

The Observer

Vol. 4, No. 1

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

March 31, 1973

"Send Me Engineers--Not Tailors" . . .

By—Pete Ehlinger

In 1969 KSA had just finished another successful engineering job in a pant shop. It was not the typical pant shop, to be sure, as they made custom-tailored pants, as well as police and military uniforms and utilized transporters . . . But, it was a pant shop and KSA had been noted for engineering pant shops "since 1935."

• The management of Scott-LaSalle, Montreal, really didn't believe that the engineers were saving them \$250,000 a year in a pant shop with 130 operators, so they called in an outside accounting firm to verify the figures. When they were satisfied, they asked, "What does KSA know about coats?" It was hard to sum up our expertise, but the selling statement was, "We don't just train our people to be good coat men or good pant men, we train them to be good

engineers."

For years, coat shops were an area dominated by designers as overlords and tailors as knights. If engineers ventured near, they were dragons to be slain. The well-made coat was an objet d'art with a distinct personality and tailors' accomplishments were measured by the grade or quality of the coat made. A grade one or two was a cheap coat and a grade six was a masterpiece. The grades were measured by a strict set of unwritten rules which usually boiled down to the amount of handwork put into the coat. But the days of skilled hand sewers were vanishing—little girls who had their little fingers tied back so they wouldn't get in the way as they learned to sew were not as plentiful—so a Grade X coat was born . . . A coat with little or no hand sewing that looked like a "rag." To say you manufactured an "X" coat was but to reap disdain among the tailors.

Meanwhile, in a garage in Philadelphia, a brash young man conceived of a company making a quality Grade X coat. He organized a team of salesmen and an open-minded designer and started making coats.

• Knits appeared, fusing was started, and sales boomed. Tailor-made clothing was in a slump but inexpensive men's knits were selling. Mustang Clothing Company doubled and doubled again, year after year. Their President met KSA at trade shows and seminars . . . He allowed *Jack Downie* and *Bob Frazier* to visit the plant and asked how KSA could help further.

• In 1971, our opportunity came. Starting at opposite ends of the manufacturing function, we attempted to improve the company's excellent profit picture. *Dick Bath* and *Tony Tesoriero* took on the cutting and material utilization, while *Jack Downie* and *Pete Ehlinger* took on pressing and finishing. Results were dramatic in both cases. Pete went on to do fusing and sewing engineering while Dick started piece goods incentives and controls. Savings in the pressing room were running \$150,000 a year. The President said, "No sense giving half of it in taxes, let's invest it in other improvements so we'll be ready when the 'crunch' comes." So, *Randy Nord* and *Steve Schlehuser* took on a line planning and systems study.

• The President, *Ray Princiotta*, wanted to improve his warehousing function so *Jim Giddings* came for an over-view. When Ray and Jim found out they were both cartoonists, the job sold! We needed and received help from many. *Bob Hagen* did a warehouse layout and planning study . . . *Pete Cleaveland* helped install it . . . *Ron Beattie* arrived for training and helped on the engineering . . . *Warner Civitts* plugged the gap for a few weeks, when Ron left for another assignment, and engineered some of the new styles coming in . . . *Bruce Grasso* replaced Warner when the workload became lighter . . . *Jack Murray*

Continued on page 7

KSA Selected for New York Garment District Study

During working hours on a normal business day, the Manhattan garment district is a transportation nightmare. Most of us have witnessed the vehicle congestion and outmoded hand truck and push cart methods and probably wondered how the district businesses could possibly function and pondered what the answers might be to relieve this logistics catastrophe. KSA is getting an opportunity to find those answers.

Thanks to federal funding, the City of New York Transportation Administration has decided to tackle the garment district transportation problems and KSA was selected to play a major role in the study which will attempt to define short and long range improvements within the Manhattan area bounded by 34th and 41st Streets and 5th and 10th Avenues.

The details, including staffing, aren't worked out yet, so expect an update in the next *Observer*. However, with the various political, union, private business, trucking, and possibly underworld elements who will be affected by transportation changes in the district, we think it safe to say that the diplomacy requirements on this assignment may exceed the technical ones!

Hats off to *Dean Vought*, who coordinated the proposal input and did the lion's share of writing it up and seeing that it was submitted on time, within a short notice period. Its effectiveness is best attested to by the fact that we won the award over several other firms, including two good ACME members.

Observations from . . .

STECOM and EXCOM

As you have heard, EXCOM is our Policy Committee and STECOM an Advisory Committee to EXCOM. Perhaps, some of you have wondered at times "just what do they do, when they meet." We cannot be exhaustive in addressing that question but perhaps a peek at the agenda of the next-scheduled meeting will give some clues and prove of some interest to you.

STECOM

At their forthcoming meetings they will discuss, among other things: Long Term Industry Trends (all), KSA Fringe Benefits, Morale, KSA's Billing Practices, Office and Support Equipment, Internal Support Staff, Public Relations Effectiveness, Apparel Company Models, Alternatives to Piecework, Career Reviews for Principals, plus "unfinished business," and new topics, and arrangements for fall meeting.

Eventually, they prepare reports containing their recommendations on topics such as the above for review and action by EXCOM. Their contributions have been invaluable to date, saved EXCOM hundreds of manhours and assured it that their own deliberations weren't made in an "ivory-tower atmosphere," away from "where the action is."

Currently, the committee includes *Jack Johnson*, as Chairman, *Howard Cooley*, *Paul Flood*, *Don Johnson*, *Jerry Kavanaugh*, *Randy Nord*, *Bob Pee*, *Buddy Ruppenthal*, *Chick Schwartz*, *Jim Trautman*, *John Wilcox* and *Freddie Wood*. Five of the present membership will rotate off the committee after this year to make way for the election of others. Suggestions and questions are always welcomed. Those who have any are encouraged to speak to any member of STECOM or write to its chairman.

EXCOM

The committee's next meeting will deal with such matters as the following: More details on Distribution of Executive Duties, after KS' full retirement—now planned for 1974, Status of Washington office thereafter, Training of Client Personnel by the "Pee-University," "Communispond"—a course taken by *Stig Kry* on "How to Sell Effectively," International Services (a STECOM report of December '72), Communications, The Quest of Another Former KSA-Principal to Return (sorry, name must remain confidential for now), Candidates for Promotion, KSA Practice in South Africa, "ARF" Journal, Account-Executiveship for Tanzania; Service Development, Merger and Acquisition Service, Principals' Meeting (pre-planning), Review of Opinions re a Recent Research-oriented Applicant Interviewed by Several of us, Reporting Charges, Shall We Provide Compensation Study Services for Clients?, a Brief Review of Status of Institute of Management Consultants, KSA's Management Effectiveness, STECOM Report of August '72, A KSA Master Calendar, Exchange Visits to/from Europe, Fair Employment Practices, How Best to Fit Eric Chipps Back into KSA/USA Structure (upon his expected return from Europe in summer), A

Continued on page 4

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*

Volume 4, No. 1

March 31, 1973

The New Look of KSA in the U.K. and Eire

● The agreement to buy out P-E's share of KSPEA gave us an opportunity to strengthen the organization of KSA in this, the U.K. Region, as it is becoming known. *Louis Mitchell* has been appointed Regional Director, with responsibility for developing our total practice in the Region.

