

Shoes?

Just Apparel For The Feet . . .

By—*Jeff Gibson*

"Norwich? Where the devil is that? Oh, they make shoes???"

"Oh well, here we go again," I thought as I hung up from *Howard Cooley's* call. Interesting company, KSA. Somehow, after four+ years, it didn't seem strange to receive instructions to go to a never-heard-of place and be an "expert" on something you knew nothing about. At least I had the opportunity to participate in the wrapup and presentation of the survey...maybe in three days I could become an expert.

KSA became involved with Norwich Shoe through an SLM project jointly conducted by KSA and Weston International, Ltd. *David Perdue* and *Rob Brown* from KSA were involved, *Vic Hilliard* and *Denis Snell* (now KSA associate consultants) represented Weston International, and *George Weston* served as account executive. The success of this project helped sell Norwich management on KSA.

Norwich later qualified for technical assistance under the Department of Commerce program for the footwear industry and chose KSA to do the work. The initial diagnostic overview conducted by *Jack Heald* (an associate consultant and expresident of Stetson Shoe Co.), *Bob Heiland*, *David Perdue* and *Jack Johnson* resulted in a \$200,000+ proposal to survey and engineer the fitting and lasting departments.

The survey was conducted by *Don Burkhalter*, *David Perdue* and *Gil Sydell*, with the writer joining in the final work and preliminary presentation to management. The survey results left Norwich management somewhat speechless: Direct labor and excess cost savings in the two fitting rooms (sewing rooms to the uninitiated) of \$220,000; excess cost savings in the lasting plant of \$109,000; overhead cost absorption savings (depending on sales) of \$284,000; and passed-on savings to the operators of \$74,000.

Our problem was credibility. Here were four men who said "garment" instead of "shoe" and "bundle" instead of "case" who were going to save an already profitable \$15,000,000 company over \$400,000. (Incidentally, *Smiley Jones* conducted a KSA survey for Norwich in 1974 which showed similar results.)

Even though the government was paying 75% of consulting costs, Norwich management still had a "show me" attitude. This is understandable since everyone (in-



KSA's "Gibson Boys" at vamping machine...Jeff demonstrates while Tom lends moral support.

cluding the government to a degree) had been saying the only solution to their cost competitiveness dilemma was major equipment and automation innovations. Yet, here we were telling them minor equipment changes in conjunction with a straightforward KSA industrial engineering program would significantly reduce unit costs and increase operator earnings.

Early in the project duality was recognized as a contributing factor to high manufacturing costs. Norwich is geared to handle leather footwear as well as man-mades, both requiring different equipment on several operations. They also produce string-lasted as well as flat-lasted footwear, each requiring different capital intensive equipment.

Speaking of duality, I should mention KSA's revenge...not unlike Montezuma's! Not one but two Gibsons...not one but two Toms. In late December the project engineering staff of *Jeff Gibson* and client resident engineer, *Tom Koon*, was augmented by a new KSA addition, *Tom Gibson*. Tom and his pretty wife, *Jane*, arrived in time for Christmas at Howard Johnsons and the season's first snowfall, an amazing (to us, anyway) 30+ inches. The other Gibsons promptly got settled and began enjoying the winter sports. (Rumor has it that Tom has nearly perfected his famous "slingshot" exit from ski resort T-bars!)

Winter kept us pretty busy between untangling the subtleties of shoe making and trying to stay on top of a

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Multi-Styled Garments, Multi-National Workforce Add Spice to Program at Polo Clothing

By—*Bruno Castagna*

This is a report of an AMMD project that is intriguing in several ways. On the surface, it involves modernizing a 30-year-old tailored clothing factory with an excellent reputation for quality (Grade 5.) It is also the story of working with a fascinating individual who has implanted his personal style on just about everything that goes on in the business he built. At the same time, we faced the challenge of converting an established quality suit house to one of the better known designer labels, while retaining a great many unusual style features and dealing with an international workforce.

Leo Lozzi, a good tailor and designer as well as a business genius, founded the Lanham Clothing Co. in 1947 in New England. It had its ups and downs, and was owned twice by the Standex Corp. before its sale a year ago to Ralph Lauren of Polo Fashions. Throughout its history, however, the company has had only one real master—*Leo Lozzi*. When it became Polo Clothing, Mr. Lozzi went with it and remains firmly in charge.

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Chairman's Corner

Technical Excellence

One of KSA's traditional strengths has been the technical expertise we have brought to bear on our consulting projects. KSA's reputation today owes much to the technical excellence we were able to develop and apply over the years.

In recent years, we have purposely set out to add to that dimension of our work by developing our capability and capacity for business management consulting. We decided we could, by combining technical excellence with business consulting in KSA, in one important way, set ourselves apart from our competitors: The generalist consulting firms do not usually have business consulting capability.

It is increasingly evident this part of our strategy is working as intended, and rapid expansion of GMM is one proof of that. However, in an effort to balance our service capability by building up GMM, we may run the risk of inadvertently appearing to de-emphasize the importance of technical work. Any such impressions, real or not, would be counterproductive to our longterm objectives and interests. We are absolutely convinced that KSA could not live up to its future potential if we let our technical work slip for lack of emphasis, and we are determined not to let that happen.

There are certain cycles and fads at work in consulting; sometimes MIS gets the attention. Strategy studies have been and are in vogue for good reasons, and a new emphasis in U.S. industry seems now to be placed on productivity. These cycles come and go; but as competition grows keener and management practice and technology progress, it is the functioning of the entire company that becomes more and more decisive. In that perspective, all parts of a company must function well together. Good management must use the right procedures and have the right information available for planning and control of the business. Just as important, is the reaction time of manufacturing and the productivity and cost of manufacturing must be competitive; the warehouses must be equipped and organized for service and economy of operation.

KSA wants to be of service to the entire client organization, and this comprehensive capability has always depended and will continue to depend on technical excellence as our cornerstone of competence.

This is a time when technical change is the order of the day. New equipment is coming on stream all the time, be it new micro-computers or new sewing machines. This makes the job of staying updated more difficult and the task of dissemination of the latest and best technical information and expertise to all parts of the company critical.

A "blue ribbon" Committee under *Howard Cooley's* Chairmanship is studying the entire area, and we are awaiting their recommendations with great interest. Other members of this Committee are *Hardy Artelt, Dave Cole and John Phillips.*

We must continuously work on being the best. While adding new consulting capabilities, we must maintain our

traditional strength. Technical excellence is one of these, and we dare not ease up on our standards. On the contrary, we should always strive to do still better. —SAK

Shoes—Cont.

rate structure that held fresh surprises with each new day. The quantity of styles produced and the erratic way they appeared and disappeared led the Brothers Gibson to reflect that Roseann Roseandana was right when she said, "It just goes to show you, *it's always something.*"

Somewhere, in the midst of early days battle, emerged the *PEANUT PRINCIPLE*. The plant manager, *Charley Angelino*, loves peanuts. Not to miss an opportunity, the engineering office was stocked with peanuts which drew Charley in three or four times a day. It's amazing how many serious problems were solved over a handful of peanuts. (Each project does require a slightly different approach!)

The problems faced in the fitting room have basically been those of any sewing room with a high-style content. The footwear industry is somewhat behind apparel in automated stitching equipment and considerably behind in direct labor incentive systems, and similarities to apparel outweigh the dissimilarities...at least in the fitting room. One does have to learn a new vocabulary however, one which incorporates words such as cobbler, cripple, flow-molding (not a bathroom fixture), vamp, quarter, foxing, skive, quantone, etc...and shoemen think Southerners speak strangely!

The solid consulting approach developed by KSA for apparel works well for this sewn product. As evidence of this, weighted direct labor savings, as of our last interim report, totaled \$2.439/100 or a 15.8% reduction; excess costs have been reduced from a survey level of 34% to roughly 20%; and operator earnings have been increased 13.8%.

The shoe industry is a new one for KSA, and represents a new challenge. Our solid background in sewn products will serve us well in meeting this challenge and in developing this industry.

Coming Events

- August 22-23 KSA Textile Manufacturing Seminar—Charlotte, Sheraton Hotel. Fee: \$350.
August 27-30 American Hospital Association Show—Chicago. KSA will exhibit.
September 11-14 Bobbin Show—Atlanta. KSA will exhibit.

THE KSA OBSERVER

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

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KSA's Steering Committee A Tale of Projects and Brotherhood

—John Wilcox

STECOM'S meeting was held at Seabrook Island, S.C. April 27-28. Don Burkhalter, Ken Campbell, Bob Nahas and Bob Reeves were welcomed as new members, joining current members Tony DeMaria, Joe Irastorza, Bill Luttrell, Bill Reed, Bob Saunders, Dwight Totten, and John Wilcox.

