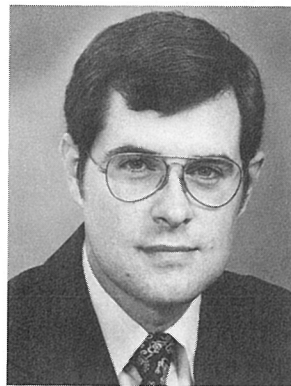


The Kleinert Project**A Total HRD Effort. . .**

By—Greg Murphy

Throughout the history of KSA's HRD division, opportunities to bring our total practice of HRD into focus on a single assignment have been few and far between. In many cases, our efforts have been fragmented. . . an AAMT assignment here, a personnel installation there, an orientation program for one client, a supervisory training assignment for another client.

The Kleinert project offered an opportunity to apply HRD in its total perspective.



With the exception of conducting an employee attitude survey, we ran the gamut of our HRD services on this assignment. One year after the project began, Kleinert's Elba, Ala. plant had realized manufacturing improvement of nearly \$250,000.

This project developed because of a referral from another KSA client. *Bob Williams*, formerly of Kellwood's Calhoun City Boy's Pants Division was trouble

shooting for Sears, serving as a consultant to Sears contractors. . . Kleinert was one of the contractors.

The Elba plant had been in operation for about six years producing blanket sleepers, flat knit pajamas, vinyl baby pants and dress/garment shields. The employment level in the plant was about 600, with 400 classified as sewing direct labor. It had a history of high turnover, had never been really efficient, and suffered a substantial operating loss during fiscal 1975.

"Mr. Bob" told Kleinert's management, "You need a training program like the one KSA did for me in Frederick, Okla., and *Zeb Roberts* is the man you need to talk to."

In November 1975, Zeb and the writer made a one-day visit to the plant to meet with the President and General Manager. Our findings that day bore out Mr. Bob's evaluation. Plant efficiency was running 70% to 75%, excess costs were in the 30% range, makeup over 20%, turnover 130%, and formalized training virtually non-existent. There was no new employee selection system to speak of. . . whatever orientation there was took place during the three days a new employee was under the direction of a training instructor.

Although we noted other areas of potential improvements such as engineering in the sewing and cutting rooms, we felt the overriding diagnosis was a "people problem" and the prescribed remedy was "training and motivation in related areas to secure reduced excess cost and improved overhead absorption." Our plan of attack lay in the areas of selection and placement, employee orientation, op-

erator training and retraining, and supervisory development.

The program began in January 1976 and our official involvement ended in late 1976. We continue to monitor the progress of the plant and by mid-January '77 we had a 54-week operating period to use as a before/after comparison of the program which shows some dramatic results.

	January 1976	January 1977
Plant Efficiency	75%	94%
Per Cent Excess Costs	29%	12%
Operator Performance	83%	98%
Annual Turnover	127%	73%
Training Cost Per Operator	\$1,600	\$672

This turn-around was accomplished despite a lingering Union threat that finally came to a head last September when the company won its election with the A.C.W.

To quote *Robin Hitchcock's* famous utterance in the original AAMT film, "How did these wonders come about?" A very significant factor was Kleinert's local management's commitment to turn around an unprofitable plant. It was obvious from the beginning that we had a good group of people to work with who needed to be pointed in the right

Continued on page 2

KSA's Development Plan Approved by Brazil

At the time of the last *Observer*, *Stig Kry* had properly reported on the year of frustrations we'd had in Brazil due to government authorities' tight control over foreign currency exchange. Further, that we might indeed have to re-evaluate our approach there. We are pleased to announce that we have had a happy turnaround.

Three pending contracts for a total amount of \$400,000 have been approved by the Brazilian Government. Further, the development plan for the building of a KSA do Brazil was approved in writing, which we were told was fairly unusual procedure.

In addition to the above, we have had some new sales at Arte Fina—a plant start-up in the South of Brazil; a request for work at Lansul, one of the largest textile operations in the world; and on June 13, started a location and planning study for Levi Strauss' operation in Brazil. Approval of these contracts is almost certain with government approval of our overall plan.

Jean Paul Freneat has patiently and skillfully negotiated with the Brazilian Government and is thinking of offering a new KSA service—Diplomatic Expertise.

Chairman's Corner

A Change of Gear . . . Now we must Grow—Eighteen months ago we were cash short. Poor profit performance and a stretching of our receivables in the recession period caused that situation. It became our first and urgent priority to rectify that problem.

1976 was a reasonably good year and with *Jerry Churchill's* help we got on top of our receivables problem. We can look back on a good deal of progress in strengthening KSA's financial position. Furthermore, 1977 has started quite well and we should have a pretty good year, although we know that shortfall of capacity will dampen the results in the U.S. for the second half. Europe has made a very strong start but projections there always seem more difficult in the face of the political and economic volatility in some of the countries where we operate. In summary, 1977 should be quite good in total and, hence, we should further strengthen our financial position.

The turnaround of the financial side permits us to more forcefully turn our attention to the objective of growth. Our dollar volume has quite steadily increased in recent years. Most of that has been induced by inflation with very little real growth. On this score we have not done well enough by any reasonable measure of progress.

As a result, we must now look upon the need for real growth as our foremost challenge. Our long term objective is 10%, but for the immediate future we shall be pleased to attain real growth in the range of 5% to 10%.

Why Do We Need To Grow—This is a question that can legitimately be asked in any organization, and particularly in a professional firm. We in KSA have answered that question for a long time by pointing to three compelling reasons:

- We must grow in order to provide enough opportunities for younger men.
- We must grow if we are to enjoy a sense of success and dynamism.
- We must grow so that we can avoid an intolerable squeeze on our profit margin by unavoidable growth of expenses.

Now we have to gear up for that additional volume that will permit real growth. There are two primary elements to this: capacity and sales. We believe that we can handle the recruiting problem and are in the process of further strengthening this effort.

On the sales side we are also taking concrete steps. *Dean Vought* and *John Wilcox* are organizing a broad-based effort to reach some of those many important apparel manufacturers who have never used KSA. We are recruiting for senior men with experience in Health Care and Retailing to help with project work and marketing of our services in these two industries. Planning is under way to intensify our sales effort in the Textile industries as well.

While our industry management has addressed the question of what we need to do to get more volume, our collective effort must go much beyond these specific steps. The biggest volume producer of all is the repeat business we get because of good work done on projects. We must never slacken in our resolve to finish every single assignment to the client's complete satisfaction and thereby predispose him to turn to KSA again when the need for outside help arises.

Those of us who have the opportunity to spot new areas

in which to serve current or recent clients must look around with a new keenness. And, those of us who respond to inquiries or conduct surveys might resolve to do this work a bit better so that the conversion rates—from sales visits to surveys, and surveys to projects—are improved.

While doing all this we must also emphasize the PR aspect of marketing KSA's services. It is through PR that we have our most cost effective method of reaching the really big numbers of prospective small- and medium-size clients that make up the bulk of the industries we serve. We must get to those people with messages on new services and expertise aimed at topical subjects of interest to them.

