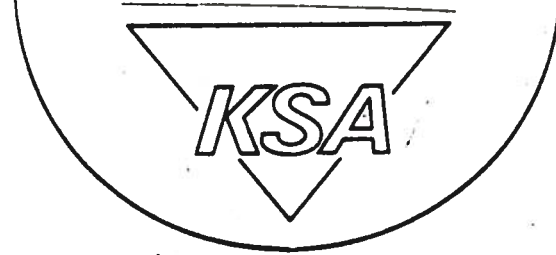


The Changing Face
of



JACK ULLMAN
STAFF MEETING
MARCH 1980

THE CHANGING FACE OF KSA

THE DECADE OF THE '70s

THE DECADE OF THE '70s SAW DRAMATIC CHANGES THROUGHOUT THE WORLD AND CERTAINLY IN THE U.S.

AND KSA DID NOT ESCAPE CHANGE -- SOME PLANNED AND SOME OPPORTUNISTIC OR REACTIVE.

WE WEATHERED TWO RECESSIONS DURING THE DECADE, AND THEY CERTAINLY CONTRIBUTED TO SLOWER GROWTH AND LOWER PROFITABILITY THAN WE SHOULD HAVE LIKED.

WE COPEd AS BEST WE COULD WITH A DEBILITATING INFLATIONARY SPIRAL. WE AND THE REST OF THE COUNTRY -- AND MUCH OF THE WORLD -- ARE STILL TRYING TO LEARN HOW TO OPERATE AND LIVE IN THESE TIMES.

WE SAW DRAMATIC CHANGES IN THE INDUSTRIES WE HAD SERVED OVER THE YEARS. AND WE GEARED OUR PRACTICE TO MEET THESE CHANGING CONDITIONS.

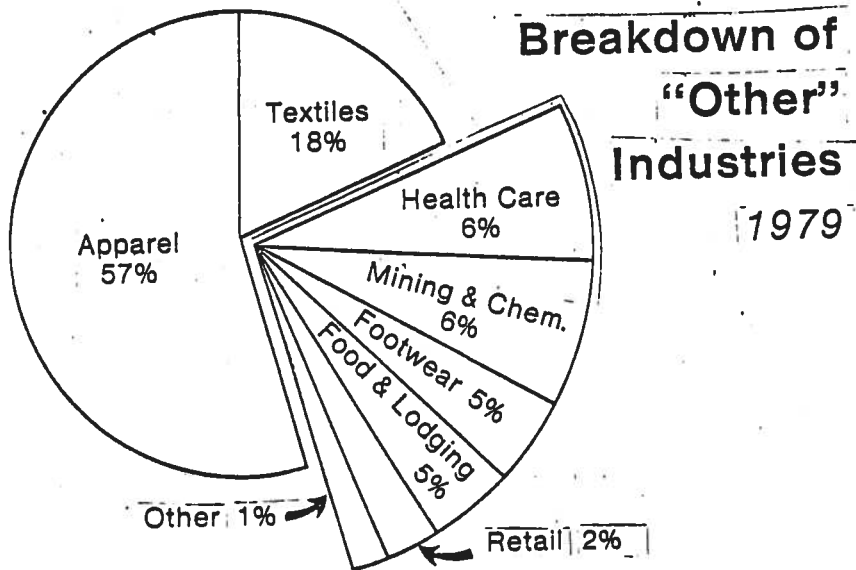
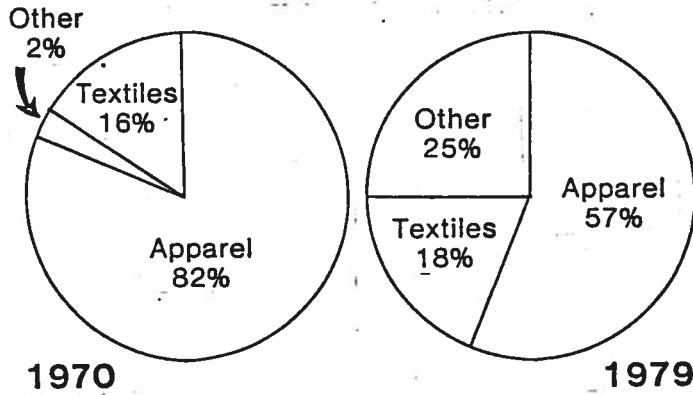
STIG HAS TOUCHED ON THIS SUBJECT BROADLY FROM AN OVERALL KSA WORLD-WIDE PERSPECTIVE. I'D LIKE TO ELABORATE A BIT FROM A KSA-USA PERSPECTIVE.

