

KSA And The Shoe Industry . . .

Our marketing strategy identified the shoe industry as one offering somewhat limited potential for KSA—because of its size (\$6 billion) and import status (now at 50%). Shoes fit our criteria, and we decided to operate opportunistically out of our basic apparel practice. *Smiley Jones* and *Ross Runnels* were asked to maintain a “low profile” for KSA but make our presence known. They attended shows, developed articles, presented papers, and responded to inquiries and conducted a limited number of studies and programs within the shoe industry—with the help of others.

During recent months, two events occurred which have changed our position from a low profile/opportunistic approach to one aimed at a more aggressive development of shoe industry potential.

SLM. . . Scientific Leather Measurement—*Mr. George Weston*, a 66 year old Englishman who pioneered the development of Scientific Leather Measurement throughout the British shoe industry and later brought it to the U.S., was looking for a way to perpetuate SLM worldwide. We were introduced through our friends at Camsco and after a thorough investigation concluded that the SLM system—basically a scientific approach to material utilization for the footwear industry—was technically sound and that Mr. Weston, his associates, and his practice were regarded within the shoe industry as highly professional and successful. We visited major clients of SLM—Genesco, Wolverine Worldwide, U.S. Shoe and Blue Bell Boot—in order to evaluate the technique and Mr. Weston’s reputation (*Nort Eberly/Stig Kry/Dean Vought/Howard Cooley/Jack Ullman*).

The “bottom line” is that we are currently operating with Mr. Weston and his four associates on an interim associate basis while negotiating the final details of a longer term arrangement under which KSA expects to acquire the worldwide rights to SLM. . .to be known as Scientific Leather Management under KSA’s flag.

Dave Perdue and *Soheil (Skip) Rezai* are working with Mr. Weston and his associates. Dave begins initial training at the Genesco installation on October 12, and Skip in a Wolverine leather tannery about the same time. Both men are expected to be billing on SLM assignments at Norwich Shoe in Connecticut and B&W Footwear in Massachusetts in mid to late October.

Commerce Department—During our discussions with SLM, the Commerce Department announced a substantial (\$56 million) technical assistance program for the footwear industry. Their objective. . .to help footwear firms threatened by imports.

“Eagle Eye” *Jack Johnson* spotted the announcement and telephoned “the little man in Washington”. . .a term Jack endearingly uses to describe KS. *Kurt* responded like a military general ready to do battle, and to make a very long story as short as reasonable, he was not only successful in getting to the right people at Commerce but, as might be expected, gained their respect and gratitude. He effectively guided them in rewriting their planned program from an

ill-conceived approach to one which holds promise for some degree of success and one which will employ reputable consultants. Kurt has contributed much more by way of advice on setting up the program than merely what was necessary to look after KSA’s own self-interest. This has not gone unnoticed by Commerce people who have been most appreciative and complimentary of our “man in Washington.”

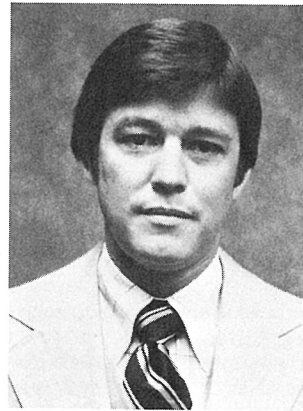
At this juncture, KSA has been selected as one of four

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Fourth and Goal

By—*Jim Hicks*

Having spent six and a half months in a multi-plant client organization in south Georgia, we’re in a situation very much like “fourth and goal” late in the final quarter of play. We have an opportunity to score, and in a very short time we will know whether or not the client views our HRD project a success.



There is a NLRB election tomorrow to determine if the employees of one plant will be represented by the Amalgamated Clothing and Textile Workers Union. A victory by the company in that election will do much to reinforce the client’s earlier decision to invest in a major HRD project, including Supervisory Development, Personnel Procedures, Operator Orientation, and AAMT. A loss would probably cause them to consider the project something

less than successful. In our opinion, the election is not a fair appraisal of our project, nevertheless, that’s the way things are in south Georgia on “fourth and goal.”

The assignment began early this year following a manufacturing audit by *Frank Armistead*, *Greg Murphy* and others. In addition to recommended engineering improvements, the audit revealed a need for more attention to the development of human resources. With union organizers actively working in the area, the client jumped at the human resource aspect and urged us to get to work on it as soon as possible. He felt that if he could teach his supervisors how to better treat their operators it could only help in the company-wide effort to keep out the union.

With the engineering program scheduled for an early spring kick-off, I arrived in February to begin work on developing human resources. (This, of course, followed a few crash sessions in Atlanta with *Smiley Jones* and *Ron Brockett* to develop this consultant’s human resources!)

After a clearance interview, which the Director of Man-

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Chairman's Corner

Changing Times in KSA—Many changes have taken place in KSA in 1977, possibly making this period the most eventful in the history of our firm. There is a positive note to these changes because they are designed to strengthen KSA for the future and are in keeping with our defined philosophy, objectives, and strategy. The backdrop to these changes is much enhanced by the reasonably good sales and profit performance we have enjoyed in both the USA and Europe this year.

In the course of busy days and full schedules it is easy to forget that these individual steps are part of a bigger picture. For this reason, we thought a summary of the more significant changes would be of interest.

In January *Bob Frazier* took over management of GMM, a move designed to provide a smooth succession in this job while we still have the full benefit of *Ralph Ross's* contribution. The transition is complete and Bob has developed plans for further growth of this function.

In May we announced that *John Wilcox* would share the industry management task of our Apparel practice with *Dean Vought*. This was with the view of John having the primary responsibility as of January, 1978. . . . At the same time, Dave Cole was appointed Manager of MSD.

Dean Vought and I had handled these key tasks on a part-time basis and it was clear that we did not do justice to them. John and Dave will provide effective full time leadership with a good deal of positive impact as time goes on.

More recently, we announced the formation of the Interior Furnishings Group and the appointment of *Bob George* as Industry Manager of this group of industries. We view this as an important move in broadening and strengthening the marketing of KSA's services to these industries. Bob's appointment was made possible by his turning over the management of the PD function to *Tony DeMaria* and *Bob Hagen*.

For several months we have been endeavoring to recruit senior men for our HIC and Retail practices with a view to strengthening our business development and project management capacity in these industries. . . . these searches are continuing.

Our international activities received a real shot in the arm when we learned a couple of months ago that the authorities in Brazil had agreed to a development plan that permits KSA to take enough money out of the country to justify this venture from a commercial point of view. We are now moving ahead with recruitment of Brazilians while supporting on-going projects with consultants from the U.S.

In Europe, exciting developments have also taken place. *Xavier de Montfalcon* joined us in August as Manager of our French and Spanish speaking practice. . . . We have strengthened our Retail practice by bringing in senior consultants with functional expertise in Systems, Finance and General Management. . . . An internal audit is under way in UK with a view to charting a course for our long-term future in that region.

These steps have all been taken to strengthen our practice generally and to improve our business development capability. As mentioned in the last issue of the *Observer*, we are dedicated to achieving in real terms a better growth

rate for KSA. . . these changes are supportive of this objective. It will, of course, be some time before the full impact will be felt, but we hope to continue the present course through 1978. If we are fortunate in having favorable economic conditions, we should have a good opportunity to see these changes take hold and KSA strengthened in a very significant way.

—SAK

Fourth & Goal—Cont.

ufacturing must have with all new consultants, Frank and I got started. Personal interviews were conducted with all persons slated for participation in the Supervisory Development Program. They were split into four heterogeneous groups of 12 each. The first group sessions got underway the second week of February and were devoted to an open discussion of what was to be accomplished. Having decided to proceed on a problem solving basis, the next several sessions were spent identifying the problems. It was quite clear that:

- The supervisors had very little control of what went on in their departments.
- Most production supervisors were functioning as little more than glorified bundle handlers.
- Supervision was seriously lacking in technical as well as human relations skills.
- In order to achieve a positive behavioral change in the organization, the key was going to be top management.

In light of these observations, and being some four weeks into the program, we took a close look at what we really expected to accomplish. . . and the best way to go about it. Simply stated, the objective was to provide supervision with the skills—technical and human relations—to function effectively in their jobs and, concurrently, to create an environment throughout the organization whereby these supervisors could use and continue to develop their skills. How do you create this type of environment? You sell and educate top management along the same lines as supervision and have them serve as "models" for their subordinates. Without this key element, the likelihood is slim for this type program to have a meaningful and lasting effect.

