

The Observer

Vol. 1, No. 4

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

December 31, 1970

Focus on Sales Development, Matrix Organization at Principals' Meeting

Over 65 KSA officers and principals met in Atlanta for two-and-one-half days of concentrated discussions and game-playing November 12-14. Their attention was focused upon a new organizational concept for the company, improved techniques for developing sales, and opportunities for KSA to expand its services to clients in the women's wear industry. The game-playing took place on Friday the Thirteenth, when a majority of 14 companies were "managed" into near bankruptcy with the aid of a computer (details on page 6).

This year's Principals' Meeting was all business. The absence of wives, dictated by economy reasons, was undoubtedly a contributing factor. More to the point, however, was the somber realization that KSA must develop more effective responses to current business conditions.

A Matrix Approach

One means was explored at the first session, when a new matrix approach to KSA's internal organization was introduced. Full details are being distributed throughout the company, but some points deserve emphasis here.

- The concept establishes dual responsibility—by function and by industry—in an attempt to reflect KSA's recent growth and diversification in both directions. In oversimplified terms, a matrix organization strengthens functional specializations (i.e., training; software) while broadening KSA's posture as a generalist consulting firm to the client companies and industries it serves.

Thus, a specialized function will now be more readily

Christmas Card Fund Climbs to \$3,239.50...

We're very proud of the growth of this fund. This year 121 KSA people contributed \$3,239.50 to 93 worthy causes of their choosing, and by so doing sent Holiday Greetings to all of our "Santa helpers."

The company again selected the City of Hope, a non-denominational organization, as the recipient of its annual donation.

available to serve all industries, and the KSA executive responsible for a particular client or industry will be encouraged to promote all functional services for it, regardless of his own background in a particular function.

- Despite the new emphasis upon a generalist approach at the account executive level, KSA will continue to specialize as a consultant to consumer soft goods industries. The only deviations presently contemplated involve retailing, furniture, and industrial laundering—all of which are logical extensions of our work in apparel and textiles. Activities in the hospital and institutional health fields will be carried out by our HIC subsidiary.

- There will be no change in the company's basic philosophy of providing professional services of the highest caliber to its clients, through applying the most pertinent and useful experience to its staff.

After studying the full report on the new matrix organization, staff members should discuss it with their principals at the first convenient opportunity. There is a lot to it.

Sales Development

A complete afternoon session of the Principals' Meeting was devoted to sales development. *Freddie Wood*, *Bob Saunders*, and *Bob Solomon* led the presentations, which outlined the techniques employed to expand KSA's practice in textiles, carpets, and hosiery over the past few years—a good deal of it from "Ground Zero." Every aspect of sales development was covered in the presentation—from long-range market planning and trade association liaison to on-site contacts with client personnel. A spirited discussion period followed, led by *Jack Johnson*. The general conclusion was that KSA has only begun to exploit the many avenues of sales development that are open to it.

Women's Wear

In another half-day session, the Principals' Meeting

Continued on page 3

Just a reminder that this publication, published for the personnel of KSA, is mailed to your homes and should not be taken elsewhere.

Observations from . . .



There are two aspects to our work in these "developing countries", as they like to be called, which deserve special mention.

Algeria/Israel and KSA's USA Clients

The first has to do principally with Algeria. Algeria, as you know, is an Arab country and an extremely militant one. Far removed as they are from the Suez Canal, they can afford to be militant; for, they are quite safe from any possible reprisals by Israel.

Many apparel manufacturers in the USA are owned by Jews. Not all, but many Jews, though American citizens, have acquired a sort of spiritual allegiance to Israel and contribute liberally to that country's annual requests for financial aid. It is farfetched to aver that, by doing business with Algeria, KSA is aiding the enemies of Israel. Quite the opposite is true; for, to the degree a country becomes economically stronger, to that degree do they tend to become more responsible members of the world community. Nevertheless, where emotions are involved, reason and logic tend to take a back seat. Hence, many of our clients or prospective clients would probably take a dim view of our work in Algeria. Consequently, we should keep this to ourselves, not brag about it, and if it does come up, portray it in a discreet light with this in mind.

Xenophobia

The second aspect probably applies to our work in Algeria, Tanzania and Iran: I am referring to the fear of imports by our industries. Though there is some justification for this in general, it is rather ludicrous to apply this to the countries of Algeria, Tanzania, and Iran, all of which are a long way from exporting textiles and apparel and are merely trying to achieve a greater degree of self-sufficiency to conserve foreign exchange. It will take them many years to achieve this, let alone to achieve surplus capacity which can be exported.

Nevertheless, our industry here tends to generalize and, having been hurt by imports from the Far East, for instance, they tend to take a xenophobic view of anything foreign as possibly injurious to them. This, therefore, constitutes a second, good reason why we and our families should treat our guest assignments in these countries as discreetly as possible and, if and where the word has leaked out and you are asked questions about it, perhaps these few comments will help provide the proper perspective for your questioners. Quite frankly, we expect to do more of this, where the proper opportunity presents itself; for, these assignments can be constructive, interesting and remunerative, and we want to be "part of the action."

The Imports Threat

Speaking of imports, we feel that, while further inroads will inevitably be made into our industries' markets, they will not be taken over by foreign countries to the extent that watches, cameras, or optical equipment have been

The KSA OBSERVER

A quarterly report of the activities of Kurt Salmon Associates, published by and for its personnel, is mailed to homes and should not be taken elsewhere. 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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made, for instance. We feel this way for a number of reasons:

For one, textiles and apparel are not, in the main, luxury products and they are purchased with regularity and frequency. Next, the genius of America will continue to mechanize, change styles, improve customer service, so as to keep the largest share of its markets. Tariff protection, if it should be enacted, would, of course, help. Most importantly, perhaps, because it takes money to industrialize! To be sure Japan has money, but it cannot finance enough industrial production to take over huge shares of an unlimited number of industries.

As regards the ability of other, low-wage countries to do so, the following statistics and speculations may be of interest:

| | |
|---|---------------|
| India's population | 600 million |
| % of India's population engaged in farming | 70% |
| % of USA's population engaged in farming | 4 - 5% |
| To industrialize, a country must restrict its farming populace to | 25% |
| Hence, India must create industrial jobs | 250 million |
| In USA, capital investment to Create an average industrial job | \$50,000 |
| In India, perhaps | \$ 3,000 |
| Hence, cash needed to become an industrial nation | \$750 billion |
| Total Gross National Product of India | \$ 25 billion |

In 35 years, their population will have doubled!

