

KSA GOES UNDERGROUND. . .

By—Smiley Jones and Bob Reeves

Thanks to *Buddy Ruppenthal's* confidence in KSA's operator training and supervisory development concepts, *Bob Reeves* and *Smiley Jones* are working 1,600 feet down and five miles in any direction.

The client is FMC Corporation's Industrial Chemical Division. The product is trona ore, which becomes soda ash, which becomes glass, detergent and baking soda.

Simpler problems include high turnover, low production on critical operations, and poor supervisors (called "pushers", because that's what they do!). More complex problems include severe winters that reach 50 below, a critical housing shortage, and incredibly high prices in the country's newest boom town—Rock Springs, Wyoming.

The mine is dark, dusty, and dangerous with main drifts and cross-cuts laid out like city streets. Ventilation, power, and water (for equipment) are available, but there are no "conveniences."

Conventional mining predominates, although there is some helimining and continuous mining. Conventional mining progresses in approximately 20 ft. increments with different machines moving to the face in succession. Equipment is massive (15 ft. wide and 30 ft. long and weighing 20 to 40 tons or more) and also expensive (\$47,000 to \$750,000 per machine).

● The first machine to approach the face is a cutter which has a long chain saw on the front. This chain saw, which has universal maneuverability, sumps into the base of the face and undercuts the section to be blasted. Then a face drill drills horizontal holes in a prescribed spacing for the

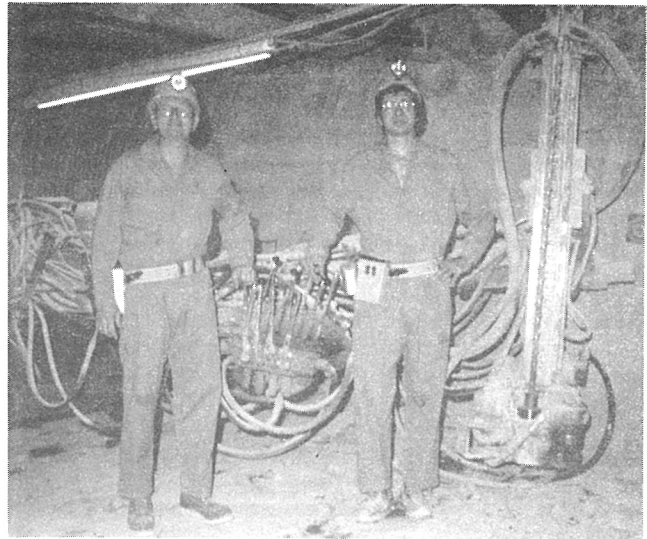
ANOTHER NEW RECORD FOR KSA CHRISTMAS CARD FUND

Contributions totaled \$5,967.

Congratulations! We topped the '73 record of money donated for another all-time high. There are so many less fortunate people whose holidays will be brighter because of your thoughtfulness and generosity.

This year 123 KSA'ers participated in achieving this record by making donations to the cause of their choice—79 different organizations. A Christmas Card was selected, the donors' names imprinted and mailed to the entire USA/European staff. Plans are being made now for KSA-Europe to participate in this fund and we're looking forward to their contributions which will help make our total even more impressive in future years.

The company sent its annual contribution to the City of Hope, a non-denominational organization known worldwide for its work in the health care of children.



Bob Reeves (left) and Smiley Jones in KSA training center, located 1,600 feet down and three miles from the main shaft, ask "What am I doing here?"

powder. Blasters plant the charges using a "powder monkey" machine and bring down the face.

● A loader gathers the ore. A loader has a "dust pan" on the front and two huge arms that rake the ore (from outside inward) onto a conveyor in the middle of the "dust pan." (In operation, Smiley felt this thing resembled his children's eating habits!)

● The rear of the loader conveyor is maneuverable up, down, and sideways, so that ore can be dumped into shuttle cars, which are little more than huge mobile conveyors. Ore is moved to the rear of the shuttle car as it accumulates. Shuttle cars tram to a main conveyor and unload. Ore is moved via the conveyor to a skip hoist which lifts a metered 22 tons to the surface 1,600 feet above for processing.

● Back in the mine, roof bolters follow the loader to the face. Holes are drilled in the roof, and expandable bolts are torqued in to secure the layers of "top," much like bolting several boards together.

● KSA has established that AAMT is adaptable to the mining industry. Client management believes this approach will revolutionize training in the mining industry. Bureau of Mines representatives, after a tour of the underground training center, stated that KSA's approach was "head and shoulders above anything else being done in the industry." A two-acre training center is equipped with \$300,000 worth of equipment (replacement value). Fortunately, most of these machines had either been removed from service or were about to be.

● One training aid is a simulated roof bolt machine where an operator, reacting to timed instructions from a tape recorder earphone, attempts to depress the correct lever

Continued on page 2

LET'S GIVE THANKS

By—Karl Striegel

This editorial, intended for the holiday issue of the Observer, should be light and cheery...filled with optimism and promises. But what is there to be thankful or merry about, you might well ask? The newspapers and TV are thriving on bad news, i.e., The automobile industry lays off 100,000; sales off 32%. . . Unemployment is heading for 7% and beyond. . . Food Prices continue to rise and inflation continues, albeit at a reduced rate...etc.

In short, the stock market, the general economy, the government, our industries, all appear to be in real trouble. So what is there to be thankful for as we approach the holiday season? In my opinion we all have a great deal to be thankful for...I do, you do, KSA does, and the USA as a whole does. Let's start in reverse order and talk about the USA first.

Our rate of inflation is less than that of most other nations.

Our standard of living is higher than that of any other nation.

We produce (and consume) a higher percentage of the necessities of life than any other nation.

Since 1776, up to and including now, we have enjoyed more freedom of choice in every phase of life than has any other nation.

Sure the Western World has problems. But each of us should get down on our knees nightly and thank a Supreme Being that we were born and live in the Western World. Here in the USA, we may have to tighten our belts, but we have the slack to permit us to do so whereas many others do not.

As for KSA, it too has a great deal about which to give thanks. There is no question that our industries in general and our clients specifically are feeling a real pinch. Although KSA will reach a record volume in 1974, we will not achieve a record profit year (we will give you an analysis of 1974 and the 1975 outlook in the next issue). However, we will be solidly in the black; we have developed new growth opportunities in 1974—Third World, Retailing, Mining, etc.—and we are prepared to face a tough 1975, if need be. So KSA, too, has a great deal to be thankful for at a time when many other companies will be facing real crises.

Now, what about you and me...and here I can only speak for myself. *Jane* says I do more fuming/fussing/criticizing/complaining about the government/economy/KSA's performance than anyone she knows...and she's right! However, it has been my experience in life that the time to worry is when you don't complain or strive to improve...that was true in football, the Navy, and business. It's better to worry than to be complacent. Sure I fuss...and she'd be more worried if I didn't.

I'm very happy with my lot despite the problems facing us. I'm thankful to be living where I live, thankful to be a member of KSA, and thankful for KSA's (and my) future.

It is in this spirit that I wish each of you a very Merry Christmas and a Happy New Year. We do have much for which to be thankful.

SYMPATHY

Our sincere sympathy to *Harry Lack* (KSA-Europe) in the loss of his father.

