

KSA

Kurt Salmon Associates
1935-1985

A Half Century of Commitment to Excellence



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Management Consultants

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Compiled and Edited by
Joseph Scheines, *Communications Director*

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Entering its second half-century, Kurt Salmon Associates is well known throughout most of the world as the largest consulting organization serving the apparel and textile industries. KSA's reputation as an implementation-oriented, high quality consulting firm remains secure. Its client base now covers a broad spectrum of the consumer products fields, as well as retailing and health care.

Earning that position took 50 years of hard work and dedication by some 800 people, and this brief history is dedicated to them.

A key feature about KSA is that we have always been a busy company; we don't have much time to dwell on past accomplishments. Yet KSA has been transforming itself dramatically over the last few years, and a Fiftieth Anniversary provides a company with a good opportunity to pause for a look at where it has been, and where it is going. By re-examining our roots, and reminding ourselves of the elements that helped us get this far, we can prepare better for KSA's future.

That future has already begun. Our first 50 years can be compared with the progress of a multi-stage rocket; three dynamic stages have been completed, and KSA is now accelerating in a wider and more exciting orbit.

Getting here took hard work and commitment, but it was rewarding, and it was fun.

Before our beginning, **Kurt Salmon** did a little of everything for the May Hosiery Company in Nashville, Tenn. The young textile engineer from Germany had progressed from controlling production to managing costs and supervising operations since his arrival in 1930. When he was asked to help an outside consultant engineer on a project, he discovered that he enjoyed “looking for ways to improve things and measuring the results without worrying about daily shipments.” He was also impressed by the fact that a consulting firm charged \$7 per hour for its services.

So he became a consultant. Although labor costs at his own hosiery mill were 28% lower than industry averages, no one in that industry was interested in Kurt's help. Eventually, however, he landed a three-month trial to engineer the playsuit department at the Scottsville, Ky. plant of Washington Manufacturing. The pay was \$300 per month, and Kurt learned how to apply the principles of machinery layout and work study to apparel manufacturing.

The trial was successful and he went on to do projects at five other Washington Manufacturing plants. During the period, he incorporated himself as Kurt Salmon Associates, Inc., on January 1, 1935, and set this enterprise in motion.

Kurt found other apparel assignments with Mason & Hughes in Clarksville, Tenn., and Carwood Manufacturing in Winder, Ga. By 1936, the rigors of one-man consulting convinced him to hire **Ernest Meiere** as his first associate. An experienced apparel engineer, Meiere was soon handling projects on his own, leaving Kurt time to sell new ones.

During a large project for Cowden Manufacturing in Kansas City (the last that he staffed personally), Kurt set up KSA's first training program. Two new associates — **Charles Rousseau** and **Roy Hertzler** — worked for the client at no fees while they absorbed Kurt's approach. In 1939, **Roy Engman** joined the group, to be followed by **Russ Lewis** and **Warner Civitts** in 1940, and by **Karl Striegel** in 1941. Over the next few years, **Bill Egolf** and **Gerry Vought** came aboard.

Engineering the Nucleus.

This small group of engineers formed the nucleus of KSA's consulting practice for its first decade and beyond. It grew steadily. Volume apparel manufacturing drifted south as immigrant labor pools dried up in northern cities. World War II provided extra impetus for the establishment of large plants producing staple

products for the military, and later for the chains and wholesalers.

KSA's focus during this stage was on reducing labor content through improved layout and work methods, and by the establishment of performance standards and incentives. A gradually growing number of staple apparel producers learned that an engineered plant meant high productivity and competitive costs. But these remained a minority in the apparel industry; most firms did not believe in engineering improvements prior to the Sixties, and few manufacturers would let outsiders into their plants. Nevertheless, KSA's manufacturing oriented practice expanded, and its emphasis upon working with people brought a logical addition: personnel.

Personnel and Systems.

Dr. Patricia Smith, an industrial psychologist from Cornell, became KSA's first personnel specialist in 1944. She was joined by **Abbie Jean Quick** later that year. With seven years of experience in personnel at Uniroyal, **Abbie Jean** combined an innate sensitivity for people and shrewd judgment to become an effective personnel consultant and, later on, KSA's chief recruiter. As such, she served as an invaluable adjunct to our plant engineering work while helping to select and shape new generations of KSA consultants.

In the following year, a systems practice was added. Systems meant standard costing and payroll procedures in 1945, and it was needed to round out our engineering services and enable them to stand alone in terms of accounting as well as operations. Today, of course, KSA's systems work goes to the heart of business management, controlling the flow of merchandise and integrating all planning.

Dr. Cecil Gillespie, an accounting professor at Northwestern University, was our first systems consultant. **Phil Lutz**, who joined the company in 1947,

nourished that practice in the early Fifties, dividing his time between consulting and putting a modern cost system into place at Roydon Wear in McRae, Ga.

Roydon Wear “Too Successful.”

That boys' trouser plant, started by KSA in 1950, was originally conceived as a pilot operation for refining new manufacturing techniques and training KSA recruits. In order to graduate from McRae, a KSA trainee had to produce two pairs of pants completely by himself — one that would fit him (easy, one could always make allowances), and one that would fit Kurt (more difficult, since his standards were higher and he preferred no break and a slightly flared cuff.)

While Roydon Wear met KSA's training needs, it soon presented a new kind of problem. Under the successful guidance of **Ralph Ross**, who came from Jaymar Ruby in 1946 to become Kurt's assistant, Roydon Wear grew into a strong competitor for some of KSA's clients. Therefore it was sold in the mid-Sixties — but not before it served as a

STAGE ONE: *Lift Off*



Circa 1950: Gerry Vought and Kurt Salmon



Roy Engman Charles Rousseau



In the mid-Fifties. Back row, left to right: Roy Engman, Karl Striegel, Ross Runnels, Dean Vought, Bill Egolf. Front row: Kurt Salmon, Ralph Ross, Phil Lutz, Abbie Jean Quick.

training ground for dozens of KSA consultants. **Roy Engman** and, later, **Dean Vought** spent time managing the facility. **Dave Billing** and **Nora Tankersley** (KSA's first female engineering consultant) stayed with Roydon Wear after the spin-off. The company also helped bring KSA into New York in 1951; our first office in the area was shared with Roydon Wear at 220 Fifth Avenue. Other offices had been established previously in Washington (1939), Nashville (1945), and Greensboro (1947.)

