# The KSA Observer

Vol. 6, No. 2

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

June 30, 1975

## Financial Breakfast Proves Nourishing . .

THE SCRAMBLED EGGS were just right, and the bacon was done to a turn—providing a fitting start for KSA's initial venture into the heady world of big-time, early morning catering.

The occasion was our first Financial Breakfast, held at New York City's Essex House (on June 3rd) to introduce KSA's Financial Performance Profiles of public apparel and textile companies for fiscal 1974. A total of 170 people attended; excepting guests, the press, and KSA personnel, the audience consisted of some 130 company presidents and financial executives of soft goods companies, retailers, and the investment and banking community.

From the standpoint of the quality and quantity of the audience, and the contents of our program, the affair was a success. But it was a gamble from the start, and took some doing to put across—particularly by staff support people. Here's what happened behind the scenes...

• Previous editions of the Profiles tended to make their separate appearances after mid-summer. This took something away from their timeliness and publicity impact. With TEXPO becoming an annual early-June feature of the apparel/textile calendar, it seemed a natural time to introduce the Profiles. All we had to do was complete both at the same time, two months earlier than usual.

Once the decision was made to go ahead, the real work had to be done. A great many timetables and critical paths were drawn up, modified, discarded, or ignored.

Notwithstanding, the job got done on schedule, thanks to the unstinting and timely work of a hardy handful of people in different places—Research Director Dick Koelsch; Mac Ryland; Kathy Couch, Deborah Galloway, and Jill Steinberg of the P.R. Dept.; Emma Donnelly and Andrea Dillon of the Atlanta Report Dept.; Lillian McCarthy of the N.Y. Report Dept.; and Mary Baach in Washington. Even Jack Ullman made a contribution by declaring the Atlanta Report Dept. off limits for three critical days in May when type had to be set.

It was a huge and complicated project, requiring much coordinated effort. Procuring annual reports on time was perhaps the toughest part. Debbie and Jill used the mail, telephone, threats, cajolery, and tears. Mary spent a day Xeroxing 10-K's at the SEC in Washington (even they couldn't come through with all we needed!). We ran out of time after 198 reports had been gathered.

Data then had to be analyzed, punched, and run through the computer in several early morning sessions in order to meet the printing deadlines. Charts were prepared in N.Y. from telephoned numbers. Printers all over Atlanta were evaluated for their resistance to hysteria as well as their in-house folding capabilities. Travel schedules were closely scrutinized to find an elite corps of couriers who could carry freshly printed Perspectives to New York in time for breakfast...

It was an exhilirating experience. The only serious hitch developed when it was discovered that a 24-hour allowance

on the critical path for second-guessing was inadequate; next year we're allowing 48 hours.

 Was it worth it? All the results aren't in yet, but it seems to have been a success.

Our primary goal in publishing the Profiles is to increase KSA's stature in the eyes of apparel/textile top management and the general business and financial worlds as the leading authority on the soft goods industries—in general management and finance as well as all the other functions. We took a giant step toward this goal on June 3rd.

This year's Apparel Profile is in its third edition; textiles is in its fourth. As these annual studies build momentum and grow in size, KSA's reputation as the authoritative source on soft goods may soon rival Fortune Magazine's in the world of business. (A Profile on retailing may be added.)

- The Breakfast focused new attention on the Profiles. At the same time, it gave us a showcase to display what we know about our industries. Under Jack Ullman's able program chairmanship, Freddie Wood covered textile performance, and Dean Vought reported the findings in apparel. Ralph Ross offered an up-date of our soft goods outlook (business should pick up for apparel and textiles, but not as rapidly as we predicted back in January). Jay Meltzer, soft goods analyst for Loeb, Rhoades & Co., was a guest speaker and presented Wall Street's view of soft goods stocks (clouded, but clearing by 1976-77).
- What about our own financial performance in all this? Enough tickets were sold (at \$25) to enable us to come within a few hundred dollars of breaking even. Interestingly, advance orders for the complete 500-page print-outs of each Profile—as of June 6th, when the two Perspectives were mailed—were 80% of last year's total sales. As more of the print-outs are purchased (at \$150 each), all of the out-of-pocket costs of this major effort will be covered. Next year—strawberries and cream!

#### STECOM MEETING

The Steering Committee held its spring meeting in Atlanta on May 30 and 31. New members attending their first meeting were Frank Armistead, Mike Barnes, Ron Brockett and Dave Cole. The eight other members of STECOM are Eric Chipps, Bob Frazier, Jim Giddings, Ken Osborne, Bob Pee, Buddy Ruppenthal, Hugh Tannehill and Josh Taylor.

While STECOM may discuss topics referred to them by EXCOM and topics of their own choosing, one input area is from all KSA staff. Anyone having a topic which they would like to see STECOM discuss is encouraged to communicate this information to one of the above current members.

#### INDIVIDUAL OPPORTUNITY IN KSA

By-Jack Ullman

Some tend to equate personal achievement in KSA with the management of internal jobs or tasks which appear as "boxes" on our organization charts. These tasks are important and they must be effectively managed, to be sure. But they are not and cannot be the primary activity in KSA. Rather, achievement in KSA is associated with external client-related activity—billable and nonbillable. That's where the action is, that's where results are measured, that's the key to our past and future growth and profitability, and that's where the *real* opportunity for the individual in KSA lies.

Is this a dichotomy when we have paid so much attention and afforded so much recognition to internal task management? I think not! Reflect, if you will, on the *fact* that for the most part those who have been asked to manage internal tasks are some of our most active external consultants. More than half, usually three-fourths—and in some cases more—of their time is devoted to client-related activity. Those who are over-burdened with internal administration are striving mightily to turn over as much as possible to administrators so that they can get out where the action is, remain relevant as consultants and maximize their contribution to KSA. Perhaps most important, they want to continue their personal growth as consultants. That's why we are all with KSA in the first place, and that's where most of us get our kicks.