Can all of this be done while attending to on-going work? Yes, we are convinced that we can organize our sales efforts better and thereby make them more effective. As mentioned, we are also looking to reinforce our capability on a couple of key points by outside recruiting.

With all due faith in our own efforts, we need the help of a good economy. Right now the outlook is good for 1977 and it is generally expected that 1978 will be a strong year as well. Hence, the stage should be well set for a new period of growth and excitement for all of us in KSA. Let us all resolve to make that come about. —SAK

HRD Effort—Cont.

direction.

Our first step was to begin the AAMT portion of the project. We increased the size of the training staff from four instructors to nine, announcements were made throughout the plant about openings for five training instructors, and 70 people volunteered to be tested/interviewed for the position. With such interest, the selection process was a very pleasant experience.

While setting up the AAMT program, we began an applicant testing system, using the standard KSA dexterity and perception tests. One problem we encountered was the inability of applicants to score well against our national test norms. As the Kleinert personnel manager put it, "The most complicated thing most of these people have done is pick peanuts." Once enough people had been tested to establish local test norms, the problem eased up somewhat and we were able to place the best qualified applicants on the most difficult jobs. We had to prod Kleinert into advertising periodically as they were relying on walk-in applicants. . . many of whom did not realize the building was a sewing plant!

An orientation program was set up for new employees to be held for the first four weeks of employment. Each member of the staff made a presentation covering his/her seg-

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THE KSA OBSERVER

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Editorial Board: *Mary Baach*

Joe Scheines
Jack Johnson

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June 30, 1977

Beyond Seventh Avenue

By—Dean Vought

(This article was submitted for publication to the Opinion Page of *The New York Times*, in answer to a column written by James Reston. The Times did not publish it, but we applaud K. Dean Vought for the stand he took!)

In his column in the Times a few days ago, James Reston took Senator Patrick Moynihan to task for statements he had made in a speech in New York's garment district. The implication was that Mr. Moynihan, now that he is our Senator, had adopted a rather parochial view in his flamboyant defense of the interests of Seventh Avenue (his constituents.) Once elected to the Senate, Mr. Reston implied, a man should have a broader view and represent the interests of all the people as a national statesman.

Perhaps Senator Moynihan's speech was made for parochial interests, but one should analyze carefully the concern he expressed. He was very much talking about a national interest—the apparel industry.

This industry is, in fact, spread broadly through the country. New York's "garment district" is well known, but is only a small part of this respectable industry. There are large pockets of the apparel industry in major cities including Philadelphia, Chicago, St. Louis, Los Angeles, Miami and Dallas. Further, apparel is the largest industrial employer in the states of New York, Tennessee and Alabama, and the second largest in five states including Pennsylvania. In hundreds of America's small towns, the apparel plant is the largest employer. These towns are well beyond Seventh Avenue and have no constituent claim upon Mr. Moynihan.

What kind of an industry does apparel represent? Unfortunately, it has had a bad press. But the sweat shops of the turn of the century no longer exist. The vast majority of the 1.4 million people employed in apparel work in clean, well lighted and pleasant surroundings.

More to the point, apparel workers are the most productive of all U.S. manufacturing workers. They are more productive than those in the apparel industry of any other country, and particularly more productive than those in countries that are now threatening our domestic industry.

Apparel provides many job opportunities for people who cannot readily find employment elsewhere in our economy—members of minority groups, immigrants, the less educated, women who must provide or must supplement the family income, young people without skills seeking to enter the work force.

Further, apparel has enjoyed excellent labor-management relations through the years. It is a comparatively small user of scarce energy. It does not pollute our atmosphere or our rivers. Demand for its products is relatively stable with growth projected at a little more than 2% a year.

The wages apparel pays its workers are not excessive, and certainly not inflationary. Profits are not unconscionable and, in fact, do not even measure up to most U.S. industries. It is a fragmented industry with vigorous competition in which the American consumer enjoys the price benefits.

Are the threats to its existence real? Or is Mr. Moynihan only employing rhetoric to placate a segment of his constituency? Let's consider some other facts. Imports have taken over approximately 25% of the apparel worn in this country. They are growing rapidly. For example, imports of men's trousers (defined broadly) increased approximately

33% in 1976 over 1975.

The U.S. has agreements setting quotas with 25 exporting nations, which allow a growth of 6% per year. Most of these quotas are not completely used. When they are fully used and new quotas negotiated, along with the compounded growth of 6% annually, it would be a mere six to seven years before the majority of the apparel worn in this country is imported. From there, one could easily write a scenario of the industry then becoming a shambles and, along with our domestic textile industry, going completely off-shore.

It is argued that the consumer benefits from lower priced imports. In a few cases, this may be true. An analysis of the economics of apparel fabrication, however, does not bear this out generally. Most imports are artificially priced and supported by foreign business combines or governments, priced only low enough to secure the business, provide jobs in the country of origin, and secure much-needed hard currency. Strong American competition will force this pricing policy to be kept.

It is also argued that we can "trade off" some of our labor intense industries to permit us to export raw materials and manufactured goods. Exporting raw materials provides very little in the way of jobs. There may also be a moral question involved. Is it sound to trade off an industry which is fundamental to human needs, such as apparel, in order to support the export of such items as defense hardware?

We should question whether, or to what degree, we can afford to give up our apparel industry and, as will certainly follow, our basic textile industry. Together, these two industries employ 2.3 million people—more than any other single manufacturing industry in the country. When that many workers lose their jobs, the ripple effect could well displace four to five million workers. Obviously, no one is suggesting that every apparel and textile job is immediately threatened by imports.

However, if present apparel import trends continue, it is entirely possible that during Mr. Moynihan's first term in office, 450,000 apparel employees and 300,000 textile employees, now contributing to welfare and unemployment funds, could instead be drawing from them. An equal number of "supporting" jobs could be displaced.

Some economists may support tenets of macroeconomics or geopolitics that would dispute these beliefs. It is clear, however, that we should be slow in permitting this very productive and contributory apparel industry to be dismantled. We should also applaud Mr. Moynihan for his national interest which reaches far beyond Seventh Avenue.

Coming Events

- Aug. 29-Sept. 1— American Health Congress, Atlanta. HIC will exhibit and present a program.
- Sept. 27-30— Bobbin/AAMA Show, Atlanta. KSA will exhibit. Attendance details forthcoming.
- Oct. 11-12— Textile Planning Seminar, Atlanta. (Rescheduled from June 8-9.)
- Oct. 25-26— A-CUT Conference, Ga. Tech. Two KSA speakers (*Vought/Trastorza*) at the AAMA Research Committee event.
- Oct. 29-Nov. 1— Footwear Manufacturers Conference & Exhibition, Atlantic City, N.J. KSA will exhibit.