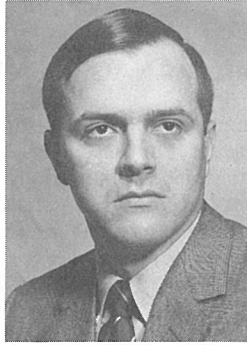
We feel this proves that there is justification for taking a "measured view" of the import threat for the above reasons.

KSA's own diversification plans and moves, as well as its overseas work are, of course, all designed to decrease our reliance on an ever-increasing share of the apparel and textile market in the USA.

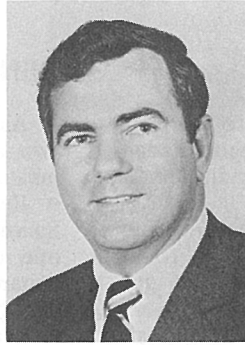
Promotions . . .



Trautman



Wilcox



Flood

Congratulations to the three Principals who will be promoted to Managers on January 1. *Jim Trautman* will become Manager, Material Utilization Services, *John Wilcox*, Manager, Fashion Apparel Services, and *Paul Flood*, Administrative Manager, Health & Institutional Consultants, Inc., a division of KSA. We wish them much continued success.

Principals' Meeting (Cont.)

switched from consideration of sales promotion in general to the adaptation of KSA services for a specific market—women's wear. *John Wilcox* set the stage by comparing KSA's penetration into the men's wear and women's wear fields (20.8% versus .9%), and then introduced a panel of speakers who discussed specific services in relation to the problems faced by women's wear producers.

Paul Flood spoke on an engineered approach to pre-season line-planning; *Randy Nord* discussed work-in-process controls in a style situation; *Jack Schmidt* outlined the prospects and pitfalls of material utilization work for ladies' wear; and *Ted Theodorsen* went into some of the details of engineering a women's wear sewing room.

The conclusion: women's wear may require a different approach from some time-honored and successful practices in men's wear, but it represents too large a market potential for KSA to ignore.

Food for Thought

Following custom, two prominent industry leaders addressed the luncheons during the meeting. One was *Norman Hinerfeld*, Executive Vice President of Kayser-Roth and current President of the American Apparel Manufacturers Association. His theme: apparel is "a new ball game" today, with new rules and conditions to observe. One is the shorter "shelf-life" of most apparel styles—approximately three months, as compared with three years a decade ago. The implications of faster-moving styles upon marketing and manufacturing, and upon the basic organization of the apparel company itself, are profound.

Another new condition involves the shortage of labor in the apparel industry today, and the competitive liability this imposes upon American producers vis-a-vis garment industries overseas. Mr. Hinerfeld—a lucid and entertaining speaker—pointed out that consultants like KSA had both a problem and an opportunity to help apparel manufacturers in each area.

Dr. Edwin Harrison, Executive Vice President of J. P. Stevens & Co., spoke at another luncheon. Dr. Harrison discussed the import problems affecting textiles, and spoke of the need for melding technology with good use of human resources. A former president of Georgia Tech, Dr.

Harrison was warmly greeted by a number of Tech alumni in his audience.

All in all, the 1970 Principals' Meeting was judged to be one of the most successful ever, and its ramifications will be felt throughout the company for some time to come.

Coming Events . . .

- February 27th—Program on "Profit Control" for knitters and hosiery manufacturers at the Michael Mutolese Apparel Research Center in Philadelphia.
- March 13th—All-day program on handling knitted fabrics for men's clothing producers at the Apparel Research Center, Philadelphia.
- TAC Regional Meetings (accent on supervisor training and motivation)—Atlanta, March 6th; Greensboro, March 20th; Nashville, April 3rd; Dallas, May 22nd.

Congratulations!

Besides brisk autumn days and beautiful foliage, October brought a brisk increase in the birth of beautiful babies. Congratulations and best wishes to:

Ruth and *John Fitzsimmons*, a son, *Scot Alexander*, born September 18.

Mary and *Ronald Chisenhall*, a son, *Ronald Lee*, born October 12.

Bonnie and *Bob Frazier*, a son, *Glen McKinley*, born October 18.

Carol and *Howard Cooley*, a daughter, *Sarah Prynne*, born October 21.

Ruth and *Hugh Tannehill*, a daughter, *Elizabeth Ann*, born October 21.

Charlotte and *Dewey Moss*, a daughter, *Angela Marie*, born October 22.

Hildegard and *Joachim Mueller*, a son, *Joachim Rolf*, born October 22.

Jarnette and *Freddie Wood*, a daughter, *Reid de Jarnette*, born October 26.

Joan and *Bob Hagen*, a son, *Eric David*, born November 25.

Shirley and *Sam Johnson*, a daughter, *Jenifer Suzanne*, born December 4.

Functionally Speaking . . .

CARPETS AND RUGS

Activities in the carpet and rug area appear to be on the up-swing, with several interesting and challenging assignments in the sales, marketing and general management areas.

- One of these involved a fascinating trip to Argentina on the part of *Hugh Tannehill* and *Bob Saunders*. They found Buenos Aires to be a delightful, very cosmopolitan city, with the best and least expensive steaks found anywhere—which, at 75 cents for a 16-oz. sirloin, are eaten as are hamburgers in the States. However, they were quite dismayed to find that the “gaucho boots,” which they had hoped to take home to their children were not sold in “B.A.”

- Our diversified activity is increasingly utilizing the services of a variety of talent in the organization—particularly in the general management and marketing areas. We are, at the same time, not forgetting the need for building up our engineering systems practice in carpets and rugs. In this connection, we conducted a seminar for the manufacturers of small rugs, in November, on profitability analysis and cost control. This was most ably presented by *Al Emmons* and *Bob Hinck* (with grateful thanks to the Systems Division) and by *Hugh Tannehill*.