To illustrate, let me address a few typical questions:

- What is the single greatest opportunity for individual growth in KSA? I feel it's the development of the individual consultant into a true account executive. Note the word development. A consultant does not become an account executive by being appointed one.
- How can one develop into an account executive? Much of it must be self-development. Each consultant must take off his blinders and look beyond the particular area in which he may be working. He must inform himself through outside reading, contact with others in KSA and access to KSA's enormous library of reports and reading materials as to the "big picture" in his industry and in our practice. The consultant must inform himself as to his clients' overall operations, problems and opportunities for improvement. He must gain the personal confidence of his clients so that he can discuss these other problem areas and suggest bringing in functional specialists to study them (he must, of course, work through and with the existing account executive initially).
- How does one do all of these things from one functional base? Perhaps functional diversification for some men will be helpful, and we're doing more of this all the time. But examine, if you will, the record of many of our most effective senior executives who spent perhaps their first eight to fifteen years working almost exclusively in one function.
- Wouldn't the process of development be accelerated if we had an account executive development program? It could be, it should be, and it will be! But remember, no course is a substitute for continued self-development; it can only help speed the process.
- How will I be afforded growth opportunities if KSA doesn't grow? KSA will continue to grow, but let's examine individual opportunity as it relates to growth. Opportunity does not come to the individual because of growth. It works the other way around. Growth is a result of the success of individual consultants.

#### 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

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June 30, 1975

The most successful consultant performs his assignment, delivering excellence in all respects. He gains the client's confidence and sells or creates the opportunity to sell additional work either for himself or for others in KSA, thus contributing to KSA's overall growth.

Many more questions arise, but hopefully addressing these few has served our purpose in pointing out the enormous opportunity for growth of the individual in KSA. While some of our associates may be asked to manage internal tasks, their major contributions and opportunities for personal growth remain tied to their external consulting activities. The consultant who contributes to the development, and ultimately takes responsibility as account executive, for a number of active clients and who actively remains in a consulting role, albeit with the help of many other functional specialists—whether or not he manages a function, district or other internal task—will achieve his personal career objectives by contributing in a major way to the attainment of KSA's corporate objectives.

## Barry Mademann OUR MAN IN INDIA

Barry reports from UNIDO/India:

- Completed my sentence in Ludhiand, India. Visited numerous knitwear manufacturers, work going well. Returned to Delhi Friday p.m.
- Sahib Murky Edison, plant electrician, wired my 48 volt storage feeder to a 3-phase, 440-volt outlet and illumniated the full-fashioned department of York hosiery. The brief display of pyrotechnics was followed by a dense cloud of smoke providing cover for his escape. The unit is now being repaired in the local Karate school.
- Visited Kathmandu over the weekend and chatted with the virgin princess. Hit a sacred cow with a rented bike enroute and drew a crowd. Found Nepal to be a lovely country and a welcome change from the 110° temperature of India.
- Have reclassified my standards of hygiene and am adapting quite well, actually, in some ways I am beginning to like this place. I am shocked at how quickly I am developing an immunity to the suffering and poverty I see. In the beginning I wondered how the more fortunate people could be so emotionally sterile, but it is impossible to live here if you don't look the other way.

## Functionally Speaking . . .

#### **CUTTING/MATERIAL UTILIZATION**

• They said it couldn't be done, but KSA is busily engineering men's clothing cutting rooms in Philadelphia. The Philadelphia Clothing Manufacturers requested arbitration similar to recent rulings in the New York and Chicago markets which would allow new methods, equipment and incentives in the cutting rooms. Needless to say, KSA welcomed this development, and has already started work in the After Six and Pincus clothing cutting rooms with Steve Riepenhoff, Sergio Cruz, Ron Beattie, John Harry, and Pete Ehlinger. There are seven or eight others . . . who's next?

After almost three years, Steve Avary is the only remaining "survivor" on the Hart Schaffner & Marx cutting and material utilization job in Chicago. Steve said the other "veterans" of this project would understand that he feels somewhat like the last man to leave Viet Nam. The veterans include 13 others who worked in the Chicago and Cape Girardeau cutting departments during the assignment. The annual savings figures (according to their records) now total some \$3.75 million dollars in reduced labor and material costs. Congratulations to each of those veterans for his contribution... Piece (work) with honor!

• Roger LeBarron and Eric Chipps are establishing KSA's reputation in a new industry the easy way . . . by applying well developed cutting engineering and material utilization principles to the furniture industry at Sklar in Canada. Sklar is a very prestigious firm—the fifth largest in North America. We are finding that the basics of cutting and material utilization apply . . . only the names and sizes of the components differ. This is a particularly interesting assignment, as Roger is helping to interface KSA's material utilization practice with the Camsco computerized marking system . . . the first one in the furniture industry.

Other activity on the computer marker making front includes a feasibility study for Jaymar Ruby by John Harry and some assistance by Mike Brent to Jack Winter in their Camsco implementation.

—Jim Trautman

#### **GENERAL MANAGEMENT & MARKETING**

#### How Can We Win?

This was the question several KSA'ers were asking themselves as they embarked on a recent GM&M project.

Although the following conditions make a good business school case course, they do not provide an ideal environment for a consulting project:

- Conglomerate "A" (baby furniture, headstones, electrical products and other very similar industries?) purchases a very profitable textile company (Company "B"), offering the owners a generous settlement on Conglomerate stock valued at \$40 per share.
- The original owners of Company "B" continue to manage the textile operation but see their millions disappear as the Conglomerate stock drops to \$2 per share.
- In the meantime, Conglomerate "A" watches the textile company change from a very profitable to a very unprofitable position.

- Conglomerate "A" is managed by a graduate business school type, expecting sophisticated market research, cost systems, financial reporting, and other systems that *must* be right because that is what they teach in graduate school.
- Company "B" is managed by an organization (just happens to be the same as the family tree) that believes in working 16 hours a day and that the most important factor for business success (besides working hard) is knowing and maintaining relationships with the right people.
- Conglomerate "A" doesn't understand the textile operation, but has all the solutions, and tells us what we will recommend in our study.
- Company "B" has no use for consultants and states that the Conglomerate is draining them of their capital.

At first I believe all of us had doubts that we should touch this project with that proverbial "10-foot-pole", but after further thought and meditation we came to the conclusion that we should be able to overcome the management and personality conflicts and provide a service that would be beneficial to both sides.

I will not go into details on the results, but the project was very successful and the recommendations made were acceptable to all and are now being implemented.

