

Venture center hopes to breed success stories

BY CAROLYN SMITH

Special to CRAIN'S DETROIT BUSINESS

Eugene Jamison is glad he made it. A hapless, laid-off machinist a little over two years ago, he hitched his 16 years of experience and ambitious dreams to some services offered by the small business Venture Center of the Downriver Community Conference in Southgate. He set up a fledgling precision machine shop there, hoping to grow and succeed in a competitive marketplace.

In keeping with the "incubator" program of the Venture Center, the DCC helped Jamison get started by providing low rent, shared services and knowledge of how to secure government contracts and set up apprenticeship programs for his employees.

Jamison worked hard — "usually, 14-to-16-hour days," he said — to nurture the business, Jamison Industries, along. His starting work force of three full-time employees has since grown to nine, and he has added four part-time workers.

Jamison had 1985 sales of \$235,000 and projects sales of \$350,000 for 1986.

Jamison is about to "graduate" from the Venture Center to relocate in Wyandotte, hoping to give something back to the Downriver community.

"I love the idea of going out on my own," he said. "I always wanted to prove to myself I could make it, and I did."

The "incubator" program was developed by DCC officials in 1982 and launched in July 1983. It offers people with marketable business ideas an opportunity to reduce their start-up risks by cutting overhead costs during their first two years.

Free or cost-shared services at the former Schafer High School on North-

line Road include telephone answering, secretarial, reception and copying, plus use of a conference room.

Annual rent per square foot is \$3.50 for light industrial space and \$4.50 for offices, including heat and electricity. The rent compares favorably with the area's commercial rates, which are \$4 to \$5 a square foot for industrial space and \$6 to \$8 for offices, excluding heat and electricity.

In addition to business counseling, the DCC assists prospective tenants in packaging low-interest loans. It will match half of a financial institution's loan up to a maximum DCC share of \$50,000.

The DCC also provides job training for new employees of Venture Center tenants, paying up to half of their wages during the training period, and job placement once they're done. "There is no shortage of companies for these people to work for," said William Cheff, manager of the small business program. "We helped 1,700 people in our employment and training program last year, and over 300 in our economic development efforts."

An eight-member board representing business and government approves future tenants of the Venture Center. High on a grading-system list are generation of new jobs, diversification of the Downriver economy and potential for remaining in one of the 16 Downriver communities.

The "incubator" now houses 14 tenants offering a wide variety of goods and services — from medical alert devices to window cleaning and carpet installation training, among others. Together, they occupy 12,637 square feet of space, which is about half of the total available for leasing. A year ago, there were six tenants on 5,700 square feet.



DWIGHT CENDROWSKI

Eugene Jamison's precision machine shop enjoys low rent, shared services and expert advice at the small business Venture Center of the Downriver Community Conference in Southgate.

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Cheff believes the Venture Center's variety distinguishes it from other "incubator" centers in Detroit and Ann Arbor, which cater to entrepreneurs in high technology. "What's high tech?" he asked. "I've never heard a good definition of it. We're looking for firms we can assist anywhere in our marketplace."

All funding for the DCC comes from federal and state governments. In 1983, the DCC received \$358,000 from the federal Economic Development Administration and \$22,000 from other public sources to renovate the school for the Venture Center. That same year, it got an additional \$400,000 from the federal EDA plus \$135,-

000 from the Michigan Department of Commerce for a revolving-loan fund.

The loan fund helped Beverly Bethune, owner of Bev's Cheesecake, get a business started in February. With the DCC's help, she was able to purchase equipment such as racks, pots, pans and other kitchen utensils, while a local bank provided a low-interest loan for the rest of the equipment.

Bethune has developed 20 flavors of cheesecake that she sells to 18 hotels, restaurants, delicatessens, country clubs and catering services in metropolitan Detroit. The only employee when she opened, Bethune has since added on full-time and two part-time workers to her staff.

The Venture Center's "incuba-

tor" approach is designed to help business owners over the humps, a process that generally takes about two years. "It's intended to give people a feel for business problems in a controlled environment," said Cheff.

However, not all businesspeople, strengthened by the Center's guidance and support, feel ready to leave the roost. Jim Spivey and his wife, Regina Winfield Spivey, founded Spinwin & Co., a collection agency, in September 1984.

He laments "graduating" to work under the private sector's roof. "I have all the space I need, and the rent is fairly reasonable. We really don't need a storefront operation, just telephones and a computer," he said.

"I suppose I'll have to look for adequate space pretty soon," he added. "Maybe if they were full here, they'd kick me out." Spivey pays \$243.50 a month for 650 square feet of office space. Since starting the business, the number of his clients has grown from "almost no one to 60."

Cheff likens his role to that of a landlord, saying his work is far from hassle-free. "There are problems. People are late with the rent or they don't take care of their units. They're not insurmountable problems, but they're expected."

Some businesspeople have failed at the Center, but there always are others who stand ready to set their ideas in motion. "The future for the Venture Center looks very promising," said DCC financial analyst Mary Langhauser. "At any given time, we have about a half-dozen people who have shown interest." **CDB**