We also made our initial excursions abroad towards the end of this period. **Ross Runnels**, KSA's first recruit from Cornell University in 1948, staffed an assignment in England in 1953, and he was succeeded in the project by **Ted Theodorsen**, also recently from Cornell. In 1954, **Bill Cagnon**, a 10-year veteran and KSA's leading men's shirt specialist, undertook our first engagement in South America. These independent consulting projects were distant precursors to expansion abroad. At the time, KSA's sights were firmly fixed on the U.S.

"I Helped your Daddy . . ."

In 1953, **Jack Ullman**, another Cornell graduate who had been on the staff for three years, received a dubious plum of an assignment: re-engineer a sewing room originally installed by Kurt at Carwood Manufacturing 16 years earlier. It was during this project that a veteran operator helped Jack mature in a hurry by reminding him that she had "helped your Daddy when he first came here to show me how to sew, and I suppose I can deal with you, too."

The apocryphal story had a point: KSA was repeating itself, successfully,

by improving upon its previous work. Over 80% of new assignments were with existing clients (similar to today's experience.) The results were quantifiable, and always showed significant improvement for the client.

By 1956, KSA surpassed \$1 million in annual fees, and our staff had grown to 48. Further growth would have to come in other areas: developing new markets in apparel, going beyond apparel, going abroad, and developing new services.

(We asked some of KSA's "roots"—alumni and veterans—to contribute their reminiscences to this history. Some brief excerpts follow.)

"God, Charlie Rousseau, and Lady Luck..."

by Karl Striegel

My initial training in Bristol, Tenn., (Big Jack), under Charlie Rousseau was invaluable. We not only put in eight-hour days on the sewing floor, but had training sessions three nights a week plus four hours on Saturday. I learned more there in three months than I could have learned anywhere else in three years. Rousseau had the patience of a saint! He mixed enough humor and human interest into the training that we never resented it or realized how hard we were working.



When World War II came along, I had been with KSA about six months. John Milholland (reserve officer) was called to active duty. He was 10% into an installation in Monroe, Ga, and I was the only one available to replace him. Clair Harris, who owned Carwood, was not the ideal client for a rookie posing as a staff engineer. However with the help of God, Charlie Rousseau, and Lady Luck (in that order), we muddled through to a successful job and Carwood continued to be one of KSA's best clients.

From Monroe we were sent to Roswell, Ga., on a pant installation. There I met Bill Egolf (a two-week trainee) and between us we struggled through successfully. Imagine two novices going to the plant every night at 8:00 p.m. and sewing the next operation until midnight so we could "teach" the operators the next morning . . . also trying to learn how to thread the machines, design the work place, write a motion analysis, etc. I did manage to finish two or three pairs of pants (with different colored threads) . . . My wife's comments were "Yes, but you never wore them" and she's right.

Soon after we started doing cutting room incentives, I dropped by a small plant in Georgia. Based on a walk-through, I sold a four-day survey, which showed that 14 people could be reduced to eight. Despite a 200% annual return, we couldn't sell the implementation project. Called the owner/manager often, but always received a put-off. On my next trip to Georgia I stopped at the plant and was told that the survey was the best they ever had. The day after its presentation, the owner had gone out in the cutting room, fired six people, told the other eight that the engineer said they could do the job . . . and they did!

KSA's first dress installation was really a pip. We sold Smoler Bros. a survey of their Herrin, Ill., plant even though Jerry Smoler didn't think we could get the union to go along with our installation proposal. Herrin is in the middle of the coal region, "Bloody Marion" County, with a history of strikes, murders, bombings, etc. Ted Theodorsen and I made the survey, sold the job, and completed it successfully despite cutting rates as much as 50% (the shop steward's rate). It was also the first time we trained union officials in the art of time study. Another highlight was Ted finding his wife there . . . Irene was head bookkeeper.

One of my most rewarding experiences was when KSA's fees were paid by both buyer and seller in a merger, and KSA was appointed arbiter by both parties in the event a dispute arose re contract interpretation (it did!)

STAGE TWO: *Broadening Horizons*

SINCE 1935

KSA

In the mid-Fifties, all of KSA's services revolved around the staple sewn products plant. The possibilities of going beyond it to assist in the client's marketing and merchandising areas were still in the future, as were the times when women's wear, men's tailored clothing, or other markets would utilize professional consulting help.

Of course the apparel industry of that era did not present as many challenges as it does today. It was fragmented into many sectors, with many small firms; the concept of one large company offering branded lines in both men's and women's wear seemed implausible. National distribution was relatively rare. Levi Strauss was still smaller than Salant; both made work clothes. In fact, the larger men's shirt and work clothes firms then represented the apparel industry's most progressive sector, and therefore the best market for consultants. But there weren't enough of them to offer a long term future to a consulting firm on the rise.

Enter Textiles

So KSA ventured into textiles. The initial project came at Opp Cotton Mills in Alabama, whose owner had operated an apparel plant at one time and knew of KSA. The work was labor cost reduction, and several successful projects were completed. **Jack Sanders** joined the firm to head a small staff of textile engineers, and their work spread into other areas such as carpets, tufted home products, and later hosiery. For the first time in its history, KSA recruited textile engineers to work in textile mills rather than apparel plants. (There were no apparel engineering courses, but that's another story.)

The larger textile companies had their own internal engineering functions, and that management area never approximated the scope of our apparel engineering work. However, more sophisticated control and marketing services eventually helped KSA achieve a position of dominance in textiles similar to that enjoyed in apparel.

European Expansion.

Another new area for expansion was overseas. Following the early projects in Europe, a joint venture with the P.E. Consulting Group, Ltd., in England was begun in 1958: Kurt Salmon & P. E. Associates, Ltd. It lasted until 1972, when KSA bought out P.E. and set up its present U.K. subsidiary. **Stuart**

Hollander and **Richard Clarke**, who originally were with P.E., joined KSA and helped manage its growth in Europe. Under the supervision of **Stig Kry** and **Freddie Wood**, KSA-Europe spread to offices in West Germany, France and Italy by the end of the Sixties.