Looking back on the events and trying to determine what made the project so successful, these key ingredients were found:

- Obtaining the confidence of all parties. Selling the self is very important.
- Being honest and sincere at all times, recommending what you think is right even though you know it might not be what they think is right.
- Understanding the industry and relating proper management practices to it.
- Being realistic and conveying this need to all concerned. The graduate school approach with sophisticated systems is not always right; however, up-to-date, workable management procedures are necessary for all levels of business.
- Assembling a good consulting team that can relate to the people involved (*Freddie Wood*, project manager; *Dave Cole*, organization, marketing and systems; *Bill Reed*, manufacturing and manufacturing systems; *Bob Hinck*, cost systems; *Ted Horsley*, marketing staff consultant).

In summary, "we did win", and will continue to win with the professionalism demonstrated by this team of consultants.

—Ted Horsley

#### **PUBLIC RELATIONS**

Due to a power struggle between this department and the Editor ("A deadline is a deadline," she said, winningly), a report on PR activities failed to appear in the last issue of the *Observer*. The fact that no one seemed to miss it doesn't mean a thing. Herewith, a brief recap of the first half's activities:

• Five Trade Shows. NRMA in Jan. (promising—retailers are getting to know us); WAM in Feb. (super—the West Coast is waking up); KAE in April (mediocre—knitting in the doldrums); S.E. Hospital in May (increasing recognition for HIC); TEXPO in June (fair over-all, with good FR activity).

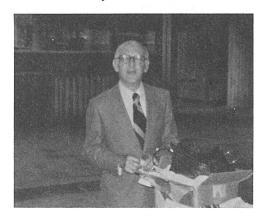
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### Jack Ullman's 25th Celebrated

Jack has been objecting vigorously to his personal publicity in the Observer but the editorial board could not ignore his 25th anniversary. We cover all 25th's... even the President's! So, other than to say "Congratulations, Jack, good health and much success," we'll let the photos tell the story of the party at the Atlanta office on April 14 when he was honored on yet another milestone.

Thanks to be blinking marquee outside Colony Square declaring: "Happy Anniversary, Jack Ullman, 25 years with KSA" at least everyone on Peachtree knew it was Jack's 25th.





KS telling story of the elderly lady closing trouser pockets at Carwood: When Jack tactfully suggested that she pick up with her right hand while her left guided the preceding pocket through the machine, she glanced up and said "Sonny, your daddy (meaning KS) tried to get me to do that very same thing 20 years ago and if I couldn't do it for him, I sho' ain't about to try it now!" (The huge/heavy gift box on the table turned out to be copies of some old Carwood manuals by JJU, RDP, et al, circa 1954!)



A champagne toast by KS to Evelyn and Jack, served by KSA's genial bartender, Bob





In presenting his 25-year watch, left, KS told Jack "We noticed your watch still ticks at the leisurely pace of a 10th anniversary man. You're being given a new one to keep up with your Presidential pace and to commemorate the occasion." JJU shows off his new watch, right.

Functionally Speaking-Cont.

• Eight Seminars. Two were successful repeats of our Fashion Seminar (fee-paid) for Warnaco and West Coast women's wear firms. These small affairs for top executives are good for prestige and high-level contacts, and probably will be continued ... A large seminar for 130 people was held during the WAM show, starring Bob Langley on HRD and a panel fielding questions on everything... For the Clothing Mfrs. Assn. in April, Ross Runnels, Howard Cooley, Ken Osborne and Jack Downie explained why the men's suit industry is "in crisis." . . . Doug Moore headed a KSA program for the American Yarn Spinners Assn. in May . . . At TEXPO, we put on a seminar of sorts after breakfast (see page 1)...Jim Giddings participated in an NRMA seminar in June in San Francisco, featuring The Gap story . . . Finally, as this is being written, 140 slides are being converted to Spanish for a seminar in Mexico City by Sergio Cruz (MU) and Joe Irastorza (Systems) during a late June trade show.

We are a talkative bunch . . .

- Three brochures. Portuguese and Russian translations of our "Third World" brochure have been printed, along with a revise of our apparel piece (in murky English).
- Five Perspectives. Probably the best publicity generator we have ever had was the January Perspectives on the

"Outlook for Soft Goods." Projecting optimism when everyone else is pessimestic seems to have done the trick. In addition to the trade publications, newspapers in Atlanta, Greensboro, Wall St., and a radio station in Greenville, S.C., carried the item . . . An Apparel Perspectives on productivity was published in March, but hasn't seemed to excite anyone . . . The annual issues containing highlights of our apparel and textile Profiles made their joint appearance in June, along with a Perspective that hints at \$750 million in annual savings if hospitals would only follow HIC's advice. • Six articles, plus... The AAMA Management Letter, Knitting Industry, The Blade, Health Foods Distribution(!), Modern Textiles and Textile World have all run articles by KSA covering MU, HRD, PD, GM&M and engineering. In addition, copies of our speeches, news releases, and interviews have appeared in print during the period . . . Interviews with KSA people appear with greater frequency and impact. A leading practitioner here (he does a lot of his own PR, and very effectively, too) is FHW. Not only was there a six-page interview in Textile Industries (May) on "The Job-Enriched, Bottom-Lined World of Freddie Wood," but our man also submits to long-distance taped interviews by radio stations.

At least six mailers... New print materials were created

and mailed to promote KSA services in MU, PD, FR, Apparel systems, coat shop engineering, and our basic engineering training course.

- Two slide shows. Self-contained slide/sound programs have been prepared by Dan Kennedy for explaining AAMT to Iranians, and Flame Retardancy to apparel manufacturers.
- Lots of ads. Each industry has its own wrinkle, as well as several publications, so our advertising is constantly being modified and refined. Check our tear-sheet file next time you're in NYO.

PR-land continues to fill up with so many trees that we can't see the forest. We'll be grateful to anyone who can supply us with a clear, accurate, up-to-date description of what it looks like. Prizes for the best entries . . . -J.S.

## Couch Named Asst. PR Director

Kathy Couch has been promoted to Assistant Public Relations Director for KSA, in recognition of her excellent performance and expanded responsibilities.

Kathy joined the company in July, 1973, to fill a

vaguely perceived (at that time) need for more PR coverage in the health care area. Her background in hospital PR work and print production suggested the possibility of expanding those two activities in Atlanta.

