

## Consulting With Commissars . . .

By—*Helmut Blettenberger*

We first began to sell in Bulgaria eight years ago and our first concrete proposal involved a survey in Plovdiv, now quite a large city somewhere between Sofia and Istanbul.

Originally, *Fredy Hollenbach* and *Eric Chipps* headed East to deal with the project. After only three days, Fredy became very ill because of the food and alcohol, and had to be transported back home . . . Eric then became very wary of Bulgarian food and drink and lived for two weeks on hard boiled eggs and Coca-Cola. Even this Spartan diet was not foolproof, however, and he also fell ill and had to return home.



Because no one else was around at the time (or perhaps took better care than I did to keep out of touch!) this marked the beginning of my

involvement with Eastern Europe. Having received appropriate warnings about the effects of Bulgarian fare on Western digestions, I packed a bag full of good German food and got under way.

Before landing, as a precautionary measure, I ate a can of sardines in olive oil. This stomach lining proved invaluable as I was drawn straight off the plane into the thick of Bulgarian social life. A fantastic evening followed . . . it ended with the Minister for Light Industry, who was practically under the table, joining me in singing a selection of Russian songs. After several similar sessions, I was able to take all the Bulgarian food that came my way, as well as the Slivowitz.

We sold the survey and started the job. This was sheer hell and great fun. For days, we had no electricity, no steam, no vacuum, no material. Only the Slivowitz was plentiful!

By the time the job was completed, the Bulgarians owed us a considerable sum of money. They refused to pay unless we took on the pressing department, which was not included in the contract. Our passports were taken away and our airline tickets withheld. To get back our passports, we decided to start work in the pressing department. The following night, however, we managed to get hold of a car, smuggled our bags out of the hotel, and drove to Yugoslavia in a snow storm. We then telephoned the client and said that we would not go back even if the outstanding invoices were paid.

After some weeks, they contacted us again to say it was all an unfortunate misunderstanding. All our invoices were paid, and they begged us to come back. So it was with mixed feelings that I said good-bye to my family before flying into the "lion's den." But nothing happened except,

after some days, one of the managers said to me: "How do you think you can get away this time?" I told him that if I did not already have a plan, I would not have come back. The subject was not mentioned again, and we finally came up with a 70% productivity increase.

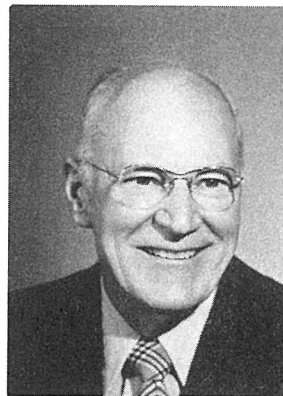
Our latest experience of doing a survey literally in the depths of the Balkans was typical. The plant was only 100 miles north of Sofia but it took us over four hours to get there. We thought neither we nor the automobile would ever arrive . . . but we did. The Director was waiting for us and two hours later all the Bulgarians were drunk. We managed to stay sober by using a special technique: Take a large glass of beer and drink one or two mouthfuls, then, when you have to go to the hard liquor, just pretend to drink it but keep it in your mouth until you can grab your beer glass again to dispose of the alcohol while pretending to drink the beer. After a while, the beer gets stale and you ask for a fresh glass. In this way, it's possible to go on "drinking" indefinitely.

When we arrived at the only hotel in the city, we were astonished at the apparent luxury. Disappointment soon followed. Only two or three lamps would light and my TV set had no sound and a bad picture. On the floor above, *Hardy Artel's* TV had sound but no picture. The refrigerators didn't work either . . . but the worst was yet to come. We discovered that the toilets just didn't flush, so we had to telephone for some water. But telephones didn't

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## Russ Lewis Retires

*Russell W. Lewis* first began thinking about retiring three years ago but agreed to stay on to lend a hand with our—and his—old client, W. E. Stephens Mfg. Co. Now, after 36 years of consulting with KSA, he is hanging up that engineering hat he bought at Purdue University. His official retirement begins at the end of his accrued vacation.



Russ says he hopes to do some fishing as well as pursue his many other hobbies. Both Russ and *Katherine* are very active in their church

and, through the International Christian Youth Exchange, have accompanied youngsters on trips to 20 or more foreign countries.

Russ wanted his KSA friends to know of this retirement to which he is looking forward with his wife and six children. We're sure all of them join us in wishing Russ many active, healthy and happy years.

## Chairman's Corner

(At Karl Striegel's request, Stig Kry has written the Chairman's Corner article.)

After many months of sluggish business conditions, it is encouraging, even exhilarating, to see the strengthening of our order book in the U.S. Our European operations are still wrestling a difficult economy and while we see some signs of improvement, the problems of weak sales are still with us.

We cannot rest for long on the good news of improving business. We must now turn to the strengthening and building of KSA for the long run. Foremost of these efforts is the need to improve our cash position. Fundamental to this is a healthy profit performance combined with restraints on expenditures. In the immediate past we have seen considerable success in collections. All in all it would appear that we have a real opportunity to make substantial headway with this objective over the next 12 to 24 months.

Professional development has lagged for some time and we will inject new impetus here. We are aiming very particularly at the systematic development of a larger cadre of account executives. We have come to realize more clearly how important the role of the account executive is in sound and expanding client relationships. *Dean Vought* is organizing various inputs into a coherent program. One module of this program is in operation in that two sales training courses have been held.

We are redefining KSA's committee structure as announced in a recent memo. While this development is aimed at the creation of committees that can develop rational strategies and policies for the USA, Europe and worldwide, we are also determined to operate the company on a day-to-day basis more through the line structure than we have done in the past, to facilitate more rapid and responsive decision making.

Somewhat along the same line, we have developed a procedure for goal setting and performance review. We have made a start in the implementation of this procedure in a few management positions and plan to gradually extend this procedure to some 10 to 15 key responsibility areas. The primary purpose of this is to encourage analysis of strength and weaknesses, setting of realistic goals and to facilitate review of progress.

Another major project currently underway is aimed at a definition of a long term marketing strategy for KSA. We are firmly convinced that KSA must grow in order to be able to give younger men the opportunity to realize their objectives within KSA. Without growth it is difficult, maybe impossible, to maintain the sense of dynamism that is vital to a good company. If we are to grow—double and triple in size—can we do so in the industries we are already active in? When will we have penetrated Apparel, Textile, Retail and Health Care to such an extent that we need to seek additional areas to work in? These are the sort of questions that are being addressed and answers shall, in due course, emerge.

While it will seem repetitious to some, we want once again to restate KSA's firm commitment to quality. Without adequate performance on this score, all other efforts to build a bigger and better future will come to naught. It is

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## Bob Heiland Leaves KSA; To Join Hosiery Firm

*Robert E. Heiland* ended a long association with KSA last month to accept a position as Executive Vice President of the William G. Leininger Knitting Co. of Mohnton, Pa., manufacturers of men's and boys' socks and one of KSA's early clients in the hosiery field.

Bob joined us in 1959 as Director of Research, following a teaching stint at Lehigh University. He did pioneering work in material utilization, inventory management, and sales forecasting (coining the famous FORSCOR acronym in the process) before switching into General Management and Marketing several years ago.

His new position is "an exciting challenge," Bob says, and it's also located close to his Coopersburg, Pa., home.

In a recent "farewell memo" to EXCOM, REH said something we feel is worth repeating here:

"As you all must know, my decision to leave KSA was among the most difficult of my life. The emotional attachments of 20 years are profound, and the impact all of you and a hundred others have had on my life during that time cannot ever be matched. Man for man, KSA is the most remarkable assembly of genuine human beings and gentlemen I shall ever be privileged to know. In 20 years, I've never met a KSA man I didn't like, nor one I couldn't work with and respect. The big mystery to me has always been how I ever made it into the company.

"It goes without saying that I wish KSA and all its wonderful people continued happiness, growth, success, and profitability. The policies, attitude, and standards under which Kurt brought KSA into being, and then to flower, deserve to be preserved at all costs. Empathy, consideration, mutual respect, and high professional competence, if eroded, will be nearly impossible to recoup. Preserve them intact; they are priceless."

Everyone in KSA wishes Bob the best of luck in his new endeavors, and hopes he and *Irene* stay in touch.



## The KSA OBSERVER

A quarterly report of the activities of Kurt Salmon Associates, published by and for its personnel, is mailed to homes and should not be taken elsewhere. Address all correspondence to the Editorial Offices at 4301 Connecticut Avenue, N.W., Washington, D.C. 20008. The opinions of readers are invited.

