

Engineering Program Snowballs in Miami . . .

By—*Glenn Larsen*

Had KSA held a staff meeting at Fairwood Wells in Miami, the program would have read something like this:

Staff President:

Glen Larsen, Gary Ratliff, Gil Llanes, Bruce Grasso, John Champion, Geoff Gibson, Dan Bray, Al Durany, Hal Ivey, Bernie Wolford, Vern Deming, Paul Connell, Steve Bannister, and Mickey Zaldivar.

Seminars Conducted By:

Dean Vought, Ross Runnels, Howard Cooley, Ken Osborne, Denys Williamson, John Harry, Ron Brockett, Tony De Maria, Jim Trautman and Sergio Cruz.

Intermittent Spiritual Guidance By:

Jack Downie.

Honorable Mention:

To the resident orator, Harold Ellman.

On May 13, 1974, Jack Downie, Glenn Larsen and Gary Ratliff met to launch a quick "cookbook" engineering program at Fairwood Wells. The goal was to change a 200 unit/day, 121 SAM, Grade One coat shop into a 1000 unit/day, 88 SAM, Grade Two coat shop within 10 months. This was accomplished and the final SAM was reduced below original expectations. But the scope of the project exceeded Betty Crocker's recipe. Additional projects included cutting room engineering, payroll systems implementation, resident engineer and supervisory training, and warehouse logistics analysis. Today, 16 months later, F.W. is expanding production to 2800 units/day by adding to the original Grade Two line, a Grade X coat, a Leisure coat, and a Made-to-Measure coat.

The actual project began with a survey of the current production methods and a sewing room layout. The ACWA very thoughtfully called a strike to give us an opportunity to peacefully complete the layout . . . which has since been changed five times!

When production increased to 300 units/day, it was realized that the cutting room had exceeded its capacity, so the first group of Miami tourists arrived. Jim Trautman and John Harry came down to look at the cutting room, and Gil Llanes, under the supervision of Sergio Cruz, was assigned to a two-week follow-up of existing methods. Two weeks extended to another two weeks, and then expanded into a three-month full engineering program which has now reached 16 months.

During this time, the trade winds blew in another tourist, Ron Brockett, who aided in the selection of a resident engineer. This proved to be a wise choice. In September, during the second major layout change, it was demonstrated by the resident engineer—in spite of KSA skepticism—that a 4000 pound clicking machine could be moved by one 98-pound weakling, and four grapefruit halves.

The winter months in Miami, a failing economy, and a magnanimous client (the aforementioned "orator") produced a bumper crop of follow-up personnel: Gil Llanes, after completion of the cutting room; Bruce and Gwen Grasso, on their way to Mardi Gras; Geoff Gibson, practicing his Spanish; John Champion, escaping the Seattle weather; Dan Bray, to initiate the flower system of follow-up reward; Al and Debbie Durany, trading Corinth, Miss. for Key Biscayne; and Hal Ivey, teaching the Cubans that "turkey" is not a foul word.

As the troops tired, reinforcements appeared on the horizon in the form of Mickey Zaldivar and wife, Maria, to learn that carousels are found in the most unusual places; Steve Bannister, trading sailing for a more interesting sport; Paul and Cheryl Connell, trading Montreal French cuisine for Greek dishes, complete with belly dancing; Vern Deming, who learned quickly to say "Pick up the heavy end of the machine, Howard." and Bernie Wolford, still searching for the job numbers to bill his time spent repairing a Lotus and an Audi.

To celebrate reaching our production goal of 1000 coats/day, at 2:00 p.m., March 12, 1975, the entire building was evacuated due to a bomb threat. In true KSA style, all

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A.J. Quick Retires

After 31 years with KSA, *Abbie Jean*, that charming lady who discovered so much outstanding talent for KSA, has decided to hang up her "personnel hat" following five years of semi-retirement. She will be missed.

Abbie Jean is now feeling better physically and plans to devote her time to those things she enjoys doing most—one of which is gardening, which she pursues at her Connecticut home where she lives with her sister. She has also agreed to lend her talents for interviewing/evaluating potential applicants occasionally . . . something at which she has been so outstandingly successful. This way, her many friends in KSA will not only be able to keep in contact with AJQ but also benefit from her expertise.

Abbie Jean, our love and best wishes for your happiness and good health are with you.



The First 35 Years

By—Jane Striegel

Prologue

We've all known through the years that the backbone of KSA has been the wives . . . without their patience, understanding, and loyalty, KSA couldn't exist. Thus, I felt it particularly appropriate that one of my last attempts to editorialize should be written by *Jane* and directed toward the wives . . . appropriate in more ways than one since, in our family, she always has the last word. —*Karl Striegel*

I'm sure you've all heard the old saying that "the first hundred years are the hardest." I've always accepted this as gospel—so few of us ever get to prove it! Now, I'm beginning to experience doubts . . . particularly insofar as the first 35 years in the life of a KSA's wife are concerned.

Perhaps time tends to dim the memories of the hardships—moving and apartment hunting during the early years, raising a family with a weekend husband, worrying about flights, etc.—or perhaps there were so many pluses that they completely overshadow the hardships, i.e., experiencing grassroot America, forming lasting friendships throughout the country, being a part of a very close-knit family (KSA) and experiencing pride in its growth and successes.

A wave of nostalgia sweeps over me when I look back on the last 35 years and I don't think I agree that they were the "hardest." My hope for each of you KSA wives is that you, too, will find the good things far outweighing the bad and look back on them as I do now.

How about the second 35 years? Now, we come into the doubts area . . . which may be one reason why the first 35 look so good! As you know, Karl begins semi-retirement on April 15, 1976. The children are grown and leading independent lives, I've adjusted reasonably well to this and have many hobbies, and suddenly my oldest "child" is going to be spending much more time at home. Is he now going to turn his energies to engineering our home? Organizing *MY* life? Budgeting? Imparting efficiency into yard activity? Or what? What he'll probably plan would work in most homes . . . *but our home is different!* I'm in the process of drawing up a 35 year contract and hope to have it completed by January 1!

Seriously, we are looking forward to the change in our life style and have already begun an informal listing of things we'd like to do in the next few years. As might be expected, there is some travel included in these plans, but for the most part we'll be dividing our time between Florida and North Carolina. Neither of these have been a hub of KSA activity (a la Atlanta and New York), but the Striegel welcome mat will always be out for any of you and we do hope you "stop by" whenever you are in the area. Meanwhile, I wish for each of you the same happiness I've experienced in my first 35 years.

Eng. Program—Cont.

engineers present demonstrated 150% panic pace in leaving the building.

