

Thorngate

High Grade Clothing . . .

By—Hal Ivey

"...can you be in The Cape Monday?" asked *Howard Cooley* when he called NYO one Friday. "Wellll, uh, gee Howard, I still have two days work here; movers can't come until Wednesday, my car's in the garage...how about Friday?" "Okay, but try to make it Wednesday so you can meet *Jack Downie* while he's there."

Wednesday, 1:00 p.m. from Illinois... "Hi, Jack, I'm about four and half hours from The Cape, shall I meet you at the plant or the motel? What do you mean you've got a 5:30 flight and can I make it by 3:45?" Yes, I still have the canoe on my car...no it doesn't slow me down."



Three mildly frenzied hours later, meet client, supervisors and staff, say good-bye to Downie whose parting words are "...look over the Op Bulletin, get the four sample coats finished, stay out of the Paladium and I'll see you Tuesday."

Next day, 7:45 a.m., the mechanics want to know where to uncrate and set up a new \$30,000+ pocket setter...oh well, so much for apartment hunting, let's get to work.

From that beginning evolved a fully functional, operating coat plant making high quality tailored garments sold by Hart, Schffner & Marx under the Austin Reed of Regent Street brand name for \$195-\$230 in the three-piece suit.

For those unfamiliar with Thorngate, Ltd., this HS&M division has been our highly valued client for 15+ years. The original owners authorized an engineering program in their slacks manufacturing operation in Chaffee, Mo. Since *Ross Runnels'* and *Jack Johnson's* contact, approximately 35 KSA'ers have worked either in Chaffee or in the newer Cape Girardeau facility. During the first engineering project, *Bill Cameron* met and married *Carolyn*, a Cape girl.

The products have ranged from men's slacks to ladies' blouses, snowmobile suits, tailored vests, uniform pants, leisure suits, airline uniforms, and now men's tailored clothing. KSA has assisted in most of the division's endeavors as well as serving as the minister in the wedding of the former client's operation to the HS&M family. The Chaffee facility, since becoming a HS&M subsidiary, has continued as one of the industry's finest dress slacks operations and as the basis on which Thorngate was built.

The five year old plant has served as the vehicle for the major portion of the product line variations produced. At one point it contained a 10,000+ unit per week cutting

facility producing work for HS&M's Chicago manufacturing plants...engineered from inception to maturity by KSA.

Our involvement with Thorngate has encompassed almost every facet of our apparel consulting practice, from the traditional engineering of sewing to HRD efforts in AAMT, to plant and product feasibility determination. The latest project began as a plant start-up involving a grade-two sack coat and October 1976's 80-85 SAM garment has evolved into October 1977's high quality 110 SAM Austin Reed coat. The original plan called for a lower priced product, but was shelved in favor of the "AR" line when that brand's growth dictated that a new manufacturing facility be found.

Shortly after the project began *John Stevenson* arrived bright-eyed from "Pee-Cameron U." to do a Master's thesis in plant layout and temporary piece rate installation required to clear the shop of its original input of uniform garments and sport coats.

The original samples were filed and samples remade for the "AR" line and after various delays the shop received the first "AR" cuttings in February, 1977. Since then some 200+ rates have been installed and by October this shop represented one of KSA's initial in-depth ventures into the area of true, high-quality, tailored clothing, as well as one of the best combinations of quality SAM value to be found.

Glen Larsen and *Mike Love* arrived to spend several weeks with a group of HS&M corporate engineers revamping the in-house vest shop and found that their planned respite from Chicago's winter weather had turned into an effort to assist and give moral support to the coat shop team of KSA/Thorngate, who were desperately trying to dig out of an 18" snowfall in an area devoid of snow removal equipment!

Spring, inexorably, arrived and with it came a beefed-up HS&M staff, as Thorngate became unique once more...the team included two female engineering trainees, both graduates of KSA's resident training programs... Spring also brought another touch of the writer's original

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KSA Christmas Card Fund

Contributions Totaled \$5,301—This year 120 KSA'ers, including Europe, participated by making contributions to a cause of their choice—79 organizations were the recipients. A Christmas card was selected, the donors names imprinted and mailed to the entire KSA staff.

The company sent its annual contribution to the City of Hope, a non-denominational organization known worldwide for its healthcare for children.

Chairman's Corner

The recent U.S. principals' meeting and the European staff conference were held four weeks apart. I had the pleasure of attending both, and consider them highly successful. Coming so close together, these meetings offered a unique opportunity for a glimpse of KSA's overall status and the concerns of our people. I came away from them feeling that morale is good and that there is a broad and vigorous interest in KSA's opportunities and problems.

One matter of concern was highlighted by both meetings... internal communication. In consulting there is always much to be communicated if we are to stay informed. The programs were designed to inform attendees on what's going on in KSA and to provide opportunity for questions. While we are aware of the need to communicate, we are not always doing the best job of it.

When we were smaller and not so diversified in terms of functions and industries, and not so widely dispersed geographically, we followed the principle of keeping everyone informed about everything. That approach cannot work today. We have a need to update our information systems and procedures to reflect this. Such an effort should be aimed at achieving more with less. We should be more selective and relevant in what we communicate so that careful reading is promoted while the amount of paper sent out is reduced.

For the moment I would like to draw particular attention to one important need. *We must make known to everyone who needs to know the latest technical advances and give easy access to the best experience that exists on various subjects within KSA.*

It was very clear at our meetings that there is much information on advances made in all functions that is not as well known as desirable, e.g., systems development work of a similar nature has been done in three different parts of our practice without much, if any, coordination. No doubt the requirements were different in each case, but surely we should have built on what had been done before. It is also clear that there is new ground broken on some engineering projects which could be communicated more widely within the same group and to our colleagues on the other side of the Atlantic.

We have procedures and systems in place to facilitate transfer of this sort of information. The Technical Information service is the center piece of this system, and it continues to serve a great need. However, it was stated that today there is less input on advances made in the field than used to be the case, and that is of concern.

We have a standing request that all noteworthy aspects of our installation projects be summarized on one page in the front of the final manual. There, too, we can benefit from more frequent reporting.

In the past, we have made greater use of TAB and of the subject coordinators who have been appointed to serve as focal points for designated areas of expertise.

These arrangements and procedures may need updating to deal with the more complex communications tasks we now have. This will take some time. In the meantime, we need to make an individual commitment to fuller use of existing systems and procedures. We must try to make sure that all advances of significance—in any part of our

practice—are properly reported and made available to those who can use them.

One hallmark of our specialist practice is that we can bring to bear on our clients' problems the best knowledge gained on many prior projects in the same industry. Our clients expect that and the maintenance of our competitive advantage requires it.

This is one area where we can improve without investment and without new development. All we need to do is to use the best of what is available. There are two parts to this. The first part is that we take care to "input" to our system what our colleagues should know. The second is to make use of that information, but that, I believe, will largely take care of itself.

Let us make it our New Year's resolution to communicate with greater regularity within KSA all advances in our practice in which we participate and all significant information we come across. Let us not hide our light under a bushel.

Thanks to all for your hard work and contributions in 1977. Merry Christmas and Happy New Year. —SAK

Exchange House in Brazil

Bob Langley has called our attention to the fact that Mr. Howard Mallek of Alparagatus in Sao Paulo has inquired whether someone in KSA would be interested in exchanging houses with him next summer. His family will be returning to the States for home leave for four to six weeks. Mr. Mallek would prefer something in the northeast but does not rule out anything on the East Coast.

Mr. Mallek's home has all the luxuries one could desire—swimming pool, cook, maid, chauffeur (auto furnished) and the home should be extremely nice since it will be completed around the end of the year.

For someone working in Brazil this might be an ideal opportunity to have their family accompany them, with a place to live at virtually no cost. Anyone interested please contact Bob Langley at the Atlanta office.

Thorngate—Cont.

deja vu by association, as a May wedding brought his new bride from New Jersey to The Cape. Didn't someone else try this before?

Summer's "stretch/run" to complete engineering the shop by the projected finishing date also brought an increased engineering staff of HS&M engineers, and by early September the number of rates originally planned far exceeded those installed.

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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.

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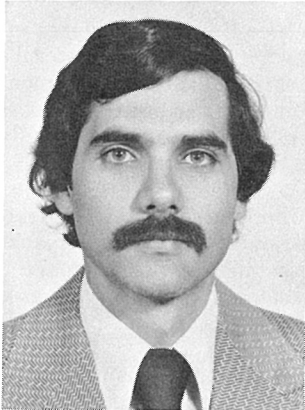
Volume 8, No. 4

December 31, 1977

Expertise in Belt Manufacturing . . .

By—Mickey Zaldivar

Almost a year ago, an article by *Jim Trautman* appeared in the *Observer* summarizing KSA's activities on the West Coast. A brief sentence in that article expressed the desire to acquire the services of KSA's "Spanish-speaking, belt-expert" for a six month assignment in L.A.



