

# Business

Kingsport Times-News

Sunday, June 7, 1998

## Inside:

Real Estate	3
Editorial	4
Op Ed	5
Stocks	7-12

C

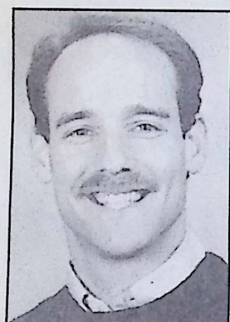
## In brief



HOUCHINS



HURST



GILMORE



SPROLES

### Thompson + Litton makes changes

Thompson + Litton, an engineering, architectural and planning firm based in Wise, Va., has made some personnel announcements. Richard "Dick" Houchins has been named an associate in the firm. He joined T+L in 1989 and is currently serving as construction administration department head. Houchins earned a bachelor's degree in architecture from the University of Tennessee, and a bachelor's degree in business technology and an associate's degree in drafting design engineering technology from West Virginia Tech in Montgomery, W.Va. He is certified by the National Council of Architectural Registration Boards, and holds professional registrations as an architect in Virginia, West Virginia and Tennessee. Houchins is licensed as an asbestos project designer, inspector and management planner. He is a member of the Virginia Society of the American Institute of Architects and the Blue Ridge Chapter of AIA. Houchins and his family live in Wise. Thompson + Litton also has announced that Greg Hurst, project engineer, has passed the requirements to become a licensed professional engineer. Hurst has more than six years of experience, serving four years at T+L. He earned a bachelor's degree in civil engineering from Virginia Military Institute in 1991 and a master's degree in environmental engineering from Virginia Tech in 1993. Hurst is a member of the American Water Works Association and the Virginia Society of Professional Engineers. He and his wife, Diane, live in Coeburn.

## Cofap prepares for production

By SHARON CASKEY HAYES  
shayes@timesnews.net

Jose Siqueira points to the mountains from his second-story office window. From here, he can see the planes fly in and out of the Tri-Cities Regional Airport, against a backdrop of the rolling hills of Northeast Tennessee.

The serene view is quite a contrast to the work inside this expansion plant — the newest industry to call Kingsport home.

Siqueira is plant manager of Cofap, a Brazilian-based auto parts maker that chose Kingsport as the site for its first U.S. manufacturing plant. The \$32 million investment is designed to bring the company's shock absorber production and assembly closer to its North American customers.

Inside, 20 production workers are busy testing products and equipment, while 14 administrative staff employees prepare the front office operations.

In a couple of weeks, the plant is expected to begin painting production, in which shock absorbers produced by Cofap in Brazil are coated with corrosion-resistant color.

Full production is scheduled to begin in October, when the various parts of a shock absorber are assembled into the finished product. The Kingsport plant will manufacture parts of the shock absorber, namely the piston rod. Other parts, including the rubber seal and tub covering the rod, will be supplied by other manufacturers and shipped to Kingsport for assembly.

By next summer, the company hopes to employ between 150 and 200 workers at the plant. Pay begins at \$7.75 an hour, and Cofap offers a good benefits package, Siqueira said.

"Here in Kingsport, we feel that people, our workers are our most important asset. We can have good equipment, we can have the best and most beautiful plant, but if you do not have the right people, you do not produce quality, you do not produce quantity," he

space. The 21-acre site offers Cofap room to double its size in the future.

"We will grow according to the market," Siqueira said.

In Kingsport, Cofap will be much closer to its primary customer — Chrysler Corp. in Detroit. Cofap is expected to supply Chrysler with about 4.5 million shock absorbers in 1999, up from 200,000 in 1992.

Siqueira said he hopes to expand orders even more with the new Kingsport plant, and get orders from other auto manufacturers as well. "We will be knocking on the doors," he said.

The Kingsport facility will reduce the company's production turnover time considerably. Before the plant was constructed, Cofap leased warehouse space in Norfolk, Va., where it stored an inventory of shock absorbers equivalent to 40 production days. That inventory has now been moved to the Kingsport plant.

When the Kingsport facility becomes fully operational, Cofap will cut its inventory stock from 40 production days to just six, Siqueira said.

Cofap decided to locate in Kingsport after considering several sites for the new plant. One of those sites was in Mexico.