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: *Mary Baach* *Joe Scheines*
Jack Johnson

Volume 5, No. 4

December 31, 1974

Mining—Cont.

(out of about 20 which can be moved in either of two directions with different results). The operator (or the instructor at final check-out) knows he succeeded if the panel corresponding to his verbal instruction lights up.

- Another aid is an Operations Planning Board, which is a scale model of a section of the mine. By moving miniature cars about, a trainee can learn mining patterns that won't cross power cables or cause congestion with other machines.

- Machine operators learn to avoid running over their "blind side" power cables through pressure sensitive cables with bells like those in service stations. Mechanically unsafe, junked shuttle cars, that will still idle, have been placed on blocks, so the wheels will turn, and operators can practice steering procedures which are completely opposite in forward and reverse directions of travel.

Increasingly difficult practice areas are laid out and used for actual equipment operation—initially with, but later without, lights. Stamina build-up takes place at the face in areas scheduled for preventive maintenance (no production operations).

As of this writing, about 15 "new hires" have completed the operator training program. Data is still being collected, but it looks like new roof bolt operators will, after five weeks of training, produce around 20% more bolts per shift than the mine average (which previously required 3-12 months to attain).

Supervisory development is well under way. This "first phase" includes three groups—top management, middle management, and the first 10 of about 50 first line supervisors. Emphasis is on development of trust, cooperation, increased assumption of responsibility at lower levels, and a consistent management philosophy and leadership style through all levels of the organization. All meetings are being video-taped with selected segments being dubbed onto a master tape which will be shown to management as part of KSA's final report.

A recent KSA overview of the maintenance function, (120 men) led to authorization of a \$50,000-\$60,000 mechanic training program. Already in FMC's budget for next year (but not formally authorized) are:

- Retainer work on the already completed shuttle car and roof bolt operator training program.

- Operator training programs for cut, face drill, blast, and load.

- Supervisory development for the remaining 40 first line

Continued on page 3

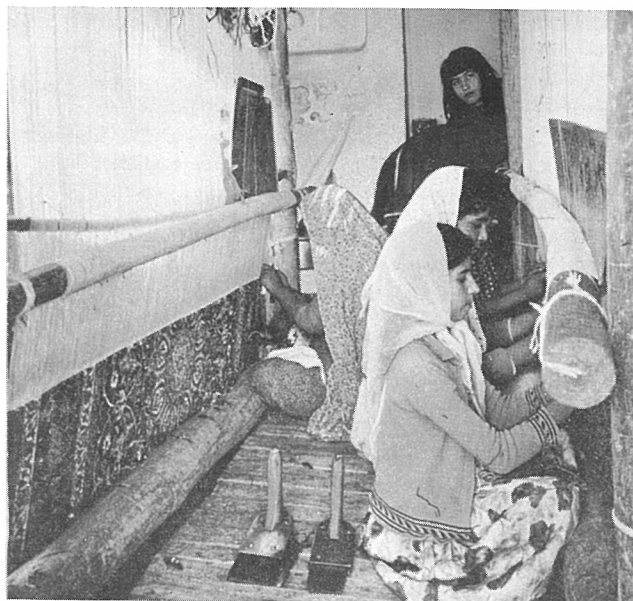
CARRYING COALS (CARPETS) TO NEWCASTLE

By—Bob Saunders

The Carpet Division had the opportunity recently of visiting Iran (Persia) to follow up on a number of inquiries from Iranian carpet companies regarding possible consulting assistance. The way was paved by *John Sueke*, our outgoing, energetic agent in Tehran, who has mounted a vigorous advertising campaign in both English and Farsi (the official Iranian language).

Tehran is a modern, attractive, cosmopolitan city. English is spoken fluently at the top levels (many executives educated in the U.S. or U.K.). There is a highly capitalistic, Western-oriented business attitude and a friendliness and soft spoken courtesy which should help in any work we may do in the country. However, a different culture exists with many customs which are foreign to us. The religion is Islam...the current year is 1353, which ends next March 21...the day of rest is Friday (don't arrive Friday evening and expect to get the weekend off)...and the way of life different from ours in many respects. At the same time, it is to be remembered Iran is emphatically not part of the Arab world.

Iran sees her oil reserves depleted in the not too far distant future and is determined in the meantime to build up and modernize her industry (of which textiles is number two—after oil). Handmade "oriental" type rugs are produced in Persia in exactly the same manner they have been for centuries (see photo), though various companies are now beginning to manufacture tufted carpet and machine-made "orientals" using Wilton looms—largely for internal consumption but eventually for some export,



principally to Middle Eastern countries.

There is a great interest in Western style management methods and a great desire in having people trained at the management, supervisory, and operator levels. A significant opportunity would appear to exist for KSA not only in engineering, but in systems, general management, and marketing. We look forward to *Pee U.* holding the first course in the Farsi language, and to *Dickie Dunlop* continuing to hand out pills (alluded to in the last *Observer*) to KSA travelers troubled by the attractiveness of the local ladies.

STECOM ELECTS FOUR NEW MEMBERS

At the fall meeting of STECOM, it was announced that their individual secret balloting had resulted in the election of *Frank Armistead*, *Mike Barnes*, *Ron Brockett* and *Dave Cole* to STECOM membership beginning with the spring meeting. These four Principals, representing four different functional areas, join STECOM as part of the regular rotation procedure and will serve a three-year term. STECOM welcomes them and looks forward to their contribution.

A vote of thanks is in order for those who rotated off STECOM—*Paul Flood*, *Randy Nord*, *Chick Schwartz*, *Jim Trautman*. Each has worked hard and contributed substantially. They will be missed.

In addition to the four new members, also serving on the 1975 STECOM will be *Eric Chipps*, *Bob Frazier*, *Jim Giddings*, *Ken Osborne*, *Bob Pee*, *Buddy Ruppenthal*, *Hugh Tannehill* and *Josh Taylor*.

Mining—Cont.
supervisors.

There is also some talk of KSA assistance with a new mine start-up in West Virginia.

Although presently demanding extra pay for hazardous duty, Messrs. *Ruppenthal*, *Reeves*, and *Jones* have found mining fascinating.

(*Editor's Note:* Some of our readers may rightly wonder: "What in the world is KSA doing underground?" This client found our training work for them impressive and felt that

they needed that sort of thing in their mining division. We accepted the assignment to further cement relations with this large client and because we felt that the functional skills of HRD were readily applicable and transferable across industry borders. The current economic climate in apparel and textiles also helped to persuade us that it made good sense to do this work even though it was somewhat "off our beaten track." While we may be asked to do work in other mining units of FMC, we have not, at this time committed ourselves to start a mining division within KSA.)

Weintraub Associates Approves KSA Rates

Steve Avery, *Warren Deviney* and *John Harry* had the illuminating experience of attending arbitration proceedings this summer. The dispute was between Hart, Schaffner & Marx and the Amalgamated Clothing Workers of America regarding engineering of HSM shell cutting rooms. We were pleased to note that the arbitrator retained consultants of Emanuel Weintraub Associates, and that they found the disputed KSA rates were substantially correct.

