

an “exit interview” with Kurt Salmon

MANUEL GAETAN, P.E.
Editorial Director

INTRODUCTION

Periodically we conduct interviews with the industry's leaders as a means of obtaining relevant information for our readers about events that are important to our industry.

Rarely do we conduct “exit interviews,” if you will.

However, Bobbin was fortunate to have been granted an exclusive interview with a giant of a man — founder of a company bearing his name which has over 250 professional consultants working in 14 offices in North America and Europe — a true leader and pioneer in our industry.

Since he is “retiring,” we figured that he should be entitled to speak more candidly than normally would be the case.

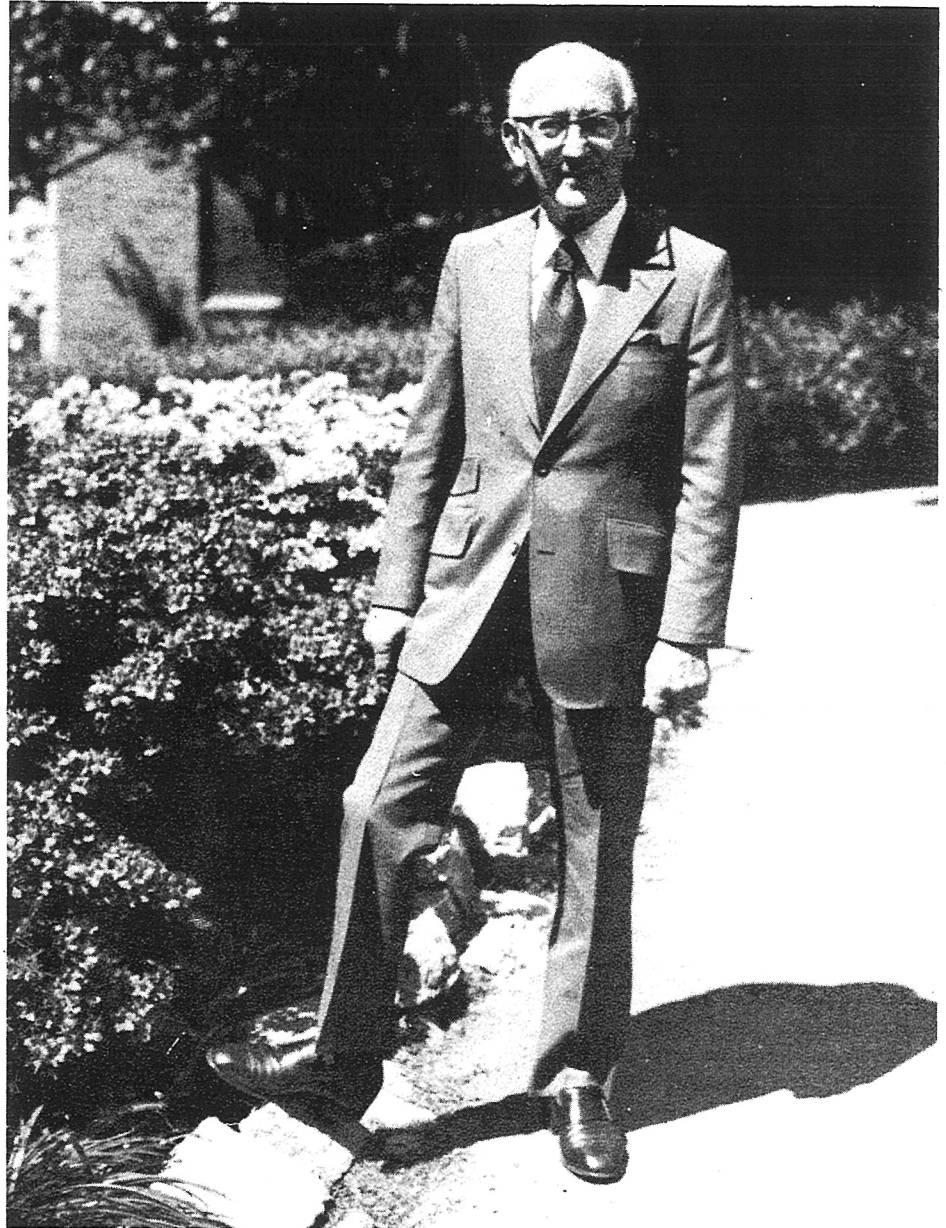
ALL PHOTOS BY THE AUTHOR

Bobbin (B): As a pioneer, you must have started your business with a deep sense of mission. Have you accomplished that mission?

Kurt Salmon (KS): I don't suppose one ever feels he has accomplished everything considered desirable at one time. In fact, it would be less than modest to say so, even if you felt that way. At the same time, I cannot help but feel a certain sense of satisfaction at the degree to which we were able to accomplish what we set out to do.

B: If you were starting today, are there things that you would do differently?

KS: I suppose that if I were starting today, I would be obliged to start differently, if only for the reason that, number one, industry itself is more sophisticated, and the simple industrial engineering techniques which were accepted with alacrity when I started in 1935 are nowadays practiced rather regularly by in-house staffs. Secondly, I



Kurt Salmon in the garden of his Washington home, located just a few blocks from his office.

would have more competition to take into consideration today than was the case in 1935. So to that extent, I benefited from having been an early bird, if you please.

B: What of KSA will be most memorable to you? What have been the

highs and the lows of your years at KSA?

KS: To dispose of the lows, first, we, as I suppose was the case with many American firms, underestimated the depth of the recession in '69-'71, and did not tighten our corporate belts, so to

speak, in time. Therefore, we were affected more than might have been the case had we been better economic soothsayers-prophets. As far as highs are concerned, I don't know that any one thing stands out more than anything else. We have managed to have a steady growth curve in these 39 years.

B: Has there been one specific project, one assignment that stands out as most memorable?

KS: That is difficult to answer fairly. At any given time, a certain project strikes you as an outstanding one, or one which is the first that you are proud of, only to be succeeded by others much more remarkable.

