

The Observer

Vol. 1, No. 2

Published by and for the personnel of Kurt Salmon Associates Inc.

June 1970

KSA Enters Hospital Consulting . . .

Yet another industrial diversification effort can be recorded. . . We have acquired a small (six-man) consulting firm with specialist practice in hospitals and are now operating it as a wholly-owned subsidiary under the name *Health & Institutional Consultants, Inc.* Theirs is a fertile field for consulting and we hope to help them grow. This move was in keeping with STECOM's LRP recommendations which EXCOM has largely accepted.

With KSA's penchant for shortening names through the use of initials, our new subsidiary has already become known as *HIC*.

HIC is Atlanta based and maintains its own office. *Tee Hiatt*, founder of the firm, is president of our subsidiary. Other professional members of their staff are *William B. Luttrell*, *Eric S. Bossack*, *Andrew W. Miller*, *Robert F. Reeves* and *David M. Schiff*, several of whom had previous experience in hospital procedures.

Some areas of activity: Establishing improved procedures and writing of procedural manuals for fiscal services, medical records, purchasing, central supply, pharmacy, personnel, dietary procedures, and administrative services. We feel sure that everyone who has recently used the facilities of a hospital will have many suggestions where the services of *HIC* are sorely needed.

Jack Ullman is KSA's executive responsible for liaison and overall direction of the firm's development. *Ron Brockett* and *Jerry Kavanaugh* have already made contributions in the personnel and systems areas of *HIC*'s efforts and other KSAers will be called upon in the future to assist in the growth and development of our new subsidiary.

In future issues of the *Observer*, *HIC* will be called upon for a report on their newsworthy activities which should give all of us an insight into the real world of hospital consulting.

Adventures in "Tailorland" . . .

The first chapter opened with a hurried cross-country trip to New Jersey to begin my second AAMT assignment—first in a graded suit house (William B. Kessler, manufacturing division of Hammonton Park). After comfortably settling into a five-bedroom furnished home on the beach in Atlantic City (don't have a heart attack, Bill, it went for \$125.00 a month in off-season), I reported to the plant and was shocked to find a third of the operators and supervisors spoke no English, almost a third of the labor on the coat was by hand sewing, and SAM, time study, base rate, etc., were totally unknown.

The first operation to be trained was Finish Press by Hand with a fixed maximum production of 28 coats per day! A training center was set up, the staff trained and the

first couple of week went quite smoothly; then the foreman, who was on sick leave, made a speedy recovery. Upon his return he quickly halted all production from the training center. Each day 10 coats were pressed—the following day he would dutifully return the same 10, looking as if they had been chalked with an Ajax can. These same coats traveled back and forth several days until we sidetracked them into the shipping room and replaced them with an equal number of new coats.

In desperation, an appeal was made to the head of quality and production for aid in improving our quality. He consented to inspect—and chalk—a rack of coats after hours. The coats were repressed the next morning (with a bit of help from the instructor) and passed by the head quality man. The inevitable happened. We rolled the rack into the pressing foreman and back they came—100% rejects! A call to the quality man brought quick results.

It was discovered at the time that a tailor's pride in his work far exceeded his dislike for engineers. The pressing foreman's 20-year career ended that afternoon and the training program was over the crest and went on to far exceed our survey forecasts.

More than any other memory of the Kessler assignments, I shall be influenced by *Morton Epstein* and his rather unique ability to make decisions—favorable and unfavorable—and enforce them.

Chapter Two in Tailorland occurred in Chicago. Since further references to this chapter could result in libel action, it will open and close with the sentence on geographic location.

The third chapter in the unfolding saga occurred at Palm Beach in Knoxville, Tennessee. The first day of the survey gave a hint of days to come—I showed up with a locked briefcase and no key and succeeded in wrecking a rented car, all in the first day. In spite of my dynamic first impression, the survey sold!

A portion of the survey included making trial garments with the construction features on which we would base our projected savings. At countdown for the launch of the engineering program, we discovered several operations suggested in the survey had been installed and just as

Continued on page 4

Observations from . . .

As the years pass, one is expected to become more retrospective. Since the past is precept to the future, it may serve some purpose to view both, present and future, from the perspective of the past.

When KSA was a one-man consulting effort—between 1935 and 1938—the idea of a specialist service was very much the backbone of the practice. It paid off in sufficient requests for assistance from an industry where news spread rapidly that the formation of a team of consultants seemed to be a risk worth taking.

Our personnel work consisted of the use of a non-validated nail-board test from Cutters Exchange, a kardex card which I had designed on my last resident job in the early 30's, and a rather simple application form which doubled as interview blank. Good fortune brought us *Dr. Patricia C. Smith*, an industrial psychologist from Cornell. In short order (1944), *Abbie Jean Quick* became her first staff member.

The only systems work we were doing then consisted of payroll installations and rudimentary in-process control sheets. We had noted that generalist-would-be-competitors sold standard cost systems and then tried to get their engineers into "our" clients' plants by saying: "Well now, in order to be certain that your direct labor standards are accurate, we should time study your operations." So, we decided to start a systems division of our own. Again, we were fortunate. *Ralph Ross* suggested we ask *Cecil Gillespie*, his former accounting professor at Northwestern University. We found him in Washington updating the Navy's 1902 accounting system. Following his Navy assignment, he started the division in 1945. First staff man hired not long thereafter—*Phil Lutz*.

We were now a three-division management consulting firm. During the next six years, we concentrated on regional growth within the USA. In 1951, we founded a pilot plant wherein to train the industrial engineers we hired and turned them into garment engineers. This grew to a 350-operator plant by 1962, presided over by *Ralph Ross* as president. We had to sell it then—very profitably—because we were stepping on the toes of too many of our clients in the marketplace.

Having had all of our clients' problems for 12 years, from styling to forecasting, buying, production planning, training a sales force, to collecting money, had a most broadening effect on our practice. It was most logical, therefore, for *Ralph Ross* to head our marketing and general management division, which now made us a truly broad-gauged management consulting firm.

In 1958, we began our first industry diversification effort. We built a textile industry division around experts from that industry in order to remain true to the principle of serving our clients as specialists.

Though we had done an occasional job in South America and one in England, in 1959 we extended our efforts into Europe on a formal basis with branches in England, France and Germany which, in 1969, were supplemented with branches in Italy and Switzerland.

Concurrently with some of these developments, we refined our efforts through further functional specialization by starting a physical distribution division and forming

The KSA OBSERVER

A quarterly report of the activities of Kurt Salmon Associates, published by and for its personnel. Address all correspondence to the Editorial Offices at 4301 Connecticut Avenue, N.W., Washington, D.C. 20008. The opinions of readers are invited.

Editorial Board: *Kurt Salmon*

Joe Scheines

Jack Johnson

Mary Baach

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special groups of experts to deal with cutting room problems and operator training. We acquired or trained experts in operations research techniques/statistical quality control/forecasting, formed a technical information service and a technical advisory board of experts on specific garments.