Ironically, one of the major thrusts of the union argument against Hart, Schaffner & Marx was that the management and supervisory staff was not functioning efficiently, and an article written by KSA, no less, was entered as the major piece of evidence on how to run a cutting room. We wish that HSM had accepted the article as wholeheartedly as did the union.

Promotions. . .

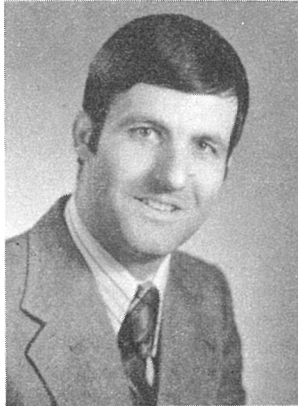
Congratulations to *Werner Degen*, *Steve Schlehuser* and *Denys Williamson* on their appointment to Principal.

Werner Degen is a native of Switzerland and a graduate of the Swiss Institute of Technology (ETH), Zurich.

Before joining KSA in 1971, he worked in the EDP field with Sperry Rand AG, Zurich, and later with Radio Schweiz AG in Berne, Switzerland.

After a few months' training in the U.S., Werner returned to Europe and has since worked for the German Region on various assignments such as Solida, Osnabruecke, Hugo Boss Metzingen. At the end of 1973 he took over the responsibility for promoting our services in Switzerland and since October of this year he has also taken on an active part in the retail assignment at Coin in Mestre (Italy).

Werner is living in the Zurich area with his wife *Helga* and two sons, *Andreas* and *Oliver*.



Steve Schlehuser, upon completion of a three-year hitch in the Army, joined KSA in August 1966, and was in the second official training class at *Pee University*.

As a member of AMMD, Steve did a number of sewing room assignments...also a couple in Physical Distribution...before he officially transferred to MIS the latter part of 1968. At that time he moved to Atlanta and took on the responsibility of the Henson job. This particular job became the basis for the design project which we still use in apparel systems training. Working with *Jerry Kavanaugh*, Steve saw this detailed and complex assignment through to a very satisfactory completion.

With various systems assignments behind him, Steve moved to the New York area about 18 months later and has been involved in the varied activities of his division—payroll, standard cost accounting, production planning, total management information systems, etc. For something quite apart from the rag business, he had an assignment for a New York art gallery (See Observer, September 30, 1971), and was told he “didn’t know a damned thing about art.” But he did know what was involved in the preparation of a procedures manual to be used by museums to guide them through exhibitions and auctions, which was expanded to include comprehensive merchandising publicity for the gallery.

Steve, *Nancy*, and their children have settled in Hightstown, N. J., and Steve works out of the Princeton office.

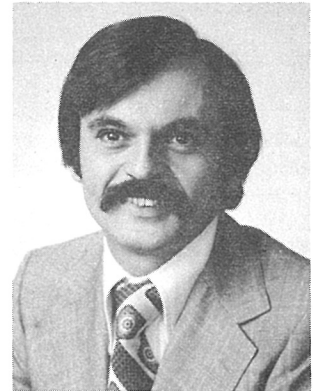


Denys Williamson joined KSA-France in 1965 as an engineering trainee. He came to the U.S. for training and liked it so much he stayed until 1968, working on many sewing room engineering programs.

After returning to Europe for several years, he got homesick for his friends on this side of the Atlantic, so he transferred to KSA/USA. Since then, Denys has truly established an international reputation. His schedule of the countries in which he has worked takes on the appearance of a travelogue and his assignments have varied widely.

In the last two years Denys has done sewing room engineering and supervisory training for a shirt company in Mexico; started two new jeans plants in Brazil and Quebec; completed an SQC program in France for a brassiere manufacturer; directed a sewing room engineering assignment in foundation garments in the British Isles; has done survey work in women’s sportswear, leather outerwear and casual slacks in Canada; completed a sewing room engineering program in Puerto Rico; has done SQC for a knitter in Puerto Rico; is scheduled to start on our first Canadian shoe assignment and our second Canadian attitude survey.

With such diverse assignments and accomplishments to his credit, Denys is well qualified for the role of Principal. He now resides in Valleyfield, Quebec, with his charming wife, *Nicole*.



Coming Events. . .

- **January 6-8**—National Retail Merchants Association Convention, New York. KSA will exhibit.
- **February 22**—AAMA’s Technical Advisory Committee sponsors an all-day seminar on Human Resources Development, presented by KSA. Peabody Hotel, Memphis. Spread the word; we’d like to build a large audience.
- **February 26**—All-day seminar for top management on Improving Financial Performance in Fashion Apparel, Los Angeles. Fee-paid.
- **February 27 – March 1**—Western Apparel Magazine Show, Los Angeles. KSA will exhibit and present the opening day seminar program.

Congratulations!

Wedding

Sabine and *Joel Vatz* were married in October. We wish them a great deal of happiness.

Births

Congratulations to KSA-Europe families...to *Janet* and *Steve Webb* on the birth of a son, *David* and to *Glen* and *Bill Wing*, a daughter, *Shian*...to *Margherita* and *Salvatore Pizzolo*, a son, *Marco*, born December 4.

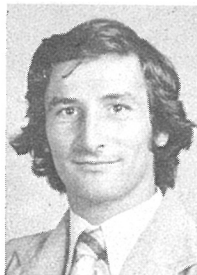
NEW STAFF

Fernand Brengues (KSA-Europe)... Age 27. Assigned AMMD originally, scheduled for HRD. Much of previous experience in adult education. Has started his doctorate in that field. His national service spent with I.F.A.C.E. on consulting assignments in Algeria. Interests: Skiing, hiking, handicrafts, agriculture, reading, cooking.

Jivojin Jevdjenijevic (Mike)... Age 26. Textile Engineering Degree, Institute Technique Roubaisen. Scheduled for Third World area following U.S. training. Worked as trainee with Ciba-Geigy, Filroc-Rabat and Wallaert-Fremaux. 2nd Lt. in French Army. Speaks five languages—French, English, Spanish, Serbian, German. Interests: Riding, photography.

Edward A. Loseman... Age 25. B.S. Industrial Technology and M.S. Psychology, California State University at Long Beach. Worked as training-therapist and as special consultant at the university while pursuing education. Interests: Camping, water skiing and traveling. Restoring old automobile—1927 Model-T Ford.

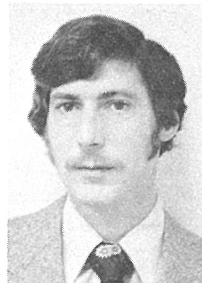
Paolo Parenti (KSA-Europe)... Age 26. Married. 1 child. Degree in Industrial Physics from the Technical Institute of Livorno, Italy. Studied data processing at the Science Faculty of Paris University from 1958 to 1972. Completely bi-lingual in Italian and French. After initial training will settle in the Pisa area (Tuscany/Italy) with his family and work from there in MSD in Italy and elsewhere.



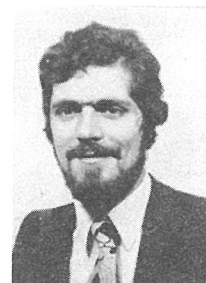
Brengues



Jevdjenijevic



Loseman



Parenti

ENGINEER WRITES TO SANTA

May 8, 1973

FROM: W. Deviney
TO: S. Claus
Re: Christmas 1973

Dear Santa:

It was certainly a pleasure having you come down my chimney last year. Hope you enjoyed the cookies and root beer. Whatever did you do with the dishes and glass?