A "Kiss" Report On The First Quarter

By—Jack Ullman

A top executive at Interco has a sign on his desk . . . KISS, the acronym for Keep It Simple, Stupid. While commenting to Jack Johnson concerning this column for the *Observer*, he said "Keep It Short." He was nice enough to let his voice drop or mumble something to the effect that it would evoke more interest.

Brevity is not my forte, but I'll try anything once. We have some good news and some bad news at the end of the first quarter.

The Good News—We're virtually on target through four periods. Fee volume is 3% behind budget, but late time records account for most of this.

- USA net profit at 6.02% is about \$17,000 under budget. Again, the late time records will offset this variance. . . let's all resolve to get them in on time.
- Expenses. . . we're holding the line. In fact, there's a favorable variance of \$45,000, but the primary reason relates to the "bad news."
- Most encouraging, our sales picture continues strong. . . strong enough not just for 1977 but to build backlogs for '78 growth. Four periods—By Division & Industry:

	Sales % of 1977 Budget
MMD	104%
MSD	108%
Total	106%
Apparel	104%
Textile	80%
Retail	127%
Health	207%
Other (Mining, Hotels, etc.)	158%

Thus, with the exception of textiles, we're on target and, most encouraging, our young growth industries are beginning to move in a very meaningful way.

- We should add that our Third World volume may "explode." The Brazilian government has approved our development plans. The major project in Egypt (\$600,000+) may well be approved. A sizeable study is under way in Uruguay, and continued work develops in Nicaragua.

The Bad News—The current period is somewhat reminiscent of the late '60s. At that time our practice was limited by manpower. We find ourselves in a similar situation now. Recruiting was our greatest problem, and it was then that we started our campus executive program. Those were boom times, however, and growth was in the 15%+ range. That's not the case today, but the one and a half year recession-induced recruiting lag has caught up with us. Combined with early turnover this year, we find ourselves delaying—and perhaps losing—some assignments.

Keeping our capacity *slightly* below our sales is a planned objective to facilitate high utilization and profitability. The gap is too great now, however, and we've been working hard to close it. This is a short-term problem, but one we must lick if we are to achieve our volume goals for '77 and '78.

What We Can Do—STRETCH—that's the key—particularly for those of us (some officers and principals) with internal management tasks. Every *extra* (above

budget) dollar we bill is equivalent to five dollars of added volume (20% pre-bonus, pre-tax margin target.)

We will be short of our volume goal in '77 due to the above factor. We can prevent (or substantially reduce) the profit shortfall if we can achieve maximum rates, value billing and higher utilization on the part of our management group. (Our staff and most principals are already performing at unusually high utilization.) This must be accomplished while we

- Resolve our recruiting problems.
- Continue to market for a long-range growth as well as short-term sales.
- Keep up our needed internal training, professional and service development efforts. . . vital for the long term.
- Attend to *necessary* administrative matters.

In Summary—We're off to a splendid start in '77 and building for a good '78. . . Your individual efforts are producing results on target or better. . . We have a manpower gap to close, and are beginning to see the result of our stepped-up recruiting efforts. . . We project a volume shortfall (versus budget) of 5% - 7% in '77. But we can offset all or most of this by S-T-R-E-T-C-H-I-N-G our resources where possible.

There's a "slogan" in the ranks of our younger principals. . . "Take an officer (or managing principal) billing this week." We're all for it!

My "task" is to remain "bottom-line" oriented. The truly splendid efforts and performance of you—our staff, principals and support personnel—make my task easier and *OUR* goals attainable.

New Staff



James L. Field



F. S. Johnson, Jr.

James L. Field (Jim). . . Age 50. Wife Katherine. Four children. BIE N.C. Stage College. Some 25 years of experience in both textiles and apparel, as well as some consulting exposure. Most recent responsibility has been as vice president of planning procurement with Shadowline, Inc. Interests: Tennis, golf, rebuilding sports cars.

Frederick S. Johnson, Jr. (Fred). . . Age 24. Single. BS in '71 and MBA in '74 from Cornell University. Attended University Catholique de Louvain for one year. Fluent in Spanish and French. Interests: Tennis, sailing.

Congratulations!

To KSA's *Hal Ivey* and his bride, the former *Connie White* who were married in May, we wish good health and much happiness.

One Of Those Days

(Dick McCaskill jotted down thoughts which flashed through his mind the day after he and Paul Flood completed a frenetic but successful day.)

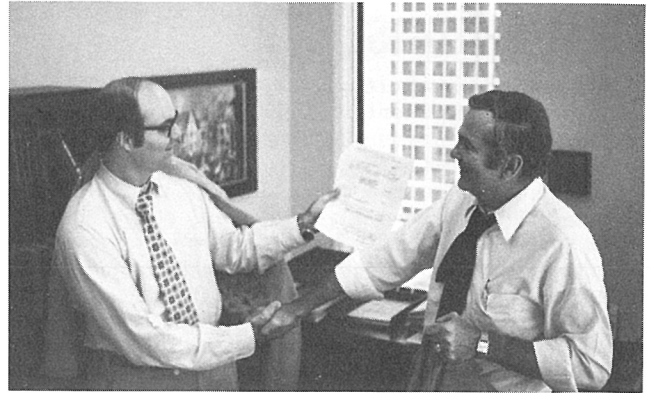
Up at 4:30 a.m. to catch the Early Bird to Newark. . .pockets loaded with Contac, aspirin, Sucrets, etc. to minimize head cold's effect on day's performance. . .ears "pop" with elevation changes on the Downtown Connector, wonder what flying at 33,000 feet will do to them?. . .meet PMF at gate, flight uneventful. . .spend 15 minutes deciding "best path" for two-hour drive to Warwick, N.Y., for sales presentation. . .client "had" to have us come at 11:00 a.m. that day. . .would you believe no other N.J. projects could be dovetailed around it to save cost?. . .PMF's driving and my navigation through the Ironbound section of Newark onto I-280 got us to Warwick at 10:20 a.m.

Competitor sitting across lobby from us, waiting for his turn with the Board. . .we wait. . .Controller squires competitor into cafeteria. . .we wait. . .competitor comes out with Controller, all smile BIG at us. . .we wait. . .at 11:30 Controller comes to greet and brief us. . .seems N.Y. Commissioner of Health wants to close client's obstetric services. . .client needs a position paper within two weeks. . .is asking three consulting firms "If you are awarded the contract, can you begin immediately?". . .PMF grimaces, I grimace. . .PMF has left his Daytimer in yesterday's suit. . .my schedule is full. . .after brief, heads-together session, we decide to tell Board we can start that afternoon. . .Controller takes us to Board meeting. . .small talk about Peachtree Plaza Hotel, the Masters, and High Museum of Art. . .KSA offices across from High Museum gets several "brownie points" with fashionable lady trustee. . .mention of SAK's home in Warwick gets scribbles on Chairman's notepad (Chairman also heads fund raising drive.)