Despite Kurt's feelings about the long range limitations of apparel, KSA continued to grow in that industry, and was expanding in a number of directions at once. A permanent office in Atlanta was established in 1958, with **Roy Engman** in charge, supported by **Jack Ullman**, **Bob Pee**, and others, and a Dallas office was opened in 1960. The apparel industry was growing rapidly in the South, along with the demand for KSA's help in locating new sites, starting plants, and expanding the capacity of existing facilities.

"Computers were on the Horizon..."

by Phil Lutz

KSA's Systems Division came into existence shortly after World War II. Payroll systems were being installed with most sewing room engineering projects and Kurt saw the need to develop labor cost control reports from payroll data. This soon led to more sophisticated services in product cost accounting and order handling, production planning, and billing systems.



Yours truly came aboard with the surge in business in 1947, making a "formidable" staff of three. My early assignments involved the design and installation of payroll and cost accounting systems.

In 1955, Kurt asked that I wean myself away from Roydon Wear and devote full time to reviving our systems practice. This enabled us to build and prepare for the "roaring Sixties..." Tabulating (punched card) equipment was replacing manual

operations and computers (not yet affordable in the apparel industry) were on the horizon...

The KSA payroll system was deemed adequate, but handling and summarization were time consuming. A new approach combined this work with the payroll journal preparation by use of a special moving rail writing board that saved one half hour per employee per week.

The cost accounting systems were based upon excellent accounting principles... yet research indicated that the system would be of much greater value to an apparel manufacturer if it were to incorporate a marginal income (or direct cost) approach. This was given a high priority, and by devoting weekends strictly to this project a completely redesigned systems format was ready to go in about three months' time...

Bayly Manufacturing was the largest and most comprehensive systems project in KSA's history at the time. It involved the design and installation of payroll, standard cost, order handling, invoicing and production planning at the Denver headquarters and at each of their five outlying plants. That year we racked up many miles on DC-6's and Constellations... coordinating the installation between plants... From these "humble" beginnings grew the Control Group as it is constituted today.

“We Never Hired by ‘Type’ ...”

by Abbie Jean Quick

In KSA's ninth year, 1944, I joined the group of 15 dedicated, hard-working, capable and friendly people who constituted the firm . . .

Pat (Doc) Smith had set up a program of personnel procedures tailored to the needle trades, and thus the Personnel Division was launched. I welcomed the new challenge and was never disappointed. Nunnally and McCrae, Rice-Stix, and Washington Manufacturing were the first clients for whom I made personnel installations and five years later, approximately 25 had been completed.

Due to post-war expansion we were frequently asked to make labor surveys for clients interested in new plant locations. To say the least, this activity was an education in the regional differences of our country.

KSA was growing — number of clients, number of services, and number of staff. College recruiting gradually became a major part of Personnel's responsibility, initially at the engineering schools. In the 1950's, not many women, if any, were recruiting at engineering schools and I realized I caused somewhat of a stir. But placement directors such as Fred Ajax at Georgia Tech (who introduced my group sessions with “Just because she's a lady don't think she doesn't know what she's doing”) paved the way for me.

The spirit of camaraderie so noticeable in KSA was established in the very early years by Kurt and has continued to the gratification of all. Need help? Just call — it will be there, clients included. I recall arriving at a new assignment many a time to be greeted as a family friend by the client who had already been served by us.

The memories are legion — colored by experiences, personalities, and the growing awareness that each person has individual strengths and characteristics. Our KSA staff reflects this — we never hired by “type” but by the recognition of abilities, different as they may be, which promise development and contribution.



Developing New Services.

We augmented our services with new specializations. **Bob Heiland** relinquished a professorship at Lehigh in 1959 to become KSA's Research Director. His first project was to apply statistical quality control principles to soft goods manufacturing. **Mahlon Saibel** came on board to develop the SQC practice as Bob turned his attentions to material utilization and forecasting. His work in the latter area culminated in the development of KSA's first acronym-service: FORSCOR (Forecasting with Statistically Controlled Risk.)

Our early cutting room projects had emphasized improving the productivity of workers, not of the material they handled. Research showed enormous savings potentials in better material utilization, and this service developed rapidly under **Bob Frazier**, followed by **Jim Trautman**, and **Nort Eberly**. The

cutting room also provided an entry into the tailored clothing sector.

With its special requirements and traditions of tailoring “craftsmanship,” the men's suit industry would have nothing to do with a consulting firm that had built its reputation in southern pants factories. “We need tailors, not bridge-builders,” was the typical response when Kurt first tried to interest suit manufacturers in engineering services.

Yet they were interested in the cutting room, where so much of their manufacturing cost was centered. **Dean Vought** surveyed the cutting room at Palm Beach in the early Fifties. Several years later, **Stig Kry** and **Freddie Wood** implemented the study in our first significant project for a tailored clothing client. In the early Sixties, KSA made inroads with cutting room incentives at some of the more progressive suit firms. Tradition-clad resistance on the parts of both

manufacturers and the union gradually weakened. By the mid-Seventies, KSA had completed consulting assignments for firms who represented some two-thirds of all suit production in the U.S.

Opening Wedges.

The same process of entering a new industry through the wedge of a needed special service was repeated elsewhere. Our Physical Distribution group, less than 10 years old at the time, helped KSA break into retailing in 1967. Later on, KSA's expertise in operator training provided entries into bicycle manufacturing and mining maintenance. Control services have brought KSA into areas like optical products and auto parts. Nevertheless, the firm's major focus remained upon apparel during this second, expansion stage of its history.

The initial warehousing and shipping room projects conducted in the late Fifties eventually coalesced into a physical distribution service under **Jim Giddings** in the early Sixties. We performed our first major “ground-up” distribution project for the Alatec shirt facility in Andalusia, Al. a few years later. Other complete warehouse projects followed for firms that knew us through our apparel manufacturing services—Hortex (now BTK Industries), Cowden, and Campus are examples. Londontown, and more recently a series of distribution centers to match the heady growth of Liz Claiborne, represent the newer type of distribution client whose first contact with KSA has been in that service.