Hope you don't think me presumptuous for writing a letter in May, however, you may need this lead time in order to fulfill my request.

You see, Santa, there is a poor underprivileged Payroll Clerk here at HS&M who is operating under a severe handicap. She is presently attempting to do the payroll for 37 cutters without a calculator or adding machine of any type. Do you think you can help her?

She has requested one from Hart Schaffner & Marx, but they told her to grow some extra fingers and toes. I'm sure that you can get one for her before they will.

Thanks very much Santa for any help you can give us. We will certainly look forward to seeing you again this December. Kindest regards to Mrs. Claus and all the little elves.

Best
Warren

P.S. Please don't park your reindeer so close to the edge of the roof this year. Reindeer droppings are very bad on roses.

cc: Wm. Neef, N. Iverson, P. Cece

(Rates were installed in the lining and trim cutting room January '73. Continuing requests were made for a calculator for the rate administrator. Finally by May, Warren became so frustrated that the above letter was written. William Neef heads engineering and manufacturing services and is in charge of the KSA program, N. Iverson heads cutting, and P. Cece is foreman of the cutting room. The letter must have gotten results...HS&M came up with a calculator before Santa did!)

KOREA ANYONE?

(We think we have a prospect seeking our services...you read the letter.)

Gentlemen:

We are pleased to have this opportunity we made to know AMERICAN EMBASSY commercial attache in KOREA. You are one of the leading manufacturer of the an airplane (PLASTIC MAP).

We take this opportunity to introduce ourselves as one of the leading processing trade maker (finished goods) and exporter following Item. (WOODEN TOYS. STUFFED TOYS. SUNDRY ITEMS. PROCESSING TRADE). We can produce any precision manufacture. We can recopy map on the stone & Art, Stamp. If you are interested our Item & yours, please send us your offer sheet and counter sample.

As you know, A personal expenses is cheap in KOREA.

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TENTH ANNIVERSARY

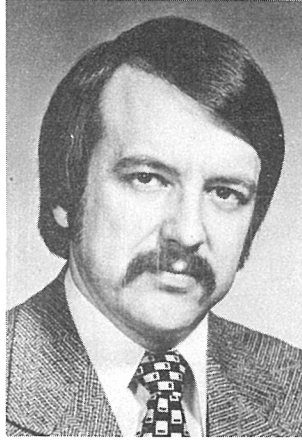
Jim Trautman celebrated his "tenth" with KSA on November 9. With a B.S. in Industrial Administration from the University of Illinois, he made a brief stop in Atlanta and then proceeded to Roydon Wear for initial training.

Jim's early assignments were in the growing Material Utilization area. He was promoted to Principal in January 1969 and a year later, based on his contributions to our MU/CRE practice, he was given the responsibility of managing and coordinating this part of our AMMD function.

While Jim still has this overall responsibility, his activities have become much broader in the past few years. He has been devoting about half of his time to development of our West Coast practice where his efforts are bearing fruit. In addition to successful projects which have been completed, a number of prospects exist which will lead to future work.

Jim has also been assisting Howard Cooley in AMMD scheduling and Status of Staff, and has just completed three years as a member of STECOM. All of this, plus being single, makes him a leading candidate for KSA's most traveled consultant.

Congratulations, Jim, we're sure the next ten will be even more outstanding!



A WARM WELCOME TO MIKE BRENT

For personal reasons, Mike found it necessary to return to Europe for a period. Though you were still working with KSA, Mike, we missed you and are very happy to have you back in the States.

IN EVERY RESPECT KSA STRIVES FOR EXCELLENCE

Example: *Harry Lach's memo to Richard Clarke.*

Dear Richard:

"Thank you very much for your hand written note on my punctuation. My English literature teacher told me that the use of a coma to indicate in one sentence some anti-theoretical point was a legitimate gramatical ploy. I have been in the habit of using this ploy ever since. However, I do take your point that our reports are not poetry or even great English Literature and I will try to desist in future. I wanted to send your memo to all staff to let them know that I too am the subject of training as well as them. On second thoughts perhaps no one else has noticed my incorrect use of the coma. Perhaps we should let sleeping dogs lie. The last three sentences would normally have been filled with comas. You can see that I am trying.

Many thanks."

—HEL

WHERE BLUE JEANS BEGAN

Most young people who wear them haven't the slightest idea of where blue jeans come from. They believe they were originated by Levi Strauss of San Francisco in the 1848 days of the gold rush. Not so.

Denim was originated in the Southern French city of Nimes, a textile center with a weaving history which goes back to the sixth century. About 450 years ago English merchants began importing a blue cotton cloth from Nimes which was called "Serge de Nimes." Over the years de Nimes became "denim."

It was Levi Strauss, a German immigrant from Bavaria, who took bolts of denim with him to San Francisco in the late 1840's, sold the tough cloth first for tents, then made them into pants, reinforcing the pockets with rivets.

The "jeans" half of the blue jeans also comes from Europe, from Genoa, Italy, where the Genoese sailors wore trousers of blue canvas. Genes is the French word for Genoa, thus Genes became Geanes to the English. Later the Americans adapted Genes into jeans.

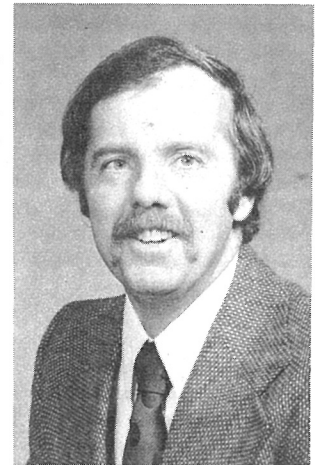
Denim in the past 10 years has become one of the most popular cloths in the world, so popular that there is not enough to go around.

By—Pamela Swift, PARADE

BUDDY RUPPENTHAL, MANAGER HUMAN RESOURCES DIVISION

Congratulations to Buddy Ruppenthal on his recent appointment as manager of this important division. He has worked in all phases of HRD...personnel, operator training, supervisory development, more meaningful work concepts, etc. He has also crossed industry lines and worked in apparel, textiles, health...even mining, a new KSA venture.

We wish Buddy a great deal of success in his efforts to further develop HRD. He is well qualified to function as manager.



KENSINGTON ASSOCIATES ADDS PRESTIGE CLIENT!

The handful who care know that KSA's very own advertising agency, Kensington Associates, is simply too busy to look for additional clients. It has a quality reputation to uphold, and KSA's advertising gives it enough headaches.

But Kensington was unable to say no recently when the Association of Consulting Management Engineers sought help with its own advertising. So two modest ads were prepared for ACME, and they now alternate approximately weekly on the back page of the Wall Street Journal, placed by Kensington Associates. Incredible as it sounds, the first insertion resulted in some 600 responses.

(Editor's Note: How come they can't do as well for KSA?)

(Agency's Reply: If you don't understand advertising dynamics, don't meddle. Besides, the ACME ad offered something for free...)

Functionally Speaking...