This was the annual work/recreation meeting and accomplished the following objectives:

- Current topics included Environmental Strategic Planning, Profit Sharing Administration, Consulting Utilization/Time Management, and Public Relations.
- It was agreed to take on three new topics including Recruiting, Technical/Business Data, and Company Owned KSA Office.
- STECOM submitted letter recommendations to EXCOM regarding formation of a credit union, investigation of a third DPS alternative using guaranteed investments with fixed income, and the possibility of making outside professional financial advice available to our consultant staff.
- The group was updated on current projects and activities of EXCOM by Howard Cooley.
- Afternoon recreation on Friday reflected the diversity of the group as they utilized: two tennis courts, the golf course, two horses, two sail boats, a bicycle, the swimming pool, and the beach.
- The only fatality resulted from a loose cinch on Bill Reed's horse. You should have seen his face when the saddle turned 180° as he rode through the saw grass.

Arrangements were made by Bob Saunders and Seabrook proved to be a great place to get away from the pressures of consulting, discuss matters of concern to KSA, and relax and enjoy our associates.

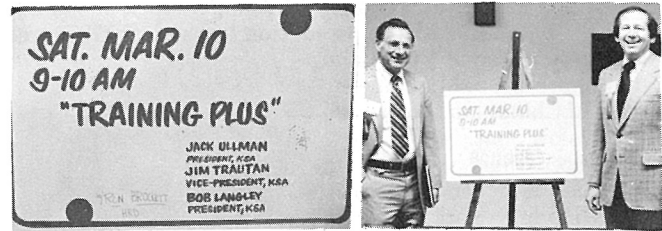
STECOM is open to all KSA Principals. Nominations come from within STECOM but are approved by EXCOM. The rotation policy which permits a maximum of three years on the committee assures that a lot of people will eventually have a chance to serve in this capacity.

It is very important to the effectiveness of STECOM that they continue to receive suggestions for topics to consider in subcommittee work. Recently, most topics come from within the committee, however, we encourage members of our consulting staff to submit topics which they feel warrant investigation. A good flow of topics will ensure that resources available to this committee are used to the best advantage of everyone in KSA. STECOM's recommendations on topics researched are passed on to EXCOM for consideration and action, if approved.

Multi-styled Garments—Cont.

KSA was called in to update the manufacturing process and reduce the cost of the garment. The program started with the pant shop and is now mid-way through the coat shop. This project has been a difficult one because of the singular features of the organization and its many constraints. It's a high-style garment with a variety of details. The pants can have as many as seven buttonholes and ten buttons. The extension must be hand-felled. Other detailing includes elastic waistband tabs, watch pocket flaps, full lining, button flies, and pleats. The coat styles will vary substantially in work

Who Says There's No Room at the Top?



At the WAM Show in March, the sign outside the room where KSA presented a program inadvertently (?) started rumors flying. Since Bob Langley was the only one in L.A. with access to the sign painter, who knows if it was really inadvertent? Will this approach to corporate climbing work? Stay tuned....

content with sweater jacket models, country jackets with leather embellishments, smoking jackets and, of course, side vents, peak lapels and double breasted.

Besides the product itself, other problems exist such as a manpower shortage, a strong cohesive workforce, and a slow work pace. Last but not least is the mixture of workers; 12 nationalities are represented and, believe me, rate sales are like a joint session of the United Nations.

In the pant shop we had a work stoppage after about 30% of the rates were installed. It was a very delicate moment. The union gave us no support to get the operators back to work. Follow-up, declining bonuses, and a lot of patience were the tools to make the people accept the new production requirements. Today, the shop is running with 18% excesses and savings are now over \$4 per pair.

The coat shop program is now in progress. We are getting good cooperation from Leo Lozzi. In the beginning, there was an atmosphere of suspicion about our capabilities. Step by step our relationship with Leo turned for the better and now he is our best ally, convinced of the necessity of these changes.

In the coat shop program we have made substantial changes in construction. We are replacing much of the basting with stapling and good underpressing, and sewing the shoulders, collar, lining corners and vents by machine instead of by hand. The hand work in the armhole, sleeve cuffs and collar corners was left in the garment to maintain the high quality look. One target of the program is to develop uniform quality standards for all operations. To get these results we are moving in several directions: retraining supervisors and workers; introducing sophisticated equipment such as automatic pocket setters, automatic lapel padders, profile stitchers and imitation hand felling machines for collars and shoulders; introducing a work-in-process transportation system which allows the bundle to travel completely flat and unwrinkled.

Improvements have also been made in the maintenance systems, general office, payroll, finished goods storage and cutting room. But the most interesting aspect of this project has been our association with Leo Lozzi, who has revealed to us some unexpected ways to handle difficult situations.

Some of his most memorable quotes are:

"It's all right, we'll set the rate and if the operators

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Principals Appointed

Butch Price was appointed Principal April 1. We had hoped to announce the promotion in the last Observer, but Butch was in Brazil and his photo probably came by way of China...on the proverbial "slow boat."

Butch has very broad product and service exposure, having worked in an industrial laundry and in manufacturing such products as sweaters, slacks, leisure jackets, shirts, ladies' sportswear, outerwear, and industrial garments.

In pursuing his career, he and *Linda* have traveled from California to Virginia, from Toronto to Miami, with the usual stops in Mississippi, Alabama and Georgia. For the last year they have been in Brazil on a major assignment at *Alpargatus*. They are now settled in the Nashville area.

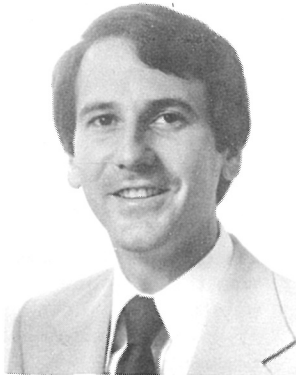
Rudy Greer joined KSA in September 1977, after a distinguished career in retailing. He has added a new dimension to KSA's retail practice and has proven on numerous assignments—in retailing and other industries—that while masquerading as a retailer for many years, he was really a top-notch consultant in disguise.

Rudy has gained the respect of everyone with whom he has worked. His multi-lingual capability (English, French, Spanish, German) has enhanced his versatility, enabling him to cross borders with ease.

Rudy and *Lolita* live in Princeton, though Rudy operates out of the NYO. They have a son and daughter in college.

Ed Rader came to us from the Textile Management Department of Georgia Tech in 1973. He has broad functional background in sewing room engineering, supervisory development, operator training, physical distribution, material utilization, SQC, cutting and some spinning and weaving at *Mehalla*, Egypt. His product experience is equally as broad.

Eddie is currently the "on-site project manager" of what may be the largest single factory project in our history, working with three other full-time consultants. He is starting a men's clothing factory from scratch in *Whiteville*, N.C.



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Cross Fertilization of KSA's Consulting Practice

By—*John Wilcox*

During the last two weeks of March the Wilcoxes were privileged to participate in our visitation program of KSA staff between the USA and Europe. In recent years we have sent one or two KSA associates on such an assignment annually. This provided the opportunity to better understand the differences in the apparel industries in West Germany and the UK vs. the U.S. Also, we learned more about our consulting practice and the people involved. Finally, company policy permitted it to be a family affair and *Gwen* was only too happy to take advantage.

The basic objectives of this trip and things accomplished included the following:

Visit Representative Plants In Germany And UK—With the help of *Hans Horst Hensche*, *Hardy Artelt* and *Dieter Fertig*, we visited four plants in Germany. In some ways we found them more technologically advanced than in the U.S. Wage rates have escalated faster than in the U.S. (typical operators earn \$8.00 to \$10.00 per hour with fringe benefits.) However, depreciation and investment credits are more favorable. Therefore, manufacturers have been more prone to make investments in advanced equipment such as Gerber cutting, AMF long seaming, *Kannegiesser* fuse press with stackers, etc.

In the UK we visited four factories and found quite a wide range of sophistication. The *Courtaulds* factory is currently being engineered by *Tony Maule*. It was extremely modern by any standards. We also saw some small ladies' wear plants, arranged by *Peter Webb*, that were very flexible but not advanced technologically. Still some KSA principles of style shop engineering being used with structured job groupings and physical control of work-in-process inventory were very impressive. We have something to learn here from our colleagues. Also, they are beginning to make use of micro-processors to generate shop floor information with some clients in the UK.

Participate In An External Seminar—*Stuart Hollander* arranged a real "happening" at the *Cafe Royal* in London...tea, cocktails, dinner and discussion. It included a real who's who in the UK apparel and retail industry, together with government officials, the press, and the union. We had a spirited discussion of globalization of the apparel industry, triggered by a brief presentation of the results of our U.S. apparel Delphi survey. Discussion indicated there are a lot of similarities between the UK and U.S. industry. They have been more directly assisted by government through subsidies and grants, and have been somewhat successful in developing an export business to offset their import competition. The impression received is that European apparel executives take a much more international view of their business and are much more skillful at this than a typical U.S. client.

Discussion Of Business Development In The Apparel Industry—Our practice in both Germany and the UK is much more confined to apparel and retailing, with only minimum work in textiles, health care, mining, etc. Our colleagues have been successful, however, in developing quite an aggressive program for business development in apparel. *Alan Braitwaite* is spearheading the effort for UK, with *Ulf Weise* in Germany. We had a very good discussion of some of the differences in approach.