Even though I speak Spanish—or the Cuban version of it—I felt very secure, as my knowledge of the manufacture of a belt was extremely limited and would thus disqualify me for the assignment. . . even my wardrobe was limited to two belts.

You guessed it. . . we found ourselves on the way to L.A. with the reassurance from *Howard Cooley* that there was nothing to it and, besides, he had a deal with the plant manager whereby

we would teach him engineering if he would teach us the belt business. In retrospect, it can now be said that the project can be classified as successfully completed and our client, *Leegin Creative Leathers*, is extremely satisfied with the results.

Leegin, manufacturer of not only belts but suspenders, had some unsuccessful experiences with consultants previously, so they were slightly apprehensive about giving us the go-ahead.

They were relieved of their fears during the two-day

survey—conducted, mainly, by *Jeff Gibson*—when they realized that our approach and attitude was quite different from that of other consultants.

The project involved a switch from time work to piece work for 100 operators. We defined over 200 operations performed on the different belt and suspender styles. Although the belt that you're wearing may look simple, we found that *Leegin's* average belt goes through 25-30—some as high as 50—different operations, and the line usually consists of approximately 100 styles. Some of them are not even remotely similar.

Not surprisingly, we started in the sewing department and proceeded to tackle such unfamiliar areas as fade dyeing, braiding, edge dyeing, air brushing, antiquing, and polishing. *Leegin's* engineer and plant manager are presently completing work in the Assembly Department and by the end of the year over 90% of the operators should be covered by the incentive system.

In summary, we have again shown that good engineering can be applied to an unfamiliar product if all parties involved—consultants and management—commit themselves to the successful completion of the project. With this one under our "belt" and a manual soon to be finished, we can now profess expertise in belt manufacturing. *JET* commented while putting on a *Leegin* belt, "Now only my shoes are retail!"

Personally, the five month assignment at *Leegin* completed a timespan for me that saw us doing a five month project in Colombia, S.A., a three month stay in St. Croix, U.S. Virgin Islands, and presently working in Ocala, Fla. What happened to all those South Georgia jobs they kept talking about during training?

Thorngate—Cont.

John Stevenson moved to Mexico and *Jim Kirby* arrived to begin his own in-plant training where training—of operators and engineers—has been the rule of the road.

At the one-year point, the coat shop has survived the rigors of new-plant ailments and with the assistance of *Sergio Cruz/Howard Cooley/Ross Runnels/Ken Osborne/Bill Cameron*, and the ever-present help of Project Manager *Jack Downie*, moved from non-plant status to a full piecework sewing plant. Excess costs have been reduced from 340% to 78% and falling, and production has progressed from zero to 300+ per day.

In the world of high quality tailored clothing, the above statistics represent an excellent beginning. Quality garments—as can be attested to by others—constitute a wholly different set of rules from the more traditional and less image-conscious garments with which many KSA'ers have been involved. The fact that optimum SAM value is often *not* the primary goal of the client, sometimes requires realignment of the consultant's priorities in an effort to wed quality and efficiency in manufacturing. This coat shop has proved no exception but has, in the past year, proved a successful combination of quality and engineering to the point that *HS&M* is studying the expansion of similar projects into their old manufacturing facilities.

Meanwhile, at *The Cape* fall is again with us as the engineering of off-pressing continues. . . with alterations to better conform to the quality requirements of the truly high-grade garment. Sewing follow-up continues, and the *Thorngate* coat shop promises, with the continued efforts

of both KSA and *HS&M*, to rival the stand-out performance of its older brother in *Chaffee*.

Gil Sydell the Recruiter

Gil Sydell's five years experience in *MMD* should be a real asset in his new post as a recruiter, and we wish him a great deal of success in discovering many qualified candidates.



Gil will serve as our Atlanta-based recruiter for the next 18-24 months, and when he moves back into consulting, he will be replaced by another consultant with similar experience.

Besides the obvious advantages in our recruiting efforts, the aspects of professional development are even greater. Also, this approach provides flexibility

in that our personnel and training departments will be staffed with individuals who can contribute to consulting if and when no longer needed in recruiting.

KSA/USA

By—*Jack Ullman*

Let The Word In—The theme adopted for the 1977 Principals Meeting. Our purpose—to make USA principals more aware of what KSA has to offer, what new services, how we're serving newer industries, and what our functional groups are doing.

Our "Blue Book", a manual prepared for principals and available to staff was updated. . . a valuable reference for consultants wishing to learn about services outside his area of expertise.

Highlights of the functional presentations follow:

Systems—Perhaps the most dramatic was the presentation by *Jerry Kavanaugh* and *Paul Connell*, a live on-line demonstration of the newly developed, computerized shop loading system for apparel. This system, in use in Oxford Industries' shirt division, permits the production scheduler to load a complex consolidated parts unit and subsequently assembly plants in a manner which should optimize the ability to maintain desired work-in-process levels, meet delivery requirements and maximize shop performance.

Engineering—Moving from systems to engineering, we saw dramatic evidence for the "perfect marriage." *Dick Bath* outlined the production management control (cycle control) manual system we installed in a number of fashion apparel and men's clothing plants. The dramatic results of reduction in work-in-process cycle with attendant reduction in inventory carrying costs, productivity increase and, most importantly improved customer services were amply demonstrated.

Our engineering and systems people will be able to coordinate these systems for further improvement in manufacturing efficiency, customer service, work-in-process levels, and bottom line improvement for clients.

HRD—The presentations covered a broad range of subjects, and each group was asked to raise questions on that area of our HRD practice of greatest interest to them. The odds on favorite was L.E.T. and its application in the case study of the video taped attitude survey at the Bayly plant. This experimental approach was highly successful and enabled a well-engineered but stagnant plant to achieve a significant turnaround. A case study of a comprehensive HRD program resulting in improvement from 75-91% was reviewed (see Blue Book).

Physical Distribution—PRETRAN, a computerized transportation model for KSA's distribution service package and computer applications for comprehensive facilities planning were reviewed.

Our P.D. group divided comprehensive distribution services into a number of phases:

- The overview or survey
- Feasibility study
- Facility planning and detailed operations design
- Implementation to see that the new facility is installed as planned
- Productivity improvement—involving work count and/or incentives.
- Transportation services
- Packaging services

The P.D. Blue Book entry is must reading for all KSA'ers.

Of great interest was an update on computerized marketing capabilities and the need for feasibility studies con-

Promotions . . .

Randy Nord was appointed Vice President November 1. He began his KSA career in MMD but, after several successful assignments, transferred to apparel systems. Randy's sound judgment, engineering background and systems ability led to his being made responsible for apparel systems of the northern region, which he's developed nicely.

Bill Reed's appointment to Vice President becomes effective January 1. He's somewhat unique in that he's worked in both apparel and textiles. Bill's development and growth have been outstanding, and as one of the most widely traveled KSA'ers, his skills have been successfully applied in dealing with management worldwide—U.S., Europe, Third World.

Jerry Armfield was recently appointed MMD Manager-Nashville. He's had 10 years of outstanding performance with KSA, and with his leadership we wish to make a renewed commitment toward building the Nashville area and to continue settling promising staff and principals there.

Their substantial and varied contributions are recognized by their associates and have earned them this deserved recognition. We wish Randy, Bill, and Jerry continued success and happiness for them and their families.

ducted for clients, to help them determine at what point such equipment can be utilized. It is imperative to maintain traditional material utilization controls, along with computerized marking, if material waste is to be held to a minimum.

Our knowledge and abilities to aid clients in optimizing material utilization and cutting labor, whether manually or, where economically justified, by *properly* utilizing automated marking and cutting technology, is second to none. Any client who attempts to install highly sophisticated automated equipment without an appropriate feasibility study and follow-up controls for MU will realize far less than the true potential from his investment. In short, KSA's Cutting/MU practice is alive and well, and represents a substantial growth area.

GM&M—With the rapidly changing environment in apparel/textile industries, strategic planning has become one of our most important GM&M services. Helping a client decide whether he should change his marketing strategy, consider going offshore, exporting, using 807, etc., can indeed assist in reaching decisions which could mean survival. We are expanding in this exciting field, but our traditional GM&M services continue to make a major contribution to our clients' needs and KSA's revenues. These include, in addition to business strategy or strategic planning, the following basic service areas:

- Strategic planning
- Marketing (research, opportunities, planning)
- Merchandising (product line development and management)
- Sales management
- Organizational development
- Financial analysis—feasibility
- Mergers, acquisitions, divestments

A wide range of talent and experience was reviewed. Blue Book material assembled by them contains abstracts of many most interesting—downright exciting—GM&M

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Tenth Anniversaries

Sylvia Roberts came to KSA's N.Y. office in 1966 for a brief sojourn. . .neither Sylvia, KSA, nor the agency which sent her had any idea that visit would last over 11 years.



While still operating as a temporary, she worked for *Ralph Ross* and *Stig Kry*, among others, and when KSA convinced her to join us on a permanent basis, her first regular assignment was with *Abbie Jean Quick* and *Bill Howells*.