One particular one stands out in my mind. Actually, the last one I personally did as a staff consultant was the engineering of a complete shop of the Cowden Manufacturing Company, which at that time was in Kansas City, Missouri. It stands out, not because it was the last project I personally engineered, but for two other reasons: one, that it was the first union plant which I had an opportunity to engineer and where I was permitted to introduce what, at that time, was the system of the day—straight line system of production. And there was the necessity to sell not only the local union, but also the international union on the rightness of what we were setting out to do, which we managed successfully, management and I together, providing a certain amount of gratification.

The second reason why this project stood out, and stands out in my memory, is the fact that it was during that job that I started my organization. I had acquired one other engineer to assist me before that, and he was working, as chance would have it, 80 miles from Kansas City, at St. Joseph, Missouri. My client had permitted me to take off a half a day per week to go over there and supervise my engineer, but, after a while, the other client button-holed me one day and said, "Kurt, don't misunderstand us, we think the world and all of your man; he's doing a good job, but it's you that we've been hearing about, and what is the matter with our money? Why can't you spend half your time with us and half your time with Cowden?"

Well, this was a patent impossibility, and awakened me to the fact that I was

likely to be confronted with that sort of a question on every job as long as I personally continued to do installation work. Besides, it was reasonable to suppose that my man might be on a job in Boston the next time, while I might be on a job in New Orleans, and I wouldn't want to leave my reputation in his hands for safekeeping, no matter how good he was, without supervision, and you couldn't charge the Boston client for supervisory trips by air from New Orleans to Boston. I probably would have spent most, if not all of the profits that both of us could hope to make on such trips, so it led to the obvious question, "How do you extricate yourself and restrict yourself to surveys and supervision?" The slide rule said 3.3, and I introduced a little safety factor of possible idle time here and there, decided I needed five men, and set about to acquire four more. Now Cowden's permitted me to bring these other four men onto the job as I acquired them, and train them there by having them do work on a no-charge basis that they were paying me to do. This made it

up inquiries, make surveys, and supervise in a viable fashion, and no longer face the question that was put to me by the St. Joseph, Missouri, client.