AMMD

Equipment Modernization of A Dress Shirt Facility

An engineering project in the stitching and finishing departments of the Harwood Company in Adamsville, Tennessee, was recently completed, and because of the unusually high degree of automation in the manufacture of shirts, we believe you will find it interesting.

Harwood's capital investment in automated equipment totaled almost \$950,000 for only 11 operations, only one-fourth of the total operations on the shirt. This is equivalent to an equipment investment in excess of \$11,000 per operator on these operations, or about eight times greater than the normal equipment investment during a KSA engineering program.

Noteworthy operations from the standpoint of equipment automation are:

- Ideal Necchi Collar and Collar Banding System
- Compo Adler Pocket Set
- Singer Sequential Buttonholing
- Buttonsewing with Indexers
- Jet Sew Auto Front and Sleeve Hemmers
- ExKell Auto Center Pleat Machine
- Ginsberg Stackers for Folding Joining
- Adler Cuff Run Machines
- Singer Apparel Press Finishing Machines

The most significant item in this group is the Ideal Necchi Collar and Collar Banding System. This system alone was responsible for a 9% standard labor cost reduction and the elimination of five operations in the collar and band departments. In addition, it caused the training time for the collar operations to be reduced a minimum of 50%.

While all of these automated operations contributed to the reduction of the labor content of the Harwood shirt, they also generally caused some noticeable increase in maintenance related costs; however, the savings in labor costs and training time more than offset additional maintenance and machine-delay costs which must be anticipated with the use of such equipment.

In essence, equipment of the type used at Harwood will yield 10.8 Standard Allowed Minutes for a medium-priced, long-sleeve dress shirt with safety stitch construction. If and when semi-automated cuff equipment is perfected, a 10-minute shirt will be possible. To put this in perspective, a typical KSA engineered dress shirt of four to five years ago would contain from 13 to 15 minutes of standard labor.

Other KSA'ers on this interesting assignment were *Richard Atwell, Tony Greene, John Lackay, and Gary Roby*. Also, *Dan Kennedy* has filmed many of these operations and is in the process of editing and narrating this film for KSA training purposes, and should be available for viewing in the Atlanta office.
—*Jerry Armfield*

CUTTING/MATERIAL UTILIZATION

Interesting outside activities are being seriously pursued by the staff: *Bill Sand*, after learning where farmers keep cows at night in Missouri, becoming an avid outdoorsman and fisherman. . . *Ron Beattie* going on his first coon hunt



John Champion (left) and Bill Sand showing off Kurt Salmon Associates' Salmon catch.

and wondering why this is done in the dark. . . *Gill Llanes* preparing for his first solo flight in a Cessna. . . *Sergio Cruz* learning from *Lutz Kohnagel* how to use a small suitcase for a trip to Central America and bring back souvenirs. . . *Roger LeBarron* touring wineries in California on weekends.
—*Nort Eberly*

HIC

Every once in a while, an assignment comes along which is outside the realm of experience of KSA. Such an assignment is in the world's largest soda ash mine (reported in more detail elsewhere in this issue) but because of HIC's role in this unusual assignment, we would like to tell you how we became involved.

The Industrial Chemical Division of FMC Corporation requested a proposal to conduct an operator training program of a different nature—training equipment operators to drive bolts into the ceilings of mine passageways. Due to the nature of the project, it had to be conducted on-site...1,600 feet straight down. Sure as the sun rises in the East, came the expected question, "Who in the world will staff the job?"

Under the influence of *Buddy Ruppenthal's* deft guidance and glib tongue, the answer was simple: *Smiley Jones* and *Bob Reeves*. Smiley was a natural...he does quite a bit of HRD work. But why Bob Reeves, a hospital specialist?! Sure, it makes sense that Bob has a Marine Engineering Degree and, as a former shipboard and hospital engineer, is trained in and familiar with the use of heavy equipment; has conducted training classes; and is a "good ole country boy" who can relate to miners in the wilds of Wyoming. But the *real* reason can now be revealed: to provide constant assurance of the presence of standby medical support when Buddy dons his miner's cap and goes underground!

Otherwise, HIC as a whole has been busy and using PR to good advantage: A survey of hospital workers in Atlanta received good coverage in the Sunday (Nov. 24) issue of the *Atlanta Journal and Constitution*. The two-column article quoted HIC frequently and ended telling the readers where to obtain copies of "Perspectives for Health Care Management."
—*Eric Bossak*

GENERAL MANAGEMENT & MARKETING

● By the time this column reaches print, we will have submitted the final report to a client in an industry in which we usually do not offer consulting services. The client is Savannah Foods & Industries, most widely known in the southern region of the country for its Dixie Crystal brand of sugar. Annual sales are in the \$200,000,000 to \$300,000,000 range.

This company perceived that its compensation structure was in need of attention. They consulted with their attorney, which turns out to be the leading labor attorney firm in the apparel industry, and they were referred to us. At this point, *Jack Ullman* began scanning the company for a potential account executive to coordinate our work with this client. *Jack Johnson* presented his qualifications. He had once seen a 60 lb. sack of sugar in Albertville, Alabama. Besides, his wife, *Gloria*, had just returned from a tour of Savannah the previous weekend. *Bob Pee's* files did not yield any information that would indicate that anyone else in KSA was more eminently suitable for being liaison with a sugar refinery.

Consistent with the staffing method accomplished on the account executive level, it was only natural that the compensation project be performed by a two-man team which would include at least one member of HIC, *Eric Bossak*. Coincidentally, Eric had worked in Savannah on a compensation study for a hospital. Many of the jobs covered by that study were similar to jobs in Savannah Foods; e.g., clerical positions.

● As initially defined, the assignment was to be concentrated upon 25 to 40 clerical positions in the corporate offices and the sugar refinery itself. At last count, 139 positions were included and comprised clerical/secretarial, administrative, salesmen, sales management, financial management, and manufacturing management personnel. Because of the characteristics of the positions, we decided upon a job classification system rather than the point system which we had used in other assignments such as Cluett Peabody and Monsanto.

● For those of the reading audience not familiar with what occurs in a compensation study, a brief explanation is in order. Basically, this type of study is very interesting and involves the formation of a job evaluation committee, which usually represents each major concentration of personnel by function. The committee becomes responsible for coordinating the preparation of job descriptions and job specifications by department. Department heads are required to write these.

● In the case of a job classification system, the committee (along with the consultant) establishes a ranking system to create a listing of the positions in a ranked sequence. Next, the line executives are involved in reviewing the lists and agreeing or disagreeing to the relative placement of their own subordinates. Key jobs are identified as benchmarks, and compensation information for these jobs is located. Government statistics, industry surveys, and professional association data are the usual sources.

It often becomes apparent at this point that many jobs are vastly overpaid or underpaid. Sometimes this is the case with an individual who has some special circumstance which contributes to the discrepancy. At other times, the job has not been graded in accordance with what the market perceives the relative value to be. Additional conferences and coordination follow. Eventually, a

compensation curve is developed with ranges for each grade. At this point, it becomes necessary to train the client in gradually adjusting compensation of the personnel involved to fit the grades and in general administration of the program.

● The overall benefit to be achieved through a rational approach to compensation is to reward the company's employees consistent with their contribution and to provide a basis for being competitive in the labor market when seeking additional personnel.