Tony DeMaria has headed a staff of distribution specialists for KSA since 1977. To date, they have designed some 300 facilities containing over 30 million square feet of warehouse and shipping space for KSA clients in all industries.

Training and Movies.

Another service area that gave KSA momentum in the Sixties was operator training. In 1963, we entered an association with Hitchcock, Ibbotson, and Hodinott, training specialists, to apply the analytical method of training to soft goods. That approach had been developed originally during the war to get bombers built faster in England.

With KSA's knowledge of apparel sewing methods, training courses were quickly developed that could bring an unskilled new-hire up to 80-85% of standard in half the previously required time. A movie was made to show “AAMT in Action” (to distinguish our approach from the British Analytical Method of Training, we added an “A” for Advanced.) Its premiere at an early



It took 34 years for KSA to grow to this size, and almost as long to pose 190 consultants for the photo (1969 Staff Meeting).

Bobbin Show in Charlotte, NC, earned an enthusiastic reception from an audience of over 900.

That event illustrated two other points about how we've changed. There was a time when KSA relied more on movies than slides to deliver its messages in public, reflecting our concern with operator and machinery movements. Second, the same AAMT movie was shown shortly afterwards to an audience of 300 women's wear contractors in the north, almost all of whom left the room while the lights were down. The women's fashion sector of apparel still resisted KSA's approach to modernization.

However, there were enough apparel manufacturers around who recognized the value of scientific training. Under the leadership of **Bob Solomon**, an experienced hosiery engineer, our AAMT staff helped to revolutionize training in the apparel industry during the late Sixties.

As in most of its operations work, KSA trained client personnel to continue programs on their own. Thus, analytical training is now carried on internally by many firms. Similarly, statistical quality control is now an integral function of most progressive apparel plants.

By the end of this second stage of KSA's history, the company had undergone many changes — some dramatic, some subtle, all significant.

In its first 25 years, KSA had reached a staff of 75, and annual fees of \$1.5 million. During the next 10 years, volume quadrupled. Just as important, the nature of our consulting practice changed. Although 70% of fees still came from apparel engineering, another 10% was contributed by textiles, and management systems by itself accounted for 14%.

Working across industry lines, our control specialists had moved KSA beyond the manufacturing facility. Forecasting and integrated production planning — without personal computers — were putting us in touch with the key decision-makers in our clients' headquarters.

Management Transitions.

KSA had not been under one-man

management for some time. **Karl Striegel** became our first vice president in 1954, and he was named president seven years later. He and Kurt made a powerful team. Both were methodical, detail-oriented, and highly analytical. Karl concentrated on client relationships, and some of the apparel industry's strongest and most domineering personalities relied upon him for advice.

Washington to Lake George to Gettysburg to Atlanta

by Bill Schenke

When I joined KSA in July, 1956, as controller, the administrative offices in Washington, D.C. consisted of Mary Baach, Grandfather Salmon (Treasurer), Lee Roads (typist), and Kurt.

My training took place at Lake George, N.Y., where Grandfather took all bank and payroll records each year to escape Washington's summer heat. All checks — payroll, etc., were hand signed and the most sophisticated machine we had was a "printing calculator." Total personnel numbered 55.

The office was in the "lower level" of Kurt's home, where new consultants did their training. Don Johnson was the first to arrive after I returned from my lakeside training. The trainees were presented with a stack of books about a foot high to study and were quizzed by KS when he returned from a business trip.

During the Cuban Missile Crisis in the early Sixties, many businesses in Washington were concerned about protecting vital records from possible air attack. On the recommendation of our local bank, we obtained a safe deposit vault in Gettysburg, Pa. — about a two-hour drive at that time.

Each month I made the trip to Gettysburg to put up-dated earnings and balance sheet records in the vault. This was all well and good until I occasionally found I needed something that was in the vault two hours away . . .

KSA grew, Kurt retired, and the accounting department moved to Atlanta in 1974 and became known as Dept. T. It consisted of 5 people. So two accounting personnel in 1956 had grown to five in 1974, and to 11 plus "Simon" (the computer) in 1985.

Serendipity in the U.K.

by Dean Vought

A few of us superannuated consultants have been asked to go on an ego trip and dredge up some anecdotes to help paint a picture of KSA's "roots" . . . Much of our work back then was very fundamental . . . I remember:

Circa 1952 — KSA was truly a work clothes specialist. However, Kurt had always harbored the crazy notion that we should work in tailored clothing. We were asked to survey Palm Beach's cutting room in Knoxville, Tenn. As a two-year staff man, I had been in two work clothes cutting rooms . . . so I was asked to do the survey. I found many strange things.



Did they really have to tear instead of cut each ply? Did they really have to mark on top of the spread instead of pre-marking? Did they really have to leave 1/4-inch between marked parts?

Not all of these strange customs were altered immediately. However, as a result of the survey, Stig Kry and Freddie Wood did do a very successful assignment approximately two years later. KSA was launched in tailored clothing.

Circa 1954 — KSA was still busy reducing SAH's in work clothes. Troutman Shirt was interested in making a low labor content pant . . . I told them the ideas I had picked up for reducing the labor content from 3.2 hours to about 2.5 per dozen. They gave me a pattern maker and a supervisor/sample maker for three days. We produced a first sample of a rather unique construction which, in fact, had approximately 25% less labor content than anything around at that time.

A year later, I had the opportunity to revisit the plant and saw 325 people sewing pants whose total design and construction I felt I had conceived. Obviously, it was a work of art, but Karl has never forgiven me for getting the unit started in two months.

Circa 1958 — I had a three-week hole in my schedule and was tapped to make a survey of the U.K. industry to see if KSA should start an effort there. The first plant visited was Wescott Limited. They had four pairs of pants from the United States they were attempting to copy. Serendipitously, I had worked for clients who made three of them. As a result, Wescott felt they needed to buy a bit of KSA, Kurt and Karl became convinced that it was easy to sell assignments in the U.K., and KSA was launched there and subsequently spread throughout Europe.

In 1960, Kurt decided it was time we worked in warehouses. Between trips to the U.K., I commuted via DC-8B's (with sleeper berths) to Portland, Ore., where White Stag had asked us to provide some help in its warehouse.