B: Not every client can afford two or three senior engineers for one given project. Some must be "green or juniors," if you will, serving their internship but at the client's expense. Since this has been a source of criticism about consulting, would you please express your views about this?

KS: Yes, I would be glad to. We do 75% of our recruiting directly from the universities or graduate schools. We give these young men a six-weeks concentrated indoctrination course at our training center in Atlanta, Georgia. Then we attach them to senior staff men in the field, where they double up, do work delegated to them by the senior staff engineer, work of a nature that he judges them to be competent under his supervision to execute, and they literally learn by doing. For this we make no charge to our clients. We feel that the time required by our staff engineer to supervise these men and instruct them is



" . . . a consultant is no good to a manufacturer . . . if he cannot sell his ideas and get other people to accept them . . . "

possible for me to train them in my way, according to my ideas and methods, and to get them on to other assignments as that training was concluded. When my Cowden job was finished, I had an organization of five and was able to settle down in Washington and follow

time that our client pays us for, and it's a case of "noblesse oblige" that we in turn see to it that the client gets the better part of the bargain by getting the benefit of all of the work of this young man for nothing. The fact is that if we did not lean over backwards in our client's

favor, chances are our clients might not allow us to have such men there understudying the seniors, so that's only right.

This process takes anywhere from three to six months. By that time, the young trainee engineer becomes a junior engineer and is able to take certain simple portions of the job, let us say follow-up studies after a standard has been installed or plant layout work, or things of that sort, and do them by himself. To be sure, still supervised, but less strenuously so, less frequently so. Therefore, these men have by now considerable value to a client and are then charged to the client at fractional rates of those that we ordinarily charge. They are gradually promoted to junior staff, eventually to staff and then to senior staff, with their rates being increased to reflect their greater competence.

In all of this procedure, we have a senior consultant at hand to supplement the junior's experience, and we lean over backwards to make sure that our client always gets slightly the better of the bargain, because that's our prime objective, of course, to please our client.

B: You have been known to do recruiting on campus. How do you see the universities today as a source of talent to our industry, not only consulting firms, but sewn product firms as well?

KS: We have very satisfactory experience in our own firm in recruiting from the campuses because we feel we are equipped to impart to them in an organized methodical fashion the specialists' knowledge of the industries which we have chosen to serve.

By going to the campuses we feel we have several advantages. In the first place, we can get broadly educated men who, because of the breadth of their education, tend to be more flexible, and flexibility is one of the many requirements for a consultant who is confronted by a succession of different situations, different products, different problems in his consulting career. In the second place, we can seek men with certain functional specialties of which we may have a need in our organization. That could be marketing, it could be physical distribution, it could be in the human resources field, and, as far as the industry is concerned, we should think that the industry has two needs. They



“ . . . the satisfaction . . . that one had a little to do with the creation of, say, over a thousand careers . . . ”

need technicians, technically educated specialists, which several schools are now turning out, and they also need their share of generalists.

If the industry is prepared to institute a proper training and development program and is prepared to pay the price which is required to attract worthwhile graduates, there is no reason in my opinion why going to the universities or graduate schools, as well as the technical schools, should not serve the Sewn Products Industries equally as well as it has us.

B: There are far more ex-KSA engineers in top industry positions today than there are ex-KSA engineers consulting elsewhere. Do you regard KSA as a training ground for industry?

KS: We do not, per se, consider ourselves a training ground for the industry's needs, because if this were done deliberately and regularly by us, we would have a great deal more than a 7% per annum turnover, which we have enjoyed through all these years, and our fees would have to reflect this.