These observations were reviewed with the client, and the following week the supervisors were reorganized into more homogeneous groups—for specialized training—and Ron Brockett was called on to begin a special seminar in Leader Effectiveness Training (LET) for the entire management team. Now, all we needed to do was sell the principles of LET to this group and get them actively modeling these skills for their subordinates. . . *no small task!* In an

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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 8, No. 3

September 30, 1977

The Caps Program

By—*John Wilcox*

KSA has worked for less than 10% of the approximately 15,000 companies that produce apparel in the United States (1,416 as of July, 1977.)

While our apparel consulting practice has grown steadily over the years, we have continued to address ourselves to prospects for the future: Is there a saturation point for our services in this industry? Are we close to it? Of the 13,000+ companies that have never used our services, how many are potential clients?

We have always done a good job of maintaining relationships with client firms. We also respond quickly and effectively to inquiries. However, we have not given enough sustained attention to KSA initiated contact with prospects. Recent meetings on this subject have produced the CAPS (Current Assigned Prospects) program. Here's how it works:

- Each year a list of about 100 companies will be designated as CAPS. Companies chosen can be non-clients or former clients which have become inactive. They should be of a quality and size to warrant concentrated KSA attention. The responsibility for identifying these companies will be with our regional managers; however, we will need input from everyone in KSA to get the best CAPS list.
- Marketing teams will be formed and assigned responsibility for up to 25 CAPS in any given year. The teams will function under the direction of the regional managers plus other key people who will be "drafted" from time to time.

Each team will consist of the leader plus three senior KSA Principals to achieve functional balance. For 1977 we have eight teams and a total of thirty-two Principals involved. Our teams for this year will be headed by: *Jack Johnson* (South), *Zeb Roberts* (Central), *Don Johnson* (Southwest), *Jim Trautman* (West), *Stig Kry* (North #1), *Ralph Ross* (North #2), *Dean Vought* (North #3), and *John Wilcox* (Women's Wear.)

- The objective of the team will be to arrange a visit with an officer of the CAP to become familiar with its operation, tell the KSA story, emphasize current areas of expertise, and establish or re-establish grounds for further contact. These will not be "hard-sell" efforts. The goal is simply to open and maintain contacts with prospective clients.
- Membership of the different CAPS teams will be rotated and is flexible. This project will provide professional development opportunities for younger principals.
- A wide variety of tools will be used to keep these relationships alive (personal communications, mailings of KSA material, invitations to our seminars and trade show exhibits, etc.)
- We have a lot of confidence that this focused business development activity will produce additional clients for KSA in the apparel industry over the long run. The effectiveness of the program will be evaluated regularly, and we plan to keep everyone apprised of it. Suggestions for pursuing this effort are heartily encouraged.

Fourth & Goal—Cont.

organization which had been run on a power philosophy for almost 50 years, the idea of listening to people's needs and trying to meet them without the regular use of power seemed almost preposterous. They gradually began to show signs of behavior change, although definite, positive changes occurred only recently.

While the HRD program was being conducted, the union organizers were busily visiting operators at night trying to get enough cards signed to petition for an election. They got the required 30% in one of the plants and filed their petition with the NLRB in mid-June. The company lawyers were quickly brought into the picture and the election date was set for August 12 (tomorrow), almost two months from the petition date.

Having become somewhat frustrated in trying to achieve a positive behavior change, I wondered just what effect the election would have on the program. It turned out to be just what the company needed. . .all of a sudden, they were very interested in learning more about the needs, problems, and issues of the operators.

Upon discovering that his local plant manager was one of the main issues, the Director decided to move into the plant on a full-time basis and to personally conduct the election campaign. He began calling in small groups of operators and, relying heavily on his newly acquired listening skills, was quickly educated regarding real life on the floor these days. He also learned that many of the operators' problems were legitimate. They *really* were being treated unfairly in many cases. After the initial shock of discovering what the real issues were, the Director set about trying

to resolve the problems. . .though time was working against him.

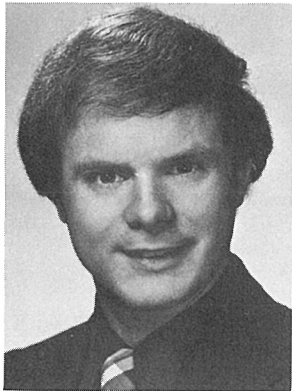
Incidentally, the primary issue among the operators is that they have the feeling no one ever listens to them or tries to understand their problems. They resent harsh treatment and feel they are often reprimanded while doing their best. Strangely enough, the real issues are apparently unknown to the union. . .they have been conducting their campaign around "promises" for better pay and fringe benefits.

As the Director went about his new routine of really listening, learning people's problems, and acting on them, his subordinates—plant manager and supervisors—noticed the changes in him and began practicing some of the communication skills they had learned. Operators likewise have noticed the change but, of course, attribute it to a nice-guy effort by the company to keep out the union. They find the change refreshing but fear that management will revert to their same old tricks if the union doesn't win. The entire management team has been trying to convince them that this is not the case, but the vote tomorrow will tell the tale.

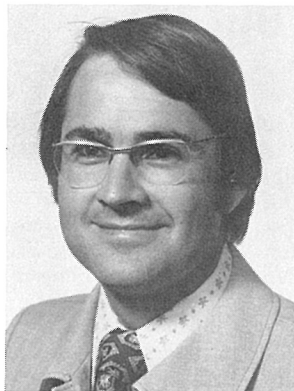
Concurrently with the previously described activity, the company labor lawyers have been conducting a concentrated information program—through supervision, mail-outs, and bulletin boards—to educate the employees regarding the disadvantages of having a union. They admit that they are not bringing up the real issues but are trying to win the election. They agree with us that the employees

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Promotions . . .



Jacques Brault



Daniel Manchon

Congratulations to *Jacques Brault* and *Daniel Manchon* on their well deserved appointment as Principals.

Jacques' KSA career has covered a wide variety of products in several functions. This, plus his fluency in English, French and Portuguese makes him a versatile man indeed. His efforts in assisting in the development of our South American practice have been tremendous, and he's agreed to stay in Brazil several years to assist in furthering our operations in S.A.

Daniel, though a French associate, spent his first three years with KSA on various projects in the U.S.—interrupted by a short stint in Algeria where his linguistic abilities were badly needed. After three years back in France where he continued his CRE, SRE and AAMT assignments, in early 1976 KSA/USA again needed his capabilities. While he plans to return to France later this year, we'd like to see him stay on this side of the Atlantic.

Congratulations are also in order for *Bob George*, *Tony DeMaria* and *Bob Hagen* (their photos appeared previously) who have assumed new management responsibilities.

We wish all of these men an abundance of success.

Nashville Newspaper Item

Sunday, July 17—At Hillwood Country Club, *Zeb Roberts* holed out a 3-iron on the 170 yard fifth hole in the company of *John Fite* and *Mr. Campbell*.

Editor's Comment: Nice going CZR! A hole in one is quite an accomplishment...especially for someone who hits the ball from the wrong side. What was your final score?

Shoe Industry—Cont.

qualified firms to be certified by Commerce for this program. Others will be chosen in the future.

Kurt passed the first ball to KDV who developed our initial proposal and submitted it to Commerce along with curricula vitae on many of our consultants who may eventually be involved. Jack Johnson, *Bob Heiland*, and a former shoe industry executive, *Jack Heald*, are the members of the first project team, and we expect to give them an assist with *Smiley Jones* and *Ken Campbell*, who have had specific shoe manufacturing and systems experience.

If all goes as planned, we will undertake four such overviews during September/October and may be involved in

second phase strategic planning studies to be followed by implementation programs beginning later in the year.

In Summary —Our low profile/opportunistic approach in shoes has now done an about face. Within the limits of our capability, we are moving forward on two fronts to develop our consulting potential in this \$6 billion industry. We will only grow there as rapidly as our ability to sustain and support a top quality professional practice permits...the foundation for KSA's success.

The unique value of SLM (with a \$400,000 existing practice) and Commerce coming together at this time will facilitate our ability to develop a meaningful domestic practice in shoes. This should be possible *without* the normal investments required to penetrate a "new" industry and without diluting our other industry development efforts.