There was plenty of potential. We learned a lot, and developed a few new materials handling applications that looked pretty good at that time. We then retained a free-lance publicist by the name of Joe Scheines to write some articles about this job. We also made a film.

I have always liked to feel that this was the beginning of our physical distribution work. On reflection, I know that it wasn't because they were still only warehouses.

Kurt concentrated more on internal affairs. His influence upon the KSA family was profound. From consultants' initial training through their development into principals and managers, he knew how to inspire a commitment to excellence among them with a courtly, witty, velvet glove. His thoughtfulness

extended to every one of his associates at every level, with the same results.

Early on, he realized that good people were the firm's main asset, and took several steps to insure that KSA would satisfy their needs. One was the adoption of a no-nepotism policy; neither his sons nor sons-in-law were permitted to

Kurt Salmon

1910-1979

KSA will always be a living extension of Kurt Salmon; his influence on both the past and the future of this company is pervasive and continuing — to his credit and our benefit.

Obviously, any history of Kurt Salmon Associates is also a partial history of the man himself. Much has been written elsewhere about his character, personality, and accomplishments.



Those who knew him remember him well. For those who never had that opportunity, the following words come close to the essence of KS. They are excerpted from the *Management Consulting Award for Excellence* bestowed upon him by his peers in 1977:

"Those who have worked with and for Kurt Salmon feel that his greatest contribution to consulting has been on a personal level. He built a very successful organization by assembling a group of highly independent individuals, imbuing them with the concept of professionalism, and then giving them the freedom to function as professionals."

join the firm. Another was a program to share ownership in KSA among its associates, along with the stipulation that his own equity in it eventually would be bought out by the firm, thereby becoming available to future generations.

One year after Karl became president, **Stig Kry, Jack Ullman, and Dean Vought** were named executive vice-presidents; the next generation of KSA management was in place.

STAGE THREE: *Into New Orbits*



Starting around 1970, KSA's focus began to shift from an almost total concentration on soft goods to encompass other industries. These new marketing targets were either logical extensions of apparel and textiles, or represented opportunities to use consulting services that had already been developed in soft goods, and were transferrable. We also found ourselves in some industries that fit neither explanation precisely, but offered opportunities to help clients through application of our proven skills.

Health Care, Hosiery, Footwear, Retailing.

KSA acquired Health & Institutional Consultants, a small Atlanta firm of specialists, in 1970. Although hospitals had no motivation to reduce costs during the Seventies, there was ample need for professional services in qualifying for Certificates of Need, in marketing, and in facilities design.

The hosiery industry finally saw the wisdom of employing professional consultants, and KSA's staff of hosiery specialists grew to seven. We moved into leather, first with an engineering program for Amity Leather Products (bill-folds, key cases, etc.), where the stitching labor problems were quite similar to apparel. A few years later, the firm moved into the footwear industry. Our entry was aided by two things: Scientific Leather Management, a form of material utilization developed for footwear by an English consultant, and a Commerce Department program to provide technical assistance to the embattled shoe industry. We acquired the rights to SLM and **Jack Johnson** again showed his versatility by taking over development of our footwear practice.

Retailing was probably the most significant new industry effort for KSA during this period, and it was approached circuitously. Isolated distribution projects for a few U.S. retailers (whose vendors had recommended KSA) led to large

planning and logistics studies for retail chains in South Africa and Holland. After developing a reputation off-shore, we began to pursue the U.S. retail market in earnest.

KSA's experience in distribution center design and operations, plus our knowledge of soft goods, enabled **Jim Giddings** to gradually make an impact upon retailing. Far more sophisticated than the apparel industry of the Thirties, and generally disinterested in traditional cost reduction techniques, retailing proved a tough nut to crack. However, our Base Plus approach to improving productivity in operations began to prove itself. Long-term assignments generated improvements of 30-60%. KSA's retail client list now boasts some of the more impressive names in that industry, and momentum is building. By the Eighties, retailing represented 7% of total fee volume.

Systems and Operations Split.

New moves were also made to coordinate and strengthen KSA's services, particularly in the management systems area. Upon his return from five years in Europe, **Stig Kry** conducted one of the first formal studies of KSA's internal organization and future service needs ("strategy" was a chess term in 1967). His report concluded that we had to develop and refine our services in all phases of information and planning, within manufacturing and elsewhere. While continuing to oversee KSA's international activities, Stig took over this task.

In 1970, KSA announced the formation of a Management Services Division that offered coordinated services in general management and marketing, management systems, and physical distribution. Manufacturing Management Services were coordinated in a sister division under the joint direction of **Jack Ullman** and **Dean Vought**, and



Abbie Jean Quick, Mary Baach, and Bill Schenke at a KSA meeting.

"A Wry Sense of Humor Ever Present..."

by Mary Baach

In 1942 I was interviewed by KS in Indianapolis, Ind., for a secretarial position. He offered it to me, suggested I think it over and, with his usual twinkle, said, "No long letter of acceptance is necessary, just a few lines letting me know when you will be available."

About 10 days later I wrote: "Dear Mr. Salmon: Yes. Sincerely!"

That was the shortest letter ever received or written by KSA. From Day One of my 38 years working with this man, there was a wry sense of humor ever present, regardless of the problems or workload.

KSA's headquarters was located in the basement of the Salmon home in Washington . . . One of its three rooms housed Ralph Ross, Grandfather Salmon, a large drafting table, an industrial sewing machine, a safe, and a duplicating machine. It was crowded with two people working, but on the huge and complicated sleeping bag project we did for the Quartermaster Corps there were five men working in that one office: Ralph, Dave Billing, two draftsmen, and Grandfather! Two typists could not handle the workload, plus the day-to-day work, so two additional typists were added to the secretaries' office, where there was barely room to move about. A tremendous sigh of relief reverberated through these offices upon completion of the project, but it was fun!

“They Don’t Just Lay The Eggs...”

by Ross Runnels

For me, KSA has a unique strength. In talking to KSA applicants I convey it this way: “You can expect to be given a job which challenges you, and may even feel that it will stretch you beyond your capabilities. But, when the chips are down, a team will be there to support you, and keep supporting you until the problems are resolved and the required results achieved.”