At project "completion," the plant was visited by Ross Runnels and Howard Cooley, only to find the KSA staff preparing the plant for an increased capacity of 2800 units/day, three new models, and Made-to-Measure.

We don't know where the story will end, but if history is

The KSA OBSERVER

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Editorial Board: *Mary Baach* *Joe Scheines*
Jack Johnson

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any indication, the next staff meeting should be planned for the KSA Miami Beach office . . . it certainly will save on transportation!

Coming Events. . .

- October 6-25 ITMA Show, Milan, Italy. KSA will exhibit and present a series of seminars.
- October 25-28 Footwear Manufacturing Conference & Exhibition, Atlantic City, N.J. KSA will exhibit and present two seminars on manufacturing and turnover.
- October 28-29 Computer Assisted Apparel Production/Distribution Conference, Georgia Tech. *Nort Eberly* and *Jim Trautman* are on the program (10/28 a.m.)
- October 29-30 Carpet & Rug Institute Seminar, Atlanta. KSA will present the entire program.
- November 13 Fashion Industry Performance Seminars for top management (update of last year's series) in New York (11/13), Atlanta (11/19) and Dallas (1/15/76.)

Congratulations!

Weddings

Three KSA bachelors decided to give up those mythical, care-free days for marriage and its pluses.

Geof Gibson and *Celia Tanner* were married June 3. They honeymooned in South America where they also reported for a new assignment.

Mark Goldberg and *Marci Lyons'* W-Day was June 29. They chose a honeymoon in the Bahamas and returned to an on-going assignment in Paducah, Ky.

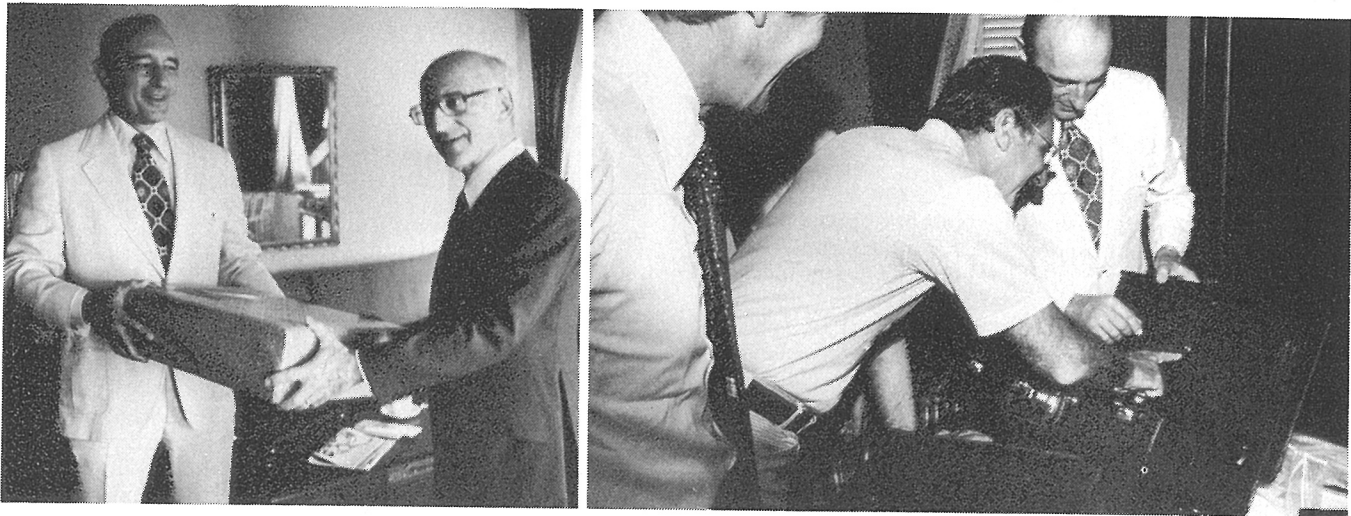
Jim Trautman and *Michele Williams* were married July 15 at a garden ceremony in California, where they are happily settled. Jim, now we know the urgency for a California office!

KSA welcomes the brides and wishes good health, good fortune and a great deal of happiness to the newlyweds.

Births

Congratulations to *Karen* and *Tom Day* on the birth of a son, *Adam Conrad*, June 17 . . . *Emma* and *Tim Ponder*, a son, *Michael Paul*, July 29 . . . *Shirley* and *Frank Armistead*, another daughter, *Aubrey Lynn*, August 18 . . . *Sandy* and *Eddie Rader*, a son, *Edward David*, August 31.

KSA Celebrates KDV's 25th . . .



To mark his 25 years with the company, KSA presented *Dean Vought* with a handsome leather attache case and cassette recorder before a recent EXCOM meeting got underway. Doing the honors, above left, is the Honorary Chairman. Counting the stitches and otherwise inspecting quality, above right, is *Jack Ullman*, former engineer.

RIO DE JANEIRO

An Insider's View

By—*Ruth Williams*

So, what about Brazil . . . that place on the other side of the equator where the sun shines from the north at Middy, and it's always dark at 6:30 p.m.? To be more specific, Rio de Janeiro, the vast city and port that people airily talk about for vacations, sailors think of with lust, and most world-league crooks, underworld characters and deposed politicians use as a refuge. Rio is a very beautiful city, in exceptionally natural surroundings, but as this article is not intended to be a travel agent's vacation promotion advertisement, I'll get down to the business of what it is like living here as a non-tourist.

Life has a completely different tempo from that in North America, and although there are no long lunch breaks or siestas, it is impossible to keep going at the same rate . . . it's too hot!

Like most other inhabitants, we took an apartment because houses are almost non-existent. In the apartment, we found a minute windowless room with two bunkbeds—apparently for the maid. Domestic help in Brazil is abundant, fairly cheap, and an accepted way of life. The maid takes the place of the dishwasher and washing machine, and unless one wants to spend the entire day doing housework, which is not particularly mentally stimulating, everyone has a maid. I have never quite figured out what some women do with themselves in apartments where there are three or more maids, other than telling the maids what to do!

Our first impressions were of the vast numbers of people and the noise. When the Men-From-Mars fly past the world, I'm sure they can pick out Rio on the globe simply from the

noise and pollution. As airconditioning is not used a great deal, people leave their windows wide open, so one is awakened when workmen start on yet another apartment building and is permitted to go to sleep when the next-door neighbors have finished watching TV!

We do food shopping every day—which is time consuming. People don't have freezers and Brazilians have never heard of TV dinners. However, it is interesting to go to the street fruit and vegetable market and see all the tropical products available . . . I think we've tried most of them.