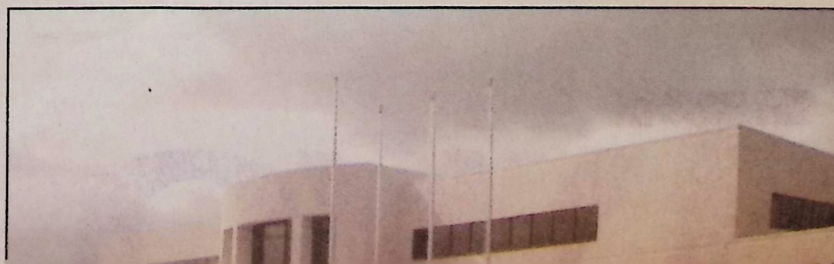
Siqueira said that Mexico experienced a severe financial crisis just when Cofap was looking for a new plant site.

"We decided to be in the States because our customer is in this market, and we would be more, how you say — safe," Siqueira said.

The Kingsport facility is one of several expansion plants by Cofap, which is also expanding its production in Italy, Turkey, India, and Argentina.

The aggressive growth plan comes less than a year after Cofap was acquired by Magneti Marelli, a \$5 billion division of The Fiat Group, a \$55 billion company based in Italy. Siqueira pointed out that Fiat Auto is not directly related to Cofap. It is a separate division of The Fiat Group.

Before its acquisition, Co-



Gilmore receives teaching award



the requirements to become a licensed professional engineer. Hurst has more than six years of experience, serving four years at T+L. He earned a bachelor's degree in civil engineering from Virginia Military Institute in 1991 and a master's degree in environmental engineering from Virginia Tech in 1993. Hurst is a member of the American Water Works Association and the Virginia Society of Professional Engineers. He and his wife, Diane, live in Coeburn.

### Gilmore receives teaching award

• Randy Gilmore, an American history teacher at Bluff City Middle School, has been awarded the Outstanding American History Teacher award by the Tennessee Society of Daughters of the American Revolution. Gilmore is the fourth teacher of American history from Sullivan County to be nominated by the Volunteer Chapter of the DAR. Gilmore was presented the award at the 93rd Tennessee Society State Conference DAR, held in Knoxville. He received an Outstanding American History Teacher pin and a monetary award. Gilmore has also been recognized with awards by the Sullivan County Historical Society and the National Council for Social Studies. He was included in the Who's Who in American Colleges and has received the 21st Century Classroom Award.

### Sproles named manager

• Eastman Chemical Co. has named Gary W. Sproles as manager of program management and business process improvement. A Kingsport native, Sproles received a bachelor's degree in civil engineering and a master's degree in engineering administration from the University of Tennessee. Sproles has been employed by Eastman for 29 years. In his most recent position, he served as manager of the Advantaged Cost 2000 Project and General Management & Staff. Sproles is a member of the National Society of Professional Engineers, Kingsport Area Chamber of Commerce and Kingsport Tomorrow. Sproles also serves on the Kingsport Convention & Business Visitors' Bureau Council and Kingsport Kiwanis Club Board of Directors. He is a licensed professional engineer in Tennessee.

### CPAs elect officers

• The Appalachian Chapter of the Tennessee Society of Certified Public Accountants recently elected officers for 1998-99. Mark Steadman, associate professor of accountancy at East Tennessee State University, was elected president. Billy C. Gilliam, associate with Dent K. Burk Associates, P.C., was elected president-elect. Whitney J. Adams, associate with Adams & Plucker, was named vice president. Larry Cretsinger, associate with Brown, Edwards & Co., L.L.P., was elected secretary. And Sherry Grygotis, principal with CPA Associates, P.C., was elected treasurer.

Please see IN BRIEF, page 2C

...ing its production in Italy, Turkey, India, and Argentina.

"Here in Kingsport, we feel that people, our workers are our most important asset. We can have good equipment, we can have the best and most beautiful plant, but if you do not have the right people, you do not produce quality, you do not produce quantity," he said.

"That's the vision I have here."

Cofap announced last year it would construct the plant in Kingsport, located on the right-hand side of Airport Parkway as you drive to the Tri-Cities Regional Airport.

The facility includes 110,000 square feet of manufacturing and storage space, plus 18,000 square feet of office

Before its acquisition, Cofap was a publicly traded company, with family controlling a majority of shares. Magneti Marelli acquired the family-controlled shares last year in the buyout, and is currently acquiring the remaining shares on the public exchange, taking Cofap back to private ownership.

Cofap represents about

Please see COFAP, page 2C



Elaine Bodenweiser, Kingsport Chamber of Commerce services director, is shown with Chamber Executive Committee member Bob Arrington. Bodenweiser says the chamber tries to support small businesses any way it can.



Workers test shock absorbers, top photo, at Cofap's Kingsport facility. Jose Siqueira, middle photo, is plant manager. Cofap, a Brazilian-based auto parts maker, hopes to employ between 150 and 200 workers at the plant by next summer. Full production is scheduled to begin in October.