We have split the Region into two main industry-divisions, Apparel and Retailing. The latter is only just beginning, and currently is being run part-time by *Stuart Hollander* with help from the functional specialists in Management Systems and Distribution Services.

The main part of the U.K. business is of course the Apparel Division, and *Harry Lack* was appointed Managing Director of the division effective January 1. At the same time, *Dickie Dunlop* (Southern area) and *John Beddows* (Ireland) were appointed Directors of the Apparel Division. *Roger Fielding* is Manager of the North of England and *Bill Wing* is responsible for the important Leeds area in addition to his M.U. functional management role.

Functionally, Harry Lack combines his apparel industry responsibility with Apparel Manufacturing Management Services. *John Cooper* is Manager of Apparel Systems responsible to *Albin Graeser*, Director of the overall European Management Systems Division which is also attacking our retail market. Also across industry lines, *Ron Malcolm* has been appointed Director of Distribution Services.

The U.K. group, totaling 25—probably growing to 30 in 1973—is fortunate in having a number of principals and consultants who are increasingly able to take on some of the additional specific responsibilities for managing further subdivisions of our practice, and we look forward to an increasing share of the large but competitive consulting market—now that we are no longer inhibited by a generalist partner.

—*Stuart Hollander*

SYMPATHY

Our deepest sympathy to *Jan* and *Harry Lack* in the untimely loss of their young son . . . To *Ross Runnels* in the recent loss of his Mother.

European Promotions . . .

John Beddows has a degree in Chemical Engineering from Cambridge. Before joining KSA he worked for several years as an industrial engineer and manager in engineering industry (Machinery to us "Colonials!"). With us, he has worked mainly in the fields of production management, operator training, and factory startup in U.K., Ireland, Canada and USA.

In January 1972 he was appointed Area Manager for Ireland. He has built up our practice in Ireland and now works from a permanent office in Dublin.

Dickie Dunlop joined KSA in 1964 after spending 10 years with C & A and brought with him much experience in engineering and quality control. He was promoted to Executive Supervisor in 1970 and then Southern Area Manager in 1971. He has been involved in development of shop floor data control systems and has wide experience in the garment industry. Dickie is a man with a wide range of skills and applies them as happily in Israel as in Norfolk.

Roger Fielding has a degree from Oxford in Natural Sciences (engineering) where he shared a room with *Bill Wing*. Before joining KSA he worked on commercial aspects of scientific research in A.E.I. After many successful assignments in the USA and U.K., he was promoted to Field Supervisor in January 1971 and in September of '71 was appointed Northwest Area Manager. He is currently in charge of developing the North of England as a whole for U.K. Apparel Division.

Ron Malcolm joined the company in 1967 before which he was also in management consulting, having met KSA when we hired him for a client, whom he later left. Promoted to Principal in 1970, he is now developing distribution services for the U.K. Region single-handedly, at present, but we hope to build on his skills in the next two to three years.

Ron was staff consultant at Clifford Williams in charge of an engineering project in a trouser factory of 230 people for over 18 months and introduced the hanging rail system. He took over from *Bob Chaloner* the design and implementation of the Richard Shops' warehouse and distribution center, which serves 200 stores. He is presently supervising the Owen-Owen warehouse reorganization and also the design of the Lewis Shops' distribution center and has a number of "live" distribution set-ups to his credit.

John Cooper obtained his B.A. in Natural Sciences from Cambridge. He began his systems career as a systems analyst with United Steel and joined KSA in 1965. In 1969 he was promoted to Executive Supervisor.

John is responsible for developing the major apparel systems market. He has spent several weeks working in S.A. for Truworth's in Capetown, and has worked willingly in Finland and Italy, as well as managing an apparel systems practice for the last three years.

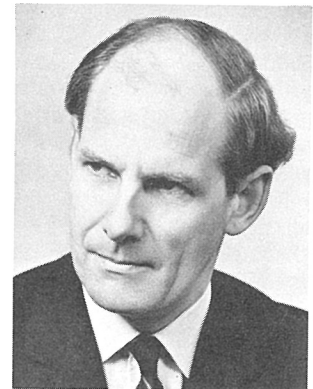
Harry Lack has a degree in Mechanical Sciences from St. John's College, Cambridge. Before joining KSA he spent three years in general management with textile manufacturers, specializing in carpets. He spent two years with KSA in the U.S.A.

In 1971 Harry was appointed a Principal and this year to Managing Director of the Apparel Division in the U.K. One of his many achievements was selling a £13,000 job against competition from five *Capelin* consultants. He has worked mainly in the field of men's clothing, and is presently involved with our major old clients. He is an Associate of the Textile Institute, and a member of the Clothing Industry Club Committee.

Bill Wing has a B.A. in Engineering Sciences from St. John's College, Oxford. He joined KSA in 1966 after working with the Reed Paper Group. He was promoted to Principal in 1970 and has been responsible for managing the growing, Cutting and MU practices in the U.K. He also has a special responsibility for developing our work in the Leeds area, which is one of the main areas in Britain for clothing manufacturers. At present he is working on MU projects at Clifford Williams and Tillie and Henderson.



John Beddows



Dickie Dunlop



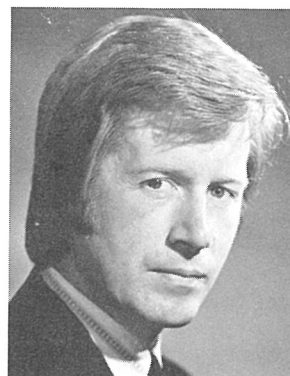
Roger Fielding



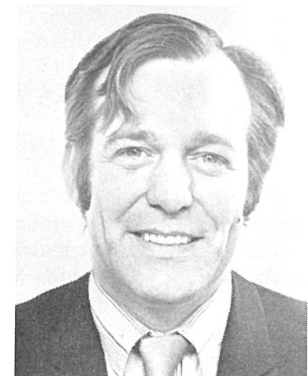
Ron Malcolm



John Cooper



Harry Lack



Bill Wing

Tenth Anniversaries . . .