FIRST, HOW HAVE OUR PEOPLE CHANGED? KSA IS REALLY ONLY PEOPLE. MOST OF KSA-USA IS HERE TODAY. LET'S LOOK AT OUR PROFILE:

THAT'S QUITE A SHIFT IN THE PROFILE OF KSA PEOPLE. NOW, LET'S LOOK AT SOME CHANGES IN OUR PRACTICE.

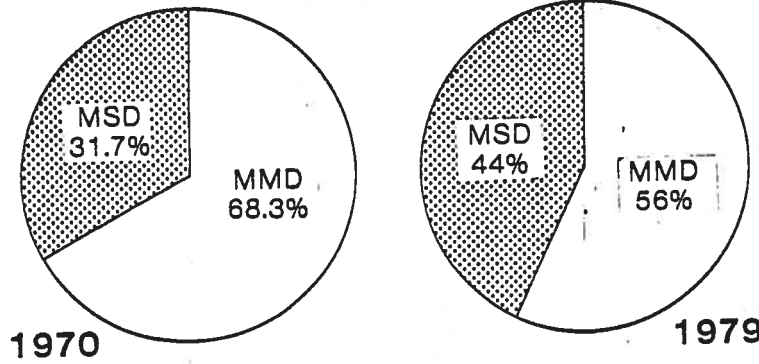
PERHPAPS THE MOST DRAMATIC CHANGE HAS BEEN IN THE MARKETS WE SERVE. WE ADDED FIVE NEW INDUSTRIES TO OUR PRACTICE DURING THE '70s.

KSA/USA
Distribution of Billings by Industry

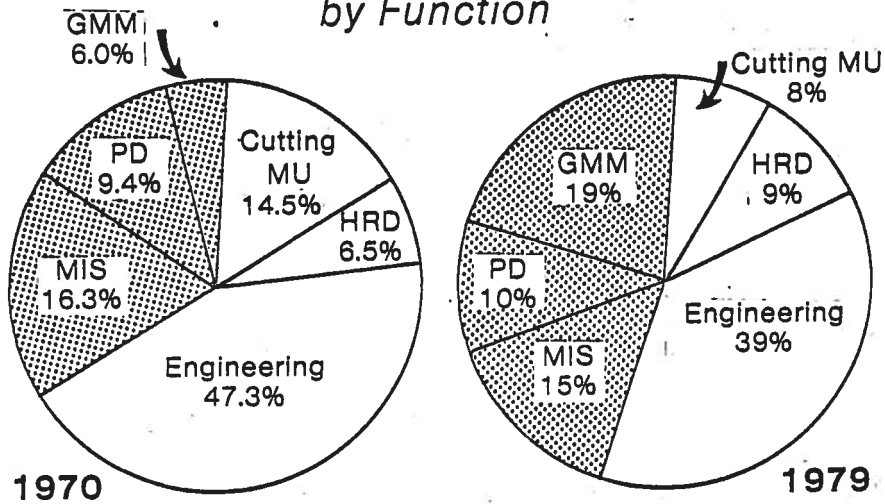


AND WE SHIFTED OUR SERVICES -- DEVELOPING NEW ONES TO MEET THE NEEDS OF OUR CLIENTELE IN THE CHANGING ENVIRONMENT OF THE '70s.