— *Bob Saunders*

CUTTING/MATERIAL UTILIZATION

- Welcome, *John Harry*, to KSA/USA. John's first assignment as a USA-er is also somewhat of a first for KSA—assisting H.W. Gossard Company in starting a new lingerie cutting department, using an AAMT approach to training cutting personnel. In addition to having MU controls the day Gossard opens its new cutting plant, they are looking forward to witnessing the “miracle” of a cutters' training curve reduced from 36 months to four months. The “miracle workers” will also include *Glenn vonRosenberg* and *Nort Eberly*.

- Meanwhile, back in Georgia, *Roger LeBarron*, with an assist from *Steve Jackson*, is scratching his style-oriented, MU head on an interesting MU survey for Garland Knitting Mills. New chapters are being added to the MU book as we're trying to quantify a potential improvement in pounds (of knit goods) per dozen. Total potential savings could scale overall previous records, as Garland is presently cutting over four tons of interlock knit material alone each week.

- Up at the front lines of our clothing cutting/MU work, *Dewey Moss* and *Dick Hinch* are raising eyebrows in the City of Brotherly Love with a very impressive 5% material savings at Stanley Blacker. As we go to press, a first string cutting/MU team is being formed for Hickey-Freeman, with *Mike Brent* as quarterback.

A most interesting period as we continue to expand and refine our expertise in such areas as new products, fabric, style, and industry segment.

— *Jim Trautman*

GENERAL MANAGEMENT AND MARKETING

Assignments have been reasonably balanced between the two aspects of our activities. This pleases us because it means we're doing more marketing consulting.

- Berkshire Hathaway, Inc., authorized a Customer Service Survey for their Home Fabrics Division. Customer Service is one of the major competitive forces in the textile and apparel industries. This survey will show Berkshire Hathaway how they stand vis-a-vis their competitors, detail areas in need of improvement and be useful in the development of an improved planning and distribution system. *Sam Johnson* and *Bob Messinger* will lend a hand on this one.

- We also have a marketing assignment with the Floor Covering Division of Dan River, Inc., to cover their direct distribution and distribution through wholesalers. This analysis will cover most facets of marketing . . . We are completing an Organization Project for Piedmont Shirt and have scheduled an Organization Study for the Pant Division of Garan, Inc. The latter will result in the restructuring of the top and middle-management of the Division and assistance in the preparation of a policy manual.

— *Ralph Ross*

HIC

- We have 11 full-time and part-time (borrowed from KSA) consultants working with 27 clients in Georgia, Florida, and Alabama. We offer services in such areas as:

1. Cost Information Systems.
2. Business Office—including patient accounts receivable, admissions, charge accumulation, and accounting.
3. Materials Management—including purchasing and storeroom, central supply, pharmacy, and dietary.
4. Clinical Services—including nursing service, laboratory and radiology, operating room, medical staff, medical records, and infections control.
5. Physical Plant Services—including laundry, house-keeping, and engineering and maintenance.
6. Personnel—including the typical KSA personnel services.

- We are attempting to develop programs that can be funded by the Federal Government through the Department of Health, Education and Welfare as well as through Blue Cross-Blue Shield and Medicare-Medicaid. In addition, we work with educational institutions such as the Emory University School of Nursing.

— *Paul Flood*

KNITTING AND HOSIERY

Sales continue to be tough in Hosiery, due to industry sales plunging since August; in Knitting we're encountering the normal problem in building a practice in an industry where we are not too well known.

- Our public relations effort has been quite aggressive. Five articles have appeared in the NAHM Hosiery News Letter as a result of our August “Profit Control” seminar in Charlotte, N.C. Every knitting trade magazine published

Tenth Anniversaries . . .

Congratulations again to those three 10-year men whose photos were missing. The background material is rather sketchy. . . Our European correspondent tells us these fellows are too modest to talk about their accomplishments, but we know they are many.

Richard Clarke joined KSPEA in 1960, having been with P-E Consulting Group since 1947. . . He is a Chartered Mechanical and Electrical Engineer and was in REME and the Army, leaving with the rank of Captain. . . He came onto the Board of KSPEA in 1965 and is now the European Training Director . . . Richard, his lovely wife, *Toni*, and their children live in a charming, century-old house in a village near Edinburgh, a welcome retreat for a consultant.



Clarke



Fitze



Atherton

Keith Atherton has a B.Sc. in mining engineering from the Crosby and Nottingham University. At the University he was captain of the rugby team and bridge club. . . Became associated with KSPEA in 1960 and was promoted to supervisory work in 1965. His major achievement was the Middlesboro coat shop which took three years. Since that time he has been supervising and has been responsible for the development of many of our largest clients in Britain, including a number who have given us much repeat work. He has also been responsible for the successful build-up of KSPEA's practice in the field of training, using AAMT and more recently he has introduced total factory start-up service. He was promoted to Director in October, 1969. . . He and *Margaret* and their three children live in Halton, Lancaster.

Bob Fitze is a native of Switzerland where he received his education. Before joining KSA he had five years experience in organization and production control in the apparel industry . . . Bob has been one of our most many-sided consultants, having worked on engineering and M.U. projects and pioneered in Physical Distribution and Systems in Europe. He, *Richard Clarke* and *Bob Pee* designed a very thorough training syllabus which will be the basis of training and professional staff development in Europe . . . Tri-lingual from the start, he has since added Italian to his linguistic abilities. Bob and *Brigitt* now reside in London with their two children.

something about the seminar . . . Exhibited at the Catawba Valley Hosiery Exposition in Hickory, N.C. in October and it resulted in a number of new prospects. . . "Hosiery Sewing" article by *Jim Bunting* published in September "Knitter" . . . Planning a February "Profit Control for Knitters" seminar at the Philadelphia College of Textiles and Science.

● The Ahoskie knitting assignment promises to be something! In less than two months *Buddy Ruppenthal*, *Al Copelan* and *Barry Mademann* have helped double plant productivity in an 18-month-old plant . . . Warnaco is pointing at *Jim Bunting's* assignment in their Concordia Leg Apparel (hosiery) operation as the model for effective use of consulting services.

— *Bob Solomon*

PERSONNEL MANAGEMENT

● Our wide-ranging activities include the continuation of a Supervisory Development Program being installed at Marion Manufacturing. *Ron Brockett*, *Frank Hurley* and *Buddy Ruppenthal* are working on this one and discovering the peculiarities of working with a multi-shift manufacturing operation. Generally, their work day begins at midnight.