You will be hearing more of these twin developments as they evolve. For the present, our thanks to all those who have been involved, to Ross and Smiley for keeping us up to date with the shoe industry these past several years, to Nort for a very thorough analysis of the SLM techniques and shoe industry market potential for same, to Dean for developing our first proposal for Commerce and certainly to KS for being our very big "little man in Washington"...and he's retired!
—JJU



Do you have anything that will compete with an exciting consulting project, a manual that's behind schedule, a stack of Tech Info?

Returns and Departures

We're happy to welcome *Keith Alleson* back to the U.S., but this time as a KSA/USA consultant. In early 1971 Keith, with three years experience in the hosiery industry, was sent here to be trained for *Kurt Salmon Division of P-E South Africa* with whom we were affiliated at the time. Following training, he spent four years of consulting with PE/SA, plus an additional three years with a blanket manufacturer, before deciding to return to the States...this time with his wife, *Shifrah* and young son (he was a bachelor when here previously.)

It's with regret we tell you that *John Cope* and *Dale Dodrill* have decided to pursue career interests outside KSA. We wish them happiness and success.

KSA/USA

By—*Jack Ullman*

After Eight Periods—We can all be pleased with our performance through eight periods. Your continuing efforts have permitted us to operate incredibly close to budget despite somewhat lower than planned capacity.

- **Volume**—Less than 1% under budget. . . probably closer to 1% over when late BI's are accounted for.
- **Operating Expenses**—Slightly below budget for USA only. . . less than 1% above after absorbing the non-budgeted "local Brazilian" costs.
- **Utilization**—Year-to-date overall stands at 67.2% versus budget 68%.
- **Fee Rate**—2% above budget.
- **Net Profit**—\$25,000 below budget at 5.16% as reported, and virtually on budget when late BI's are accounted for.
- **Sales**—Continuing slightly above budget with backlogs holding.

A Year of Rebuilding—We entered '77 with the knowledge we could not rebuild capacity rapidly enough to take full advantage of our market potential, so we planned and budgeted accordingly. This is a year of investment and rebuilding for the future while maintaining satisfactory performance.

Stig summarized a number of organizational and other changes made during 1977. . . changes to help us achieve our long-term objectives. Additionally, we have invested time and funds in both internal and external efforts in support of long-term objectives.

Internally—With the help of an outside consultant, we studied our HRD services and have on-going service development under way.

- Our apparel systems group continues the development of the modular on-line information system for apparel manufacturers.
- The results of our attitude survey are gratifying and action plans to implement many of the recommendations are under development.
- **Fringe Benefits**—You have received your first individualized fringe benefit statement. At the same time, under *Jerry Churchill's* direction, we are evaluating our fringe benefit programs. TPF&C have helped us with both these projects and Jerry expects to have recommendations for EXCOM and FINCOM review by year-end.
- **DPS**—We completed the evaluation and selection of a new advisor and their performance is being monitored by our DPS committee.
- **Support Services**—*Paul Bornstein's* return to manage these efforts was previously announced. Upgrading these services to provide timely and economic support for our consultants on billable projects is our objective. Support services will contribute to improved performance in 1978.
- **Recruiting**—A major and ongoing effort/investment is being made in order to rebuild our capacity for future growth.

Externally—Despite a relatively sold-up position, KSA has continued a sustained marketing effort aimed at long-term business development. The CAPS (Current Assigned Prospects) program initiated in the apparel industry promises to contribute to future growth there. . . . Our marketing/business development efforts in retail, health care and knitting continue to meet with success, and long-term expansion in these industries will contribute to our domestic growth. . . . Third World efforts in Latin America and the Middle East continue to provide volume growth for apparel

Coming Events

- Oct. 21-23 **INFOTECAMADA 77**, Montreal. *Bill Sand* will speak on furniture manufacturing.
- Oct. 25-26 **A-Cut Conference**, Georgia Tech. *Dean Vought* will chair a session, and *Joe Irastorza* will speak on interactive cut planning.
- Oct. 26-27 **Textile Planning Seminar**, Atlanta. (Registration: \$300.)
- Oct. 29-
Nov. 1 **Footwear Manufacturing Conference & Exposition**, Atlantic City. KSA will exhibit.
- Nov. 11-12 **KSA Principals' Meeting**, Atlanta.

and textiles. . . . Following up on our successful work with Holiday Inns, *Bob Langley* is in contact with a number of Holiday Inn franchise operators and we expect continued activity in the food and lodging field. . . . Under *Bob Reeves'* direction, we are maintaining an ongoing but relatively low-paced marketing effort in mining until we are in a stronger position (capacity) to undertake additional projects. . . . Shoes and furniture hold promise for future development. We're active in shoes presently—covered elsewhere. In furniture, *Bill Sand* has been laying groundwork for follow-up with furniture MU, based on our successful work with Sklar in Canada. We have a number of contacts with major furniture manufacturers employing computerized marker-making technology and MU should provide a solid entry point in the furniture segment of our Interior Furnishings Group.

Outlook—We have as yet not seen a fall-off in demand for our services and soft goods sales at retail showed a substantial pick-up (back to school) in August. Nevertheless, at this writing we do not expect to finish 1977 at budgeted volume of profitability. As pointed out in the last *Observer*, early turnover and delayed recruiting resulted in somewhat lower capacity for the next five periods than initially budgeted. We have all S-T-R-E-T-C-H-E-D and thus far it has helped, but we look for some falling off during the last few periods.

The preliminary budgeting exercise has been completed, and based on preliminary projections—subject as always to the economy, we should be in a position to realize from 5% to 10% real growth in volume and satisfactory profit margins in 1978.

In Summary—We are very much on target and pleased with performance during 1977. 1976 was a year of recovery and rebuilding our financial resources. It was a year when profits were depressed in order to provide "catch-up" bonuses at year-end, following the '75 crunch. 1977 has been a year of investment and rebuilding and positioning ourselves for future growth. . . in keeping with long-term objectives.

A final maximum effort is needed by all of us if we are to hold our 1977 performance for the balance of the year. Capacity and a slowing economy make our task difficult. . . but not impossible.

Our thanks to all in KSA/USA for a splendid two-thirds, and let's all resolve to buck the odds and beat our forecast for the balance of the year.

Bob Malburg's 25th Celebrated . . .

To mark the occasion, *Bob* was feted—and surprised—by 19 of his colleagues. A number of others unable to enjoy cocktails and dinner at the Greensboro Country Club on June 24 sent telegrams. Because of schedules, the party was six days after the anniversary—June 18. No wonder *Bob* was surprised. . . he thought no one remembered!

Bob was presented a watch commemorating his KSA years—a moldy, 25-year-old one of *Karl Striegel's*. Having recovered from that shock, he was then given his very own 25th anniversary watch. There were a number of kooky presents. . . one was an old *Striegel* wallet filled with foreign currency (Mexican, Philippino, Canadian, etc.) And then the following letter was read, which said it all. . .

June 18, 1977

Dear *Karl*:

Someone in the office said that this day marks *Bob Malburg's* 25th anniversary with KSA and I said, "So what?" And they said, "Well, smart guy, can't you say a few good words for him? To which I replied: "Sure, I can say *very few* good words about *Malburg*."

Among the good words which come immediately to mind are: He's *cheap*. Yeah, I said cheap. Others might call him frugal or even parsimonious, but I say he's cheap. Why is that, you ask? Well, for openers, consider the fact (*Malburg* boasts of this) that back in 1954, he appropriated six shirts out of the "seconds" bin at *Alatex*. *Twenty* years later, he sent those dingy, well-worn shirts back to our good client (along with others, which *Goodwill* donated to him) and, claiming them defective, demanded his money back! Yes, he did that.

And, lo these many years, we've been buying his dinner because waitresses have grown old and literally retired before he volunteered for the tab. Once, he did actually pick up the check and the poor girl expired right there on the spot. (Of course, he was simply checking the addition before neatly dropping the bill in someone else's hand.)

Most men would not require their wives (poor *Margaret!*) to dive into the water to retrieve their errant golf balls. *Malburg* does. Being resourceful (and wet anyway), *Margaret* harvests other golf balls in the lake at the same time. He lets her keep the ones with the deep grins on them. Nice guy, he is.

Those of us who play golf with him now know to take



Happy Hour is a good time for a photo, as evidenced by the happy faces of these partygoers.