Editorial Board: Mary Baach Joe Scheines  
Jack Johnson

Volume 7, No. 1

March 31, 1976

## Explosive Savings

# THE MANHATTAN PROJECT

By-Butch Price

"Hello, *Butch*? This is your next Project Manager . . . Fine, and you? . . . Good! Has anyone called you about an assignment? . . . Good! . . . No, you won't be staying in Miami. Listen, *Jack Ullman* and I are in New York and he's just sold a stitching and material utilization job to Manhattan Industries. *Jerry Armfield* will be supervising the sewing and finishing program . . . we'd like for you to meet him there tomorrow . . . No, not in New York. It's in South Georgia . . . Americus . . . uh, it's somewhere between Vienna and Albany . . . no, no, no, pronounce them Vi-A'-na and Al-bA'ny or they'll never understand you . . . Right . . . O.K., take care . . . Bye."

The phone call resulted from a successful presentation of a proposal and it began KSA's first full-time staffing assignment for Manhattan Shirt of Manhattan Industries. Once one of the "Big Three" manufacturers of men's shirts, Manhattan was faced with the possibility of closing down its last plant. Several years earlier, KSA had proposed major engineering programs in several of their plants. Everybody at Manhattan nodded in agreement at the proposals, but the consensus was "Thanks just the same, we'll do it ourselves."

Then in 1974, Manhattan Industries lost over \$12 million and the decision was made to cut back shirt production, regroup, and rebuild.

By early 1975, every plant except the Americus, Ga. plant was closed. Production was temporarily halted at Americus in February while an avalanche of equipment was consolidated and shipped there.

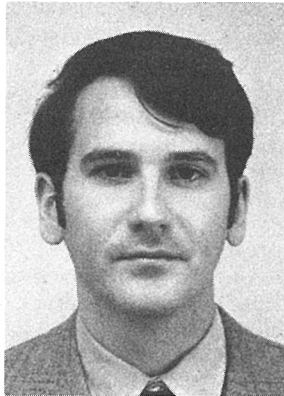
An agreement was reached with the Amalgamated Clothing Workers Union officials to engineer the stitching and finishing departments with all rates being on trial for six months. Prior to that, few (if any) rates had ever been reduced in the 30 year history of the plant. Manhattan consulted KSA for assistance in setting the new rates and Jerry Armfield visited Americus several times prior to the plant's reopening.

Resident engineers held six to eight rate sales daily as bewildered operators learned all about SAM's (Sam, who?)

At the height of the confusion, Manhattan's Director of Engineering resigned and a hurried meeting in New York between corporate officials and KSA resulted in a decision to utilize KSA full-time for a nine month program divided into three phases. A review was to be held at the end of each phase to determine if Manhattan wished to continue.

In early May, the program began. Manhattan's initial swipe at the piece rates had resulted in a reduction of 9.7% from 15.4 SAM per shirt to 11.9 SAM. But, earnings were low, production was at only 3000 dozen per week and excesses hovered between 22% and 25%.

Mechanics who had never even seen undertrimmers had been faced with a mind boggling array of automatic equipment. Responding in true, old-time mechanics' fashion, they enthusiastically proceeded to employ chicken wire



and masking tape to repair \$25,000 pieces of equipment. As a result, the majority of automatic equipment was in an advanced state of disrepair.

However, Manhattan generously provided us with three resident engineers and a bevy of vivacious follow-up girls. We rolled up our sleeves and eagerly attacked the problems. Within a few short weeks:

- Excesses jumped to 28%.
- One of the resident engineers quit, divorced his wife, and ran off with one of the follow-up girls.
- The union became convinced that SAM was a diabolical means of reducing rates.
- The plant closed for two days during a walk-out.

In time, our combined efforts, along with valuable assistance from *Fernando Silva*, who stopped by for six weeks before traveling north for the winter, resulted in a greatly improved situation.

Excesses were reduced to the low teens, weekly production increased to 4500 dozen and savings reached \$9,000 per week.

In the midst of the furor generated in the stitching area, *Tom Austin* and *Nort Eberly* started an MU program. Their initial objective was to overcome an unusual number of MU misconceptions . . . ("What good is saving fabric when it's already bought?") *Roger LeBarron* spent three months in Americus expanding the MU savings while trying to avoid the clutches of an enamored marker. Tom, Nort and Roger's efforts resulted in over 3% material savings, amounting to more than \$2,000 per week. Manhattan has now become very sold on MU, and in considering implementing, with KSA's assistance, these procedures in other divisions.

The abrupt turnaround at this "last stand" plant has revived Manhattan's hopes of remaining in the men's shirt manufacturing business. At the same time, it has bolstered confidence in their own abilities as well as in KSA's. While much remains to be done to create a healthy, stable production facility, Manhattan Shirt's chances for profitability are markedly better than they were one year ago.

At this writing, Manhattan's Chairman is a leading advocate of the type of improvement program KSA conducted in the Shirt Division. As a result, other Manhattan Industries' divisions are being looked at to see if similar projects are needed there as well.

The Manhattan Project during World War II discovered and developed atomic power but *this* Manhattan Project unleashed the power of industrial engineering within a company where it just may have been the one element needed for profitability—if not survival.

## Coming Events

- May 4-5 — KSA Seminar on Textile Production Planning and Inventory Management, Peachtree Plaza, Atlanta (fee: \$300)
- May 25 — KSA's 2nd Financial Breakfast, Essex House, New York City. Introduction of fiscal 1975 Financial Profiles of apparel and textile companies.
- May 25-27 — TEXPO Show, New York Coliseum. KSA will exhibit.

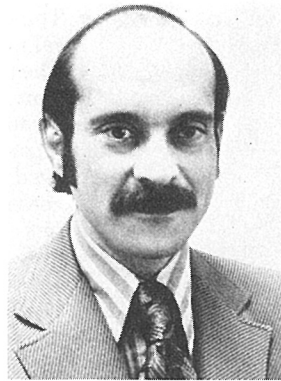
# Promotions . . .

Congratulations to two recently appointed Vice Presidents, *Bob Connors* and *Chick Schwartz*, and three new Principals, *Pete Cleaveland*, *Bill Cobb* and *Barry Mademann*. Although notification regarding the accomplishments of these five has been distributed, the photos should help to associate each man's background with the real person.

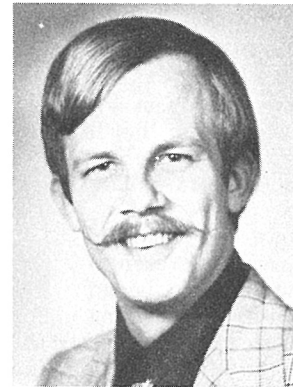
Bob Connors has many years experience in the textile industry and was Vice President of a large textile firm when he joined KSA . . . Chick Schwartz, a Principal since 1967, took on the responsibility of our Canadian practice in 1972, and has functioned not only as a true account executive but as a regional developer . . . Pete Cleaveland, as a P.D. Principal, will continue to serve apparel, textile and retail clients in his wide-ranging activities . . . Bill Cob, a Textile-Systems specialist, has spread his expertise among some of the "biggies" of the industry . . . Barry Mademann, though a specialist in knitting and hosiery, has diverse experience in engineering and training, hosiery dyeing and finishing, and cost reduction studies.



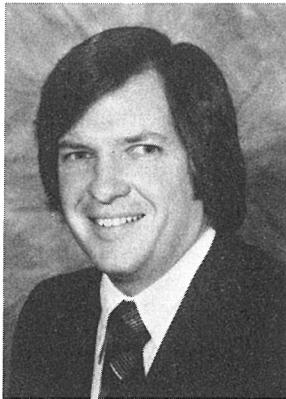
**R. L. Connors**



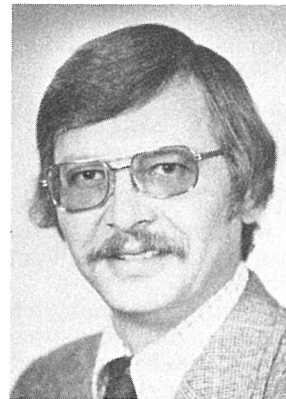
**C. J. Schwartz**



**P. E. Cleaveland**



**W. R. Cobb**



**B. E. Mademann**

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## *Chairman's Corner—Cont.*

perfectly human that some slippage in quality takes place in difficult times because so much emphasis is placed on sales. As a result, some slippage may have taken place in KSA during the recent recession period. Adjustments have been made in fees where the client did not feel that the expected results were achieved. There will, of course, always be the odd situation of this sort due to honest misunderstandings in some cases and due to unreasonable clients in others. Nevertheless, we are now in every way well placed to put renewed emphasis on quality. This must include the satisfaction of clients' concept of what is quality in our work and it must also include the achievement of our own concept of quality work which, in most cases, should be stronger than the client's perception.

This is one area where everybody's contribution is needed. Let us all take a look at the projects we have

underway, the survey reports in development, etc., and make sure that our traditional standards of excellence are met. This, for the satisfaction of our current clients, our long term future and, not least, for our own professional satisfaction in the work we do.

The point of this has been to share with you the management's view that with the greatly improved business conditions KSA has a new opportunity to develop in profitability, size and all-around strength including quality of our work.