Presentation goes well. . .good questions from Board. . .seemed to like our answers. . .Administrator cheerfully editorialized that HIC was only firm to say we'd begin that afternoon. . .upon dismissal of meeting, all members rose to shake hands. . .Administrator asked us to go eat lunch with Controller and "wait."

Stale ham and cheese sandwich at 1:45 p.m. for lunch. . .huddled with PMF and drew up a 30-item list of data/information for client to gather for our work on OB position paper. . .Administrator called us, meet him in his office. . .good news. . .HIC was selected over Crespac, McCormick & Paget and Arthur D. Little, Inc. . .I noted we just missed Newark flight home. . .worked with Administrator, Controller, PR Director, until 4:45 p.m. starting them on OB question. . .said goodbyes.

PMF's six-month-old pocket size OAG showed a 6:30 p.m. flight to Atlanta. . .we headed that way. . .did some real New York driving to get to Avis lot at 6:20 p.m. . .PMF instructs them "hold this contract for 30 minutes before processing". . .dash to United's counter, only to find flight rescheduled some time ago to leave at 6:00 p.m. . .next choices 7:45 p.m. at Kennedy, 9:10 p.m. La Guardia. . .we chose JFK. . .get back on Avis bus, out to lot, picked up unprocessed contract, had to get car out of car wash. . .set off for Kennedy. . .halfway there, I remember agent said 7:25 p.m. . .spend 10 minutes just driving to Avis check-in. . .first bus to terminal leaves us. . .7:17 p.m. . .second bus comes but starts a pick-up route as well. . .7:20 p.m. dash into terminal. . .Gate 7, naturally the farthest one out. . .last two on plane at 7:23 p.m. . .much relief. . .nice



They told me there would be days like this. . .but they didn't tell me how many!

surprise, it's even a dinner flight.

As PMF said, how many can claim to have been in all three New York City airports in one day? After that, a 4:30 a.m. get-up time, 1500 air miles, 150 driving miles, two airline meals, one stale ham and cheese, and an 11:30 p.m. bedtime, wonder why wife doesn't even ask how I feel?

HRD Effort—Cont.

ment of the plant's operation. Each new employee attended two sessions per week and the sequence of these presentations were timed to coincide with the relevance of the subject matter. For example, a presentation on a quality control program was made during the early part of the second week when most new operators were just beginning to sew on first quality goods that were subject to in-line inspection. The presentation covering payroll procedures was made the day before the new operator received that first paycheck.

These three areas represented our main efforts during January/February/March. Operator training began as a two-pronged effort. First, to train new operators and second, to upgrade the performance of experienced employees. By the end of May, the plant efficiency was pushing 85%, excess cost was down to 20%, and overall operator performance had increased to 90%.

During April/May/June, the supervisory development program began to dovetail with AAMT/Personnel/Orientation programs to accelerate the improvements. During the supervisory training segment we held a series of classroom sessions with the supervisors, supplemented by on-the-floor work, and had each of 10 supervisors conduct a loss-to-capacity analysis of her department. Based on this analysis, each supervisor made a realistic projection (with assistance from the consultant) of the performance potential of her unit and outlined the steps necessary to achieve this potential. The supervisors even made a group presentation to the General Manager and Plant Manager to tell them what performance levels they felt the plant should be able to attain.

The composite efficiency goal for the plant was set at 92% and the timetable established to achieve this target date was September.

In July/August the program received a severe jolt when the A.C.W. announced that sufficient signatures had been obtained to call for an election. The month of August was a disaster performance-wise, with much attention diverted to the anti-Union campaign. During the week immediately

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Promotions. . .

Congratulations to *Dave Cole* and *Jim Trautman* on their recent appointment to Vice President. (Their photos have appeared in previous issues and their physiognomy is familiar to *Observer* readers.)

In addition to his new responsibilities, as recently announced, Dave has overall responsibility of the Management Services Division. . . Jim continues to serve as our West Coast Regional Manager where, we might add, he has no difficulty in luring consultants to that land of enchantment.

Congratulations are also in order for *Carol Bakely* on being assigned to full-time status as a member of our recruiting staff, in recognition of a job well done. She has worked closely with *Bob Messenger*, spent time with *Abbie Jean Quick*, and this is considered a positive move for our recruiting effort.



Several additions to the staff, both last year and this year, were initially interviewed by Carol and earmarked as qualified candidates. Carol will continue to work out of the Princeton of-

fice and plans are afoot for her to enroll in a KSA training class as soon as scheduling permits. Good luck, Carol, in ferreting out those exceptional applicants.

Returns and Departures

It is with much pleasure that we announce the return of *Paul Bornstein*, *Bob Heiland*, and *Larry Maurer* on a full-time basis, and that *Al Durany* is back for the summer before returning to school in September. A very warm welcome to each of you.

Our pleasure turns to regret when we tell you of the departure of several KSA'ers since our last issue. . . *Tom Austin*, *Aubrey Lancaster*, *Brian McCall*, and *Barry Mademann*, all of whom have our best wishes for success and happiness in their careers.

HRD Effort—Cont.

preceding the election, plant efficiency fell to 69%, and excess cost rose to 38%. The election was held during the first week of September with Kleinert winning by a disappointing margin of 54%.

At this point so much of the supervisory training momentum had been lost that we had the supervisors re-do the loss-to-capacity analysis and set new timetables. The 95% efficiency goal held up through the second analysis and the new target date became early December. With steady improvement through October/November, the week ending December 4 found the plant at 91% efficiency with excess cost down to 12%. . . operator performance has risen to 96%. By mid-January '77, the plant had almost two months of weekly efficiencies above the 90% level.

After a full year we reported accrued savings of \$232,000. The key to success on this project was the coordination of our HRD effort. Each of the four separate programs—AAMT/Personnel/Orientation/Supervisory Training—was integrated with the others to achieve results that far surpassed the results that each program singularly could have accomplished.

PUBLIC RELATIONS

Things in PR-land tend to peak during the second quarter of odd-numbered years (can any other department make that statement?), and 1977 was no exception. Knitting is the culprit, in the guise of the biennial Knitting Arts Exhibition. It really snarls our yarn.

This year's KAE in Atlantic City was not as big as previous shows, undoubtedly a reflection of the industry's general lack of excitement. However, KSA made its presence felt with the publication of its Delphi Survey of the knitting industry, which has generated a great deal of interest and publicity. By the time all the trade publications have had a chance to write about it, the Delphi survey should prove one of our all-time publicity winners.

Back in April, KSA presented another production seminar for the Clothing Manufacturers Association. *Ken Osborne* showed the suit manufacturers how to control their factory costs, and *Ron Brockett* reported on a new approach to attitude surveys and the development of stronger worker participation in manufacturing improvement programs—videotape. Some 16 hours of on-the-floor interviews with employees at Waco Apparel were cut and converted to a 20-minute film that was shown at the meeting.