As a very junior member of the firm I was billed at half fee on an assignment in a remote, north Georgia town where KSA was called in to achieve production on work quotas originally installed by Karl Striegel and Gerry Vought. I was also told to understudy and backstop the plant manager, who was part of the problem.

After eight weeks on the job, the results were minimal, if any. The client’s chief aide, a crusty old gentleman named Mr. P., came to review the project. As Mr. P., Karl, and I walked through the plant checking performance (no improvement), work-in-process (bundles of pants stacked like cordwood as a result of production bottlenecks), Karl had his hands full.

Finally, at the end of the tour, the sputtering, red-faced Mr. P. went into the office for a conference with Karl, who recounted it as follows:

Mr. P.: Karl it’s been eight weeks and damn it, nothing has happened.

Karl: We told you that Runnels was a junior and would be billed at half fee. He has been spending half his time as plant manager.

Mr. P.: But eight weeks, eight weeks . . .

Karl: It’s really less than that. When you take out half for the lower fee, it’s only four weeks, and when you take out half for the plant manager, it’s only two weeks. Now can you really expect to see results in just two weeks?

In spite of his reputation as a tyrant, Mr. P. leaned back in his chair and roared with laughter. We had the opportunity to go at it once again, and from that time on performance improved and the factory developed as projected.

This commitment to supporting KSA’s consultants on the job encourages the aggressive role we take in tackling our client’s problems, and assures the success of our implementation projects. Kurt liked to quote a client who recommended us by stating: “They don’t just lay the eggs, they hatch them.”



textiles, carpets, and knitting/hosiery were combined under **Freddie Wood**.

By 1970, MSD accounted for 15% of KSA’s fee volume of \$7.5 million. One of the more exciting success stories in this area was General Management and Marketing. Upon his return to KSA from the presidency of Roydon Wear in 1966, **Ralph Ross** undertook the challenge of building this key element of industry-specific consulting. Engineering was too narrow a platform for launching a total industry practice. Fitful efforts had been made previously, but with no tangible results. Within a decade, GM&M grew to over \$1 million in fees, covering all industries.

The formula of giving one individual responsibility for developing a function

or industry practice worked well for KSA throughout this period of expansion. Another example was carpets and rugs, which began to receive specialized attention from **Bob Saundérs** in 1968.

The huge women’s wear industry, which had ignored KSA’s advances for so many years, finally began to respond when **John Wilcox** was named chief suitor. His persistence and imaginative coordination of KSA’s services to emphasize faster market response and control helped to move us into the middle of the fashion business. Today, of course, apparel has lost much of its gender identification.

Third World Targeted.

In addition to our European growth, KSA became more active in other parts

of the world during the Seventies. Projects in Iran, Algeria, Tanzania, Egypt, Brazil, and elsewhere in South America led to the active promotion of the “Third World” practice under **Bob Frazier** in 1974, almost a decade before Caribbean and Far East sourcing. **Lutz Kohnagel**, who joined KSA in 1957, has been in charge of Latin American development since 1968.

Developing nations needed hard currency and jobs for their workers, and both apparel and textiles offered the best openings. KSA’s reputation as a soft goods specialist had spread well beyond the southeastern U.S. by this time, and we logged many thousands of Great Circle miles. The archives still contain copies of Russian and Portuguese brochures printed during this period.

Back at home, the Atlanta office was moving by leaps and bounds along Peachtree Street. Following the sale of Roydon Wear, KSA’s consultant training activity needed a new home, and this created an additional need for expansion. **Bob Pee**, a Penn State engineer with excellent people skills, was put in charge of training and carried out that critically important role until his untimely passing in 1978.

New Generation of Management.

During this third stage of KSA’s development, management of the company passed from its “Founding Fathers” — Kurt and Karl were only six years apart in terms of service — to the next team. Not surprisingly, they had it all planned and the transition was smooth. At the end of 1972, Kurt announced his plans to retire two years hence and appointed himself Honorary Chairman. Karl became Chairman of the Board and CEO, with **Stig Kry** filling the new post of Vice Chairman. **Jack Ullman** became the company’s new President, and **Dean Vought** assumed additional duties as Chairman of KSA’s Executive Committee.



Jack Ullman in KSA’s award-winning(!) exhibit at the AAMA Show in 1963.



Bob Pee (left) and Frank Armistead addressing a seminar in the early Seventies.



Above, Karl Striegel, Freddie Wood, and Bob Heiland solve all current and future problems for "Terrific Towel Co." during a staff meeting.

Below, Hugh Tannehill, Stig Kry, Earl Smith, and Bill Schenke do it their way.



At a New York office party in the Seventies, Ted and Irene Theodorsen flank Bob and Berta Hinck.

KSA and Its Environments

by Joe Scheines

The surrounding pages of KSA's history provide an inside view, dealing with its people and its growth over 50 years. An equally important facet of the story is the impact KSA has had upon its several environments over the years.

To a trade magazine editor in 1957, Kurt Salmon was just another apparel consultant seeking publicity. But he went about it with such restraint, and qualified everything so scrupulously, that it was a surprise to discover later that his company was in fact the largest and best regarded consulting firm of them all. Stanley Capelin (who had also started in the Thirties) and his various alumni made better use of public relations than did KSA.



That situation began to change in 1961 when KSA hired the editor as a ghost writer. It was a defensive move at first, designed to return Ross Runnels to full-time consulting while allowing KSA to meet the rising demand for articles and speeches. It quickly became a full-time communications activity.

KSA has produced literally hundreds of articles, slide shows, movies, speeches, and think-pieces over the last 50 years, and most of these have provided substantive information for tens of thousands of business executives in all parts of the world.

KSA has been a "good citizen" of the industries it serves by contributing thousands of hours of work with trade associations, schools, and the government. We have also helped our industries and ourselves by instituting events that have become calendar fixtures.

The annual Apparel Education Foundation Dinner had its origin in Kurt Salmon's Retirement Dinner in 1974. The AAMA's Apparel Research Conference got its start when Jack Murray led a two-day symposium on fusing. KSA's annual Financial Breakfasts have put the bottom line in focus for apparel, textile, and footwear executives for many years.