We have previously informed you of our plans to work on several of the items discussed above. To some extent this is, therefore, a progress report to let you know that a number of things are underway as planned. We look forward to communicating more of the specifics as the various projects are brought to conclusion.

## Citizens' Band

# A Strange, New Language

(Ed. Note: Citizens' Band Radio is a wave length set aside for the use of citizens by the Federal Communications Commission. In the U.S., there are 23 channels, with No. 9 being used only for emergencies.)

Anyone having traveled by car recently with some of our Atlanta "people" has no doubt been exposed to a strange new language. Popularized by *Barry Mademann* ("Chicken Little"), the CB (Citizens' Band) language is known to *Dale Dodrill* ("Traveling Hillbilly"), *Fred Evans* ("Carolina Gamecock"), *Bill Reed* ("Dr. Pepper"), *Debbie Brown* ("Sweet Georgia Brown"), *Buddy Ruppenthal* ("Nutty Buddy"), *Hugh Tannehill* ("Wishbone"), *Howard Cooley* ("Cool Howard"), *Randy Nord* ("Blue Fox"), and rumor has it that *Josh Taylor* ("Music City JET") has a weak mobile unit that receives but doesn't transmit.

*Playboy* recently carried an article on the "CB" craze, and since some of our fellows found the article to be shallow and riddled with inaccuracies, Barry Mademann wishes to set the record straight in the *Observer* with some of the language and KSA's very own CB Glossary.

"Break One-Nine! How about a northbound on this eight-five superslab?"

"Ya' got the Carolina Gamecock. We northbound, come on."

"How about ya' Gamecock, ya' got the one and only Chicken Little here. What's your twenty, come on?"

"We just passed that five mile marker, come on."

"That's a big ten-four, good buddy. How's it lookin' over your shoulder back toward that Big A-Town, come on?"

"Y'all better back 'em down at that three mile marker, ya' got a Smokey backed into his mail box and he's takin' pictures on that southbound side, how 'bout it?"

"Ten-four on the Bear with the polaroid. We definitely don't wanna give him any green stamps. Ya' got a clean shot to that Sparklecitcity. We saw a county mounty northbound around the one-twenty-one, but he was following a couple of beavers in a four-wheeler. Bring it back."

"Ten-four on the county mounty and the beavers. Appreciate the good info. You got the Carolina Gamecock on the front door, Dr. Pepper on the back door and Blue Fox in the rockin chair. We northbound with the hammer down."

"Ten-four, Gamecock. I'm shakin' the trees and the Traveling Hillbilly is rakin' the leaves, and we got that Sweet Georgia Brown and Nutty Buddy in the rockin' chair."

"We got Cool Howard back there somewhere, he stopped for some motion lotion. If you hear him up the road tell him to put the pedal on the metal."

"Ten-four, Chicken Little. Y'all keep the shiny side up and the greasy side down. Maybe we catch you on the flip-flop. We northbound, we gone."

"Ten four, Gamecock. Keep'er between the ditches, three's on ya', we southbound and listenin'."

## Glossary

Term	Definition
A-Town	Atlanta
Back Door	Last vehicle in convoy
Bear	Police
Beaver	Female driver/passenger
Bob Tail	Truck without trailer
Break One-nine	Interruption on Channel 19

Chicken Coop	Truck weigh station/rest area
Choo-Choo Town	Chattanooga
County Mounty	Sheriff
Dirty Side	East coast
Double Barrel Shotgun	Two-way radar
Double Nickel	55 MPH
Ears	Antenna
18-Wheeler	Trailer truck
Eye in the Sky	Police helicopter
Flip Flop	Turn around/U-turn
Four Wheeler	Car
Front Door	Lead vehicle in convoy
Green Stamps	Money
Green Stamp Road	Toll road
Hammer Down	High rate of speed
Handle	Code name of CB'er
K-Town	Knoxville
Land Line (Double L)	Telephone
Local Yokel	City Police
Motion Lotion	Fuel
Mail Box (Cave)	Hiding place for Bear
Music City	Nashville
Plain Wrapper	Unmarked police car
Portable Parking Lot	Car carrier
Rockin' Chair	Between lead & last vehicle in convoy
Shakey Side	West Coast
Smokey	State police
Sparkle City	Spartanburg
Super Slab	Four-lane Interstate
Takin' Pictures	Radar
Three's on Ya	Good luck
Tijuana Taxi	Patrol car with lights & siren
Twenty	Location
2-Wheeler	Motorcycle

## CHIPPS ELECTED CHAIRMAN OF STECOM

*Eric Chipps* has been elected Steering Committee Chairman for 1976-77. He was elected to STECOM beginning with the spring 1974 meeting. He should provide able leadership for this active committee.



George.

This is a fine and representative group to add to the existing STECOM—*Frank Armistead, Mike Barnes, Ron Brockett, Dave Cole, Ken Osborne, Hugh Tannehill* and *Josh Taylor*.

Leaving STECOM during 1976 to serve on EXCOM are *Bob Frazier* and *Jim Giddings*. *Buddy Ruppenthal* and *Bob Pee* rotated off after the fall meeting, in keeping with STECOM membership guidelines.

Chairman Chipps encourages anyone wishing to submit topics to STECOM for discussion to do so by contacting him or any member of the Committee.

# Tenth Anniversaries . . .

In KSA 10th anniversaries are special, and to Atlanta, in particular, *Emma Donnelly* is special. To show that Emma was a good luck find, her anniversary was celebrated on Friday, the 13th . . . instead of the 16th.



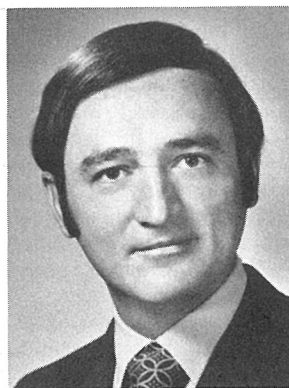
Prior to joining the Atlanta office, with an administrative staff of three, Emma spent nine years with the *Journal of Industrial Engineering* as an editorial and administrative assistant, and our good luck began when the *Journal* moved to New York.

Initially, Emma performed a variety of tasks and provided secretarial support for various consultants. However, her special talents of editing and layout of reports became evident very early, so it was natural that matters relating to report preparation fell in her lap. This led to the formation of a report department in mid 1967, and Emma took over supervision of this very important function . . . The rest is history. From small projects to mammoth reports, the department handles them all, and their trademark of meeting tight deadlines with quality work always shines through.

Besides being a true professional in her work, Emma is an outstanding person. She and her husband, Bill, are tops as parents and grandparents, and we are glad they are part of the KSA family. While she may start talking about retirement, we hope that this is in the distant future. For now, we're glad Emma came our way.

After receiving his degree in industrial engineering from Auburn University, *Dave Cole* joined KSA in January 1966 and headed north to Washington for indoctrination, then south to McRae for plant exposure.

Dave's first assignment was with Washington Manufacturing Company on a material utilization project, which was the first of many, as he spent the first three years of his career as a MU specialist.



During 1969 Dave moved from MMD to MSD in apparel systems. He combined his systems training with work on an actual project for Simon & Mogilner. This was followed by various projects in apparel systems, and in July 1971 Dave was promoted to Principal. Besides regular assignments, he was called upon to undertake his first

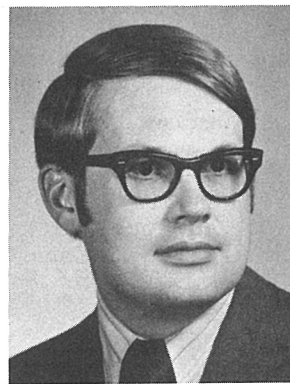
overseas project by participating in some work in Tanzania.

Dave's interests and talents led to his moving into the general management function in early 1974. Since then his work has been broad, ranging from organization studies for established domestic clients to overall apparel industry considerations for the government of Barbados.

As a GM&M principal working out of Atlanta, Dave has

increasing responsibility for project management, practice development, and also participates in functional planning. He is an active member of the Steering Committee and as an account executive is also providing assistance in development of KSA account executive training. The second 10 years will probably see Dave involved in as many different things as did the first 10.

*Gaucha Doug Moore* stopped by the Atlanta office during his Brazilian summer vacation—Christmas time for us—long enough to receive his 10-year watch and congratulations from his associates. Actually, Doug spoiled the whole thing for a group planning a trip to Brazil to present the watch!



Doug also joined KSA in January, 1966, with the same indoctrination and plant exposure as that for Dave. Doug's contributions during his 10 years have been many and included major project responsibility for Westpoint Pepperell and Santista. In addition, he developed OASIS, a simulation model for machine assignments in a weave room. In September 1971, Doug was promoted to Principal. More recently, he assisted in the development

and presentation of one segment of KSA's internal training on selling professional services.