We also found it wise to supplement the five-man executive committee with a larger advisory committee which has done excellent forward thinking for us.

Industrywise, we lucked out once more, when the happenstance of a hosiery assignment being offered to us coincided happily with our having a couple of "ex-hosiery experts" on our staff in the persons of *Bob Solomon* and *Sam Morrah*. Two years later and they had exploded that effort into a real hosiery division. We were able, similarly, to firm up our posture in the carpet industry two years ago through the addition of *Bob Saunders*.

We found it desirable to have a public relations staff, headed by *Joe Scheines*, which helps us externally as well as internally. (How did we ever get along before?)

Our LRP plan—prepared for us by the Steering Committee—calls for a new industry effort every 12-18 months. Well, we've begun to look into furniture and laundries, and we've just diversified into hospital consulting by buying a small specialist consulting firm active in that field.

Geographically, our recent efforts have encompassed Bulgaria, Turkey and Israel (from Europe) and Algeria and Tanzania from both USA and Europe. (As you see, we are as neutral among the various Semites as we are in the battles between capitalist and socialist economies!) As we go to press, *Lutz Kohnagel* and *Dean Vought* will be returning from an exploratory trip to the Far East.

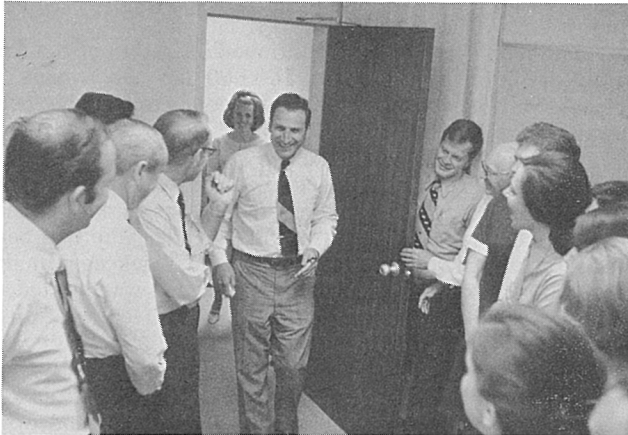
Thus, we continue to grow functionally, industrywise, and geographically, and I hope this bit of ancient and recent history has conveyed to you the sort of momentum which we find so stimulating. It's indeed "one world" and our KSA-horizon is rapidly widening to encompass it. It reflects the efforts of many and many more will be required to finish the story and to help us adapt our organization to cope with all of these moves in an orderly and constructive manner.

Happy Anniversary!

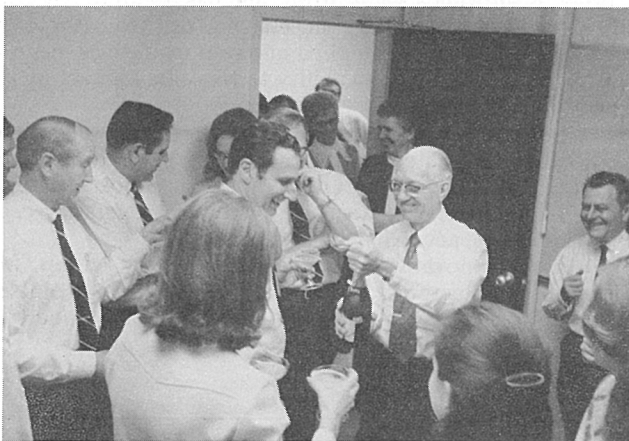
Jack Ullman has been on our team for 20 years! He is a charter member of EXCOM! And, he is the Mother Hen of a large brood of chicks housed at KSA-Atlanta!

On April 13 the Atlanta secretaries rose to the occasion—nothing new for those girls!—with a surprise champagne party to celebrate the event. Our Atlanta news hounds were in attendance—with camera—to record the happening and the success can best be told by the smiling face of the guest of honor, with his chicks beaming their approval of the keeper of their nest.

Heartiest congratulations, *Jack*. Best wishes for the next



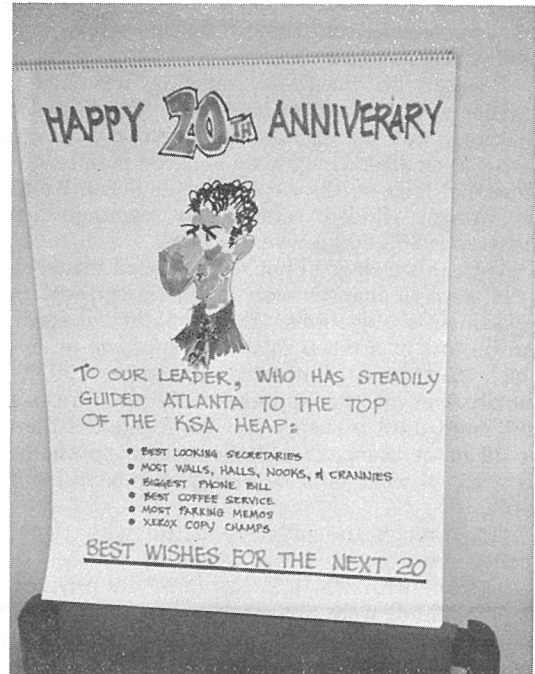
Jack's Reluctant Entrance



A Toast by Roy Engman



Jack Thanks His Chicks



Contributed by Jim Giddings



The Girls Cleaning Up

"Tailorland" (Cont.)

quickly thrown out by the designer! Along with the operations had gone approximately 30% of my savings!

The first target in the engineering program was to move the cutting room into a new building and convert the old cutting room space into sewing and space for a mill outlet. During the planning and implementation of the move, I was busily making trials on proposed new operations and construction changes. Dave Schmida lifted much of the load of layout work and moving the 550+ operator sewing room.

The quality man had succeeded in stalling almost every change on the basis of poor quality. Tolerance was an unknown term! And to make matters worse, he insisted on holding discussions in the presence of the operators.

Finally the inevitable meeting was held with the designer and production personnel. The first decision was to throw out all changes in sleeve construction. Then almost as an afterthought, we received permission to sew an additional inch on the Attach Facing Seam. We were out of the woods! Hidden behind this seemingly insignificant change was \$89,000 per year savings.

With this change in pocket, the plant manager became a tiger! Several changes were made in spite of the quality department's objections. At one point we sent two comparison lots into the designer for approval on an operation which had been eliminated on some 100,000+ coats. Luckily we got the approval. The plant manager would push hard until a change was approved and then swear he would never again try to help because no one appreciated his work. A week later he would again be in the heat of the battle.