Breakfast Numbers—The big event of the Spring was KSA's third annual Financial Breakfast, introducing our Profiles of apparel (5th) and textile (6th) public company financial performance in fiscal 1976. Paid attendance at this year's Breakfast, held just prior to the start of an AAMA meeting, soared to 155, up 26% from last year's 123. (Only diversified dyers showed a better year-to-year gain in composite performance.) Our own return on investment figures are incomplete at this writing, but we do believe the results are in the black.

Dean Vought, *Freddie Wood*, and *Ralph Ross* reported on apparel, textiles, and the outlook for soft goods. The figures they talked about were compiled, massaged, and interpreted by an ever-widening group of KSA Profilers, headed by *Deborah Galloway* and *Kathy Couch* of the PR Dept., and including *Bill Cameron*, *Sally Carter* (invaluable part-timer), *Jerry Churchill*, *Liz Freeman*, *Bob Gargan*, *Norma Hendrix*, *Jill Steinberg*, *Carolyn Vanderwater* and *Mary White*. Then, of course, they were set in type and charted by *Andrea Dillon*, *Emma Donnelly*, and *Lillian McCarthy*. We don't know of another group effort of such dimensions—or effectiveness—in KSA.

Other events: *Pete Ehlinger's* Alterations Manual has been typeset and is being published this month by the National Retail Merchants Association! . . . *Stig Kry* sat for two interviews (Eastern Apparel Manufacturer and Men's Wear magazines). . . *Ron Brockett* participated in a Personnel Committee seminar at the AAMA meeting. . . *Jim Trautman* spoke at an apparel conference in L.A. . . *Paul Flood* explained how to use consultants at the Mid-Atlantic Health Conference in Atlantic City (one of two HIC shows during the quarter). . . and *Kurt Salmon* addressed a group of retail big-wigs at lunch in London on June 17.

Finally, there's an ambivalent trade show in Mexico City called Confexpo. It straddles two calendar quarters, running from June 29 through July 2. *Jim Trautman* and *Gary Ratliff* are scheduled to attend, but we don't know whether to cover it in this issue or the next one. You may never hear another word about it.

Liz Freeman, long a stalwart of the Atlanta PR staff, has been drafted for full-time work in the new word-processing center. We tried to explain that the PR Dept. is a word-processing center too, but evidently our words got lost in the process.

(This line of thought has possibilities better left unexplored. . . (Anyway, it's goodbye, Liz, and hello *Janice Cagle!*)



"I wish this was the only thing I had to do before I take my pants off."

Anonymous

TRAINING AND PROFESSIONAL DEVELOPMENT

We have just graduated a class of three from Atlanta training, two of whom are reported under New Staff, but the third member of the class was Atlanta's *Mickey Yount* who, between Apparel Research Journals and Smiley Jones' calls from Europe, participated in the class and made many contributions from her years of KSA experience.

The June resident engineer class was a full one with 10 students from 10 different client firms.

We look forward to starting our next KSA class in early July, with five already recruited and we're expecting to pick up a few more.

—*Bill Cameron*

ATLANTA

New to KSA-Atlanta, *Barbara Madry*, as of May 5. Barb replaces *Shirley Beauford* (transferred to Corporate Accounting) and is responsible primarily for AO report reproduction (Xeroxing), supplies, and receptionist relief. Barb is a Florida native and a former Disney World employee.



Barbara Madry

Two births to report: *Sharon* and *Mike Mancini's* son,

Shannon Carl, was born March 22. . . *Norma* and *Don Hendrix's* son, *Donald David* was born April 27. Mother and son are well and *Norma*, currently on maternity leave, will return to KSA in early July.

Ruth Turton (formerly of New York Office) and her poodle spent a day with us on her way to her new home in Holiday, Florida.

FINALLY, AT LONG LAST. . . Our new Lanier word processing equipment has arrived, even though our furniture, acoustical hoods for the printers, and other supplies have not! *Andrea Dillon*, *Emma Donnelly*, *Liz Freeman*, and *Ann Hodgens* are staffing the Center which, for now, will encompass both the three new Lanier units and our old MIST Composer equipment. Training of the staff has just been completed and operation of the Center begun. More on this in the next issue.

—*Vallene Baker*

NASHVILLE

For eight years *Mary Jo Higley* has been keeping tabs



on the Nashville nomads plus the many duties involved in a one-girl office, all of which she handled so satisfactorily. Of course, we're sorry *Mary Jo* felt that after 18 years behind a desk that she was ready for a different lifestyle, but we do wish her a great deal of happiness and satisfaction in her new full-time role of wife/mother/home-maker.

Linda Mosier has been employed as a permanent replacement and we feel sure

Linda Mosier

you will find her extremely competent and a very nice person to work with as well.

We've all seen various kinds of errors in newspapers/magazines/advertising, but. . . an error in a headline? It is most embarrassing not to have caught that one and I do wish to apologize to *Bill Luttrell*, author of what should have been "HIC Coordinates HCA Project". . . not "HCS" as it appeared, certainly not the initials for "Hospital Corporation of America."

—*Mary Baach*

MARRY THE LIVE ONES

Translating is a tricky business at best. When one is completely familiar with the technical terms in both languages, it's not so bad, but if not, something like this (from a recent Portuguese-to-English translation) could result, leaving client and consultant, not to mention the translator, completely mystified:

Make the *houses* for the buttons,

The *cellar* for the sleeve.

Marry the *live ones*,

And cover up the mess!

or, to put it into "apparelese" instead of Portuguese:

Make *buttonholes* (casas)

Sew *armhole* (cava)

Match *pipings* (Casar Vivos)

And sew in *lining* (tapa-miseria)*

*This is my favorite. As a home-sewer, it's always comforting to know that the "misery" or "mess" can be hidden from view.

—*Edith O'Connor*

EUROPE . . .

How Do We Do

An Overview of Activities—Whereas economic conditions in Europe tend to reflect U.S. trend with a time-lag of 9 to 12 months, Europe already appears to be suffering from the "return to normalcy" forecast in the U.S. last January. Because our upturn started only last year, however, only limited progress was achieved before the economy reverted to walking pace.

This is not to say that no progress is being made. Rather, it indicates that, after a flying start, sales resistance is building up and much hard work will be necessary to maintain the advances made.

In particular, the first two periods produced some highly encouraging statistics. Costs fell to \$318,000 per period against a budget of \$330,000. Average fee rates were 5% over budget. Contribution at 42.7% exceeded budget by 5.1%, and break-even utilization fell to 48% as against a budgeted 51%.

Income for Period 3 fell just short of budget but should still produce a pre-tax profit of about 17%, providing costs are held to the level of the two preceding periods. Current indications are that pre-tax profits for the first three periods of '77 should total some \$220,000 (18.8%.)

Period 4 was over budget, although a low period because of Easter holiday. However, France with its low backlog is being helped by other regions, and U.K. apparel sales, which took a dip earlier this year appear to be on the upswing. As reported in March, German region is producing magnificent sales results with 45% of the total annual budget already sold at the end of the first four periods.

