

# Changing of the

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**N**EW YORK — American textile and apparel houses will continue to go overseas for production, in the opinion of a trio of Kurt Salmon Associates' top executives.

Reasons for using off-shore production, they explained, are availability of labor and increasing distribution opportunities as international trade barriers continue to fall.

The trio, who emphasized that "free trade is here to stay and we'll see more of it," are Stig A. Kry, vice-chairman of Kurt Salmon Associates; John J. Ullman, president; and Freddie H. Wood Jr., senior vice-president. These three are part of a broader management group assigned jointly to operate the company following retirement of founder Kurt Salmon.

They make up the new management team along with Karl K. Striegel, 57, board chairman; K. Dean Vought, 47, executive vice-president; and Stuart D. Hollander, 42, senior vice-president (Europe). Salmon remains a member of the company's executive committee.

U.S. textile concerns have "a poor track record" in establishing off-shore production facilities, according to Wood, who specializes in textile industry problems and heads KSA's Human Resources Development Division. He pointed out that apparel firms go overseas because it's less expen-

sive for them to establish production facilities than it is for textile companies.

"However, textile mills must eventually face up to what's going on," said Wood, "and as more U.S. apparel firms establish themselves off-shore, the mills will have to go there, too, in order to supply them with the needed textiles. Otherwise the apparel firms will search out foreign mills near their plants.

Ullman, though, warned that producers of high-fashion textile products will find operating off-shore rough because of their special need for good supply lines and their acute time schedules.

"FASHION OPERATIONS will have to stay in the U.S. for a long time, said Ullman. "Only producers of staple products can move off-shore and reap the benefits of the labor market. But it is the producers of fashion products who will manage to keep their inventories down and keep their costs close to their vests."

Ullman, whose experience with Kurt Salmon Associates covers almost all categories of apparel production, was sure that apparel producers and retailers will feel the effects of inflation on goods prepared for sale next spring.

"At that time," he cautioned, "we will feel the

full impact."

A major cause of the inflationary pinch, he said, would be the new minimum wage.

Apparel producers can offset the higher minimum wage, Ullman pointed out, by taking several steps. He ticked them off as:

- Operating from overseas bases.
- Producing for more seasons.
- Changing styles frequently.
- Keeping inventories down.
- Improving customer service.

And equally important, he added, is increasing productivity.

"We've seen a great deal of progress on increased productivity in the past 10 years," Ullman recalled. "In 1964 it took 18 minutes to make a durable press shirt, while today it takes 10 minutes. There have been similar improvements in slacks production."

Kry pointed out that similar productivity improvement — which he characterized as "dramatic" — had been made over the years in men's suits through the use of less hand work and by the use of fusible fabrics.

In addition to his corporate duties, Kry has over-

## About KSA's Executives

**V**ice-chairman Stig Kry, 45, joined Kurt Salmon Associates in 1958. Worked originally in production engineering area. Prior experience: Worked for apparel manufacturers in his native Sweden and U.S.

President John Ullman, 48, native Chicagoan, has strong background in apparel engineering. Joined KSA following graduation from Cornell University in 1950 with BS in industrial engineering. Was KSA's Atlanta district manager until 1962 when he was promoted to vice-president with direct responsibility for all of firm's apparel engineering work in the South. Named president in '73. HQ'd in Atlanta.

Freddie Wood, 42, has BS in industrial engineering and textiles from Georgia Tech. Joined KSA in 1956 as staff consultant. Became director of firm's British affiliate, then director of KSA-Europe. Named vice-president of textile division in '66.

all responsibility for Kurt Salmon Associates' Management Services Division which covers marketing, management systems and physical distribution services for apparel and textile houses and for retailers.

Steering the three-way conversation around to the subject of technology, Wood said: "There have been more technological advances production than in apparel production."

**TO OVERCOME** the lack of technological advances available to apparel producers, said Ullman, they must pay more attention to methods of motivating employees if they want to boost production.

Wood interjected that management must aim to get greater return on capital investment.

Ullman: "Plans must be made and followed all the way through for total productivity. There must be fewer interruptions of the production program.

"We are just on the verge of using computers effectively for planning and production. However, a manufacturer must use the sophisticated equipment on his three shifts to make it worth while.

DNR Photos by NICK MACHALABA



Ullman

# Guard

The more progressive firms are making use of the latest technological advances but there are a great many manufacturers who are still using obsolete equipment.

"There is no reason why small manufacturers cannot make use of such simple things as automatic thread trimmers, or to set up a statistical quality control program.

"The real impact of sophisticated production equipment is felt by those firms with at least 200 employees."

Smaller firms, Wood believes, can find their niche in the market by the individualistic styling of their garments, by customer service and by marketing programs.

Kry: "A manufacturer must ask himself about his company, 'What do we want to be? How big do we want to get? Can we compete with off-shore competition?' And then he can judge how deeply he wants to get involved with some of the technological advances available to him."