Doug is known for his enjoyment of being challenged and for his competitive spirit in sports, which includes handball, basketball, tennis, and Oh Pshaw (get him to explain it and how he eliminates the element of chance). Those of us who have had the opportunity to try and drive Doug's KSA stick-shift Lemans, wonder if there is any limit to his enjoyment of challenge.

Flexibility and adaptability were demonstrated by Doug when he rented their Atlanta home and *Elaine* and the children took off with him for Brazil to manage and staff the Santista systems project. With his broad systems background, his perceptiveness and competitive nature, we are certain the next 10 years will lead to many more significant contributions . . . some of which will be made in Brazil. At this writing, we don't know when he will return . . . estimates range from April 1976 to late 1979!

## DEPARTURES

*Lee M. Ozley* has joined the National Quality of Work Center in Washington, D.C., with his initial assignment to be in Atlanta where he'll supervise the quality of the assignment at Nabisco.

Although sorry that HRD is losing the services of such an able person, we are very pleased that his expertise will be utilized in this important area.

Our best wishes to Lee and *Terri* in this challenging position.

Others who are longer with KSA are *Jim Bray*, *Russ Goddard*, *Mark Goldberg*, *Mike Guevel* and *Dick Koelsch*. We wish them success.

# KSA/USA—Growing Optimism

By—*Jack Ullman*

In talking with a great many associates in the last few weeks, the message we received was "It sure feels good to be busy." A number of our consultants who, unlike many on continuing assignments in '76, have suffered the frustration, boredom, and uncertainty of idle time over the last year or so. Men are now over-stretched, traveling excessively, billing 40-50 hours a week, challenged, excited about their work, regaining confidence in the future (KSA's and their own), coming home weekends exhausted but happy. They're seen throughout KSA.

During 1975, we tended to focus on the "wrongs" but we did try to build the "rights," and early indications show that we're being successful. Sales, our leading indicator, have been very strong. Not only strong, but balanced. Admittedly, two periods are not much to go on, but we've seen no let-up, and our backlogs increased from 5.1 periods 12/31/75 to 6.4 periods 2/28/76, a total gain of \$952,000, and virtually through all divisions, all functions, all industries. We feel six periods of backlogs is about right, hence, our decision to move up our recruiting for MMD trainees.

Net Profit for Period 1 was a healthy 6.5%—in line with our 1976 annual budget—so we're off to a good start here. Under KKS' direction we've made considerable progress with our cash flow. Cash requirements for Third World operations remain high; however, payments have improved and are under tight management control.

Here are some highlights of but a few of the varied projects under way.

**Textiles & Apparel:** A five-man team left for Egypt on March 1 on a major planning study of a textile/apparel complex, under the auspices of the U.S. Dept. of State AID. KSA was selected by the Egyptians and AID on the basis of our reputation . . . A team of eight MMD Principals under *Howard Cooley's* direction conducted a huge study aimed at a rescue operation of a major clothing division of Genesco. The program has been authorized and is under way. Consulting fees will be well over \$500,000. KSA was told by top Genesco officials that ours was the most professional report they'd ever received . . . A systems and MMD team (*Vought/Wilcox/Nord*) are working on a "landmark" planning and controls project for Aileen, a major women's wear firm . . . *Roberts/Armistead/Lusk* are starting a significant development project (pay plans) for the Angelica Corp., a prestigious firm we've been trying to work with for many years.

**Cutting/MU** practice is picking up again . . . interesting with automated marketing and computerized cutting leads us into new fields. *Nort Eberly* has taken over management of these services and is pulling together plans for further development and growth.

**Textile Systems** has a development under way which will result in a packaged system for the carpet industry with wide application, and APPAREL SYSTEMS has developed and is applying a modular combination on-line batch system being used by several clients, with others to be added soon.

**HRD** is picking up again as labor tightens . . . offers enormous potential for growth and development. Work in mines continues and is of outstanding quality.

The growth and diversity of our GM&M practice runs the gamut from organization and long-range planning studies to marketing work for the huge Clorox Company.

**Third World:** Our concentrated marketing efforts have led to major textile and apparel work in Latin America. Engineering and systems consultants are very active in Brazil and Nicaragua. More work has been sold in Brazil than we can undertake due to Brazilian government control of dollar outflow . . . a frustrating problem to all who have worked so hard to develop the business with top quality firms.

**Health Care** is now a solid contributor to KSA gross profit, and volume is developing ahead of schedule. Our hats are off to the HIC group for their undaunted efforts against very tough odds.

**Retail:** 1975 was a "tough act to follow." While early '76 sales have been soft, *Jim Giddings* just returned from the West Coast with the strongest prospect list he's had to date.

The economy remains in question for 1977 and we're planning accordingly. We saw here in '74/75—and are still seeing in Europe—the devastating effect the economy can have on our practice. We're still committed to have sales lead capacity, and even lose a little business if necessary by being oversold. We'll soon be there in the USA and hope the European economy will turn so our colleagues there can enjoy a similar recovery.

The purpose of this brief report (examples picked at random, at the risk of slighting many others) is to show our tremendous optimism and enthusiasm for our associates, our business and our future. We've been through a rough period, but it appears that we've been planning and developing in the right direction:

- Our reputation is second to none.
- Our quality—never good enough, but generally darn good.
- Our people—the best.
- Our future—assured.

## ATLANTA TEXTILE CLUB V.P.

Congratulations to *Bob Pee*, a KSA Veep, who has been named Vice President of the Atlanta Textile Club. This club, organized in 1938, offers an annual scholarship to textile students at Georgia Tech. Bob has been a very active member for a number of years and we're happy that his many contributions have been recognized.

## New Staff



*E. Gordon Crawford* . . . Age 28. Wife Augusta. B.A. in history and English from N.C. State, plus work toward MBA. Employment history has been that of a systems analyst . . . two years with Burlington Industries, two with Blue Bell, and two with a bank. Interests: Scuba diving, sailing, and tennis.

# Functionally Speaking . . .

## CARPETS AND RUGS

KSA's knight in shining armor—*Josh Taylor*, in case you didn't recognize him—attending the Chicago Carpet Market in January with *Bob Saunders*. While there he had his picture taken by a client, Crusader Carpet, and also sold a job . . . on the spot . . . to another. We always knew Josh would come charging through!

Activity continues in the carpet industry with substantial projects under way in Canada, as well as the U.S., involving *Dudley McIlhenny*, *Bob Gargan* and others. In addition, *Hugh Tannehill* presented a seminar for members of the Canadian Carpet Institute on the conversion of that industry into the metrication system. Hopefully, the U.S. will follow suit one of these days and KSA will, of course be ready to assist.

—*Bob Saunders*



## HIC

Last year was a good one for HIC and 1976 promises to be even better. Within the last nine months, we feel that our practice has finally come of age. Currently, we are working on 22 projects in 10 different states.

In many of our projects we are assisting hospitals in determining the health care needs of the area and developing a plan to meet those needs. This includes evaluation of the type and level of services being offered, as well as a projection of new, expanded, or reduced services. We also determine whether new hospitals should be built or consolidated, and the role existing hospitals should pursue in providing the most effective and optimal health care.

Hospitals are increasingly turning their attention toward planning for the future and, presently, operating more efficiently. For many years, rising minimum wages and the absence of effective management controls caused health care costs to soar. As the Federal Government poured more funds into health care programs, it also began exercising greater authority in the control of those programs. Recent federal legislation states that government officials have the authority *and* obligation to intervene in health care management, planning, and costs. The Federal Government is in the process of developing a national health planning policy, which will augment current regional and state planning. These steps, along with the creation of a national accounting system model, will cause the Federal Government to take a significant step toward national health insurance.

These health system occurrences on the federal level are causing hospitals to become increasingly aware of the need for effective management tools, improved operating efficiency, better communications with other providers, and possible significant modifications to the overall health delivery system. This phenomenon is causing a greater demand by hospitals for outside assistance. Since we have

been in health care for a number of years and understand how a hospital really works and the interrelationships of the various departments with each other as well as with patients, physicians, equipment, and personnel, HIC is in a good position to offer effective management consulting assistance.

Our projects are wide-ranging. We are assisting a large hospital in Nashville to determine the extent of their open heart and cardiac catheterization program . . . We recently suggested that a Catholic hospital discontinue obstetric services, or allow tubal ligation in the delivery room . . . By working with two hospitals in adjoining cities in Illinois, they have decided, instead of competing, to consolidate obstetrics in one and pediatrics in the other, and they are working on plans to share such services as laundry, group purchasing and educational programs . . . *Bill Luttrell* has developed a close client/consultant relationship with Hospital Corporation of America which owns 70 hospitals and is working with them in determining where new hospitals should be built or acquired, and which ones expanded. A project has been sold to HCA which could be very important to the long-term development of HIC . . . A new hospital is being built in Huntsville, Texas that will be financed through the bond market. Ernst & Ernst will perform the financial feasibility study, Merrill Lynch will do the underwriting, and Moody's will rate the bonds. HIC will manage and coordinate the project involving the three companies. If we're successful, this should provide us with an entree into the financial world of Wall Street.