The life of a consultant is necessarily a nomadic life, so we try to accommodate our people after several years of their moving about by settling them down in one or the other of our offices. While this may settle the family problems, nevertheless, the men themselves still have to do a certain amount of travelling from assignment to assignment, albeit returning home on weekends. In some

instances, people cannot accommodate their families' requirements through this sort of life and then have to seek a position in industry. We know this to be the case. As a matter of fact, we use this as a selling point for recruiting on campuses, by pointing out to prospects that if they should decide they want to settle in industry after a certain number of years in consulting, they will find that after having been with an organization such as ours that their price tag will carry a premium. To that extent, we are happy to be able to provide career continuity, if you please, to a number of deserving young men.

May I supplement the previous answer?

B: Yes, please do. Go ahead.

KS: The second question which was implied in your question, “Why are your graduates in industry, rather than with other consulting firms?” is a question that concerns us also, and we feel that if we as an employer do the intelligent thing vis a vis our associates that there is no reason why they should find life with another consulting firm more interesting than with us. The way you posed your question seems to imply that we must have been reasonably successful in carrying out that philosophy.

B: That implication was intentional, incidentally.

With respect to things of personal value, what do you regard as most

memorable to you, not KSA, yourself?

KS: Well, there have been several. In the first place, the wonderful associations which come with a career of 39 years, the many people one meets, clients, other people in the supplier industry sharing their clientele with us, and secondly and undoubtedly the most satisfying thing of all, is the satisfaction in being able to reflect that one had a little to do with the creation of, say, over a thousand careers of deserving young men carefully selected, every one of them representing a choice of one out of seventy-five. In other words, we only employ one person out of seventy-five

you assess or appraise KSA at this point in history?

KS: I suppose the answer would depend on whom within KSA you would ask. If you would ask our public relations people, I dare say they would like to feel that they have related sufficient timeliness and depth to their public, so that everyone was promptly made aware of whatever new ideas KSA had to offer. In fact, we do work fairly hard within the confines of professional behavior to let people know what we know and what we can do, because we are a thorough believer in the old adage that not to tell what you know is like

basically is to see that we stay profound. We promise them that we will keep them practical.

B: Many firms are prisoners of their own success. They are happy with a false sense of infallibility that comes from sheer luck in business.

KS: We are humbled by some of the fresh young talent we acquire, and we have to constantly stretch ourselves in order to keep up with them or stay ahead of them. A number of years ago, we went to Lehigh University and hired our research director, who has done much to add profundity to some of our output and is now a generalist



Kurt Salmon, a patron of the arts, is shown here with a few of the paintings from his extensive collection.

people we talk to. This gives you an idea of why we have to have quite a sizable recruiting staff and why we go to thirty-six college campuses in order to find maybe twenty men.

B: The reputation of a consulting firm is usually five years behind the facts; that is, the industry is not aware how good a consulting firm has become or how much it has declined. How would

winking at a girl in the dark. You may know what you are doing, but she won't.

We work hard at staying ahead on as many fronts as possible of industry's own know-how, and we do this partially by the constant input of new talent from the graduate schools. We also do it by hiring professors who impress us for summertime projects and by having a research staff of our own whose job

consultant with us. Recently, we hired another younger PhD to perform the same function. We believe that a certain amount of mobility in research personnel is a good insurance against any intrusion of smugness, which is implied in your question.

B: Do you find that the industry is able and/or willing to absorb and apply all the technology that your staff possesses? Sometimes they feel they must apply it, and yet it is difficult for



them to convey these thoughts?

KS: Difficult for whom?

B: Is it difficult for you to bridge the gap between the profound and the practical as you were talking about? In other words, would we be further ahead if clients were receptive to a little bit more of the profound thoughts, but you cannot convey them because they cannot absorb them?