Fortunately, we were not quite as unprepared as many Americans, who come here for the first time, for the more primitive aspects of life . . . meat hanging in great chunks on hooks, unrefrigerated eggs, dried meat, fish, sausages and bacon all placed on counters for anyone to pick over (plus flies!). And the poverty . . . desperately poor people—barely managing to exist on beans—who came to Rio hoping to earn a living and find they can't. Needless to say, there is a great deal of crime and most KSA'ers have had something stolen while in Brazil, but Brazilians will equally cheerfully rob other natives and do not discriminate between tourists and locals.

We never cease to be baffled by the roundabout bureaucracy . . . if one's identification papers are stolen, the police won't file a "stolen" complaint until one produces one's identification! Similarly, documents issued in foreign countries must have an official notarized translation—and that includes documents from Portugal. How do you get around that one? Brazilians like to remain unique in

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Potential Market for Coated Fabric Products . . .

By—Steve Bannister

(Steve Bannister participated in a GM&M study involving the coated fabrics market. He was asked to look into the potential market for boat covers and related products, but allowed his imagination to wander.)

Definition of Camel

Either of two large, humped, ruminant quadrupeds of the genus *Camelus*, of the old world. A bactrian camel is an Asian camel (*Camelus bactrianus*) having two humps on the back. A dromedary is the one-humped camel (*Camelus dromedarius*) of Arabia and Northern Africa. A typical dromedary is six feet high at the shoulder and has a length of nine and a half feet.

Quote from Recent UPI London Dispatch

"Roaming camels in the United Arab Emirates are to be fitted with fluorescent jackets in an attempt to cut down on accidents on desert highways in the Persian Gulf area.

"A report from a London correspondent, *Quentin Vole*, said the wandering camels were a major hazard to drivers in the Emirates, where heat and blazing sun make visibility difficult. Add to these hazards, Vole wrote, the general inexperience of drivers around the Emirates, where wealth has only been widespread for half a dozen years—most people have driven for three or four, and a lumbering herd of camels ponderously wandering across four-lane highways at their own unhurried pace, can be cause for alarm. He said before the end of the year, 5,000 free-roaming camels would be fitted with jackets made of fluorescent material similar to that worn by highway workmen."

Market Potential

Five thousand camels can be assumed to be a relatively small proportion of the market, on the order of 5% in the United Arab Emirates. Based on this assumption, the total camel market in this geographical area would be on the order of 100,000 camels in the current year. The camel population can be assumed to have a relatively even split between male and female genders, leaving approximately 50,000 female/male pairs in the current year. Further assumptions of a 90% mating rate, a 70% fertility rate, and a 15% calf mortality rate, imply that approximately 27,000 new calves are added to the population on an annual basis. Further estimated adult mortality of 10% indicates that 10,000 mature camels die off each year. The net result of these calculations shows that 17,000 net additional camels will be added to the population in the coming year with slightly more in the following year.

Due to the relatively large size of the animal in question, at least one square yard (Bob Messinger estimates probably closer to three) of fluorescent coated material will be required to provide coverage on both sides of the animal and behind in order to produce a highly visible safety vest. No adjustment was made for a one-humped vs. a two-humped camel in this estimate.

The initial market is, therefore, 100,000 square yards of fluorescent material which is certainly a significant market. Subsequent years will require 17,000 square yards of material to outfit the new camel population. This is a minimum figure assuming that the camels who die include their safety vests in their estates and are passed on to the new population of camels. Additionally, assuming a two year life on the safety vest, which is a reasonable assumption

considering the ferocity of the drivers in that area of the world and the severity of the sand storms which occur, the replacement market would yield an additional demand of 67,000 square yards per year, which leads to a total stable demand after the initial outfitting of all the camels of 84,000 square yards of fluorescent coated material per year in the United Arab Emirates.

We think this is a significant market and should be further explored by Incopa as part of their ongoing market expansion. We further note that the United Arab Emirates are not the only geographical areas in which the camels reside.

The UPI report implies that there are some additional markets available in the United Arab Emirates. The blazing sun implies a large market for sun glasses, inexperienced drivers would lead one to believe that driving schools would be a profitable venture and a fence market could certainly be developed in order to prevent large herds of camels from lumbering across four-lane highways. We should alert any of our clients who are manufacturing such products to the potential in that geographical area.

Rio—Cont.

South America by speaking Portuguese (their version) while everyone else speaks Spanish, and we have found that they are very good at not understanding our Portuguese when they choose not to—the telephone company being the chief offender. However, if the conversation has some bearing on a financial transaction, every word is understood . . . and if the traffic has become impossible, even angry words in English are understood!

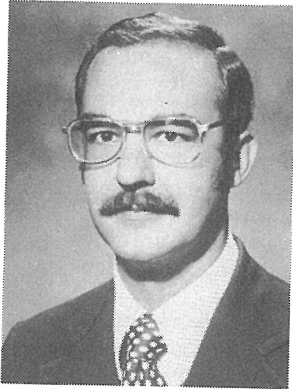
Traffic in Rio is probably the most chaotic in the world. All the taxi drivers model their driving on that of *Emerson Fittipaldi*. Buses are driven like taxis, as the drivers are paid for piece work and they are determined to get as many runs in as possible. Nowhere else in the world do cars have the window sticker "Drive Without Hatred," and certainly there is constant war between the cars, buses, taxis and pedestrians.

Every so often the authorities realize that in order to get from A to B, the pedestrians have to walk in the road, as the sidewalk is crammed with cars. The road traffic regards the man-without-wheels as fair game and crossing a road is somewhat hazardous, but nothing is done to try and limit the number of vehicles. Regarding the actual driving, there are several standard maneuvers that are typically Cariocan . . . like turning left from the right-hand lane without signals . . . rarely stopping at stop lights . . . and the notice "PARE" (Stop) usually means shift down a gear and keep going, regardless. Rio has several canals and either a car or a bus fall into one at least once a day. No one has yet figured out whether the sinking vehicle should be salvaged by the waterways or highways departments.

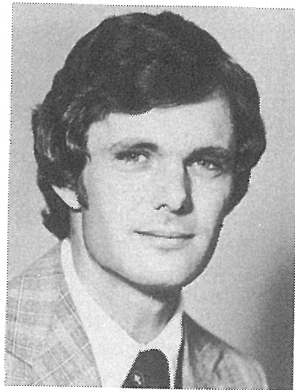
At last, water is fairly plentiful—though smelly and not really drinkable unless one's apartment has a special filter. Last February, one of the hottest months, the water authorities decided to link up a new pipeline with the old one and turned off the main supplies for three days. The timing must have been the work of a fiend! The extra water that became available was the source of numerous "springs"

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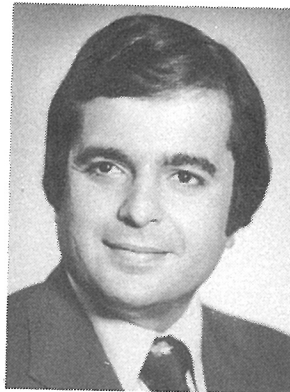
Five Principals Appointed . . .