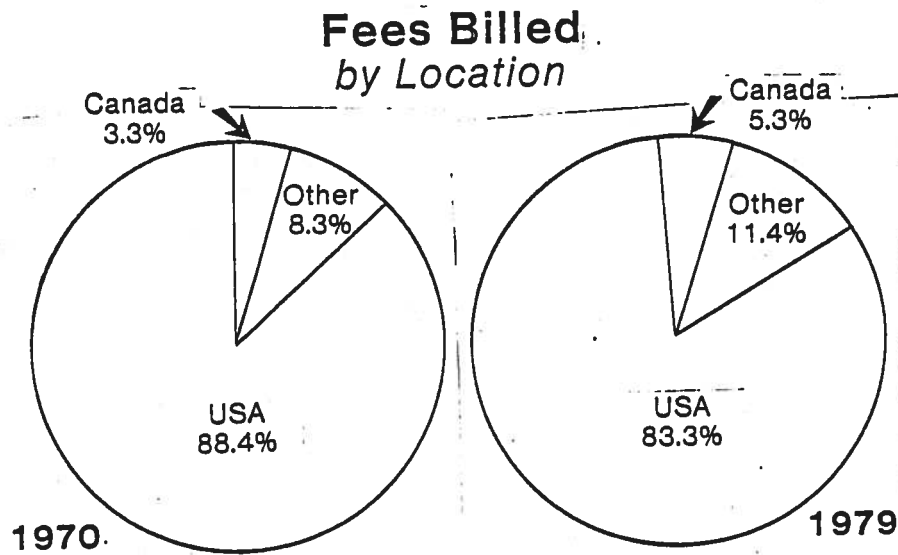
USA Fees Billed
by Division



USA Fees Billed
by Function



AND WE ALSO FOLLOWED OUR - STILL PRIMARY - TEXTILE AND APPAREL INDUSTRIES AROUND THE WORLD:



THESE FEW ILLUSTRATIONS SHOW THE CHANGING NATURE OF KSA'S PRACTICE OVER THE DECADE OF THE '70s.

WE'VE USED CIRCLES TO SHOW THE CHANGING FACE OF KSA OVER THE PAST TEN YEARS.

SOME PEOPLE CALL THEM "PIE CHARTS".

I PREFER TO VIEW THEM AS CIRCLES. THE CIRCLE IS CONTINUOUS WITHOUT AN END OR A BREAK. IT REPRESENTS THE WHOLE OF KSA.

MANY OF US FIND OUR DAY-TO-DAY CONSULTING ACTIVITIES INVOLVE ONLY ONE SEGMENT OF KSA. AT LEAST FOR A PERIOD OF MONTHS OR PERHAPS YEARS, AN INDIVIDUAL'S ACTIVITIES MAY BE INVOLVED WITH ONLY ONE DIVISION, ONE FUNCTION, ONE INDUSTRY OR PERHAPS A COMBINATION OF INDUSTRY AND FUNCTION.

IT'S QUITE NATURAL FOR PRIDE -- PERHAPS ACTUALLY BRIDGING ON PAROCHIALISM -- TO DEVELOP. AS WE INTERACT WITH OTHERS IN THE SAME GROUP, THIS NATURAL TENDENCY FEEDS ON ITSELF, AND WE MAY LOSE SIGHT OF THE FACT THAT WE ARE BUT A PART OF THE WHOLE CIRCLE THAT IS KSA. WE MIGHT BEGIN TO FOCUS EXCLUSIVELY ON OUR OWN PART OF THAT CIRCLE.

WE MAY TEND TO FEEL THAT OUR AREA:

IS WHERE IT'S AT!

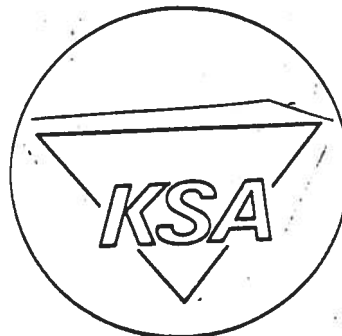
IS ALL THAT'S REALLY IMPORTANT!

IS CONTRIBUTING MORE THAN OTHER AREAS.

OR WORSE -- IS BETTER THAN OTHER AREAS.