Sylvia is an enthusiastic follower of the Performing Arts, and regularly visits Lincoln Center and the theater area for plays, opera and the ballet. Anyone needing a recommendation on current theater attractions should talk to Sylvia, our resi-

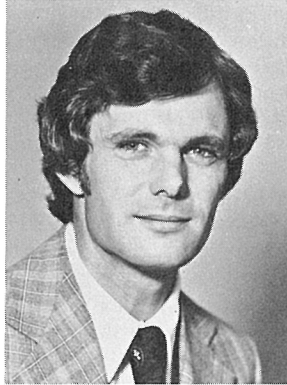
dent critic.

As a resident of Greenwich Village, Sylvia makes it to the office when weather, transportation strikes or other calamities keep many away. Others may get things rolling in the morning, but Sylvia is the one who keeps a watchful eye over NYO as it reaches the end of the day. She frequently makes the rounds asking whether the Xerox machine can be shut down. She also keeps a watchful eye out for noise pollution in the office, whether it is a pipe banging an ash tray—*Ted Theodorsen*, take note—or the

clatter of automatic typewriters.

NYO regulars join with all of KSA in extending warmest personal regards to Sylvia on her 10th.

On November 7, *Mike Brent* celebrated 10 years with KSA. He has a B.S. and Dip. I.M. from Leeds University in England.



Mike is unique in that he was the first of four U.K. men recruited in England for permanent work with KSA/USA. It was a wise decision then and continues to be today.

After training, early assignments led Mike into Cutting/MU work on a variety of products. He was also involved in substantial projects for several leading men's clothing manufacturers. In late '72, he returned to England to be with his two boys

but continued consulting work with KSA-Europe. Mike returned to the U.S. in late 1974 and was promoted to Principal in mid 1975. With Princeton as a base, he is serving a variety of clients with his consulting talent and his very special wit.

Congratulations, Mike, we look forward to more of the same during the next 10.

KSA/USA—Cont.

projects over the past several years. This is *must* reading for all KSA'ers.

The writer had the opportunity to sit in on similar presentations at the European Staff Conference. Here, too, we came away feeling that the knowledge, experience, and talent in KSA is so enormous that there's no limit to our growth opportunities.

It's impossible in a few paragraphs to capture or do justice to the fine presentations made at these meetings. Please review the Blue Book material and at least scan that of interest to you.

Finally, there's no better way to state my own reactions to the meetings than to quote those of *KS* in his closing remarks: "I've been impressed by your progress as evidenced by the presentations at this conference and have asked myself what can it be due to. I've decided there are three possible causes:

- Things I told you which, in your good judgment, you decided to remember.
- Things I told you to remember which you had the perspicacity to forget.
- Things you dreamed up which I never knew."

What more can be said except all good wishes to KSA'ers around the world for a Happy Holiday Season and the finest New Year.

Congratulations!

Best wishes and much happiness to our newlyweds. . . *Jim Reinoehl* and *Cathy Morris*, September 10, and *Steve*

Avary and *Carol Repasky*, September 24.

A number of little KSA'ers have arrived since the last issue. *Rose* and *Bob Messinger* started things off in a big way with twins (a boy and a girl)—it's been a long time since we've reported other than single births—*John Robertson* and *Elyn Mercer*, born September 10; *Becky* and *Bob Reeves* daughter, *Julie Lynne*, October 15; *Sandy* and *Eddie Rader*, son, *Jonathan Andrew*, October 29; *Barbara* and *John Dye*, daughter, *Katherine Patience*, November 12; *Kathy* and *Dick McCaskill*, daughter, *Laura Kathleen*, November 30.

Coming Events

- Jan. 8-11 NRMA Show, N.Y. Hilton. KSA will exhibit and participate in workshops on "Strengthening Weak Departments" and "Alterations Workrooms."
- April 16-18 NRMA International Conference, London. KSA will exhibit.
- April 27-May 5 American Textile Machinery Exhibition, Greenville, S.C. KSA will exhibit.

Departure

It's with regret we announce that *Dick McCaskill* recently accepted a position with Hospital Corporation of America where he will be involved in planning and development for that organization. Of course, we're sorry to see *Dick* go, but everyone wishes him well.

Industry/Function Activities

Apparel Industry Practice

As we approach the end of this decade, the domestic apparel industry is being impacted by a number of factors which will alter its size, structure, and operating characteristics into a new form eventually. Some of the key factors are imports, styling direction, demographic changes, alternate distribution modes, company amalgamation, technological changes, money market attitudes, government regulation, and worker attitudes.

These and other factors can provide an opportunity for the utilization of KSA's capabilities in the industry although they may alter the mix of services which we are called upon to provide.

Our recent history in apparel has been one of stability with no appreciable growth in real terms. Although billings over the last eight years have increased dramatically, the hours billed has been very flat. We do expect some growth in 1977 vs. 1976 but our trend is not what it should be.

Since the industry continues to be the largest area served by KSA—67% of projected fees for 1977—it is imperative that we maintain a growing and healthy practice. Newer industries—textiles, health care, mining, etc.—are obviously an important part of KSA's future, however, they should represent opportunities for growth to supplement a growing apparel practice rather than replace business for a declining practice.

There is no one thing that can be done to accomplish this, but at our recent Principal's meeting we discussed some possibilities. Among the more important were:

- The Account Executive Function
- Prospecting
- Service Promotion
- Public Relations

In future editions of the *Observer* we will report in depth on plans for improvement in each of these areas.

KSA continues to enjoy a bright future in domestic apparel. The services we've developed over the years will continue to be important to our clients and the new services are certainly responsive to the factors enumerated. Capitalizing on this market is not a problem of the market itself...it is still vast. What is needed is more aggressiveness in developing existing clients and presenting the KSA story to the uninitiated many. —John Wilcox

Carpets and Rugs

This division, along with the P.R. Department, is conducting a Delphi Survey for the carpet industry, a scientific technique developed by the Rand Corporation for making long range business forecasts. It involves surveying a selected panel of industry experts with respect to the future of the industry through the year 2000, in such areas as industry structure, size, profitability and products.

The initial questionnaires have been distributed and upon completion, the results will be tabulated and a second series of questionnaires sent out in order to refine and clarify the findings. Results will hopefully be finalized by year end.

In addition to the excellent publicity which this survey should provide for KSA, it should also pinpoint the issues of significance to the industry over the next several decades.

We are currently implementing our second MIS

installation for Hollytex Carpets in Los Angeles...the first program of this type was at Stratton Industries and was quite successful.

These installations are packages of programs upon which a unique system for a company may be built. The long range future of this approach is quite good as it has wide applicability within the industry. We are currently talking with several firms with respect to similar installations.

—Warren Deviney

Food and Lodging

KSA's active participation—as a consultant—in this industry has been continuous since 1975, when we started working with Holiday Inns, Inc. Our initial work for their Food and Lodging Division was very successful and led to subsequent assignments in the Worldwide Systems Division, developing a quality inspection program (skip bundle sampling) and another for the New Products Development Group where we are assisting them in developing a new restaurant concept. Short-term goals are to:

- Continue working for Holiday Inns, Inc., assisting them when we can offer a service of value.
- Sell and implement cost reduction projects in Holiday Inn franchise organizations...we have identified and started calling on approximately 15 of these groups.
- Accomplish the first two goals with negligible sales cost and make a contribution to profits as we go.
- Develop additional services, valuable to our clients in areas such as internal systems and environmental control.

Future plans will call for penetration of other chains, but for the time being, our efforts will be directed toward the Holiday Inn system. We look forward to building this segment of our consulting practice and involving many of you in this very large and exciting industry.

—Bob Langley

Health and Institutional Consultants

Billings have increased steadily over the past several years, having doubled between 1974 and 1977. They topped \$500,000 in 1977 and are projected to continue to grow at a minimum of 20% per year for several years.

The largest portion of our fees continue to come from general management functions—long range planning, organization analysis, certificate of need studies, and financial feasibility studies. We continue to provide services of an engineering and systems nature, however, the demand is not as great for these type services...a situation we might expect to change in the next few years. Our clients now number over 100 and spread from San Francisco to Switzerland, with the largest concentration on the East Coast.

Two particularly exciting and noteworthy events have taken place in HIC this year. First, we were formally approved by Standard & Poor's as a consulting firm of sufficient credentials and competence to conduct financial feasibility studies for Public Offerings...a privilege heretofore enjoyed only by the "Big 8" and Booz, Allen & Hamilton. Second, we have contracted with Oral Roberts University to serve as their consultants in the planning and development of their new City of Faith. While pleased with both of these and other accomplishments, we still see ourselves in the infancy stage and plan for an even more aggressive marketing effort in 1978.

—Bill Luttrell

Latin America

Our previously reported proposal in Uruguay turned into an assignment, with quarterly payments *in advance*

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New Staff

Joao A. Belloc. . . . Age 30. Wife *Waldilea*. One child. B.S. Civil Engineering, Military Institute of Engineering, MS Computer Science, Catholic Institute of Rio de Janeiro, MS Operation Research, Stanford University. Operations research work for fertilizer company; Assistant Professor of Operations Research at Sao Paulo State University. Speaks Portuguese, Spanish and English. Undergoing U.S. training before returning to KSA-Brazil.