She did such a good job of turning possibility into reality that Kathy has since been given additional responsibilities for the entire textile division PR program, our mailing lists, PD, and a good deal of retailing and HRD work—as well as footwear, producing



Profiles, and handling all the other odds-and-ends that present themselves wherever the ability to deliver makes itself known. In fact, her ability has attracted so much new business for Atlanta PR that Kathy now has her own assistant—Debbie Galloway.

Kathy will continue to report to Joe Scheines.

#### SPANISH-SPEAKING LATIN AMERICA

Last November, we started our promotional push on the continental belt surrounding the Caribbean Sea and its island countries.

Previous efforts in Mexico and Colombia have been complemented with new ones in Central America and Venezuela and, in addition, we have made our presence known in the Antiles.

Previously unknown to the majority of the private and public sectors of the area, we now have made personal contacts with 20 government agencies, 31 apparel manufacturers, 11 private organizations, 7 textile manufacturers and 5 consulting generalists interested in joint ventures. Other contacts have been made through correspondence which will be followed up during upcoming trips to the region.

Also, we have enough regional background information in our files now to serve our U.S. clients in an advisory capacity, on joint ventures, and off-shore contracting and manufacturing in the area.

Aside from regular activities in our traditional battleground, Puerto Rico, we recently completed a market study and a manufacturing overview for the Chase International Investment Corporation in one of their Costa Rican textile operations and more involvement is expected in both areas. In Mexico, a factory planning study was completed and the start-up implementation and engineering training is in progress for Manufacturas Yedid (children's wear); a factory planning and start-up implementation for Portefino of Monterrey is also in progress (men'sclothing). The Central Bank of Nicaragua awarded us a market study for their cotton products-we competed against seven other international consulting firms, and the Barbados Industrial Development Commission gave us the assignment of conducting a feasibility study for an apparel firm on the island. Progress is being made.

#### TRAINING AND PROFESSIONAL DEVELOPMENT

Activity during the first half of 1975 has included two resident training courses—one each in March and April. While the numbers were not great (total of five men), some came from around the world. The first class included our second man from Aris Gloves in the Phillipines, and the April group had *Heiner Sefranek* from Mustang in West Germany.

At this writing, another resident training class is scheduled for mid June. Early enrollment is three—one each from Canada, Mississippi and North Carolina.

Other activities for training and professional development include administration of advanced training projects for staff between assignments, update of language and work history files and a review of the training library reference manuals. Some work is also underway to use certain training materials as a correspondence course.

Work continues on developing a sales training course with a session scheduled for late June. *Doug Moore* will be leading this meeting and presenting material from an outside seminar which he attended.

-Bill Cameron/Bob Pee

#### Coming Events . . .

August 18-20. Nation

National Health Congress, Chicago. HIC

will exhibit.

September 23.

Bobbin-sponsored seminar in Philadelphia (paid), Sheraton Hotel. KSA will present a 2-hour program on manufacturing.

Sept. 24-26.

Bobbin/AAMA Show, Philadelphia. KSA will exhibit. Policy memo on staff atten-

dance to come.

October 2-10.

ITMA show, Milan, Italy.

#### Congratulations!

To Lynn and Gino Fedeli, a son, Marco Alberto, born in New Orleans (U.S.) February 27. (All three Fedelis are happily back in Milano, Italy again.)... Marie-Pierre Huyghes-Despointes, a son, Jean-Baptiste, April 17. (Marie-Pierre manages our Paris office)... Teddy and Larry Maurer, a son, Walter Lawrence, Jr., May 20... Mary and Greig Barr, a daughter, Charlotte, May 20... Alessandra and Renato Tarditi, a daughter, Alessia, May 20... Ivy and Lou Chou, a daughter, Christie, May 14.

## **Tenth Anniversaries**

June 16, 1965 was a significant date for KSA in that Frank Armistead began his consulting career on that day. This, however, was not the most important date that year for Frank. His first request was for time off to be married.

So, in addition to a KSA 10th, Frank and *Shirley* will celebrate a 10th anniversary in August.

Just prior to joinging KSA, Frank received his BS in Industrial Management from Georgia Tech. His first assignment was with Palm Beach in Talladega, Alabama and, having achieved the young consultant's goal of a satisfied client, he found they wanted him on their Knoxville project. Thus began a career, not only of satisfied clients, but one of a diversified and broad experience base.



Frank was promoted to Principal in 1972 and undertook his job of supervision, survey work, sales, etc., from a Greensboro, N.C. base. His thorough, analytical nature led him to an analysis of the time spent in the Atlanta airport (or flying over Atlanta in his travels) and the results of this study led to his moving to the Atlanta office.

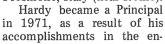
Activities now include a broad base of project management and supervision for a variety of clients. In addition, Frank began a three-year term on STECOM earlier this year.

Congratulations on both anniversaries, Frank. We know the second 10 will see even greater achievements.

Hardy Artelt joined KSA April 1, 1965. He holds a degree from the Akademie Hohenstein in West Germany and also completed a full apprenticeship in tailoring. His prior experience consisted of several years in the industry,

the last of which was as plant manager of a shirt factory in Switzerland.

During his three-year stay in the U.S., he completed some very successful assignments, one of which was at the boy scout pants plant in Vernon, Texas for the Champion Division of Kaiser Roth. Back in Europe he started a shirt plant for the Klopman Division of Burlington in Frosinone, Italy (near Rome).



gineering and AAMT field in Germany. Since then, increasing duties and a versatility of assignments have led Hardy to many places in Europe such as Malta in the Mediterranean and Biala Slatina north of the Balkan Mountain Range in Bulgaria. Hardy is prepared to go everywhere, if he can solve clients' or staff's problems or, if there is even a small chance to sell something.

Hardy's very successful work, his warm and friendly personality and, last but not least, his tremendous technical

knowledge, earned him the appointment of one of the managers of the AMMD services in the German Region.

Hardy has proven his stability in taking the Bulgarian alcohol level and less than desirable working and living conditions. During weekends he recovers with his charming wife, *Edda* in their new home in Rodenberg (near Hanover, West Germany), where he does gardening and in the evenings always wins at card games.

Congragulations Hardy and many thanks to Edda.

Dale Dodrill began his KSA career on June 7, 1965 and also began delving into some of our early activity in Operations Research. He received his BSIE and MSIE at the University of West Virginia.