External Seminar—These discussions were further developed at a weekend meeting at Great Foster's in the suburbs of London. SDH arranged a program involving 14 European colleagues. We discussed, among other things: issues facing apparel industries in Europe and the U.S.; service development; business development; and our commercial practice. There are differences in some of the things we are doing and much to be learned from the exchange.

One can't visit with our European associates without being very impressed by a number of things. One unique aspect of our practice is the impact of operating in different countries. A typical European consultant has similar problems of satisfying clients, delivering quality work and coping with travel. The difference is that one can be in Duesseldorf one day and Zurich the next. In addition to changing clients and products, one is faced with changing languages, currency, government policy, and everything else. Also, frequent changes in government policy in places such as Italy and Spain cast an added dimension of instability to our practice.

Further, this writer came away with the distinct impression that the best years of our European practice are ahead of us. This trip confirmed the similarity of problems faced by the apparel industry in the developed countries of the world. Progressive companies in these areas are beginning to think more and more in terms of a world market and a world source of supply for their product. Because of the international nature of our practice dating back many years, we are ideally situated to assist our clients in becoming more multi-national in their outlook where this is warranted. We have a number of cases where we are working with clients across the sea...for example, Levi, Healthtex, and Poron. Exporting and off-shore manufacturing—or "out-processing" as they call it in Europe—are additional areas where our international outlook can help.

We thoroughly enjoyed the trip from a personal point of view. We have fond memories of: a driving tour of the Rhine River Valley; renewing old friendships with the *Artelts* in an ancient inn at Hanover; being royally entertained by the entire *Hollander* family and observing a model English family in action; getting familiar with the Mayfair section of innercity London; Sunday at Hyde Park; seeing (of all things) a Chorus Line in the Soho theatre district; a really splendid plant tour of an upcoming company called Peter Blond currently being developed by *John Beddows*...including lunch in the board room; and a brief but enjoyable side trip to Paris before coming home. Don't know how we'll keep Gwen down in N.C. now that she's seen Paree! I would like to publicly thank KSA for this opportunity and heartily endorse this continued policy of professional and social cross-fertilization.

Multi-styled Garments—Cont.

earn more than their average, we'll chop off their legs."

"You have to handle the union like Machiavelli with a fist of iron covered with velvet."

"Those broads need an injection of modernity. Go ahead and don't get involved with their complaints."

I could write a book about Leo's quotes, but that is another subject, or maybe the start of an update on managerial theory.

Observations

In a recent review of doctor's notes written on patient medical charts in a client hospital, HIC ran across examples of why clarity of notes is important for everyone. HIC would not want to be responsible for apparel or textile consultants transferring into health care, if one were true!

1. The left leg became numb at times and she walked it off.
2. Patient has chest pains if she lies on her left side for over a year.
3. Skin: somewhat pale but present.
4. On the second day the knee was better and on the third day it had completely disappeared.
5. The pelvic examination will be done later on the floor.
6. If he squeezes the back of his neck for four or five years, it comes and goes.
7. Speculum was inserted between the eyes.
8. Discharge statue: alive but without permission.
9. Health appearing, decrepit 69-year old white male, mentally alert but forgetful.



I've written Eastern, Delta, the CAB, and the FAA and they all think 6:15 is a nifty time to schedule morning flights.

Letter to the Editor

It may be that *Jack Ullman* will take some little time to produce the explanation of the rules of cricket promised by *Harry Lack* in writing *Bill Wing's* profile (December 1978 *Observer*.) The ruling body of cricket is the Marylebone Cricket Club whose explanation of cricket for the foreign visitor to England may help those who can't wait. It reads as follows:

- You have two sides, one out in the field and one in
- Each man that is in the side that is in goes out and when he is out he comes in and the next man goes in until he is out
- When they are all out the side that is out comes in and the side that has been in goes out and tries to get those coming in out
- Sometimes you get them still in and not out
- When both sides have been in and out, including the not outs
- That's the end of the game. Howzat? —*Tony Maule*

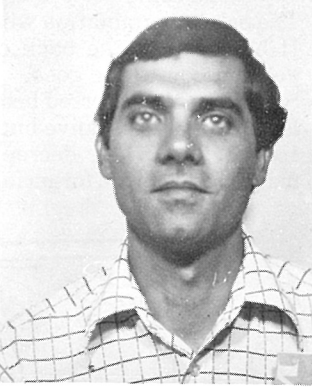
Century Furniture

By—Mickey Zaldivar

KSA's involvement in the furniture industry has been enhanced tremendously by a major manufacturing project presently in progress for Century Furniture in Hickory, N.C. It began last fall and, as of this time, we have authorizations to carry us well into 1980. We are adapting time-worn KSA services, and developing new ones for the furniture industry in the course of this work.

Century, a manufacturer of "upper end" furniture, produces both case goods (dining room and bedroom sets) and upholstered pieces (sofas, chairs, love seats, sectionals.) The case goods unit has been profitable, but they have problems with upholstery. KSA was authorized to perform a complete manufacturing overview of the upholstery plant.

Upholstery has roughly 200 employees and manufactures an average of 600 units per week of highly mixed and varied combinations of chairs, sofas, love seats, ottomans and sectional pieces. They are a specialty shop, geared to the decorative market. Construction quality and techniques are designed to produce strong, durable, comfortable furniture. Wood frame parts are of first quality and double doweled, and the spring base is manually constructed to fit the specific frame. Extreme care is taken to ensure that fabric is properly matched and all fabric designs are positioned to enhance the attractiveness of the piece. These properties, and the fact that almost all orders are for single units (Century's catalog allows each customer to choose any one of 300 frame styles and marry it with some 900 fabric possibilities) create an extremely difficult manufacturing process. The best analogy is that it's somewhat like a men's clothing made-to-measure house.



Our main contributions can be summarized as follows:

Direct Labor Cost—We found an antiquated, almost obsolete incentive system. Although the pace was better than time work, it was still far from a true incentive pace. Discipline was loose and the operators were not utilizing the work day effectively. With our help, plant management tightened down on break rules and general work discipline. This, with certain scheduling guidelines, that enabled management to properly staff and lay off as needed, resulted in a direct labor reduction from 22.5% of net sales for 1978 to 20.6% for the first quarter of 1979...annualized savings of \$171,500.

Quality Control—Though Century strives for quality, we found they did not have a quality control system. Quality requirements were unwritten and each operator had his own interpretation of the specific requirements. A quality control manual was developed and written, approved by management, and will be given to all supervisors and salesmen. A quality defect repair system was implemented to assure that repairs were properly and promptly performed. A quality audit is now performed every day after final inspection. The consensus is that quality has improved.

Scheduling—The scheduling of an upholstery plant involves coordination of the assembly of the frame and the cutting and sewing of fabric so they are both available to the upholstery line on a balanced basis. Obviously, frame parts and fabric plus all other materials (cushion fill, for example) must be available at the time the order is put into work. By implementing some basic scheduling control, the number of late orders was reduced from approximately 600 to 200. Future work should result in a work content loading system and a complete fabric availability system to further balance the plant.

Costing—We developed a costing manual to normalize gross profit for each unit regardless of combination of frame and fabric chosen by the customer.

Material Utilization—Conservative estimates show a possible 10%-15% reduction in the use of fabric...about \$200,000 savings annualized. This is being accomplished by developing marking rules to prevent waste (Century had a one-job combination of marking/cutting on piece work without any fabric controls.) Miniatures are now used to remake all markers. Also, a formalized fabric inspection (point grade) and preshading system has been installed. There is the possibility of an additional 5%-10% savings through the elimination of skirt ends and other pattern engineering techniques.

Future Work—MU work continues; then we will reengineer the cutting room; we have been authorized to completely overhaul the upholstery rates; and there is a possibility that we will be involved in a marketing study to analyze and evaluate the different marketing strategies available.

Short-Range Results and Long-Range Challenge—For the year ending 6/30/78, Century should have a net profit of 1.1% on sales of \$7,530,000. For the first quarter of 1979—after implementing most of our recommendations—net profits were 6.7% on annualized sales of \$8,608,000...a net increase in profits of \$493,000. It would be incorrect to claim total credit for this drastic turnaround, but it is clear to Century's top management that our influence, recommendations and leadership are directly related. Plant management is once again eager to tackle the daily production and personnel problems and is showing total dedication to maintaining the present level of profitability.

A great success story is in the making at Century's upholstery plant. Hopefully, this is our beginning in a constant and profitable stream of major furniture manufacturing projects.

Principal Appointments—Cont.

Eddie and Sandi and their two children will remain in Whiteville until the project is completed. They will then settle in their native Southeast.

Congratulations and much success to our new Principals.

Congratulations!

To Connie and Hal Ivey on the birth of daughter, Patricia Marie, was born May 22.

Departures

We regret to announce the following are no longer with KSA: Gordon McClung • Larry Maurer • John Genne.

KSA/USA

By—Jack Ullman

A top officer of a major client firm told his KSA account executive, after being advised of our plans for handling a potential conflict of interest:

"THAT'S THE KIND OF PROFESSIONALISM WE EXPECT FROM KSA."