Frank continues to be this Division's most peripatetic member. He completed his first eight weeks in Tanzania, returned to the States, and went back to Tanzania via London on November 30. He will spend two weeks in England interviewing men for NATEX, our Tanzanian client.

● A number of Attitude Surveys have been authorized and

will be undertaken in the next two months—one of these will be for a hospital.

— *Bob Messinger*

PHYSICAL DISTRIBUTION

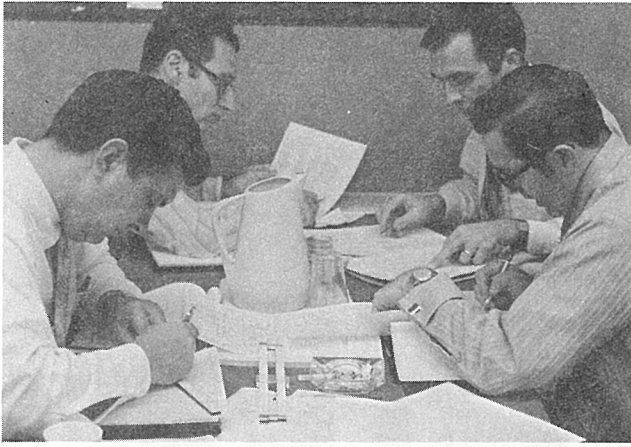
● A large portion of KSA's current PD work is being done "offshore". The *Bijenkorf* retail project in The Netherlands is progressing under *Ted Harless'* direction; The Tanzanian marketing and distribution assignment continues with *Nigel Richardson* and family in residence; Phase III, implementation of plans for a Cape Town service center, is underway for the *Greatermans* retailing group in South Africa.

● Stateside, our assignments range from the start-up of a new clothing handling system for *Stanley Blacker* to planning of a new 420,000 square foot distribution center for the *Arrow Company*.

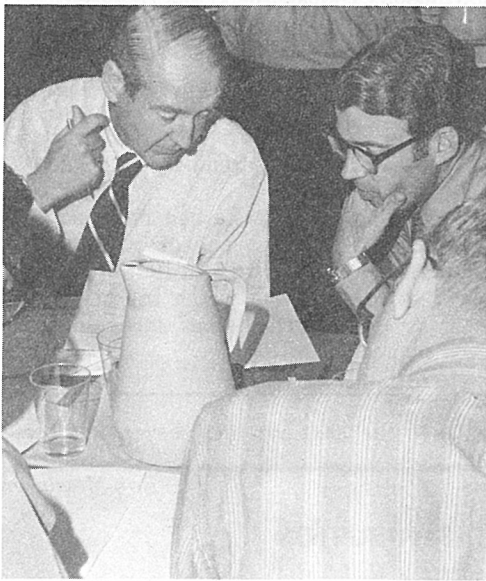
● Combining PD with MIS, GMM and P, and Software in the new Management Services Division has resulted in a greater awareness on everyone's part of the important interrelationships between these functions. Here are some concrete examples of the integrated activities which are underway:

1. Development of a marketing and PD seminar to be held in March.
2. Investigation of a standard computer software package for warehouse incentive payroll and productivity accounting.
3. A joint PD, MIS, and Software meeting with a current warehousing client to discuss computerized

Continued on page 7



VICE PRESIDENTS AT WORK! *Jack Ullman* ponders effect of “going trimless” while his team (*Osborne, Johnson, Burkhalter*) do the real work. At right, above, *Stig Kry* improves towel delivery service by 112% while co-managers *Tannehill, Smith* and *Schenke* consider what it will cost. Photos were taken at management game session during Principals’ Meeting.



DECISION-TIME for *Bob Saunders, Sam Morrah*, as they face consequences of bold management move.

EVERYBODY STOPS (below) while treasurer of *Almost Apparel Co. #1* points out unusual savings to be gained from massive engineering program. Heeding his advice, company only lost \$94,497, but won “Neatest Desk” Award.



Gamesmanship. . .

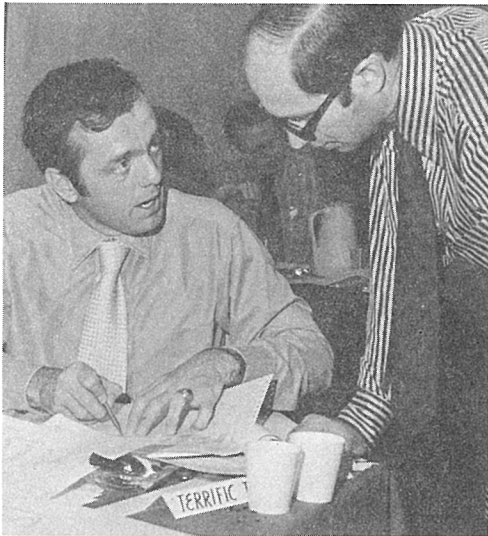
One of the more remarkable events in KSA history took place on the second day of the 1970 Principals’ Meeting, when everyone present played a management game for a full day—and on into the night.

Cecil Phillips has been working with *Ronald L. Jensen*, Associate Professor of Business Administration at Emory University in Atlanta, to develop “The Textile Management Laboratory.” This is a computer simulation of textile operating conditions. Marketing, manufacturing, distribution, and financial activities of a company are determined by the players. Their decisions (product pricing, advertising, borrowing, etc., etc.) are entered into a computer for each fiscal quarter, and all data about the company are changed accordingly to reflect those decisions in relation to a market (consisting of other “companies” in the game.)

For the purposes of demonstrating the game (which is expected to become another KSA service), as well as to give principals experience in managing a company, the group was divided into 14 teams of four players each. Half the teams managed the “Terrific Towel Company,” and the others did what they could for seven “Almost Apparel” companies. The firms in each industry competed with each other in the same market, although each had a different



FREDDIE WOOD and *Bob Gargan* (standing) explain to eager towel entrepreneur that buying up all the other companies in the game isn’t allowed. Gentleman at right, a *Mr. Heiland* has just discovered leaky forecast.



A FINE POINT of management game is raised by *Buddy Ruppenthal*. Referee in traditional striped shirt is *Cecil Phillips*, chief developer of computerized management simulation. While "Textile Management Laboratory" was adapted to apparel for Principals' Meeting, it has already been played by textile industry representatives. Next game is scheduled at Auburn University in March, and plans are in works to expand its use for both apparel and textiles in 1971.

situation regarding cash, inventory, market share, assets, etc., at the start of the game.