All through the off-stage battle with the design and quality department, I was aided by the best mechanical department with which it has been my privilege to work. Their methods were not modern, but they could get more mileage from a hacksaw, file and drillpress than any other men I've met. I learned that, when *Mr. Charlie* began a conversation with, "I couldn't sleep last night," and then pulled an envelope from his pocket with a few lines drawn on back, our latest problem was solved. The mechanical maintenance supervisor was always consistent—not once in two years did he make up a project as I outlined it. However, no one could quarrel with his results because they always equaled or exceeded expectations.

The outdoor life so readily available became a most enjoyable family activity. Fishing, camping, boating, and power squadron courses all fell in line as we progressed from a home-made canoe to a cruiser and back again to a "serious fishing boat." I don't believe *Viv* nor I will ever forget floating through the rapids trout fishing on the Little "T". I know she'll never forget catching the most fish!

Back to the assignment. . . We achieved an annual savings of almost a half million per year. Very satisfying!

—Ken Osborne

"REVEALING" NEWS

Quote from a weekly report of one of our skilled engineers: ". . . there are 56 sewing operators in the Bra Section who have not been covered . . ." What's this? A TOPLESS sewing factory?

Black Manufacturer's Success Story ...

● *Ed Owen* (Greensboro Office), recently completed the initial phase of an assignment at Afram, Inc., in Asheville, North Carolina. Afram, a Negro-owned and managed company, was conceived in 1968 by the Asheville Chamber of Commerce to offer ownership and employment to the Black community. Capital for this new venture was raised through the sale of stock to the Black community and the Asheville Development Corp., as well as loans from the Small Business Administration (SBA) and Economic Opportunity Loan (EOL).

● Kimberly-Clark assured continued operation of the firm with an initial contract for 100,000 lab coats made of disposable non-woven material. A second contract has been awarded for another 100,000 units.

● *Ed* reported that in addition to the normal "start-up problem" all of us experience in starting a new operation, one of the major hurdles to overcome was finding a black management team. Finally, a *Mr. Bocoate*, who had been instrumental in "selling" Afram to the Black community and whose previous managerial experience was limited to managing a bowling alley, was selected to head the firm as its general manager.

● The "sewing in" of the unit, incentive installation, as well as payroll and other systems, were accomplished at a record pace and with inexperienced operators and other personnel. At this early date, the company has turned the corner, is showing a slight profit, and has begun to pay back their loans. *Ed* credits the success of Afram (to date) to the general manager who supplied unquestionable leadership to his people, as well as the ability to translate into action the plans put forth by KSA.

● To assure a continuing increase in rate of employment, Afram has negotiated contracts with the Veterans Administration for the manufacture of hospital disposable items, such as: physician's coats, bedside screens, operating caps, bedpan covers, adult diapers, etc.

● As an innovative example of minority group free enterprise, Afram was cited as one of the strong points in favor of Asheville capturing All-American City honors by the National Municipal League and Look Magazine.

—Bob Malburg

Coming Events ...

September 23-26—Bobbin Show in Atlanta. KSA will have an exhibit, among the usual heavy displays of machinery and equipment. Check with your Principal about ground-rules for visiting the show, and with the Atlanta office for hotel rooms. KSA also has a three-hour program on Thursday morning, September 24, devoted to the expanding role of the industrial engineer in the apparel industry.

October 19-23—Southern Textile Exposition in Greenville, S. C. KSA will have an exhibit.

August 8—Alabama Apparel Industries meeting (site unknown). Check with Jack Johnson for details. KSA will have a program.

The Third World Total Approach ...

Jambo! (Hello in Swahili)

KSA is currently enjoying two opportunities to apply its combined experience in assisting the developing nations of Algeria and Tanzania. Because both are strict socialist economies, generally lacking technical and commercial experience, the scope of our intervention is broad and our potential impact enormous.

- Our overall charge, in both situations, is to assist local, nationalized textile and apparel industries to efficiently produce and distribute the products which are demanded within their borders, while minimizing imports and providing much needed employment.

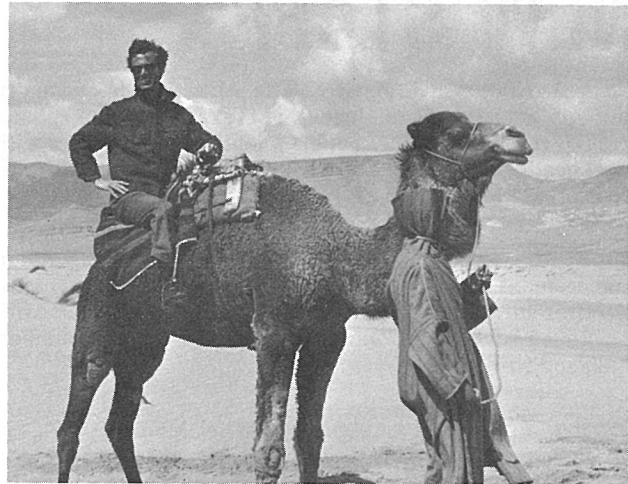
- In Algeria, *Bob Chaumontet* and *Gino Fedeli* are conducting a national market study to identify opportunities for additional national production of both textiles and apparel. Their study will be the foundation for modifying present production and distribution as well as planning additional capacity over the next 10 years.

- Concurrently, *Gerry Turbyfill*, *John Justice*, *Gerry Vercaemert*, and *Jean Jacques Boucheret* are surveying the existing six national textile mills (employing about 5,000) while *Guy Vidal* and *Bruno Lezier* are surveying the existing 23 national apparel plants (about 3,000 employees). Although equipment and physical facilities are modern, the present industries are operating at only 30-60% of potential capacity.

- We are also assisting in the planning of two new textile units—a wool complex and a jute complex—with investments in the \$50 million range, and two large (1,000 units/day each) apparel units for men's clothing and raincoats/overcoats.

- Major implementation proposals are currently being prepared. The Algerian Government has budgeted the equivalent of 10% of KSA/USA annual fees for our work in the current calendar year and we are pleased to report that the activities are significantly profitable to KSA.

- The experience has been rewarding to all of us involved in the projects as we learn to integrate our international, functional and industry specializations, while overcoming problems with language, currency, bureaucracy and unusual living conditions. (The picture of *Gino Fedeli* best describes at least one mode of transportation!)



Gino "Walked a Mile for a Camel."

- Having worked successfully in a country whose language is French and Arabic with a per capita income of \$200, we are now beginning an endeavor of a similarly potential scope for the Tanzanian Government with an income of \$50 per capita. Their language is English and Swahili.

- The first step involves the conceptual planning of a national distribution and marketing company (\$60 million volume) for textiles and apparel. *Bob Heiland*, *Josh Taylor*, and *Ted Harless* will work on this project in Dar es Salaam in June/July.

- Implementation of the planning could take several years and discussions have already begun which could lead to the rationalization of their present textile industry, employing about 7,000, and the development of additional apparel and textile capacity to minimize current imports estimated at \$30 million per year.