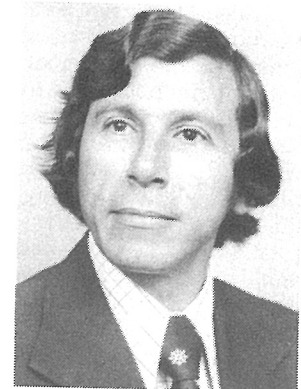
Frank L. Bechmann



Michael B. Brent



Sergio Cruz



Robert A. Gargan

Congratulations to these men on their well-deserved promotion. Although an announcement has been made, their photos and a thumb-nail description of their expertise are being published to enable all readers to recognize them when next they meet . . . except Roger LeBarron, who's in the wilds of Canada where the only photographer is on vacation and won't return in time to include Roger's picture—watch for it in the next issue.

Frank Beckmann—A Cutting/MU specialist working from the Nashville office . . . *Mike Brent*—Involved in substantial projects for leading clothing manufacturers as a Cutting/MU specialist, based in Princeton . . . *Sergio Cruz*—Another with broad experience in Cutting/MU and more recently supplied valuable assistance in Third World activity in Central and South America from an Atlanta base . . . *Bob Gargan*—Also Atlanta based from where he's been involved in special textile systems and GM&M projects.

Rio—Cont.

that appeared in cracks in the road . . . our road gets dug up at about three-week intervals to locate the source of a new "spring."

Unfortunately, both Rio and Sao Paulo have a bad pollution problem. One politician remarked recently that the Paulistas have the doubtful privilege of being able to see the air they breathe.

The beaches around Rio look beautiful from a distance, but are practically unusable unless one doesn't mind catching unmentionable diseases and parasites, and has no sense of smell! However, it is possible to get to an unpolluted and beautiful beach after about a 40-minute drive. We were intrigued by the strange assortment of posts and planks on the beaches until the first weekend when we saw masses of Brazilians playing volleyball—over, on and between the posts. The acute shortage of open space has led to the development of sports that require the minimum of space and equipment . . . playing barefoot football on the sand certainly trims up one's legs!

There are vast numbers of foreigners here, and although Brazilians are friendly people, they keep more to their family groups, so most foreigners end up socializing with each other, mainly because no one is here permanently.

Other small things that caught our attention . . . each apartment block has a tiny garden in which flourish those fragil indoor plants of the USA but which grow like weeds here. How easy it is to transplant a palm tree—it has practically no roots and is instant jungle. And banana trees . . . everywhere, up and down mountains, in nooks and crannies, and all with bananas on them in varying stages of development. And finally, coffee . . . nice, thick,

black coffee, drunk from tiny cups, and super-sweet, the Brazilian way to drink it.

FORMER ASSOCIATE STARTS CONTRACTING BUSINESS

Glenn von Rosenberg, a former associate, recently started his own contracting business, known as VR Fashions, Inc., 320 Factory Drive, Waco, Texas.

We understand he's off to a good start in terms of costs, quality and delivery. Needless to say, Glenn's KSA friends wish him the best and look forward to adding VR Fashions to our client list.

KSA-WEST COAST

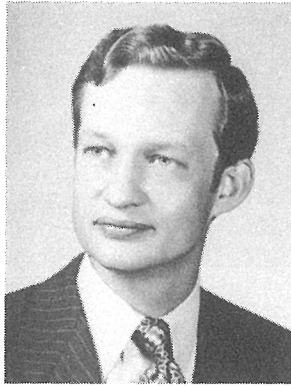
Jim Trautman, our Western Regional Manager, is working hard to develop the Far West for KSA. He asked us to tell all KSA'ers that our office is located less than a mile from the Los Angeles airport, where full office services are available—letters, reports, charting, Xeroxing, etc. Jim and his new bride, *Michele* look forward to welcoming everyone, be they ready to lend a helping hand or just visitors.

We understand that some of Jim's mail was not delivered because it did not carry the suite number . . . we're repeating the entire address for your convenience.

Kurt Salmon Associates, Inc.
Suite 314, 999 North Sepulveda Boulevard
Los Angeles, California 90245
(213) 640-1022

Tenth Anniversary

Robert D. Hagen, a veteran of many projects, an emerging function, several countries, and many satisfied clients, joined KSA in September 1965. After a brief stint in the sewing room Bob joined the fledgling physical distribution group and he and *Joan* began their travels across the USA. While Bob was satisfying clients and contributing to the foundation expertise upon which the PD function would grow, Joan was collecting and admiring antiques that would decorate a home in Atlanta, and later Princeton.



After completing assignments with such diverse clients as Hart Schaffner & Marx and Hicks-Ponder, Bob settled in Atlanta to handle the developing volume in facility/operation planning. His design ability was enhanced by his skills in illustrating and drafting. This expertise was applied to several major design projects such as the renovation of the Washington Mfg. facility in Nashville. As the function expanded, Bob was thrust into initial contact work. His ability in this area was quickly recognized and he was dispatched to such far corners as Blumenthal, Brazil; Puerto Rico; Kenosha, Wis.; Dover, Delaware. While sales work is one of Bob's fortes, he has not relinquished his involvement in the detailed design and implementation of clients' distribution needs. Most recently, Bob was asked again to pull up stakes and relocate to the Princeton office to provide the physical distribution group more accessibility to our northern clients.

KSA looks forward to the next 10 years with R. D. Hagen and will continue to build and expand the distribution practice to which he has contributed greatly.