Jose M. Granado. . . . Age 31. Wife *Dinant*. One child. Mechanical Engineering degree, Escola Engenharia do Rio de Janeiro. Maintenance engineering at Sparta (apparel) and same type work for auto manufacturer. Will return to KSA-Brazil after initial training.

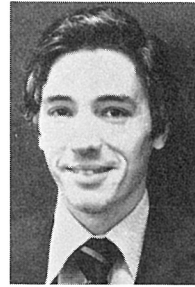
Rudy Greer. . . . Age 52. Wife *Maria*. Two children. B.S. in Marketing, University of California. Fluent Spanish and French, some German. Worked with Sears International until '70 in various positions up to President of Madrid subsidiary. Director of Commercial Systems for Innovation - Bon Marche stores in Brussels until '72, then with Au Printemps in Paris as General Manager, Branch Stores, responsible for 25 department stores with annual volume of \$220 million and 3,000 employees. Senior consultant, retail division, based at Princeton. Interests: Theater, art exhibitions, golf.

Paulo Hirai. . . . Age 32. Wife *Christia*. Two children. Mechanical Engineering, Instituto Tecnológico Aero-nautico, MBA, Fundacao Vargas. Systems analysis with IBM; systems manager with credit card company; systems manager with Development Bank. Speaks Portuguese, Japanese, Spanish and English. In U.S. for training before reporting to KSA-Brazil.

John W. Jenne. . . . Age 36. Wife *Therese*. Two children. B.A., Rutgers University, fluent in French. Worked five years for American Express as Senior Analyst, and five years as Senior Programmer/Analyst for R.H. Macey & Co. Based at Princeton. Interests: Chess, wine making, gardening.

Virginia A. Lamb. . . . Age 28. Single. B.S.F.S., Georgetown University; J.D., with emphasis on hospital law, American University, Washington College of Law. Member American Bar Association. Three and a half years in hospital administration at Georgetown Medical Center. Most recently, Senior Legal Editor of the "Hospital Law Manual" for Aspen Systems Corporation. Assigned HIC. Interests: Skiing, theater—from both sides of the foot-lights.

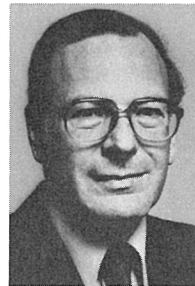
William W. Snavelly, Jr. . . . Age 31. Wife *Beverly*. Two children. B.S., Naval Science with additional concentration in management. Nine years as U.S. Naval Officer, most recently as Maintenance Administration Officer and Flight Instructor. Previously Personnel Officer, Flight Training and Schedules Officer. Assigned MMD. Interests: Reading, chess, tennis, coaches youth soccer team.



Belloc



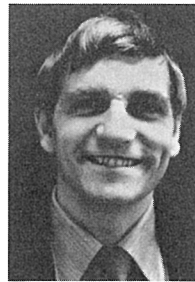
Granado



Greer



Hirai



Jenne



Lamb



Snavelly

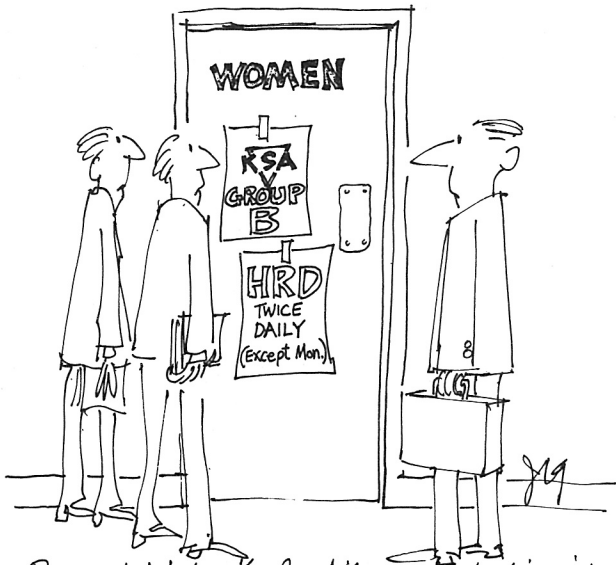
Latin America—Cont.

through World Bank of over \$100,000. *Bill Reed*, *Buddy Ruppenthal* and *John Caldwell* started the project in March and, with five other consultants, recently completed the study of the entire industry and are preparing final reports and recommendations.

Brazil is the scene of much activity. *Paulo Oliveira* is our new Office Manager and is also *Jean-Paul Frenet's* right-hand man. . . . Three trainees were sent for our latest training course in Atlanta—*Joao Belloc*, *Paulo Hirai*

and *Jose Granado*. . . . The Artefina project in Canela (which means "cinnamon") is being staffed by *Jacques Brault*. . . . *Joe Irastorza* flies down on a Systems job for Alpargatas; *Todd Barr* practically commutes on a PD project for Levi Strauss, and *Warren Devinney* and *Bob Heiland* have done Quality Control and GM&M work for Lansul. . . . *Bill Reed* handles overall supervision and

Continued on page 14

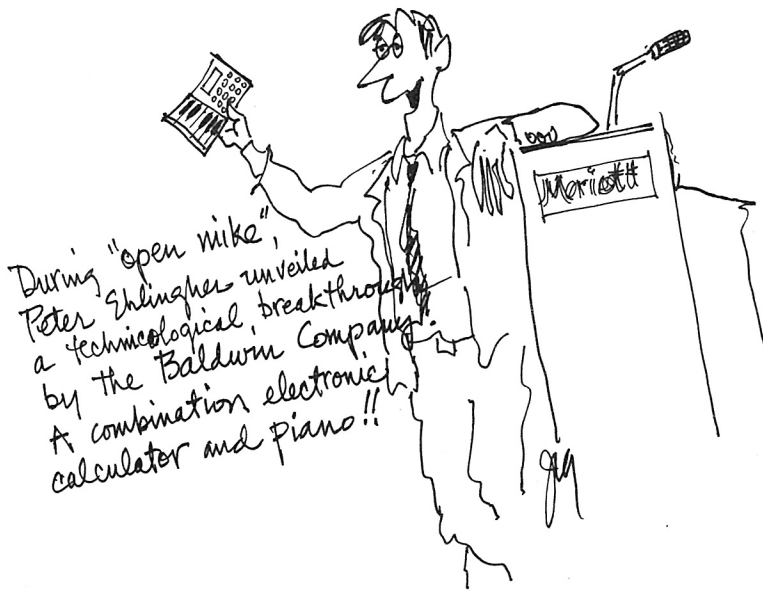


Bob Pee and Linda Keel did a fantastic job of organizing and scheduling the meetings. Inevitably, however, there were a few mixups.



goes to a l

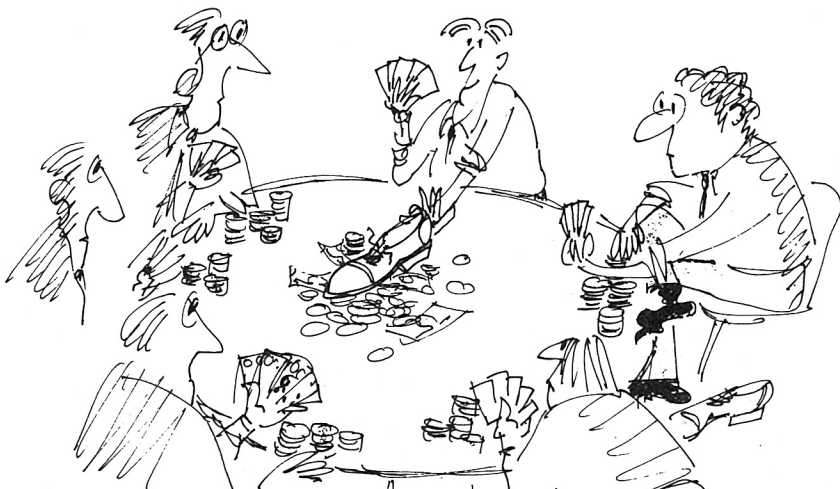
Jim Giddings, sometime captured some impressi



During "open mike", Peter Shingher unveiled a technological breakthrough by the Baldwin Company. A combination electronic calculator and piano!!



Bob Pee glibly tells why the B mistakenly, set up at the D Marriott instead of the Perimé



In a cool, but desperate attempt to stay in the game, Ron Chiswell bet Bob Malberg's left shoe.



Jim Tractman explaining his "When In Rome" sales strategy to interested Atlanta swingers.

ncipals Meeting!

il consultant but always the cartoonist,
of the recent Principals Meeting . . .

A rapt audience absorbed the finer points of
Food and Lodging Industry consulting from Vern
Denning.