Stig Kry, returning from the AAMA annual meeting, reported:

"I CAN'T REMEMBER EVER RECEIVING SO MANY UNSOLICITED AND HIGHLY COMPLIMENTARY COMMENTS CONCERNING OUR WORK AND THE PROFESSIONALISM OF OUR PEOPLE."

The selection of KSA as the best qualified firm out of a field of 10 bidders to conduct the government-funded research projects; An Analysis of Alternative Marketing Strategies for American Apparel Manufacturers (a sub-contract of Georgia Tech.)

The continuing unsolicited praise of KSA's training work for the Jim Walter Corporation.

Year-to-date sales through Period 4 at 110% of forecast and 122% of budget. . . .

These examples and many more lead us to believe that we (you) are being successful with the *Number 1* priority listed in the last Observer: *Further enhance our reputation by performing outstanding quality services in all the industries we serve. This has to be Number 1 on our list of priorities.*

Success "won't spoil KSA" if we keep quality and professionalism at the top of KSA's priority list and at the top of each of our individual lists as we serve our clients.

We're making progress on all priorities. This column is not the place to detail the many efforts under way. Our divisional, functional, industry and departmental correspondents will do that throughout the year. We'll highlight progress in selected areas from time to time.

Service Development—Proceeding at a healthy clip.

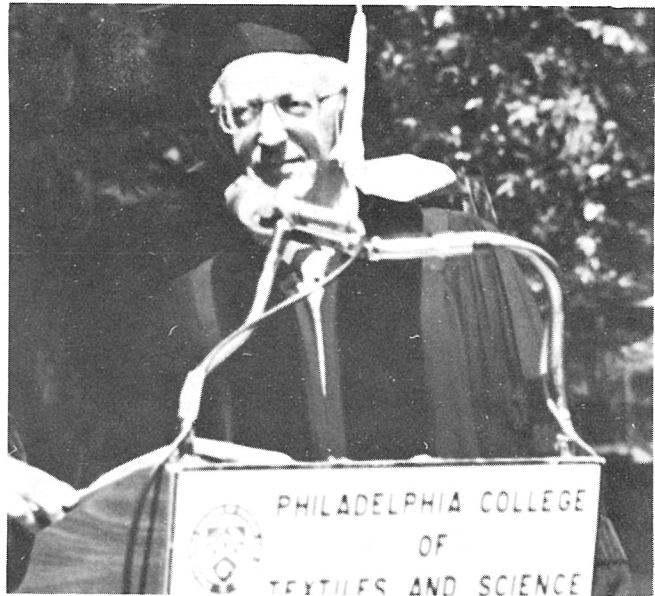
- Process control in textile manufacturing, under *Bill Reed's* direction.
 - WIPCOM (work-in-process committee) and *Zeb Roberts* developing mini-micro computer applications for both support of our practice and new service "modules" (payroll, plant loading, work-in-process controls, etc.)
 - Refinements in our carpet systems.
 - Development of strategic planning in GM&M.
- And many others. . . .

Recruiting—After a slow start...good results. We'll have two summer classes (about 20 recruits) and by year end should reach our intake objectives. We're not out of the woods yet with needs for systems in particular. But an expression of appreciation is very much in order to our recruiting staff and the many consultants who have gone the "extra mile" in helping us achieve these results.

Performance—Through four periods, net USA operating profit is up 15% over 1978 and close to budget. Planned performance is being achieved by most of our industries and functions. Textile volume is up 23% over last year and right on target. Health Care is 30% over '78 and ahead of budget; Footwear, up a whopping 68%...45% over budget.

Functionally speaking, our overstretched systems group is deserving of recognition with volume 45% over

Doctor KS



On May 17, 1979 the Philadelphia College of Textiles and Science conferred upon Kurt Salmon the honorary degree of Doctor of Textiles.

last year and 23% above budget. (Randy, what could you and your staff do if you had more horses?)

Our cutting and MU services (including SLM) are operating virtually at budget...62% above this time last year.

We could cite numerous other indications that a third of the way through the year KSA/USA is making outstanding progress to meet our goals on most fronts. This is not to imply that we don't have a number of difficult problems and areas of concern. Because of these and the darkening economic clouds, we dare not let our guard down.

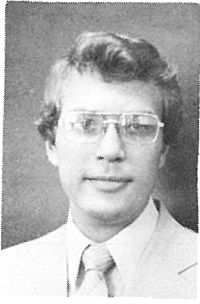
Outlook—We have to acknowledge that uncertainties do exist, and EXCOM will be carefully addressing what measures we must take to meet the challenges that lie ahead. Our sales backlogs should carry us through a "mild" recession. Our diversification offers opportunity for targeted expansion in health care, mining and other areas of the economy which may not be severely impacted.

But what impact will the gasoline shortage have on food and lodging? Will continuing inflation put a severe damper on consumer purchases even of "small ticket" items? What about the possibility of wage and price controls?

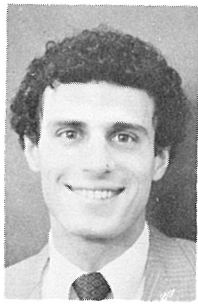
On the other hand, enormous amounts of money are being funneled into support of the apparel and textile industries by the government. Government-related consulting activities present a whole new set of challenges unto themselves. We're learning how to handle these. They provide a powerful balance to a possible slowdown in our normal commercial areas.

So, on balance, while we can't be complacent, we have every reason to believe that '79 will be a good year. But only if we keep our priorities straight, do quality work, develop quality people, control our temptations lest we spread ourselves too thin, and pause long enough to have some fun along the way. We're off to a good start...let's keep it going.

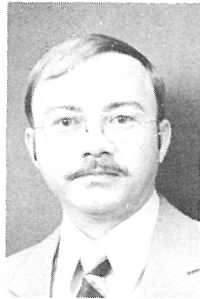
New Staff



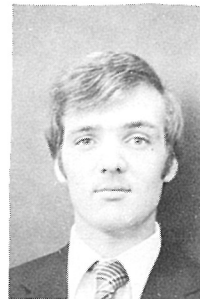
Brown



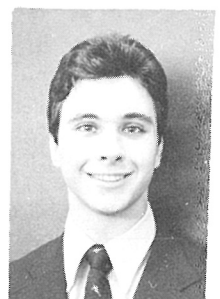
Cantor



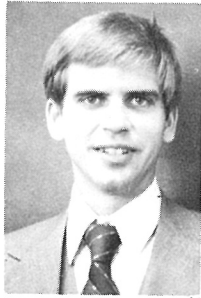
Chamberlain



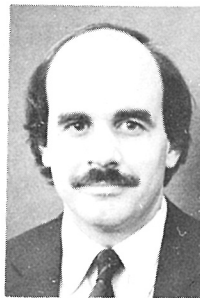
Donahue



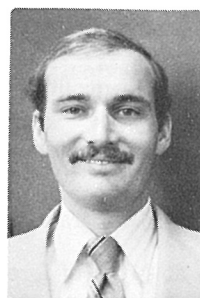
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Mitchell



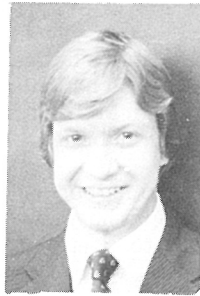
Parsons



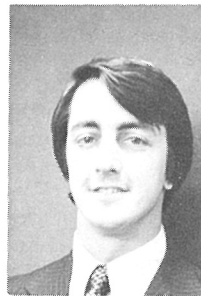
Peer



Schleicher



Schneider



Seymour



Snow

*Gary M. Brown...*Age 23. Single. BSIE, Georgia Tech. Assigned MMD. Interests: Basketball, softball, racquetball, jogging.

*Eric J. Cantor...*Age 24. Single. BA, Havorford College and MBA, University of N. C. Assigned MMD. Interests: Photography, music, swimming.

*William J. Chamberlain...*Age 32. Wife *Jean*. Two children. BS in accounting, Florida State University. Ten years U.S. Navy—Lieutenant. Assigned MSD. Interests: Golf, bowling, tennis.

*Daniel W. Donahue (Dan)...*Age 26. Single. BA in history, Georgia Southern College. Four years U.S. Marine Corps—1st Lieutenant. Assigned MMD. Interests: Sketching, skiing, scuba diving, racquetball, track.

*D. Mark Foreste...*Age 22. Wife *Barbara*. BSIM, Purdue University. Assigned MMD. Interests: Sportscar restoration, skiing, tennis.

*David A. Mitchell...*Age 26. Wife *Nancy*. BS in engineering, Naval Military Academy—Lieutenant. Assigned MMD. Interests: Volleyball, softball, making furniture, dancing.

*Richard G. Parsons (Rick)...*Age 29. Wife *Pat*. Two children. BS in engineering, U.S. Military Academy. Eleven years in U.S. Army—Captain. Speaks Portu-

guese, Brazilian dialect, fluently. Assigned MMD. Interests: Handball, racquetball, bridge.