Karl Striegel presents *Bob* a 25 year watch. *Karl's* moldy 25 year old one. . . or the one for *Bob's* 25th anniversary?



plenty of pennies along. You know, too, *Karl*. When you spot his ball, he picks up ball, penny, and all. Better to use pennies than quarters when he's around. So much for his spendthrift ways. . .

What other words can one use to describe him? Well, he *drinks*, we'll have to admit. Actually, he holds it very well and has, on many occasions, driven his inebriated colleagues home and then returned to his partying for a few days more. Yes, he's a *show-off*. . . the worst kind.

What else? He *gamble*s. . . if you can call it that. Others might think a 50c raise—in a pot-limit game in which he holds the best hand (he *peeks*, too)—is really not gambling at all. But that's the type risk *Malburg* has been known to take.

I remember one auspicious occasion at the *Striegel* household and a really big poker game. *Malburg* had earlier, well. . . 'er. . . asked for a pay raise and been turned down. (Why should he need a raise when *Wachovia Bank* borrows money *from him*?) Well, anyway, seeing the poor fellow's plight, *Mr. Striegel* suggested that he might just earn a tidy sum off the patsies coming into town. Here was the deal:

Striegel would not play, but strategically position himself at the bar and mix everyone's drinks. *Malburg* would play, pretend to drink, but have only iced tea while others were served triples by the host. *Zeb Roberts, Ross Runnels, Bob Frazier, Yours Truly*, and others were the unsuspecting souls.

Malburg would rake in the money by clever betting, cheating, scratching, and other gambits intended to separate the wool from those lambs. And don't forget the effect intended by *Mr. S's* heavy handed bartending! It was a neat setup, but it didn't work. By and by, the drunken contestants became winners and the sober *Malburg* became a very sad case. Right then and there, he vowed never to be sober again. . . and he's stuck with that pledge ever since.

You can say this about the guy: He learns fast; he gets the message.

Aside from the evils mentioned above, you can't really say any more bad words about him. In fact, if he gets our *real* message here, he knows the good words and best wishes we all have for him, for *Margaret*, and for their boys. . . now and in the years ahead.

Sincerely,

Jack Johnson

Copy (with affection) to: *RWMalburg*

New Staff

David N. Baltimore. . .Age 33. Wife *Susan*. Two children. BS Math/Statistics—Virginia Polytechnic Institute, MBA—University of Virginia. Most recently, assistant superintendent at Cone Mills for five-plus years; two years at DuPont doing planning/IE work; also taught school for a year. Assigned MMD-Textiles. Interests: Camping, tennis, gardening, reading.

David C. Benson (Dave). . .Age 24. Single. BSIE Cum Laude—N.C. State University, MBA—University of N.C. Miscellaneous summer and part time jobs while in college. Assigned MMD-Apparel, though interest is for future work in Systems. Dave came to KSA after meeting *Al Durany* at University of N.C. Interests: Tennis, jogging, spent five months touring Europe on a Moped.

Robert G. Brown, III (Rob). . .Age 24. Single. BS Organizational Psychology—University of Georgia. Miscellaneous jobs while going to school. Rob joined KSA through *Todd Barr*. . .they had known each other when Rob attended Georgia Tech for two years. Interested in Latin America work. Assigned MMD-Apparel. Interests: Chess, Swimming (was on Georgia Tech swimming team), woodworking.

John DeCamp, Jr. . . .Age 22. Wife *Tina*. BSIE—Purdue University. Also Automotive Master Mechanic Degree. Ran his own auto repair business while attending Purdue. . .paid entire education and living expenses. Assigned MMD-Apparel. Interests: Photography, woodcarving, human psychology.

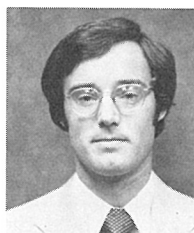
James W. Kirby (Jim). . .Age 29. Wife *Jayne*. BS Business Administration—University of N.C., MBA—Emory University. U.S. Navy five years. Received Navy Achievement Medal and Republic of Vietnam Honor Medal. Assigned MMD-Apparel. Interests: Bridge, squash, photography.

Gordon W. McClung. . .Age 25. Wife *Tandy*. BA Political Science Psychology, BS Business Administration and MBA—West Virginia University. Held part-time positions during school year and summer work to pay all college expenses. Assigned MMD-Apparel. Interests: Hiking, camping, tennis, building furniture.

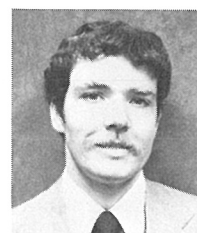
James N. Mann (Jim). . .Age 40. Wife *Louise*. Three children. BSIE—Georgia Tech. Textile/apparel management spans 16 years—five years managing a two-plant textile division (400 employees.) Experience covers yarn manufacturing, double and single knitting, yarn dyeing, piece dyeing, apparel, with such well known firms as Deering-Milliken, Kings Point Knitting, and owned and operated a textile manufacturing plant. Assigned MSD-Textiles. Interests: Swimming, traveling, reading.

Robert Mersereau (Bob). . .Age 22. Single. BS Industrial and Operations Engineering—University of Michigan. Miscellaneous summer and part time employment. Assigned MMD-Apparel. Interests: Technical theater, sailing, skiing, tennis.

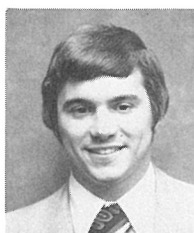
James D. Miller, III (Jim). . .Age 25. Single. BSIE—Georgia Tech, MBA—Harvard. Summer employment and one and a half years as manufacturing engineer for aerospace electronics subcontractor. Assigned MMD-Apparel. Interests: Tennis; golf, skiing.



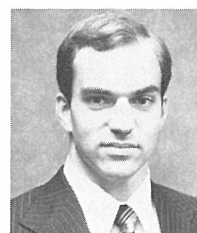
Baltimore



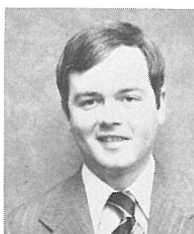
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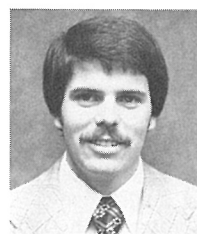
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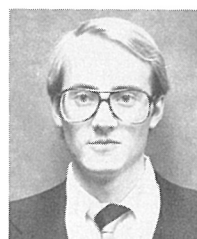
Kirby



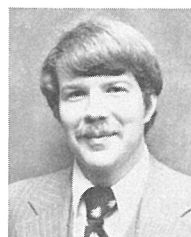
McClung



Mann



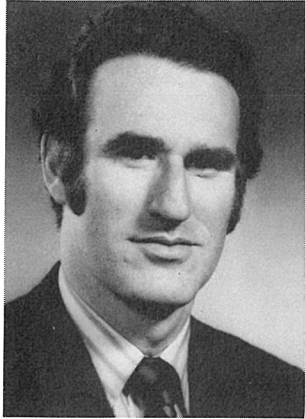
Mersereau



Miller

Tenth Anniversaries

Dick Bath joined KSA in August, 1967, after seven years in the U.S. Army, where he achieved the rank of Captain. Prior to military service, he earned his B.S. degree in



chemistry and math from John Carroll University. Dick also had two years of graduate studies at American University.

When Dick, *Barbara* and their four children arrived in Atlanta, the Towers had to uncover a special apartment for them. They still hold the record for KSA family occupancy at the Towers. After training, Dick embarked on a broad MMD career, even though he was hired as a possible AAMT consultant.

After a variety of successful projects, Dick was promoted to Principal in June 1972. He was asked to take on the Northern Region MMD responsibility in January 1975. . . a role he has filled very successfully by converting various prospects into KSA clients.

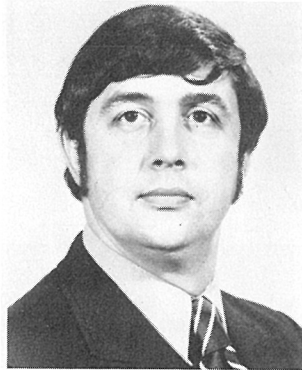
The Baths live in New Jersey, and Dick uses the Princeton Office as his base of operation.

Jerry Armfield graduated in 1967 from N.C. State University with a B.S. degree in engineering operations and joined KSA in August of that year. Even though formal KSA training was established, Jerry found his program being cut short to provide much needed assistance on a project for Centre Manufacturing in Alabama.

