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# Corp!

We Mean Business



## High Octane Energy How Sam Simon Turns Optimism into Opportunity

Motor City:  
A Driving Force of  
the Auto Industry

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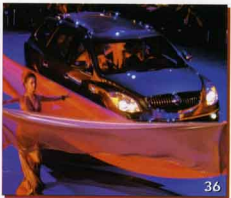
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# DELIVERING HORSEPOWER AND WINNERS

## What Two Workaholics do for GM's Sport Car Racing

—BY JULIE CANDLER

**T**he Corvette I'm riding in can beat the 0-to-60 acceleration time of a production model. This C6 Corvette Z06 can blitz up to 60 miles per hour in 3.8 seconds. An instant after we enter the freeway, its seven-liter engine roars to 5,000 RPM. It reaches peak power at 6,400 and can go to 7,000 RPM, speeding up to more than 200 miles per hour on a race track.

The driver has the six-speed manual in

third gear and we're closing the distance from the cars ahead almost faster than I can blink. I'm getting a demonstration of the fun and thrills of this 505-bhp sports car introduced by Chevrolet this year.

My driver is 32-year-old Caleb Newman, vice president and director of aftermarket operations at Katech, Inc. in Clinton Township.

His company has just finished a \$44,717

*The silver C6 Z06, in which Corp! got a ride, outside the headquarters of Katech, Inc. in Clinton Township.*

upgrade (with hood modifications) to this low-slung silver bullet, increasing its 505-horsepower to 600 for a wealthy Boston owner.

Performance is the specialty of Katech, a Tier One supplier to General Motors, providing engine development, building and testing for racing and pre-production products.

The Katech Performance catalog contains aftermarket parts, engine components, complete engines and complete vehicle packages available to everyday enthusiasts. Most of the aftermarket sales are handled by 10 performance specialist companies.

Since 1978, Katech's engines have notched more than 50 championships for drivers and manufacturers competing in the Indy Racing League, NASCAR Busch and other prestigious racing series worldwide. Recent successes are with the C6.R Z06, the C6's racing version. Their engines excel at endurance racing with wins at the 12 Hours of Sebring in Florida, 24 Hours of Daytona and the American Le Mans series.

Before our drive, Newman and I sit down with the two workaholics who founded

**“I love the Corvette, period. Now I live vicariously through test-driving to make sure all the little details are taken care of.”**

**CALEB NEWMAN, VICE PRESIDENT AND DIRECTOR OF AFTERMARKET OPERATIONS AT KATECH, INC.**

Katech, Inc. President and Technical Director Fritz Kayl and Vice President and General Manager Warren J. Frieze are grandfathers who have known each other since high school in Macomb County.

“We were both working at McLaren,” says Kayl. “At that time they were producing racing engines for BMW and GM. But McLaren was so busy with BMW they didn't have enough time for GM. We knew that.”

So, in 1977, they incorporated Katech. In



Looking under the hood of an upgraded 600-horsepower C6 Z06 are performance parts salesman Jason Harding (left) and Katech Vice President Caleb Newman.

addition to the GM work, they serviced Renault's racing program while the French automaker was in the U.S. market.

"At that time the GM program was small," says Kayl. "The growth since then is staggering."

Katech started with four people working in one building. Now they occupy 36,000 square feet in four buildings along Sorrentino Road. Annual volume reached \$8 million in recent years but due to GM cutbacks, they've had to trim their staff of 50 employees.

"This is a capital-intensive business," says Kayl. "It's a slim profit margin."

That's easy to understand when you tour the nearly-spotless shop filled with costly high-tech equipment. You see car parts with finishes like the sheen of polished jewelry. Engines are being disassembled for refreshing after races, then reassembled and put on dynamometers for further tests. Three



Katech engine builder Chuck Nicholson runs test cell #2, an engine dynamometer.

## The two workaholics who founded Katech, Fritz Kayl and Warren J. Frieze, are grandfathers who have known each other since high school in Macomb County.

dynamometer test cells costing a quarter of a million dollars each are included in one corridor containing six test cells.

The founders are proud of a prototype 16-cylinder engine they built for GM. It powered the concept vehicle named "Best in Show" at the 2003 North American International Auto Show.

Frieze recalls the process: "From the kick-off

minute with a clean sheet of paper to the first run on a dynamometer took seven months."

"It generated 1000 horsepower on the dyno," adds a justifiably proud Caleb Newman.

"For the pre-production Z06, we hand-built the engine according to GM design," says Kayl. Now the engine is built at the GM Performance Build Center in Wixom and shipped to Bowling Green, Ky., for assembly.

At its introduction, Chevrolet called the Z06 the fastest, most powerful production Corvette they had ever offered. About 8,200 Z06 models, priced at \$70,000, have been sold to high-performance enthusiasts. The racing version, the C6.RZ06, this year took first and second in its class at the grueling 24 Hours of Le Mans in France. It was Corvette's fifth victory in six class racing attempts.

Asked about the cars they drive, the company's founders blame their somewhat subdued choices on the "capital intensive" nature of Katech's business. Kayl drives a full-size GMC pickup. Frieze drives a 1997 Buick LeSabre. Newman, who has a master's in industrial engineering from the University of Central Florida, traded his Corvette for a GMC Yukon on becoming a father six months ago.

"I love the Corvette, period," says Newman. "Now I live vicariously through test-driving to make sure all the little details are taken care of." ■