Wood: "As textile plants become more capital-intensive they may go to six- or seven-day production schedules, as did fiber plants, to get a high return on investment. As the apparel industry becomes more capital-intensive, the same thing may happen."

WOOD, THE SPECIALIST in developing human resources, shifted the conversation to the subject of the labor shortage, a problem which plagues both the textile and apparel industries. He stressed the point that companies in these fields must have job enrichment programs.

"A manufacturer must have 'a benchmark,' said Wood, "to recognize people's contributions. He must recognize responsible and dependable employees — the no-problem employees. Eighty per cent of the workers are 'problems.'"

Responsible employees, he continued, would like to be recognized for their efforts through some type of special treatment, such as reserved parking spaces at the plant or by being asked to get involved in on-floor planning and production problems, to cite just a couple.

Before too long, said Wood, some of the 'problem' employees will see what is happening and will want to become part of the same picture. Eventually their attitude would change, Wood predicted, and their productivity would increase. Getting these workers involved in solving management and production problems, Wood said with emphasis, would go a long way toward boosting morale.

"In many cases," he said, "the employees have suggested methods of improving production and have indicated in which departments the staff could be reduced."

Ullman: "We must turn the people 'on.' Any manufacturer worth his salt will tell you that many a time it was the man on the machine who came up with the good new idea."

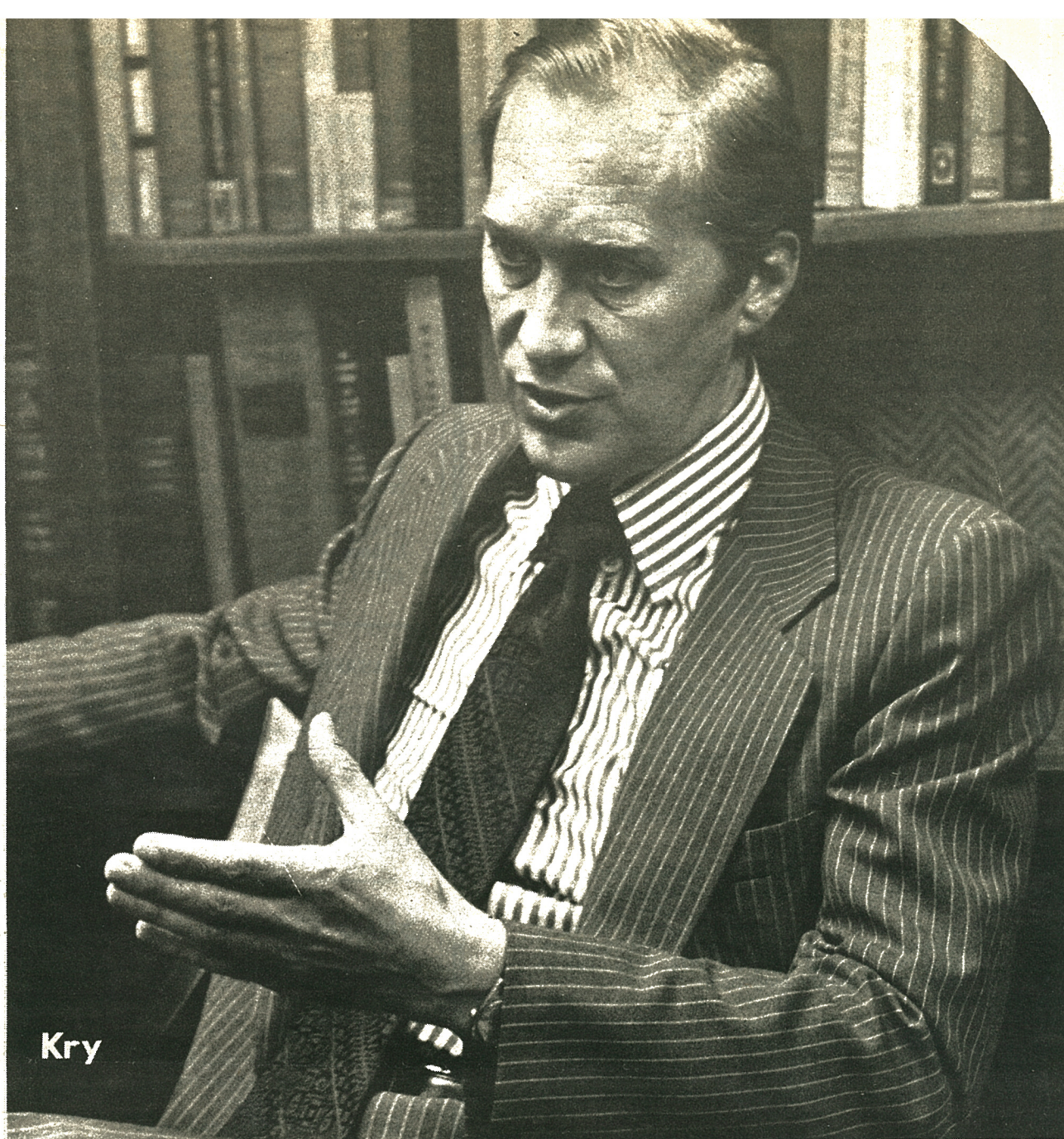
Kry: "We must make the worker's job less boring by boosting his responsibilities. This will increase his productivity and encourage others to follow suite."