General Management Services (GMS) in Germany continue to provide an increasing proportion of our sales, which is needed because of its lower backlog. In Period 4, GMS sales exceeded PMS sales by an appreciable amount, although the PMS backlog remains much larger, with an average of 14 periods as against 7. The economic situation in Germany remains unfavorable for the textile and apparel industries with unemployment rising again and consumer spending affected by the unseasonable weather. Those circumstances highlight the effectiveness of the region's approach to the marketing and sales of our services.

Latin region continues to produce good results under difficult circumstances. The high rate of Italian inflation, coupled with the lifting of the most stringent restrictions on foreign currency purchases, serves to ease some of the problems we faced last year.

Our work in Italy is invoiced in Swiss Francs so that our fee rates appeared little short of astronomic only a year ago. As a result of higher prices and turnover, they have now assured proportions that compare more favorably in terms of R.O.I. with those in other countries. This does not solve problems associated with the general state of the industry, but it does make it easier to justify investment in consulting services. In France and Spain the search continues for a French national with a broad range of consulting skills to lead our efforts, especially in France. In the meantime, we shall advertise for one or two experienced men to replace the three French colleagues who decided to leave KSA this year. It is envisaged that the new men will train and work in the U.S. until we have filled the leadership spot and our

French practice can resume its expansion. The France/Iberia group is working hard to maintain this year's budgeted volume of some \$700,000. Other regions are helping maintain utilization and French and Spanish staff are working in Germany and the U.S.

The U.K. region, also facing difficult economic conditions with high inflation and lagging consumer sales, is performing well above budget and making good progress in extending its practice base with a growing number of assignments in the women's wear sector. As yet, British industry has been reluctant to use our GMS services, interest focusing mainly on engineering assignments. However, as in Germany, application of the Account Executive concept is serving to promote this area of our practice. GMS is expected to make a steadily increasing contribution to our U.K. growth in the future.

IT'S IN THE BAG

Earlier this spring, Latin Region staged an internal Jacket Seminar in Paris and brought *Joe Muller* from Italy to do a presentation on jacket engineering. Under Joe's expert guidance—he is Italy's foremost specialist in this field—and with frequent but enlightening interruptions from *Horst Dieckmann*, French and Spanish consultants were introduced to the finer points of fully-bagged and semi-bagged jackets. All participants agreed that the event was extremely valuable, and would help consultants specializing in other areas to discuss jacket engineering more knowledgeably with their clients.

Strange, though, that Latin region's two leading jacket experts should both be German expatriates. *Joe Muller* lives in Orvieto, Italy, and *Horst Dieckmann* resides in Geneva, Switzerland. While *Joe* works mainly in Italy and *Horst* in France, both have worked on assignments in most European countries.



Joe Muller grabs the bag, watched by, on his right: Jaime Tussel, Bob Fitze and Alberto Figa-Beleta. Closer to camera, from left, Claude Reynvoet, Bruno Lezier, Guy Vidal, Horst Dieckmann and Michel Cardon. The man in a white shirt masked by Claude is either Henry-Louis Stimfling or Rene Seo. . .or both?

European Offices

Secretaries and accountants in our offices are the unsung heroes of KSA, without whose dedicated service our consultants could not function and our business could not be managed. In future issues, we propose to feature each of the other European offices.



Andrea Isaacs



Barbara Smith



Sue Fecitt



Julie Yates



Julie Thompson



Eileen Lee



Stella Hassall

Altrincham—Once an attractive, independent community, Altrincham is now part of the Manchester conurbation. This is why it is often referred to as KSA's Manchester office. Despite its urban engulfment, Altrincham retains many of its individual, small town characteristics and one distinct advantage over its larger neighbor. . . easy access to the airport!

KSA originally established itself in Altrincham in 1970, when *Louis Mitchell*, then Managing Director of KS-PEA, needed a base close to the major men's wear industry centers and to save on expenses in London. Since those early days, capacity and services provided have expanded considerably and Altrincham has become our largest European office. In effect, it functions not only as the service center for U.K. region's apparel practice but also houses the central European library. Since the beginning of the year, when our Scottish office in Dalkeith ceased to be operational, all typing and production of proposals and reports for the U.K. apparel division is also done in Altrincham. Finally, because U.K. printing costs are the lowest in Europe, all printed matter is produced in that country and the process is coordinated by Altrincham office. U.K. region covers England, Scotland, Wales, both parts of Ireland, much of Scandinavia and such overseas areas as Iran and South Africa, so that Altrincham is kept very busy.

Andrea Isaacs somehow manages to run the office while

acting as secretary to Apparel Division Manager, *John Beddows*, and European Financial Controller, *Arthur Marshall*. *Andrea* joined KSA in 1971 and has been managing Altrincham for the past four years. The Altrincham team is a large one by European standards. In addition to *Andrea*, there is: *Barbara Smith*, who joined us in March 1977 and carries out secretarial duties for the Apparel Staff; *Sue Fecitt*, who came to KSA in January 1977 and is responsible for all report work for the Apparel Division; *Julie Yates* ("Jools" to her friends), who has been with us since July 1975, handles secretarial duties of the Apparel Division as well as for the day-to-day running of the library. *Julie* also deals with reservations for our much traveled consultants. *Julie Thompson* (known as "little Julie"), who joined us in July 1976, does all the Xerox work and general office duties. She also makes a "mean" cup of coffee. *Stella Hassall* (since May 1975) and *Eileen Lee* (since November 1973) together deal with all U.K. accounting work and help produce the consolidated European management accounts, another important function of Altrincham office.

The only drawback at Altrincham is the entrance to the office building, designed by an over-conscientious architect to blend easily into a virtually unbroken series of shop-windows. However, once you have found your way in, you can be sure of a welcome at Altrincham.

In our next issue. . . Darmstadt.

Achievements and Prospects

Apparel—Significant assignments sold during the past months underline the breadth of our services, and the efforts made by our colleagues. One of the largest sales concerns implementation of an EDP system for Kaiser, a German men's wear manufacturer (*Wilfried Luetteke*.) Total value of the work amounts to \$120,000 but we shall subcontract about a third of this for software development. In Switzerland, we sold an \$18,000 marketing concept assignment to children's wear manufacturer, A. E. Braunschweig, our first job in this interesting sector. Another interesting job, this time in Italy, concerns a cut lining and material stock control assignment involving the use of the factory's "satellite" computer. The \$36,000 job is for G.F.T. (Facis), the men's wear manufacturer with whom we have a long-standing relationship (*Ricardo Stretti/Franco Guazzo*.) In England, we reopened the door to a major new client with a \$50,000 trouser engineering job for C.W.S. (Cooperative Wholesale Society), (*Alan Braithwaite*), essentially a multiple retailing association but with extensive production facilities in the apparel field. Still in England, a number of surveys and studies sold involve well-known prestige names in the women's wear field, including Wallis Fashion (*John Beddows*), Weatherall of Bond Street and E. Lee & Co. (*Steve Webb*.) First assignments with prestige companies elsewhere include Greiff (*Ulf Weise*) and Loden Frey (*Hardy Artelt*) in Germany as well as Marzotto in Italy (*Joe Muller/Ricardo Stretti*.) In the industrializing countries, we sold a \$28,000 assignment in Turkey to start up a jeans production unit. The client is Mensucat Santrol (*Michel Cardon*.)