FROM A PROPOSAL BY ROSS RUNNELS

Our consultants succeed where in-house engineers often fail because:

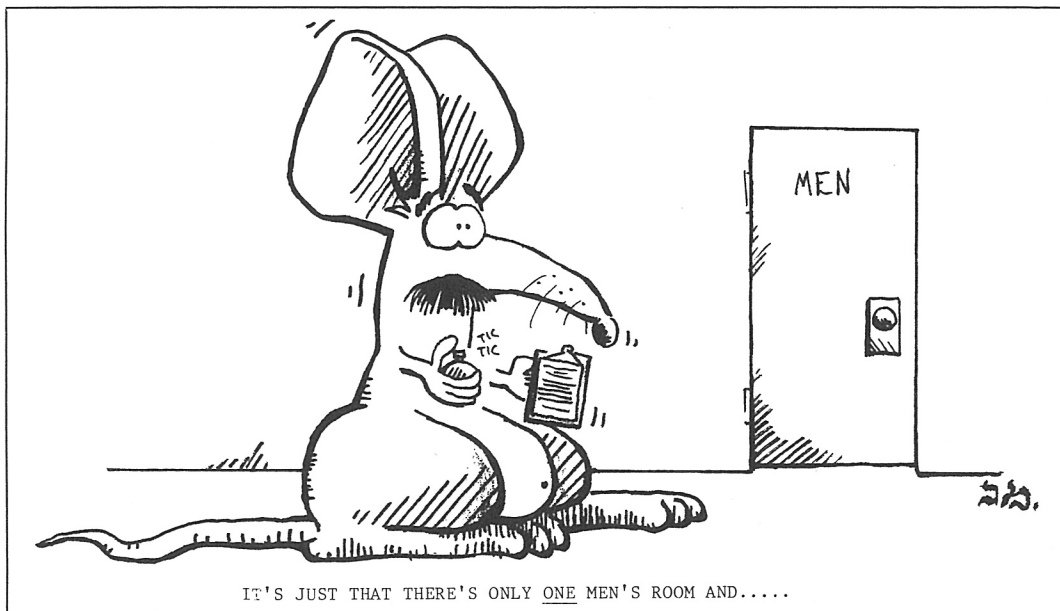
- KSA has a large body of information and experience available through its 125+ consultants and an extensive library of standard data and technical information.
- Our consultants are indoctrinated in shirt-sleeve engineering. Their time is primarily spent on the shop floor, and not at desks.
- They concentrate on the project and are not distracted by emergency problems that may develop elsewhere.
- We can put together a team which works harmoniously without the individual competition which can be very negative in an engineering project of this type.
- We support our men heavily so that they are not afraid to take dynamic action. They work in the most difficult situations without the pervasive fear of failure which can destroy a good man's morale and effectiveness.

ERNEST J. MEIERE, JR. DIES IN LEXINGTON, N. C.

We regret to advise that *Ernest J. Meiere*, KSA's first full-time associate died at his home (214 W. Center Street) at the age of 68.

Ernie was a Georgia Tech engineer and came to us from Blue Bell. After doubling up with KS on an assignment in Pennsylvania, he moved to his first solo-assignment in St. Joseph, Mo. in 1938. This was followed by H. D. Lee, Kansas City, and many others.

Ernie was known throughout "early KSA" for his thoroughness and technical expertise. His many friends will miss him, as does his family who has our sympathy.



(A "character sketch" of Bill Sand by one of Eddie Bauer's more talented spreaders.)

Functionally Speaking . . .

CARPETS AND RUGS

We have now gotten our first assignment in the Iranian carpet industry . . . thanks to the fine efforts of *Gerry Vercaemert* and *Steve Webb*. This project involves corporate organization, and the development of plans for recruiting, evaluating and training.

Our activities in the Canadian carpet industry continue in high gear with substantial projects in several of the major mills there. *Warren Deviney*, *Hugh Tannehill*, *Lee Ozley*, *Bob Heiland* and *Bob Gargan*—among others—are covering these assignments in the areas of systems, manufacturing, training and marketing . . . All are now awaiting the first snowfall with great anticipation.

—*Bob Saunders*

PUBLIC RELATIONS

The PR Dept. has maintained an intentionally low profile during the summer—partially by request, partially because we have had only low-profile things to do.

True, there was a large trade show in Chicago (National Health Congress) at which HIC did well with its exhibit and a program on attitude surveys by *Paul Flood* and *Ron Brockett*. Articles on PD appeared in two magazines; *Howard Cooley* was interviewed by DNR; *Dick Bath* explained MU to a textile group in Princeton; two bulletins (retail alterations and cutting room engineering); two Perspectives (knitting and apparel systems), and two mailing pieces (HIC, PD) were printed.

As summer turns to fall, however, the lazy days of unhurried and bemused contemplation of year-old “work-in-process” files have rapidly given way to the hysteria of preparing for another *Bobbin/AAMA* circus. Catch us next issue for a full report.

—*Joe Scheines*

RETAIL INDUSTRY

During the first half of 1975, retail consulting sales and fee income were substantially above projections. During the past three months, however, there has been a precipitous drop in new contacts and consulting proposals. Retail consulting is belatedly feeling the effects of the recession which hurt our total KSA practice during most of 1974 and 1975.

This downturn at mid-year was anticipated, however, as is a pickup near the end of the year. Whether the pickup materializes is still a question, but there are some positive signs:

- Much more merchandise flowed through the retailers' receiving departments in July and August than in the same months last year. This reflects both increased consumer buying and more confidence by the retailers (more purchasing from their vendors).
- Our second job for Macy's California started in August and further work has been proposed. The outlook is good within this giant retail organization and the prestige value of having Macy's as a satisfied client will open the doors of other retailers.
- KSA is increasingly becoming better known in the retail community. We are accelerating our efforts to assure

that this trend continues. Our objective, of course, is to see KSA as synonymous with retail consulting in the eyes of retail management as we are with apparel consulting in the eyes of apparel management.

On the negative side, *Ed Strobin* resigned to become a Vice President with The May Company, a huge nationwide department store group headquartered in St. Louis, Ed's departure is a big loss, but we are fortunate in having several ASY people (*Mike Barnes* and *Steve Bannister*) with solid, recent experience in designing a total retail MIS.

Our outlook for retail consulting during the remainder of '75 is cautiously optimistic. However, like you, we know only what we see and read, so while keeping our fingers crossed for '75, we hope that when the next Observer arrives, the economic skies will be cleared and forecasts will be easier.

—*Jim Giddings*

TRAINING AND PROFESSIONAL DEVELOPMENT

As mentioned in the last Observer, a sales training seminar was held in late Spring. This was a highly successful meeting conducted by *Doug Moore* and based on an outside course that he attended.

Our sales training development work has extended over the past year, including some experimental sessions with *Dr. Bruce Peters*. This last meeting pulled together a number of ideas, and we now have a training program which involves the participants heavily. We envision this sales training as being one module of overall account executive development.

Other current activities of training and professional development include a scheduled resident training class, principals training and continued update of reference materials and advanced training programs.

—*Bob Pee*

A UNIQUE INCENTIVE SYSTEM

The following weekly report tells the story of how some of our engineers approached their incentive problem.

Summary of Progress

This week we came up with a unique incentive system in the made-to-measure cutting room. As you know, we have two cut-off teams in the piece goods area. We have been very unsuccessful in attaining the proper performance on the installed rates until this week when a couple of our engineers came up with what we considered an original—for KSA—cutting room incentive program. They suggested that the two teams compete for cash. Knowing that we could not allow gambling, a third engineer suggested that we pay each cut-off man \$3/hour and let the two teams compete—with the winner-take-all, or the team that made the most cut-offs/day get \$6/hour and the loser \$0/hour. To date we have had two fights and three incidents of sabotage.