We all enjoyed working in Savannah. *Gloria Johnson* was right, it's a beautiful city. Most important, the management people at Savannah Foods & Industries were as cooperative as a consultant could hope for in a client. —*Bob Messinger*



TRAINING & PROFESSIONAL DEVELOPMENT

Fall is traditionally a slow time for training, but we did have a class for two new KSA'ers, reported elsewhere in this issue.

Another resident class was conducted in November for four men from client engineering departments. The companies represented in this session were: Eddie Bauer (their fifth man to attend), the Calford Group of Kellwood Company, Wembley, and Winston Uniform. As is the case with most resident classes, the group had very diverse backgrounds and interests but found a common ground in discussing the various aspects of apparel engineering. Plans are already under way for additional classes in early 1975 with possible prospects from the Philippines, Mexico, and England in addition to our regular USA clients.

Recent professional development activity included some experimental work with one group of Principals on sales training. The work to date shows promise of resulting in a very meaningful program aimed at developing those skills needed in the "selling" situation. More later as further development takes place.

Language training is booming right now—Spanish, French, Portuguese. Most cassettes and text materials stay checked out on a regular basis, but we are attempting to add to these training materials to help in preparation for Third World and border consulting projects. —*Bob Pee*

DEPARTURES

● Al Aberson (Atlanta Tech Support) ● Frank Hurley
Steve Jones ● Tom Prox ● Gary Roby ● Tom Smith.

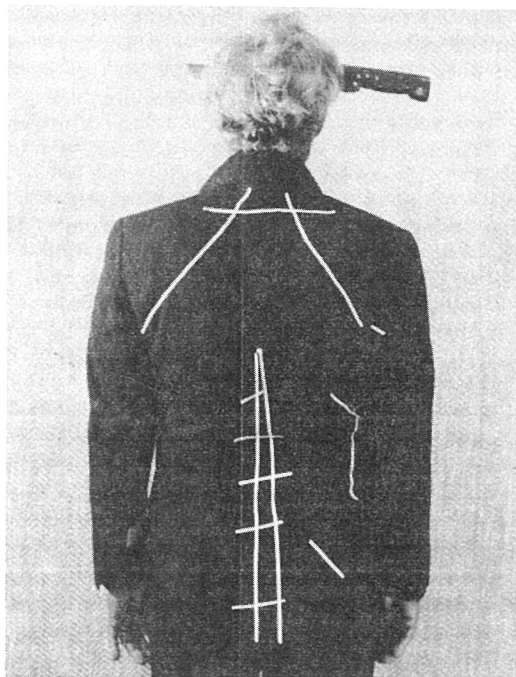
HUMAN RESOURCES DIVISION

The word is supposed to be "we are in a recession, therefore, we do not have to worry about people problems any more." However, no one has told apparel manufacturers—large or small—and the textile industry. They are recognizing that employee and supervisory attitudes and morale affect performance in terms of productivity and quality, as well as turnover. As a result, executives from the apparel industry have come to Atlanta and Los Angeles to learn what can be done to develop supervisors, improve quality of work, measure attitudes, and develop employee recognition programs in their plants. The need for this kind of organization development has spread to Canada and Mexico as well. With *Buddy Ruppenthal* at the helm, we are working at upgrading our "older services" and developing new ones.

Projects under way include an attitude survey for William B. Carter Company being conducted by *Bob Langley*, which is a third survey for them. *Jacques Brault* is conducting an attitude survey for Chambly Clothing Company in Chambly, Quebec, which is the first such survey that we have done in French-speaking Canada. *Ron Brockett* is assisting on this one. *Mike Willett* is conducting a very comprehensive supervisory development program at John P. King, a textile firm in eastern Georgia where *Lee Ozley* is completing an induction orientation program. *Greg Murphy* continues to get outstanding training results at Watauga Apparel and at Bayly in California.

Upcoming PR efforts include participation in TAC Seminar on the "People Problem" to be conducted in Memphis in January. We are also planning an HRD Newsletter which will have a multi-industry orientation and will cover the general field of HRD and the latest personnel, training, labor law and the like.

—Ron Brockett



FROM A RECENT KSA manual on fitting techniques for the retail alterations room—"How to Mark a Coat for Lowering the Collar and Taking in the Back Seam While the Customer Has a Knife in His Head." (To see how the knife got there, turn to page 12.



KSA's Seattle "Falstaff" Meeting. Participants, left to right, *Roger Freise* and *Hal Ivey*, front row. Behind, *Dan Bray*, *John Champion*, and *Bill Sand* (holding *Karen*).

PUBLIC RELATIONS

Thanks to the Bobbin Show, KSA's PR Dept. had the benefit of a running start this fall. In fact, we developed so much momentum that we overshot two targets entirely: the scheduled HRD seminars in Dallas and Philadelphia had to be unscheduled on account of we only had three reservations to split between the two seminars. The one planned for Los Angeles did take place—before a milling throng of 15.

It's hard to say whether the seminar business has turned sour in general, or whether the subject determines the interest. Supporting the latter explanation, our November program on improving financial performance in the fashion apparel industry attracted 22 reservations (at double the usual fee), and there were only five last-minute cancellations. More important than numbers was the fact that our attendees included 12 company presidents. *Dean Vought*, *Eric Chipps*, *Al Emmons*, *Jerry Kavanaugh*, *Jim Trautman*, and *John Wilcox* kept them spellbound, and three of the presidents asked for repeat performances before their own management people.

Our PR efforts went on all over the place the last two weeks of October. There were KSA exhibits at the Footwear Show in Atlantic City (*Ross Runnels* and *Smiley Jones*), the ITEX Show in Greenville, S.C., the same week, and the NOSA Show in New York the following weekend. Further, *Howard Cooley* shook up an audience of outerwear manufacturers at a NOSA seminar, and *Ted Harless* and *Jim Giddings* appeared before an audience of 150 retailers in Quebec the following Monday. Just to keep

Continued on page 10

Korea—Cont.

So we wish to get work for trade. We can produce good merchandise. However, we would like to join business relationship with your house mainly on this lines of business.

Awaiting your good news in this respect. We remain, faithfully yours.

社 會 式 株 業 美 美 歐

Functionally Speaking—Cont.

things moving, *Jack Murray* and *Bill Reed* snuck in a few telling remarks about non-wovens the next day at the IDEA conference in New York. It's not too early to report that one assignment with a new client has come about thus far from all this activity.

We are also happy to report a bonafide inquiry arrived within a week after our latest *Apparel Perspectives on Inventory Management* was mailed. We don't often see such concrete and immediate results from PR efforts, and it's heart-warming to know that there's some point to all these exertions.

With the departure of *Steve Jones* at the beginning of November, *Kathy Couch* has taken full charge of PR activities in Atlanta. She will cover all textiles, PD, and HIC work, as well as represent the department in its manifold manifestations on the Southern front (reprints, publicity, note pads, visual aids, shoelaces, advertising, printing, etc.)

—J.S.

EUROPE—GENERAL

The end of 1974 is in sight and one might be tempted to say "...and a good thing too!" On the other hand the pundits tell us that the difficulties of 1974 are going to look like a boom compared with 1975.