Ken Osborne explaining grits to Xavier de Montfalcon

rs
wn
Marriott.

Profundity of Principals
reviewing trends in
plumage

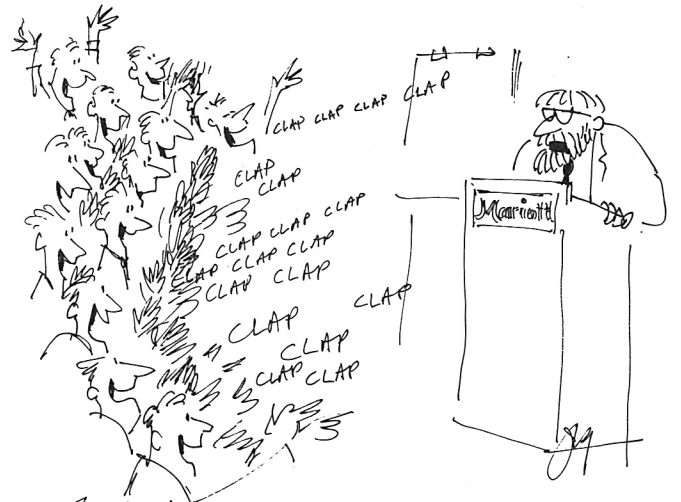


Bill
Luttrell



t Coast
Greenboro

Bill Luttrell exuded confidence as he
told of the Oral Roberts project and other
H.I.C. accomplishments



Joe Scheines sadly announcing that The
Kensington Players would not perform this year.

EUROPE . . .

How Do We Do

An Overview of Activities — Sales activities everywhere remain intensive, but in Germany and the UK implementation pressures are mounting rapidly.

In the UK, the government sponsored scheme of subsidies to the apparel industry for consulting assistance and implementation, ends this year. Many companies failed to take advantage of this opportunity and now realize there is little time left. Thus, our UK practice is under pressure to produce surveys, analyses and recommendations needed by companies to apply for grants before the deadline. The relatively poor utilization earlier in the year has now given way to an 11 period backlog.

In Germany, with a 12 period backlog in MMD, utilization is running at 73%, which reflects the fact there are currently no trainees in the region. While comparison with 1976, a poor year, tends to be somewhat artificial, the 29% increase in sales achieved by the German region and the 49% increase by the UK represent a high level of performance.

Retailing is growing at a real rate of 40% for Europe as a whole. . . partly the result of planned development and partly to a break into the systems and distribution side of retailing in Switzerland.

In France and Italy, the picture is less encouraging. It will be some time before KSA-France can begin to show the effects of the recent management changes. Economic and political uncertainties in Italy are holding back sales, and utilization and the close links between the state, banks and a substantial proportion of the industry creates many problems. Nevertheless, Italy offers vast scope for our services, and our reputation for professionalism and quality is particularly high there.

In Spain, the apparel industry's growth prospects are probably the best in Europe. In Finland, growth is expected to slow down as it is being maintained mainly through investments decided in recent years. Elsewhere, the apparel industry is contracting, marginally in France and substantially in countries like Germany and the UK where it has shrunk 30% during the present decade.

The European market is changing rapidly. It demands investment in new services and skills. We must provide a broad range of professional services that are necessary for survival.

There is growing evidence that our sales performance is influenced by economic factors. Inflation and high interest rates are perhaps more significant factors than are performance and prospects of the industry in general. As interest rates of 18-20% peaked in the UK last fall, our conversion rate fell to 23% by April 1977. As interest rates began to fall rapidly during the summer toward their present 7-8% level, the conversion rate improved and is now back to 50% and still rising. During the past four periods, sales have been twice the budget. A similar pattern is evident in Italy where interest rates are at what we hope is a temporary peak of 20% and our conversion rate is down to 23%.

By contrast, the conversion rate in Germany—where money supply has shown greater stability—has been

KSA's United Nations Assembly

United under the KSA banner, 87 KSA staff, including six guests from the U.S., joined in London for a Staff Conference on October 15 and 16. . . the first such conference in Europe. When the countries of origin and residence of the participants are counted, 10 countries were represented.

Social events were not neglected, but emphasis was on work. The program for 30 consultants began a day early with presentations and discussion on three important aspects of KSA's activities: quoting, business consulting as applied to our practice, and fashion management. The full program began Saturday morning when, following the traditional opening addresses, the attendees broke into three groups to discuss KSA's Group Strategy, Financial Management and Markets. Sunday morning we were treated to *Tom Lawrence's* presentation on leadership. . . the same one which was made in New York to USA Principals in 1973.

On the social side, we enjoyed the usual Happy Hour, a dinner dance on Saturday, and a farewell luncheon on Sunday. These provided opportunities for European staff from various countries to meet other colleagues and thus help foster the KSA family spirit in Europe. Despite consultant efforts to minimize this tendency, the differences in language and cultural background sometimes overshadow the multi-national character of KSA. Any opportunity to strengthen links between people can prove most beneficial for KSA as a whole.

Also important, especially for new members of the staff, was the opportunity of meeting USA guests: *Stig* and *Margaret Kry*, *Jack* and *Ev Ullman*, *Randy* and *Mary-Anna Nord*, *Bill* and *Kline Reed* and *Gerry Churchill*.

The need for a better understanding between KSA staff everywhere was demonstrated most clearly by Jack Ullman. Following a reference to an item published in the last issue of the *Observer*, Jack made a gallant attempt to explain to a multi-national group the meaning of "Fourth and Goal." Without a flip chart, most of his audience concluded that American football is a very complicated sport. . . Stig Kry was heard to say that after 20 years in the U.S. he had not yet mastered the intricacies of the game.

The gathering also gave Stig the opportunity of presenting *Joe Mueller* with his 10-year watch.

Despite the limited time for social contacts, the conference proved extremely rewarding and participants hope another such event can be held in 1979.

The smooth running of the event was due to hard work by *Stuart Hollander's* secretary, *Anne Crewe*, and her colleagues, *Sue Cleaver*, *Barbara Reynolds* and *Fiona Hicks-Beach*.

much more stable. It is unrealistic to expect all markets in Europe to feature ideal economic conditions at the same time. However, the development of skills and services aimed specifically at meeting our clients' problems will help considerably to minimize the effects of unfavorable conditions we may face in the future.

Switzerland

KSA Markets

We started this series to provide American colleagues with an idea of the national differences that make this such a fragmented continent. Although our first feature was on Ireland, we should really have started with Switzerland. In this small country of six million—of whom one million are foreign residents—all the differences that make for a fragmented Europe are in evidence. However, Switzerland has successfully solved most of the problems that Europe as a whole still faces.

With four linguistic communities, including Romansh (derived from the Latin of the Roman Empire) and spoken nowhere else in Europe, Switzerland has a language problem. Because language is so closely associated with culture, there are differences in attitudes and life styles. Despite their strong individualism, Swiss in the German-speaking cantons are subject to influences from their German neighbors to the North, while those in other areas react to cultural impulses from France and Italy. Economic forces also produce potentially disruptive elements. Although Switzerland is a rich country, reputed to enjoy the highest living standards in the world, the small farmers in isolated mountain valleys live near subsistence level. Their living standards contrast starkly with the luxury of tourist resorts and the high prosperity of the larger industrial and trading centers such as Geneva, Zurich and Basle. Politically, Switzerland is so fragmented that it would be almost impossible to govern without the highly developed civic sense of the Swiss burghers. The 25 cantons, shortly to become 26 following the proposed break-away of the French speaking Jura province from the German-speaking canton of Bern, enjoy a degree of autonomy that exceeds that of the American States. There are a few sectors of the infrastructure that are not controlled by the cantonal authorities to a greater or lesser extent. Although a project has been under discussion for many years, Switzerland does not have a law enforcement organization comparable to the FBI. Negotiations for construction of a freeway involve communities, cantons, the central government and private citizens...one stretch now under construction required negotiations for almost a decade before it began.

Despite these conditions, Switzerland continues to maintain a thriving economy. There are many reasons for its continued prosperity, including the fact that the country was able to "export" most of its unemployment during the 1974/75 recession. Swiss industry employed many foreign workers who were given temporary residence permits...as industrial output dropped, workers who were laid off lost their permits and had to return to their home countries. More important, however, is the spirit of democratic freedom that is characteristic of the country which extends to free enterprise. In one sense, freedom is limited. A foreign businessman running a company in the country once described the system as one where "everything not expressly forbidden is allowed...and everything allowed is obligatory." In practice, however, industry operates with a degree of freedom from government interference that is rare in Europe.

It is this opportunity to run a business according to sound management principles that is the underlying strength of the country. It is this degree of freedom that caused the apparel and textile industries to shrink rapidly during the past 10 years. This shrinkage was beneficial to

the industry as it helped to clear much of the dead wood that accumulated during post-war years. Most remaining enterprises are either small, highly flexible operations or larger, specialized companies that, if not always managed as well as they could be, are at least aware of the need to improve. In the 10 years ended December 1976, the number of apparel companies fell from 1350 to 830 and the workforce from 58,000 to 35,600. Companies employing fewer than 50 people accounted for 73.4% of the total workforce. Some 25% of apparel labor is employed by companies with fewer than 500 people while larger companies have been identified as potential KSA clients and the sales effort is concentrated on this group.