Wood pointed out that it's important to motivate the new worker early in her career.

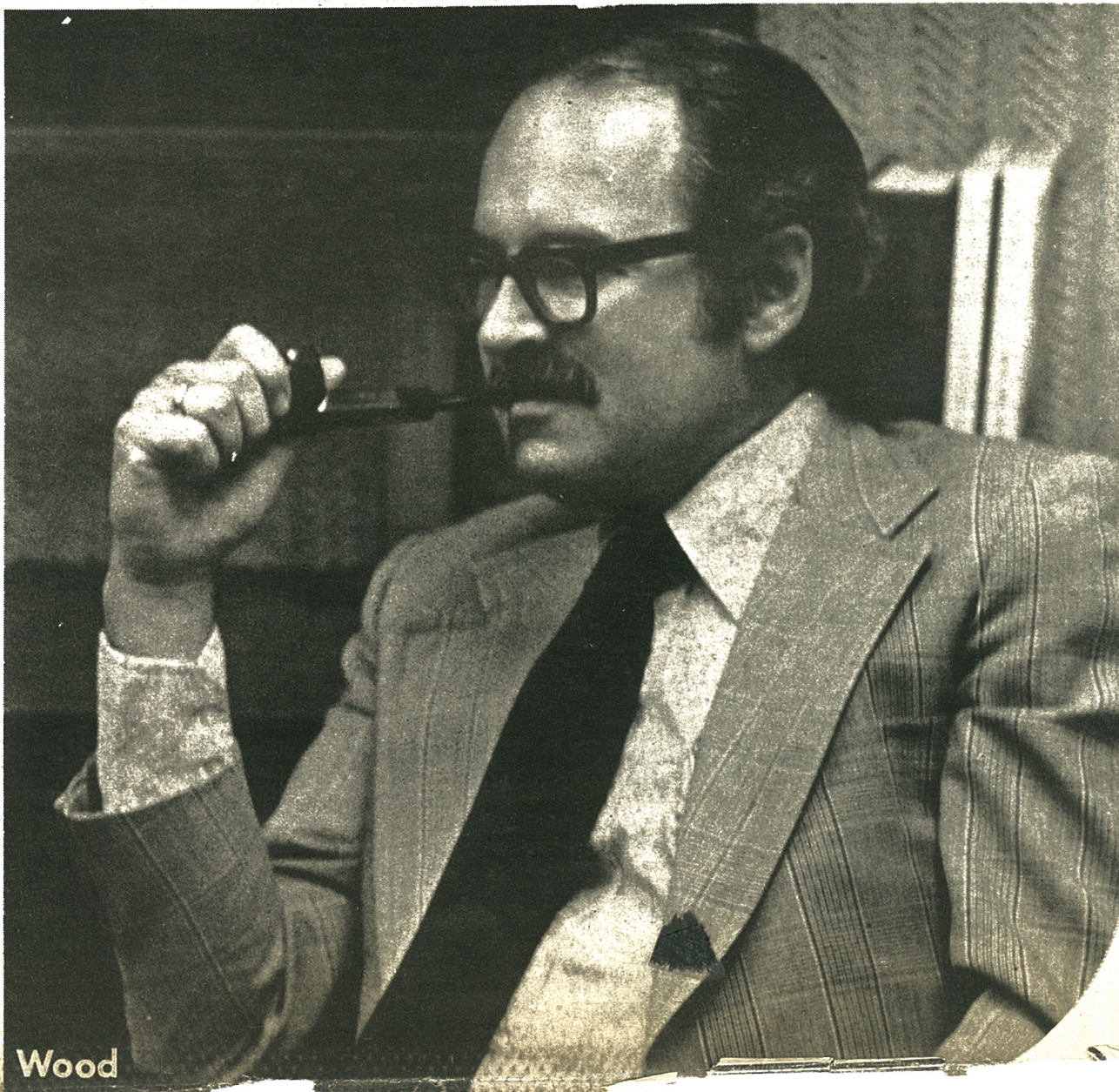
Ullman: "No apparel producer is too small to get more out of his employees. Since 54 per cent of the goods are made by 15 per cent of the manufacturers who can use sophisticated equipment, 85 per cent of the firms, which cannot adopt major developments, can do a better job with their people."

AS FOR KSA ITSELF, the adage, "the more things change, the more they are the same," applies here. According to Ullman, "KSA, under the new management team, will continue pretty much the same."

— MATTHEW KASTEN



Kry



Wood