● In fact, 1974 has been a year of great progress for the European Division. Fee income will exceed \$3.5 million and the profit budget will be met or exceeded, due in part to some luck on capital gains, and to the major contribution of the value billing from the company-doctoring work at *Tillie and Henderson*. But discounting these exceptional items, Europe will contribute over \$300,000 to KSA overall and every region and both industry divisions have contributed to this.

● It has been an outstanding year certainly for the Latin Region but, in all three, firm foundations have been laid for 1975 and considerable progress has been made toward fulfilling our 74/76 plan, to grow at around 15% for these three years. This target was set well before the oil crisis, but the diversification into retailing and the effort to spread geographically are helping us combat incipient recessions and to take advantage of better conditions in territories such as Scandinavia, Iran, Algeria and E. Europe. Actual growth in '74 in real terms will not be great but, in dollar terms, it has been around 13%.

● Our 1975 budgets are in process but it looks as if we can aim for a real growth of around 20%. This figure is inflated by the fact that we grew so little in 1974 in real terms but, of course, assumes that the economies we work in do not get any worse than they are now. The 1975 budgeted fee volume is \$4.5 million and in the 13 periods to period 10, 1974, Europe sold \$4.1 million, so that there is some reason to believe this ambitious growth could be realistic.

This has been a year of greater internationalism for KSA, with more visits to Europe for KSA-USA...*Jack Downie* who did a great job for us with a major client in U.K.; *Bob Frazier* who is heavily involved in our "European Third World" effort; *Jack Murray* who "knocked them in the aisles" at Vienna and Oslo; *John Caldwell* who is working for our key client in Algeria; *Gerry Vercaemert* who is in Algeria, Iran and often seen in other places; *Dick Bath* who helped us get off the ground in Iran; and last, but by no means least, *Dean Vought*, *Stig Kry* and *Kurt Salmon*. Europe has also sent visitors to USA (with much help from KSA-USA and *Joe Scheines*)...*Louis Mitchell*, *Harry Lack*, *John Beddows* and *Werner Ilen*. Never has it been more

important to be an international company.

—*Stuart Hollander*

DALKEITH SECRETARY WED

Dorothy Whitson, who has been on the staff in the Dalkeith office since January 1969, married *Stanley Olszewski*, her childhood sweetheart, on October 5.

Richard Clarke presented Dorothy a gift from KSA, the staff drank to her health and happiness and gave her a real Scottish send off. The picture shows Dorothy all dressed up and ready to go home...but they took pity on her and sent her home by taxi.



LATIN REGION

Informing *Observer* readers on how KSA is doing in the Latin Region makes me reflect on what might be important and of interest. If anyone has a question or comment, please drop me a line at the Zug office...I would be delighted and promise to reply promptly.

What you read in the press about the economic situation in the Latin Region is disastrous. We know this, but good business news in this area is rare even in good times. Our clients, and KSA, are used to strikes, scandals and even an occasional bomb, which have become part of life in many Latin European countries. This probably explains why business life is going on relatively normally in countries like Italy and France, despite alarmingly high inflation rates of about 13% and 17%, respectively.

We have had one cancellation in France (*Molinier*) which is due to the uncertain economic outlook. Major assignments such as *Halos* (*Montfibre Group*, Italy) and *Sonitex* (Algeria) have permitted us to keep our staff busy with only minor time lost. Recent sales of short initial assignments for the *Borden Group* in Italy and in Tunisia have come at a most welcome time and indeed offer substantial potential for further work in 1975.

● Two large European marketing studies, covering both textiles and apparel, are currently being directed by *Michel Cardon* out of the Paris office, for the Iranian government and the Turkish Economic Development Foundation, who are sponsored by OECD. A number of other, smaller marketing studies have come up recently and provided challenging and interesting work for some of our consultants. The three major retailing assignments for *Coin*, *Sapac* and *Prisunic* are going well, with a good chance that all three will authorize substantial work in 1975.

While we have no reason to believe that 1975 will be an easy year for KSA in this region, we still feel that we can look forward to some real growth next year. This cautious optimism is based on our assessment of what is likely to be a "soft" market, but also recognizes that we're still very

Continued on page 12

J. J. Downie

Men's Tailored Clothing Specialist

Our featured associate for this issue will be presented following this brief, commercial message and introductory quiz on that segment of the apparel industry known as Men's Tailored Clothing:

Q. Men's Tailored Clothing does *not* include shirts, ties, underwear or socks. It means sport coats, suits, and (lately) "leisure suits." Right?

A. Right.

Q. Such apparel is the artistic product and domain of tailors and designers of generally Italian, German, Polish, or other descent. Right?

A. Right.

Q. Men's Tailored Clothing is manufactured in the United States in major urban areas such as Baltimore, New York, Chicago, Philadelphia, Rochester, etc. Right?

A. Right.

Q. Now, it follows that one of KSA's leading consultants to companies in the men's clothing field would be a Fashion Institute of Technology alumnus now living in New York or Chicago with a name that sounds like Pizza. Right?

A. Wrong. The correct answer to the preceding question is:

J. J. (Jack) Downie, KSA Principal...Clemson University (S.C.) I.M. graduate...Now residing in Easley (near Greenville) S.C. Having established that no one's logic is infallible, we'll elaborate somewhat on the man who is the subject of this issue's profile—*Jack Downie*.

Jack can claim (or vigorously deny, as the case may be) some kinship to the Yankee tailor since he (Jack) grew up in "the old country"—Vineland, New Jersey. He immigrated to the South after puberty and perceptiveness broadened his horizons. As far as that F.I.T. school is concerned, Jack learned his "tailoring" the hard way—out on the production floor. One might say that, in his own constructive way, Jack *gives* F.I.T.S. to the non-cost conscious, do-it-by-hand advocates of the past sometimes found in the clothing industry.

The extent of such revolution brought on by the likes of Downie and his entourage of engineers in a typical suit manufacturing plant can be illustrated with a few numbers:

Capital and expense budget for a re-engineering project in a 1,000 suits/day plant: \$400,000 to \$500,000, normally.

Reduction of standard and actual labor content: 25 minute reduction on pants, *per suit*, typically...50 minute reduction on coats, *per unit*, often. (For those of you with a proclivity for percentages, that's an approximate labor reduction of 40%. Even more outstanding to those readers among us who are diehard SAH per dozen fans will be the

realization that 50 minutes taken out of a coat is really "cutting the rates" by 10 hours per dozen! That is more *real* productivity increase than the whole GNP registered from 1960 to 1970, seasonally adjusted for a couple of Republican administrations in between.)

But we digress...Jack Downie joined KSA in 1965 after gaining seven years' experience in the apparel industry in various production responsibilities with the I. C. Isaacs Company. With KSA, he has had a variety of functional and product assignments and became Principal in 1970.

Engineering projects and training (AAMT) have been carried out by Jack for such well-known companies as Hart, Schaffner & Marx, Jaymar, M. Wile, Stanley Blacker, Curlee, Santone and many other KSA clients.

While many may think of JJD as *only* our foremost coat expert (because of a natural warmth for a wigan, an everlasting love for a properly basted bridle tape, and a well-laid lapel), don't forget that he's versatile. Jackets, trousers and shirts are within Jack's province. Recently, he's been assisting HS&M with the many products in their Fashionair Division.