Ken Osborne joined KSA on March 25, 1963 after being graduated from Auburn University with a B.S.I.M. and serving in the USAF for one and a half years, ending with the reserve rank of 1st Lieutenant.

Ken went the route of apparel engineering with us and has become quite an expert—as even some of the tailors will admit—in coat shop engineering. He became a Principal January 1, 1970 and settled in Atlanta with his wife, Vivian, and their children.

Ken has not only handled many important and complex assignments for us over the years, but has imparted much of his expertise to many other KSA-ers.

It's been a pleasure to have had Ken aboard these last 10 years and we hope we celebrate many more, similarly noteworthy anniversaries together.



Oskar Honsalek is a Principal in our German Region who joined KSA on January 1, 1963.

Oskar's experience in KSA's engineering practice is wide, but it is for his cutting room and material utilization expertise that he is probably best known. There are few of our clients in Germany who have not felt the benefit of his expertise in this field, as well as others outside it. He has also worked in Italy, Austria, Finland, Holland, Sweden and Denmark.

Oskar was appointed to the rank of Principal on July 1, 1968 and continues to be the anchor-man in the cutting/MU field. The only problem is, so many of our old clients have cutting rooms engineered by Oskar that we find it difficult to avoid having him fully occupied with retainer work, or updating his early creations!

It has been a pleasure to know and to work with Oskar for these last 10 years; we look forward to the next 10.



Observations—(Cont.)

review of our Executive Recruiting Policy, and last, but not least (and possibly completed prior to the next EXCOM Meeting), A review of KSA Salary Scales in the light of (a) inequities, (b) economic possibilities and (c) Phase III.

We may not get to all of these items in two days (and usually two nights) of meeting, but try to deal with the most important ones and to carry over the less urgent ones. Thus, five of the items mentioned above were carry-overs from our last meeting.

The next meeting, scheduled for April 4 and 5, with a FINCOM meeting to follow on the 6th, will be the first with Dean Vought in the Chair and KS is anticipating with relish his new role of being "just one of the boys." (Mrs. S. has volunteered to give him interim practice lessons in learning to keep quiet!)

The forthcoming FINCOM meeting with Stig Kry in the Chair, will be the first, formal meeting of this (Financial) committee. We'll report on these at some later date, after we have had more experience with them.

We hope you found this brief report of interest and will gladly answer your questions.

Previously Announced Promotions

Congratulations to Bob George, of the P.D. Division, and Bob Reeves, of H.I.C., on being appointed Principals.

The announcement stated that both of these Bob's have handled some very major assignments for KSA and justly deserve this recognition, so we merely wish to add best wishes for their continued success.

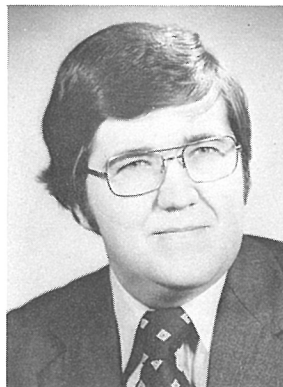
CONGRATULATIONS!

Births

To Romi and Hermann Froelich on the birth of a son, Andreas, born December 5 . . . Penny and Peter Sheridan, a daughter, Alexandra, December 8 . . . Margaret and Gianni Marelo, a daughter, Sabrina, January 15.

Wedding

Carolyn Peacock and Dave Rigdon were married in Atlanta on March 31. Carolyn is secretary to Bob Pee and helps him with the very busy Training Department. The newlyweds are delaying their honeymoon until summer when they plan to go to New England and Canada, and are thus able to get settled in their newly completed house. Best wishes for many happy years together.



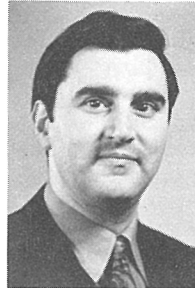
Robert L. George



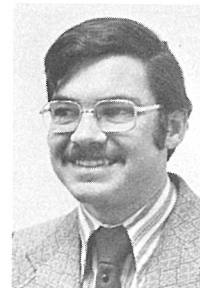
Robert F. Reeves

NEW STAFF

Raymond Ghalib (KSA-Europe) . . . Age 33. Married. Degree in Mechanical Sciences, St. John's College, Cambridge. Engineering training with A.E.I. Spent a year in France with a company specializing in textile airconditioning. Joined us in March from one of Courtauld's subsidiaries where he was Technical Manager. Hobbies: Photography, squash, bridge and amateur wine making.



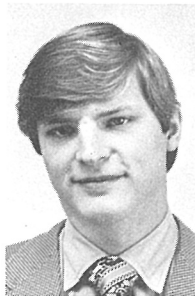
Raymond Ghalib



Russell Goddard

Russell C. Goddard . . . Age 26. Wife Ruby. B.M.E., General Motors Institute and M.S.I.M., Purdue University, with his thesis on Assembly Line Balance and Unit Schedule Control. Worked at General Motors while co-op student at GMI. Assigned to AMMD. Hobbies: Private aviation, photography and water sports.

Bruce E. Grasso . . . Age 23. Single. B.S.I.E., Georgia Tech. Miscellaneous jobs while in school, with the last being a five months industrial engineering project at St. Joseph's Infirmary. Assigned to AMMD. Hobbies: All sports.



Bruce Grasso



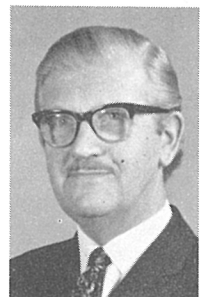
William Luckert

William L. Luckert . . . Age 26. Wife Pearl. B.S. Engineering, Stevens Institute of Technology and M.B.A., Management Science, University of Utah. Two years USAF as management officer, and a year as business systems analyst for Bell Telephone Laboratories. Hobbies: Woodworking and finishing.

John McCormack (KSA-Europe) . . . Age 31. Wife June. Two children. B.Sc., Economics. 10 years experience in data processing as programmer, compiler, writer, analyst, lecturer, consultant. Spent last three years as an independent consultant working in Holland, Denmark, Austria, Sweden, Finland, Italy, Switzerland and USA (Chicago, New York and Miami). Quite an expert on underdeveloped countries. Hobbies: Game fishing, Egyptology, music and soccer.