Dale completed a stint with Uncle Sam where he was an

instructor in Systems and Operations Research—among other things, and upon returning to KSA joined our Textile Systems group and made significant contributions in the design of production planning and inventory control systems for textile mills, carpet manufacturers and sheet fabricating operations.

In 1974 Dale was promoted to Principal. He continued work on ongoing projects and is now involved in a variety of Textile Systems

activity—sales, surveys, supervision, etc. He does all of this out of his Greenville, S.C. home, which has become the KSA Greenville office.

As time permits, Dale still pursues his love for basketball and is also undisputed golf champ of the Textile Systems group.

Congratulations, Dale. We know what to expect during the next 10 years as far as consulting is concerned . . . but what about your athletic prowess?

Nort Eberly joined KSA on May 24, 1965. He received both his BSIE (1962) and MBA (1964) from Lehigh University. Prior to joining us, he worked as an industrial engineer and systems programmer in Pennsylvania—his home state.

As with many before him, Nort began his career with Carwood Manufacturing Co. on a cutting room assignment. Little did he realize that this beginning would lead to his becoming a real specialist in every sense of the word. His assignments were widely scattered, and he gained extensive experience in cutting and material utilization—covering virtually every product and practically every facet of cutting engineering and the use of ma-



Nort was promoted to Principal in 1972 and moved to Atlanta for his base of operation. He has continued to range Continued on page 12



## Dean Vought

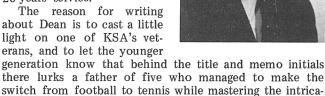
It's a long way from Ridgway, Pa., to centers of power like New York and Tehran-especially if you travel via McRae, Georgia and Cherryvale, Kansas. To avoid getting lost, you have to keep your bearings and a clear perspective.

Dean Vought has made such a journey during his 25 years with KSA, and didn't lose his way. He is just as serious, analytical, dedicated, and responsible as he was at the start. The fundamentals he set out with are still with him, highly polished from constant use:

- Individual effort is the key.
- Always consider the other person's feelings.
- Analyze all the facts and the generalizations will take care of themselves (by and large.)
- Nothing will ever replace the slide-rule, no matter how rapidly it blinks.

Officially, K(enneth) Dean Vought carries many heavy titles and responsibilities within KSA-Executive Vice President; Chairman of EX-COM; director of all apparel industry services; protector of the norther approaches; head of the New York office, etc. By themselves, they are not valid reasons for an Observer profile. Nor is the fact of his 25 years' service.

about Dean is to cast a little light on one of KSA's veterans, and to let the younger



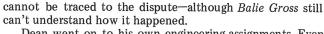
cies of inn-keeping. It all began around 1947, when Dean's brother, Jerry, who was then a KSA engineer, asked Kurt to help his little brother decide whether to stay in chemical engineering at Penn State. Sensing he was talking to future EXCOM material, Kurt suggested the young man give industrial engineering a whirl, and even found him a summer job in a

Nashville garment plant.

Dean found that he liked working with people better than vats, switched his major to IE, and joined KSA after

His first assignment as a trainee was in a Salant plant in Parsons, Tenn. Ross Runnels was the staff man, and the late Roy Engman was supervising the project—to dismantle a line system originally installed by KS.

The occasion brought out a certain forthright stubbornness in the young engineer. Assigned to follow-up, Dean didn't hesitate to point out to the rest of the KSA team that the installed rate was too tight. They laughed charitably; Dean remained adamant. The fact that shortly afterwards he and Ross were involved in the first two-car collision ever to occur on a clear stretch of local road



Dean went on to his own engineering assignments. Even though the plant was ultimately discarded as a losing proposition, he insists that a work pants operation he installed in Cherryvale, Kansas, should be considered a classic of its genre.

When KSA started Roydon Wear as its own pilot operation in the early Fifties, Dean was the manager. He also played key roles in starting several other KSA activities-physical distribution, men's clothing (through the cutting room), and our practice in the United Kingdom. Few people know it, and he's probably forgotten, but Dean named Kensington Associates (our in-house advertising agency) back in 1963. "Why did you pick Kensington?" (from a list of 10 names), he was asked. "It's a subway station I used in London," he replied. Obvious, of course.

KDV has been managing our affairs in New York for well over a decade. This naturally involves him in client projects in Western Canada, Iran, South America, as well as scouting trips to the Far East and Australia. He is presently fired up over KSA's potentials in the flame retardancy field, but also manages to keep tabs on men's clothing and the world supply of polyester staple, as well as all of KSA's apparel practice.

Keeping tabs on his five daughters is perhaps more challenging. They all began a few years after our hero underwent an operation (the sentence should end here for the sake of brevity, but that could produce disastrous nuances) because, being totally objective, he wanted to check out for himself the rumor that Lenox Hill Hospital had the prettiest nurses in New York. The operation was a success; the rumor proved true; Susan married Dean; and along came Laurie (1960), Vicky (1964) Melinda (1966), Amanda (1968), and Alexandra (1970).

KDV also takes athletics seriously. At one time he gave the distinct impression he would chuck it all for a chance to call plays in somebody's backfield. Under the guise of corporate togetherness, he once sponsored annual football games at a sand-lot in Garden City. These featured burly "neighbors" who brought their own cleats, as well as a good deal of unwonted enthusiasm on the part of KSA amateurs. The games were banned after awhile on account of lost-billing-due-to-bruised-knees. So Dean switched to tennis, which he pursues with a vengence-anywhere, at any hour.

The inn-keeping, of course, refers to KSA's apartment in New York. Hotel rates in the Big Apple are exorbitant, yet KSA'ers come to town regularly and we can't ask them to sleep in the park. Staking all on a carefully calculated break-even point, Dean watches his occupancy rate closely. It is a matter of pride with him that the apartment has "paid" for itself ever since it was leased.

Dean Vought derives real satisfaction in making a plan work—whether it saves \$200 in monthly hotel bills for KSA, or \$100,000 in annual manufacturing costs for a client. And that's another reason why KSA has taken great pride in having him on board all these years. -JS

#### **EUROPE**

#### GENERAL

Europe had a good start for the year but utilization has taken a knocking in Periods Three and Four. We hope to recover much of this and still look forward to making budget in the German and Latin Regions. The U.K. economy is, as you know, in a mess and our colleagues are struggling manfully to fight the forces which are making business life difficult, if not impossible for many of our clients

I keep referring to our international strength, because much as we would like to get all geographical areas firing on all cylinders at the same time, it is a great boon to us that we can have British fellows working in the more propserous parts of the world.

