of convertible notes through White Weld & Co., Inc. The anticipated conversion price will be \$90 per share.

It is intended that \$30 million of the proceeds of the long term notes will be invested in common stock of the five subsidiary banks.

"We are pleased to be in the vanguard of major bank holding companies in Michigan," Stoddard said.

## Viewers Saw 6 Bandmen

Six music students from Observerland played with Ferris State College's 142-piece marching band featured at the Chicago Bears - Detroit Lions game.

Local students were: Thomas L. Griffin, 20318 Briar Hill, Farmington, on trombone; Jeff Schulman, 19260 Eldridge, Southfield, French horn; Roger M. Kersey, 1524 Berkshire, Westland, baritone.

Also three students from Livonia: George A. Ramsden, 33143 Grenada, trumpet; Barb Reynolds, 14569 Richfield, horn; and Catherine M. Rinz, 15411 Auburndale, flute.

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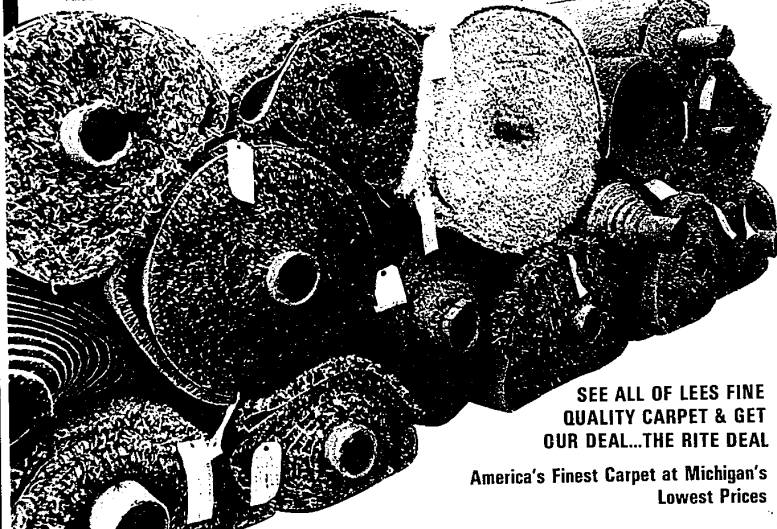
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