The print-outs for the last quarter were not available until the Happy Hour that evening was well under way. Yet, so great a sense of involvement and competition had been generated that 64 thirsty players put down their drinks to scan the returns immediately upon their arrival—truly a testimonial of unusual interest!

Teams were determined at random, and it was quickly found that there was absolutely no correlation between a man's billing rate or seniority and his ability to play the game. On the contrary, an ability to outsmart the competition at the surrounding tables—either by virtue of exceptional hearing and/or unusually acute peripheral vision—seemed to count for a great deal.

The following earnings were reported by the computer at the end of the day for each of the 14 companies. In order to protect personal feelings, the identity of each company's "management" has been destroyed.

| Almost Apparel Co. | 4th Quarter Earnings | Terrific Towel Co. | 4th Quarter Earnings |
|--------------------|----------------------|--------------------|----------------------|
| 1. | \$ - 94,497 | 1. | \$ - 174,304 |
| 2. | - 31,137 | 2. | 61,212 |
| 3. | - 124,323 | 3. | 70,367 |
| 4. | - 117,535 | 4. | - 6,755 |
| 5. | - 169,965 | 5. | - 79,093 |
| 6. | - 200,244 | 6. | - 82,497 |
| 7. | - 89,283 | 7. | 858 |

Despite this alarming performance (the computer threatened to quit when it received input for the 3rd quarter), all the players found the management game an absorbing and enlightening experience, as the accompanying photos will attest.

Functionally Speaking — PD (Cont.)

control of the storage and processing of finished goods.

- An ambitious PD public relations campaign has been planned for 1971. We look forward to informing potential clients as well as all of KSA about our broad range of PD services and hope that we can count on full KSA participation in making these PR efforts productive.

— *Jim Giddings*

PUBLIC RELATIONS

Since the last report, PR has put on a few shows:

- The Southern Textile Exposition in Greenville featured an updated version of 1968's slide-sound presentation, "Managing Technological Change." Traffic at the show was moderately heavy, and *Buddy Ruppenthal* established a new record by setting up a plant visit within nine minutes of his arrival in the booth.

- The sixth and final trade show of the year was for the Institute of Industrial Launderers in San Francisco (for which REA put its new silver bullet straight into the collective PR heart by taking 24 days to ship brochures from the New York office).

We also put on some programs:

- At ARF's annual Technical Conference in Washington (speeches by *Howard Cooley* and *Jack Murray*); Another presentation of the AAMA Accounting Manual Seminar in Atlanta (only 22 people showed up, but there was good feedback); A two-day program on profitability accounting for the Carpet & Rug Institute; A few odds-and-ends for the Principals' Meeting; A speech on MU to the Needle Trades Management Association of Toronto by *Larry Kallus*; a presentation on Supervisory Development by *Buddy Ruppenthal* and *Ron Brockett* before the American Textile Manufacturers Institute; An all-day program on material utilization for the ARF; A presentation to a group of German manufacturers.

We also printed things:

- A new Carpet and Rug Brochure; Two issues of the ARF Journal; Assorted issues of Perspectives and Special Service Bulletins.

On the agenda: a warehouse incentives slide program which should put us over the 1,100 mark for 1970; a fusing manual for ARF; and several articles for trade publications.

Between ordering business cards and lunch, *Linda Linder* designed and produced the Christmas card that will accompany the 1971 Time Planners sent to clients.

— *Pat Baker*

TEXTILES

This has been our best year. Fee income and profits are up, staff gained valuable experience—many of whom received functional and/or industry segment cross-training—, our reputation has grown, the staff has undertaken some particularly complex and difficult assignments, and many clients called on us several times during the year.

- Looking ahead to 1971, we foresee a rather difficult period. Several long-term assignments were completed recently, the textile work in Algeria which meant much to our 1970 results may not extend into 1971, and the generally depressed economic conditions of the textile industry aren't likely to improve significantly until the second half of '71.

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NEW STAFF

Oliver L. Brown . . . Age 32. Wife *Joan*. One child. B.S.I.E. at Georgia Tech. Five years experience. Reliability field engineer with Lockheed of Georgia. Also experience in telephone equipment and power distribution engineering. Assigned to Apparel Engineering. Hobbies: Rockhounding, golf, fishing.

Hermann Froehlich (KSA-AG) . . . Age 27. Wife *Romi*. One child. Engineering diploma at Eidgenossische Technical University, Zurich, Switzerland. Assistant professor, Institute Industrial Engineering, Zurich. Special accomplishments in systems engineering. Hobbies: Sports.

Stephen F. Kalosis . . . Age 26. Wife *Sandra*. One child. B.S. Engineering at U.S. Naval Academy. Air reconnaissance navigator and squadron maintenance officer, rank of Lieutenant. Assigned to Apparel Engineering. Hobbies: woodworking, stereo, boating.

Anthony R. Tesoriero . . . Age 27. Wife *Mary*. B.S. Engineering at U.S. Naval Academy. Submariner. Deck and engineering officer on nuclear and conventional powered submarines, rank of Lieutenant. Assigned to Apparel Engineering. Hobbies: Sports, music, painting.

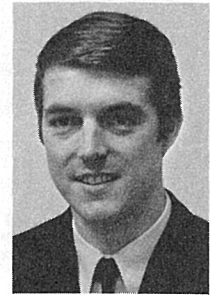
Robert E. Wallace . . . Age 27. Wife *Margaret*. One child. B.A. Economics at University of the South (Sewanee, Tenn.). U.S. Air Force five years. Captain. 100 missions North Vietnam. Prior experience as teacher and civil engineer. Assigned to Apparel Engineering. Hobbies: Hunting, fishing.

Functionally Speaking — Textiles (Cont.)