A tremendously increased P.R. and marketing effort is building up in Europe, with the help of *Jean-Pierre Adeline*, and this we feel is already paying off and will even more so in the months to come. New initiatives in getting our name known in the retail industry are being taken, as well as more intensive participation in apparel fairs and in mailings to our apparel clientele.

So, a lot of success in Germany right now, continued build-up of backlogs there and in France, Italy, Spain and Algeria, a lot of effort to diversify U.K.'s efforts to cover Scandinavia, Iran and Egypt as a weapon against Wedgewood Benn, and a lot of effort to improve our marketing is the present status.

—Stuart Hollander

#### GERMAN REGION

The most dramatic recent event was that the union "textil bekleidung" (textile apparel) published an item against KSA in Germany entitled "Warnung Vor KSA." (See page 9 for the English translation.) It's the greatest P.R. success we've ever had... and without paying one penny! (Jean Pierre Adeline commented that, as a professional in the P.R. field, he could not have done better.)

There is another side to the coin, of course, and we take it very seriously even though most of our clients have written pleasant and sympathetic letters. We immediately checked with our lawyers about our best course of action and, as a result of several actions, the union now has to present our version of the subject. We will keep you informed about further developments.

One of our oldest clients, W. Cruse, celebrated its 50th anniversary. Today it is the largest manufacturer of men's suits in Germany and still well ahead in production as well as systems management, for which we like to take some credit since we began working with them—and continue to do so—some 12 years ago.

To show you that business is going quite well now—even though the general economy is still stalling—we made some substantial sales to the largest manufacturer of clothing in Europe—Macintosh, in the amount of \$175,000, and another to a new client who plans to set up a new production facility in Malta—a beautiful island in the Mediterranean—which amounts to about \$100,000.

-Hans-Horst Hensche

#### LATIN REGION

The first four months of 1975 have not been easy for us. Despite above budget sales our utilization dropped much below budget, partly because of delays in starting new

assignments and partly because of our not having the right experience available with a man speaking the right language...a problem the Latin Region must suffer from more than any other part of KSA! The fact that some big assignments—Abital and Halos in Italy—are coming to an end created a large number of placements which proved more difficult than we had expected.

The situation in different parts of the Latin Region looks like this:

France: More people and time have been allocated to P.R. and selling. A number of proposals are outstanding; financial problems have caused clients either to postpone or cancel projects we thought were sold, and other assignments were delayed for lack of client staff to work with us.

Belgium: Claude Reynvoet has started a marketing effort in Belgium, and we have indications that a "breakthrough" will come before long.

Italy: Several proposals have been unexpectedly delayed, causing some unbillable time. However two important assignments in the menswear field (Cornelliani, the market leader, and Monti, which belongs to the state holding ENI) finally came through.

Spain: The brightest spot in the Region, with more sales potential than we can staff. Masvic will be a major client for the rest of the year, and we started a systems conceptual design assignment at Central Corseteria.

*Portugal*: The political situation has virtually blocked all investments. Nevertheless, we did sell eight weeks of work to our old client Tebe. We intend to be ready when things turn up again—probably not before 1976.

Algeria: We have six men full time in apparel at Sonitex, with additional staff likely to be needed soon. Despite the frustrating operational and administrative difficulties, our team makes good progress in production (menswear), supply control and marketing.

Turkey: Two big breakthroughs...a trouser factory planning and start-up for Mensucat Central—the most efficient and dynamic textile group in Turkey, and a menswear start-up project for the Turkish Development

Morocco: A slowly developing market for us, with several outstanding proposals and a good chance to sell some

Tunisia: We're trying to become known through Guy Vidal's visits and through contacts with the German Development Aid Organization.

—Bob Fitze

#### U.K. REGION

We welcomed *Bruce* and *Gwen Grasso*, since the last Observer, into the U.K. region. Also *Nigel Richardson* has had a preliminary visit here and will soon be bringing his family back for a couple of years or so. *Steve Webb* is now firmly in Tehran with his family, *Keith Benson* in Sweden with his family, and *Ray Ghalib* is working in Algeria and hopes to have his family over there soon. Thus does KSA/UK blur a little around the edges but it is our way of defending ourselves from the British economy. After a few weeks of gloom, however, things are looking up within the U.K. itself, with several important sales in the last few weeks.

The Staff Conference was held in early May and we had a relaxed weekend in the country.

More specifically on the sales front, we managed to sell some £65,000 of assignments in Period 5, a welcome jump from the poor showing of our previous two periods. Our Continued on page 9

## Promotions To Vice President . . .







Hans Horst Hensche



Harry E. Lack

Congratulations to Richard Clarke, Hans Horst Hensche and Harry Lack on their recent appointment as KSA-VP's, in recognition of their outstanding contribution. We wish them continued success.

Richard's primary task has been the development of European staff training and professional development... Hans Horst's early participation was in MIS, but he now gives professional leadership to our entire consulting group in the German Region... Harry became a Principal in 1970, Manager of AMMD in 1973 and is now Regional Director of our U.K. operation.

## English Translation BEWARE OF KSA!

KSA is a consultant firm, which is up to its tricks in a number of apparel plants.

KSA carries trouble into the plants and makes the workers feel insecure.

KSA, through cunning workplace design and method training which reminds of dressage, squeezes the last bit of performance out of the employees.

In doing so KSA doesn't care about the usual definition of the so-called "normal performance", which is laid down in the tariff contract. According to KSA, one already has to have good performance in order to be called "normal." The result of this interpretation, which is not in harmony with any tariff contract: About 30% of the employees are characterized by KSA as "underproducers."

According to KSA calculation methods, even an employee who has top performance in the plant is considered just insignificantly better than "normal." So KSA discriminates against those workers who year after year have done proper and respectable work and have had proper performances. This is a mean disregard of the workers. The KSA method also influences the wages, of course. The employees, after introduction of the KSA system, mostly earn less than before—at the same performance level. That is equal to payment robbery. Those who want to prevent falling wages, KSA forces to perform better. By not using recovery times and rests, he has to make up for what KSA took from him. This without any doubt is at the expense of health. Thus, KSA is, in the true meaning of the word, dangerous.