Textiles—Shortage of qualified personnel obliges us to maintain a low profile in this sector. Latest development in this field is a \$42,000 assignment for the Norwegian Textile Institute (*Harry Lack*.) We've been retained to carry out a review of the Norwegian knitting industry and hope that successful completion of the assignment will lead to implementation work for some of the companies concerned.

Retail—While the existing assignment with Debenham proceeds as planned, we continue to forge closer links with with this major client. Latest advance is an \$18,000 extension to cover the development of a Fashion Conceptual Plan. Our major assignment at Debenham has been keeping *Geoff Ayling/Richard Bett/John Rutherford/Greig Barr* busy on two P.D. projects for the first half of the year. Another important retail development is a \$5,000 merchandising assignment for Welwyn Department Store. This store, in a commuter city located 50 miles north of London, is part of the Garfield Western International store group and is to define merchandising strengths and weaknesses and to recommend re-merchandising where appropriate. We will work with a research agency who will conduct customer interviews to help define the store image and customer profile.

A significant breakthrough is the first phase of what is becoming a major profit improvement project for our old client Menzies (*John Phillips/Brian French/Richard Bette*.) This is the first time we are really working on the total performance of a leading retail chain.

It Happened in Europe

Sissi von Zedtwitz of Darmstadt office was severely bitten by a St. Bernard dog while trying to help another person
Continued on page 11

Ireland KSA Markets

By—*Mervyn Kerr*

Ireland, the Emerald Isle, consists of two small countries with a total population of just under 5 million and an area about the size of the State of Florida. Politically, Northern Ireland with 20% of the area and 30% of the population is part of the United Kingdom. The remainder of the country is known as the Republic of Ireland. Constitutionally, it is similar to the USA.

Ireland has suffered a succession of invaders and settlers over the centuries including Danes, Huguenots, Scots and English. English is the main language, although the native Irish language is still spoken in a few rural areas. Relationships between England and Ireland have always been strained and led to rebellion and civil war in 1920. It was then that the Republic was founded. The northeastern part of the country would not join the new republic and formed the Province of Northern Ireland. This, of course, is still the subject of civil strife at the present time.

A phenomenon of Irish history is the extensive emigration that reached its peak after the disastrous famine in the middle of the last century. The population dropped from around 8 million to its present level of 4¾ million. A very large proportion of the emigrants went to America. . . and nearly all of them became President!

The most important industry in both parts of Ireland is agriculture. The country has few natural resources so that much of the manufacturing industry involves foreign capital. Inducements to foreign investors are attractive and some large American and European companies have set up plants. These include Monsanto, Burlington, DuPont, Snia Viscosa, Enkalon, Michelin and recently a Japanese fiber company, Asahi. English companies such as ICI and Courtaulds are also heavily involved.

Consequently, Ireland is an important man-made fiber industry center. Encouraging these capital-intensive operations would seem to be a contradiction, considering the need for jobs, with unemployment at over 11%. However, the government feels that capital-intensive investments offer better long-term prospects. They have had their fingers burned with fly-by-night operations and new investment in apparel manufacturing is not actively encouraged. Big names like Blue Bell and Fieldcrest (towels), two recent newcomers, are the exception.

There are, of course, some important indigenous industries such as tobacco products, linen and liquor production—Guinness Stout and Bushmills whiskey are two well-known names. Ship-building and aircraft production have also been long associated with Belfast.

About 50,000 people are employed in the Irish apparel industry. In the Republic there are some 300 units employing approximately 30,000. In Northern Ireland there are 20,000 employees in about 150 plants. Shirt-making is the most important sector in Northern Ireland with around 8,000 people employed.

Great Britain is the major market for the industry in both parts of the country. In the Republic, the industry is largely Irish-owned whereas in Northern Ireland many of the companies are subsidiaries of production units for British organizations such as Courtaulds and Carrington Viyella. The Irish apparel industry suffers from this dependence which makes it very vulnerable to economic re-

Continued on page 11

John Beddows

We are not privileged to have many men in KSA who can say they turned down the opportunity to play professional football to join us. *John Beddows* can.

As far as we know, he is one of the only Cambridge blue we have with us as he was captain of the Cambridge soccer team. After his distinguished University career, during



which he also, incidentally, received an honors degree in Natural Sciences and Chemical Engineering, he became a heavy engineer. At least the company he joined, Head Wrightson, claimed to be such and the tightness of John's subsequent rates seemed to confirm it.

John joined KSA in March 1966 back in the days when the United States was teaching us everything they knew. It took him a couple of years to master that, mostly spent in major cities like McRae, Roswell, Nashville and Brantford, Ontario. He developed a good understanding and practical experience of AAMT on some of these assignments and in January 1968 came back to the U.K. to give us the benefit of his knowledge.

His staff work in the U.K. was distinguished by his predilection for large companies—UDS, CWS, Alexandre & Desmonds. He was working in Desmonds when he was

appointed Principal in 1970. In 1971, mainly to try his hand at smaller companies, he went to live in the Republic of Ireland as our manager there. To a man of John's steady logic, the Irish were a major trial. However, he soon had the measure of them and Ireland became an important part of the U.K. practice, in volume and profitability, if not in intellectual stimulation.

After two and a half years in Ireland, in March 1974, John finally had a telephone installed by the Irish Post Office. Soon after, we asked him to return to England as Director of our Apparel Division and somebody else got the benefit of the telephone.

During the week John doesn't spend much time at home with his wife, *Connie*, and two daughters, *Emma* and *Sara*. We tell *Connie* that it's golf and watching Leeds United that keep him away. But John can be very convincing and she still thinks it's the work. Certainly John covers a lot of ground and the results of his peripatetic activities have been showing recently in the Profit & Loss Account.

He represents to us the solid achievement and commitment to quality that is the hallmark of the successful consultant. And when it comes to developing our business it certainly helps that, as one of his clients once said: "John can charm the birds out of the trees."

It's good to be able to write about a very pleasant and able colleague and particularly so at a time when the part of KSA which he manages has just had an exceptionally profitable year. We are very happy to work with John and are pleased that he chose industry rather than football.

KSA Markets—Cont.

cessions in the U.K.

KSA has worked in Ireland for over 15 years, the trail having been blazed by people like *Freddie Wood*, *Stuart Hollander* and *Ted Theodorsen*. Since then, nearly everyone in the U.K. region has been involved occasionally in Irish assignments, as well as a number of German and Latin region consultants including *Bob Fitze* (marketing seminar), *Giacomo Ronco* and *Gianni Marelllo* (Pancaldi shirts) and *Olaf Kier* (textile study.)