*Thomas A. Peer...*Age 27. Wife *Linda*. BS in geology, James Madison University. U.S. Marine Corps—Lieutenant. Assigned MMD. Interests: Sky diving, skiing, jogging, softball.

*John A. Schleicher...*Age 27. Single. BBA, University of Texas and MBA, University of Georgia. Four years U.S. Navy—Lieutenant. Assigned MMD. Interests: Scuba diving, flying, reading.

*Mark K. Schneider...*Age 24. Wife *Barbara*. BA in Biology/psychology, University of Rochester and MBA, Cornell University. Worked last summer in our health services division. Assigned MMD. Interests: Skiing, tennis.

*Donald W. Seymour...*Age 29. Wife *Deborah*. BS in social services, George Mason University and MBA, Cornell University. Six years as senior counselor with Fairfax House (residential treatment center/school for emotionally disturbed adolescents.) Assigned HSD. Interests: Racquetball, volleyball, jogging, cooking, auto mechanics.

*Jean L. Snow...*Age 29. Single. BS in Psychology and MHA, Duke University. Six years EDP experience in health care at Duke University Medical Center. Assigned MIS. Interests: Cooking, music, Greek literature, bridge.

Public Relations

Fertility Clue Discovered

If you plant seeds and nothing comes up, have patience and quadruple the number next season. If casting bread on the water only brings back croutons, don't give up. Scatter ten times more and be ready to haul in a strawberry shortcake.

This is the PR Department's new approach. Called "Safety in Numbers" (SIN for the acronymists), it worked wonders during the last quarter, when KSA related successfully with a dozen of its publics. Most of these liaisons resulted from earlier spates of hyper-active seed-sowing and lots of persistence.

The most conspicuous success was three mentions of KSA in a cover story on the apparel industry in *Business Week* (5/14.) Placing our name before the general business public as a respected authority has been a PR goal for years. It is something that can only be earned, not bought, and everyone connected with our apparel practice should take a bow. (The "seeds" in this case seemed to be our Delphi Survey, which induced a *BW* editor to call us in January. And the *BW* story, in turn, induced the *N.Y. Times* to invite us to lunch for some "brain-picking." So it goes...)

Business Week also mentioned KSA in its story on consulting in the May 21st issue, but only twice. Are they trying to tell us something?

Closer to home, our annual Financial Breakfast (#5) was a success, and 250 of each Profile Perspectives were gobbled up faster than the eggs. Ms's. *Galloway*, *Couch*, and *Ryer* rejected many computer runs before they were satisfied with the Profile numbers—proving the SIN theory, but producing the usual frustrations nevertheless. (This valiant trio calls the Profile computer program "Bugs" for short. It's not an acronym; just an expression of benign disgust.)

One of our best seminars ever was presented to 200 men's suit manufacturers in May. The subject was the European-Engineered Suit concept. This is not merely a fancy name for reducing labor content, but involves a radical departure in the way a suit is put together. Speakers included *Alan Braithwaite*, *Dieter Fertig*, *Bruno Castagna*, *Ken Osborne*, *Howard Cooley*, and *Jack Downie*. The range of accents—from English to German to Italian to Southern—provided a stunning example of our international scope, which proved mind-boggling in itself to at least half the audience. The coup de grace was delivered by *Bob Nahas*, however, who put the whole thing into a marketing perspective just to show that KSA can talk about every facet of a subject.

A week earlier, *Ron Chisenhall* and *Buddy Ruppenthal* made speeches on deskilling sewing operations at the Knitting Arts Exhibition in Atlantic City, and *Freddie Wood* found a new way to massage our various Delphi surveys in his message to the Knitwear Manufacturers Association (underwear.) As a trade show, KAE has lost its importance.

Yet another seminar was presented in April, this one on improving productivity in textiles. The two-day program was given by Messrs. *Wood*, *Reed*, *Turbyfill*, *Moore*, and *Ruppenthal* for a prestigious group of 28 mill executives.

And *Jim Giddings* spoke at an AAMA meeting on outlet stores the day before the Financial Breakfast, wearing both his manufacturing and retailing hats at the same time. This topic could be a sleeper.

Six meetings, 16 speeches, over 300 slides, and 11.8 person headaches in only eight weeks. (It ain't all croutons...) Whoever scheduled this mess should be stripped of his Time Planner.

But we did reach lots of publics—without even mentioning the attendees at two hospital shows, or the readers of a long-awaited article on our distribution center work for Londontown that ran in *Modern Materials Handling* magazine, along with an interview with *Tony DeMaria* on the virtues of incentives. This magazine goes beyond soft goods, and is read by distribution people in all industries.

Other articles published during the quarter included one on suit productivity (*Osborne*), two on marketing (*McIlhenny*), reprints of SAK's speech to the European Economic Community, a discussion of process control for textiles (*Reed*), and another on the real meaning of the Apparel Delphi Survey (*Kry*.)

So PR has been a busy bee, and we are a bit dizzy from all these liaisons with so many different audiences. But if anyone has another market they want fertilized (HRD for optometrists? strategic planning for pretzel-vendors?), just point us at it. We know our duty, and we'll do it...from memory if not desire. —JS

Training and Professional Development

Professional Development began the year with a Principals' training session the first week of January, attended by 18 of our newest and not so new Principals, namely, *Pete Cleaveland*, *Phil Brader*, *Ron Chisenhall*, *Charles Kelly*, *Dudley McIlhenny*, *Charles Topping*, *Bill Sand*, *Hal Wilson*, *Vern Deming*, *Glenn Larsen*, *Richard Lusk*, *David Perdue*, *Mac Ryland*, *Bob Nahas*, *Gary Ratliff*, *Steve Riepenhoff* and *Steve Avary*.

This was followed by a class of six new consultants, who left for their training assignments in late February...*Kent Davis* and *Ken Wilson* to PD jobs with Ken later being transferred to mining and chemicals; *Scott Hodson*, *Doug Rogers* and *Doug Sherwood* to various MMD assignments; *Bill Wessels* to mining and chemicals.

Our recruiting group, *Phillips*, *Messinger*, *Bakely* and *Sydell*—with lots of help from many others—has been exceptionally busy recruiting for a June class which will exceed our physical capacity and carry over to a class later in the summer.

A list of courses available in the Atlanta Training Center was published in the December *Observer*. Thus far, *Mike Baird*, *Charles Topping*, *Jeff Gibson*, *Bernie Wolford*, *Steve Riepenhoff*, *David Baltimore*, *George Soffron*, *Roger LeBarron*, *Chuck Gilreath*, *Tom Barts* and *Dudley McIlhenny* have requested these professional development materials.

We encourage you to take advantage of these courses to enhance your professional development. For your convenience, we are listing them again:

Textile Engineering, Product Analysis Training (shirts, dress slacks, dungarees, men's clothing), KSD, Cutting Room Engineering, Advanced Material Utilization, Survey Problem, Standard Cost, Return on Investment, Executive Effectiveness, Listening, PERT and CPM, Operator Training (AAMT), Supervisory Development, Physical Distribution and Annual Report Analysis. —*Bill Cameron*

Shoe fits former whale-keeper like glove

Jack Johnson

FOR NO PARTICULAR REASON, the time has come to profile *Jack Johnson*.

Actually, there is a reason, and it has nothing to do with all those notes from Jack that said: "Do me next." In truth, Jack is a self-effacing fellow who prefers hanging around backstage. He does a lot for people without making a fuss.

If we need a reason for writing an appreciation of Jack Johnson, it could be to recognize his successful transformation from the quintessential apparel engineer to shoemaker's friend and counselor. After a quarter-century of unstinting service to all aspects of KSA's apparel practice, Jack was asked to take over footwear a year or two ago. This was a challenge not only to his adaptability and competence as a consultant, but also to his loyalty—which runs deep. The self-appointed discoverer and protector of the "Whale" (AMMD) against the depredations of the "Minnows" (health, retailing, footwear, furniture, and other new industries) was being asked to join the minnows himself!

JAJ has met the challenge more than adequately. Being a small fish in a big pond doesn't bother him. After early struggles with red tape, footwear volume has climbed to over \$600,000, thanks to Jack's guidance. Terms like "lasts" and "uppers" now fall drippingly from his tongue just as "tack belt loop" once did.

Jack A(nderson) Johnson joined KSA in 1953, fresh out of Auburn University (along with *Zeb Roberts*, whose time will also come.) He plunged into his cutting and sewing assignments with zeal, thoroughness, and efficiency. The further into the boondocks the better, as far as JAJ was concerned. When the need arose, he made speeches in Phil Campbell, Rainsville, Enterprise, and other cultural hotbeds of Alabama. Sometimes he wasn't seen for months at a time—but his BI's arrived complete and on schedule, and his final reports were models of clarity, good grammar, and splendid ROI's. Clients said nice things about him, and he developed into a top-notch account executive.

Let us not mislead. All work and no play did not make Jack dull. Far from it. In his salad days, our barefoot boy from Albertville—complete with rosy cheeks and blond crew-cut—was an asset to any gathering, and was known to stay up with the worst of them.