Summary of Progress

Teams are now carrying knives.

Client Contacts

At a distance.

Employee Morale

Questionable . . . depends on which team we're talking

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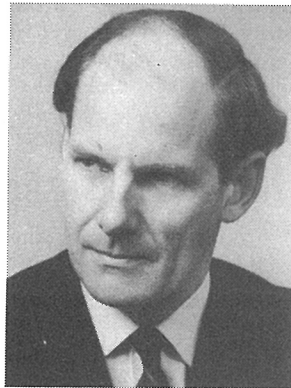
Richard A. Dunlop

Our man in the Middle East lives in Surrey but travels a lot . . . Surrey is some way from Tehran. But before the Middle East, *Dickie Dunlop* has given sterling service to many clients in many places for KSA.

Dickie was born in India, although he spent his early years in Scotland, and later he returned to India and the Middle East as an officer in the British Army. He apparently never fired a shot in anger although was almost damaged by a carelessly used but friendly hand grenade. Dickie says it didn't sound friendly.

After leaving the army in 1947, Dickie spent some years in industrial administration for a number of companies until, in 1954, he moved into the apparel industry with C&A in the United Kingdom. He operated in this company for 10 years in various aspects of the business, working as an internal consultant. Dickie enjoyed working for a board which, as he claims, would spend 10 minutes on the decision for a million pound branch and three hours on the decision for a mirror for the ladies' cloakroom.

Dickie's first brush with KSA was in the early days of KSPEA when *Dean Vought* interviewed him but apparently failed to see the latent brilliance smoldering underneath. Five years later, *Stuart Hollander* righted the wrong



and Dickie joined KSA in 1964. (Dickie modestly claims that Stuart had recently recovered from an operation and his judgment may have been impaired!)

Dickie spent only three months training in the USA, and returned to England for a nine-months engineering assignment in Leeds, supervised by *Richard Clarke*. In the next four years he carried out a variety of assignments, largely systems oriented, until he was appointed Principal in 1968. He followed the traditional KSA path in supervising a number of client assignments and worked on several Irish assignments in particular. When Ireland became too hot for him he concentrated his attention on Israel, the Irish were having more target practice than the Egyptians and Dickie judged the time right.

In the past two or three years, Dickie concentrated his efforts in Southern England and also supervised major assignments in the shirt industry. He has been highly successful in a number of account executive positions for large clients and has generated a good deal of work from these clients over the years. He took over the marketing role in the UK's Third World area in mid-1974 and the results of his efforts are beginning to make themselves felt in the sales and billing in that area.

On the personal front, Dickie and Jean live in olde worlde Surrey. His hobbies, apart from good living and chain smoking cigars, include breeding tropical fish. He takes holidays in exotic places, but he always sends post-cards and inquires about the local apparel industry while he is there.

We would like to thank the Providence that saved the hand grenade from damaging Dickie and look forward to many more years of his company in KSA.

EUROPE

GENERAL

You will get a pretty good feel for the difficult spots and the achievements of 1975 from the three European Regional reports. It is easy to be gloomy about the potential results for 1975, but we must also take into account the strengthening that is going on. We have built a lot of additional skill into the Division this year and this is already paying off in additional work in apparel, retailing and textiles. At the same time, some of our investments in geographical diversification also appear to be paying off, especially in Turkey, Iran and Eastern Europe, but this as you will see is, to some extent, offset by a virtual close-down in Portugal, and the English domestic market is bound to be difficult for some time to come.

We are not only working our way through a most trying year, but also through a period of considerable change in our practice. This is neither cheap nor easy, but it is en-

couraging to see the way KSA can now respond to such problems and opportunities. The results in 1975 for Europe can not now be good, but they should improve between now and the end of the year, and we should enter 1976 with many strengths we did not have at the start of 1975.

—*Stuart Hollander*

GERMAN REGION

The German market shows no signs of substantial recovery. Governmental supports did not achieve the expected results of a commercial boom. There is an increasing number of unemployed and people generally appear not to have much confidence in the development of the economy. Thus, they are saving their money and do not normally buy consumer goods, which is causing concern in the apparel and textile industry. The forecast is for a difficult autumn

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German Region—Cont.

and spring.

In spite of the existing conditions—or perhaps I should say because of it—industry tends to mobilize all efforts to remain profitable, or survive. This is, apparently, the reason our sales have been very good. AMMD reached year-to-date budget and AMSD has 130% of budget—and believe me, the budget is ambitious. This gives a backlog of seven or eight periods for the apparel division.

Due to circumstances, we have fallen behind in retailing, but there are signs (and new sales) that we have a good chance to bring it up again.

Some changes in the organizational structure of our apparel division should help to support further growth and make management potential available for those areas which we have defined as targets—Eastern Europe, retailing and probably textiles. *Ulf Weis*, as industry manager, will take over the responsibility for the division, and operational managers, *Hardy Artelt* (AMMD) and *Peter Amrein* (AMSD) will handle these traditionally strong functions. This gives us the opportunity to strengthen our Eastern European efforts, a high priority target. *Helmut Blettenberger* has addressed himself to this task and will be spending at least 75% of his time in those countries.

Special commercial responsibilities for our continuous marketing efforts and selling of these services will be turned over to sub-regions—Switzerland, Austria, Holland, parts of Germany, etc.

Presently, we are working on a European market study for the textile industry which should help us decide whether we should go into this industry and, as sometimes happens, we already have our first assignment for a textile client (\$33,000) . . . a good opportunity to build up a first reference.

Generally speaking, we feel the situation is not too bad, that we will have a good change to meet the '75 objectives, and that now we have a good basis to withstand the upcoming difficult future.
—Hans Horst Hensche

LATIN REGION

As we look back over the first half of 1975, our performance has been, frankly, somewhat disappointing in terms of staff utilization and profits, even though total fees earned in the region have exceeded budget. The latter is mainly due to *John Caldwell's* having worked in Algeria, and retailing work in the region done by UK staff.

While cautiously optimistic for the second half of the year, we had to tighten our belts and, among other things, have postponed our annual staff meeting and either canceled or reduced attendance at other external and internal events. A country by country review follows:

Italy: All staff on full billing and outlook is for AMMD to remain strong and AMSD to be oversold until additional experienced staff is found. *Giacomo Ronco's* sales and PR efforts have been strengthened by both *Franco Guazzo* and *Renato Tarditi*. Our client seminar program through the national and local trade associations has started off very successfully.

