

# Business

## NationsBank Lending Unit to Assist Small Businesses

NationsBank has announced it has formed a new lending unit to target small businesses and expects that unit to make more than \$1 billion in new loans through 1996.

The new lending unit, called Business Banking, will make loans to existing small businesses with annual revenues of up to \$4 million. There are an estimated 1.2 million small business that will be eligible for the loans in the key markets to be served initially by the Business Banking Unit.

The Business Banking loans can be used for many purposes, but the primary ones are short-term working capital, the purchase of equipment, the purchase of real estate occupied by the business owner and term loans for expansion. The lending unit will make loans up to \$500,000.

"This program will tap into the credit seeds of small businesses throughout the Southeast and Texas. It will help these businesses generate more revenues,

add new jobs and spur their local economies," said Ken Lewis, president of the General Bank for NationsBank. "We think it shows the commitment NationsBank has to small business owners, as well as the role we can play in sparking economic growth."

In the program's initial rollout, NationsBank Business Banking lenders will call on business in approximately 30 cities and communities. This includes Atlanta, Austin, Texas, Baltimore, Charleston, S.C., Charlotte, Columbia, S.C., Durham, Fort Lauderdale,

Fla., Fort Myers, Fla., and Fort Worth, Texas.

It also includes Greensboro, Greenville, S.C., Houston, Miami, Memphis, Nashville, Norfolk, Va., Newport News, Va., Orlando, Fla., Raleigh, Richmond, Va., San Antonio, Sarasota, Fla., St. Petersburg, Fla., Tampa, Fla., and metropolitan Washington D. C.

In addition to targeting businesses in those cities, small business owners in other cities of the NationsBank franchise may continue to make a loan application at one of the more than 1,700 NationsBank banking centers throughout the Southeast and Texas.

## Reebok's Robert Purvy: An "Architect" for Athletic Footwear

He is the man who helped to put the "Attaq" in Shaq, to enable Dominique Wilkins to soar "Above the Rim" and to create the legends that are made and broken on black-top courts across the nation. Robert Purvy is a product engineer for Reebok's basketball line and, if you ask him, he will tell you he has the second best job in America.

The best job, according to Purvy, is to play in the NBA. It was probably his love affair with basketball, coupled with a lifelong fascination with sneakers that is responsible for his breaking into the industry. A graduate of La Salle University in Pennsylvania, Purvy managed a suburban Philadelphia Foot Locker, where the regional field-service representative for Reebok often visited. When she was promoted in 1986, Purvy called to congratulate her and tell her that he was interested in her old job.

"The company did a nationwide search for her replacement," Purvy remembered, "and when they came to Philadelphia they called me in. The sneakers that the guys who were interviewing me had on, I had only seen in books and so I got really excited and started asking them all kind of questions about how they were made and special features. Someone told me later that my enthusiasm had a lot to do with my getting the job."

Purvy spent one year as a field service rep, traveling the Tri-state/Pennsylvania region and reporting back to Reebok on how

company products were faring, what its competitors were doing in the region and on consumer feedback. In 1987, he was asked if he was interested in working for the company overseas and he jumped at the chance.

"In those days, the company was having a difficult time getting people to move to the Far East. Aside from being a sneaker and basketball nut, I was a big fan of the Saturday afternoon matinee karate movies, and so when they asked me, it was like they were giving me an opportunity to live out a dream."

After resettling in Pursan, Korea, Purvy served as an apprentice, learning the inner workings of the factory, the commercialization process and the nuances of the relationship between the company and the factory. Eight months later, he was named production manager.

"As production manager, I physically brought the design overseas to the factory, supervised their production, monitored the quality of the products and their expedition out of the factory," Purvy explained. "I was the last word on if they shipped and when they shipped."

In May 1989, when Reebok expanded production to Thailand, Purvy agreed to move as well. "The truth is, I felt good about being able to represent African-Americans in a different setting, he confided. "Over there, most of the people's exposure to blacks has been through athletics. I'd like to think that I was able to show that in addition to being profi-



Robert Purvy

cient in sports, we are knowledgeable about currency exchange, business and issues of international importance." When Purvy went to Thailand, the factory was producing 200-300,000 pairs of shoes a month. When he left a year and a half later, they were shipping over a million pairs a month.

It was while he was in Thailand that Purvy made it known that he was interested in moving into product development. In December 1990, he got his wish along with transfer papers back to company headquarters in Stoughton, Mass. Initially he was involved in the development of the Reebok Classic

aerobic shoe. Today, however, he works with a team which includes three designers and a dozen factory liaisons and marketing executives on Reebok's basketball line.

In addition to interfacing with the designers, factory liaisons and marketing staff, Purvy's responsibilities include deciding on the materials that will be used in new products, the specifications, the thickness of the leather, plastics components, the technology, and which factory will manufacture the shoe.

Currently working on the Shaq shoe (named after NBA superstar and Reebok spokesperson Shaquille

O'Neal), the Above the Rim collection, Blacktop and Hoop Gear,

Purvy said his long-term career goals include moving up the executive ladder in product development and recruiting more African Americans into the industry. "I tell black kids all the time that our exposure to this industry has been at two extremes, the athletes who endorse the products and the consumers who buy them," Purvy said. There is also a need for young African-Americans to think beyond what they learn in school and beyond the tried-and-true, traditional career paths. They have to start believing in their dreams and taking positive action to make them come true."

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### MONEY WATCH

By THEODORE R. DANIELS



#### Home Office Deduction?

Many taxpayers in the past have claimed a home office deduction on their income tax returns. The recent Supreme Court decision, however, has put a "damper" on such deduction as a result the rules have changed.

The law allows you to deduct a home office if part of your home is exclusively used on a regular basis either to meet patients, clients or customers in the normal course of business, or as the principal place of business for any trade or business of the taxpayer. What is the principal place of business? What if you are a doctor who operates at different hospitals, a musician who plays at different locations or a traveling sales representative? The Supreme Court's decision set forth two factors taxpayers must consider to determine their principal place of business - relative importance of activities conducted at each business location, and the amount of time spent at each location.

Hence, taxpayers who meet clients in more than one location, or have businesses involving no customer meetings, need to determine which activities are the most important to the conduct of their business and where those activities take place. In addition, taxpayers should also look at the time spent in each business location, especially where a comparison of activities performed at each business location provides no clear answer as to the location of the most important activity.

Here is an example that the IRS issued that you should consider when making a determination as to whether your home office is deductible.

Example 1. Joe Jones is a salesperson. His only office is a room in his house used regularly and exclusively to set up appointments, store product samples, and write up orders and other reports for the companies whose products he sells.

Joe's business is selling products to customers at various locations within the metropolitan area where he lives. To make these sales, he regularly visits the customers to explain the available products and to take orders. Joe makes only a few sales from his home office. Joe spends an average 30 hours a week visiting customers and 12 hours a week working at his home office.

The essence of Joe's business as a salesperson requires him to meet with customers primarily at the customer's place of business. The home office activities are less important to Joe's business than the sales activities he performs when visiting customers. In addition, a comparison of the 12 hours per week spent in the home office to the 30 hours per week spent visiting customers further supports the conclusion that Joe's home office is not his principal place of business. Therefore, he cannot deduct expenses for the business use of his home.

If you have any questions or concerns, please contact Theodore R. Daniels, MONEY WATCH, P.O. Box 23558, Washington, D.C. 20026.