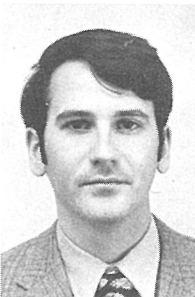
John McCormack



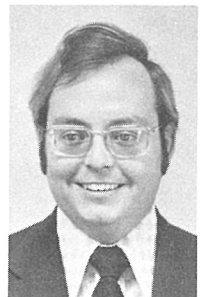
James Payne

James (Jim) Payne (KSA-Europe) . . . Age 57. Wife Doris. B.Sc., Engineering, London, M.I. Mechanical Engineering, M.I. Production Engineering. Came to us from P-E where, for over half of his 25 years services, he specialized in training P-E consultants and client personnel. Recently returned from a three-year tour of South Africa, where his latest interest was the training of auto mechanics in Botswana. Hobbies: Caravaning, swimming and photography.

Charles G. (Butch) Price . . . Age 23. Single. B.S.I.E., Georgia Tech. Co-op student. Worked seven quarters at Tennessee Eastman Company. U.S. Army six months. 2nd Lt., Officer's Basic Course. Assigned AMMD. Hobby: Photography.



Charles Price



Edward Rader

Edward D. Rader . . . Age 24. Wife Sandy. B.S., Textile Management, Georgia Tech. Experience while attending school: Real Estate Leasing Agent and Assistant Manager, and doing Friction Studies at Fieldcrest Mills. Assigned to AAMD. Hobbies: Golf, water skiing.

Impressions of the Far East . . .

By—KSA's Marco Polo
(Ted Theodorsen)

We recently completed a survey for Aris Gloves in the Philippines. The plant has 1300 employees and 200 homeworkers. Of the 1300, 200 are hand leather cutters and 50 are die cutters.

• The process of cutting these expensive ladies' leather gloves requires a great deal of training. The cutting job, as related to other apparel operations, is probably one of the few that can truly be classed as a "craft." Glove cutters cut from one dozen pairs to three dozen pairs per day. Wages are low; girls average about \$1.30 per day and men around \$1.60.

In addition to being pleased to get this unusual assignment, I frankly looked forward to seeing some of the Pacific area, so on my out-bound trip I spent two days in Honolulu, Tokyo and Hong Kong.

Honolulu: Waikiki looks like Miami Beach. Lovely weather . . . beautiful blue, blue seas . . . high surfs . . . mostly oriental faces . . . Arizona Memorial at Pearl Harbor . . . Diamond Head Mountain (I climbed to the top) . . . pineapples in the main valley. How the Polynesians navigated 2,000 miles of open water in canoes (regularly) is beyond this present day sailor's imagination. They have good proof of regular trips so it was not an accidental one-way trip.

Tokyo: Super train. Not impressive physically but the performance is amazing. Hits speeds of 150 mph and is smoother than the Long Island Railroad train at 50 mph. Doors too low; I hit my head.

Highly organized society; much new building construction, all signs in Japanese (so a road map doesn't help much!). Women's lib still under consideration. Wonderful feeling of security. The Ginza area safe at midnight, alone (of course!). Density of people very high even along entire Tokyo-Isaka train run.

Hong Kong: Even more densely populated than Tokyo. Signs in both English and Chinese. *Mahlon* and *Janice Saibel* are busy and happy; send their regards and best wishes to all their former KSA associates. They have a beautiful, huge apartment overlooking Repulse Bay. View from atop Hong Kong Island is majestic. Tailor shops everywhere. Tailors "collar" you on the street.

Chinese police dress like their London counterparts; are neat, organized and efficient. I was once again impressed with the well-run administration of British and former British colonies.

Manila: Armed camp. All things of value must be guarded day and night. Factory has 10-foot stone wall, broken glass, barbed wire and 24-hour guards. Need a driver for your car to guard it while shopping or dining. Midnight curfew strictly enforced. Client would not let me sightsee alone on Saturday afternoon. Supplied car and driver. Sense that population accepts Marcos' martial law as preferable to lawlessness in the guise of freedom.

A most fascinating trip. People were helpful everywhere and, except for the Philippines, relatively well off. However, overseas trips always make me resolve to be a better American.

KSA in Ivy League

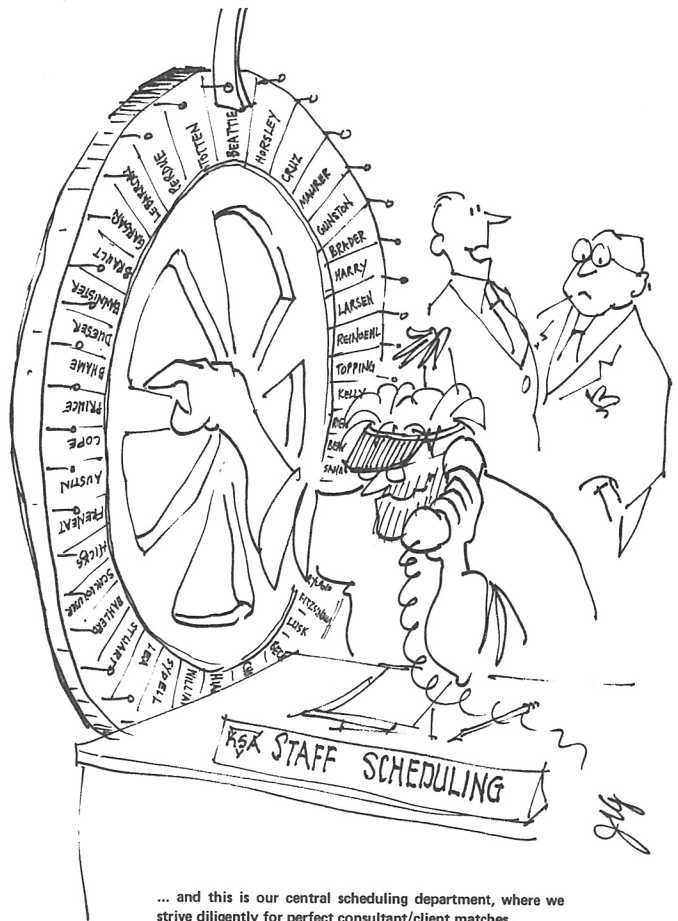
A new satellite office has been opened in Princeton, N.J., orbiting between New York and Jenkintown (Philadelphia). Designed to serve the growing colony of KSA staff members who have settled in the exurban and very attractive mid-Jersey area, this new office's official address is:

**Princeton Station Office Park
P. O. Box 2058
Princeton, New Jersey 08540
Telephone number: (609) 799-2770**

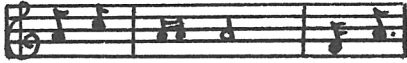
The following personnel are currently headquartered in Princeton: *Bill Howells, Bob Messinger, Randy Nord, Dick Bath, Mike Barnes, Steve Schlehuser, and Rita Moser* (lady-in-charge.)