France: We're doing well in AMSD and may be oversold to the extent that recruiting one additional man for this function, whom we could also use in Spain, becomes urgent this fall. We have several proposals outstanding in AMMD/HRD but actually find ourselves in a weak position. We're hopeful this picture will improve after the vacation period.

Spain: This is the bright spot, with all staff busy and a

long list of important prospects on hand. An application will be filed for opening a subsidiary in Spain this fall and if approved we may open a small office in Barcelona during 1976.

Portugal: Unlikely we will start there again for some time . . . a sad thing for Portugal, and our investment there.

Turkey: Two assignments in progress and a number of prospects. If the major implementation assignment we have sold starts in January, and if other prospects develop, we may consider recruiting a Turkish national for development as a future KSA man in this large and potentially important textile and apparel country.

Greece: No activities . . . mainly because it's impossible to get foreign exchange permission for consulting assignments.

Algeria: Presently, there's a six-man apparel team at Sonitex, most of whom are on a menswear unit, but have also started the marketing part for three new apparel manufacturing units. The latter will be followed by the planning of a production unit, and later, start-up assistance. A major proposal for distribution and retailing (\$120,000) has been submitted and is likely to sell and start later this year. Working in Algeria causes an enormous amount of administrative and financial problems. At this time Sonitex owes us about \$200,000 and *Bob Chaumontet* and his team are working to get the contracts and transfers through the red tape with government agencies, banks and the client.

Morocco: *Guy Vidal* has sold one assignment, starting later this year, and thinks there are good prospects for additional work.

Tunisia: We have some small assignments sold and proposals outstanding. We believe there is potential work for us in this country.

We hope the European consumers, business men and government officials come back from vacation full of optimism and, thereby, prove that ours has been justified!

—Bob Fitze

TODAY'S U.K. PSALM

The union is my shepherd, I shall not work.
It maketh me lie down on the job,
It leadeth me beside the still factories,
It restoreth my insurance benefits.
Yea, though I walk through the shadow of
decreased productivity,
I will feel no recriminations,
For the Union is with me.
Its restrictive practices, and shop
stewards, comfort me,
It prepareth a works committee for me,
In the presence of my employers,
It annointeth my hands with pay raises, my
bank balance runneth over.
Surely higher purchase payments and union dues,
Shall follow me all the days of my life,
And I shall dwell in the council house forever.

U. K. REGION

The situation in the U.K. continues to give cause for concern. Since the last Observer, a major buying and retailing organization—Marks & Spencer—has cut back orders to their suppliers very substantially. This has not helped

Continued on page 10

U. K. Region—cont.

confidence in the industry. However, on the positive front the Government has broadly agreed to proposals made by the Clothing Industry Economic Development Council to inject up to 20 million into the industry over the next four years. Contained in the proposals are substantial grants for consulting assistance and we hope that this might make the region more profitable for KSA.

Overseas work continued to represent a substantial part of our billing. The Iran operation, under the management of *Steve Webb*, has begun to develop more strongly over the past few weeks and we should have two or three consultants operating in Iran shortly . . . certainly *Rod Gunston* will be working there for the latter part of this year and we hope he will have some company.

Closer to home, we finally got an assignment from Marks & Spencer themselves. We have worked a good deal with their suppliers over the years but this is the first authorization actually signed by them. We also had an inquiry from a major mail order company—Grattans Warehouses—who “thought they should be using us.” We agreed, and are actively pursuing them.

Domestically, we gained two new KSA wives . . . *John Rutherford* married *Sue Dowling* on July 5, and *David Rosbrook* married *Fidelma Walsh* on June 2. We wish them good luck and are happy to see that their exposure to KSA life did not make Sue and Fidelma change their minds.

—*Harry Lack*

TODAY'S U.K. REGION PRAYER

Our father which art in Downing Street,
Harold be thy name,
United Kingdom gone,
We shall be done on earth, and probably in heaven.
Give us each day our dearer bread,
And forgive us our devaluations,
As we forgive them that speculate against us.
Lead us not into the Common Market,
But deliver us to the Unions,
For this is the Kingdom . . . no power . . . no Tory
For ever and ever. —Amin

DEPARTURES

Roger Freise • Bill Howells • Dan Kennedy • Ed Strobotin • Peter Sheridan (Europe).

PLACE THE FACE

A photo from the Editor's moth-ball file pictures a current KSA'er “way back when . . .” The first five correct identifications will bring their lucky senders free subscriptions to the *Observer!* Full names only. Neatness counts.



AEIH ANNUAL CONGRESS IN VENICE

A delegation of senior principals from KSA attended the AEIH Congress in June. AEIH is the European association of apparel manufacturers, of which AAMA is an associate member. In fact, *Bob Fitze* is representing AAMA at the European events of AEIH. As the photo shows, Bob was accompanied by *Bud Meredith*, President and Chief Executive of AAMA, and *Jack Moos*, a KSA marketing consultant in Europe and Bob's predecessor as the European AAMA representative.

During this Congress, questions of international trade and social developments in the European apparel industry were the main subjects. Other KSA Principals attending were *Hans Horst Hensche*, *Guy Vidal*, *Ulf Weise* and *Giacomo Ronco*, thus giving them the opportunity to meet not only the officials of the national apparel associations, but also a number of past, present and potential clients.



Unique System—Cont.

about.

Plans for Following Week

Stay out of cut-off room and improve ambulance service.

Action Required by Supervisor

None. We'll handle.

An Example of Being Definitive

I think it is possible that we have probably reached the bottom.

HOSPITALIZED STAFFERS

Four of our consultants were unfortunate in having to be hospitalized. We can report now that they have recuperated and are back at work. *Bob Connors* was in an auto accident; *Tom Day*, *Pete Paddrik* and *Gary Ratliff* were treated for physical ailments. We're glad they're back . . . and in good health.

NEW STAFF

Jean Guevel . . . Age 30. Wife *Elizabeth*. Two children. Textile engineering degree, Institut Technique de Roubaix. Heavy textile experience—two years with Sogitex and three and a half years with LeTextile Delcer. Will be working in TMMD-U.S. and Third World. Interests: Tennis and music.

Brian J. McCall . . . Age 27. Wife *Vilma*. BSIE, Rutgers University and MBA, Washington University. Originally joined KSA in '69 for a brief period before entering the Army. Worked at the university while pursuing MBA and was Assistant Dean of Graduate School of Business when he rejoined KSA. Assigned to AMMD and expressed interest in Third World work. Interests: Hockey and sportscar mechanic.

Fernando B. Silva . . . Age 21. Wife *Genie*. BEES (Bachelor of Engineering Economics Systems), Georgia Tech. Fluent in English and Portuguese—speaks and reads Spanish and French. Worked for KSA last summer, then back to school for his degree. Also worked as part-time translator. Assigned to AMMD. Interests: Photography, skiing, tennis, soccer and cinema.