Because it is a small region with a limited number of potential clients, KSA fee volume has fluctuated over the years. In good times we have had 4-5 people employed. At present we have one major engineering assignment in progress, a number of feasibility studies, and seminar work for the Industrial Training Board. The engineering assignment is for a German-owned leather coat unit in Killoeglin, where *Eugene McLroy* is involved in almost everything except skinning the hides off reluctant sheep, cows, alligators, etc.

Although the industry in Ireland is still suffering from the recent U.K. recession, we are confident that it will improve again. Fortunately, Ireland is close to Britain so that there is little problem of moving staff in and out to react to fluctuations in demand. We have in the past moved assistance in from the other regions so watch out, you may be asked to pack your shillelagh, leave your Irish jokes behind, and take the plane for Gloccamorra.

It Happened in Europe—Cont.

being attacked. She was bitten on the face, damaging a nerve but is since reported making good progress. A few days later, the same dog attacked Sissi's nephew so severely that he had to spend some days in the hospital's intensive care unit.

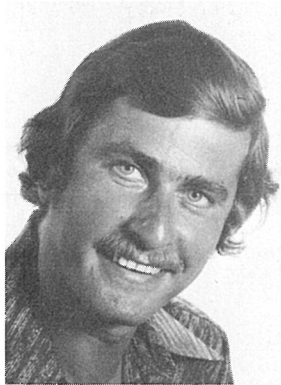
Karl and *Uschi Faas*, German region, became the proud parents of a baby daughter on April 17. Congratulations to them both.

Werner Iten, waiting at the airport for a plane home on a Friday is the only KSA'er who was affected by the major earthquake in Romania last March. Feeling the strong tremors, he ran to safety outside the building, as did all the other passengers.

Andrea Isaacs of Altrincham office was involved in a motorway crash while delivering documents to John Beddows's home. The driver of the preceding car lost control of his vehicle due to a mechanical fault and *Andrea* had no chance to take evasive action although she did avoid a frontal collision and escaped injury. She did suffer serious shock and her pride-and-joy, an almost new Alfasud sport coupe, was badly damaged.

Welcome to KSA. . .for *Silva Sarini* who works part time in Chiasso office. . .for *Monika Schultheiss* who came to Zug office on April 4 to work on accounting and assist on report typing and other secretarial work. . .*Barbara Smith* who joined Altrincham office last April.

New Staff



Peter Untermann

Peter Untermann (36) joined APMS Division in Germany in December 1976. Peter has an apparel engineering degree from the School of Textile Engineering in Moench-Gladbach and experience within the industry as well as six years consulting experience. He lives in Berlin with his wife, *Rosemarie* and 12-year old son *Andreas*. His hobbies are tennis, and stamp collecting.

Cesare Aspes (38) joined German region April 1 to develop our marketing practice. Cesare, Italian by birth but a permanent resident in Germany, comes from a textile family and has a degree in mechanical and textile engineering. In addition to experience in textile production management, Cesare has several years' experience in textile marketing at management level in a large German mill. He lives in Wuppertal with his wife, *Barbara*, and will work out of our Duesseldorf office.



Cesare Aspes

Men Of The Cloth

Joep van Gent reports that during a sales visit to Holland, a client asked *Ulf Weise*, who accompanied him, what was his function within KSA. It appeared that he had not understood Ulf's title as quoted on our letter. . . Manager Apparel Industry Division. The word "apparel" was not known to the client. They explained that it meant "garment" or "clothing."

They were told by the client that he had looked up "apparel" in an old dictionary and found: ". . . the embroidery on priests' garments." Ulf commented later: "Indeed, we do work in a suffering industry" . . . and divine guidance is often welcome.

RECOIL FROM IMPACT

In the last issue of the Observer, a feature headed "Impact" invited consultants to provide weightings that could be applied to the value of European contracts to make meaningful comparisons with U.S. assignments. We reproduce below the winning (and only!) reply:

"Dear Sir: In response to the "Impact" feature in the last issue of Observer, I would indicate that the redoubtable Professor Leberwurst has, as usual, over-simplified the matter.

Switzerland is a focal point of Europe and, as such, any project carried out there cannot be evaluated by the simple ratio of Swiss to American populations. As anyone who

worked on European projects will know, the following weightings must be made to allow for the complex mix of national influences.

25% Gallic charm—The ability of the French to woo any likely prospect is essential in the initial negotiating stages.

10% German thoroughness—This will insure that all the i's are crossed and the t's dotted.

15% Dutch resourcefulness—Typified by high space effectiveness and the ability to turn resources to the most unlikely advantage. (Who else would have thought of planting tulip bulbs on the sea bed.)

10% Danish clarity—The ability to swallow the ends of all words, and most of every sentence, is an invaluable asset for any consultant treading on unsure ground.

25% British ingenuity and clarity of expression—The ability to understand the rules of cricket, and the fact that anyone can understand English if you say it loud enough, are essential resources in the handling of complex European problems. (The latter phenomenon has also been known to be of value with U.K. clients.)

5% Italian calm and unemotionalism—A familiar influence on any European project.

It will be obvious to all readers that, given the familiar distribution of nationalities and nation allegiances in the U.S., Prof. L's simple calculation must be taken with a pinch of salt (mustard?). It should, in fact, be weighted by national populations in the above proportions to arrive at an overall ratio of 1:1.2. This is a problem (of fitting a Leberwurst into the pocket of a pair of Levi's) with which the Retail Divisions in Europe are very familiar. Had they been consulted they could have indicated a simple expedient for arriving at this ratio: Using calculators designed to operate on alternating current rather than dry cell batteries, the use of a European 50 cycle per sec. mains operated calculator on the American 60 cycle per sec. supply provides the adjustment automatically.

In consequence rather than accept your offer of a guaranteed new and unused 9-volt calculator dry cell battery, I would ask that the prize be modified to a 2,500 Megawatt nuclear-powered generating station with which a suitable supply of. . .

I am sorry, but unfortunately the pressure of KSA business prevents my continuing this letter. Yours Sincerely, *Brian A. French*, Windsor Office."

Ah well. . . we asked for it!

(Editor's Note: Anyone who can explain the sentence re European 50 cycle sec. . . American 60 cycle sec. . . will be given a KSA Electrical Engineering Degree!)

Stranger Than Fiction!

In Italy, where anything can happen, and often does, KSA has received perhaps the most unexpected inquiry of all times. The communist dominated labor union C.I.S.L. recently approached us in connection with a proposed training program for managers of small companies in the Bologna area. Bologna is itself a traditional communist stronghold in Italy. The union's reasoning, presumably, is that when a plant is well managed, the workers are exploited more efficiently and can claim more take-home pay. It all goes to prove that, despite *Karl Marx*, modern Italian communists are motivated just like the rest of us. Their ideological heart may not be quite in the right place, but they sure know what's good for their pocketbook.