Coming Events . . .

- April 30 — May 4 — Knitting Arts Exhibition, Atlantic City, N.J. KSA will exhibit.
- May 23 — KSA seminar for The Bobbin, Charlotte, N.C., on style manufacturing. First day topics aimed at top management; second day, middle and plant management, engineering staffs.
- September 12 — 15 — Bobbin/AAMA Show, Philadelphia, Pa. KSA seminar on reducing total cycle time, 9/12.



... and this is our central scheduling department, where we strive diligently for perfect consultant/client matches.



There She is . . .

Some people will do "almost anything to get the job done. *Ted Horsley* pictured here in costume—we hope—at the Lumberton Knitwear employees' Christmas party. Ted and "male" management members at Lumberton donned wigs and other necessary apparel and put on a skit for the entertainment of the employees.

No complaint about the increase in Ted's personal figure, as long as the cost figures continue to decrease!



... FOR HIM WHO WAITS

For two long years *Maureen* and *John Harry* were put through the mill with all the efforts necessary to be accepted as permanent residents our country. They know now that America is selective when it comes to immigration.

During that period of waiting, they had their application turned down . . . only to have it reopened by our immigration lawyer. They maintained residence in Chicago (where they were based at the time of application), were unable to leave the States during that two-year period, and at long last received word to appear for their final interview—having met all the requirements—and did so with the attorney accompanying them. Were they granted their much-wanted resident status? No. The next move was for *Maureen* and *John* to establish residence in the District of Columbia . . . more waiting.

Between all these steps, many months passed which caused them concern because in the interim their visa expired and, even though the lawyer assured them they would not be deported, they were not exactly waiting for the knock on the door but were understandably anxious.

With threadbare patience, the happy day finally arrived February 16. Congratulations! We are very proud to have you as residents, and *Maureen* must be particularly happy to now be able to visit her ailing father in England.

Engineers—Not Tailors—(Cont.)

did an evaluation of a machine that was developed in their shop. Even *Dean Vought* visited the shop—probably to get his name included in this article!

• The client had a unique system. He closed his books each month—including a physical inventory. At the bottom of his report he showed gross profit, fees to KSA, and profit before taxes. It is a credit to KSA that the initial programs are generating sufficient savings to pay for the subsequent ones.

Mustang probably has the lowest S.A.M. in its make and has a unique reputation in Philadelphia. It's known as the "Miracle Company." The daily News Record did a front page article on it which helped propogate the reputation. It's nice to know KSA shares that reputation.

What is a KSA Wife?

What is a KSA wife?

An interesting question, you may ask
But who can answer—it's such a task!

She's understanding—that's for sure.
She's independent—and what's more;
Kind and patient—that's a must,
Loving and sweet; one you can trust.

For all those overcooked dinners and late arrivals
Her major problem is merely survival!!

Overdue planes or last minute guests,
No problem at all
She'll pass the test.

It's half past five and to her dismay
That special client's here for the day.
He'd like to meet her
THEY'RE ON THEIR WAY!!

The kids are sick
She's painting the hall
Her hairdresser died
And *that's* not all!

McDonald's for dinner
Was the plan of the day
What can she do
THEY'RE ON THEIR WAY!!

Quick, put on that wig
Perfume the hall
Chinese food's not bad at all!
Get some ice from the gal next door
Move those papers off the living room floor!

THEY'LL BE HERE SOON
She can hardly wait!
With her kind of luck
THEY WON'T BE LATE!

There's nothing unusual about this day of her life.
It's the only way to be a KSA WIFE.

—*Jacque Kavanaugh*

(Down through the ages, the question has been asked and here at last is a definitive answer provided by *Jacque* and submitted by *Jack Johnson*.)

Functionally Speaking . . .

HIC

Activity in the Group Reimbursement Incentive Program of the Birmingham Regional Hospital Council continues at a heavy pace. We have now begun the key segment of the program, which is the development for its client hospitals of a management system which incorporates budgetary and position controls and information feedback for department heads. The system will make available for the first time the type of information and controls which will effectively enable department heads to exercise cost containment.

—Eric Bossak

PUBLIC RELATIONS

The unseasonably warm winter brought to flower several long-germinating PR projects. In fact, the botanical world is agog over the length of time it took to grow these beauties.

- An article on KSA's systems work at Hortex, initiated 32 months earlier, finally bloomed on the December pages of *Apparel Manufacturer* magazine. Evidently the long, careful maturation period was just right; reprints of this eight-page treatise have already been requested by several prospective clients.

- Back in March of 1971, an *Apparel Perspectives* entitled "Customer Service-I" opened a discussion of the need for shortening cycle time. "Customer Service-II" finally made its appearance this February, deftly underscoring the point that we've simply got to speed things up. Only 23 months to drop the other shoe!

- An article on site selection was written with *Ron Brockett* within a total elapsed time of nine days in October. We're not sure what this means.

- A new brochure for HIC made its appearance on March 1, and a new edition of the KSA client list is finally in the works.

Late in February, KSA traveled to Los Angeles to participate in the first Western Apparel Magazine trade show (WAM!). *John Wilcox*, *Randy Nord*, and *Zeb Roberts* presented a seminar on "Shortening Total Cycle Time" which was well received, and our booth had enough visitors to make the effort worthwhile. Incidentally, this trade show saw the last of our curved display units (which was traded in for a carpet). Starting with the Knitting Arts Show in May, KSA's exhibits will have a revolutionary new look — square.

Linda Linder and *George Adcock* have departed these precincts. *Jill Steinberg* will join us as an assistant/secretary on April 2.

—Joe Scheines

RETAILING

First Job Completed

The new Retail Services Division (RSD) completed its first assignment since being designated as a KSA profit center. A report was presented to the parent company of a southeastern retail carpet chain suggesting that the unprofitable business could be turned around and recommending short range and long range changes which

would produce profits. KSA's recommendations were accepted and we are now watching with more than usual interest as the company strives for a turn-around.

de Bijenkorf Builds Again

On February 16, KSA's plans for a new general merchandise central receiving, marking, and warehousing operation were presented to top management at KBB, de Bijenkorf's parent company . . . and accepted. The decision was to construct the new building adjacent to the big ticket warehouse (now under construction) and authorize KSA to manage the new project—in addition to the other one.

This represents an additional investment in building and equipment of approximately \$9,000,000 which, when combined with the big ticket investment of about \$7,000,000 equals a single, whopping \$16,000,000 outlay—plus consulting fees, of course.