Guevel



McCall



Silva

AROUND THE COMPANY

ATLANTA

We welcome *Roslyn Wade* to KSA as secretary/administrative assistant to Apparel Systems. Roslyn comes to us from an Atlanta legal firm. Prior to that, she worked with Blue Bell, Inc./Wrangler in Greensboro after graduation from University of North Carolina with a BA in English. She replaced *Rose Wippler* who departed for northern habitats the end of June.



Wade

Emma Donnelly's at home recuperating from surgery on July 31. Prior to that, Emma, who had missed work due to illness a total of three days in nine and a half years (and those were just last year), is doing great and we are hopeful she'll be back with us within a few weeks. During her absence, *Ann Hodgens* is helping out in the Report Department under the supervision of *Andrea Dillon*.

Richard Cheatham, who rejoins our office staff each summer and at Christmas—between semesters at Sewanee College in Tennessee—will stay on with us on a part-time basis through December while attending Georgia State University this fall. He plans to return to Sewanee in January.

OMNICOM's newly elected executive committee consists of *Linda Broadrick*, Chairman, and members *Linda*

Keel, Debbie Brown, Liz Freeman, and Ruth Duke. They will serve a six-month term and then a new committee will be elected.

A champagne celebration was held for the illustrious *Jim Trautman* on July 10 to bid him a fond farewell and to toast his entrance into connubial bliss. Congratulations and best wishes to Jim and *Michele*.

Vacations this summer for many of our staffers included—*Lauren* to Hawaii, *Fran* to Puerto Vallarta, Mexico, *Andrea* to Canada, *Emma* to California, *Linda B.*, *Debbie* and *Liz* to Florida, *Ruth* to Indiana, *Mickey* and *Linda K.* to North Carolina, and *Norma* to her vegetable garden!

Other than that, all's quiet in Dixie where the airconditioning (as of late August) seems to be working at Colony Square for the first time this year! Just in time for winter . . .

—*Vallene Baker*

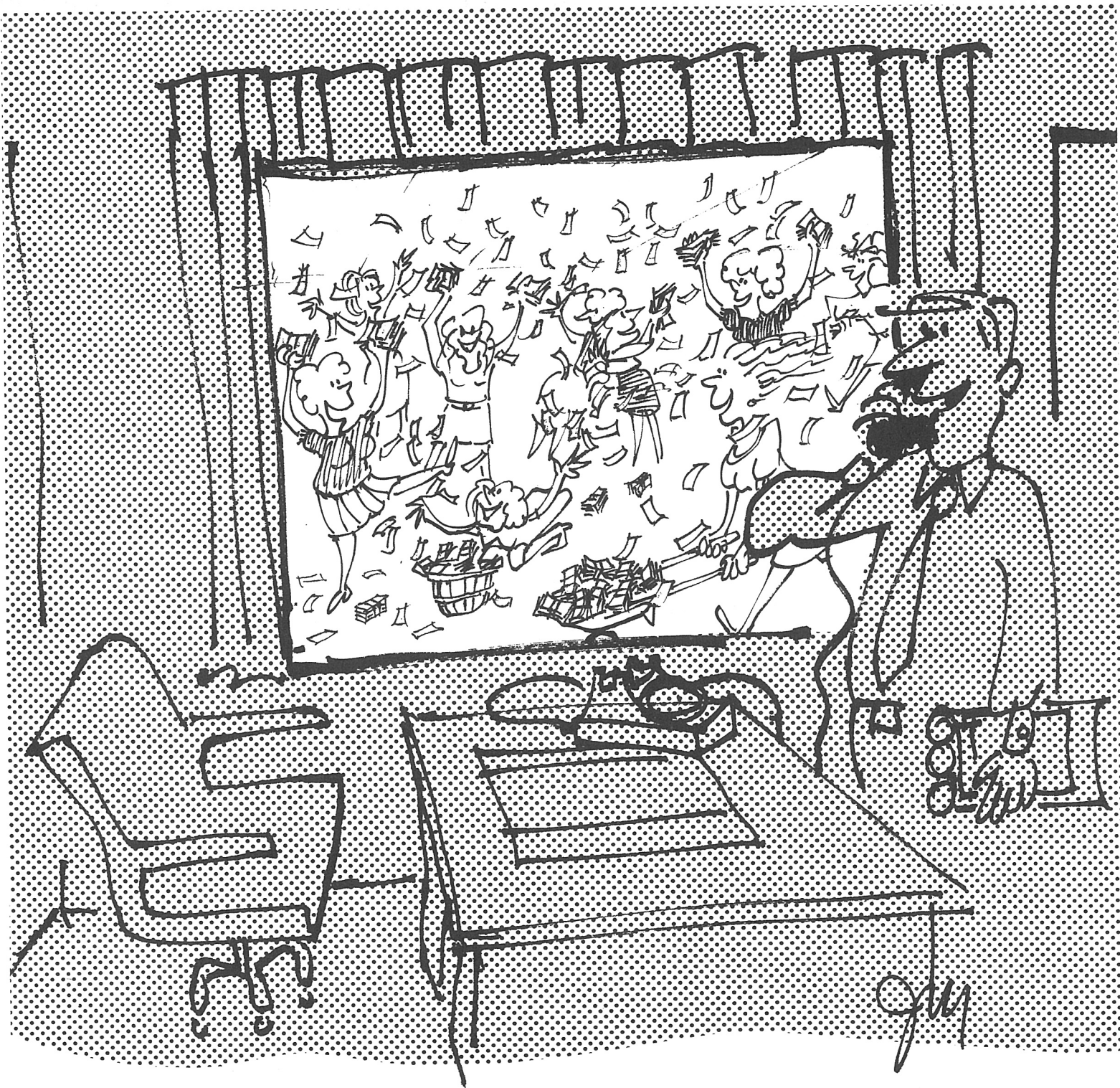
NEW YORK

Lillian McCarthy, NYO's chartist, was hospitalized for the last two weeks of August. Following two weeks of at-home recuperation, she was able to return to work September 15 . . . Happy day for NYO.

NASHVILLE

Two of our clients have interestingly similar names
Hix Clark (Washington Mfg. Co.)
Clark Hicks (Elk Brand)

Mary Joe Higley is, of course, ever alert to the similarity, so no problem; however, if someone else were minding the store, just imagine how these names could be scrambled. *Zeb Roberts* must be saying "perish the thought."



"Mickey, this is Richard Lusk. Tell Frank Armistead the first rates need a little adjusting, but employee morale is fantastic."