The accounting manual that Phil Lutz and other KSA systems specialists created for AAMA has guided apparel companies of all sizes, and is updated regularly. Our 1970 report on material utilization, prepared by Jim Trautman for the Apparel Research Foundation, was a landmark study. In the late Seventies, we produced Delphi Surveys of the apparel, knitting, hosiery, and yarn industries that stimulated those sectors to think about their futures.

Among consultants, KSA stands out as a leading specialist organization with a long history of quality performance. We remain the largest soft goods consultant in the world. Since 1954, KSA has been an active member of acme, The Association of Management Consulting Firms.

We are equally proud of our connections with former associates who went on to key management positions in other companies, and who assumed leadership roles in their industries — John Nicholson of Tennessee Apparel, Howard Cooley of Jockey International, Jim Fry of Ti-Caro, Bob Solomon of Charleston Hosiery, Bill Smith of Levi Strauss, Al Gonsalves of Palm Beach, John Harry of Hartmarx, Hal Wilson of Neiman-Marcus, Stuart Hollander of Vantona Viyella, Harry Lack of Jaeger, and others. Through all of its alumni, KSA continues to have an impact on its many environments.

Without high quality client work, of course, there is nothing to communicate, and no impact to be made. That has always been the source of any success we have enjoyed in external communications.

Karl Striegel retired in 1976, two years after Kurt, and **Stig Kry** replaced him as chairman. During Karl's 16-year tenure as president, the company had enjoyed one of its greatest periods of growth. He had a memorable impact on several levels of KSA consultants, and on the apparel industry itself.

Some of those whom Karl had trained were now assuming major management responsibilities in KSA. During the following year, **John Wilcox** began phasing into the responsibility for all apparel industry activities, allowing **Dean Vought** to concentrate on large international projects such as a global export study for the Department of Commerce (45 countries, 21 consultants, 16 months) and building an apparel industry in Jamaica.

Ralph Ross handed the GM&M baton to **Bob Frazier**, and **Dave Cole** assumed responsibility for the Management Services Division, including marketing, systems, and distribution. Reflecting the growth, consolidation, and more complex management challenges in soft goods, those three services each surpassed \$1.5 million in fees by 1980.

During the late Seventies, KSA became actively involved in many new markets. As noted, our training work had brought us into mining — chemicals, coal, salt — and that activity prospered for several years. A large project for Holiday Inns stimulated the ambitious launching of a hospitality group, and a formal home furnishings effort was organized.

Meanwhile, KSA continued to expand in its core markets — apparel and textiles — and made steady progress in footwear, retailing, and health care. Although our growth in sales and staff continued, it was at a slower rate. While we had developed new services and markets, and were now active in more parts of the world, it was becoming difficult to maintain a clear focus in so many

A Tribute to KSA's Faculty

by Howard Cooley

Every institution of higher learning (and KSA is surely one of those) earns its reputation based on the ability of its faculty to impart knowledge. From Kurt's basement to Roydon Wear, from the unpaved streets of East Prairie to the board room of Hart Schaffner and Marx, the instruction that I received from the faculty was clearly the most significant part of my education.

Kurt Salmon: "Follow up" . . . "Spend company money as if it were your own."

Nora Tankersley: "Watch their hands, see that their fingers are on the top of the material and their thumbs are underneath."

Karl Striegel: "It's okay to drive yourself, but you have to lead others."

Bob Malburg: "Train the floor lady and sell the floor lady, and she will train and sell everyone else."

Jack Johnson: "Play it by ear" . . . "Follow up."

Bob Pee: "Follow up" . . . "Give the credit to others."

Jack Ullman: "Don't shoot from the hip" . . . Follow up."

I would like to have spent more time person to person with Kurt. However, the contact that I had with him has had quite an impact on my life and I feel that his teachings were passed on to me constantly by KSA's faculty, and I in turn did my best to pass those teachings on to the younger consultants with whom I had contact. I trust that the tradition will continue.



different directions. Two major recessions had not helped matters, and overall results in the Seventies were mixed.

Growing Pains and Self-Analysis.

In retrospect, this was a period of growing pains that had to be endured. Significant changes had taken place in the nature of our practice, the services we offered, and the clients we served.

For these reasons, KSA took a hard look at itself in 1980. A strategy audit concluded that we should remain specialists in those industries where our experience and technical skills could be combined to best benefit the client, while at the same time setting KSA apart from both generalist consultants

and lower cost technical competition.

Fashion-influenced consumer products were seen as the common denominator underlying the market/service combinations that constituted KSA's natural client base in soft goods. From it, our services could extend logically into related consumer products areas such as fashion accessories, footwear, recreational products, furniture, consumer electronics, and so on.

Where we had once used a production perspective to define what we did (improve productivity in labor-intensive industries), KSA's new and enlarged view now encompassed the consumption of those industries' products — and all the connections in between. KSA had taken the necessary steps to develop broader and deeper understanding of an entire galaxy of industries and how they interacted at all levels — the soft goods chain. Our challenge now was to make the entire system more productive in every respect.

Consumer Orientation.

Although the company's focus had shifted significantly by recognizing that it served clients whose ultimate purpose was to serve the consumer, we never forgot our original orientation. Operations remains KSA's major service, and



Displays of sartorial elegance such as this confirmed KSA's decision to explore fields other than apparel. From left, Gerry Turbyfill, Jack Murray, and Dean Vought in 1976.



At left, Peter Harding and John Wilcox help Freddie Wood (standing) mark his 25th year with KSA. They have managerial responsibility for textiles, personal consumer products, and strategy. At right, some other members of KSA's management team, which is over 200-strong and growing.

the need for more sophisticated sourcing strategies by our clients has stimulated significant recent growth in that activity. Refinements in tools and techniques may have changed the look of that service, but the ultimate goal of achieving higher productivity remains the same. After nearly 25 years of clipboards and Op Bulletins, **Zeb Roberts** put much of KSA's basic engineering paperwork into a microcomputer.

Following the exhaustive 1980 strategy audit, a new organization plan for KSA was implemented in 1982 to reflect our new directions. Four groups offering integrated diagnostic and implementation services to clients were set up: Strategy under **Freddie Wood**, Operations directed by **Ken Osborne**, Control managed by **Randy Nord**, and Distribution led by **Tony DeMaria**.