In 1977, this policy of selective sales concentration proved extremely successful. Major assignments sold this year included the largest in Europe: a job worth just under \$400,000 at the present rate of exchange for Kleider Frey AG, a clothing manufacturing and retailing group. We also obtained two assignments for over \$180,000 from Bally Shoe, as well as some major retailing successes in the country, notably with the Globus and Rheinbruecke store groups and with the Loeb store in Berne where *Richard Bett* worked last year.

Although KSA has two offices in Switzerland, only three consultants reside there...*Bob Fitze*, *Peter Amrein* and *Werner Degen* who is Area Manager responsible for sales. While Zug is the administrative center for our Latin Region, Switzerland is part of German Region for sales and implementation purposes...because of language considerations, as most of our assignments tend to be in German-speaking cantons where many apparel and textile industries are based. *Werner*, who speaks French, Italian, German and English, covers the whole country.

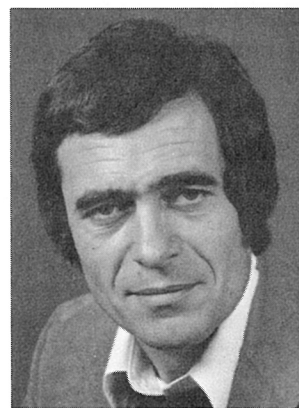
German consultants work on teams engaged on current assignments, but we would also bring in Italian or French consultants to assist in implementation in areas where their language is spoken.

Ten-Year Man

Earlier this year, *Dieter Fertig* (39) celebrated his first 10 years with KSA. Having joined us in July 1967, he spent three years working in the U.S. except for a trip back to Europe to work on an assignment in Finland. In 1970 he returned to settle in Germany where he helped to develop our practice in that country.

Dieter played an important part in the development of our technical skills in the men's wear sector. Subsequently he took a leading role in the development of our engineering program in the field of fashionable women's wear. While based in Germany, *Dieter* also worked on many assignments in various European countries, including Sweden, Switzerland, Malta and Bulgaria.

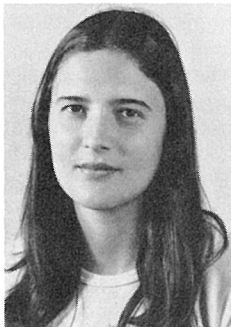
He was made Principal in 1973 and continued to enlarge his considerable experience on the technical side of production and services. In recent years, *Dieter's* work as Account Executive has made a most valuable contribution to the strength of our German practice.



European Offices



Alma Filpa



Silvana Bianchi

Chiasso—Before opening an office there, few of our consultants outside Europe knew of the existence of this small city. Yet, with a population of less than 50,000, Chiasso plays an important part in the economic life of many European countries. Situated at the most southerly tip of Switzerland, it is a border town between Switzerland and Italy. Through it passes all commercial traffic taking the major North/South rail and road link in Europe...the St. Gotthard route. The rail marshalling yards and customs clearance area for trucks occupy more space than the business and residential districts combined.

Our office is in a new building close to the small but attractive city center and does not afford a view of the extensive customs area and rail network. It has the distinction of being our only European office with a bed! Fortunately, the bed folds away unobtrusively into a businesslike bookcase and, as far as we know, has never been used. The idea is not to provide home comforts for visiting consultants but to make sure that none are ever obliged to sleep in their cars or at the railway station. Chiasso is only 30 miles from Milan, and is subject to two major hazards...fog and sudden strikes. It is also subject to occasional but heavy snowfalls for which no one ever seems prepared and can block traffic up to 12 hours. When the weather, or the labor unions strike Chiasso, the few hotel rooms fill up in minutes and the unwary traveler can be faced with uncomfortable prospects.

Chiasso office opened August 20, 1974. At least that was the date *Alma Filpa*, who manages the office—and the move—first began the telephone watch on the premises...sitting on a chair borrowed from a neighbor, without electricity, awaiting delivery of furniture. It is a base for our Italian practice because operating from an Italian base created so many problems of a fiscal and administrative nature. Most Italians take vacations in August, so with no work being done, it was considered a good time for the move. The only problem was that Swiss living in the Italian part of Switzerland followed the same example, hence the initial start-up difficulties.

The office is quite small and very pleasant, having been designed as a three-room apartment and converted for business use when it was found to be more convenient to lease to companies rather than families. In Italy, as well as in the Italian part of Switzerland, mixed occupation of buildings for both business and domestic purposes is quite common and produces a pleasant working environment.

Chiasso is the smallest office in terms of space, and one

Bridging the Generation Gap

When we launched our German practice in the early 60's, one of our very first clients was J. C. Runken & Co., a manufacturer of leisurewear. It was then run by its founder, an aging, authoritarian and paternalistic entrepreneur of the old school. Our assignment, project management and design of a new warehouse—still in operation—was successfully concluded.

Despite regular contacts we failed to get more work, but we had made our mark and someone was waiting in the background for an opportunity of resuming work with KSA. That someone was the son of the owner. In September, he wrote that he had recently taken over management of the company from his father and wanted to talk to us about a productivity improvement program. We have now sold an in-depth survey of the production system with special emphasis on improving throughput and delivery performance, at a fee of \$25,000. Work is to start early next year and, when it is completed, we have an agreement—in principle—to start a strategy development assignment.

The circumstances of our comeback are unusual, proving that good work always pays off, but the new assignment is interesting for another reason. It is one of the first companies in Germany to set up offshore production facilities for its range of leisurewear for men, women and children. Now, consideration is being given to re-expanding the domestic production capacity that ran down when offshore operations were developed. After many years experience of offshore-production, management is becoming aware that low cost alone is not a guarantee of success. The need to assure security of deliveries and to ensure greater flexibility to meet fast changing demands is recognized as an important factor in the fiercely competitive German market.

Work good enough to bridge the generation gap, and a growing awareness of the advantages attached to domestic production, promise much for the future of our German operations.

Error in New Staff Announcement

Our apologies to *Philip Hamer* for giving him the first name of *Peter*. Not only that, he'd previously worked for PS Consultants instead of PA, and because he'd had a birthday by publication date, he was 33 at the time. Philip, we shall be more careful in reporting future activities re a certain Philip Hamer.

of two offices—the other Duesseldorf—run by two support staff. Consequently, it's extremely busy providing full support for the Italian consultants, administration, reports, proposals, manuals, the Italian library and, since summer, invoicing.

Alma Filpa was born in Switzerland and moved back to Italy with her parents while still in school. She speaks German, French and English as well as Italian and still lives with her parents on the Italian side of the border...about a half hour drive from the office.

Silvana Bianchi, who provides part time help, is Swiss but lives in Italy with her Italian husband. She speaks English and French in addition to her native language.

Achievements and Prospects

Apparel — Past months have produced further progress in women's wear, where greater penetration can make a substantial contribution. New assignments in Germany include Goldix, a producer of coats and costumes—part of a group with an annual turnover of \$220 million—for a \$20,000 production planning survey (*Wilfried Lutteke and Ulf Weise*.) A survey for Bartke & Scherrer, (*Karl Faas, Dieter Fertig and Hardy Artelt*) represents a further step to become established in women's wear production in the Munich area.

In Switzerland, a \$22,000 assignment for a client in women and children's wear, A. E. Braunschweig, (*Werner Degen, Peter Bengsch, Hardy Artelt and Oskar Honsalek*) marks our re-entry into the Zurich-based apparel industry despite the considerable shrinkage previously experienced. Our work involves support and a retainer for cutting room work. In the UK, a \$20,000 production development assignment for Wallis Fashion (*John Beddows and Steve Webb*). The client is a brand leader in women's fashions and represents a break-through for our UK practice. In Italy, we made progress in children's wear with an \$11,000 survey for Delfino (*Franco Guazzo and Riccardo Stretti*.) Major advances were also achieved in men's wear. In the UK we sold our first phase of a Company Strategy Development assignment to Milford Clothing for \$6,000 (*Mervyn Kerr and Frank Caddy*.)

In Germany, a \$70,000 planning study was sold to Greiff (*Ulf Weise, Joep van Gent, Wilfried Lutteke and Horst Kern*.) We also sold them an EDP planning assignment and expect further work in this area soon. The EDP study for Van Gils in Holland has led to a larger EDP concept sale of \$38,000 (*Joep van Gent, Horst Kern and Peter Amrein*) a noteworthy achievement, as the client is one of the foremost men's wear fashion houses in Europe and management was prejudiced against consultants. Other European sales include a \$3,600 management development program for Harrison Gloucester (*Alan Braithwaite*), a new client in UK men's wear, and a \$12,000 M.U. job for Mr. Harry in the UK (*Bill Wing*.)