This beginning led Jerry into a number of MMD projects in outerwear and from there into a variety of projects. He was promoted to Principal in March 1974. In addition to supervising SRE projects, Jerry became KSA's quality control man, and this expertise led to a QC project for The Gap.

Jerry and *Mary Jane* are based in Nashville, from where Jerry serves clients in that area but also assists in other areas where his special talents and abilities are needed.

Congratulations to Dick and Jerry on this anniversary. We look forward to the coming years and their many contributions.



PUBLIC RELATIONS

Brief Notes—Our participation at Confexpo in Mexico City was a success. . . . A new "short form" client list has been published for men's wear and women's wear. . . . HIC participated in the American Hospital Association convention in Atlanta last month, and *Paul Flood* and *Dick McCaskill* delivered a speech on "How to Get the Best Re-

sults for Your Consulting Dollars". . . . A new exhibit is in the works for the Bobbin Show, at this writing, it seems that building the pyramids must have been easier. . . . *Deborah Galloway* now has full responsibility for HIC and Carpet Industry PR, plus some other chores. . . . An article on shirt productivity was published in the September Bobbin. . . . *Jim Giddings* addressed a retail meeting at the Chicago Apparel Mart. . . . And, last but not least, the National Retail Merchants Association has published its long awaited "*Alteration Workroom Manual*" by *Pete Ehlinger!*
—*Joe Scheines*

TRAINING AND PROFESSIONAL DEVELOPMENT

The summer of '77 produced a class reminiscent of the old days. The class consisted of 10. . . eight MMD (two of whom are experienced in textiles), one MSD (now on a PD assignment) and one support staff (*Edith O'Connor*), our in-house language specialist and advisor on Latin American affairs. All except Edith are off in all directions for their first assignments. (See photos under "New Staff.")

A resident engineer's class is taking shape for September. We will report on it in the next issue. . . . We are also in the process of designing a course for plant managers. More on this later.

A five-day workshop was conducted in July under the auspices of this department and HRD. The leader was *Dr. Peter Newell*, an independent authorized trainer of Effectiveness Training, Inc. The course consisted of four days of Leader Effectiveness Training (LET) and one day of instructor training. Twenty-seven consultants attended the first four days and 21 stayed for instructor training.

The workshop was well received and the consensus was that it was a very worthwhile endeavor and should be repeated. Peter Newell was quickly labeled "our kind of people" and proved to be a very effective leader.

The objectives of this workshop were to enhance our own personal relations skills and to establish teaching capability within KSA. There are three LET courses underway at this time as a client service: Hartwell Garment Co., Jack Winter, Inc., and Pendleton Woolen Mills.

We have incorporated LET into our Atlanta training with a pilot run during this summer class. The story by *Jim Hicks* illustrates how LET fits into supervisory and management development programs. Ask *Ron Brockett* for details of his new HRD service.
—*Bill Cameron*

Fourth & Goal—Cont.

may be educated into voting out the union this time, but if that happens and management reverts to its old tricks, next year's voters will not be so naive. They also agreed that unions would never have a chance if management really communicated well with their people.

Another factor in this story. . . *John Dye* arrived in April to begin engineering this plant and has been in a holding pattern since June because the company wanted as few changes as possible during the campaign. John is anxious to get started again, and we are both confident that management will continue to take positive steps to meet operators' needs following the election. A company victory would certainly give them more incentive to really use their communication skills and get the most out of this HRD project.

So, with the clock ticking down to the final seconds, it's "fourth and goal," and we wait for tomorrow, the election, and the verdict.

(Editor's Note: See page 15 for election results.)

Back home, they called the other one Jimmy

Jim Giddings

JIM GIDDINGS is uniquely qualified to be the subject of an *Observer Profile*. Despite 17 years of varied and sizeable accomplishments with KSA, he has never engineered a cutting or sewing room, or doffed a creel, for that matter. These facts alone should make him famous.

In case they haven't, we can always point to his impres-



sive skills as a cartoonist. Considering Jim's amateur standing as an engineer, his pen-and-ink renditions of plant scenes are uncannily accurate as well as funny. And, somehow, the consultant in his cartoons always seems to be a self-portrait (see cut.)

Jim takes cartooning seriously; it is rumored that he once offered to sell all his worldly goods for 10-cents on the dollar if the *New Yorker Magazine* would publish his

elephant cartoon. Luckily for Kay and the kids, the *New Yorker* doesn't use elephant cartoons.

James Irwin Giddings is a fascinating combination of small-town Southern *politesse* (he made it to Atlanta by way of Plains and Milledgeville, Ga.), Yankee shrewdness (from hanging around with New England retailers, no doubt), and cosmopolitan polish. By the time this *Profile* is printed, *Jim, Kay, Jim, Jr., Dan* and *Paige* will be ensconced in a New York apartment—marking the second big move for a Plains, Ga., boy in less than a year. It must be the water. . .

With KSA's growing retail practice to watch over, New York was obviously the place to relocate for JIG. It's no secret, however, that Jim and Kay have lusted for the good life in the Big Apple for years. *De gustibus non est disputandum*.

How did Jim Giddings come to KSA in the first place? Although no one has yet asked this question of the *Observer*, we feel it should be answered at this time: *One good thing leads to another*.

Our hero followed the path of another Milledgeville lad, *F. H. Wood*. (For a time, it seemed that neither would get far, as both Jim and Freddie are constitutionally unable to precede anyone through the same opening. When the impasse was finally broken, FHW found his way to Georgia Tech and, naturally, KSA.)

Jim started on the same general route, but then took a four-year detour after earning his IE degree in 1956 from

Tech and joined up with the Materials Handling Division of Yale & Towne Mfg. Co. During this period, he also took graduate work in design and architecture at Tech.

In July of 1960, Jim Giddings finally acknowledged his destiny and joined KSA as a staff consultant in our fledgling "warehousing and shipping" operation. Within a few years, his outstanding distribution work for clients in several industries earned him a promotion to Principal. One of his projects earned him an award from the American Materials Handling Society in a national competition in 1963.

A few years later, "warehousing and shipping" was upgraded to "Physical Distribution Division" and JIG was named its head. In 1969, Jim became a Vice President.

PD provided a logical initial entry into retailing work for KSA; in fact, one of our early retail assignments developed when Hart, Schaffner & Marx suggested to one of its customers—Hughes & Hatcher of Detroit—that they ask KSA's PD group to look at their distribution problems. And that's how Jim Giddings discovered he was a retailer at heart. (He had always been a manufacturer at Hart's, but that was different. . .)

Distribution and industrial engineering techniques that succeeded for manufacturers were adapted to the special needs of retail clients and one project led to another. Some of them led to Africa and Europe as well, and Jim became a trans-Atlantic commuter for awhile.

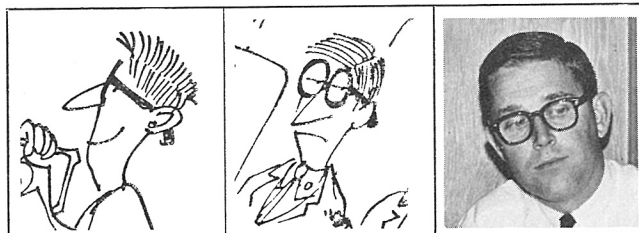
For a few years, JIG wore two hats as he directed both KSA's PD and retail activities. But it soon became evident that each was a one-hat job. The Physical Distribution staff had grown substantially in response to increasing demands for sophisticated services in that area, and retailing was seen to have a large enough potential of its own as an industry requiring special attention on a full-time basis.

So in 1972, Jim moved into retailing full time, and *Bob George* succeeded him in the PD area. Under JIG's guidance, our retailing practice has grown steadily. It is not an easy field to crack because of its diversity and size. Many of its giant firms employ sophisticated management techniques and a good deal of functional specialization. And KSA is not yet a household name. Nevertheless, Jim has used a variety of our specialists in PD, systems, suit engineering and GM&M to help him develop a rather impressive client list in five years.

Considering the fact that he also served as project manager in our first major lodging industry assignment during the same period of time, that is not a bad performance.

Milledgeville men like JIG tend to perform well under pressure; they keep their cool, remain super polite, and do not let you get behind them in a doorway. Which does not mean they always come through last.

—J.S.



JIG as seen by JIG

EUROPE . . .