KSA however is also unbearable when it doesn't lead to direct income decreases since the employer makes up the difference between the earlier wages and those rates ascertained by KSA by some "additional" payments. For, those "intra-plant", "overtariff" or "voluntary" additions can be cleared at the next best chance, mostly at the next tariff increase.

But: KSA is not almighty and not inevitable either. The works council can protect themselves against the effects of KSA. For the works council, according to paragraph 87, cipher 11, of the plant constitution law has a right of co-determination in setting the piece rates and premiums. If KSA ascertains piece rates, based on wrong "normal" performances, these piece rates must on no account be recognized by the works council.

For the carrying through of the fair performance grading, the works council can call the settlement office (of the union). This should be done if the work tempo which is already murderous nowadays should be intensified even more by the KSA experts. Therefore we call upon you all: Defend yourselves if the KSA people or others want to "turn at the efficiency screw" (want to increase performance and efficiency). Get advice and assistance from the Textile and Clothing Union.

—Textil-Apparel Union

#### ARTHUR MARSHALL, A GRANDFATHER

Congratulations to *Arthur Marshall* on becoming a grandfather for the first time. We believe that the proportion of grandfathers in KSA is an important measure of stability and we shall in future, with the help of a computer, be monitoring the grandfather index. As you know, 80% of our business is repeat business and this index is an important indication of the quality of the Company!

U.K. Region-Cont.

forecast shows further important sales prospects in the next few months.

The small retail division continues to operate successfully, and the John Menzies assignment where the technique of Optimizing Customer Opportunity has proved of immense value. We also have several men in retailing in the Latin Region and as we develop the practice in the U.K., hope to use this expatriate talent closer to home.

We also welcome two newcomers to our office staff in London—Sue Vickery and Kathy Tebby. We hope their stay with us will be long, hectic and happy.

—Harry Lack

#### PRINCIPAL APPOINTMENTS

Peter Bengsch became a KSA Principal on April 1, 1975. At age 44, Peter is one of the seniors of the German

Region, but is relatively young in the KSA-family, having joined us in 1973. Peter had four years experience as a consultant and his PD-knowhow was quickly in demand. At that time, it was the talk of the town that he was on fees after only two weeks with KSA!

For the successful completion of a planning assignment in 1974 he credits *Richard Clarke's* training and his 14 years of experience as an industrial engineer. While working for a Swiss department



store trust—which opened two new shopping centers in 74/75—he demonstrated that KSA also has very valuable assistance to offer in Retailing.

Peter enjoys and is gifted in turning complex contexts into an easily understandable form and to pass them on. Therefore, he has been appointed our first Training Supervisor in the German Region.

Alberto Figa-Beleta joined KSA in February 1970, as one of the "long-range European Trainees." Being Spanish, he found himself soon working on the U.S./Mexican border

and meeting a beautiful girl name *Ana Luisa Tena Soto*, whom he married in 1971. They now have a son named *Gustavo*.

Alberto returned to Spain in May of '72 as our first "resident national", and was soon involved with broad, multi-functional assignments for Liwe where he worked with several experienced men providing support and supervision out of the Paris office.

During the last year or so, Alberto became increasingly involved in P.R. and sales



activities in Spain, working with *Guy Vidal*. Thus, he has gained valuable experience on a variety of surveys and short assignments. It is our intention to build up our practice in Spain as rapidly as possible, and are looking for Alberto to play a considerable part in our development there.

Franco Guazzo initially joined KSA in 1968 and was in the U.S. as a trainee consultant until he returned to Italy in September, 1971. He worked on several assignments under

the supervision of Werner Iten. Franco left KSA briefly for a research and development job—during that period he was a KSA client—but has been back with us on a full time basis since September, 1973.

More recently, Franco has been involved in several important assignments, notably with Abital (menswear cutting room) and Zucchi (household linen engineering and general assistance) where he gained broad experience and increasingly worked on his own.



As part of our growth plans in Italy, Franco has been given a commercial and account executive role in his home area, in addition to the supervisory responsibilities he will assume.

Claude Reynvoet became associated with KSA in August 1974 as a senior systems consultant. He had six years experience with Werner Management Consultants where he

was working first in Central and South America and then as a supervising consultant in their European Division. He also spent three years as corporate systems manager with Levi Strauss in Europe in Brussels.

Claude went through an initial training period in the U.S. and upon his return to Europe began working out of the Paris office and his home in Belgium on several projects, many of them oriented toward strengthening our MSD P.R. and marketing ef-



forts. He also set about making KSA better known in Belgium, where he has established excellent contacts with the Apparel Association and Common Market people.

#### SPEEDY RECOVERY

Best wishes to *Sergio Severi*, our part-time associate in Italy, who suffered a severe fall and was gravely injured while exercising his hobby—mountain climbing in the Alps.

#### PR IN EUROPE

KSA's European Division has its own PR Coordinator— Jean-Pierre Adeline. The Observer apologizes for the delay in printing the news; Jean-Pierre has been in his post since last fall. Working out of the Zug (Switzerland) office, Jean-Pierre handles PR activities for all the European offices. Being multi-lingual, translations are not necessary. Before joining KSA, Jean-Pierre was Editor of Readywear. a German-language apparel trade publication. We profited sufficiently from our first participation in the prestigious *Interstoff* show in Frankfurt, Germany in May to warrant making plans for participation in their November show. "Sissy" Zedtwitz of the Darmstadt office and Jean-Pierre manned the booth which we shared with Readywear, an international trade magazine. A press conference was held and we received very good coverage from the German press. A number of promising contacts were made which we expect to lead to new assignments.

## **NEW STAFF**

Dirk Gross-Blotekamp... Age 33. Wife Barbara. One child. Joined Retail team June 1. Degree in economics; experienced in EDP Systems. Has fair English, basic French, and some knowledge of Russian. Interests: Cooking and sailing.

John Heyworth... Age 38. Wife and three children. Appointed Training Manager and will report to Richard Clarke. He is a science graduated of Worcester College, Oxford. Interests: Horology, classical music, reading, pistol shooting.

Olaf Kier... Age 41. Wife Ruth. One daughter. Assigned AMMD. A degree from Textile Engineering School Wuppertal. Wide experience in textiles, economics and management. Interests: Mountaineering, shooting narrow films, specialty cook.