A sale to a German client represents a package comprising strategic planning assistance, production planning, MIS, and a technical retainer agreement totaling \$105,000. Most of our German colleagues expect to be involved at one time or another working with *Ulf Weise* who is Account Executive. We've been complimented by Levi Strauss in Belgium on the location study and further work has been sold in this area. We've also been asked to do other work for Levi's on a detailed siting study and there may be an opportunity to help in the development of their manufacturing facilities in Europe.

Retail—Major investments made in this area during the year continue to produce significant results. In Switzerland, a \$20,000 PD survey (*Peter Bengsch*) for A.B.M. is a break into one of the two largest chain store groups in the country, a subsidiary of the Globus group. A breakthrough in the food field was made with the sale of a \$2,600 analysis to Denner (*Erich Breitschwerdt*), the largest food discount chain in Switzerland. In Germany, we gained entry into the big league of retailing with a \$5,200 short analysis of the Neckerman group.

In the UK, further extensions to the Debenhams project have been approved, and work continues on the profit improvement program for Menzies.

It Happened in Europe

Changes at Altrincham office. . . *Margaret Fowler* takes over report typing from *Sue Fecitt*, *Pat Rees* is taking care of the Apparel Division's secretarial work, replacing *Barbara Smith*, and *Beryl Hulp* who provided temporary help is now working part-time on a permanent basis.

Congratulations to *Irene* and *Heinrick Sporn* on the birth of their son, *Sebastian*.

Renato Tarditi in Italy was faced with an ethical problem not uncommon in Southern Europe. Our client was planning to start off-shore production and needed to know the precise customs regulations and costs involved in shipping out bundles and reimporting the assembled garments. In Renato's first contact with local customs office and, subsequently, top local officials, the answer was always the same. Each official described the problem as too complex for immediate answer and suggested further "talks" when the goods were ready for shipment, adding that they felt sure "a suitable arrangement" could be found. Fortunately, someone was found who provided an official answer to Renato's question.

New Staff



O'Brien



Alderslade



Castagna

Paul O'Brien. . . Age 28. Holds an honors degree in economics and sociology from University College of Wales. Spent the past five years with Rolls Royce Motors, Ltd. Most recently as Management Development Coordinator responsible for the training, development appraisal and succession planning for Rolls Royce managers. Paul is married, has two children and lives in Crew, Cheshire.

Peter Alderslade. . . Age 33. Has a Bsc (Hons) in electrical engineering from the University of Bradford. Since he started his career in the electrical industry, he has held several appointments with clothing companies including Burton, and Tillie and Henderson. When he joined us in September, he was working as a consultant for Lawtex and is continuing his assignment as a member of KSA. He is married and lives in Mollington near Chester.

Bruno Castagna. . . Age 39. Holds degrees in law and economics and has held production and technical management posts with three leading Italian producers of men's clothing—Cerruti-Hitman, d'Avenza and Caesar. He joined us in August and has recently returned from training in the U.S. Normally, he lives in Turin with his wife Graziella and his five-year old son, Dario.

Paul and Peter have joined the UK Apparel Division, while Bruno will work in our Italian Apparel practice. We wish them well in their new careers.

A Rewarding Experience

By—*Elaine Moore*

In May of '75, Doug came to Sao Paulo, Brazil, on a survey for Moinho Santista, a group of textile companies. Upon his return he asked if we might like to live in Brazil for a short period. My immediate reaction was that it would be an interesting opportunity and we began making preparations for relocation.

We arrived in Sao Paulo a little over two years ago with our children, *Bret*, age nine and *Paige*, who is six. Neither the children nor I had traveled outside of the U.S. so we were a bit nervous but excited with the idea of living in a foreign country.

After two weeks of hotel living we moved into our apartment. The first few months, one advantage was sitting down to a meal and not being interrupted by a phone call. . .we had no phone. In Brazil, if the residence you rent has no phone and one has not been ordered, you begin paying for it and maybe it will be installed in two or three years. The other method of obtaining one is buying it on the black market for about \$2,000 and waiting for the phone company to come and install it at their convenience. Fortunately, our landlord had already paid for the phone for this apartment and we only had to wait eight months for new lines to come into the complex.

There were no arguments about which TV program we would watch because we didn't have a TV. . .none of us understood Portuguese. Our family relationships began to grow in a way I had never experienced.

It didn't take long before we became involved in the American community. The first week in the apartment I went to Newcomers Club and met many people in the same situation I was in. . .looking for friends. Newcomers offers classes in just about any area of interest at a reasonable fee, so I began learning needlepoint. I was interested in improving my bridge game and soon began playing lots of bridge, having found that many couples play the game for weekend entertainment. In a short time we became involved in the Fellowship Community Church, for English speaking people, and currently Doug is singing with the choir. . .one of the best with which he's been associated. The amateur theater group is very active and performs in two productions a year, plus a variety show in which we participated in October.

The children have many extracurricular activities, with Bret involved in after-school activities for four semesters, and Paige taking ballet. . .the activities school bus brings them to our apartment complex, so no carpools. I have also become active in the volunteer program at school and each week I work with five pupils on a one-to-one reading program. We keep busy during the day and look forward to having Doug with us every night.

Sao Paulo is a city of over 10 million people with an inherent traffic problem. The roads are poorly constructed and the drivers somewhat less than predictable. I've learned to get around the city by bus, taxi, or car, but manage to beat the evening rush hour.

We've taken a couple of weekend trips and have especially enjoyed our visits with the *Freneats* in Rio de Janeiro. The beach outside Rio is beautiful and the Tijuca National Forest which overlooks Rio is a trip we shall not forget. We also spent two weeks with a Brazilian family at Ubatuba, a beach about four hours drive from Sao Paulo, which gave us an opportunity to learn and understand

some of our cultural similarities and differences.

Cooking has been quite a challenge. . .I miss frozen foods, canned fruits and vegetables. Each week I go to an open-air market for fruits and vegetables, and bargain for what I want to buy. Though we're getting high vitamin content, meal preparation takes much longer and I miss the convenience foods I once took for granted.

One of the biggest advantages here is our children's educational experiences. Their exposure to children from all over the world has been quite positive. Although they attend an American school, there are students from Europe, Asia, and many South American countries. They study Portuguese daily and Bret speaks the language much better than I. He has three American teachers, two Brazilian, and one from India.

The luxury of having a cleaning girl every week gives me additional time to play bridge. . .at times I feel as if I've been on a two-year vacation. Continuous vacationing can get boring, so I'm looking forward to returning to Atlanta where I can pursue some of my professional interests.

In looking back over these two years, we've faced many problems but we've also had many memorable experiences. We've learned to appreciate many things formerly taken for granted and have broadened our experiences beyond which we might have thought possible.

Latin America—Cont.

promotion of the textile assignments. . .between trips to Italy, Egypt, etc., and, of course, *Doug Moore*, our long-timer on the Santista Systems assignment.

Fernando Silva is doing such a good job for our client in Puerto Rico that they keep extending the job. He's starting an AAMT operator's training center on the Hunca Munca job in Mayaguez, where he will be assisted by Jose Granada. On the Sportscaribe assignment he was assisted by *Jamie Tusell*, on loan from Europe. *Denys Williamson* and *Don Johnson* also make periodic trips to the "Isle of Enchantment."

Fred Johnson is still in Nicaragua on the Conexa (Faded Glory) assignment where the KSA duo of "Ed and Fred" has been working since July, however, *Ed Owen* divides his time between Greensboro and Managua. Nicaragua has also been the locale for *Bob Hinck's* Systems work and *Fred Evans'* textile expertise for Fabritex, and, of course, *Lutz Kohnagel* is a constant commuter to that Central American country. He recently returned with a new authorization for evaluations of a shut-down textile mill "El Porvenir" (which means "The Future") and we hope it's evaluated as having a successful future which would mean a sizable new job.

In Mexico, where *Gary Ratliff*, *Jim Trautman* and I attended the "Confexpo" show in June—from which we returned with one new client, Elizabeth King—Gary, 10-gallon hat and all, keeps busy working on this and for our old client Manufacturas Yedid.

So, the Latin American division of the Third World is a "Million Dollar Baby" for the second consecutive year, and we hope to keep growing ever bigger and better in that area.
—*Edith O'Connor*

Public Relations

Hydra-headed, but certainly not monstrous, your PR Dept. poked its noses all over the place this fall. For example:

The Bobbin Show was bigger and better than ever. We unveiled our new exhibit, which met with general approba-

tion, a few stifled yawns, and two cases of claustrophobia. It is even now being enlarged. Another innovation at the show was KSA's first formal, public "reception." It had to be judged a success, if only for the fact that there wasn't a familiar face in the room when our advance party arrived. ("Is this the KSA reception?" they asked the bartender. He didn't know either.)