## Kingsport chamber lends helping hand to small businesses

By AMY GATLEY  
agatley@timesnews.net

Elaine Bodenweiser likes to think of the Kingsport Chamber of Commerce as the mother hen to all small businesses in the area.

After all, the chamber offers a variety of programs that help small businesses grow strong and prosper. Bodenweiser, who serves as chamber services director, says that small businesses make up a majority of the Kingsport chamber's membership and that the chamber makes a point to support those businesses any way it can.

"Even a one-person business is welcome at the chamber. We started small but I'm proud to say that seven years later we offer one of the most progressive councils of the chamber of commerce and a solid program for our small business members to be involved in," Bodenweiser said.

Entrepreneurs with only a dream of starting up a small

business and full-fledged business owners who want to learn more about marketing can visit the chamber to learn what programs may be best for them. Bodenweiser said that in the last several years, the downsizing of large corporations has caused an outgrowth of small businesses whose owners often need guidance.

"We realized several years back that small business represented a large percentage of our membership. The nation at large was operating under downsizing and staff reductions, so much so that job creation and job growth was going to rely more and more on small businesses. There would be businesses formed because you have very talented people who were losing their jobs because of mergers and reductions and those people were out there starting up small businesses," Bodenweiser said.

Please see KINGSFORT, 2C



# Kingsport Chamber of Commerce lends helping hand

Continued from page 1C

With the belief that Kingsport's economic future would rely on small business ventures, the chamber created several programs to give small businesses a better chance to survive.

The Service Corps of Retired Executives (SCORE) is one of those programs. Sponsored by the federal government, SCORE is housed in the Kingsport Chamber offices and is made up of retired individuals who volunteer their business expertise to aid beginning entrepreneurs at no cost to the client.

SCORE volunteers will counsel entrepreneurs and prompt them to think about the issues they will have to face when opening a small business. Bodenweiser said that SCORE is so effective, some clients will decide they are not prepared enough for the venture and will decide not to open a business.

**“If you join the chamber, you have to do more than send in membership dues and a check once a year. If you send your dues check in and all of a sudden expect increased business or benefits to land on you out of the sky, it's not going to happen. You need to get involved, go to meetings, even join a committee.”**

**— Chamber Executive Committee member Bob Arrington**

If an entrepreneur is seeking training in marketing concepts or accounting and legal procedures, the Small Business Institute may be the right chamber program for him. The Small Business Institute offers business basics training to entrepreneurs, managers and employees in four courses scheduled throughout the year.

The courses range from computer technology, legal issues, human relations and customer service, and are based on a similar program taught by the U.S. Chamber of

Commerce. The courses are set at convenient times so business owners will be able to participate, Bodenweiser added.

The chamber also offers a small business start-up contest, sponsored by the Kingsport Times-News. Entrepreneurs can submit a business plan as part of the contest. Plans are reviewed by a panel of judges, which chooses the one with the most potential for success. The winner is given a cash prize and free legal, accounting and marketing consultations for one year.

“We like to say that the contest is economic development at its purest. We are sitting on a nest of eggs. We are incubating a small business, taking it under our wing and giving it a shot in the arm with money and free counseling,” Bodenweiser said.

For entrepreneurs who need to research marketing concepts or find out what the proper procedures are in conducting an interview, the Small Business Resource Center at the Kingsport Public Library offers a host of print materials, CD-ROMs and videos that specialize in business information.

The chamber also acts as an advocate for small businesses, with representatives of the chamber's Small Business Council participating in government-sponsored conference call discussions on state legislation. Through such discussion, leaders will hear the viewpoints of small

businesses in the region concerning legislation that affects them on a daily basis.

Although the chamber wants to help small businesses, Chamber Executive Committee member Bob Arrington cautions that businesses must help themselves as well.

“If you join the chamber, you have to do more than send in membership dues and a check once a year. If you send your dues check in and all of a sudden expect in-

creased business or benefits to land on you out of the sky, it's not going to happen. You need to get involved, go to meetings, even join a committee,” Arrington said.

Bodenweiser encourages all small business owners to attend a chamber event, such as the monthly Small Business Breakfast. The events will give entrepreneurs a chance to network and learn more about the community in which they operate.

## Cofap preparing for production

Continued from page 1C  
\$800 million in revenue a year.

Siqueira said that Magneti Marelli, as parent of Cofap, “intends to be a benchmark in the year 2000 as far as management style and customer care.”

He cited Magneti Marelli's aggressive growth plan for Cofap all around the world.