How Do We Do

An Overview of Activities—Despite vacation, some impressive sales have been recorded since last issue. Management of larger companies continues to show awareness of the need for better systems and more long-term strategic planning. This is due partly to the economic situation and partly to our own efforts in promoting management services but the overall trend becomes steadily clearer.

Economically and politically, summer months have brought no new developments, except for traditional reluctance of decision makers to make decisions before holidays. This is evident in Latin countries although, as indicated elsewhere, some significant sales in these areas have been made.

The general impression that KSA's sales effort is coasting through what would be summer—if only the sun would come out—is far from the truth.

The status reports at the end of Period 7 show that the annualized sales index this year stands at 1.03 for Europe as a whole. . .3% over budget. This is partly the result of an impressive sales performance by U.K. region that exceeded its budget by 76% in that period. Backlogs are close to the desired seven periods for all activities, though appreciably higher for apparel than for retail. Fee income fell slightly to \$337,000—89% of budget. We lost 154 days due to vacation during that period so we should recover from this setback during the later periods. . .we have a strong backlog position.

Of particular importance is the high level of confidence in all regions where consultants and office staff, encouraged by successes during the first half of the year, are going all out to consolidate and even improve the situation.

In German region, the feeling that the spectacular sales boom that opened the year might be followed by an equally spectacular slump dissipates as more and more major assignments continue to be sold. In apparel the sales effort is being maintained despite current backlogs of 8.6 periods, well in excess of the desired 7. In retail, with a lower backlog of 4 periods, sales activity remains high and serves to maintain utilization until the next major breakthrough is achieved.

Confidence reigns also in U.K. region, largely as a result of a number of significant sales that open up new perspectives for future development.

In Latin region, the news that a manager has been appointed in France serves to strengthen faith in the future in KSA's commitment to developing our practice in France.

A new European region is to be formed out of the group currently referred to as F.I.I. (France, Iberia, International). A new label will be applied to the region that will include France, Belgium, Spain, Portugal and those parts of Africa where French and Spanish are spoken. Between now and the end of the year, *Bob Fitze* will gradually hand over his F.I.I. responsibilities to our new colleague, *Xavier de Montfalcon*. Bob will retain responsibility for Italy and his many other European tasks.

In the new region, *Guy Vidal* will continue to play a prime role in the marketing of our services. He will have *Claude Reynvoet's* help in Belgium and in GMS generally, as well as that of *Alberto Figa-Beleta* in Spain where future

Ambassador Extraordinary

Whatever the P.R. department does this year, and perhaps even next year, it is unlikely that it will approach the success achieved by *Kurt Salmon's* trip this summer. During Kurt's stay in London, a lunch arranged for him to address top people in the apparel and retail industries drew 21 eminent personalities. . .all this despite the rival attractions of the Wimbledon tennis tournament and horse racing at Royal Ascot. One of the guests described the event as the most impressive and high powered gathering of top industry people he had ever seen. Kurt's survey of the current situation in the U.S. apparel and retail industries was described as "masterly" by one of the audience. Not only did the event produce valuable press coverage but, in the view of KSA people present, it will help us to consolidate our relationship with several of the large companies represented.

The following month, in July, Kurt came to Germany and gave two interviews to the editors of leading trade publications. Each lasted two hours and covered many topical subjects including the future of the apparel industry and KSA's evolution to meet changing conditions. One interview has just been published and first reports indicate that it has been received with considerable interest by the industry.

Both in the U.K. and Germany Kurt attended a dinner with KSA staff as well as internal seminars on various aspects of KSA's current activities.

Between all these KSA activities, Kurt found time to cruise the Greek Islands. We fear that after all the work, he may prefer to visit another part of the world next time he wants a restful holiday!

Ten-Year Man

In May, too late to make the previous issue of the *Observer Joe Mueller* celebrated 10 years with KSA.



Although a German national, Joe lives in Italy and started our apparel practice in that country. As one of KSA's foremost jacket engineering experts in Europe, Joe has successfully worked also on many assignments in the U.K., France, Spain, Turkey, as well as in his native country. In Italy, some of his most impressive achievements have been on assignments in several of the Lebole

plants.

Joe lives in Orvieto with his wife *Hildegard*, and their two children *Joachim* and *Christina*.

Congratulations and best wishes for the future.

prospects have improved considerably as the political situation becomes more stable.

Significant Appointment

Following the audit of our French operation last year, it was decided we should find a French manager who would assume overall responsibility for our practice in that country, Spain and other associated markets.

Following a long search, and many interviews, we are pleased to welcome *Xavier de Montfalcon*, who joined us on



August 16. He is 36 years old and lives in Neuilly—the edge of Paris—with his wife, *Nadine*, and their five children.

Xavier attended the HEC, France's closest equivalent to Harvard, and after national service as a naval officer, he obtained an MBA at Columbia. He joined McKinsey & Company in 1967 and remained with them till this year, having become senior engagement manager in 1974.

Xavier's consulting experience has been mainly in France. He's done a large number of diagnostic studies and cost reduction programs, largely in consumer-product industries, including food manufacturing, wine distribution and hotels. He also worked extensively for banks and public bodies, and has been involved in "turnaround" programs for a variety of French companies, including glassware and a brewery. He was personally responsible for developing McKinsey's practice in France with medium sized and smaller firms with emphasis on strategy and profit improvement.

Xavier's first task will be to develop with us the right priorities for our efforts in France and Spain for the next two or three years. Our hope is to resume growth of the apparel practice, while strengthening our PMS team.

Xavier will be traveling extensively in Europe and to the USA during the next few months and will meet all our European consultants in October at our staff conference.

Achievements and Prospects

Apparel—Possibly the most promising sale of the year—and one of the most important—concerns a \$144,000 assignment for start-up assistance in a new off-shore plant in Malta for Loden Frey of Germany (*Heinz-Juergen Krogner/Hardy Artelt*). Not only is the client one of the foremost coat manufacturers in the country, but is located in Southern Germany where, despite a heavy concentration of apparel companies, our penetration of the market does not match that achieved in other areas. It's expected this breakthrough will encourage other companies in the region to use our services. . . noted particularly for women's outerwear. Sales in the German women's wear industry include a \$34,000 marketing survey for Gregor Mai (*Ulf Weise*), a brand leader. Another strategy concept assignment worth \$49,000 was sold to a client in the work and leisure-wear field. Bierbaum & Proenen (*Peter Schuler/Peter Amrein/Hans Horst Hensche*).

In Holland, the brand leader in the men's fashion field, Van Gils, bought an EDP concept assignment for its Belgian factory (*Joep van Gent/Peter Amrein/Horst Kern*) despite their frequently expressed dislike of consultants.

The biggest assignment sold in the U.K. this summer was to a new client, Banner Textiles (*John Beddows/Mervyn Kerr*) for \$71,000, involving productivity development for a brand leader in shirts. This was closely followed by a \$68,000 assignment for Markroyelle/Lincroft (*Harry Lack/Mervyn Kerr*), also engineering work for a shirt manufacturer. Both these UK sales are particularly encouraging at a time when sales of low cost imported shirts hold a substantial share of the market. U.K. region sold its first company strategy concept assignment, a \$17,000 job for men's outerwear manufacturer Milford (*Mervyn Kerr*). A \$59,000 style coat engineering assignment for Wallis Fashion (*John Beddows/Steve Webb*) marks an important step forward in KSA's penetration of women's wear in the U.K.

Textiles—Three new assignments in this field originate in Latin region. The most interesting is a \$30,000 market study for the hosiery machinery division of Nuovo Pignone (*Giuseppe Tosco/Franco Guazzo/Bob Fitze*) one of Italy's leading producers of textile equipment. The most valuable is a \$50,000 assignment for the French Knitters Association (*Guy Vidal*) involving a productivity increase study, which will provide new contacts with individual member companies and holds the promise of further work. Back in Italy, a U.S. export study worth \$25,000 was commissioned by Sopramer (*Renato Tarditi/Bob Fitze*), a cooperative organization of small knitters and apparel producers in the Bologna region.

Retail—Latest news is a significant first assignment for F.W. Woolworth in the U.K. This is an opportunity to demonstrate our skills in the area of increasing sales to existing customers by the approach developed by *Richard Bett* and known as OCO (Optimizing Customer Opportunities).

Well Deserved Award



At a farewell dinner for *Jaime Tusell* at the end of his project at Jealfer, Spain, the company presented him with the rather mysterious looking gift shown in the photo.