- Textile Planning Seminar—This third edition, updated, was the most successful to date, attracting 27 people from all sectors of textiles to hear *Josh Taylor*, *Bob Gargan*, and "guest" speaker *Lynwood Johnson*.
- Infotech—The name of a Canadian trade show at which *Bill Sand* delivered a well-received program on material utilization for upholstered furniture manufacturers.
- Footwear Show—*Kathy Couch* made her third trip to Atlantic City this year (!) and reports that our augmented crew of footwear folks had a busy time of it.
- Plant Engineering Conference—*Bill Reed* dumped a speech outline in our laps on his way overseas one day, and picked up the finished product, with slides, on his way back. We're still not sure what it all meant.
- Carpet Delphi—*Deborah Galloway* and *Bob Saunders*, oracles, have come up with a set of questions about 1990, etc., for the carpet industry to ponder.
- Writings and Such—Articles on footwear technology and apparel attitude survey data were completed during the period, along with a statement on the impact of an increased minimum wage. New Service Bulletins on Forecasting, EDP Audit, and Computerized Production Planning have been printed and mailed. An apparel Perspective on the performance of large companies emerged in early December, as did an article on marketing textiles in 1990 (*Bob Nahas*, *Textile World*.) Our recruiting brochure has been reprinted in a new shade of blue, and a new retailing brochure is being readied for the first trade show of 1978—the National Retail Merchants Association convention in New York. Also on the immediate horizon: KSA's annual Soft Goods Outlook, a Delphi Study of the apparel industry, and a new corporate brochure. —*Joe Scheines*

Retail Industry

Elsewhere in this issue, note the announcement that *Rudy Greer*, an experienced retail executive, joined KSA recently. Rudy's arrival relates directly to a broadening of our promotional and business developmental efforts.

In the past, physical distribution has been the leading edge of KSA's efforts to develop the retail industry. We believe we now offer the very best PD consulting services, and we offer them from a growing experience base. *Tom Day*, *Dwight Totten*, *Peter Cleaveland*, *Nigel Richardson*, *Todd Barr*, *Bob Hagen*, and *Tony DeMaria* know their way around retail distribution centers, and the list is growing. . . *Jim Hicks* is currently being baptized at L. L. Bean.

To a lesser, but also increasing degree, retail systems experience is building. *Mike Barnes* is our resident expert, but *Randy Nord*, *Steve Bannister*, *Bill Luckert*, and *Steve Schlehuser* have also had some good exposure (plus Tom, Pete, Tony and Dwight again who have gained valuable retail systems exposure through their PD work.)

The recent publication of the National Retail Merchant Association's "Alteration Workroom Manual," which was authored by *Peter Ehlinger*, gives KSA instant credibility in this MMD service area. Adding this to our base of PD and information systems knowledge, we have a reasonably broad technical consulting base for retailers.

Our goal is and has been to become *the* management

consulting firm for retailers. To do so, we must develop a strong retail GM&M practice to mesh with our PD, RSY, and MMD capabilities. We think the time is ripe and that a viable GM&M practice will contribute significantly to our growth and profitability in and of itself. Equally important, however, is the additional PD, RSY, MMD and HRD business opportunities that a going GM&M practice will uncover and help to develop.

We will continue to promote our leading services during 1978, but you can expect to see a new emphasis that prominently features GM&M. This is as it was planned early in the development of our retail consulting practice. We are more convinced today than originally that it is the proper path for KSA. —*Jim Giddings*

KSA/USA Recruiting

This has been a very active year for internal recruiting. A total of 20 consultants were added, mostly from campuses and sources with whom we've established relationships and upon whom we depend heavily to attract military personnel separating from the service.

Our full time recruiting staff now includes *Carol Bakely* and *Gil Sydell*. However, because of the cyclical demands for recruiting capacity, we rely heavily upon many within KSA who participate in this activity through campus executive responsibilities, college campus recruiting, attendance at personnel conferences, and in interviewing when candidates are brought into the office. A significant number of KSA consultants have become very proficient in identifying those skills we need to add to staff on a continuing basis.

It would require too much space to thank all those who have made contributions of their time and talents, however, we wish to thank them for all their efforts. We hope to continue depending upon them in the future. —*Bob Messinger*

Training and Professional Development

History repeats itself. . .the September issue covered the large summer class, and now we're pleased to report on the fall class. It consisted of an international, multi-lingual group. . .the instructor was the only one-language individual present. Capabilities of the class included French, Spanish, Portuguese, Japanese, German, Italian and Flemish. It was a very interesting group and reminds us of the late sixties when all classes had an international flavor.

Penelope Malone, from MSD support staff, participated in parts of this class. . .the other members are pictured under New Staff. We are anticipating another good class in January.

We have conducted two classes for client engineers—early September and December. Watch for the plant manager's course soon to be announced to the industry. —*Bill Cameron*

KSA-West

As we close our second full year, a hearty "thank you" to all who have "gone the extra mile"—or 2500 of them—to make 1977 a most interesting and enjoyable year.

We've had a mixed bag of old and new-services per-

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Overheard the morning after a poker game at the Principal's meeting: "I thought I was in the Atlanta Zoo last night. All those pigeons kept flying in and out of the game. . ."

Atlanta



Hutcherson



Hammond



Bruner

More new faces for Atlanta...In October, *Nancy Hutcherson* became administrative assistant to *Howard Cooley* and other MMD personnel. She has a business degree from West Georgia College and previously worked for Deering Milliken. Nancy is in charge of MMD Status Reports and other administrative work for the division. She replaces yours truly who is now in office coordination since the departure of *Vallene Baker*. . . . *Dennis Hammond* is our new mail clerk/Xerox operator. Dennis was previously a clerk with an Atlanta bank. He is married and has a little girl. . . . *Galey Bruner* came aboard in November as a new addition to the Word Processing Department. Galey, her husband and three children have recently relocated from Indianapolis where she worked in Word Processing for Ernst & Ernst.

Edith O'Connor took a 10-day trip to Brazil as a participant in an annual exchange program through Georgia Partners of the Americas on a government grant. Georgia Partners is a non-profit organization of private citizens promoting exchange between the U.S. and Latin American countries. Participation in the program is by invitation only by the Governor of Georgia. We are very proud and happy for Edith to have had this opportunity. We hope to read about her trip in the next issue.

After seven years with KSA/HIC, on October 14 a champagne party was given to say goodbye to *Ruth Duke* and to wish her well as she traveled back to Michigan, her home state. She will be missed. *Diane Bailey* transferred from Textile Systems to be administrative assistant for HIC.

Last but not least, we have two five-year anniversaries—*Carol Morris* celebrated hers on October 2 and *Norma Hendrix* on November 13. Congratulations, girls!

—*Linda Broadrick*

KSA-West—Cont.

formed on a smorgasbord of products and clients. This has been a year for our first boat client, our first belt client, not to mention baby strollers and handbags...all very successful applications of well developed functional skills to new products.

We've continued to work with old, loyal clients like Pendleton, and have had some luck in converting reluctant giants like Ratner, Levi, and Alex Colman. There's been a good sprinkling of apparel functions, and some textile, carpet and retail work.

The *Bill Cobb* and *Joel Vatz* families moved into the neighborhood for their textile systems work at Hollytex, while the *Roger LeBarrons* are calling Salt Lake City home while he works between Salt Lake, Seattle and San Diego.

Princeton

Diane Froelke, a Canadian, recently transferred from St. Catherines, Ontario with her husband, and was welcomed to the PO staff in late October, where she is very satisfactorily carrying out her duties as receptionist and as secretary to *Bob Messinger* and *Carol Bakely*. Diane has held secretarial positions in Canada and was also a gymnastics teacher.



New York



Donohoe



Balsley



Fillingim

Sandra (Sandy) Donohoe is *Stig Kry's* new "Girl Friday." A native of London, Sandy recently arrived in the U.S. after spending two years in Madrid with her husband, *Michael*, and daughter, *Melanie*. Fluent in Spanish, Sandy worked for several USA-owned, multi-national marketing companies.

Patricia (Pat) Balsley is secretary to *Bob Frazier* and *Al Emmons*. Pat's background spans legal, construction, banking and realty investments. Pat currently resides on Long Island. . . is an avid tennis buff and ballet enthusiast.

A belated welcome (after a year and a half!) to *Peggy Fillingim*, New York's ace report typist. An "Army brat," Peggy lived all over the U.S. and spent 10 years in Germany. Prior to joining KSA, she worked in advertising and for a major airline.

The *Gary Ratliff* family is back home in El Paso while Gary intermittently staffs a major M.U. project in Mexico City, as well as other implementation and survey work within Mexico and along the border.

As we go to press, KSA is in the midst of sorting out the possibilities for forming a Mexican company. It's complex, a la our Brazilian experience, but we're hopeful of finding a way. In the interim, we're moving ahead with some very interesting proposals to Levi in Mexico City and a large Mexican fiber company, exploring the feasibility of vertical integration into apparel manufacturing for the Mexican and worldwide markets. More details mañana!

The phrase "go West young man" also applies to middle-aged men, and families. Y'all come.

—*Jim Trautman*