- Looking beyond 1971, our prospects appear extremely bright. The industry's needs for professional assistance will increase and its problems will become more complex. For yarn spinners, there will be a need for lower costs, improved service and better planning. For texturizers, there will be pressure on profits and the need for better controls over quality, costs and inventories. Fiber producers will face increasing competition and will have to address themselves to cost reduction and improved efficiency. Weavers will face growing competition from knits and, thus, will have to tighten their operations. Consumer products are predicted to be one of the growth areas of the 70's and this will result in growing markets for us in carpets, hosiery and fabricated textile products. The knitting boom will also result in an increasing market for our services.
- As the industry's problems become more complex, textile firms will seek assistance from consultants who are knowledgeable in depth and breadth. In addition to cost reduction and training and systems services, they will seek help in marketing, long-range planning, diversification, and



Brown



Froehlich



Kalosis



Tesoriero



Wallace

organizational problems. To our knowledge, KSA is the only specialist firm which offers this broad range of services. With our excellent staff, our growing reputation, and our concentration on quality, we should be able to expand profitably during this decade. 1971 will be a real test for us. However, we should see a pickup in activity during the second half and be well prepared for the opportunities that are clearly present for KSA in the textile industry in the 70's.

— *Freddie Wood*

TRAINING (AAMT)

- The big news to report which affects our function and which, hopefully, will benefit KSA and its clients in the future, is the merging of AAMT, supervisory training, and client personnel services into one group as part of KSA's Manufacturing Management Division. This was announced at the recent Principal's Meeting in Atlanta.
- *Freddie Wood, Buddy Ruppenthal, and Bob Messinger* will be spearheading our efforts in the area of Human Resources Development Services.

— *Jack Johnson*

Europe — General

The organizational changes we made earlier this year are beginning to show benefit in the key area of sales. As some of our men in USA are returning earlier than we had originally planned, this increase in our sales capacity is all important at this time.

- We are busy preparing to do all our future training in Europe and *Richard Clarke* is rapidly gathering steam in this endeavor. Already a number of staff have been corralled into the effort and have probably learned as much in the process as their work will teach ensuing trainees! In some cases, they've also experienced the astringent benefits of doing a job for RJC!

- The Systems Division on the Continent is getting off the ground. There are five people working—including *Hans-Peter Schuler*, who recently joined the division. Presently, we are dealing with four clients, doing three manual MIS installations and one standard costing survey. The installations were sold through surveys, successfully done by *Hans-Horst Henche* and *Bob Fitze*. Besides these activities in Germany, *Bob Fitze* sold a major MIS installation to Rosy in France, and *Eric Chipps/Albin Graeser* started an evaluation study of a wholesale company in Finland. It already seems that, with the help of our "big brothers" from KSA's manufacturing service and our developing systems sales efforts, the future outlook is good for systems activity.

We continue with efforts to improve our skills in marketing our own services in every country, as we feel sure this will be the key to success in the 70's.

— *Stuart Hollander*

KSA-France

- The most important piece of news from Paris is that we have entered the Systems Era! The first Systems installation was sold to Rosy, a manufacturer of bras and girdles. . . In addition to our work in Algeria, we are now looking to Morocco, on the other side of the African Continent, which has a government contract to start a factory producing shirts.

- Competition in consulting continues to grow. More and more it is necessary for us to seek out clients instead of having them contact us, as in the past. With these new conditions, our sales organization has been restructured, hopefully providing new development for our company.

Welcome to some of our USA trainees who are preparing to rejoin us and especially to *Jacques Compain-Tissier* and *Jean Jacques Boucheret* who recently returned.

— *Claude Hache*

KSA-Germany

KSA-Germany/KSA-Switzerland held a combined one-day conference for their staff in September which provided an opportunity to review the development of the two companies as well as KSA activities worldwide.

Back in Europe from the U.S. are the *van Gents*, *Fertigs*, and *Dissars*; we're very glad to have the services of these consultants and welcome the addition of their families to the social scene.

- *Klaus Herzog* is well into the first major ladies' wear assignment that Germany has become involved with for a long time and is hopefully the harbinger of a great deal more work to come in this field. In concert with the work



ERIC CHIPPS in great form, as usual, at social function of European Meeting.

already being done in the States by *John Wilcox*, it is hoped that the use of Standard Data for piece rates can be carried a stage further.

- Our potential giant customer, the manufacturing arm of C & A Brenninkmeyer, after the successful installation of a small vest unit, has authorized the development of a trouser unit in Holland with freedom to use any production system thought desirable, including the use of an Eton conveyor, the purchase of which was already committed prior to our being approached. This client changes his mind with frightening speed, the current assignment being four weeks ago a firm contract to engineer a jacket sewing room! Since then there has been yet another scene change and this week a further change to bring us to the trouser unit. Given stability of purpose, we should start this in December and, if the Eton conveyor plays a role in the unit, should be able to add to KSA's knowledge and understanding of the economics of this form of production.

- A profit improvement study of a clothing wholesale company has been sold to a client in Finland. After two assignments in apparel engineering for this client, Germany was invited to give its attention to a sister company. After initial studies to determine where our efforts could best be applied, a 10-week study began, covering sales organization and compensation, product range and pricing policies, forecasting, purchasing and inventory control systems as well as physical storage handling and distribution. It is hoped that this assignment will not only widen the frontiers of knowledge in this field, but open up the way a little more into the desirable areas of wholesale/retailing consulting.

- Germany may be on the verge of its second assignment in the Eastern European market through a major contact in Yugoslavia. This client, with five manufacturing plants in Northern Yugoslavia, is exporting 90% of his production to Western Europe. Comparatively low labor costs have given Yugoslavian manufacturers a considerable competitive edge over the other West European clothing manufacturers in the past. It is interesting that this client considers that the rising standards of living in Yugoslavia, at least, are eroding the labor cost advantage and that to maintain a competitive stance, he must apply similar standards of sophisticated production engineering to those common in Western Europe. We agree with his point of view!

- As always, one needs a strong stomach to do business with our clients in this part of the world. Breakfast is preceded by the offer of a glass of Slivovic (local plum brandy) which sets the pattern for the rest of the day. The KSA team on this occasion consisted of *Eric Chipps*,

Europe — GmbH (Cont.)