KS: One should not, of course, generalize. When you speak of clients, in our case, you are covering organizations with as few as 75 employees all the way up to Stevens, Van Heusen, Hart Schaffner & Marx, and giant organizations like that. Naturally the ability to absorb advanced theories varies among different organizations of different sizes and complexity.

We try to get around the problem implied in your question, Manny, in two ways. One, we are very implementation oriented. We like to hatch the eggs we propose to lay in our client's organizations or plants. We believe that too many executives' desks or shelves are replete with fancily bound survey reports by consulting organizations full of suggestions that are good, bad or indifferent which were never implemented or even attempted. Or, if

they were attempted, they were often attempted with less competence than is required to guarantee success and certainly less enthusiasm, because there was a lack of authorship there on the part of the people who were trying to implement them.

In the final analysis, our clients want results rather than suggestions. This is not only in the client's best interest, but it is also in the consulting firm's best interest, because their reputation is based on achieved results rather than produced suggestions. Aside from being implementation oriented and thus assuring the success of whatever ideas, profound or simply common sense, that we want to convey to our clients, we insist on finding someone either within or without the client's organization who can work with us and be trained in the procedures which we install and be the client's assurance that they will be carried on and survive the consulting engagement. This, too, is both equally to the client's and the consulting firm's best interest.

B: With so many consulting firms 'systems-minded,' who is there to take care of the small manufacturer's everyday manufacturing problems?

KS: There are several answers to this. In the first place, we encourage every client who is large enough to afford it, to have a resident industrial engineer to maintain the systems and procedures we may have installed in his shop. Whenever possible, these men are trained by our people during our work there.

When this is not possible, or a manufacturer has lost his resident staff and needs some work done, we are prepared to do it for him, perhaps on a retainer basis, if his needs are brief and intermittent.

Our philosophy is to confirm a client's ideas of where his problems are. If we agree, we are prepared to tackle them, however small, if it makes sense for us to be the ones to do so. If we disagree, we frankly tell our client so, even if it means we do nothing for him; for, it is more important to us to be doing the right thing for that client. He will come to appreciate it later on and will thank us for it.

Sometimes, our problem verification confirms the client's idea that he has a problem in Department X but also discloses other problems elsewhere,

perhaps with a higher priority. In such cases, we always present our client with the entire picture, including our suggested order of tackling problems and who should do what. The client does not always agree with us and, to be sure, we tackle the problem he wants us to deal with, but we make certain he has the opportunity to exercise that sort of judgment after he has learned how we see things.

A typical example is the case of a textile manufacturer who wanted us to work in the Finishing Room of one of his mills, where they hemmed, inspected and folded tailored bedspreads. Reason: Not competitive in the market place! After a few questions, it developed that, IF we could save him one-third of his costs in that department, he might be able to reduce his produce price by 1%. Obviously, this was insufficient and we began to look at his product costs



"... we are more concerned with the quality of our work than (with) any other factor..."

beginning in the opening room in his textile mill and working through carding, spinning and weaving where hundreds of thousands of dollars were waiting to be saved, before we worried about his hemming operations. This was a case where it paid the client to have the consultant find the "real problem" and go after that.

B: You talked about 7% turnover before. Is this normal in the consulting world? High, low, could you put that in perspective?

KS: From the best information I have been able to obtain through the Association of Consulting Management Engineers that we belong to, it runs closer to between 10% and 12% for the average consulting firm, so we consider ourselves very fortunate.

We work very hard at keeping that figure down, because that is directly related, as industry will appreciate, to a quality. If a sewing factory has 100% annual turnover, they have not only large excess costs, but a very difficult time turning out consistently high quality products. You can imagine the sort of products a professional firm puts out if they have excessive turnover. As a matter of fact, we like to restrict our growth so that we never grow more than 15% in any one year, because we find that when we have had a 23%, if you would like, growth year, we have to work very hard to assure the quality of our assignments. We much prefer a 10% growth year to a 20% growth year.