—Jim Giddings

EUROPEAN DIVISION

The complexities of the five accounting centers in Europe give the firm of Price Waterhouse a field-day at this time of the year, as they make tax provisions, correct errors of earlier audits, argue about bad debt provisions (some of them two years old) and confirm inter-company balances—with USA there are six centers, each with a balance between the other five—so 30 can be wrong and often are! So this is *Arthur Marshall's* time of year (and P-W's too). Having done their best, the results for Europe (based on exchange rates in effect when we budgeted 1972) look like an after tax figure of \$122,000 on fee income of \$2,367,000, or 5.15%. This compares with a profit of \$56,000 on an income of \$2,140,000 in 1971, a growth of 10.6% and an increase in profits of 117%. As the tax rates are lower than normal due to tax losses, the result is overstated, but the effect of depreciation of bad debts and training charges of earlier years (now much improved) also understated the result.

- In 1973 we are looking for an after-tax profit of around \$180,000, on an income of \$2,700,000, or about 7% after taxes. Sales kept up well at the end of 1972 and during 1972 we would over \$2.5 million or around 94% of the income level budgeted for 1973.

So, we hope that 1973 will be a vintage year for Europe. We cannot, of course, predict the effect on the various economies of the dollar devaluation, the possibility of a left-wing government in France, social unrest in Italy, Phase II and Phase III control, and N. Ireland in U.K., but against these problems we can only adjust expansion to keep basically oversold and hope the politicians make the right decisions—or guesses. We are budgeting for a net increase in capacity of around 14% and this includes the return of staff lent to USA.

Europe is in an interesting stage of its development with many temptations to attack opportunities in retailing, carpets, underdeveloped countries, etc. However, we are firmly committed to expanding our apparel industry divisions in each region as a first priority, broadening the functional base, of course, and we are laying plans to

expand our retail practice as quickly as we can. Beyond this we are having to be selective while retaining a limited degree of opportunism.
—Stuart Hollander

EUROPEAN MANAGEMENT SYSTEMS

The two upcoming exhibitions in Spring—Menswear in London and Machinery in Cologne—are excellent possibilities to present our increasing systems activities to a broader audience in Europe.

● In London, KSA will have—together with ITT Data Services—a Terminal installation on its stand, which is linked to a central computer and consists of a Visual Display Unit (screen) and a Teletype-printer. The central computer will run a Cloth Scheduling and Cloth Control program as a demonstration program, prepared especially for the exhibition. Thus, the stand visitor can—either himself or through our operator—(a) Input on the stand terminal customer orders, purchasing orders, cloth delivery notes, etc., as in a live situation; (b) then transmit the data, On-Line, via a reserved line to a central computer in London, and (c) see the up-dated cloth situation immediately re-transmitted to our stand terminals and flashed on the screen and, on request, parallel-printed on the Teletype-printer, to produce visitor take-away hand-outs.

● In Cologne, although using the same demonstration programs as in London, the hardware negotiations with the different suppliers led to another solution. As ITT is not represented in Cologne, we are joining Nixdorf in using an independent computer installation, which consists of a small 16-k computer with keyboard input terminal and a printer.

The main feature in Cologne remains the same, in that the visitors can influence the cloth situation with any input they like, based on their own live situation at home. The instantly printed reports show then, how the EDP routines can help to control the newly developed situation with Action reports saying, e.g.

- Follow Up Delivery Date, or
- Buy Three Cloth Pieces, or
- Cancel Purchasing Order

The two men in the hot seat to get the installations working in time are *John McCormack* in London and *Werner Degen* in Cologne. They will not only have helped us to promote our systems label but have also gained for KSA an up-to-date knowledge of the performance and price situation on the terminal market through their many discussions with all the possible equipment suppliers.

—Albin Graeser

LATIN REGION

The New Year has started well, with important new sales (Geconf—Industrial engineering training, Brill—operator training) as well as a number of promising new prospects (Abital and Jupiter), and we now await the return from the U.S. of *Djortouian*, *Freneat* and *Manchon* to expand our capacity. If we can avoid losses between assignments and around the initial summer holiday period, we can be fairly optimistic about our performance this year.

● Financially speaking, we now get a considerable part of our income directly or indirectly from assignments in Human Resources Development. Currently, we have two major assignments underway in Knitwear—including knitting rooms... Our first assignment in the Manual Planning area in France (Buisson, staffed by *Jean-Louis*

Lindstrom) is going well and a second one very likely sold. In Turkey, *Robert Chaumontet* has started the Latin Region Retailing Division by telling Sumerbank how to sell the garments we will help them produce in two pilot plants! (Actually, *Greig Barr*, who is running the Rheinbrücke job—spanning German and Latin Regions—was the first from this Region to do retailing work.)

● Regionally, the most encouraging aspect is the increasing number of good contacts and sales we get in France. *Guy Vidal* and his “boys” have done a fantastic job over recent months and we now have no doubts that France is indeed a worthwhile market for us. We have over a dozen paid seminars scheduled for 1973, many of them through the local Apparel Industry Federation which will certainly make us still better known.

At present, we are doing quite well in Italy, but we must find a way to spend more time and effort in active selling. Maybe our seminars for the U.S. Chamber of Commerce at the annual Milan Fair will help... A market which looks more and more attractive is Spain. We have been invited by the Industry Association to present four paid seminars this year... have three active clients and at least as many good prospects... Other countries that recently provided seminars and new contacts include Portugal and Turkey. The Latin Region is covering its territory!

—Bob Fitze

GERMAN REGION

After a better year than seemed possible, with the general sluggishness in investment during 1972, we look forward to a climate in '73 which will permit resumed expansion—about 12% growth in fee volume, in fact, to a budgeted \$1.10 million.

Much hard work is still required to expand and reorient our services to reflect changes in the consulting market, mostly related to providing answers to the problems created by greater fashion variety in domestic manufacture, and at the same time plug ourselves into the developing clothing industries of the Mediterranean basin L.D.C.S. Some of the latter are beginning to develop manufacturing units big enough to interest themselves in consulting help. Additionally, the EEC, OECD and individual national industrial development funds are getting steam up in the private sector.

Eastern Europe continues to increase its share of Western clothing markets—and not only in staples. The increasing rapprochement between East and West is stimulating this trade and must eventually lead to increased business in the East for KSA. It's a long road, however, with one or two years being entirely normal for response to proposals. As of now, we still have \$1 million in proposals outstanding in Poland, and a \$20,000 survey to knitwear in Hungary... proposed May 1972... advised in October “contract is agreed and being translated into German.” We aren't holding our breath.

Major event in May this year is the International Clothing Machinery Show at Cologne, held every second year between the ITMA shows. KSA has a stand and hopes to be again the only consultant firm exhibiting. This is a major event and we hope will stimulate business all over Europe.