“The company respects the cultures, which is very important, because when you go global, you have to respect each people, each culture, each country,” Siqueira said.

Moreover, the company believes in training its employees.

Siqueira said that Cofap employees in Brazil get about 50 hours of training each year. Employees in Kingsport can expect the same, he said.

“It's because the world is changing and you have to teach the people all the changes, otherwise, we will have lost the competitiveness.”

“To be competitive, the whole organization has to change as quickly as the

**“It's because the world is changing and you have to teach the people all the changes, otherwise, we will have lost the competitiveness. To be competitive, the whole organization has to change as quickly as the world changes.”**

**— Jose Siqueira,  
Cofap plant manager**

Cofap even trains potential employees. Siqueira said the company asks job candidates to undergo nine hours of training, which allows Cofap to get to know the individual, and allows the individual to get to know Cofap. The training is performed in conjunction with Northeast State Technical Community College.

The plant's proximity to Northeast State was a big plus in Cofap's decision to locate here, Siqueira said, citing the company's strong belief in continuing education.

Other factors in Cofap's decision were the region's strong work ethic and its public school system.

Being so close to the air-

The company will receive air shipments from its Brazil operations for use in the production process. Asked if he would use the Foreign Trade Zone and U.S. Customs Office at the airport, Siqueira said Cofap won't have to. He said the company pays no tariffs on its imports because Brazil is considered “an underdeveloped country.”

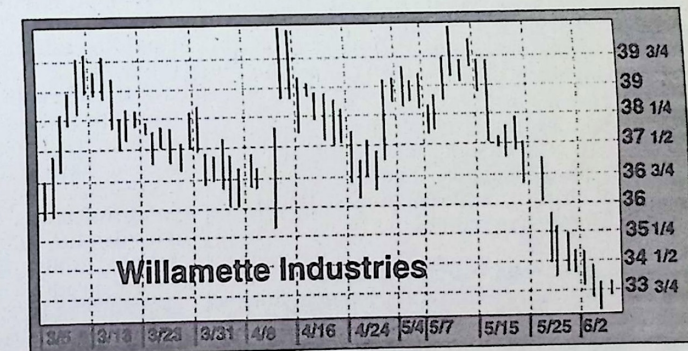
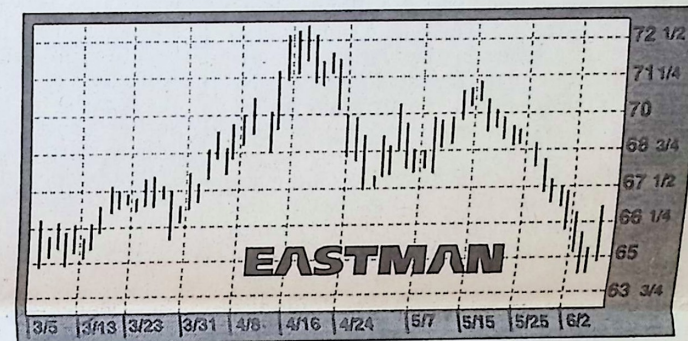
Cofap plans to hold an open house later this summer

to showcase its new Kingsport plant. Company President and Chief Executive Officer Cleodorino Belini is expected to be on hand for the occasion.

Meanwhile, Siqueira and his family will continue their transition to Northeast Tennessee. Siqueira's oldest son, Marcos, is a student at Dobyns-Bennett High School. The 16-year-old recently received an advanced physics award at the school, an accomplishment his father proudly boasts.

Siqueira's youngest is 8-year-old Lucas, a student at George Washington Elementary.

Siqueira's wife, Edith, used to run her own public relations business in Brazil. The family moved to Kingsport in January.



### Eastman

12 month high .....72 15/16  
12 month low .....56 1/4  
Closing on 6/5/98 .....66 3/4  
Week's change .....-1/4  
1998 Change .....-26 7/16  
Last 12 months earnings/share .....\$3.65  
Price/earnings ratio .....17.8X  
Dividend/share .....\$1.76  
Divided yield .....2.6%

### Willamette

12 month high .....43 1/2  
12 month low .....29 1/4  
Closing on 6/5/98 .....34  
Week's change .....-5/16  
1998 Change .....+3 7/16  
Last 12 months earnings/share .....\$0.73  
Price/earnings ratio .....46.2X  
Dividend/share .....\$0.64  
Divided yield .....1.9%



## Retirement is a point in your life that does not allow the luxury of time to make up for mistakes.

avoid them. He cited an example of a couple who took their retirement money and invested almost all of it into “risk free” things. They even-

and error” methods of taking care of your money.

Accordingly, the retirement expert has prepared a FREE report called,