Jaime really deserved it. Jealfer is in an isolated, small town where it rains continuously from October to May. The only amusement is provided by a TV set installed in the dining room of the only—unheated—hotel. Jaime smuggled an electric radiator into his room and just failed to set the building afire when all the fuses blew.

Understandably, Jaime spent his spare time in the factory with the owner and general manager; his good judgment earned him the confidence of the client, that assisted him in making decisions on various business activities. This meant four hours of business talk a day. . . after working hours.

Any candidates for next project? —*Alberto Figa-Beleta*

Germany

KSA Markets

The area covered by Federal Republic of Germany (West Germany) accounts for 7% of Europe's total area—half the territory covered by the country when last united over 40 years ago. Its share in Europe's total population is about 10% (61.5 M.) and nearly 30% of the total GNP. East Germany (the GDR—German Democratic Republic) covers an area about half the size of West Germany with a population of about one quarter.

Throughout the centuries, Germany's situation in the very heart of Europe and its lack of natural frontiers has profoundly affected her history. For long, a loose federation of largely independent states, it achieved total unity under a central government only in the late 19th century. From a Prussian dominated empire, it became a Democratic Republic, then a dictatorship and, after World War II, a new and strong democracy following partition. More than 16 M. people were driven from their homes in the East, with most trying to start a new life in West Germany.

One of the most important factors that contributed to West Germany's post-war economic success was the cooperation between management and unions. This resulted in one of the lowest strike rates in the world.

The strength of the Federal Republic is based on the so-called "social market economy"—an economic policy combining free enterprise with social progress on the basis of competition. Due to its geographic situation, its dense population, its highly industrialized economy and the relative lack of natural resources, West Germany largely depends on free trade. . . in world trade she holds second place behind the U.S.

This situation made it difficult for West Germany to sustain its strong economic position after the oil crises. An unprecedented increase in prices and unemployment, and a stagnating GNP are causing major concern. Although 1977 inflation is not expected to exceed 4%, the average rate of unemployment will probably come close to 5%, compared to 0.5% in 1970. No major improvement in unemployment, private consumption and investments is expected soon. Few people believe that political changes would make a difference. Although foreign workers account for almost 10% of the labor force, it's neither possible nor desirable that they be discriminated against.

As far as KSA's markets are concerned, the apparel and textile industry in West Germany suffered briefly from the economic situation. The following illustrates the present situation:

- From 1970 to 1976, within the combined textile and apparel industry, volume increased 21%—equivalent to near stagnation in real terms, the number of companies decreased by 22%; the number of employees decreased 30%.
- Including retailing, the industry now employs about 1 M. and is its largest consumer goods industry.
- West Germany is the largest European apparel market (31% of total European consumption) followed by France (18%) and the U.K. (12%); the world's largest apparel exporter (1976: 13,100 M. DM); the world's largest apparel importer (1976: 18,200 M. DM).
- Productivity increase from 1970 to 1976 was 57% in the textile industries, against only 27% in the total industry.
- In 1976, for the first time, the total cost per man/hour worked rose above that of the U.S.—due to currency fluctuations and wage increases.

Currency problems, high wages and the world's most liberal import policies are forcing West German apparel producers to further reduce their domestic production capacity. At the same time, off-shore production units are being set up or production capacity bought in low-wage countries. We estimate that within the next 10 years the market share of domestic production will decrease from 60% to 30% in ladies outerwear, from 70% to 40% in men's outerwear, and from 40% to 25% in the remaining apparel industry.

This does not sound too optimistic, however, the last years have shown the need for specialized consultants increasing steadily as our services evolve to meet the changing needs and ever more difficult problems of our clients. There is a growing need for marketing and EDP concepts as well as for assistance in setting up off-shore production units.

Within Germany, 25 colleagues are working from the Darmstadt and Duesseldorf offices to make the most of the considerable business that exists there. So far, we have covered about 40% of the men's outerwear industry, 10% of ladies outerwear and not more than 5% of the remaining apparel industry (shirts, underwear, jeans, etc.) in West Germany.

Although KSA-GmbH claims to be a specialist in textiles, apparel and retailing about 85%-90% of German region assignments are in the apparel industry and the rest in retailing. Prospects in apparel are such that we can expect to equal in other sectors the market penetration already achieved in men's outerwear. At the same time, present contacts with major retailers indicate that our work in this industry will also increase quite rapidly. Our limited resources will be concentrated in these two areas. We are also looking at the appreciably larger (150% of apparel) textile industry in Germany on an opportunistic basis.

It Happened in Europe

Change at Zug office where *Irma Bernet*, *Bob Fitze's* P.A., left the end of July. Her successor, *Janine Landert*, born in Egypt and with a Swiss husband and three children, joins us October 1.

New office staff include *Sue Dewhirst* at Altrincham office and *Anne Crewe* in Windsor who is Stuart Hollander's new secretary. Also *Sigrid Fuchs* joined Duesseldorf office August 1 as junior secretary. A hearty welcome to all.

Wedding bells for the man once described as KSA-Europe's most eligible bachelor. . . *Ulf Weise* married *Rosmarie Bank* in Berlin June 20. Our best wishes to them.

Confirmation that the European Staff Meeting will take place in London in October. This will be the first time a Staff Meeting brings together KSA people from all regions and countries.

Departures this last quarter include *Helmut Blettenberger* who leaves after 16 years with KSA to take a major appointment in the German Apparel Industry. *Michel Cardon*, *Bruno Lezier* and *Jacques Compain-Tissier* left French region this summer. *Dave Rosbrook* left U.K. region to join one of our old clients. *Peter Riebel* left German region June 1. We wish them much success in their new careers.

European Offices



Sissi von Zedwitz



Eva Goehl



Ingrid Zilles



Anneliese Lobenstein



Ursula Pfeiffer



Karl Hofmann

Darmstadt — Situated in a most attractive small city of around 140,000 inhabitants, our office has the distinction of being not only our largest in Germany, but also the first self-contained KSA office in Europe. Even though it has changed its address twice, KSA has been in Darmstadt since 1961.

The original office was just a room in the home of *Walter Pieper* who was then responsible for KSA activities in Germany. By 1964, our operations had expanded to the extent that establishment of a permanent office was a necessity. Our first move was to a small office in the center of town on Elisabethenstrasse. Many will remember, with a touch of nostalgia, the charm and attractiveness of our first permanent premises. . . above a charming and attractive garage!

KSA continued to expand and, by 1970, office accommodation had to expand also. It was then that we moved to our present base, also centrally located, but on the fringe of a pleasant residential area. The small, modern building offers spacious and airy accommodation and KSA occupies the whole 2nd floor (European style) or 3rd floor (U.S. style). It is one of the few KSA offices in Europe where any window provides a view of near-by trees and lawns.

Space is most important and our office has plenty, as it houses the German apparel library and all accounting activities. It is the headquarters of our apparel division in Germany and provides support services for some 20 consultants with a corresponding volume of proposals, reports and correspondence. It is always busy and very productive.

Over it all, *Sissi von Zedwitz* reigns with charm, good humor and the quiet efficiency necessary to get the miraculous done on time and the impossible only a little later with a minimum of fuss. Sissi joined KSA in 1965 and is the only full time office staff member in Europe to exceed

10 years with the company. During Sissi's many years she has acquired the ability to manage the office with an ease that is obviously apparent and an effectiveness that is obviously real.

Although working part-time, in the morning only, *Eva Goehl* reaches her 10 years with KSA this year. She started as a full time typist in 1967 but now must spend more time at home looking after her son.

Ingrid Zilles, with KSA since 1969, handles secretarial work and reservations, and often takes care of phone. Ingrid is one of only three full time employees, so she also carries a heavy share of the workload and responsibilities. Ingrid made all the arrangements for the staff conference in Munich last year.

Anneliese Lobenstein joined KSA in 1973 as a typist when she was still *Fraulein Funk*. Since then, she was married and has a two-year old daughter who insists that her mother only work part time, in the afternoon.

Ursula Pfeiffer (Uschi) joined us in 1975 and provides part time help every morning, mainly in the accounting department. When the workload reaches critical proportions, Uschi also helps out with other office duties.

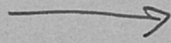
The one male member of the office staff, *Karl Hofmann*, is also the only man employed full time in a KSA European office. Karl joined KSA in 1970 and is responsible for German region accounting.