Early on, before KSA formalized its current HRD program, Jack developed an abiding interest in human relations. This manifested itself in one of the first off-premises attitude surveys ever conducted among second-shift workers for Gastonia yarn mills. It also led to sociological investigations of downtown Moultrie, uptown Picatinny, and selected poker games throughout the Southeast. Generous to a fault, he often invited the homeless to share his lodgings. His affable good spirits and infectious giggle added merriment wherever he went.

Though he now affects an avuncular mien, those who knew him when can attest to the fact that Jack Johnson was very much one of the boys—and still is, when he re-

JAJ in the days of rosy cheeks and blonde crewcut.



Present day JAJ still wears a happy face, though unknowingly posing for a profile photo.

members how it's done. Given the right circumstances, such as a staff meeting, he joyously bounds out of "retirement" and rejoins his fellow hams among the *Kensington Players*, happy to play any part they assign him.

Nor can our hero suppress the printer's ink that worked its way into his veins long ago when he was business manager of the Auburn school paper. Jack has never been able to get over that brief flirtation with the Fourth Estate, and every so often he dashes off ideas for new ad layouts and provides unsolicited grammatical help on obscure syntactical points. His interest in interior decoration has met with more success, improving the tone of the Atlanta office corridors. Jack was responsible for collecting and framing the colorful annual reports of some of our clients, as well as other graphics that hang there. (He doesn't display everything he collects, however. Named KSA's official consultant-watcher several years ago, his bulging dossiers remain locked in the files.)

Among all his contributions to KSA, the most important ones defy easy labelling. Professional Johnson-watchers have long known that our man is a sentimentalist under his tough veneer, dependable and supportive after he lets you know why you are wrong, a calm counsellor who has shared his wealth of experience with a great number of young KSA'ers on the way up. He pitches in when extra hands are needed (except for certain card games), watches over strays, and lets you know he cares. At the risk of sounding gushy, all this has made for an unbeatable combination, and everyone in KSA has benefited therefrom.

—J.S.

EUROPE . . .

European Overview

By—*Stuart Hollander*

Our decision to shrink operations in Italy and France, to prevent further losses, makes 1979 KSA's first year with a new structure that excludes a Latin Region as such. We do, however, continue working in the "Latin" countries.

In Italy—*Renato Tarditi* is responsible for maintaining our presence and reports to *Hardy Artelt* as part of the German Region. Currently we have one major project going there with Renato and *Giuseppe Tosco*, plus some relatively low-key marketing activities.

In France—*Xavier de Montfalcon* is handling existing and new business and doing a considerable amount of international work.

In Spain—*Alberto Figa-Beleta* and *Jamie Tusell* are developing our practice on a profitable basis. Before expanding there, however, we must overcome legal and fiscal problems.

The losses associated with the Latin Region in 1975-1978 are largely eliminated now and will have completely disappeared by the end of 1979. As a result, the continued success of the German and UK Regions is highlighted more clearly and this will continue. Consequently, we are looking forward confidently to a total European performance of 5% net on a volume of \$5.5 million in 1979.

We have in the past year confirmed the KSA organizational concept in the two large regions. The key people are:

Germany—Under *Hans Horst Hensche* as Regional Manager, *Hardy Artelt* is responsible for PMS (MMD) and *Peter Amrein* for GMS (MSD). The Industry Managers are *Ulf Weise* (apparel) and *Juergen Steuck* (retail.)

UK—*Harry Lack* is Regional Manager, *John Beddows* is responsible for PMS and, at this time, Harry himself handles GMS. The industry managers are *Alan Braithwaite* (apparel) and *John Phillips* (retail.) *Mervyn Kerr* has overall responsibility for the subregion of N. Ireland and Eire. *John Phillips*, of course, also has overall responsibility for the development of the retail practice in Europe as a whole.

This clarification of responsibilities is helping us concentrate management attention more effectively on key tasks in service development, staff recruiting and development, and marketing our services. It is early, but we believe we see evidence of the benefits in sales and profitability produced by the organization as well as by the increasing experience and maturity of our managers (total sales are 12% above budget for the first four periods, although somewhat soft in retailing and GMS. PMS sales are 40% above budget.)

A great deal of "profitability improvement" remains to be done in Germany and UK. We still have problems with overruns, some of which are avoidable.

The nature of our work continues to change at what sometimes appears a dizzying pace. I estimate that over 50% of our work is of a nature we could not have handled five years ago and, if we think back to 10 years ago, prob-

ably 80% of our current work would have been beyond our capabilities, including most of our PMS practice, regarded by so many as "traditional KSA work," but which today bears little relationship to the engineering work most of us trained in.

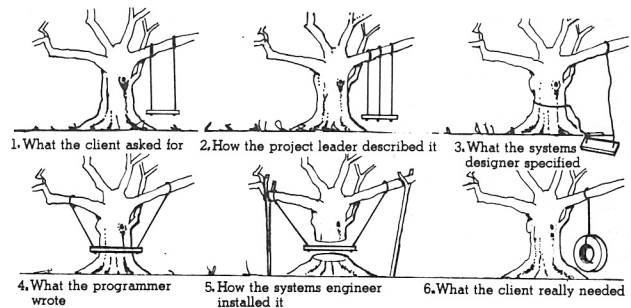
The change we needed and our clients come to us because we changed. We are fortunate in having consultants who have faced up to change and helped us create the practices we have today. This process continues at an accelerating pace. It is a necessary but expensive process and much of our management effort goes into controlling it within acceptable profit performance.

—*Stuart Hollander*

It Happened in Europe

Peter Amrein was invited to join one of four panels on a Swiss TV program devoted to the problems of the apparel industry. It received wide coverage in Switzerland's trade and national press, but there were so many "official" speakers none were named...we feel sure Peter's many contacts and clients in Switzerland took note of his contribution to the discussion.

John Rutherford, whose photo was in the *March Observer*, continues to make headlines in the international press! The April International Management carried a message from John on the readers' letters page with a clever series of drawings emphasizing the points he made regarding the value and application of systems.



Alberto Figa-Beleta and *Cesare Aspes* are to present two seminars to the Spanish Apparel Manufacturers Association in Barcelona and Madrid. The subject is exports and should help broaden KSA's Spanish corporate image into the management and strategic field in that country. KSA's reputation in the engineering field in Spain is already secure.

Eugene McIlroy and his wife, *Catherine*, became the proud parents of a baby boy March 21. Our sincere congratulations.

Alan Braithwaite (UK) and *Dieter Fertig* (Germany) have been invited by the AAMA to do a presentation on "The European Jacket." We are particularly pleased at this recognition of the pioneering work done by KSA engineers in Europe in their efforts to improve jacket productivity while maintaining the high quality standards demanded by European consumers.

Breaking New Ground in Style

How KSA got from shop floor to shop and what happened when we arrived

Although founded long before the war, during the past 30 years Wallis Fashion has become one of the top prestige UK names in women's fashion. Rapid expansion brought its problems, however, and it was to solve their manufacturing, engineering, and supply control bottlenecks that *Steve Webb* and *John Beddows* came to work in their plants. During the assignment they got to know *Geoffrey Wallis*, one of the two brothers now running the business, well enough to recognize him as an adventurous, creative entrepreneur who nevertheless appreciates analytical and scientific management talents. They also recognized that all was not well in the company's 42 retail stores and 23 shops within shops.

A meeting was arranged between *Geoffrey Wallis* and *John Phillips* who then produced an initial proposal "Capitalizing on Opportunities to Increase Sales in Existing Shops." From then on, things moved fast. The initial proposal was so well received that *John Jurek Piasecki* and *Geoffrey Wood* moved straight into implementation.

As a first step, three provincial stores were selected as locations for a pilot scheme. Then they asked us to advise on the remodeling of their largest store, a two-story site in Central London. So we had two retail assignments going for a total of \$120,000 in addition to the engineering work.

For the three pilot stores, we first assessed merchandising effectiveness, customer behavior and store operations. We also surveyed current shoppers and potential customers. This research provided highly useful data showing where and how substantial improvements could be achieved.

The approach used was based on the OCO (Optimizing Customer Opportunities) concept developed by KSA in the UK some years ago but only applied to larger outlets. The application of OCO to small units of 1,000 to 2,000 sq. ft. was indeed breaking new ground and the effectiveness of the approach in these special circumstances confirmed the validity of the principles involved. It was interesting and significant to find that even in the smallest units, managers had no ideas where the most effective selling space was located. Nor did they know how well, or badly their stores were doing in relation to others in the chain.

Remedial action included redesign of store layout to clear congestion and optimize use of better selling areas, the introduction of new fittings and the laying down of set standards regarding the display of stock. Later, we also introduced signing, against the client's initial wishes because it was thought superfluous in small units and likely to dilute the stores' fashion image...but it worked. When the program was completed, the three pilot stores sales had risen by 10% above those of control stores in the same group.