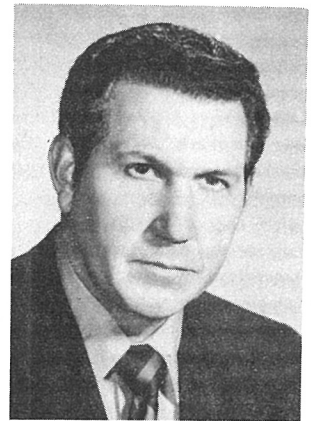
The clan Downie consists of wife, *Fran*, and four teenagers: *John Joseph*, 19, sophomore at Citadel College in Charleston, S.C. where he is majoring in political science and on the varsity football team...*Carol Anne*, 18, freshman at Columbia College in Columbia, S.C. and a *super* tennis player...*Robert Wesley*, 16, an all-around athlete in high school...*Jackie*, 13, an eighth grader and the one who keeps things stirred up at home.

When not engaged in tailoring and engineering, Jack shepherds his family in its outside interests of athletics, cycling, boating/fishing, etc.

So that's the world of "Mr. Coat"...Late night flights in and out of the Greenville-Spartanburg airport...Choice work locations, such as Baltimore and Philadelphia, with an occasional bum rap like Miami and London (England—not Kentucky)...Major manufacturing improvement programs undertaken in the calm, restrained atmosphere of designers, unions, etc.

Q. That's what one would have predicted for a young Clemson University I.M. graduate fresh out of college back in the early fifties. Right?

A. Wrong.



—JAJ

Functionally Speaking—Cont.

small compared to the market potential. This is particularly true in areas like MSD and Retailing, where we really have just gotten off the ground in the last year or so. Marketingwise, the enormous progress made in the strength of our principal team leads me to believe that we should be able to compensate a weaker market by an increased sales effort. The situation in Spain and Portugal (once the latter has its elections behind it) should also provide considerable new opportunities and we are indeed looking forward to strengthening our Iberian team in 1975. Finally, existing contracts and prospects in the Latin third world (North Africa, Greece and Turkey) are also encouraging.

On this somewhat optimistic note, I would like to wish a very happy holiday season to our many friends in KSA.

—Bob Fitze

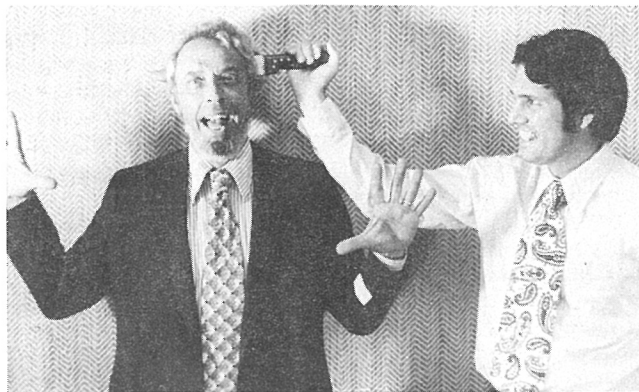
CORRECTION

An error occurred in the last Observer...*Jean-Louis Lindstrom* is not in the U.K. Region and his promotion is quite separate from the other three announced on page 6. He is in the Latin Region—specifically, France. Our apologies to Jean-Louis.

GERMAN REGION

In spite of good sales of garments, the economic situation in Germany doesn't show a real change. However, this seasonal "boom" increases the hope of survival for some people and encourages them to invest money. The rush to put capacity in low wage countries (Tunisia, Greece, Eastern Europe) continues, but it is beginning to be realized that too little capacity inside Germany would not be wise. At the last meeting of the association of apparel manufacturers, KSA was able to point out how important it is to bring productivity to a high standard, what needs to be done, and how to achieve a higher efficiency and flexibility.

The year started very badly with nearly no sales and the backlog decreased rapidly, which led to a substantial loss in the first periods. Concentrated efforts changed the situation by mid-year, however, and good sales in all functions (AMMD, AMSD, Retail) brought principals and staff back to "billing" work. One of the reasons for our success is a much higher level of quality that has been achieved this



FROM A RECENT KSA manual on fitting techniques for the retail alterations room—"How to Handle Customer Complaints in the Fitting Room." Fitter (right, Model: *Pete Ehlinger*) explains store policy to customer (left, Model: *Bob Heiland*, shown here playing role to the hilt....)

year...the economic situation did not change. We were lucky in having been able to add a number of the largest apparel manufacturers to our client list, such as Ahlers, Macintosh (\$300,000 KSA sales), Mehler (belongs to Glogger Group) Konen, Bawi (\$200,000 KSA sales). Also, Eastern Europe came up with a survey in Bulgaria (\$25,000).

Sales, fee income and utilization are increasing now and although we cannot reach budget, we will end up with "black figures" for 1974 in spite of all difficulties.

The entire German Region staff has contributed to this final result, and I wish to thank everyone for all the effort put into it. Even if 1975 is not to be expected as a good year—according to experts—we are optimistic enough to go a step ahead and expand. This optimism is mainly based on the good team we have and the confidence in our ability to sell the right services and to achieve high quality results.

—Hans Horst Hensche

U. K. REGION

If you've read the Hudson Report on the United Kingdom, these notes may not have been expected...but we are still here, perhaps not ruling the waves but at least not yet beneath them. The only visible sign of the U.K. economic disaster is that our consultants now register faint surprise when yet another important assignment sells, rather than the traditional smirk.

• Our industry and geographical expansion, which we initiated partly because of our concern over the U.K. economy and our narrow base in it, is beginning to show results. We have assignments in Sweden and in Finland, and have established an office in Norway which we are confident will help generate work in that market. *Keith Benson* can now say "not as expensive as McKinsey" in every Scandinavian language. In Iran we have billed around \$30,000 this year and already have about \$85,000 sold for next year with over \$600,000 in proposals awaiting Persian signature. We are running a four-day seminar in apparel manufacture at the Tehran Polytechnic and hope this will provide a useful list of contacts. *Dickie Dunlop* and the *Shah* expect an early meeting—at least, *Dickie* does.

Ireland continues to prosper...*Mervyn Kerr* has effectively taken over this area from *John Beddows*, and we expect continued expansion under his guidance. Period 11 showed a record fee income of over \$120,000 for U.K. but expenses also broke new ground. *Robin Rowles*, experience in retail systems, joined us recently and we sent him straight to Italy to get him used to collapsing economies before he gets involved in the mainstream of the U.K.

We suffer from inflation badly in this respect, our current level of expenses is around 18% over budget which is in line with the inflation rates at present experienced here. We have taken some positive steps such as charging clients for travel and substantially increasing target fee rates and are constantly looking for ways of maximizing income and minimizing expenses. Our clients continue to try to use us as a merchant bank as well as valued advisors. We seem to have taught some of them how to conserve their cash flow too well but we are now adopting a firmer line with the slow ones.

Regretably, we are losing *Louis Mitchell's* services on a full-time basis but we still have the use of a proportion of his time to help us in the business development and retail areas. We wish him every success in his directorship of Tillie and Henderson and look forward to continuing our long association with him.

—Harry Lack