Despite the often hectic pressure of work, Darmstadt seems a particularly happy place. Certainly, it has a higher proportion of long service staff than any other European office. With plenty of employment opportunities in Darmstadt, we can only presume that people enjoy working there. . . just as visitors enjoy being there.

In our next issue. . . Chiasso.

All's Well T

IS This the
Same KSA Booth
we have now???



Our only trade fair in Paris in June was a triumph. We had a prime position, an attractive booth, and it was reported visitors to this apparel equipment show would include a substantial portion from outside France.

To attract new contacts and promote our EDP-based management services, we planned demonstrations of a real time M.I.S. in action. The display unit and printer were delivered on schedule but the telephone link to the computer was not connected. After a six hour delay, we got the line connected but the power supply socket didn't match the pins on the EDP equipment. There was a mad search for an electrician and the correct socket. By the first evening of the two days allocated for testing equipment, all was in order and ready to go. . .but the personnel at the center had locked up and gone home. We decided to make an early start on test the following day.

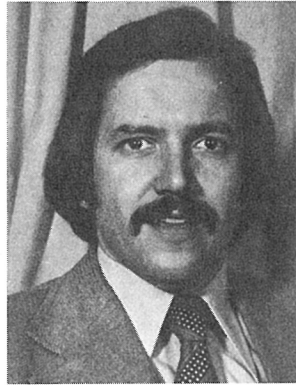
We arrived early and switched on. . .Henry-Louis Stimfling, our French EDP specialist who master-minded the operation, began his attempts to communicate with the electronic moron at the other end of the line. Two hours

New Staff



Peter Hamer

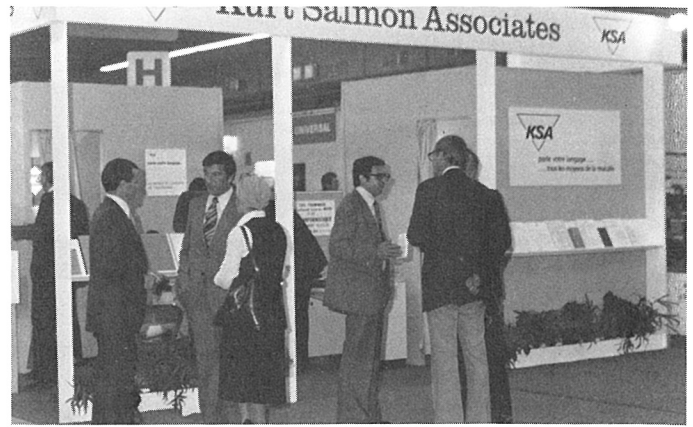
Peter Hamer. . .Age 33. Educated at Dulwich College. BA and MA degrees from Oxford. Began his career with the Unilever Group and became Brand Manager before leaving to join P.S. Management Consultants in 1973. As a Senior Consultant there, he specialized in international marketing and business planning, especially on the continent and in the Middle East. He assumed management of a large client company for one year. He currently lives in Cambridge. Interests: Sailing, theater and cinema.



Jerzy Piasecki

Jerzy Piasecki. . .Age 30. Engineering degree from Aston University in Birmingham and a graduate member of both the Institutions of Production Engineers and Mechanical Engineers. Joined the Leyland Motor Corporation as a graduate apprentice in 1967 and became Marketing Supervisor in the International Division by 1972 when he joined Jackson's The Tailor Ltd., a leading multiple retailer of men's wear. In 1975, he was appointed Financial Director, with a wide range of responsibilities and a staff of 180.

Philip and Jerzy add substantially to our consumer marketing capabilities, to our ability to undertake company strategy, diversification and planning work, and to our capabilities in the financial management and financial control areas.



Left to right: *Michel Cardon* with two prospects; *Bob Fitze* and *Stig Kry* (partially hidden by visitor's back); in background *Henry-Louis Stimfling* preparing for demonstration.

later, it was obvious the display unit would show neither the information we wanted nor any of the more popular soap operas. A call to the hardware supplier brought the first of several technicians who took turns at poking around the equipment with screwdrivers before retiring in embarrassment with a wild, haunted look in their eyes. The display unit would not display and the printer would not print. By late afternoon, several KSA people arrived on the stand for briefing and Henry-Louis' ordeal took on a new dimension. Each newcomer suggested one or several well-placed kicks and went on to propose such cures as new batteries, another orientation for the TV aerial, the substitution of the equipment by carrier pigeons and other prime examples of KSA wit.

The ultimate decision was made. . .Henry-Louis would drive 200 miles to the plant of the client whose program we were using, borrow a display unit to replace the faulty one we had, and get back in time for the opening. He made it, at the cost of four hours sleep and some hectic driving.

Before the visitors arrived, the new unit was connected and provided a perfect demonstration of electronic good behavior. Demonstrations began—without printer, which was not essential—and immediately, visitors began to inquire about EDP. Henry-Louis and *Claude Reynvoet*, were kept busy to the end of the show demonstrating KSA's solution to M.I.S. problems. Some 15 companies, including new contacts, showed active interest and are now being followed up, so it was all worthwhile.

We made several promising contacts in connection with non-EDP activities. KSA was honored by the organizers with an official award for our contribution to advancing knowledge of techniques in the apparel industry.

As for the printer, various technicians kept up vain attempts to make it produce print-outs. In the end, the monster won and the technicians retired in defeat. It was later taken away for psychiatric treatment. . .or something.

Financial Crisis

The plight of the U.K. economy was revealed in all its horror during a conversation in London over drinks preceding the Kurt Salmon Lunch. Talking to a high official of the Bank of England, *John Phillips* made a suggestion concerning the possible use of KSA services. The official agreed the idea was good but added ". . .however, I am not sure where we can find the money."

Things are obviously getting serious. . .perhaps *Jerry Churchill* should contact the Fed. to check on the state of *their* basement.

Atlanta



Sandy Dardo



Penelope Malone



Isaac Myers



Sharon Perry



Jimmy Clark

Once again the Atlanta Office is sporting some new faces.

Sandy Dardo has joined our ranks to assist *Ken Osborne, Paul Bornstein, Sergio Cruz, Bill Sand, Bob Langley* and *Richard Lusk*. Sandy was born in Equador and speaks Spanish fluently. She plans to work into helping with our translating opportunities.

Penelope Malone is on board as administrative assistant to *Dave Cole* and *Mac Ryland*. Penelope is a Nashville, Tenn. native and an alumna of Vanderbilt University.

Isaac Myers has joined our Tech Support staff. Coincidentally, he and Sandy had previously worked together at Bendix Home Systems in Atlanta—also the old stomping grounds of *Jerry Churchill*. Ike is from the Georgia Coast—Brunswick—home of Jekyll and St. Simons Islands. He's lived in Atlanta for seven years with his wife and two little boys.

Brenda Baldwin decided to take a position in Accounting and transferred there September 12. She has done a "super" job in her past two years, providing the perfect

image for KSA on the telephone and at the front desk. Good luck, Brenda.

Sharon Perry joined us as Brenda's capable replacement. She and her six year old daughter, *Christy*, are relocating here from Orlando, where Sharon worked as a receptionist for a property management firm.

Jimmy Clark became part-time keeper of the Xerox and mail room August 29. He is attending school at night. He just finished a tour of duty in the Navy as Aviation Storekeeper, attaining the rank of Petty Officer, Third Class. Jimmy is replacing *Richard Cheatham* who has returned to school full time. Richard will be missed, but we do wish him well.

Congratulations are in order for several Atlantans. *Barbara* and *Murl Hardy*, proud parents of *Wesley Andrew*, born July 5. . . . *Julia Stokes* was married to *Patrick Keating* May 21, *Joye Varner* to *Wilbur Yaun* June 25, and *Carol Davis* to *Ted Morris* September 10. Our very best wishes to all.
—Linda Broadrick

Congratulations!

To *George Soffron* and his bride, *Andrea*, who were married June 25, and to *Roger* and *Mary LeBarron* whose wedding was July 2. Good health and much happiness to our newlyweds.

To families with new babies. . . *Bonnie* and *Dave Perdue*, David A., III, born July 12; *Carmen* and *Pete Ehlinger*, *Jennifer Christa*, born July 15.

Fourth & Goal Election Results

Company	156
ACTWU	75



I AM AFRAID, BROTHER THOMAS, THAT THE EMPLOYMENT AGENCY MISLED YOU REGARDING OUR LANGUAGE REQUIREMENTS FOR WORKING IN LATIN AMERICA.