B: I can appreciate your concern which is reflected in your hiring one man out of seventy-five. In my position, I normally get calls where people would ask, "Well, what do you think about this or that consulting firm?" Perhaps because of my past associations and having been in the industry, my reply typically is that if they want an opinion on the "project engineer," I would give my opinion on the project engineer. I have seen so many cases where the project engineer has either made or broken a consulting firm by his particular performance on a given assignment, so you have to be very careful to send, say, an ambassador of KSA to a given plant. He has to enjoy your highest recommendation.

KS: You are so right, and we do several things along that line. One is the very careful, the very extreme care we exercise in our selection as is implicit when we employ one out of seventy-five people we talk to. But then we continue the screening, both during the indoctrination and the training period, and we are quite ruthless in terminating people who do not measure up during that period, who, as a matter of fact, represent an error of judgment on our part, in spite of the 1-75 ratio. We feel we are not doing the young man or ourselves any favors by continuing him when he shows himself to be inadequate



"... we are very implementation oriented. We like to hatch the eggs we propose to lay in our client's organizations or plants..."

in some way. That doesn't necessarily mean intelligence. It could be lack of tact. It could be an undue dogmatism. After all, a consultant is no good to a manufacturer, especially one whose firm is oriented towards heavy implementation, if he cannot sell his ideas and get other people to accept them, and that requires tact and ability to communicate. One other thing that we do is have end of assignment reviews with everyone, which become part of a man's personnel record.

We have regular eighteen months' reviews by the man's division head, during which his performance, as well as his reaction towards his position, are thoroughly explored. That, too, becomes part of his record, and if any area is discovered during such interviews which require attention, the man's next interview is likely to be at six months, rather than at eighteen months.

We work very hard at this because we realize that all a consulting firm really has is its reputation. Its reputation depends on the quality of its work, and that depends on not only its ability to attract men, the right sort of men, but to train them properly and to keep them, because men constantly coming and going cannot possibly be smart enough to add to a firm's reputation. So, you

might say that we are more concerned with the quality of our work than any one other factor, because we think that if we do that job properly, everything else that's desirable — success, growth, profitability — will automatically flow from that.

Lastly, we feel perfectly free to tell any client who is concerned about the ability or personality of the particular consultant or consultants we detail to him, to look them over, work with them, explore them and their reputation with specific past clients if they like, and in spite of that, if they don't feel they have a proper blend of personalities, to request someone else. I am happy to say that in spite of the fact that we have offered this to many clients for many years, I don't recall a single instance where someone has asked to recall a man and requested someone else. So, to a degree, we must be succeeding.

B: Could you comment on today's "image" of the industry? Within the industry and outside the industry as outsiders look in.

KS: Well, that is a very complex question. How the industry regards itself is a question to which there is an entire range of answers depending upon the degree of progressiveness of an individual company, depending upon

the degree of humility. Our industry is such a fast paced industry, the members of which are so constantly concerned with the problems of fashion, of supply — supply of merchandise, supply of employees — that I frankly doubt that many people in the industry have ever stopped to ponder and ask themselves that question. I don't believe I've frequently heard the question addressed, so rather than presuming to speak for the industry there, I'd rather try to answer your question from the standpoint of the outside world.

As regards the image of the industry in the outside world, you spoke of a lag, in an earlier question, between what a consultant may have to offer and what industry might perceive him as having to offer. I believe that there is quite a lag between the true image of 95% of our industry today on the one hand, and the image as perceived by people outside of our industry. The old "sweatshop" image takes a long time to go away completely, and I do believe our industry could do more than I perceive being done to try to counteract this by inviting senior high school classes into their well lit, clean and pleasant factories, and by putting out literature, both in secondary schools and on college campuses, replete with pictures and the true story of the industry. Agree?

B: Yes. As the honorary chairman and founder about to retire, you should be entitled to speak more candidly than normally would be the case. What do you see ahead for our industry? Either in technology or turnover, or any handle that you would want to pick.