Through all of the plans for traveling, sales efforts, new projects, canceling and rescheduling flights, keeping up with everyone and keeping clients happy on the phone, *Ruth Duke* remains the cornerstone we all revolve around. She puts together the Status of Staff and keeps HIC's billing projects straight, and with it all maintains a warm and friendly disposition. We have decided that if several of us come in at the same time and give Ruth three or four days work to get out by 5:00 p.m., we'd all better stand clear.

—*Paul Flood*

## KSA-CANADA

Diversification continues to be the by-word of our practice. After successfully completing assignments for the largest furniture factory in Canada, the Department of Indian and Northern Affairs, the large domestic sewing thread firm, numerous carpet companies, men's clothing, shirts, brassieres, underwear, women's sportswear, down-filled jackets, leather coats, jeans, and children's apparel firms, as well as several assignments in dyehouses, textile and knitting companies, we continue into 1976 with a varied list of projects and proposals. At this time we are heavily involved in a women's fashion shoe factory and have good prospects with manufacturers of belts, hockey sticks, life vests, cellophane cigarette package wrappers, and a chance at a project with an electronics firm. Anybody ever make a crystal set?

The economy here is not unthawing as rapidly as in the USA . . . the cost of living index is still at the 10-12% level. The belligerency of some of the unions toward incentives could augur poorly for continued growth of apparel and textiles in Canada in general and Quebec in particular. Also, imports continue to receive larger portions of the



retailers attention as the government has been unable to convince manufacturers to improve their productivity to a level approaching competitiveness with the States. Here's where we fit in, even though the trade restraints imposed by the government are marginal when compared with the U.S.

In spite of it all, with the continued leadership of *Bob Saunders* in carpets, *Ken Osborne* in men's clothing, *Smiley Jones* in shoes and leather products, and *Ken Campbell* in Systems, we look forward to getting the other half of our North American contingent—who didn't work in Canada last year—up here during Olympic Year '76. But bring your earmuffs . . . *Denys Williamson* was seen walking on the highway 200 miles from Montreal during a driving snowstorm when his manifold exhaust valve froze while driving at -56° Fahrenheit. —*Chick Schwartz*



*Pete Ehlinger* and three KSA girls make photographs for "how to" manual . . . a retail alterations manual, that is. Pete "directs" as *Kathy Couch* photographs model *Sherry Mittendorf* and fitter *Debbie Galloway* in a series of step-by-step illustrations on altering women's apparel.

## PUBLIC RELATIONS

A look at recent sales figures should prove that all the talk last issue about PR activity being a "leading economic indicator" was not just idle chatter. We know of at least one instance where a prospective client did not change his mind after a day of exposure to PR slides and speeches, and went ahead with the authorization.

That was one result of the two fashion industry performance seminars presented in New York and Dallas during

### ANDY CAPP



By Reg Smythe

the winter (by *John Wilcox*, *Jerry Kavanaugh*, *Al Emmons*, and *Dick Bath*.) They attracted a good mix of top executives (28), almost equally divided between women's wear and men's wear companies. Evidently, "fashion" is turning epicene, and we couldn't care less.

KSA's annual soft goods outlook appeared on January 23rd this year. Since it agreed with other forecasts issued earlier (optimistic), and because everybody was busy producing and selling, this Perspectives has received less attention than last year's (when we bucked the tide and predicted an early turnaround.) To improve our publicity yield next year, we plan to issue the outlook 3-4 weeks earlier . . . or wait until the other forecasts appear and then say something different.

A second Perspectives—on textile productivity—fared much better in terms of publicity. Articles on trouser productivity, business planning, and knitting have been completed and await publication. Also in the works . . . a small brochure for drapery manufacturers, transportation and textile EDP surveys, and a retail alterations manual.

The big retail show (NRMA in January) produced a number of promising contacts.

Heavy projects now simmering on the PR burner include the annual financial profiles and breakfast. *Debbie Galloway* is going after some 250 annual reports for *Bill Cameron* and *Mac Ryland* to analyze, and *Jill Steinberg* is even now scouring New Jersey hen houses for 400 scrambled eggs. (We have also taken a position in the egg futures market, as a hedge.)

Meanwhile, *Kathy Couch* is juggling HIC and textiles PR projects with aplomb (the betting here is that she'll be better off juggling with a net by May, when a two-day textile systems seminar must be squeezed in among an HIC trade show and Profiles production.) —*Joe Scheines*

## RETAIL INDUSTRY

New York is the undisputed capital of retailing. Not only are some of the major department stores and specialty retailers located in Manhattan, on Long Island, and across the river in New Jersey, but most of the major buying offices, the retail associations, and the headquarters of many of the national chains can also be found in Manhattan.

Though KSA has done several retail consulting assignments in the greater New York area, it is somewhat paradoxical that the West Coast is where our activity is strongest at the moment. And, this imbalance shows no signs of changing. Our old stand-by West Coast retail

Continued on Page 15

## Ulf C. D. Weise

Should you be taking a leisurely drive down a quiet German road and be overtaken by a beautiful, powerful automobile expertly handled at a speed guaranteed to make a cop reach for his ticket pad, there is a good chance that you have met *Ulf Weise*.

You might also run across Ulf anywhere in the world, whether in the Amazonian jungle or in the Board room of the largest European apparel manufacturer. For, Ulf is a young man with a talent for going places, literally and metaphorically.

Indirectly, it was his talent for going places that caused him to join KSA. *Bob Fitze*, who first made contact with Ulf as EDP manager of a Berlin manufacturer of ladies' suits, says they became friends because they were both bachelors and Ulf knew all the places to go to in swinging Berlin. As Bob's assignment progressed, he found that Ulf not only knew his way around Berlin by night, but was a tough, business-like and highly efficient EDP manager. Having made the appropriately delicate approach to the client, Bob suggested to Ulf that he might become our German region's first systems man.

This was back in 1968, and Ulf has come a long way since then. He worked with Bob Fitze on several assignments and it was while working for the same client in Northern Germany that they met *Albin Graeser* and *Hans-Horst Hensche* for the first time. This meeting marked the start of the systems division in Germany, as well as the start of a rapid expansion that has kept Ulf going places. In March 1974, he was appointed Manager, Apparel Systems, and in 1975 became Industry Manager for the Apparel Group, the first such appointment within the region.

Ulf Weise was born in 1941 in Bischofswerda, now on the wrong side of the Iron Curtain, but is a Berliner at heart. Not only a Berliner, but a typical Berliner with that crackling dry, deadpan type of humor that is to be found only in the world's largest cosmopolitan cities. The somewhat cynical Berlin approach to human communication is often not understood by more staid burgers from other parts of the country, but Ulf has that rare gift of laughing with people, rather than at them. He not only succeeds in pulling jokes on clients without giving offense, but actually makes them like it.

After completing his formal education, Ulf served an apprenticeship with Bogner, the leading German sportswear manufacturer in Munich. He then resumed his studies at the Reutlingen Technical College where he graduated in commercial management. Then came a spell

in a textile company, Kemper, GmbH, in Krefeld and Berlin, followed by a further three years of studies at the Berlin School of Economics.

Since joining KSA, Ulf has worked for all our major clients in Germany on systems and GMS. Although he now has a house in Bavaria, south of Munich, he retains his Berlin residence so he can return to his favorite city whenever the opportunity comes along.

In all, he now has 15 years' experience in the apparel industry. But, however dedicated his commitment to business, he does not neglect his personal interests. Ulf's taste for fast, powerful automobiles combines well with his professional life, except on those occasions when he wraps a 3-litre BMW coupe 'round a tree and brings gloom and despondency in the offices of KSA's insurance company. However, he usually manages to produce spectacular accidents without hurting himself, so that neither he nor anybody else seem too worried about it. From what we hear around Europe, he is not KSA's only specialist in bending automotive equipment.

His other major interest is also connected with transportation. Ulf is an inveterate and adventurous traveler whose expeditions, mostly in the company of *Lutz Kohnagel*, have become legendary in Europe.

In the last years, Ulf has crossed the Sahara desert, visited head-hunters in Borneo and New Guinea, toured South America on his way to the Galapagos islands, and traveled by dog-sleigh over the arctic wastes of Greenland. For this year's vacation, he hesitates between China and Afghanistan. It is widely believed that his name stands high on the waiting list of travelers for the first commercial moon rocket.

The key to success in consulting is satisfied clients and Ulf has behind him an impressive string of assignments with highly important clients in Germany and elsewhere. These include general management structure planning as a basis for development policy for Odermark, the largest men's clothing company in Europe; management structure studies for the Goetz Group, a major vertical textile concern; a study commissioned by the Netherlands Government to assess the performance of leading apparel producers in that country and, of particular importance to the promotion of KSA's image in Germany, his contacts with the Men's wear Manufacturers Association.