We are hopeful that, given the opportunity and the proper conditions, we can descend from these lofty slopes of planning and successfully enter the deserts of implementation more familiar to KSA, the Western World and other countries with firm ideas about their own bootstrap operations. Salem!

—Bob Frazier

Other Globe-Girdling Consultants ...

Besides the overseas activities of KSA's domestic staff reported under Functionally Speaking ...

John Wilcox reports on a three-week study of the Swedish heavy clothing industry conducted in February. He went over to handle the women's wear portion, while *Peter Doano* covered men's wear, both under the direction of *Eric Chipps*. The project, in collaboration with the Stanford Research Institute of Menlo Park, California, involved visits to 35 of the largest Swedish factories manufacturing heavy clothing.

John's findings are condensed below:

1. Small firms weakly capitalized;
2. Modern facilities and equipment, but a low level of worker productivity;

3. Due to small size and diversified product mix, the typical Swedish factory operates like a make-to-measure tailor shop;

4. Profits are practically non-existent, and there is a trend toward amalgamation among more progressive firms;

5. Due to domestic market conditions (small) and the general market environment, the outlook for this industry in Sweden appears bleak. Its future may hinge upon its ability to export its unquestioned strength in design and quality;

6. Blondes in Sweden are just about as blonde as blondes in Greensboro, N. C.

Dean Vought and *Lutz Kohnagel* traveled across the Pacific last month to see what was on the Eastern rim of that body of water besides Expo '70. While this is not for publication within the domestic apparel industry, it can be said that their itinerary included Japan, Hong Kong, the Philippines and Taiwan.

NEW STAFF

Naim A. Khoury . . . Age 34. Wife Aida. B.S. in chemistry and mathematics (cum laude) at Texas Wesleyan, plus a year of math at Purdue. Senior scientific programmer with Lockheed of Georgia for eight years. Assigned to EDP division as programmer/analyst.

Bobby E. Knott . . . Age 28. Wife Louann. B.B.A. in management at Georgia State University (Dean's list) with electives in math and computer science. Seven years with Lockheed of Georgia—senior data processing programmer. Assigned to EDP division in Atlanta.

William J. Howells . . . Age 44. Wife Mildred. B.A. in psychology at Lycoming College plus two years of engineering and physics at Princeton and Drew Universities under Navy V-12 program. Extensive background in all phases of personnel work with such companies as E. R. Squibb, Radio Corporation of America, as well as his own professional search agency. Assigned to Internal Personnel as Assistant Personnel Director, based in New York.

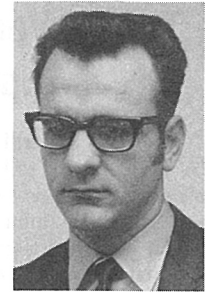
Jacques Brault . . . Age 23. Single. Lives in Montreal. B.A. from St. Laurent and Engineering Degree from Ecole Polytechnique, University of Montreal. In U.S. for a year of training, then work in Canada for KSA.

Dwight L. Totten . . . Age 26. Wife Barbara. B.S.I.E. at University of Texas. M.S.I.E. at Georgia Tech. Worked part time since September while completing requirements for Ph.D at Georgia Tech. Now full-time member of Physical Distribution division.

John M. Cawood (PE-SA) . . . Age 29. Wife Merle. Lives in Cape Town. Industrial Engineering Diploma at General Motors Institute, Flint, Michigan. Apprenticeship at ALCAN in Natal. National Engineering Diploma and National Production Engineering Diplomas at Technical College. Supervisor of industrial engineering department at General Motors Engine plant, South Africa, for two years.



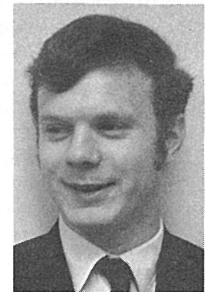
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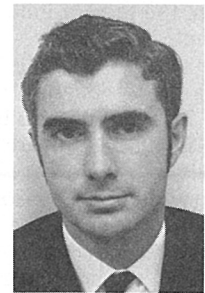
HOWELLS



BRAULT



TOTTEN



CAWOOD

WHAT IS AN ENGINEER?

An engineer is one who passes as an exacting expert on the strength of being able to turn out, with prolific fortitude, strings of incomprehensible formulae, calculated with micrometric precision from extremely vague assumptions which are based on debatable figures acquired from inconclusive tests and quite incomplete experiments carried out with instruments of problematic accuracy by persons of doubtful reliability and rather dubious mentality with the particular anticipation of disconcerting and annoying everyone outside of their own fraternity.

(Editor's Note: Aren't we glad *we* are Management Consultants!)

Recent Publications . . .

KSA has come off press with two new publications that you should know about.

One is "Material Utilization in the Apparel Industry", published by the Apparel Research Foundations, Inc., and written by *Jim Trautman*, with the aid of other specialists from KSA's Material Utilization staff.

The book contains 52 pages and a wealth of detailed information about current practices and potentials for improvement in this area. It sells for \$35 a copy to non-members of ARF, and \$25 a copy to members.

KSA has received a limited number of copies, which have been distributed among selected principals and various office libraries. We advise you to inspect a copy of this publication at your earliest opportunity. It represents a considerable effort on the part of a number of people in KSA, and should do a lot to stimulate interest in material utilization on the part of the apparel industry.

A new *Client List* has been produced by the PR department (sometimes known as the Printing Division), and is being distributed.

Functionally Speaking . . .

APPAREL ENGINEERING

Manufacturing Inventory Control Through Short Interval Scheduling Techniques

● An engineering program has been completed for Hayes Manufacturing Company where the sewing and finishing in-process time was reduced from 24 days to 8.5 days, including the cut pool for sewing. *Jerry Barnette* staffed the installation which also included changing a unit that was producing a staple casual slack to one capable of handling a highly diversified style mix with the low through-put time. A brief explanation of the system follows:

● Bundles are assigned to blocks using daily production requirements as a guide. It is not necessary to have the exact block size where bundle size will not permit, but blocks should average this amount. Prior to scheduling the block, a check is made to assure that all trim items are on hand. The block number is stamped on the bundle ticket at the time the tickets are made. At the point when the bundles are taken off the cutting tables and stored in the cut pool, the block is handled as a cut. In fact, it replaces the cut as the scheduling unit until the last assembly operation has been completed.

● A weekly schedule, based on the design of the system, is made for each production unit. At Hayes, only one large production unit was involved. This schedule shows the precise hour and day of the week when any block number is scheduled to be processed by a specific operation. At specified checkpoints, bundles are checked off the block assignment schedule, and blocks are checked off the weekly schedule as they are completed. Thus, the weekly schedule shows the balance status on a continuous basis. The weekly schedule does not change from week to week; that is, the same block number is due through the same operation at the same time the following week.

