

EVOLUTION OF KSA

BY

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I suppose the earliest roots of KSA are to be found in the genetic happenstance which forged me into a rather independent sort of a young man, who always had to know the Whys of everything and, more often than not, wanted to do things differently. In textile school in Germany, they referred to me as "The American", and I was never quite sure whether this was meant as an accolade or an affront.

In any event, I did come to America shortly thereafter, and the idea of adopting consulting as a profession (rather than just as an impertinence) first suggested itself to me when I was "drafted" by my employer to assist the staff engineer of a consulting firm they had engaged. My qualifications for this at the time were most eminent: I was the only guy on the payroll who could use a slide rule!

There were three principal things that attracted me to consulting as a profession, as a result of this initial exposure: First, the chance to roam about the plant, look for ways to improve things, being able to do this and to observe the results of my work without having to worry about shipping order #117, or the myriads of other repetitive routines which were the concern of the line organization. Second, the (to me) fabulous salary the consultant was earning and third, the equally respectable fee his firm was collecting--\$7.00/hour.

Since I was working in the hosiery industry at the time and the virtue of the old proverb: "Shoemaker, stick to your last" had been drilled into me in Europe, nothing seemed more natural than to try to pursue my ambitions by becoming a consultant in the hosiery industry. Repeated forays to hosiery mills within a weekend commuting radius proved conclusively, however, that it was necessary for others to see the logic in this as well. Though the direct labor costs of the plant in which I was working were 28% below those of published averages--a fact for which I took most of the credit as modestly as I could--I could not sell myself at any fee to a single hosiery manufacturer.

Well, the opportunity to become a consultant at last presented itself when the Washington Manufacturing Company of Nashville, Tennessee, a firm which had ten plants at that time, tired of another consultant they had and offered me a trial in one plant. It was apparel rather than hosiery--but it was consulting. It also meant

50% more than I was making--so, I made the switch and KSA was founded. The time was January 1935.

In the apparel industry, as well as in much of all industry, the cream was very much on top of the milk--efficiency-wise--in those days and the scooping off, to the tune of a 15-20% improvement, required only 6-12 weeks per plant. I worked through all ten of WMC's plants in a year or so and considered myself quite an apparel expert because the exposure had encompassed work pants, work shirts, sport shirts, dress shirts, play suits, coveralls, overalls, dungarees, and shop coats.

Still believing in the advantage of industry specialization, I pursued other leads in the apparel industry and, this time, was more successful than I had been while connected with the hosiery industry. It was not until 1937, when circumstances arose which made me realize how little of an industry expert I really was.

A Pennsylvania manufacturer had engaged me to design a plant for him to be built by the City of Waverly, Tennessee, and then to start it for him. The products were to be work shirts and work trousers. I was to have plenty of managerial help.

This turned out to be a cutter, a 65 year old manager, who spent half his time in the boiler room and the other half running to the post office--hiding out, and a very nice forelady who had been a shoulder-joiner at a nearby shirt factory. She turned out to be a very competent shoulder-joiner (a not very critical operation); not only did she know nothing about pants, she could not yoke, sleeve, fell, set collars, pockets or hem shirts.

Well, I had to teach myself these jobs from 8-11 in the evenings, hire trainee operators from 7-8 in the morning, convey my self-taught skills to them from 8-5 and supervise the inevitable ripping-out parties from 5-7. Under the circumstances, the quality of our products left something to be desired, as Roy Engman can surely confirm as he visited us there at the time.

It was on that job that I resolved: "If ever I get anyone to work with me, he shall not have to sweat blood like this and learn these things the hard way--he'll have a chance to be trained beforehand." (This, of course, is why your jobs are such a "snap" today!)

My main difficulty as a one-man consultant was trying to line up and survey the next job while I was enmeshed in the current one and thus avoiding idle time. At times, this proved impossible. Due to the "high caliber" of the work performed, however, I did, after a while, receive a sufficient number of requests for return-

engagements to build up a backlog. This brought on the further worry: How to make your clients wait.

It seemed time to look about for help. I tried the obvious thing first: One man. This resulted in his client wanting 1/2 of my time and being willing to give my client 1/2 of the other fellow's time with the unanswerable argument that "his money was just as good as that of the other client"--obviously an impossible situation. So, the inevitable question presented itself: How many men do I need so that I can refuse to do staff jobs myself and just sell, survey, and supervise? The slide-rule said 3.3; I felt a safety factor advisable and decided I'd gamble on 5--looked about and found four more.