Heinz-Juergen Krogner... Age 33. Wife Hannelore. One son. Studied economics at Regensburg, received a degree in engineering at the Research Institute Hohenstein, where he was also an assistant. Experienced in management and production facilities in Third World. Speaks German (mother tongue), English and some Russian. Interests: Politics, theatre, classical music, tennis, skiing and football (soccer).

Geert H. Seidel... Age 34. Bachelor. Assigned AMMD. Has excellent experience in tailoring and management systems. Speaks German (mother tongue), English, French, Dutch (fluently), and has knowledge of Italian. Interests: Flying and horseback riding.

Guenter Stadelmann . . . Age 35. Wife and two sons. Has degree in business administration and passed courses in EDP. Experienced marketing consultant. Some knowledge of English. Interests: Several hobbies, one is football (soccer).

Henri-Louis Stimpfling... Age 30. Bachelor. He is French, speaks German well and English is good. A degree from the Institut des Sciences Appliquees (mathematics, physics and chemistry). Good experience in EDP, accounting, budgetary control and long range planning. Will work in the Latin Region and in Third World countries. Interests: Music (classical and jazz), theatre, reading, tennis, skiing.

Jaime Tusell-Cortes... Wife Agnes. Two daughters. He is Spanish. A degree from the Escuela Ingenieria Tecnica. Good experience in production control, development and application of new technical methods, long range planning. Initial training in U.K., but will later work in Latin Region, mainly Spain. Interests: Music, books, cinema, painting, fishing, tennis.

G. Jan Zwart... Age 39. Wife and two children. Assigned to Retail. BSc degree in Mechanical and Industrial Engineering; post graduate course in Business Administration. Extensive experience in Physical Distribution and worked as consultant in this field. Speaks Dutch (mother tongue), French, English and has working knowledge of German. Interests: Music lover—concerts, studying piano, enjoys good wine—has a collection which is aging, tennis.



Gross-Blotekamp



Heyworth



Kier



Krogner



Seidel



Stadelmann



Stimpfling



Tusell



Zwart

10th Anniv. - Cont.

far and wide and is the "expert" to whom all in KSA turn for consultation on matters relating to cutting and material utilization. Certainly his contributions in this area have been a factor in the growth of this functional area.

Recently, Nort has taken on the task of coordination, development and promotion of cut planning services as an extension of our MU/cutting practice. *Joe Irastorza* is working with him to properly interface with our systems group. This should provide an exciting challenge and opportunity for Nort—and KSA.

Congratulations on a job well done, Nort...we're sure the next 10 will see more.

#### KSA DO BRASIL

Substituting for Jean-Paul Freneat this time, we will highlight some of our Brazilian activities since our last announcement in fall of '74. Brazil continues to be strong, both with regard to its economical situation in general and to KSA's business in particular.

Bill Williams is still on the one-year DeMillus assignment (resident engineer training) in Rio de Janeiro and was recently joined by another "full-timer", Jacques Brault, who started on the long-awaited Sparta Sew-in in Natal (northwest Brazil). Jean-Paul, having established residence (and office) in Rio, is busy smoothing out the red tape, legal and administrative wrinkles of our fledgling company, supervising, making surveys, doing retainer work, and establishing client contacts. Geoff Gibson will join them soon on an AAMT assignment for Santista.

We are pleased to announce that a full-fledged Brazilian, Fernando Silva, will join us on a full-time basis in July. Fernando worked with KSA last summer and we will be happy to have him with us.

Sales have included a technical and a systems project for Santista, the P.D. project for Alpargatas, extensions for Hering projects and Phase I of a \$175,000 project for Sparta's operation in Rio. We are trying to broaden our base by contacting and overviewing other—somewhat smaller—companies in an effort not to become too dependent on our traditional Big Five.

—Lutz Kohnagel

#### EDITH O'CONNOR JOINS KSA

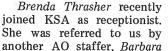
In late January Edith O'Connor joined the Atlanta

administrative staff to provide support to our Latin American efforts in particular, but also in other areas, a la Third World.

Edith brings to the job a unique blend of secretarial and administrative qualifications with Portuguese and Spanish language capabilities. Having spent many years in Latin America, she is familiar with the peculiarities in those countries "down yonder."

We are sure we will now be in a much better position to deal effectively with every-

deal effectively with everything related to our KSA practice in Latin America. We are happy to have you with us, Edith.



Hardy, who previously

ATLANTA RECEPTIONIST

worked with Brenda at Eastern Airlines. Most recently, Brenda worked with Hertz Leasing Division as sales secretary. She replaced Joy Hadden who left us in May to work full time with her church. Welcome, Brenda, we hope you enjoy working with KSA.



#### **SYMPATHY**

Our sincere sympathy to Randy Nord and Peter Ehlinger, each of whom recently lost their Mother.

#### SUZANNE MURRAY, LPN

After getting all 12 children into school (grade school, high school, college, married, and otherwise), *Jack Murray's* wife, *Suzanne*, returned to school and just received her LPN nurse's cap. Congratulations, Suzanne!

#### OFFICE RULES FOR DICTATING

- Never start work first thing in the morning. We much prefer a terrific rush later in the afternoon.
- Please smoke while dictating; it assists pronunciation.
- Do not face us while dictating, this would be too easy for us.
- Hours for dictation: during the lunch hour . . . any time between 4:30 and 5:30 p.m.
- When dictating, please parade up and down. We can understand what is said more distinctly.
- Please call us in for dictation and then proceed to sort out papers, look up old files, and make phone calls.
- Please lower your voice to a whisper when dictating names of people, places, etc., and under no circumstances spell them. We know the name and address of every person, firm, and place in the world.
- Whenever possible, dictators should endeavor to keep us late. We have no homes, and are only too thankful for somewhere to spend the evening.
- Should a letter require a slight alteration after it is typed, score the word heavily about four times and write the correct word beside it, preferably in ink or heavy pencil.
- Should work be required urgently (a most unusual occurrence) it aids us considerably if the dictator will rush in at intervals of 30 seconds, to see if it is done.
- When we stagger out carrying a pile of files, please do not open the door for us, we should learn to open it with our teeth or crawl under it.

#### **DEPARTURES**

Jimmy Adams ● Richard Atwell ● Bob Tabor ● Cecil Truluck ● Barry Watzman.