KS: You are asking what we see for the industry on tomorrow's horizon. We feel that economic development of the underdeveloped countries will increase worldwide consumption of apparel and textile products, and if trade barriers continue to come down — and that would appear to be the worldwide trend for the long pull — international opportunities for both manufacturing and distribution will continue to grow as will international competition.

Our larger firms must capitalize on these new international opportunities. There will be a continued shift of manufacturing from areas with tight labor markets to those where labor is plentiful and low in cost. To a degree, but only to a degree, increased mechanization, automation, will tend to

Following our interview with Kurt Salmon, we asked a few of his associates for their candid opinions of the man, some clues to his success, and insights to his personality. Here are some quotes we collected. —Editor

"To me, the most outstanding thing about Kurt has been his single-minded pursuit — it's almost an obsession — of quality. He just won't accept anything that's second rate, or unprofessional. You get that feeling right away, and it stays with you. It's demanding, but it sure is exciting . . ."

"You know, he's really sort of a fussy guy; always crossing t's and dotting i's. But that's the way you succeed in this business, I guess."

"The thing that always impressed me most about Kurt is that he's always on his best behavior. He's a perfect gentleman all the time. At the same time, everybody in the company calls him by his first name, right from the start. So he's not stuffy, either. But he puts you on your best behavior . . ."

counter this movement. Europe and North America will emerge as a highly affluent and increasingly homogeneous giant area of trade. The continued trend toward more free time and relaxed lifestyle will further increase the use of leisure wear and sportswear. The soft goods industries will find it increasingly difficult to attract investment capital unless growth in earnings can be stabilized, and this will require geographic and product diversification, better information systems, and above all, more professional management.

In spite of what we perceive as a trend to bigness, there will always be a place for the small apparel manufacturer who can specialize and be more responsive to new trends and customers' service requirements. The medium sized firm, in our opinion, is likely to find it more difficult to stay in business.

Manny, you asked by implication what are some of the particular challenges ahead. There is a great deal of new technology on the horizon, such as numerical control, computerized marker making, molded garments perhaps, disposable garments, automatic cutting systems, computerized pattern grading and others. The payment systems of today may gradually move away from the individual incentive to modified concepts incorporating the ideas of job enrichment and more meaningful work.

Other challenges: how to organize and manage large multi-division firms so that the real advantages of size can be realized. How to capitalize on international opportunities. How to attract capital; how to keep the shrinking pool of potential workers interested in the industry. Not just an additional point, but an indispensable thread running through all of the foregoing, how to attract and keep good management material. It might be

constructive in this respect to point out what we in KSA do to combat the negative image our industries have suffered from, and to obtain our share of the bright young men our colleges and graduate schools turn out. Would you be interested in that?

B: Sure.

KS: Aside from pointing out the advantages of a consulting career, we emphasize the advantages of the soft goods industries. It is an industry which concerns itself with one of the basic necessities for civilized human existence: food, clothing and shelter. It is therefore less cyclical than some of the hard goods industries. A man can postpone the updating of his refrigerator, even have it fixed. He will not patch the elbow of his suitcoat or the collar of his shirt.

It is an industry on the threshold of automation, thus placing a premium on young innovative talent. It is an industry with many thousands of units and one where capital investment is still relatively low, thus providing room for men with entrepreneurial bent. It is an industry just beginning to appreciate the value of scientific management, with little in-house competition for the bright, ambitious and properly prepared young man. Even the larger firms in the industry are diffused into relatively small units where outstanding performance by an individual can readily be recognized. It is an industry where the amount of competition makes the consumer king, and where, thus, a real opportunity exists for an individual to make a contribution toward improving everybody's standard of living, as improvements and savings are quickly passed on to the consumer in the competitive milieu in which the industry operates. We find these points quite persuasive in attracting our share of the desirable young men. □



Reprinted from *Bobbin* Magazine, June 1974. Copyright© 1974 by Bobbin International Inc. All rights reserved.