This contact led to KSA's becoming closely involved with the Association's Management Training Scheme. In 1975, KSA provided the majority of seminars featured in the program, with an independent technical institute providing the rest. This year, the seminar program is provided exclusively by KSA, enhancing considerably our authority in German apparel manufacturing circles. This is a tribute not only to Ulf's persuasive salesmanship, but also to the quality of the work that this colleague devoted to the preparation and presentation of the seminars. The moral being that personal qualities must be linked to an ability for good teamwork. Ulf has both.



# EUROPE

## How Do We Do

### An Overview of Activities

The year ended on an up-note with massive new sales in the UK transforming the 1976 prospects in that region. Apparel backlog in the German region is also good, but in Spain, Portugal and Italy the political and economic situation remains uncertain, as do our prospects. In France, the economic outlook is improving but we have not yet been able to sell the work needed to offset the hopefully temporary stop of our activities in Algeria.

Marketing activity everywhere is more intense than ever before, and we are reasonably optimistic that the first three periods will bring heavy conversions.

From the UK, *Harry Lack* reports that several assignments were sold in Scandinavia. Other proposals out in Iran, although possible, are largely discounted in view of the Iranian temperament. One very strong prospect in Egypt has sent *Dickie Dunlop* speeding to an appointment with an Egyptian Minister from whom we expect great things.

From Germany, *Hans-Horst Hensche* points out that while many smaller consultants had to close their shops last year, and several larger ones cut back substantially, KSA increased capacity by 30%. Looking forward to 1976, with a forecasted GNP growth of 4% and inflation contained at 5%, further complicated by the possible effects on the economic climate of the elections timed for October, a period of consolidation is expected.

Specific objectives for 1976 include improvements in quality of service, a breakthrough in retail, and a breakthrough in Eastern Europe. Prospects for achieving these aims are good. Although the Bulgarian contract is having to be renegotiated, this causes no particular anxieties. Retail sales have increased, but we still have much work to do before we reach our objectives in this sector. The retail picture has improved appreciably and an optimistic forecast is justified. On the whole, the need for the German industry to improve performance to combat rising imports favors our chances of consolidating our position following the rapid growth experienced last year. Costs will have to be watched carefully, however.

For the Latin region, according to *Bob Fitze*, additional emphasis is being put upon contacts with companies that find it not economical to continue producing in Europe and need to strengthen their marketing performance.

A recent series of marketing seminars presented to Texcon—the State-owned textile and apparel group in Italy—provided an opportunity of making management and marketing oriented proposals to several of the companies within the group. Plans are being made to present these same seminars to other companies in Italy, and they are also being adapted for presentation in France and Belgium.

On a more general note, *Stuart Hollander* finds it particularly encouraging that the size of proposal, and of the companies on which we are concentrating our marketing effort, has grown appreciably. This favors sales of major consulting assignments and increases prospects for repeat business.

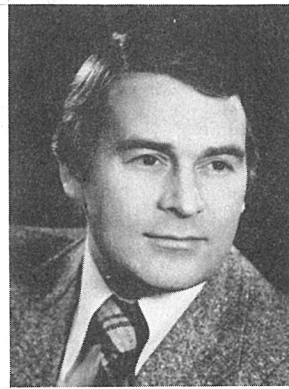
Throughout Europe, priority is being given to the building-up and maintenance of backlogs in all areas and industries. We know that we can only achieve high utilization, and adequate profitability, when jobs are waiting for

consultants, rather than the other way around. Consequently, capacity will be increased only when justified by high backlogs. This emphasis may cause some opportunities to be lost through inability to deliver particular skills, but this penalty must be borne in the interest of higher profits.

The resultant reduction in recruiting is producing some side benefits as training efforts are reoriented to take advantage of the lull in recruiting. *Richard Clark* and *John Heyworth* are developing two new activities of great importance to us. One is our internal account executive development program, and the other is "Profit Training." This is the name given to project-oriented problem identification and solving on-the-job training for our clients. The first project is under way and earning fees for our training unit. More information on these efforts will be provided soon.

## APPOINTED PRINCIPAL

*Peter Riebel*, whose appointment as Principal as of January 1, 1976 has been announced, receives our sincere congratulations.



Peter joined KSA in 1972. A graduate engineer from Wuppertal, he worked for a large manufacturing company before joining us. Since 1972, Peter has worked at Cruse and completed some major EDP projects. These include concept and first phase EDP development at Macintosh and EDP support at Beckmann.

Peter is currently working

on an EDP-based information system concept at Vordemfelde.

## ACHIEVEMENTS AND PROSPECTS

### In Apparel

In the UK, hopes run high for a break through in the Courtauld armor, although some work has been done for the Canadian subsidiary. With an annual turnover of some £140 million in its apparel division, this account could become one of the most important in Europe.

In Italy, the Sw. Frs. 240,000 systems assignment at Lovable opens up possibilities of later work in other factories for this international group, and the sale of three seminars to the Apparel Industry Association led to negotiations for KSA to provide technical manuals similar to those produced for AAMA and NEDO in the UK. Also, we may be able to resume work at Lebole and Facis.

Promising contacts with many larger companies are the salient feature of our sales activity in France . . . Levi Strauss and Blue Bell (sports and workwear), Bidermann and Moraine (men's clothing), and Vittoux (knitwear).

In Germany, there's a revival of interest in engineering work in home plant operations, brought on by disappointment in off-shore ventures. The Cruse assignment is developing into a textbook example of consultant/client rela-

*Continued on Page 12*

### Achievements—Cont.

tionship . . . the original DM 25,000 contract has produced assignments totaling DM 80,000, including marketing and structure overview and Management Information Systems installation. KSA's first bank assignment in the region—Frankfurt—involves an overview of structure, marketing and prospects of a diversified textile group, and negotiations for a marketing overview could lead to our first assignment for a hosiery producer.

### In Retail

Although backlogs remain low, there's sales activity everywhere. In the UK, our first contract with Grattan Warehouse, a major mail-order company, promises opportunities for expanding our collaboration. The O.C.O. concept (Optimizing Customer Opportunities: a comprehensive package for increasing sales to existing customers) arouses much interest among retailers. It led to our first contract with Fosters, a men's wear chain, for a £6,000 study. The first O.C.O. project was sold on the continent to Loeb of Bern in Switzerland.

In the Netherlands, a major study will begin in April or May at Technische Uni, a hardware and electrical wholesale company. Upon client recommendations, two companies in Holland approached us and negotiations are underway with Unigro, the largest food wholesaler in the country, and with a group of bakeries and restaurants with 235 outlets and 3,000 employees.

A proposal went to the Karstadt group, a large department store chain in Germany, and in South Africa, an overview was sold to Truworth, a retail group with over 200 outlets.

### In Textiles

The sale of an assignment, by our USA-based textile specialists, to Legler of Ponte san Pietro in Italy may help us expand our activities. This producer of velvets and cotton fabrics is one of Europe's leading mills in both volume and prestige, so the contract should affirm KSA's authority in this field. Several men in the Latin Region are textile graduates with industry experience.

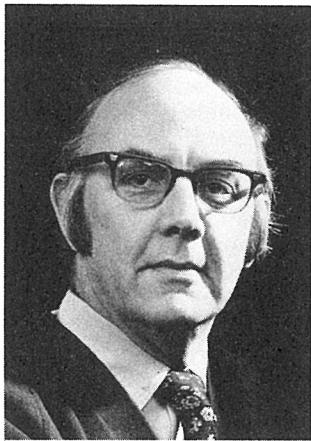
In Germany, our first GMS textile assignment was successfully developed and produced a contract for an on-going assignment, and in France, a marketing overview proposal was submitted to Le Blan, a large spinning company which is part of a major textile group.

## It Happened in Europe

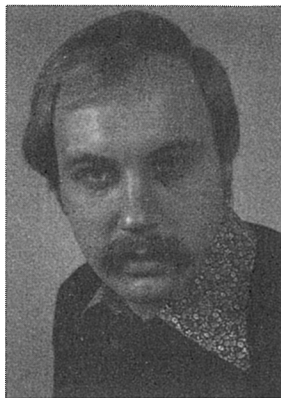
*Tony Maule* joined the ranks of KSA's 10-year olds on February 1.

Tony and his wife Pam spent a good deal of time in Northern Ireland on a variety of tough assignments which have earned him recognition as one of the UK Region's foremost experts in apparel manufacturing. He is also said to have acquired considerable skills in jacket construction.

Our congratulations and best wishes for the next 10 years, Tony.



*Lothar Bruecher, Wolfgang Nessler and Giuseppe Tosco* all joined KSA since the last issue.



**Bruecher**



**Nessler**



**Tosco**

*Lothar*, 28, wife *Barbara*, has studied apparel engineering, has good experience in textiles and served an apprenticeship in weaving. In addition to his native German, he also speaks Dutch. He will be working on PMS in the German Region. His hobbies are deep-sea fishing and flying.