With our clients' continued interest in reducing their in-process time, we believe this function will be a part of KSA's growth in the immediate future. —*Don Burkhalter*

APPAREL SYSTEMS

● The reactions to the cost manual written for AAMA and the "kick off" seminar so ably conducted by *Emmons/Hinck/Kry/Heiland* have been very gratifying. It appears that we shall soon have two or three assignments in hand that are directly attributable to the publicity gained from these efforts, with yet another seminar planned for the West Coast on May 30.

● Here are a few highlights of our varied activities: Computerized cut planning work has been authorized by Hart, Schaffner & Marx to complete the planning phase of a system for them and we expect, momentarily, to nail down an implementation assignment with Palm Beach. . . Further penetration of the hosiery industry also looks promising—a recent inquiry on cost accounting for a hosiery operation recently acquired by Warnaco. . . We are keeping our hand in the ladies "unmentionables" business as we continue to receive new assignments from Gossard.

● Apparel Systems men are a versatile bunch of guys. Why not tell your clients more about us? —*Phil Lutz*

CARPETS AND RUGS

● This division has been approached recently by two different suppliers to the industry requesting economic appraisals of new developments they are interested in offering carpet manufacturers.

● Engineering activity appears to be slowly building. In addition to developing the conceptual design for Amtico's new mill, we are currently engaged in helping a new multimillion dollar "carpet conglomerate" (Concept Industries) get off the ground and are hopeful of continuing engineering assignments in Canada.

● To further emphasize the diversified services we provide, *Jim Giddings/Josh Taylor/Bob Saunders* presented a paper at the *Carpet and Rug Institute's* Marketing-Distribution Seminar in April in which we described a mathematical approach (through simulation) of determining the optimum pattern of distribution for a carpet manufacturer.

Again, we have been involved in company evaluation prior to acquisition. —*Bob Saunders*

CUTTING/MATERIAL UTILIZATION

Cutting/MU activity continues to increase. Real strength lies in the fact that every regional office is involved in selling, surveying and supervising Cutting/MU activities. In addition, excellent return on investment in MU area—a real plus in a tight money market.

● Plans are being firmed up for MU/PR in women's wear—including a seminar for the women's wear market in Dallas.

● Congratulations to *Dick Hinch / Larry Kallus / Dave Hirsch / Frank Sexton / Herbert Rybarczyk* for a fine Cutting/MU job at Pendleton—hopefully one of many new prestigious West Coast clients. Another "first" team, *Nort Eberly and Frank Beckman*, are now beginning to tackle a large cutting engineering program for Pendleton (ladies' wear) in Omaha, Nebraska.

Welcome to six newcomers who are "cutting" their eyeteeth in Cutting/MU. —*Jim Trautman*

GENERAL MANAGEMENT AND MARKETING

● An interesting study was completed for one of our clients on the feasibility of their entering the double knit fabric business. Their basic concept was to market and manufacture fine quality double knit fabrics to be used in men's suits, sport coats and dress trousers. Yes, men's suits made out of knits that look, feel and act like woven fabrics but have the good characteristics of knits!

● Our analysis indicated that by 1973 six per cent of the suits retailing for over \$90.00, eight per cent of the sport coats over \$50.00, and 16% of men's trousers over \$25.00 per pair will be made with double knit fabric.

(Continued next page)

Functionally Speaking — GM&M (Cont.)

- The trouser market is expected to be the first area of growth because the comfort and wrinkle resistant factors of knit pants would create demand. Knit golf slacks are already selling well. Sport coats will be the next market for knit fabric penetration—there are indications that the blazer market will be a good one for double knits.
- The demand for knit suits and coats has not been overwhelming, but many retailers have not tried to merchandise knits as such—combining them with their woven lines. This is expected to change with the coming fall season because of advertising campaigns by the fiber producers.
- After our analysis of the market potential for men's double knit suits, we designed a manufacturing enterprise on paper for our client to profitably produce the amount of goods we estimated he could sell. This included the number and type of machines that should be obtained, the amount of production that could be expected on a weekly and annual basis and the number of operators required. We also determined yarn needs and other supplies, as well as building and land requirements to house the manufacturing facility.
- With the above information, financial projections for manufacturing costs, inventory requirements and costs, and capital expenditures were made. We concluded that this could be a sound investment and recommended the venture to our client who has this project under advisement before its board of directors.

—Paul Flood

HOSIERY

- The *Catawaba Valley Hosiery Club* could no longer resist the charms of our hosiery fellows. . . After an intensive courtship, the members of the club decided to sponsor us by recommending our services to client firms. They have also agreed for us to present the results of our survey of 10 member firms to their full membership.
- We were asked to prepare a forecast for the hosiery industry of anticipated happenings in the 10 years ahead, for publication in the April 17 Hosiery News Letter of the National Association of Hosiery Manufacturers (NAHM).
- We are planning a seminar, by invitation only, to be sponsored by NAHM and presented to top level hosiery executives in late July or August . . . The Morrachs and Solomons represented KSA at the annual NAHM meeting in Boca Raton, Florida.

—Bob Solomon

PERSONNEL—INTERNAL

- Most companies are cutting back on recruiting activity. KSA is accelerating its efforts. In January our plans called for adding 26 in the USA; in March the number was changed to 36. We have met one-quarter of the goal so far, with nine new members.
- Bill Howells arrived on the New York personnel scene in mid-June (see *New Staff*) and we look forward to a further surge in activity. Our greatest need continues to be qualified industrial engineers.
- KSA's name is becoming far better known outside our own selected industries' circle and the reputation we bear is an inspiration to those of us who hear the comments firsthand. This serves to strengthen our determination to

maintain the qualification standards of our staff who have built the KSA name.

—Abbie Jean Quick

PERSONNEL MANAGEMENT

- At the last staff meeting we told you about our Attitude Survey service. . . We have recently developed what *Frank Hurley* calls a Mini-Attitude Survey. The major ways in which this abbreviated version differs from the regular Attitude Survey are in the amount of interviewing done prior to the form construction and the total amount of time and cost required.
- The longer version of the Attitude Survey is as complete a survey as has been developed anywhere, we feel. From five to ten per cent of the employees are interviewed briefly prior to the construction of the questionnaire itself. This provides for quantifying attitudes regarding every possible problem area within a company. It is especially useful for those clients who anticipate having problems with organized labor groups.
- The Mini-Attitude Survey is the result of interviews with management as to what the problem areas may be, plus a core group of questions which pertain to facets of business operation which all clients experience. For example, we test for attitudes toward supervision, management, physical environment, wages and benefits, etc. For the average plant, this survey can probably be performed completely in two weeks consulting time. This would include a visit to the client's facility at the outset, the preparation of a scientifically constructed survey questionnaire, computer processing of the results in Atlanta (where the computer is programmed to statistically test the responses in many ways), and provision of a report to management with recommendations for change.
- We feel this is a very valuable service at a very reasonable cost. Please contact us for a specific estimate of time required or for any other data you may need for a client in need of this service. This service can be valuable also to the consultant who would like quantification of attitudes which he feels exist—but are not perceived by management.