These groups would deliver services to the markets identified in four major areas: Personal Consumer Products (apparel, footwear, fashion accessories, recreation goods, etc.); Home Consumer Products (home textiles, carpets, furniture); Retailing, and Suppliers to those markets. In addition, regional market areas were emphasized. The ultimate goal is to organize regionally, with each area covered by its own service and marketing groups.

Dave Cole was appointed manager of all consumer products activities, responsible for service delivery to those markets. **Bob Frazier** was charged with developing the different markets and regions through a new, pro-active marketing posture. Instead of waiting demurely for inquiries, KSA was now going on the offensive in a professional manner by identifying markets and prospects, developing topical and relevant pre-proposal presentations for them, and suggesting diagnostic studies where appropriate. **John Wilcox** was charged with developing the largest market — Personal Consumer Products.

The other 5% of KSA's practice not

directly connected to consumer products — health care and hospitality — were treated separately on the new organization chart. **W. Barry Moore**, an experienced health care consultant, took over KSA's activities in this area in 1984. With new interest in both cost containment and competitive marketing, hospitals are now benefitting from the synergism that KSA's integrated services can offer.

KSA's European affiliates had grown to represent over 20% of our world-wide fees, but there were different economies to deal with, and the going was not always smooth. The 1980 recession in Europe prompted a leaner organizational structure, with more autonomy for each office.

Under the leadership of **Bob Fitze**, **Hans Horst Hensche**, and now **Hardy Artelt**, KSA's West German region became the largest European affiliate, with close to 30 professionals. In the UK, **John Beddows** now manages the efforts of some 23 consultants, and the Barcelona office is headquarters for another five staffers, under **Alberto Figa-Beleta**. An office was opened in Hong Kong in 1982.

The changes brought about during this two-year period of self analysis and reorganization marked the end of KSA's third major development stage — and the beginning of our future. All the elements necessary for putting the company into new and wider ranging orbits are now in place. Fifty years of hard work and commitment to the standards of excellence set by Kurt will supply the thrust to get us there.

The transition to the next generation of KSA management has started. **Dave Cole** was designated President and chief operating officer in 1983, with **Jack Ullman** rotating to Vice Chairman.

At the same time, **Bob Frazier** was appointed an executive vice president, and **Ken Osborne**, with responsibility for the largest segment of KSA's prac-



Bob Frazier



Ken Osborne



Jack Ullman



Randy Nord



Tony DeMaria



Jim Giddings



Barry Moore



Jim Trautman

tice — operations — was promoted to senior vice president.

Management Without Shoulders.

As in the past, KSA's management group resists neatly drawn boundaries, and precise definitions are hard to come by. One of the firm's traditional and unique characteristics is that **everyone** manages his or her responsibilities — from the "manager" in an office to the consultant in a client plant, or the support staffer in front of a computer.

Along with their insistence upon quality work, Kurt and Karl "managed" by letting everybody else manage his or her own responsibilities, and would only step in to share a problem if invited, or in case of fire. Thus, while there are always shoulders to lean on for help, professionals do not look over their fellow professionals' shoulders at KSA.

A recent count shows that those with primary responsibility for managing specific services, markets, or regions for KSA had an average age of 40, ten years younger than the company they are guiding into its next half-century of exciting challenge and growth.

Looking back over our first 50 years, we have seen continued development from the one-dimensional to the multi-dimensional — all of it in logical response to our clients' changing needs. Our story is also one of meeting the challenges of growth so necessary in a dynamic, professional environment.

KSA began as a single function (manufacturing) specialist in one industry (apparel), active in one part of the United States (southeast). To manufacturing we added personnel, then management systems, and in due course became a full-service consulting firm. We added textiles to apparel, then retailing, and today we serve clients in a wide range of consumer products and service markets. From our regional beginning we have developed a truly international practice. From our earliest projects, we have always been prepared to implement our recommendations to clients.

As we look forward to our next 50 years, we believe that our practice will develop along the same continuum. This anniversary is an important milestone, but not a crossroads.

Integrated Service.

The next logical and critically important step will be the integration of all functions of management to help achieve the best total result for our clients. Strategic business planning aims at that objective, and so does the concept of total productivity. Our control and distribution practices are developing along the same lines. The growing emphasis on flexibility and quick response time will require integrated systems for planning and control, from line planning through distribution, on a world-wide scale.

The world now recognizes the interdependence of one industry upon others. This is certainly the case with all the links in the soft goods chain, and between the manufacturing and distribution sectors. The single industry perspective of the competitive environment is rapidly widening to encompass a total system view. KSA is uniquely equipped to facilitate this long needed development.

In the past we have served many clients in many countries. We are now serving multinational clients, who distribute in many markets while sourcing their products wherever it is most advantageous. National boundaries are fading in the new world economy. The most complex international sourcing strategy will still require straightforward, unadorned implementation to make it work, however.

These developments will affect all of KSA's serv-



Stig Kry



Dave Cole

ice groups. They will place new demands on our expertise and our ability to resolve complex problems — and that represents another continuum. As we develop our ability to handle new complexities, we must, as always, continue to strive for excellence in the individual services we offer.

Individual Development.

We will continue to emphasize the humanistic corporate culture that has made KSA such a special place for 50 years. We care about the individual and accept the obligation to provide a stimulating and rewarding career environment to each of our associates. This is one of Kurt's particular legacies, and it has always distinguished KSA from most of our competitors. As we grow and diversify, this will become a greater challenge and, therefore, become all the more important. KSA could not be KSA without that concern for the individual.

Part of that concern is the necessity to be commercially successful. Only then can we provide the rewards necessary to attract and keep the high caliber people KSA needs, and to generate the capital to invest in research, development and growth.

A Commitment to Excellence.

All of this leads to the one overriding objective to which we must remain committed: excellence of service to our clients. This has been the hallmark of KSA for 50 years.

Everything else we want to do depends upon our continuing ability to provide service of the highest quality, delivered with complete integrity. If we succeed in that, everything else falls into place. We can remain truly competitive on a world scale . . . and grow in any service or market area.

With continued quality of client services, integrity, and aggressiveness, we will achieve the continued excellence so important to everyone in the firm. We must all rededicate ourselves to that reality — as we meet the exciting challenges ahead.

—Stig Kry

—Dave Cole