*Wolfgang*, 35, wife *Sigrid*, also joins the German Region and will work on GMS. He studied commercial sciences at the Berlin Technical University and qualified in EDP. With one daughter still at home, he claims to have 1.5 children.

*Giuseppe* and his wife *Ferla* live in Trivero in the North of Italy. After initial training in the UK, he will work with our Italian PMS group. Giuseppe is a textile engineer with a degree from Leeds University in the UK. He has many years experience with the Zegna textile group, mainly as internal consultant when he handled many different projects. He brings to KSA a very broad experience which also includes knitwear.

We extend a sincere welcome to all three and wish them a very successful career with us.

Congratulations and best wishes to *Fernand Brengues* and *Danielle Lesure* who were married last December 20 in Paris . . . and to *Paolo* and *Nella Parenti*, who have a new baby daughter, *Noemi*.

*Guy Bonnargent* and *Tiziano Battaglia* left KSA in January and we wish them well. We regret that *Olaf Kier*, who made a very valuable contribution to our textile practice in Germany, will leave us shortly. He will join a large company as Chairman of the Board. Eventually, we hope we may resume our contacts with him as a client, but in any case wish him success in his new career.

## Albion's Perfidy Confirmed

When Napoleon referred to England as "perfidious Albion," no one was quite sure whether he was knocking Prime Minister Pitt's wily diplomacy or the intricacies of the English language.



For *William Pitt*, substitute *Stuart Hollander*, and spare a kind thought for *Hans-Horst Hensche* who found out for himself the perfidy of both the British and their language.

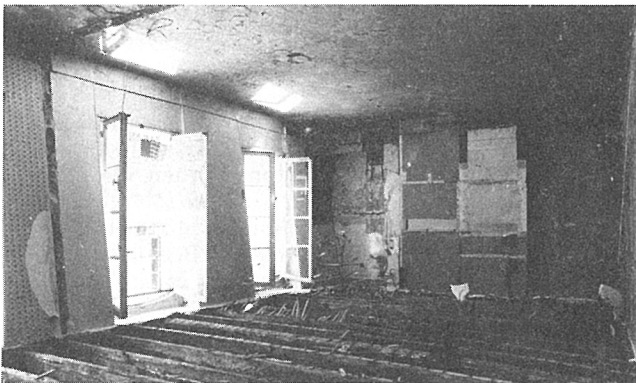
Lured to the Hollander residence with a promise of a "vacation" week-end, Hans-Horst was called upon

to translate a presentation by John Phillips for a large German retailer. The face and the fist say it all . . . ja?

### European Plan

## Sleep Cheap

With typical Old World chauvinism, the Observer's European correspondent sets out to provide living (or rather decaying) proof that Europeans sleep cheaper than Americans.



This exclusive (nobody else wants it) photograph of *Gregg Barr's* Paris apartment is expected to represent the nadir of KSA accommodation standards, world-wide.

Well-informed Parisian sources maintain that a certain amount of decoration was done before Gregg and his family moved in. A few vicious tongues are wagging with rumors that Gregg also bought some furniture. In an attempt to clear Gregg of these allegations, we asked his wife, *Mary*, for her comments, but she refused to make a statement. She just hit us.

### LARGEST SINGLE PAYMENT

On Friday, January 16, a telephone call from the bank to our Zug office confirmed receipt of a payment believed to be the largest ever received by KSA. Paid by the Algerian company, Sonitex, the sum amounts to about \$460,000. It represents the culmination of some 12 months efforts to move our contract and invoice around the red tape and restrictions imposed by the Algerian authorities.

Literally hundreds of meetings, telephone calls and telexes were needed to get the payment through and *Bob*

*Fitze* wishes to thank all the men whose pushing, pulling and follow-up helped to get the money in the bank. To celebrate the occasion, a bottle of champagne was opened in the Zug office, and most of the contents consumed . . . the rest escaped to make a stain on the carpet that remains as a souvenir of this memorable occasion.

### Consulting with Commissars—Cont.

work either. Finally, we both got the water at the same time and carried out the same procedure simultaneously with surprising results . . . Hardy's toilet emptied into mine and, presumably, mine went to the floor below!

Sanitation problems followed us to the plant where we found *Richard Menzel* looking rather green in the face. Following our questions, he showed us the facilities, and it was obvious that our first job was to be workplace engineering outside the sewing room.

During the survey, we were obliged to try seven different wines at lunch time and, in the evening, innumerable kinds of liquor, in addition to the staple Slivowitz plum brandy. We could only avoid these ordeals by working half the night and obliging the client's staff to work with us.

Political considerations obliged us to rewrite the originally presented survey, but payments were always made on time despite the highest possible fee rates that we demanded.

Negotiating was tough, though. In one 12-hour session, I packed my bag four times. I had never used this technique before, and I did it then only because the client's staff were also packing bags at a moment's notice. So there we were, all acting like Russian delegates at a session of the U.N. Security Council. Anyway, it all worked out fine . . . we finished with a \$560,000 job all signed up and waiting only for final government approval.

Even watches seem to keep different time in the Balkans, but if you know the people, the system, and a few tricks you can survive. After the initial problems, our Bulgarian clients proved very reliable concerning payments, but working in Eastern Europe is still an adventure that needs stamina, patience and a great deal of humor. There are advantages though, and sometimes I think that the Iron Curtain countries are now those that offer limitless opportunities. *Ulf Weise* went some way toward proving this when he hired a band of five musicians for several hours one evening, at a cost of only \$2.00.

One drawback is the peculiar smell common to all Eastern European countries, and which no Western traveler has yet been able to identify. Every time I come home from a trip—which is almost every second week—I have to take all my clothes to the cleaners and take a Sauna to get rid of the smell . . . and to recover.

But . . . as the "East is the Future," the pioneer work must be done. It is not so much that I like to work there, but who else wants to do it?

### SQC NEEDED DESPERATELY

*Bernie Wolford* thinks we may have a potential client for an SQC project, hidden in the classified ads of the January 24, 1976 issue of Saturday Review.

GENUINE KID GLOVES going for practically nothing, due to computerized sewing machine error. We have 50,000 pairs with three thumbs on each hand. Bids welcome. SR Box A.T.

First recommendation: Check quality more than once every 50,000 pairs!

## Driving to Nicaragua Without Laughing

# Manejando a Nicaragua Sin Reir

By—Brian McCall

Relocating from Knoxville, Tenn. to Managua, Nicaragua isn't as difficult as you might think. There was no moving man to call . . . just load the pickup truck, attach the trailer, drive the sports car up the ramps, tighten everything down and drive away. Actually, *Vilma* and I drove first to St. Louis to drop off the car and trailer and load more household goods. From there it was an uneventful two-day trip to the border with Mexico, and our encounter with the Mexican border guards gave us a good idea of what to expect the rest of the trip.

"Tourists, eh?" They couldn't understand what tourists were doing with tables, a sofa, TV, blender. "Well, really we're moving to Nicaragua." "Oh, then you're transmigrants. You can't use tourist cards. That'll be \$8.00 each for special visas." "May I have a receipt?", I asked. "No." "Well, are we all set now?" "No, please unload the truck!"

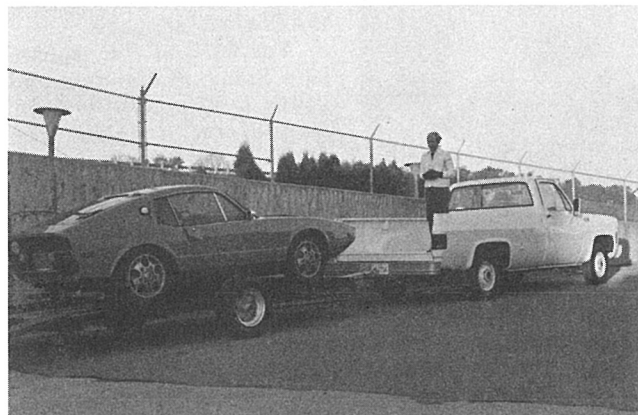
We had arrived at the border at 7:00 p.m. and didn't get away until 11:00. We had to pay to bring our possessions into Mexico, so it was both expensive and inconvenient . . . I didn't enjoy emptying and reloading the truck. Leaving Reynosa, I was so happy to be moving on . . . and so mad at the Mexicans . . . that we drove until 3:00 a.m., stopping to sleep in the truck, at a gas station north of Tampico. Next time I'll cross at Brownsville.

The drive from Texas to Guatemala can be made in two long days. We had made the same trip a year earlier in the two-seater SAAB so there were no surprises along the way. The best restaurant on this route is Brisas del Mar in Boca del Rio, just south of Veracruz.

Getting out of Mexico was surprisingly easy. They didn't even ask that I unload the truck to show that I hadn't left any of our belongings off along the way! My joy was short-lived, however, as the Guatemalans had me empty the truck again. I must say, though, they were very fair and didn't try to gouge us, as did the Mexicans. We made it through Guatemala in 12 hours. (Ed. Note: Fortunately, this trip was made between Christmas and New Year's, prior to the devastating earthquake.)