—Bob Messinger

Congratulations!

To *Gisela and Dieter Fertig* on the birth of their second son, *Robin James*, on April 23.

To *Jeanne and Josh Taylor* on the birth of a son, *Matthew McLeod*, April 23.

To *Beverly and Steve Martens* on their marriage on June 14. *Bev* works in our Washington office and we're glad she plans to continue working.

To *Jan and Harry Lack* on the birth of a bouncing son, *Simon*.

To *Penny and Peter Sheridan* on the birth of a daughter, *Emma*.

To *Karen and Charles Brooks* on their June 12 marriage. *Karen* is our Girl Friday in Birmingham, where she plans to continue fulfilling that role.

NEW VICE PRESIDENTS

Congratulations to *Stuart Hollander* and *Larry Kallus* on their well-deserved appointments to the Vice Presidency of KSA. We are proud to number you among our Veeps.

PUBLIC RELATIONS

- KSA's Public Relations Department has been actively engaged in the printing business for the past few months. There was one wild day in May when *three* publications made their initial appearances—two of them arriving by bus in Atlantic City, where we premiere most of our stuff.
- The new client list, the ARF's "Material Utilization in the Apparel Industry" and the 1970 TAC Report on "Cut-and-Sewn Knitted Apparel" all showed up within the same 60-minute period—somewhat like having triplets out of town. . . .
- The AAMA's new "Management Accounting Techniques for the Apparel Industry" was dramatized at a special program in New York City on April 2. Despite the bad weather, we had an audience of 65 financial executives turning out to hear *Al Emmons*, *Bob Heiland*, and *Stig Kry* explain the virtues of this new work (whose chief authors were *Bob Hinck* and *Phil Lutz*). A repeat performance was presented before 45 West Coast manufacturers on May 30 in Monterey, California. Copies of the manual are in the office libraries.
- The big event in May was the AAMA convention in Atlantic City. KSA tried hard, with all kinds of razzle-dazzle in our booth, but the traffic wasn't there (so each of our booth lectures was avidly attended by company "shills," but to no avail). The TAC Report was an artistic success for KSA (*Bob Solomon* was one of the speakers, *Joe Scheines* had the best seat in the house on a raised platform, from whence he projected slides made by *Pat Baker* and *Lillian McCarthy* and a box office success for AAMA (overflow audience of 700).
- Because of all the outside activity, our article output was diminished. *Freddie Wood* wrote about consulting for America's Textile Reporter; *Bob Heiland* published his article on seasonal planning in *FemmeLines*; and *Ed McPherson* ghosted an article for the president of *Michaels-Stern*, detailing their experience with computerized cut-planning. Also, a second *Apparel Perspectives* appeared, concerning the need for faster planning (by *Stig Kry*). Over 1500 copies have been mailed. Some brief, but eternal, truths on automation and clothing industry modernization were attributed to *Ross Runnels* in the *New York Times* and *Daily News Record*.
- *Bob Saunders* and *Jim Giddings* enlisted *Frank McNeirney*'s help in preparing a seminar that was delivered before the *Carpet & Rug Institute* meeting in April.

No time to reflect on significance of all this, except to note that the PR Department's busy little slide-maker, *Pat Baker* turned out something like 350 slides in the past three months—342 of which were quite legible, thank you.

On the agenda: trouble-plus another three dozen slides for KSA's seminar to the clothing manufacturers on June 16.
—*Joe Scheines*

TEXTILES

- The generally poor economy has severely hurt the textile industry, however our activity has not suffered as yet. Quality, growth, geographical dispersion, and profits characterize our activities for the year thus far. The quality of our services has led to repeat business, enabling us to maintain a high level of activity. Available figures reveal both income and profits in excess of budget and, given an upturn in the economy during the second half of '70, we should approach \$1 million in fees and a healthy profit for the year.

- *Bob Frazier*, being both peripatetic and ubiquitous these days, has landed exciting "special projects" in Algeria and Tanzania, requiring the services of textile men. (There is a rumor that the Justice Department's Anti-Trust Division has its eye on *Bob*, believing he may be attempting to take over the Textile Division!)

- A particularly important assignment was landed by *Cecil Phillips/Lamar Pittard/Doug Moore*—a \$200,000+ contract to develop and install a production-inventory control system for the Consumer Products Division of West Point Pepperell.
—*Freddie Wood*

TRAINING (AAMT)

Industry interest in consulting training assignments is low now but we hope this is a temporary condition that can be reversed. . . . Nevertheless, this declining market has forced us to do some cross-training and reassignments as conditions dictated at the time. Consequently, several of our very competent training specialists are now engaged in other projects—mostly engineering. One of these days we are likely to be plaintively calling "Won't you come home, *Bill Bailey*, Won't you come home. . . ."

Our study to determine the feasibility of establishing a KSA Management Development Center has been completed and is now in the hands of EXCOM.
—*Jack Johnson*

(Continued next page)

A Seminar Highlight . . .

Sam Johnson contributed the following story which proved to be the highlight of a recent seminar:

The pilot (P) of a plane approaching JFK International Airport trying to find out the local time, got into the following conversation with an Air Traffic Controller (ATC):

P. What time is it down there?

ATC. What airline are you with?

P. What difference does it make?

ATC. If you are with BOAC, it's 1500 hours. If you are with United, it is 3:00 p.m. But if you are with Piedmont, the big hand is on 12 and the little hand is on three.

A DAY TO REMEMBER

Joyce and *Phil Lutz* celebrated their 25th wedding anniversary on June 20. Congratulations to a wonderful couple from their many friends in KSA—they have been numbered among us for 23 of those years. Many happy returns.

SUMMER WORK

Tom Moore, currently enrolled at Harvard Business School, has rejoined KSA again to do summer work with GM&M. *Tom* has completed his first year at Harvard and is happy to have the opportunity to apply some of his hard earned knowledge, and we are delighted to welcome *Tom* back.

(Functionally Speaking (Cont.))

EUROPE—GENERAL

- Just had best European Supervisors' Conference to-date, in London, attended by *Stig Kry*. Excellent presentations included a Factory Start-up Case Study (*Keith Atherton*); Integrated MIS (*Albin Graeser/John Cooper/Hans-Horst Hensche*); Presenting Financial Results (*Greig Barr*). The theme of the conference was New Services to Meet New Demands. It is gratifying to see so many of our staff at all levels increasingly contributing to the development of new services.

Meeting was marred by *Eric Chipps* having to go to hospital in some pain due to kidney complaint, but we're happy to say, at the time of writing, he seems to be on the mend.

KSPEA continues to have sales problems, but tremendous efforts to "sharpen up our sharp end" should pay off later in the year. The rest of Europe booms, with interesting noises and cash flow emanating from Algeria and Turkey, as well as our normal haunts.