At the bigger store in London, the problem was somewhat different. The client decided to give it a \$100,000 "face-lift" but we found the plans failed to correct many basic shortcomings. Our study identified one major problem—that of getting more entrants to visit the main sales area in the basement—as well as a too narrow street entrance, unsatisfactory selling space with many "dead" areas, lack of signing and a narrow, hard-to-find, stairway to the lower sales floor.

We persuaded the client to include the installation of an escalator, adequate signing and relayout of the store. Although the original "face-lift" became a full-scale redesign job, with a higher budget, the results fully justified the investment. Our survey had shown that before redesign only 38% of store entrants visited the basement...after remodeling and signing, that number rose to 45% and later went up to over 50%. With more than half of the store's merchandise on the lower floor, increased traffic in that area has considerable leverage on total sales. This made the operation highly profitable. Since the completion of the assignment, Wallis has applied the KSA principles in other stores.

Our move from shop floor to shop, besides breaking new ground, provides a prime example of how effective joint effort involving our apparel and retail practice helps not only to raise sales but also to provide a broader, better and more valuable service to clients.

European Attitudes Brief

Style Apparel

Previously in this series, we dealt with fabric production in Europe. Then, we wrote of conditions on this continent without describing the differences that apply to each country. In apparel, however, we must demonstrate once again that Europe is a collection of very different countries rather than a single entity.

To some extent, one comment applies to Europe in general: output of staple goods is reducing rapidly and could become insignificant long before the end of the coming decade. Today, European companies that want to stay in business have the choice between specializing in style merchandise or developing a strong brand image that allows them to sell at premium prices goods that compete with imported staple apparel.

An important point is that the relatively strong individualism of many European consumers, and the response of manufacturers to this situation, makes it difficult to differentiate between style and staple. Also, it's practically impossible for a style trend to become a staple product. The double jersey boom in men's wear that swept the U.S. in the late 60's has never been duplicated in Europe. In women's wear, the New Look of the late 40's, the mini skirt of the mid 60's and the later battle dress inspired casual styles are the only examples of fashion trends that became staple products during the past 30 years.

Jeans are probably the only item of staple outerwear still being made in Europe in significant quantities. This is only because some manufacturers of staple jeans adopted a brand policy during the 1974/75 recession. Distributors' cheaper house brands are mostly imported and many of the producers' "pseudo brands" are expected to disappear shortly, leaving perhaps 20 major European brands competing on style rather than price.

In the UK, where some of the largest multiple retailers continue to apply a policy of domestic purchasing, the range of staple goods in production is somewhat wider. The Italian knitting industry is also able to compete in the staple sector, thanks to its very flexible structure, with very few larger production units and thousands of small subcontractors. In all other countries, the demand for unbranded staple goods, and much of the major distributors' lower priced own-brand stocks, is supplied by offshore imports.

Continued on page 13

Whiteout

(This story of how three KSA men continued to bill through truly exceptional circumstances arrived too late for the last issue. It deserves to be told, however, and we have edited *Klaus Herzog's* much longer, and more amusing, original version to an appropriate length.)

The week in January that produced Northern Germany's most catastrophic blizzard in memory started with a moderate four inch fall early on Monday. Even this was unusual in the relatively temperate climate of the region. Resulting traffic snarls stretched Klaus' trip from his home to the client's plant from three to five and a half hours. At the Kaiser men's clothing factory in Wilhelmshaven he found *Werner Iten* and *Arthur Hartnagel* already busy on the pants line. The day passed normally but at night the blizzard struck. Snowfall coupled with a force 8 gale produced gigantic drifts and brought traffic to a standstill. Klaus, who stayed at his usual suburban hotel six miles from the factory, was unable to get out of the carpark, blocked by 10 ft. snow drifts.

Werner and Arthur spent the night in Wilhelmshaven and found walking the only possible means of transport even in the city. After a two-hour struggle through the snow, they found the factory closed...only the plant manager was there. They persuaded him they had long been waiting for an opportunity to do some work in peace and quiet, so they went in and continued billing. In the meantime, Klaus who had set up office in his hotel room, made phone contact with the factory, spoke with his colleagues and told the manager he had all the documents to continue his work.

Attitudes Brief—Cont.

The average European consumer and apparel manufacturer is highly fashion conscious. Where such consciousness is less highly developed—in men's wear, for instance—there is appreciable brand awareness by consumers. But these characteristics are expressed differently in various countries.

In France and Italy, the concept of staple goods hardly exists. Two French brands of men's underwear, selling at premium prices, have expanded their domestic and export markets shares substantially during the last 10 years. Their success was at a time when low cost imports were putting out of business many manufacturers of similar products. In these two countries, all outerwear is considered or sold as style products. There are exceptions to this generalization, but most consumers tend not only to buy branded goods with a strong style image but make their purchases with a view to projecting an individual image. As a result, style is often reflected in several fashion trends that co-exist reasonably happily. There are few fashion trends that achieve widespread dominance in one or two seasons.

In Germany, the situation has evolved rapidly during the past few years. Until recently, style was closely associated with quality. At the same time, the industry was able to impose seasonal fashion trends very effectively; one spring in the early 70's, German men could be recognized all over Europe by their green shirts, the following year they were yellow. Now, style in Germany is seen increasingly as a projection of the wearer's individual image. Quality remains important, but style is much more varied.

Britishers have long discarded the traditional bowler



The German army comes to the rescue of a snowbound KSA'er.

Thanks to the telephone, work went on through the week though Kaiser plant remained closed. To avoid further chaos, authorities had forbidden travel by private car, with a threat of a \$250 fine. Public transport and the rail system were snowbound so operators could not reach the plant and our men could not go to other assignments...nor anywhere else!

By Friday, though road traffic was still banned, rail service began to function. Only one southbound train left Wilhelmshaven that day, and how our men managed to board it is another story.

hat and striped pants. Had they not done so, their clothing would now be imported from Taiwan or Poland. The casual look, still remains important. Women in the UK, unlike other countries, tend to dress casually as they move up the social and income scale, except for formal occasions when the social elite still look like fugitives from "My Fair Lady."

Of course, these comments are only partly true. What is really significant is that, after a period of near anarchy in style and fashion during the late 60's and early 70's, national differences in style of dress are now reasserting themselves. Individual interpretations of fashion remain important everywhere. The only common denominator is casual sportswear, which looks much the same in most countries, though individual interpretation of trends may vary considerably.

This situation poses serious problems for European apparel companies. It also creates promising opportunities for KSA.

In Europe, very few companies achieve a significant market in more than one, or perhaps two, countries. This means the EEC market, with over 250 million consumers—appreciably larger than the U.S. market—very few manufacturers can hope to benefit from more than one-third of potential demand. Even the most successful apparel companies seldom export more than 40% of their output to other EEC countries, with perhaps half going to one best developed market and the rest spread over some of the remaining nations.

To achieve significant penetration of more than one EEC market, a manufacturer must make investments in

Continued on page 15

Tony Maule

Tony Maule is another British example of staying power, having been with KSA over 13 years, and he has the distinction of being the most informed member of KSA on beer. Not only as a consumer, we hasten to add, but because his University of Birmingham degree is Biochemistry and his Post Graduate Diploma in Brewing led Tony into a German brewery. Others have been driven to German breweries for more personal reasons, but Tony was a real technician, and has maintained that professionalism throughout his work with KSA. In 1954, since Britain was still supervising the remains of Empire, H.M.'s government called Tony to help in this supervision, and he was commissioned in the Royal Corps of Signals and served in Kuala Lumpur. His signals experience is a major factor in KSA's smooth running and comprehensible technical information systems in the U.K., for which Tony is locally responsible.



Having fought off whatever was menacing Kuala Lumpur in 1956, Tony returned gratefully to brewing and for three years plied his trade. Although many are too young, many others will have reason to be grateful to Tony for his efforts at this time, the beer he brewed may even have been directly responsible for a nostalgically remembered indiscretion or two. In 1959 Tony moved to the only slightly less fattening area of breadmaking and stayed until 1966, when the lack of national recognition of his claimed invention of the sliced loaf became too much for him and he brought his technical powers to KSA.

Tony's early days in KSA, like most of us of that vintage, were spent in the USA. He too—like so many featured in these biographies—claims to have been the last KSA man in Roydon Wear. Perhaps Roydon Wear managers vowed as each new man came into the plant that he *had* to be the last? Most of Tony's time in America was spent in North Carolina where he worked with *Paul Flood*, and gained the base of a lifelong attachment to shirt manufacture. He and *Pam* also gained, as a bonus, an American citizen, *Barbara*, to add to the previously acquired *Lawrence* and *Philip*.

The family returned to England in 1967, and moved quickly to Northern Ireland to put Tony's USA experience to the test in a large shirt manufacturing plant there. This was in the palmy days when the IRA merely

rattled sabres, before they were fully drawn, although Tony and the family were in Ireland long enough to witness the effects of the worst of the troubles in the late 60's and 70's. Apart from a six month assignment in Italy, which Tony undertook in 1970—when the considerable downturn in the market led to our placing men in even more geographically bizarre postings than usual—he spent the years from 1967 to 1974 in one part of Ireland or another. In Italy, Tony added a new word to that already rich language, *followupini* = young girl recruited to undertake follow-up—female plural noun and very nice too says Tony. Actually he says “very effective” but we know what he means. In Ireland, Tony added a new allowance to the KSA normal set, the B.D.A. or Bomb Disposal Allowance, 3-5% (depending on whether a telephoned warning was given or not.) He and Pam also added *Christopher* to the family while they were in Ireland.