My client--the Cowden Manufacturing Company of Kansas City, Missouri--permitted me to bring them in there for training and to take time off for visiting other prospects and clients. The time was 1938. By the time that 10-month job ended (the longest single assignment I had ever had), we had one man working in Baltimore, three in Missouri, and one in New Castle, Pennsylvania. Roy Engman was the sixth man and a replacement for number five, who had gotten the brilliant idea of trying to take over the job for "his account" while I was away for the Christmas holidays. That visit Roy had paid me in Waverly, Tennessee, two years before sure proved a God-send and he was one man who required no training!

I settled in Washington and hit the airways. We grew fairly rapidly from five, to about 12 men in 1941, by which time we had appointed our first two supervisors.

Our growth was, of course, retarded by the War. By 1945, we were up to 17 men and a volume of \$259,564. We had added the Systems and Personnel Divisions by that time--and continued to specialize in apparel manufacturing.

In the aftermath of successful sewing or cutting room assignments, our clients gradually turned to us for advice in an ever-growing number of problem areas. This not only was the bottom of our decision to start the Systems and Personnel Divisions but forced a number of us to become true management consultants to our clients.

Our growth has proceeded apace--especially under the dynamic leadership of Karl Striegel, who assumed the presidency in 1961, but was really running things for at least five years before, and it shows no signs of abating (\$733,000 by 1955 with 41 employees; \$3,322,000 by 1965 with 132 employees, including our foreign branches).

We have continued to add special functions in order to serve our clients with greater competence in these areas: Physical Distribution, Material Utilization, Operations Research and among these, are Statistical Quality, Labor Surveys, Plant Location Studies, Management Audits, AAMT.

Having diversified ourselves functionally and practicing on a broader plane, we asked ourselves after a few years of this: Might we be getting too successful as a business, selling the same techniques over and over, while failing to innovate?

The upshot of this was the acquisition of a research director in Bob Heiland, whose assigned function was to "keep us profound." SQC and FORSCOR are two of the specific contributions attributable to that move. More recently--guided by the same thinking--we added Lynwood Johnson so that we could offer Operations Research techniques, where called for.

To reinforce our ability to maintain a certain selectivity among our clients, we started a Textile Division in 1957. To hold fast to the principle which had served us so well--that of using men who knew an industry and were truly experts in its problems as consultants to that industry--we gathered to ourselves a staff of textile industry specialists.

This principle has served both our clients and us so well that we are dedicated to its continuation as, in the future, we may add other industries. We know the specialist can do a better job. We want to do the best job possible for our clients. Thus, we also feel the choice of specialist consultants is a dictate of conscience.

This leads to the logical question: What other principles have guided our practice: First, vis-a-vis our clients:

These principles are rather homespun and simple:

- To be honest with our clients.
- To treat them the way we would want to be treated--the golden rule, if you will.
- To promise no more than we are certain we can accomplish.
- To do our best to try to accomplish more than we promised.
- To place our clients' interests above considerations of our own financial gain.

It is perhaps an indictment of the existing general business practices that these simple principles should have served us so well. Apparently, however, they are somewhat in contrast with what many firms practice, or so we have often been told. Well, quite aside from oral and ethical considerations, we think it is intelligent selfishness to adhere to this simple set of rules and we are as firmly committed to them today as we ever were.

Vis-a-vis our associates:

We have always tried to share liberally the fruits of our joint efforts and felt that the firm had a responsibility not to keep unconscionable shares of the total profits to itself. One of the specifics of this policy--and one we are particularly proud of--is our Deferred Profit Sharing Plan, which we adopted nine years ago and which, by the latest reckoning, was worth \$706,274 or \$758,470, if we include employees' voluntary contributions.

A second principle we have assiduously practiced is to promote strictly on merit, not by seniority. If we, as a company, have any arrogance in our makeup, it is that we feel rather confident of our ability to recognize accomplishment and growth in individuals. So, if you trust us to be capable of objectivity in sizing up our own abilities, I can say to you, just do your job and trust us to know how to keep the score!

As you will learn from our discussion of the reasons underlying the recently completed survey of KSA, we approach the long-range problems of KSA with humility and objectivity and not with any arrogance spawned by our success to date.

As those of us who are at the helm of KSA today move over and make room for those of you who are moving up, I can bequeath to you no finer legacy than to recommend to you that you hold fast to the simple but important principles upon which KSA was founded and which have characterized its operations in these first 30 years. I have cited some of the specifics before. Let me paraphrase them once again, but in a different way here now:

Make sure you are truly knowledgeable in your field;

Apply your knowledge with tact and humility;

Be honest in all of your dealings with clients and associates.