In summary, 1973 is going to demand a lot of effort to develop and integrate our basic tools in AMMD and MSD, but we feel “bullish” about growth, with all sorts of sources of increasing contribution from Apparel, P.D., Retail, Marketing functions.
—Eric Chipps

U.K. REGION

We look forward to 1973 as *Kurt Salmon Associates, Ltd.* The restrictions which were built into the articles of association of KSPEA have been removed and KSA-Ltd. will be free to work in any industry that it chooses. Under the terms of the purchase, P-E cannot compete with KSA in the Apparel Industry for two and a half years. When asked for a quid pro quo (to help sell this to the P-E Board), "Like ship-building, for instance," KS said, "You've got it," and we had a deal!

Business conditions are still good, but we are currently slightly short of staff and are recruiting for 1973. We are, of course, faced with our "pay and prices freeze" but, as yet, no one is certain what the effects of this will be. If the trade unions have their way, we might not even have a freeze. Equal pay for women by 1975 has been exempted from the freeze.

By the time you read this, both U.K. and Ireland will be in the European Common Market. Again, no one knows what the effects of this will be. In general, it may be so slow (due to a seven-year transition period) that the direct results may be overshadowed by other events. One thing is certain, the trade in duty-free booze will come to an end!

Richard and Toni Clarke attending the Scottish dinner dance of the Clothing Institute found they had the lucky entrance ticket and won a five-day holiday for two in Majorica—a holiday island off the south coast of Spain. We are eagerly awaiting a report on the suitability of the Mediterranean Island in the sun for the European Training Center.

—*Louis Mitchell*

TRAINING AND PROFESSIONAL DEVELOPMENT

In the last Observer we reported a rather quiet period for Training. This must have been the proverbial "calm before the storm" because the last few months have been *anything* but quiet.

In January we held a three-day Principal's Training Session for all new Principals and some not-so-new Principals who, in the past, had trouble in rearranging schedules to attend. The attendees were: *Jack Murray, Mike Barnes, John Caldwell, Ken Campbell, Nort Eberly, Greg Murphy, Bill Reed, Dick Bath, Tony Greene, Aubrey Lancaster, Cecil Truluck, Bob George, Bob Reeves, Smiley Jones, and Pete Ehlinger.* As you see from the pictures, we had a full



Dick Bath, Bob George, John Caldwell, Bob Reeves, Aubrey Lancaster, Stig Kry, and Jack Ullman role playing —"The Secret to Success is to Keep the Client Laughing."

house and quite a bit of material to cover. With the aid of some good speakers and cocktails at the end of the day, everyone ended up not only learning a great deal but also having a great time. (Take a look at who's first in line for "happy hour.")

January was also the month for a new training class. Two of the men (Pete Paddrik—HIC and Pete Cleaveland—MSD/PD) had been around since October but four were new to KSA (see New Staff).

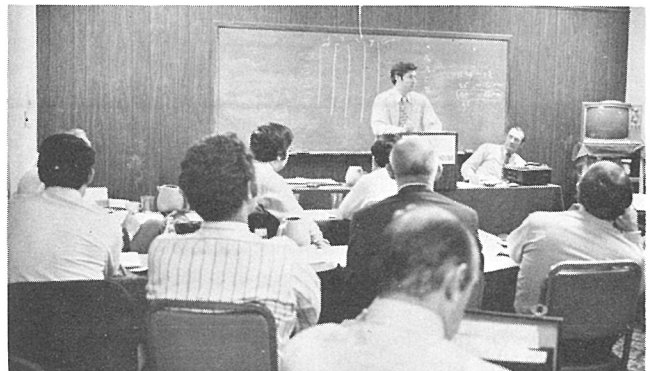
With only a week to rest after our internal training class, the Training Department plunged into a new resident class with eight trainees beginning on February 26.

As you can tell from this schedule, the new year looks great. Business is good and getting better and we couldn't be happier.

—*Carolyn Peacock Rigdon*
(Training Secretary)



Principal's Training Session involves long hours and undivided attention.



Howard Cooley, one of many speakers who made the meeting more interesting and informative.



Aubrey Lancaster, Smiley Jones and Tony Greene show their enthusiasm by being first to volunteer for even the toughest assignment!

About Randy Nord. . .

There are some people around who remember *Randy Nord* in the days before he wore a mustache. For those who don't, and who would like the opportunity to compare what was with what is, the appropriate photographs accompany this article.

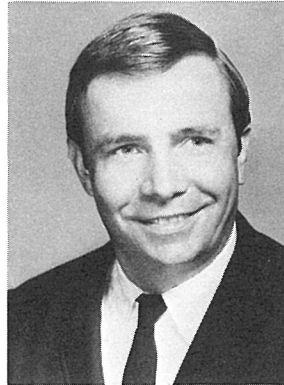
There are also people, perhaps fewer in number, who remember Randy before he was a management systems consultant—when he was an apparel engineer, in fact. For those who have trouble accepting this facet of our subject's past, Randy will be happy to demonstrate the proper technique for holding a three-watch board while designing an integrated information system during coffee break at the next staff meeting.

Until then, take our word for it that Randell K. Nord was duly trained as an apparel engineer at Roydon Wear in McRae, Ga., back in 1962, and that he spent three years working on various sewing, cutting, MU, and distribution assignments in places like Brownsville, Hartwell, Athens, Winder, Bowden, and points South.

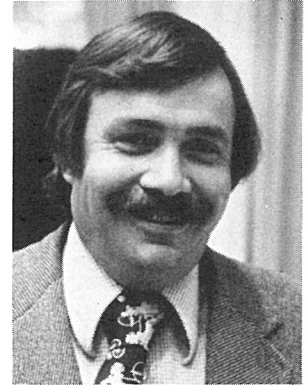
"When it was discovered that I really couldn't do that kind of work," Randy explains, "I was invited to switch into systems. No one was sure whether I could do systems work, either, so for a period of six months or so, they kept me working in both areas. I'd work on a systems survey, and then set a few rates in the sewing room, and then switch back to systems. . ."

Finally removing tongue from cheek, Randy admits that he has found his varied apparel engineering background to be invaluable when tackling a systems project for an apparel manufacturer. And those clients he has worked for agree.

Randy joined KSA in 1962 after earning his Masters in Business Administration (with honors) at the University of Pennsylvania's Wharton School. Prior to that, he studied Economic geography while working for a Bachelor's degree at Dartmouth. A native of Jamestown, N.Y., he's had no



RKN: Before. . .



. . . After

difficulty finding his way around the country on behalf of KSA. Even without studying geography in college, Randy feels he would not have gotten lost.