- Major investigation into the future of our training by *Bob Fitze* and *Bob Pee* should be going to press soon and this should lead to major changes in our attack on this vital area, with significant commercial advantages at stake as well as many improvements to the professionalism of our staff.

—*Stuart Hollander*

KSA—FRANCE

- The situation in France is improving in spite of the fact that 1970 is considered generally as being one of the most difficult years for the French industry. Restructuring of this industry is in process now and very probably a number of small firms will be obliged to close down. On the other hand, important firms are merging according to some of our clients and the clothing industry is going to need more and more consulting assistance. The development of our activities tend to prove this opinion.

- Algeria shows tremendous opportunities and much credit is due to our staff who is putting up with difficult living conditions down there. . . Important new French clients want to use our services in physical distribution, systems, factory planning, etc.—activities which are new to our staff. . . Jobs will probably be sold in Turkey and Greece and we will need more of our men back from the U.S. before the year end. . . Spain still presents problems due to currency restrictions but when we can give *Guy Vidal* free-rein there it will be a major market.

KSA—GERMANY

- Due to *Eric's* absence, this report will not do justice to recent developments in Germany. GmbH is currently the most profitable part of Europe and also is the source of much of our new MIS division's work.

- Warehousing and P.D. are coming to the fore, and major success by *Werner Gemmel* at C. & A. (13 factories in Europe) in Holland has lead to a jacket survey. . . The loan of *Jean Jacques Pflieger* from KSA-France will assist in the carrying out of the first AAMT job sold by GmbH, following a survey by *Hardy Artelt*. . . We welcome home *Jan van den Bichelaer*.

- The German economy is reacting with its usual suddenness to the slightest disturbing noises which may cause sales

problems before the year end, but with the sales momentum generated by *Fredy Hollenbach* and *Helmut Blettenberger*, we are in a strong position to fight off a short recession at least.

- After seven years, the office has moved to larger and nicer quarters. . . Address is Wilhelminenplatz 8—Telephone 06151-21810 or 06151-24305. A warm invitation to drop by to anyone on vacation in Germany.

KSA—ITALY

- Despite strikes and government crises, business is good and KSA-SpA is beginning to take shape. . . *Werner Iten* and *Giacomo Ronco* are fully stretched in selling and supervising, and the sale of AAMT to Cassera (biggest shirt firm in Italy) is a major feat.

Welcome home to *Renato Tarditi*, *Carlo Sironi* and *Elio Pigato*. This is a sign of impact being made in Italy.

KSPEA

Sales are still slack, reflecting the continued squeeze and we are busy mounting a widespread sales attack and are expecting to weather the storm and come out in good fighting trim when the next trade upsurge takes place. We are currently running a number of successful fee paying seminars and also mounting some of these in the knitwear areas where we are now trying to break in. We have just succeeded in recruiting a trainee from the knitwear industry.

- Some things are changing—Prices Tailors' cutting room is scheduled to reach completion soon. (This is not a reaction to using scissors—Observer Vol. 1, No. 1). . . P.D. is currently of interest with possibilities at Hepworths and Austin Reed, but *Bob Chaloner's* departure will mean *Graham Gilliver* and *Ron Malcolm* becoming our P.D. experts.

- Another thing changing is the appearance of our staff. Until recently no one bothered too much about neckties—not even how many colors they had (heresy!). Now that we have Britain's most prestigious tie-maker as a client, things have changed. Anyone without a tie at least five inches wide is dead—quite dead. There are also rumors that the assignment, which is a mixture of systems and engineering, is going well.

- Things are changing in training—with a shorter package for operator training to compete with TOTAL, plus new packages for supervisor training which are being specially promoted.

- *Richard Clarke* has been ordered by his doctor to have a break and this has been a real loss these last few weeks. However, he is beginning to get back into harness again and we hope that he will be fully fit again before long.

- By the time you read this, KSPEA will have had its 10th birthday celebration (although there is still no word of a gold clock for the office wall!)

GET WELL WISHES

To *Jerry Barnette* who continues to make progress in his recuperation from a very serious auto accident. *Jerry* was on his way back to Nashville after visiting a client in the hinterland.

Roy Engman-Practical Man

No series of sketches about KSA veterans could get very far without encountering *Roy F. Engman*. And no one gets too far talking to *Roy* without encountering the renowned—albeit dry and understated—*Engman* wit.

Example: At a KSA Supervisors' Meeting a few years ago, when it was his turn to identify himself for the record, *Roy* deftly put things into perspective by saying: "My name is *Roy Engman*; I'm semi-retired; I work 60 hours a week."

Roy has always been quick to get to the nub of a problem, as might be illustrated by an apocryphal story dating back to the time he was engineering a Salant & Salant factory in Tennessee under the supervision of *KS*. In the name of good client relations, these two worthies would occasionally devote their evenings to "recreational bouts" with the plant manager (a Mr. Joe Lipshie, now president of S & S) aboard a local riverboat (we said the story was apocryphal).

When pressed for details, our usually reliable informant proved unable to identify the size or draft of the vessel, or even the body of water upon which it is said to have floated. He is certain, however, that it was a four-door convertible in which the celebrants attempted to return to base one night. Being a wide convertible, the driver encountered some difficulty in getting it to fit within the margins of a narrow bridge, and missed his first attempt by half a front grille. From his vantage point in the rear seat, *KS* recalls *Roy's* advice to the driver: "Okay, Joe, back her up and try again!"

Giving useful, practical advice has been one of *RFE's* strong-points during his more than three decades with KSA. Acknowledged to be one of the foremost pants men in the industry, *Roy* has taught many of KSA's current senior practitioners. And, since *Bob Pee* and others worked under *Roy's* supervision on many of their first assignments in trousers, it can be said that a good part of *Roy Engman's* experience has infiltrated today's engineering staff.

Another *Engman* forte has been his practical know-how in technical matters. He was a one-man Technical Advisory Board for years, and his willingness and ability to pass along information to others is legendary.

When KSA decided to build its own plant in McRae, Georgia, *Roy Engman* was put in charge of the project from the ground-up. He did the pre-architectural planning, supervised the construction of the building, and saw Roydon Wear through the critical initial start-up period. Thus, *Roy's* storehouse of knowledge includes everything from building materials and lighting to machinery attachments and rate-setting—and he has always been ready to share it with others.

RFE is also a movie critic. The Public Relations Department tells a particularly poignant story about a trade

show back in 1963, when KSA showed its first Casebook movie. Standing in the rear of a crowded booth, gloating over the exquisite color rendition and sharp focus in a segment dealing with "Attach Waistband," the movie producer's bubble of euphoria was abruptly shattered by *Roy's* straightforward critique: "Good photography; lousy method. It's 20 years old. Why don't you show something new?"