In March 1972 Tony made a brief trip to Algeria on a quality control assignment and, like so many others who did time in that country, spent part of April hospitalized. Undeterred, he designed a conveyor layout from a horizontal position, which the client said was better than most of our consultants could do when were perfectly healthy. We accepted this as a fulsome tribute to Tony's genius, although other constructions have been placed on the comment.

In 1974 Tony returned to the U.K. and took an active part in the training of our new recruits. By this time we were not using the American training facilities, and the need to give our trainees the in-depth technical understanding which they would otherwise have missed was, to a great extent, met by Tony's willing efforts. Not only from a machinery and equipment standpoint, but also with his wide understanding of industrial engineering and work measurement techniques. Tony was appointed Principal in 1973 as a recognition of his outstanding services in the technical areas of our practice.

Tony manages many outside activities...with four children from seven to twenty, that is probably inevitable. He has ordered his life well, being able to play squash with Philip, and having Lawrence, who is at Guy's Medical School, standing by in case resuscitation is needed. Barbara provides the accompaniment on flute and piano, while Christopher is standing by in case Philip ever gets too old to play squash with his father.

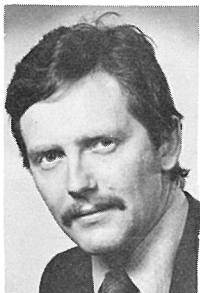
Tony's career has been spent in improving productivity in a wide range of necessities of life—beer, bread, blouses, boiler suits, etc.—and we consumers are grateful. We at KSA, who need the stability and technical dedication of men such as Tony to achieve the company's objectives, are doubly grateful.

—Harry Lack

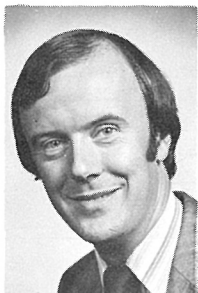
New Staff



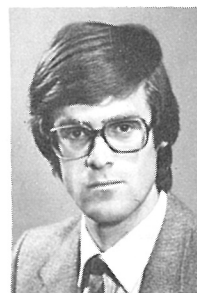
Brown



Haworth



Meenan



Weder



Wenger



Claridge



Gardner



Jervis



McCutcheon

Colin Brown joined KSA in February to work initially in our GMS group. Colin has extensive consulting experience with W.D. Scott, a well-known retail consulting firm in the UK. His previous experience includes management work in both industry and retailing. Colin lives in Sevenoaks with his wife, *Marjorie* and their four daughters.

John Haworth (29) joined the PMS division in the UK last April. John is single and lives in Bowdon, Cheshire. He has a degree in electrical engineering from Manchester University. He worked three years in Australia as director of a building company and subsequently moved back to the UK and joined a geological engineering company in Scotland. For the last two years John worked for a small consulting firm.

Nahor Meenan (32) also joined KSA-UK in April to work with the PMS group. Nahor is married, has two children, and lives in Ireland. He attended University College in Dublin where he gained honors degree in history, and Trinity College of Dublin, where he gained an MBA. Nahor came to KSA from M.L.H. Consultants in Dublin. Previously, he was employed by Coras Trachtala, the Irish State Export Promotion Organization as Marketing Advisor.

Bruno Weder (28) joined the German Region PMS group in April. Bruno has a university degree in econom-

ics and an apparel engineering degree from the Zurich Technical College. He is Swiss, single and lives in the St. Gallen area, where much of the Swiss textile industry is concentrated.

Wolfgang Wenger (29) also joined German Region in April to work in GMS. His experience in EDP will help develop further our capabilities in the software field in Germany. Wolfgang is also Swiss and single and lives in Norway, near Zurich.

Marissa Claridge joined the UK Windsor office in February as a junior secretary. Marissa was previously an interviewer for a recruiting firm in Windsor.

Sally Gardner, who joined KSA in March, brings to full strength the team in Windsor office. Before KSA, Sally worked for British Caledonian Airways at Gatwick Airport.

Janet Jervis became *Stuart Hollander's* secretary April 2, after spending the last three years with International Computers Limited at their Management Training Center. Before her return to England, Janet spent 10 years abroad, living and working in Ghana, Ethiopia, Lebanon and Kenya. She lives in Maidenhead, near Windsor, with her 10 year old son.

Sarah McCutcheon joined Windsor office in February. Sarah had previously worked as a secretary for a chemical trading board.

Attitudes Brief—Cont.

collections, production lines, sales organization and administration that strain the resources of even the largest companies.

Despite the demand for style products, price remains important everywhere. This has led manufacturers, especially in Germany, to set up offshore plants in low-cost countries that are essentially style shops. There, KSA's skills and specialized knowledge of the apparel industry has proved extremely valuable in solving the problems of style production in a staple production environment. Further, and even more important in the long term, conditions in Europe have led KSA to pay special attention to

the development of services in the area of strategic planning, with special emphasis on marketing.

Differences between countries call for a modified approach to marketing in each one. The right distribution channel in one country for a given type of style goods, can prove quite inappropriate in another. Some models in a collection have more international appeal than others. Exports of style products create special needs in terms of production and sales planning, supply control and maintenance of quality standards. These, and other aspects of style manufacturing for more than one market, should increase demand for KSA services in coming years.

Around the Company

We are delighted to welcome to KSA several new employees.

In Atlanta, accounting claimed *Linda Collins*, *Nancy Thompson*, and *Jeanne Barakat*. Linda handles key-punch, payroll, accounts payable and cash receipts. She and her husband recently transferred from Ohio. . . . Nancy is responsible for editing and control of BI's, authorizations, job starts and job tickets, and coordinates billing and invoicing. Nancy came to us from the Georgia Department of Education where she performed various editing and accounting functions in processing government grants. . . . Jeanne is filling the gap while *Julia Keating* is on maternity leave. She came to us from Simmons International where she worked as administrative assistant to several officers of the company. Jeanne has lived in Spain and Egypt and speaks three languages.

Emily Uritsky and *Ivy Waldman* recently joined our word processing staff. They started as Kelly girls on our night shift and were transferred to days when openings were available.

Libby Morgan and *Mari Meason* joined our administrative staff. Libby is secretary to HRD. She and her husband recently moved here from N.C. where Libby was administrative assistant to the staff development director of a hospital. . . . Mari is working in the Mail/Xerox room and is trying her hand in the business world for the first time.

Rebecca McGuigan joined KSA recently as administrative assistant at the Nashville office. Becky brings to her new job an extensive background including various management responsibilities with several firms engaged in environmental resource engineering, public health, and hospital management.

Barbara Rowe has joined our NYO as administrative assistant to *Stig Kry*. Recently, she had been temporary secretary on a full time basis to corporate executives, and previously had been A.A. to a publisher. With her USA education, Barbara returned to her native Barbados for 10 years. While there she operated her own real estate firm for five years and was in the secretarial field for the other five.

Space for the letter below was "blocked out" in a mini-conspiracy between the printer and K.S. Since it expresses the appreciation felt by many, we thought Mary Baach had earned a more widely publicized tribute:

"Dear Mary:

I was stunned by the arrival of my ten-year anniversary—nearly as much as by the notification of my twenty-year high school reunion. But I was thrilled by your choice—it is exactly what I would have chosen for myself. In fact, several of us commented on your exceptional ability somehow to choose the style that matches the individual.

I shall treasure my Omega almost as much as the privilege of being a "K.S. Associate," for these last ten years.

My very best regards to you and your husband.

Sincerely,

"ANONYMOUS"



Collins



Thompson



Barakat



Uritsky



Waldman



Morgan



Meason



McGuigan



Rowe

A Daffynition of Settled/Unsettled Consultants—Considering recent developments in the NYO, the traditional distinction between "unsettled" and "settled" consultants is no longer valid. The following reclassification was proposed by *Elliot Schwartz*:

Settled Settled—Those who are settled in NYC and have an office of their own...a vanishing breed.

Unsettled Settled—Those who are settled in NYC but have no office of their own.

Transient Settled—Those settled more than 50 miles from NYC who maintain a NYC office and reside in part in the KSA apartment.

Settled Unsettled—Those who are classified as unsettled and yet work out of the Empire State Building. Subdistinctions are Settled Settled Unsettled and Unsettled Settled Unsettled to designate whether or not these individuals have their own office. Transient Settled Settled Unsettled, Resident Settled Settled Unsettled, Transient Unsettled Settled Unsettled and Resident Unsettled Settled Unsettled are terms which clarify whether consultants live in the KSA apartment or elsewhere.

Unsettled Unsettled—Your basic MMD staff man, but then, of course, he's non-traveling.