WHEN THE NATURAL AND IMPORTANT PRIDE IN AND ENTHUSIASM FOR WHAT WE'RE DOING - INDIVIDUALLY OR AS PART OF A SMALL GROUP - BEGINS TO OVERSHADOW OUR TOTAL PERSPECTIVE AND IF WE BECOME HIGHLY PAROCHIAL ABOUT OUR GROUP -- THEN WE HAVE CROSSED THE LINE FROM THE HEALTHY ATTITUDE OF PRIDE TO THE DESTRUCTIVE AND DIVISIVE ATTITUDE OF PAROCHIALISM.

WE MUST GUARD AGAINST THIS AND REMEMBER:



KSA IS A CIRCLE WITH EACH SEGMENT -- EACH FUNCTION, INDUSTRY, COUNTRY OR REGION -- CONTRIBUTING TO THE WHOLE. EACH CONSULTANT AND EACH MEMBER OF OUR SUPPORT STAFF THROUGH HIS OR HER EFFORTS CONTRIBUTES TO MAKING THE KSA CIRCLE A TIGHT BOND THAT ENCLOSSES ALL OF KSA, MAKING IT A STRONGER WHOLE THAN EVEN THE SUM OF ITS PARTS.

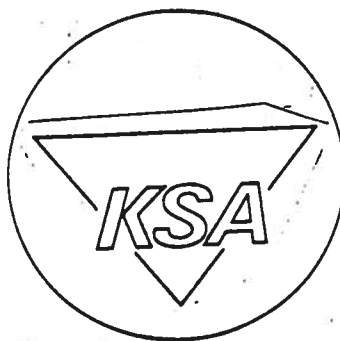
IN THE LAST ANALYSIS, IT'S THE RESULTS OF THE WHOLE THAT PROVIDE THE REWARDS -- BOTH TANGIBLE AND INTANGIBLE. THE PERFORMANCE OF THE INDIVIDUAL PARTS MAY FLUCTUATE FROM YEAR TO YEAR AS CONDITIONS CHANGE. THE DIVERSIFICATION WE'VE DEVELOPED OVER THE '70S WILL SERVE TO SMOOTH OUT THESE FLUCTUATIONS AS ONE PART OFFSETS ANOTHER.

EACH OF US MUST REMEMBER THIS. WE MUST TAKE PRIDE IN OUR PART OF KSA BUT BE MINDFUL THAT IT'S OUR CONTRIBUTION TO THE WHOLE THAT REALLY COUNTS. OUR PRIORITIES FOR DECISIONS AND ACTION MUST REMAIN:

THE CLIENT'S INTEREST FIRST
KSA'S OVERALL INTERESTS SECOND
OUR SPECIFIC AREA OF ACTIVITY THIRD

IF WE KEEP OUR PRIORITIES IN THAT ORDER, WE WILL ALL ENJOY

A GREATER SENSE OF ACCOMPLISHMENT
GREATER PRIDE IN OUR FIRM
GREATER REWARDS FROM OUR EFFORTS.



MOST OF YOU ARE NOW STOCKHOLDERS IN KSA. THUS, YOU OWN A "PIECE OF THE CIRCLE" - THE CIRCLE THAT IS KSA. VALUE IT! THROUGH YOUR COLLECTIVE EFFORTS THAT CIRCLE WILL WIDEN AND GROW EVER STRONGER.

THIS MEETING



THE THEME OF THIS MEETING IS "EXCELLENCE AND CREATIVITY IN KSA'S CONSULTING PRACTICE".

WE'RE HERE TO HAVE SOME FUN AND ENJOY BEING WITH OLD FRIENDS AND ASSOCIATES, AS WELL AS TO MEET OUR NEW COLLEAGUES. BUT WE'RE ALSO HERE TO BECOME BETTER INFORMED ABOUT KSA'S PRACTICE. THE ENTIRE PROGRAM HAS AN EXTERNAL FOCUS. CONSULTING IS WHAT WE DO. EXCELLENCE IS WHAT WE STRIVE TO DELIVER, AND THIS DEMANDS CREATIVITY IN THE SERVICES WE DEVELOP.