Helmut Blettenberger and *Albin Graeser*. The Chipps/Blettenberger technique for coping with the alcoholic pressures, developed in Bulgaria, worked very well in Yugoslavia. This consists of making sure to be seated next to each other and next to the hotel's potted palm. In sequence, the technique then requires that Chipps is filled (very low threshold), after which full glasses are switched with the Blettenberger empty ones until Blettenberger is filled (very high international standard), after which we move into the "human chain" principle that was used in olden times with buckets of water to extinguish fires, except that in this case these are glasses of Slivovic used to fertilize the hotel's plant life. Eventually, one imagines, the Ostblock Common Intelligence Unit in some central information filter room in the Urals notices that wherever KSA has been, the hotel flora has perished. We must hope that they do not put too sinister a construction upon this.

- One of the highlights of the dinner following the combined German/Swiss conference was the award for 1970 of the "Pokal fuer Freizeit-Abenteuer" which, loosely translated, is the "Ample Spare Time Cup." This is awarded annually to the consultant making the best use of his ample spare time. For 1969, the cup was presented to *Fredy Hollenbach* for his weekend image as a desperate sailor, striking terror into the hearts of fellow navigators on the Dutch waterways. It is rumored that Fredy's total tonnage rammed and sunk was approaching that of Kapitan Gunther Priem, generally regarded as the ace U-boat commander of the last conflict. For 1970, the choice was more difficult, with four major contenders for the award:

- (1) The supervisor who decided that he ought to have an outdoor swimming pool and, after many weeks of excavations, ruptured the main water supply and flooded his basement. He now has the only indoor swimming pool in the German Company.

- (2) The very senior consultant who, late at night after a lengthy client conference, was asked by the client to drive his attractive secretary to her home in a village some miles away. She arrived home very much later after the consultant's car had broken down in the midst of the forest with a broken rotor arm. Did you ever hear of a rotor arm breaking before?

- (3) The consultant who, checking out of a Swiss hotel in a hurry early in the morning to catch a plane, accidentally exchanged brief cases with a bank robber (at least the Swiss police thought he was a bank robber). Only the clean-cut innocence which distinguishes this consultant's appearance saved him from incarceration up an Alp.

Finally, however, the judges felt that the 1970 award should go to *Jan van den Bichelaer*, Europe's budding *Cecil B. De Mille*, who made, on short notice, a magnificent film entitled "A Day in the Life of a Consultant." After the more erotic sections have been edited out, it is hoped that this will have a general KSA release. We are sure you will enjoy it as much as we did.

— *Eric Chipps*

KSA-Italy

Sales are going very well at the moment, but see some problems coming—the uncertainty of the market in general and ladies dresses in particular. Some manufacturers have had a significant drop in sales due to mini/midi/maxi dresses. An engineering assignment has been postponed until January '71 at a 2500 operator plant, Vestebene, producing ladies' dresses because of the decrease in sales.

- Lebole continues to be a valuable client; we are now on a two-year assignment assisting them in starting a new suit plant which will be the most advanced in every respect . . . *Renato Tarditi* and *Elio Pigato* are making a survey in the jacket department of another men's suit manufacturer, Inco . . . Cassera, a shirt manufacturer is very happy with the AAMT assignment completed by *Joe Mueller* (one month less than minimum!) . . . *Roberto Pavia* has been working in Sicily and his linguistic talents may see him traveling farther afield.

— *Werner Iten*

KSPEA

Our main activity is still trying to counter our continuing soft sales situation. We are not alone in having sales problems in the face of a continued economic squeeze. Our main sales effort is in developing regional selling—our office in Manchester received maximum promotion and Dublin is proving its worth with new contacts.

- *Keith Atherton* and his team are putting considerable effort into reshaping our training services and we believe that the new "structured" approach will appeal to a wider range of companies and to the Industry Training Board. Competition from TOTAL may now be starting to decrease as they have oversold it in this country. However, there is no doubt about the marketing benefit from having a pacing machine and we may well be able to offer our clients a range of alternatives shortly—including a simple device made by *Tony Chuter* for \$50.

- Physical Distribution is still active at Richard Shops (the ladies side of John Collier) and Hepworths, the fastest growing multiple tailors. Richard Shops warehouse is of particular interest as they are going to use a modified Eton transport system. *John Cooper*, *Dickie Dunlop*, *Hugh Gray* and *Peter Langdon* successfully completed a necktie installation and are becoming expert in push chair bodies at Lines Bros. (toymakers) where *Peter Doano* and *Roger Simpson* are involved in operator training to handle a complete factory relocation.

- S.I.S. has now reached us and is being installed at

Continued on page 12



LOUIS and SHIRLEY MITCHELL, representing London office at Atlanta meeting, exchange pleasantries with **Ralph Ross** and **Zeb Roberts**.

Ted Theodorsen: "Generalist"

Continuing with our profiles of "low-profile" KSA-ers, consider the case of *Ted Theodorsen*. Because of his unusual versatility, Ted has become a one-man troubleshooting squad in KSA. He moves easily from product to product, and often gets the assignments that have no precedents. As a result, he has had few opportunities to take root in any one area. In Ted's words, he feels somewhat like "a generalist among specialists," and thoroughly enjoys it.

One of KSA's more effective engineers, *Theodore Elliot Theodorsen* didn't study IE until he came with the company in 1953, fresh out of Cornell University with a degree in Electrical Engineering, of all things.

(This oversight wasn't discovered until an hour of the initial interview had passed, by which time Ted had demonstrated enough compensating strengths to convince KSA that the right man with the "wrong" degree was still the right man. So he was hired and sent to a summer session at Georgia Tech, where industrial engineering had recently been invented.)

Since then, Ted has set some kind of record for versatility. Coat shop sewing rooms are the only major garment category missing from his experience, which also includes non-apparel items like towels, leather briefcases, sport caps, and flags, as well as short stints in systems, recruiting, PD, MU, and SQC work. However, Ted's consulting career tends to return to women's wear engineering every chance it gets.

This might be traced to the fact that he met his wife, *Irene*, when she was office manager for a dress client. Be that as it may, Ted has accumulated more experience in style shop engineering than most KSA consultants. He stresses the "people aspect" of a job ("at least one-half of the productivity gains we achieve come through our efforts with people, not machines") and retains a strong interest in supervisory training and motivation; this, despite the fact that he is an inveterate tinkerer and inventor, holding one patent with another four or five in the works.

Ted grew up in Newport News, Virginia, where his father



was chief of physical research for the National Advisory Committee for Aeronautics, a predecessor of NASA.