Last month, the Nord clan (wife Mary Anna, daughter Lisa, son Christopher) made the trek back north from Atlanta to a new home in Princeton, N.J., which is within striking distance of KSA's new Princeton office, as well as deep water. Deep water is important to Randy, who has a passion for racing sailboats.

Being the laconic type, RKN keeps his passions well hidden. The news about his sailing enthusiasms had to come from others. Likewise, he denies having had any "interesting assignments." Yet it is well known that his systems design work at Hortex, for one, has been unusual in scope, longevity, and results. And watching him in action as a seminar panelist, one detects an almost passionate interest in the subject of improving the business of apparel manufacturing. Which sort of puts Randy in the same boat with the rest of KSA's apparel consulting crew. —J.S.

ANOTHER KSA AUTHOR

Steve Riepenhoff had a paper of his entitled "The Data Base in Modeling" included in a book entitled "Socio-Economic Systems and Principles", edited by *William G. Vogt* and *Marlin H. Mickle*. This was the result of a refereed competition with over 150 entries. The book will be published by the School of Engineering, University of Pittsburgh.

Steve can be justly proud of this and we are proud of him and his abilities.

IF THE CAP FITS

A leading management consultancy was interviewing applicants to join its staff. One man had all the qualifications: a first class Oxford degree, a Harvard MBA, and a highly successful industrial career. But he had one fault. He was too conceited. The consultancy told him this: "The good management consultant has got to be able to put his client first; he's got to learn humility. Come back and see us in a year."

So the man turned up once again. "Here I am," he said. "I've corrected the fault. Now, I'm perfect."

SEPARATIONS

Ben Johnson-Hill • *Al Copelan* • *Larry Parks* • *Jack Schmidt* • *Hugh Gray* • *George Adcock*

MIXED MEANINGS

Bull Session: a group of workers swapping jokes.
Conference: when they're executives.

Around The Company . . .

ATLANTA

Atlanta office in tizzy again . . . new phone system causing mass confusion and problems. *Gwen Byrd* handling both with her usual superb aplomb and efficiency. However, for the time being, "Don't call us; we'll call you."

WELCOME to: *Karen Kraft*—Secretary to *Jim Giddings* and P.D. group. Replaced *Barbara Hardy* who joined Eastern Airlines . . . *Lauren Northington* (Heaven help her!)—Secretary to *Jack Murray* (Heaven help us!) and Technical information Division . . . *Debbie Teems*—General Office/Xerox/Relief Receptionist. Debbie began with KSA on December 18 and got married the following Sunday, Christmas Eve. (Double trouble!) . . . *Rose Wippler*—Secretary to *Jerry Kavanaugh* (the Phantom) and some of the Apparel Systems group. She replaced *Patricia Davis* who became *Mrs. Tommy Lee* and now resides in Houston . . . *Carol Davis*—Our invaluable combination typist/secretary/relief receptionist.

VACATIONERS: *Mickey Yount* to Mexico City and *Acapulco* for warm sunshine, and *Vallene Baker* to



First-day confusion with New Telephone System (left); Second day *Gwen* (right) has everything under control.

Nevada/California Sierras for skiing.

Guess Who:

1. From NYO was locked in the AO building at midnight?
2. Rides his bicycle five miles to and from work every day?
3. Put the Bufferin in the Band Aid box (and why)?
4. Takes magazines from the Reception Area into men's rest room to read, and returns to the office 30 minutes later? (Reaction by KS: "If I guess correctly, do I get to recommend a mild laxative to him?")

GREENSBORO



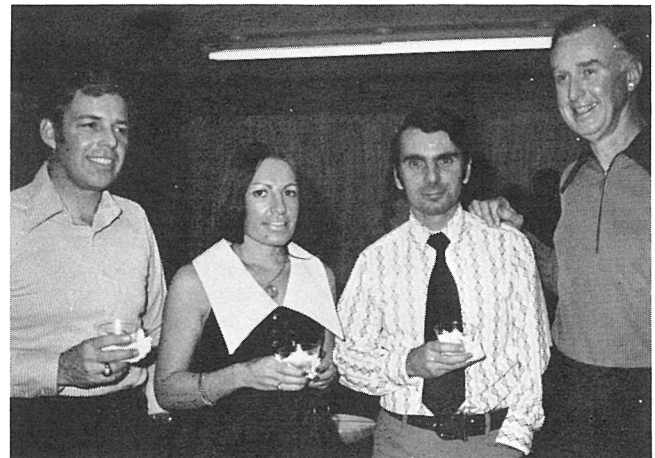
Lin Briggs tried to improve *Miss Jackson's* (GSO) pool game with an AAMT approach. *Lin* patiently explained that the "stick" was not too long, if she gripped the cue stick properly. *Mrs. Yates* and *Mrs. Oakley* (also GSO), interested on-lookers.

NEW YORK

With barely enough time to shake off the cake crumbs from her KSA farewell party, *Erma Stenger* returned to her native Indiana on a January Sunday, applied for a position on Monday, was hired on Tuesday, and started work on Thursday as Administrator at the Munster Med-Inn, 7035 Calumet Avenue, Munster, Indiana. (We have already mailed her a half dozen copies of HIC's new brochure, *Paul*.)

Meanwhile, *Bill Trapp* has taken over as N.Y. Office Manager. His first job was to set up the new Princeton office, and to supervise the big move (desks, chairs, files, consultants). *Bill* took this logistical baptism of fire in stride. However, when faced with getting out his first tech memo mailing for *Jack Murray*, he was seen to shake once or twice.

Bill hails from Elizabeth, N.J., and is a graduate of Nichols College (BBA). His experience includes the publishing, real estate, and legal fields, and he is a specialist in office administration. Welcome aboard, *Bill*! (Our apologies for not having a photo ready for this issue — *Ed*.)



Sam Morrah and the *Freneats* interrupt *Ed Owen's* dissertation about the advantages of Patch Pockets on a Santa costume.

WASHINGTON

Spring arrived early . . . we hope it lasts. *Haskins & Sells* has taken up residence with us for the annual audit . . . *Bill Schenke* returned to the hospital for his final surgery on the 13th (No, he isn't superstitious!). You will be happy to know that everything went well and he is making good progress . . . *Kay Hogan* came to lend a helping hand when *Andrea Robel* left to work with the Government. She did such a good job and we liked her so well we were able to convince her that KSA is really a good place to work full time. *Kay* goes to school evenings to prepare herself for hospital work, her first love. Sorry HIC, we can't let you have her, because we need her for such important things as handling B.I's, Expense Sheets, etc. Welcome, *Kay*. Hope you like us too!