I'm happy to say that El Salvador was the easiest border to cross. My father-in-law is the Mayor of the town at the border and was there to meet us and take care of everything. In El Salvador we rested a while, washed the dust off everything, and removed the catalytic converter from the truck.

In 1969 Honduras and El Salvador fought a four-day war which, among other things, resulted in my being unable to drive with my wife across Honduras into Nicaragua. The alternatives were to let her fly and leave me to explain my way into two more countries with the loaded truck, or go by sea. We decided on the latter and drove to the dock to board what used to be the Staten Island ferry which now operates between La Union, El Salvador and Potosi, Nicaragua. We arrived at 1:00 p.m. for the ferry that was supposed to leave at 3:00. At 10:00 that evening, we shoved off, and six hours later landed in Nicaragua. At around 5:00 a.m. the customs men were too tired to check a loaded pickup truck so we waited for their Captain to arrive at 8:00. Vilma, getting tired of all this nonsense, told the Captain that I was here in Nicaragua on a special project for the Banco Central and General Somoza. What could he do but let us through?



**Loading the truck in cold, cold Knoxville. Vilma guides the car up the trailer ramps.**

We're now settled in Managua. The earthquake three years ago shook things up considerably . . . no pun intended, and we pay \$375.00 a month for a place that might command \$180.00 in St. Louis. The first place we lived—for all of five days—was too big, too expensive, and too many tarantulas!

There's lots of intrigue in the jeans and textile business down here which means lots of jobs, hopefully, and a steady stream of KSA'ers.

I have no regrets about driving the truck those 3,000 miles from St. Louis. It's nice to have wheels when visitors are in town. Last night, for instance, when we went to dinner, Vilma and I were up front with *Bob Connors*, while *Bob Frazier* and *John Caldwell* climbed into the bed of the truck. I looked in the mirror once and saw Bob talking . . . I don't know how John took notes so fast in the bouncing truck!

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## IGNORE "TOUCH OF FLU?"

"Don't do it," says one KSA consultant.

*Andy Anonymous*, with weekend flu symptoms, caught the Early Bird flight on Monday and kept up a hectic pace all week, feeling worse by the day. To make matters worse, he went away for a long weekend and played in a tennis tournament. Having reached the semi-finals, he returned home and when unable to sleep that night because of chest pains, he met his doctor at the Emergency Room at 6:00 a.m. An EKG was taken and it was thought he had a myocardial infarction. By this time he was really worried! He was put in the Cardiac Care Unit and it was determined he'd developed pericarditis . . . the flu virus had spread and caused a viral infection of the pericardium (membrane sac enclosing the heart.)

Andy A. was hospitalized a week, at home a couple of weeks, and then allowed to return to work only 50% of the time—still with chest discomfort. Rest was the prescribed treatment and it was expected to take six months to recover fully. Happily, he received a clean bill of health after three months and says he has learned an important lesson. We hope all of you have.

Retail—Cont.

clients are The Gap Stores, Macy's California, and Liberty House. For The Gap and Macy's, there's a good prospect of a long continuing relationship. Meanwhile, some of the new potential is with such firms as Norm Thomson Outfitters in Portland, Nordstrom in Seattle, Little Daisy in Oakland, and Frederick's of Hollywood, in Hollywood.

For you boys who have lived a sheltered life, Frederick's has reached its present level of prominence by selling kooky, sheer, filmy items to the better half through the mail (although one of our favorite Atlanta secretaries claims that the Frederick's store on Sunset Boulevard has some very nice, not so unusual, merchandise.) Anyone wishing to know more about Frederick's merchandise can find advertisements in several family publications, such as Penthouse, Oui, and Playboy, the latter featuring several full-page color graphic descriptions in their February (?) issue. Actually, we haven't visited Frederick's yet, but do have Jim Trautman, our diligent West Coast manager, to thank for making this contact.

After an extremely good 1975, a year which showed a 100% gain in fee volume over 1974, we're projecting modest gains in fee income for 1976. Further, we hope to improve the gross profit contribution made by retailing last year (19.5%) by at least 5%. This will not be an easy task, as our first period for 1976 was a poor one. However, activity picked up nicely during the second period and we're confident of a solid sales picture by the end of March.

Several functions have contributed significantly to our progress. We're attempting to build the retail industry practice by relying primarily on functional specialists, as opposed to bringing in a staff of industry specialists from the outside. Our only exceptions are Louis Carroll, who has a very distinguished retail career behind him, and a senior systems man for whom we are currently searching. The list of individuals from the various functions who have contributed is too long to mention in this brief report. We expect to see that list continue growing, however, so that within a couple of years we can say with conviction that retailing is one of KSA's primary industries of specialization.

—Jim Giddings

TECH INFO SERVICE FALLS DOWN ON JOB

Jack Murray, KSA's Technical Information Services, and the Apparel Research Journal will all feel the pinch next month when Lauren Northington gives up her secretarial and editorial duties in favor of motherhood.

Question: How could Jack (father of 12) let this happen? By failing to share his vast knowledge of birth control techniques with his associates, he has done himself a disservice and given the noble calling of Information Dissemination a bad name.

TRAINING & PROFESSIONAL DEVELOPMENT

With the improved economy, we are happy to report that KSA has begun recruiting again, and since one of this division's primary functions is training new staff for the company, we will be reporting more fully in the next issue.

We have been busy, however, with our classes for resident engineers and 1976 promises to be another good year for this activity for which we are paid. We have offered this course since 1972 and have conducted 22 classes for 116 students from 71 different companies.

—Bill Cameron

Memory Lane

(Excerpts from "Final Report Letter" by KS on occasion of his first job to his first client.)

KURT SALOMON\*
INDUSTRIAL ENGINEER
MODERN PLANT EFFICIENCY
CONTROL SYSTEMS

\* THE SOURCE OF THIS COMMUNICATION
BY KIND BE ADDRESSED TO
RUC SQUARE, NASHVILLE, TENN.

Nashville, 3/23/1935

2. COST OF DIRECT LABOR

Table with 2 columns: Description and Amount. Rows include Labor Cost (including "Make-up") prior to survey, Labor Cost (including "Make-Up") Week ending 3/8/1935, Labor Cost (including "Make-Up") Week ending 3/15/1935, Saving in ¢ per doz at present, Saving in ¢, Saving in \$ & ¢ weekly at a production of 617 doz, Yearly saving (44 weeks), and Cost of my services to date.

\* Legally anglicized in 1936.

\*\* Rate: \$300.00 per month—raised to \$325.00 after a number of months—and factories!

"YOU-ALL"

Come all of you from other parts,
Both city folks and rural,
And listen while I tell you this:
The word "you-all" is plural.

When we say "you-all" come down
Or "we-all" shall be lonely,
We mean a dozen folks, perhaps,
And not one person only.

If I should say to Hiram Jones,
For instance, "you-all's lazy,"
Or, "will you-all lend me your knife?"
He'd think that I was crazy.

Now, if you'd be more sociable
And with us often mingle,
You'd find that in the native tongue
"You-all" is never single.

Don't think that I mean to criticize,
Or act as if I knew all;
But—when we speak of one alone
'we-all say "you" like you all.

Cpl. H. W. Threlkeld—1944

(Given to Barry Mademann in Belmont, N.C.)

## NEW YORK OFFICE



**Edith Mendelsohn**



**Virginia Finnegan**

A belated welcome to *Edith Mendelsohn*, who joined us as *Dean Vought's* secretary early last fall—too late for mention in the September 30 *Observer*, and evidently so far in advance of the December 30 issue that we lost the copy. Our apologies to Edith, whose competence and unflappability are already legendary. EM's last position was with the Educational Services Division of Bell & Howell in Chicago.

A more timely welcome is due *Virginia Finnegan*, who

is NYO's new mailperson/Xerox-keeper and Jill-of-all-trades.

Required reading for all NYO visitors is our new Telephone Dialing Guide, compiled by *Phil Lutz* and *Judy Chou*. With it, you can call places like Michigan at low cost simply by punching 23 numbers. Alabama calls are less of a challenge, requiring only 10 numbers. If it is found that this results in overlooking business opportunities in Michigan and other 23-number states, the system may be scrapped. Which would be a pity, because it uses satellites and special telephone networks to reduce costs, and taming the formidable details took a good deal of hard work on PCL's part.

## Congratulations!

To *Ron Beattie* and his bride, *Polly*, our wish is an abundance of happiness and success. They chose a very special day for their wedding . . . Valentine's Day.

To *Kathy* and *Dick McCaskill* on the arrival of their first child, *Richard Harrison McCaskill, III*, born January 24. To keep the Richards and Dicks straight, they call him *Rich* . . . *Alison* and *Hal Wilson*, also a first child, *Lisa Margaret*, born February 27.



"I check the time; he checks the motion; and the other three write it down."