Roy Engman had accumulated substantial garment manufacturing experience before he joined KSA on January 1, 1939. With a strong mechanical bent, he had invented attachments and devised a patented method for attaching waistbands and curtains in two operations while giving the costlier appearance of a three-operation job.

In a recent demonstration of total recall, *KS* noted that New Year's Day of 1939 was overcast, with temperatures in the mid-thirties, when he finally caught up with *Roy Engman* in a Kansas City bar. He had been trying to track *Roy* for a week, since hearing that a staff man had quit in the middle of a job for Burlington Manufacturing Company.

(It should be remembered that America was just emerging from the days of Bonnie and Clyde, Pretty Boy Floyd, and the Barker Gang at the end of 1938, and so recruiting methods were direct, bearing a greater resemblance to manhunts than to minuets.)

From Nashville, *KS* sprang into action. How to find *Roy Engman*, that sharp fellow with the trouser gadgets he had met a year before? A few long-distance calls discovered *Roy* in St. Louis, on his way to talk about a job with someone else. A little persuasion from *KS* convinced him to talk about a job in Kansas City instead, and within the week *Roy* had started his illustrious career with KSA.

During World War II, *Roy* managed a plant for a client, Oshkosh B'Gosh, for four years. After that he established strong performance records doing consulting work for Jaymar-Ruby, Sweet Orr, Rome Manufacturing Company, and other valued clients. Since the late forties, *Roy* has established himself in the Atlanta area, where he and *Clara* raised a son, *Rick*, and a daughter, *Margene* (*Mrs. Bill Trotter*). They have two grandchildren.

Six years ago, KSA presented *Roy* with a diamond-faced watch to commemorate his 25th anniversary with the company. Working on special assignments in his "semi-retired" status, *Roy* finds time at the end of his 60-hour week to tinker in his basement workshop, perhaps searching for a method to reduce the waistband curtain attaching to one operation.

INTERCHANGE OF TELETYPE MESSAGES BETWEEN NYO AND ATLANTA APRIL 3

"In honor of Founder's Birthday, NYO closing at 1:00 today. Any last-minute messages? If you see *KS*, wish him our best."

"Hope you all have a nice long weekend. If any of you need letters of recommendation, will be glad to oblige. Regards, Kurt Salmon."



Around The Company . . .

ATLANTA

KS was in Atlanta on April 3, thinking no one knew it was his 60th birthday. But someone spread the word. The Atlanta secretaries surprised him with an office party to mark the occasion. The press was not invited, but with their keen ear for news they were able to get their story from the sounds which penetrated the closed door. They reported the participants obviously enjoyed the festivities. KS was very pleased by the girls' thoughtfulness and was particularly proud of the fact that he cut the cake into 14 equal pieces without the use of his ever-trusty slide rule.

The Office Picnic was held May 9, attended by approximately 100 wives, husbands, and children (ranging in ages from two years old up to ?). . . A double header softball game lasted four hours, but the scorekeeper refused to disclose the scores—found out he couldn't count that high. KSA won, of course . . . Real athletes participated in a rough game of badminton. . . The KSA chefs outdid themselves—the food was delicious and beverages flowed freely . . . A terrific success as an outing and a great way to meet and chat with everyone.

BIRMINGHAM

In Vol. 1, No. 1, we reported on a possible assignment — *KSA TACKLES ARMY*. We had to beat out such hopefuls as Arthur D. Little, the Mets, and UCLA to get into the play-offs, but the game is now underway. . . Talk about teamwork—here's ours:

Position	Name	Hometown
Split End	Joe Adkisson	Atlanta
Tackle	Carl Bhamé	Atlanta
Quick Guard	Jerry Kavanaugh	Atlanta
Center	Bill Flake	Washington
Pulling Guard	Chick Schwartz	Atlanta
Tackle	Warner Civitts	Nashville
Tight (literally) End	Earl Smith	Birmingham
Quarterback	Howard Cooley	Atlanta
Fullback	Bill Sandlin	Waco (Ultramation)
Flanker (watch him)	Jim Trautman	Atlanta
Running Back	Jack Murray	New York

MEET MR. CASA

Because of changes of our staff personnel at Gleneagles, the reserved parking place is lettered KSA. Dick Prince was discussing a problem with an operator when she told him that Mr. Casa had instructed her to do it another way. Renato Tarditi was working there at the time and since Mr. Casa didn't ring a bell with Dick, he asked about whom she was speaking. "You know," she replied, "that foreign man who parks in the reserved section." "Sorry Susie," replied Dick, "KSA is not his name!"

(We omitted the weight column—all these fellows are "heavies.")

Dean Vought is the referee and Jack Johnson keeps score while also doubling as a waterboy . . . With that kind of a squad, we fully expect to come out on top, but all taxpayers can ultimately be the winners if proper implementation occurs after this massive study is completed at Indiana Army Ammunition Plant.

A score may be forthcoming later at half-time.

WASHINGTON

Spring finally arrived, bringing out the famous cherry blossoms, but a couple of weeks late, for the annual festival and the thousands of flower-watchers who flock to the Capitol for the occasion.

Connie Krause came down with mononucleosis. She says she knows, regretfully, mono has been erroneously labeled as the kissing disease. . . Mary Baach had foot surgery and has probably taken the first step toward bridging the generation gap with her hippie sandals.

Besides flowers, spring brought our auditors—three to four strong—to spend a month. Add an EXCOM meeting, plus a few visitors, get a Picatinny contract at the nth hour causing John McCreight to hop the next flight to Newark with corporate seal, and there was no time for spring fever. With it all, we kept hearing celestial music—Bill Schenke has been described as an "angel" by a financially depressed staffer.

NEW YORK

The mail strike in New York and the garbage strike in Atlanta produced some interesting ebb-and-flow . . . Paul Flood came up from Atlanta with a suitcase full of garbage, emptied it in New York, and returned with a load of mail. Even KS was pressed into service on the Washington to New York run, particularly at the end of the pay-period . . . Sam Johnson was asked to forego his personnel duties for KSA at the height of the strike and rush over with his army reserve unit to sort the mail. He found three applications addressed to KSA and screened them on the spot.

Margrit Brack is leaving KSA and the U.S. to live in South America. . . Joan Marsh leaving P.R. Department to be married. . . Jane Fox and Sandy Craig were married June 27—moving to New Haven where they will be teaching in the school system.

Jack Murray's family went to the wrong New York airport to pick him up. . . twice in one week!

MISSING DRAWERS

John Fitzsimmons was working in a plant and had modified a number of table tops and had temporarily removed the drawers. Of course, this disturbed the girls, so John put up this sign in the department:

PATIENCE IS A VIRTUE, YOUR DRAWERS
WILL BE RETURNED VERY SHORTLY

EDITORS' NOTE: Thanks to all who have submitted news items. Keep 'em coming. We need these to make the *Observer* newsy and interesting.