FOURTEEN SESSIONS HAVE BEEN STRUCTURED TO DEMONSTRATE SOME OF THE SERVICES WE'RE PROVIDING FOR OUR CLIENTS. EACH OF US CAN PICK OUT SEVEN. IT'S A TOUGH CHOICE, BUT SELECT THOSE WITH THE MOST APPEAL TO YOU - THOSE THAT WILL BROADEN YOUR PERSPECTIVE OF KSA.

THE SESSIONS WILL BE LONG ENOUGH TO PROVIDE AT LEAST LIMITED DISCUSSION, BUT THEY WILL MOSTLY:

- WHET YOUR APPETITE,
- EXCITE YOUR DESIRE TO LEARN MORE IN THE FUTURE.
- GIVE YOU A FEELING THAT DESPITE THE CHANGES EXPERIENCED IN THE DECADE OF THE '70s, KSA REMAINS IN THE FOREFRONT OF CONSULTING WITH EXCELLENT CREATIVE SERVICES TAILORED TO THE SPECIALIZED NEEDS OF THE INDUSTRIES WE SERVE.

THE DECADE OF THE '80s

WHEN WE LEAVE HERE WE SHOULD HAVE OUR BATTERIES RECHARGED, BE MORE AWARE OF WHAT OTHERS IN KSA ARE DOING AND BE CONFIDENT THAT KSA IS BETTER PREPARED FOR THE DECADE OF THE '80s THAN WE WERE FOR THE '70s TEN YEARS AGO.

OUR INDUSTRY AND SERVICE DIVERSIFICATION, THE QUALITY OF OUR STAFF, AND THE CONTINUING COMMITMENT TO EXCELLENCE ALL CONTRIBUTE TO ASSURED SUCCESS NO MATTER HOW DIFFICULT THE TIMES.

WE ALL WAITED THROUGH 1979 FOR "THE OTHER SHOE TO DROP" AND THE RECESSION TO BEGIN IN THE U.S.

IT DIDN'T, BUT CERTAINLY THE STORM CLOUDS HAVE DARKENED, AND WE'RE FEELING THE EFFECTS IN SOME AREAS.

FORTUNATELY, THUS FAR OUR INQUIRIES AND CONVERSIONS HAVE HELD UP REASONABLY WELL AND OUR PERFORMANCE FOR THE FIRST QUARTER SHOULD BE CLOSE TO PLANNED.

THERE ARE WEAK SPOTS AND AS THE EFFORT TO CONTROL CREDIT AND DAMPEN INFLATION TAKES HOLD, WE MAY SEE A SIGNIFICANT LESSENING OF DEMAND FOR SOME OF OUR SERVICES.

BUT WE CAN MEET THAT CHALLENGE, TOO. WE'LL HAVE TO BE MORE INNOVATIVE AND MORE CREATIVE, NOT ONLY IN THE SERVICES WE OFFER, BUT IN MARKETING THESE SERVICES AS WELL.

FOR THE NEXT FEW DAYS, HOWEVER, LET'S CONCENTRATE ON THE THEME OF THIS MEETING:



Excellence
and
Creativity

- ENJOY THE SESSIONS
- ASK QUESTIONS OR PROVIDE ANSWERS FOR YOUR COLLEAGUES
- ENJOY THE RECREATION AND COMPETITION
- AND MAKE IT A POINT TO MEET EACH OF YOUR COLLEAGUES AND THEIR SPOUSES WHOM YOU MAY NOT KNOW. TAKE ADVANTAGE OF THESE SESSIONS TO SPLIT UP (NOT YOU AND YOUR SPOUSES), ATTEND

SESSIONS IN MIXED GROUPS, NOT WITH THE SAME PEOPLE YOU WORK WITH. YOU'LL LEARN MORE ABOUT THE SUBJECTS AND MUCH MORE ABOUT KSA.

IT'S YOUR MEETING. GET THE MOST OUT OF IT! YOU'LL LEAVE WITH A RENEWED FEELING OF CONFIDENCE AND PRIDE THAT YOU'RE ASSOCIATED WITH THE BEST GROUP OF PEOPLE IN THE WORLD.