Well after his promotion to the supervisory level, Ted spent two years doing staff engineering for clients in Northern Ireland and England back in 1963-4. Upon his return to the U.S., he settled permanently in KSA's only salt water office—New York—in order to indulge his abiding love for sailing.

On the subject of training: "When there were more bachelors in KSA" (he says almost wistfully) "we learned a lot after hours" (sic) "because we had the chance to sit around and talk about our work with the older men." Ted trained under *Roy Engman*, *Dean Vought*, and *Ross Runnels*, among others.

TET didn't leave the ranks of bachelorhood until he was 34, and today he enjoys playing the "proud papa" role to the hilt. The exploits of sons John (*Theodore John*, aged 7) and T.J. (*Theodore James*, aged 4) are chronicled regularly—and some of the more jaded fathers in the NYO admit that Ted's enthusiastic stories about his kids are both cute and refreshing.

— J.S.

Complete text of a memo recently sent by the general manager to all supervisors in a plant where *Bob Tabor* was working: "Effective immediately, all key personnel will double their responsibility." Should KSA try to recruit this man?

SHORT-SIGHTED CONSULTANT

Miniskirts lower office efficiency, complains a Louisville management consultant. He claims "scientific" work-measurement techniques document the miniskirt's distracting effect. His findings: A "glance" wastes one second, a "double take" four seconds, but 70% of the distractions involve longer "observations" that average 69 seconds.

At least one alert, alive KSA consultant finds this typical of a stopwatch-happy engineer who fails to take into consideration the increased flow of adrenalin caused by such an "observation" which would greatly increase production, thus amply compensating for the lost 69 seconds!

SYMPATHY

KSA extends its sincere sympathy to *Josette* and *Bob Chaumontet* in the accidental death of Bob's mother September 30. . . To *Linda* and *Charles Topping* in the tragic loss of Charles' father October 20.

Around The Company . . .

Atlanta

Our secretarial staff passed with flying colors through the turmoil accompanying the Bobbin Show, Principals' Meeting, AAMA Cost Accounting Seminar and the Carpet and Rug Seminar. It's amazing how these girls withstand the pressures and still produce top-quality work.

Mrs. *Margaret Thompson*, from Dallas, joined us on October 26, as our receptionist/secretary and is already handling the duties as would an old-timer. . . Unfortunately—for Physical Distribution—Mrs. *Ruth Duke* has transferred to HIC. We hope our HIC friends will be as happy with Ruth as we have been.

Greensboro

Mrs. *Pam Finlen* recently joined the Greensboro office staff as a regular half-time employee. We wonder how this busy young lady maintains her schedule; in addition to being a home-maker and mother, Pam attends the University of North Carolina—Greensboro, and expects to earn her degree in Home Economics by Fall '71.

Larry Parks recently returned from Tanzania and when asked if anything interesting happened. . . "Well, no, except *Frank Hurley* and I spent considerable free time chasing animals in the government game preserve in an attempt to place them in the proper angle for *Sandy Hurley* to photograph." It is said the only photos Sandy took were of large rhinoceros or equally large zebras moving away from her.

New York

Two new secretaries welcomed: *Dorothy Pease* will work in Engineering and *Alison Ferguson* will support Systems.

Judy Chou is elbow deep preparing the 200+ page Programmer's Manual (by *Frank McMillan*) and an almost equally large Personnel Manual (by *Sam Johnson*). . . *Lillian McCarthy* recently received well-deserved "kudos" from the Apparel Research Foundation for the superb graphic material she prepared for their M.U. Report.

Picture of frustration: *Joyce Peters* (NYO switchboard) failing in 11 attempts to reach an operator and place a call to Atlanta, finally succeeds on the 12th try. . . only to have the operator reply "Hang up, dearie, there's trouble on the line."

Off to Europe: *Erma Stenger* on a much deserved holiday in Rome, Naples, Florence, Lucerne, Munich, Paris, London.

Washington

The engagement of *Marni Mann* and *Tim Miller* was announced in November. A summer wedding is being planned and Marni will continue working while her fiance continues his education in law. Best wishes, Marni.

Connie Jo Redmon joined us in November in the #2 girl spot in *Bill Schenke's* office. Obviously, we couldn't have two girls answering to *Connie* in the same office, so Miss Redmon agreed to being called Jo. She had been in Washington only a week when she was hired—she hails from West Virginia. . . Welcome.

Europe — KSPEA (Cont.)

Desmonds. Under Keith Atherton's direction, they are rapidly becoming a major client. *John Beddows/Keith Hart* are on an engineering assignment, which includes S.I.S. designed by *Hugh Gray*, and *Roger Fielding* is helping with a new factory start-up project which could lead to further work . . . Carlton Overalls is another client where a wide range of services has been undertaken. This started as engineering by *Derek Walklin*, became costing and marketing by *Dickie Dunlop* and *John Cooper*, and now has *John Page* doing P.D.P. and Network analysis of the company structure changes—simultaneously.

Our outlook is still for a short term sales problem, but we hope that our marketing efforts will increasingly bite before long.

— *Louis Mitchell*

SUPPORT FOR ATHLETES

It is rumored that at Litesome (the world's largest and oldest firm specializing in the athletic support industry—where have you heard that phrase before?) *Peter Doano* has found a way to save material and an M.U. program may be sold. Whether this will result in increased or decreased athletic support is now a major area for research, and upon the outcome of this fundamental work (using a combination of psycho-medico techniques and short-interval scheduling) will depend the authorization of KSA's M.U. program. Good luck, Peter!

STAFF SHOOTS STUMP

A recent one-day deer hunting expedition by *Sam Morrah*, *Ed Morrah* (Sam's brother), *Ted Lea* and *Bob Solomon* yielded one tree stump shot four times. Serious consideration was given to hauling the stump out of the woods, tying it on top of Sam's station wagon and hauling it back to Greensboro for mounting in a suitable spot in the KSA office. However, Ted vetoed the idea since he claimed the stump "kill" and wanted to leave it in its natural habitat!



"I've called you in about an important job I'd like you to tackle, Riley - yours."

SPECIAL PROBLEMS

Overheard in the cutting room: "But I can't come in to work on the weekend, Cliff, I have to spend the next three weekends from 7:00 p.m., Friday to 7:00 p.m. Sunday in the jail."